

# Gaston County Board of Education

## Annual Comprehensive Financial Report

*For the Fiscal Year Ended June 30, 2022*



**W. Jeffrey Booker, Ed.D., *Superintendent***

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

[www.gaston.k12.nc.us](http://www.gaston.k12.nc.us)





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

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

**Fiscal Year Ended June 30, 2022**

**W. Jeffrey Booker, Ed.D.**  
*Superintendent*

**Gary F. Hoskins**  
*Associate Superintendent—Finance and Operations / Chief Financial Officer*

**Prepared by:**  
*Gaston County Schools Finance Department*





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# GASTON COUNTY BOARD OF EDUCATION



**W. JEFFREY BOOKER, Ed.D.**  
*Superintendent*

## 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.

## BOARD OF EDUCATION



**JEFF RAMSEY**  
Chairman  
*At-Large Member*



**DOT CHERRY**  
Vice Chairman  
*At-Large Member*



**KEVIN COLLIER**  
*Riverbend Township*



**JUSTIN DAVIS**  
*South Point Township*



**LEE DEDMON**  
*Gastonia Township*



**DOT GUTHRIE**  
*Gastonia Township*



**STEVE HALL**  
*Dallas Township*



**ROBBIE LOVELACE**  
*Cherryville Township*



**BRENT MOORE**  
*Crowder's Mountain Township*

Learn more about our strategic plan:  
[www.gaston.k12.nc.us/strategicplan](http://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](http://www.gaston.k12.nc.us)



# LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022

March 27, 2023

## 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, 2022. 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. 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.



# LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

## REPORTING ENTITY

The Gaston County Board of Education (Board) 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 fund-raising, 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 Gaston Early College High Schools (students receive collegiate credentials and a high school diploma), 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 County Academy Virtual School (an online virtual school). The Board served 29,704 students as measured on the August 2021 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 tenth most populated county and Gaston County Schools is among the State's ten largest school districts. With a population of over 220,000, Gaston County contains 15 municipalities within its 365 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 a smaller town character. Gaston County has quality healthcare,





## LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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 Foods, American and Efird, Mann+Hummel, Pharr Yarns, FMC Corporation, Parker Hannifin, Bridgestone/Firestone, Buckeye Technologies and Hunter Douglas 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 capable, local graduates. The county is fortunate to have Gaston College, a local public two-year institution, and Belmont Abbey, a private, four-year Catholic university, as partners in the training and education of the residents and workers in the area. With the continued help of our local businesses, residents, and educational professionals, the economic outlook for Gaston County is strong.





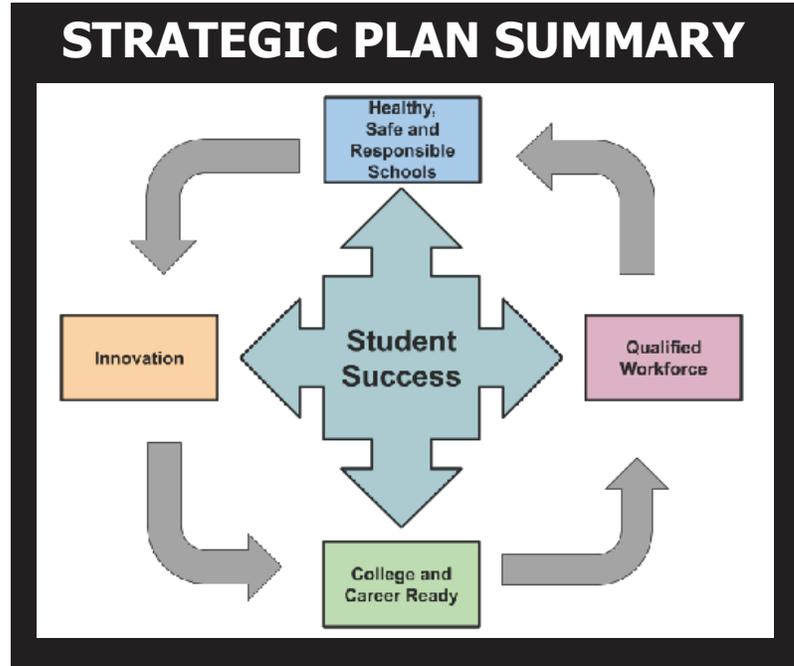
## LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

### 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 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 on capital funding. Gaston County Schools has identified over \$857 million 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.

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. Almost 70% of Gaston County Schools are 40 years old or older.



The funding Gaston County Schools receives from the State comprises approximately 51% of operating funds. This percent has decreased the last few years as Federal COVID funds have been added to assist with funding.

### CURRENT YEAR ACCOMPLISHMENTS

Gaston County Schools is among the ten largest public school districts in the State and we are fully accredited as a quality school system by Cognia and the Southern Association of Colleges and Schools. In 2018, each school earned full accreditation and the "quality school" distinction. 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



## LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

Technical Education programs, the Career and College Promise partnership with Gaston College, services for exceptional children, and many other academic and student support programs.



The Gaston Early College of Medical Sciences opened in August 2021 on the Gaston College campus in Dallas. It is an innovative, healthcare focused high school that is designed especially for students interested in the medical field. The new high school is a collaborative effort for Gaston County Schools, Gaston College, Belmont Abbey College and CaroMont Health and it is intended to develop a workforce to meet the growing demand for healthcare professionals in Gaston County. Students are able to earn a high school diploma and an associate degree from Gaston College in preparation for a career in healthcare.

Gaston County Schools has another National Blue Ribbon School! W.A. Bess Elementary School in Gastonia is a 2022 National Blue Ribbon School for the second time, first winning the national honor in 2006. W.A. Bess is one of only five public schools in North Carolina to earn the coveted distinction for 2022. "Being chosen as a 2022 National Blue Ribbon School is one of the highest, most prestigious honors a school can receive. It recognizes our teachers, staff, students and parents as well as our school community for having a long-time commitment to excellence in education and maintaining high academic standards and superior student achievement," said Principal Laura Clark.

Gaston County Schools' graduation rate for the Class of 2022 is 85.2 percent. This rate is slightly lower than last year. Five schools have a graduation rate that is 90 percent or higher. Gaston Early College and Highland School of Technology had a 100 percent graduation rate. Ashbrook High School, Forestview High School, and South Point High School were all 90 percent and higher. Forestview High School had the most significant increase (+3.7) when compared to last year. Gaston's current graduation rate of 85.2 percent is higher than the rate of 84.9 percent in 2018-2019, which was the last "normal" school year before the pandemic hit.



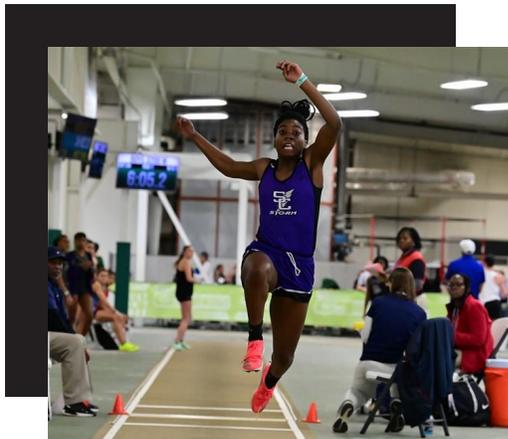
We are proud of the continued progress we have made over the past years with providing up-to-date technology in our schools. All schools have been equipped with wireless internet access and we continue to improve. We also have outdoor access points for park and learn hotspots due to the pandemic. Staff and students are able to park their cars and access the district WiFi network from one of these hotspots. This year, we added WiFi access to all high school athletic facilities. All of our classrooms are equipped with an LED display or SMARTBoard and all students have access to a computing device (Chromebook, tablet, etc).

Of the ten largest school districts in the State, Gaston County's school safety rate is one



## LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

of the best. Gaston's school crime rate has also been significantly lower than the State rate for the past ten years. We continue our emphasis on school safety through several initiatives, including a buzz-in entrance system and visitor check-in system at each school, updated camera and surveillance equipment, comprehensive school safety plans and our on-going partnership with local law enforcement. Thanks to additional funds from the County and the State, all schools have a full-time school resource officer. Previously, resource officers were full-time in middle schools and high schools and part-time in elementary schools. Our on-going, strong partnership with local law enforcement is a key factor in our effort to ensure school safety.



When school districts across North Carolina closed buildings for in-person instruction because of the coronavirus, Gaston County Schools transitioned to remote learning at home. Through the i-Ready computer program, students were able to engage in online instruction in reading and math. Now, Curriculum Associates, the company that provides i-Ready to school districts, is recognizing eight elementary schools in Gaston County for the outstanding efforts to use the program.

Belmont Central, W.A. Bess, Catawba Heights, Cherryville, Costner, Hawks Nest STEAM Academy, New Hope and Page Primary received the "Distinguished School for Remote Learning Success"

recognition based on how the schools used i-Ready this spring to personalize instruction for students. Not only were students able to complete math and reading lessons through i-Ready, teachers received information that identified students' strengths and areas for improvement. Teachers then used the data to provide targeted instruction for students with both print and digital curriculum resources and lessons.

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 tremendous support from our parents, volunteers, and community partners makes our schools even better. Without question, there are many reasons to be proud of Gaston County Schools.





# LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

## FUTURE INITIATIVES

This year, like every year, the emphasis is on academics. Much time and energy have been put into enhancing our curriculum programs. Through Career and Technical Education, students are learning how to be prepared for life after graduation, whether it's going to college or into the workforce. Programs such as Students@Work and Educators in the Workplace with the Gaston Business Association and College Now (Career and College Promise) with Gaston College are helping students to make connections between school and "the real world." To further enhance academics, the district is continuing its efforts to provide up-to-date technology for our students and teachers to use in our classrooms.



We have school choice options at each level: elementary, middle and high school. Some of the choice options include a leadership academy at the elementary school level and career academies, leadership academy, Trade & Industrial Engineering Academy, STEAM, SEM (Schoolwide Enrichment Model) and Gifted and Talented Academy at the middle and high school levels in addition to a Collegiate Prep Academy and Academy of Health Sciences at the high school level. This will give students new and innovative opportunities for learning. In addition, Gaston Early College of Medical Sciences opened in the fall of 2021. This is our second early college and both are housed on the campus of Gaston College.



The new Belmont Middle School opened its doors to welcome over 700 students in August 2021. The project was funded by \$250 million school bonds that voters of Gaston County approved in May 2018. In addition to the new Belmont Middle School, school bond funds are being used for renovation and repair projects at numerous schools. These improvements include flooring updates, media center renovations, lighting updates, fencing, roofing, drainage improvements, parking lot and driveway paving, painting and life safety updates (cameras, intercoms and fire alarms).

We encourage our students, parents, employees and the community to stay connected with Gaston County Schools by visiting the district website([www.gaston.k12.nc.us](http://www.gaston.k12.nc.us)), each school website, "liking" us on Facebook, following us on Twitter, watching us on Spectrum Cable Channel 21 and YouTube and downloading our free mobile app.

Our Gaston County Schools family anticipates another productive school year! Working together, we will have many more reasons to celebrate Gaston County Schools!



## LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (continued)

### 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 School's 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 qualified to audit local government accounts.

The Basic Financial Statements and Individual Fund Statements and Schedules have been audited by Anderson Smith & Wike PLLC, Certified Public

Accountants. 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, for which separate compliance reports are issued.



# LETTER OF TRANSMITTAL FOR THE YEAR ENDED JUNE 30, 2022 (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, Anderson, Smith and Wike, PLLC. 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, to the Gaston County Economic Development Commission, the Gaston County Inspection Department and to the State of North Carolina Banking Commission for providing certain statistical data.

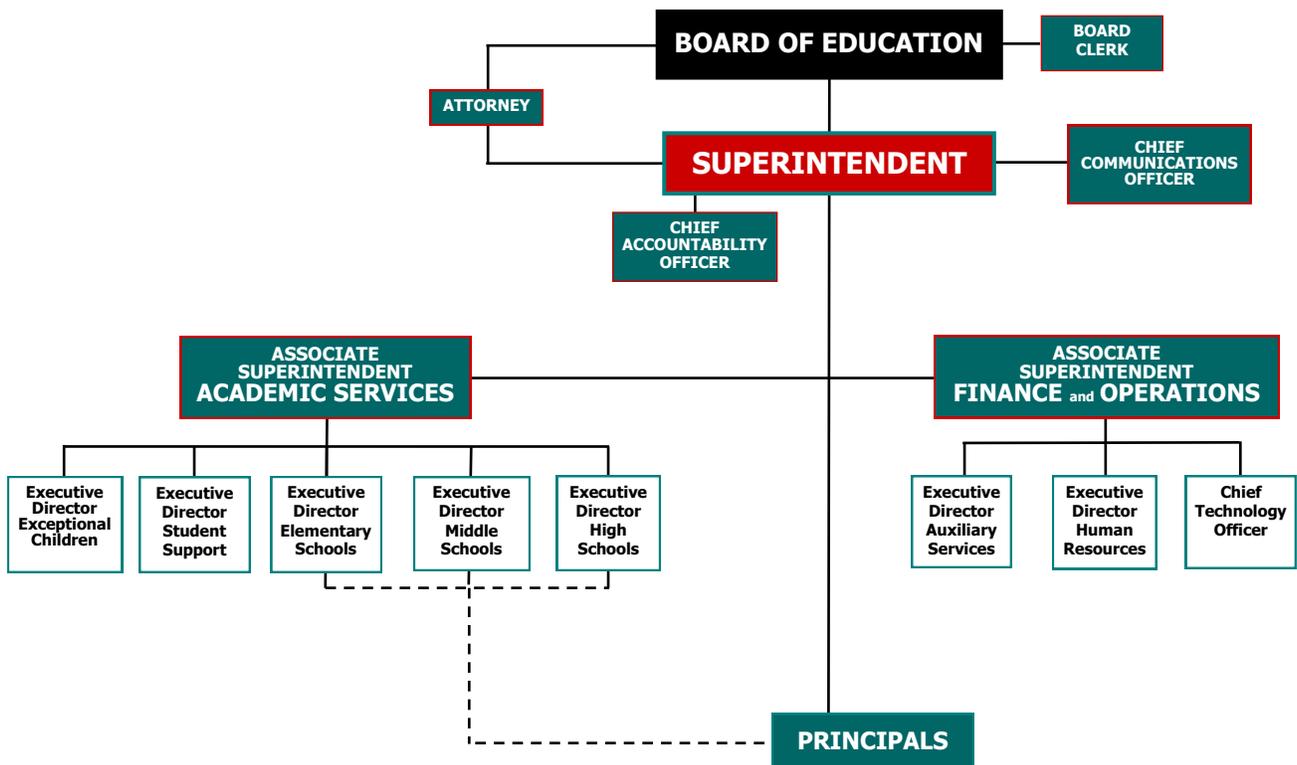
Respectfully submitted,

**W. Jeffrey Booker, Ed.D.**  
*Superintendent*

**Gary E. Hoskins**  
*Associate Superintendent - Finance and Operations / Chief Financial Officer*

# ORGANIZATIONAL CHART

## GASTON COUNTY SCHOOLS ORGANIZATIONAL CHART



# 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, 2021

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



A handwritten signature in black ink, appearing to read 'William A. Sutter'. The signature is fluid and cursive, written over a horizontal line.

**William A. Sutter**  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'. The signature is fluid and cursive, written over a horizontal line.

**David J. Lewis**  
Executive Director

# 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**

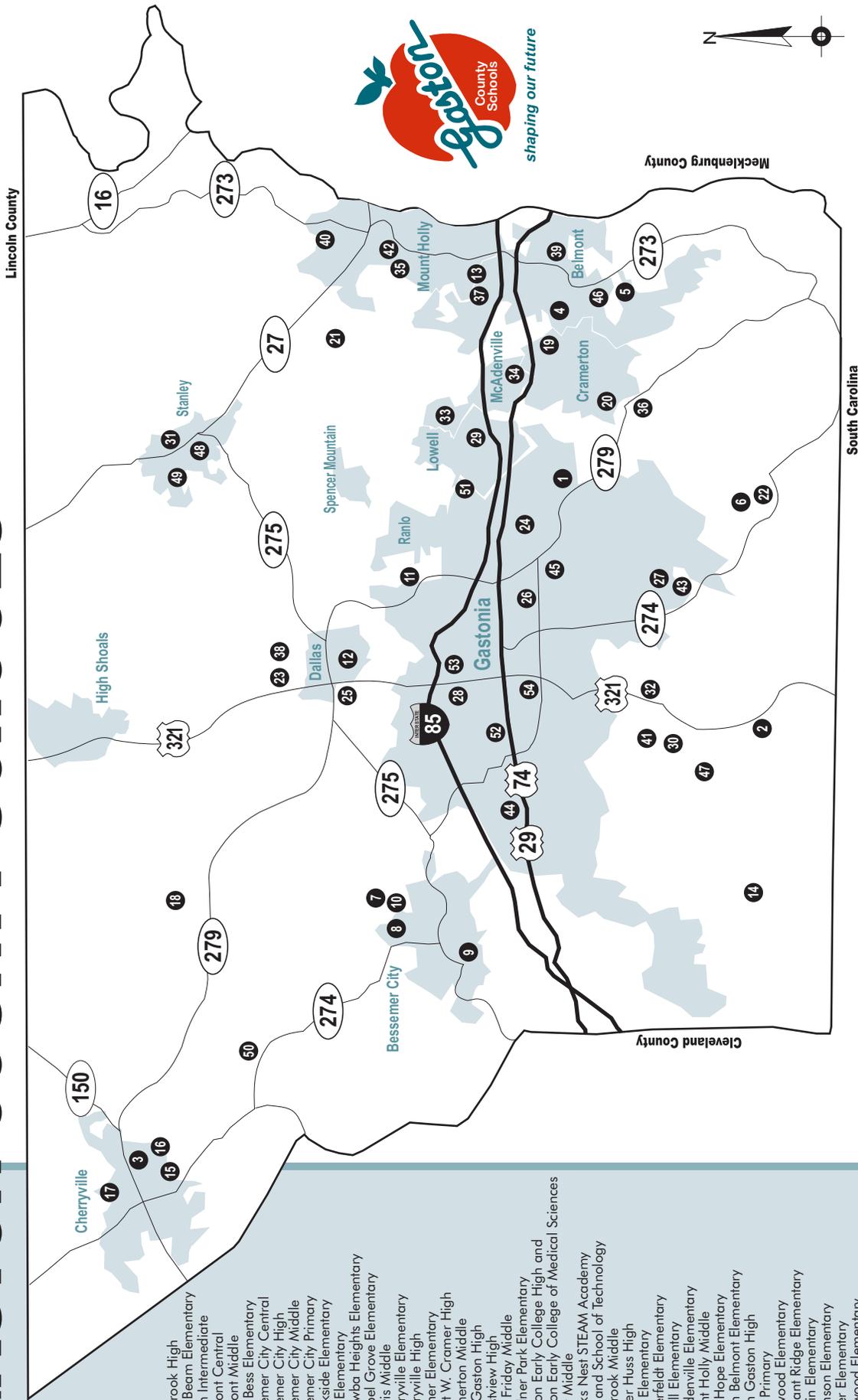
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

# GASTON COUNTY SCHOOLS



**Key**

- 1 Ashbrook High
- 2 H.H. Beam Elementary
- 3 Beam Intermediate
- 4 Belmont Central
- 5 Belmont Middle
- 6 W.A. Bess Elementary
- 7 Bessemer City Central
- 8 Bessemer City High
- 9 Bessemer City Middle
- 10 Bessemer City Primary
- 11 Brookside Elementary
- 12 Carr Elementary
- 13 Catawba Heights Elementary
- 14 Chapel Grove Elementary
- 15 Chavis Middle
- 16 Cherryville Elementary
- 17 Cherryville High
- 18 Costner Elementary
- 19 Stuart W. Cramer High
- 20 Cramerton Middle
- 21 East Gaston High
- 22 Forestview High
- 23 W.C. Friday Middle
- 24 Gardner Park Elementary
- 25 Gaston Early College High and Gaston Early College of Medical Sciences
- 26 Grier Middle
- 27 Hawks Nest STEAM Academy
- 28 Highland School of Technology
- 29 Holbrook Middle
- 30 Hunter Huss High
- 31 Kiser Elementary
- 32 Lingerfeldt Elementary
- 33 Lowell Elementary
- 34 McAdenville Elementary
- 35 Mount Holly Middle
- 36 New Hope Elementary
- 37 North Belmont Elementary
- 38 North Gaston High
- 39 Page Primary
- 40 Pinewood Elementary
- 41 Pleasant Ridge Elementary
- 42 Rankin Elementary
- 43 Robinson Elementary
- 44 Sadler Elementary
- 45 Sherwood Elementary
- 46 South Point High
- 47 Southwest Middle
- 48 Springfield Elementary
- 49 Stanley Middle
- 50 Tryon Elementary
- 51 Warrick
- 52 Wabb Street
- 53 Woodhill Elementary
- 54 York Chester Middle

**GASTON COUNTY SCHOOLS**

P.O. Box 1397 Phone: (704) 866-6100  
 Gastonia, NC 28053 Fax: (704) 866-6175  
 www.gaston.k12.nc.us Channel 21 Education Station



# **FINANCIAL SECTION**

**FINANCIAL SECTION**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

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Post Office Box 697  
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Statesville, North Carolina 28677  
(704) 562-5039

## *INDEPENDENT AUDITOR'S REPORT*

### **TO THE BOARD OF EDUCATION GASTON COUNTY SCHOOLS GASTONIA, NORTH CAROLINA**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gaston County Board of Education, as of and for the year ended June 30, 2022, 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, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Gaston County Board of Education, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, the State Public School, the Federal Grants and the Other Specific Revenue 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 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 Gaston County Board of Education 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 Audit of the Financial Statements**

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Gaston County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing stand-

ards 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 generally accepted auditing standards 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 Gaston County Board of Education'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 Gaston County Board of Education'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 5 through 12 and the Schedule of Proportionate Share of Net Pension and OPEB Liabilities and the Schedule of Board Contributions on pages 54 and 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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 the 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 basic financial statements of Gaston County Board of Education, North Carolina. The individual nonmajor fund financial statements and schedules, budgetary schedules, other schedules, 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 non-major fund financial statements and schedules, budgetary schedules, and other schedules, are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023 on our consideration of Gaston County Board of Education’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 the Gaston County Board of Education’s internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

March 27, 2023  
Gastonia, North Carolina

# W.A. BESS ELEMENTARY SCHOOL CHOSEN AS A NATIONAL BLUE RIBBON SCHOOL FOR THE SECOND TIME

## SCHOOL IN GASTON COUNTY ACHIEVES COVETED NATIONAL HONOR

"This is a very significant recognition for both W.A. Bess Elementary School and Gaston County Schools, and we are very proud of this national achievement," said principal Laura Clark. "Being chosen as a 2022 National Blue Ribbon School is one of the highest, most prestigious honors a school can receive. It recognizes our teachers, staff, students, and parents as well as our school community for having a long-time commitment to excellence in education and maintaining high academic standards and superior student achievement. We look forward to celebrating this achievement all year long and letting everyone know that W.A. Bess Elementary in Gastonia, North Carolina, is one of the best schools in the country."

W.A. Bess Elementary will be honored during the National Blue Ribbon School awards ceremony in Washington, D.C. It is scheduled for November 3-4. A celebration at the school will be held in late November.

W.A. Bess Elementary School serves approximately 600 students in grades K-5. The school opened in 1982 and is named for Willard A. Bess, who served as an educator and school administrator for 42 years. W.A. Bess consistently ranks among the highest-achieving schools in Gaston County with students exceeding academic performance and growth expectations. The school has been recognized multiple times by the N.C. Department of Public Instruction as a School of Distinction, a School of Excellence, and an Honor School of Excellence.

In 2019, W.A. Bess became a North Carolina A+ School, the first one of its kind in Gaston County. As an A+ School, the arts are integrated across the curriculum, and teachers and staff work diligently to instill an understanding of and appreciation for the arts in students. The belief is that an arts-infused education benefits children not just in school, but throughout life as well since arts education is linked to higher academic achievement, positive social outcomes, and increased civic engagement.

Superintendent W. Jeffrey Booker stated, "It is a distinct pleasure to congratulate W.A. Bess Elementary on being named a National Blue Ribbon School for 2022. This is an accomplishment that all schools strive for, but only a few are chosen. For W.A. Bess to receive the recognition twice is remarkable since it does not happen often." Dr. Booker added, "As a National Blue Ribbon School, W.A. Bess Elementary is part of an elite group of schools that are considered to be the most outstanding in our country. We commend everyone who is and has been connected to W.A. Bess Elementary – this national award belongs to all of you, and it is well deserved."





# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

This section of the Gaston County Board of Education's (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2022. This information should be read in conjunction with the audited financial statements included in this report.

## ***Financial Highlights***

- The Board continues to utilize the funds from the \$60 million school bond offering. During the fiscal year ending June 30, 2022, the Board used over \$7.7 million for school renovations and repairs which included new roofs, HVAC systems, life safety equipment, windows, paving and much more. Construction on the new Belmont Middle School was completed and opened in August 2021.
- Unassigned fund balance for the Board increased from \$4.7 million as of June 30, 2021 to \$5.1 million as of June 30, 2022. This represents an increase of \$441,000 or 9.3%.
- District enrollment increased slightly for the current year at 29,704 students, as compared to enrollment of 29,489 students the previous year.
- Cash position remains strong at \$39.2 million at June 30, 2022, compared to \$26.0 million at June 30, 2021.
- The operational expenditures per pupil increased to \$10,348 this year compared to \$9,711 for the previous year.



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

The audited financial statements of the Gaston County Board of Education consist of five components. They are as follows:

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary statements for governmental and enterprise 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 and the Statement of Activities. The Statement of Net Position 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, deferred outflows of resources, deferred inflows of resources and obligations to creditors. 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.



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

The second set of statements included in the Basic Financial Statements is the *Fund Financial Statements*, which are presented for the Board's governmental, proprietary 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 funds are presented on the full accrual basis of accounting.



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, a 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 the Board's major funds.

## ***Government-wide Statements***

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



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.

## ***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



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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.



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.

**Proprietary fund:** Services for which the Board charges a fee are generally reported in the proprietary fund. The Proprietary Fund Statements are shown as Exhibits 7, 8 and 9 of this report. 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.

## **Financial Analysis of the Schools as a Whole**

Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$155.3 million as of June 30, 2022.

Following is a summary of the Statement of Net Position from Exhibit 1:

<b>CONDENSED STATEMENT OF NET POSITION AS OF JUNE 30, 2022 AND 2021</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Current assets	\$ 33,545,464	\$ 34,021,286	\$ 7,941,576	\$ 4,119,907	\$ 41,487,040	\$ 38,141,193
Capital assets	245,761,238	249,677,809	2,007,127	2,177,595	247,768,365	251,855,404
Total assets	279,306,702	283,699,095	9,948,703	6,297,502	289,255,405	289,996,597
Deferred outflows of resources	86,512,159	80,356,678	2,298,235	1,953,972	88,810,394	82,310,650
Current liabilities	16,448,945	17,709,229	105,535	461,724	16,554,480	18,170,953
Long-term liabilities	341,946,894	403,128,342	9,519,662	9,841,170	351,466,556	412,969,512
Total liabilities	358,395,839	420,837,571	9,625,197	10,302,894	368,021,036	431,140,465
Deferred inflows of resources	161,060,929	131,845,149	4,275,160	3,361,446	165,336,089	135,206,595
Net investment in capital assets	245,761,238	249,303,302	2,007,127	2,177,595	247,768,365	251,480,897
Restricted net position	12,253,590	12,810,819	19,907	24,179	12,273,497	12,834,998
Unrestricted net position	(411,652,735)	(450,741,068)	(3,680,453)	(7,614,639)	(415,333,188)	(458,355,707)
Total net position	\$ (153,637,907)	\$ (188,626,947)	\$ (1,653,419)	\$ (5,412,865)	\$ (155,291,326)	\$ (194,039,812)



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

The following table (information taken from Exhibit 2) shows the revenues and expenses for the Board for the current and prior fiscal years:

## CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 402,555	\$ 328,233	\$ 674,736	\$ 72,894	\$ 1,077,291	\$ 401,127
Operating grants and contributions	262,854,495	234,158,532	23,335,555	14,854,423	286,190,050	249,012,955
<b>General revenues:</b>						
County appropriations	56,651,356	71,077,915	-	-	56,651,356	71,077,915
State appropriations	456,593	1,315,528	-	-	456,593	1,315,528
Other revenues	23,778,490	9,766,857	42,977	104,399	23,821,467	9,871,256
<b>Total revenues</b>	<u>344,143,489</u>	<u>316,647,065</u>	<u>24,053,268</u>	<u>15,031,716</u>	<u>368,196,757</u>	<u>331,678,781</u>
<b>Expenses</b>						
<b>Governmental activities:</b>						
Instructional services	248,303,136	228,071,190	-	-	248,303,136	228,071,190
System-wide support services	50,537,633	50,105,331	-	-	50,537,633	50,105,331
Ancillary services	1,106,544	2,136,770	-	-	1,106,544	2,136,770
Non-programmed charges	7,419,460	6,060,761	-	-	7,419,460	6,060,761
Unallocated depreciation	1,708,452	4,799,469	-	-	1,708,452	4,799,469
<b>Business-type activities:</b>						
Food service	-	-	20,373,046	13,353,190	20,373,046	13,353,190
<b>Total expenses</b>	<u>309,075,225</u>	<u>291,173,521</u>	<u>20,373,046</u>	<u>13,353,190</u>	<u>329,448,271</u>	<u>304,526,711</u>
Increase in net position before transfers	35,068,264	25,473,544	3,838,670	1,984,682	38,906,933	27,458,225
Transfers in (out)	(79,224)	(55,919)	(79,224)	(55,919)	-	-
Increase in net position	34,989,040	25,417,625	3,759,446	1,928,763	38,748,486	27,346,388
Net position, beginning, previously reported	(188,626,947)	(214,044,572)	(5,412,865)	(7,341,628)	(194,039,812)	(221,386,200)
Restatement	-	-	-	-	-	-
Net position, beginning	(188,626,947)	(214,044,572)	(5,412,865)	(7,341,628)	(194,039,812)	(221,386,200)
Net position, ending	<u>\$(153,637,907)</u>	<u>\$(188,626,947)</u>	<u>\$ (1,653,419)</u>	<u>\$ (5,412,865)</u>	<u>\$(155,291,326)</u>	<u>\$(194,039,812)</u>

Total governmental activities generated revenues of \$344.1 million while expenses in this category totaled \$309.1 million for the year ended June 30, 2022. Comparatively, revenues were \$316.6 million and expenses totaled \$291.2 million for the year ended June 30, 2021. After transfers to the business-type activities, the increase in net position totaled \$35.0 million in 2022, compared to an increase of \$25.4 million in 2021. Instructional services expenses comprised 80.3% of total governmental-type expenses while system-wide support services made up 16.4% of those expenses for 2022.

County funding, for operating and capital, comprised 16.5% of total governmental revenue for 2022. In 2021, County funding was 22.5%. Much of the remaining 83.5% of total governmental revenue for 2022 consisted of restricted State and federal money. For the 2021-2022 fiscal year, business-type activities generated revenue of \$23.3 million and had expenses of \$20.4 million. After transfers in from the governmental activities, net position in the business-type activities increased by \$3.8 million.

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

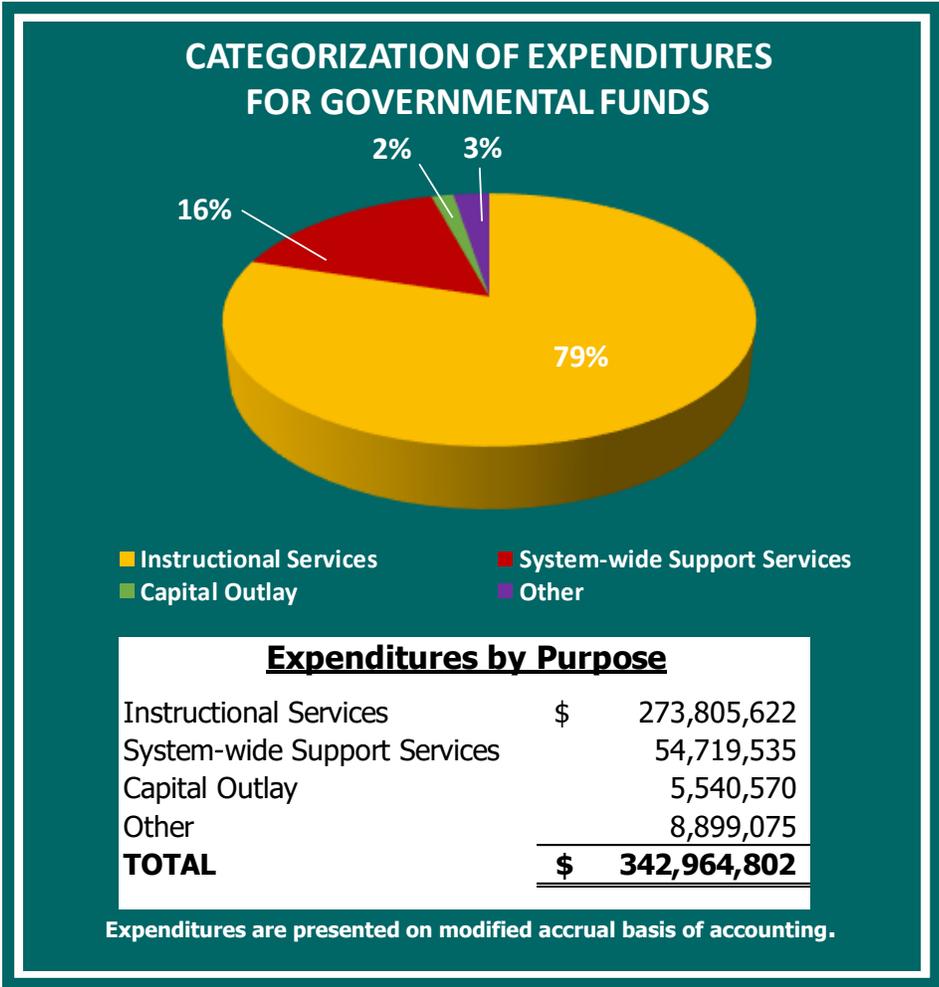
**Governmental Funds:** The focus of Gaston County Board of Education's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Board's financing requirements.



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

The Board's governmental funds reported a combined fund balance of \$16.8 million, a \$1.1 million increase from last year. Expenditures increased by almost 9% to \$342.0 million. This increase was largely due to salary increases and inflationary adjusting and included over \$21.3 million in capital outlay due to the construction of a replacement middle school.

Total Governmental Funds revenue increased \$24.4 million from \$319.7 million in the prior year to \$344.1 million in the current year. The increase in revenue is mainly attributable to an increase in State and federal revenues. The revenue in the State Public School Fund increased by about \$9.5 million from \$194.0 million in 2021 to \$203.5 million in 2022. Some of this increase represents the increased cost of employee compensation and benefits covered by the State Public School Fund (Exhibit 4).



**Proprietary Fund:** The global pandemic caused by COVID-19 presented challenges in how food was delivered to our students. The United States Department of Agriculture (USDA) made meals free to all students last year, therefore participation increased. As a result, the School Food Service Fund incurred a \$7.7 million increase in federal reimbursements and commodities and a \$3.8 million increase in net position (Exhibit 8).



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

## 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

Capital assets decreased by \$4.1 million, or 1.6% from the previous year to \$247.8 million at June 30, 2022. This was due to normal depreciation. The following is a summary of the capital assets, net of depreciation, at year-end.

#### SUMMARY OF CAPITAL ASSETS AS OF JUNE 30, 2022 AND 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Land	\$ 14,759,034	\$ 14,759,034	\$ -	\$ -	\$ 14,759,034	\$ 14,759,034
Construction in progress	-	-	-	-	-	-
Buildings	215,421,778	219,955,537	-	-	215,421,778	219,955,537
Equipment and furniture	767,093	(665,250)	2,007,127	2,177,595	2,774,220	1,512,345
Vehicles	8,019,616	8,624,677	-	-	8,019,616	8,624,677
Land improvements	6,793,717	7,003,811	-	-	6,793,717	7,003,811
Total	<u>\$ 245,761,238</u>	<u>\$ 249,677,809</u>	<u>\$ 2,007,127</u>	<u>\$ 2,177,595</u>	<u>\$ 247,768,365</u>	<u>\$ 251,855,404</u>

Additional information related to the Board's capital assets is included in Note 2, A, "Capital Assets" in the Notes to the Basic Financial Statements.



### Debt Outstanding

During the year, the Board's Governmental Activities outstanding debt increased by \$2.7 million to \$18.9 million. 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. The County holds virtually all debt issued for school capital construction.



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

Additional information related to the Board's outstanding debt is included in Note 2, B, "Long-Term Obligations" in the Notes to the Basic Financial Statements.

## 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 2021-2022, the County provided approximately \$51.5 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.
- Gaston County Key Economic Indicators for the calendar year ending 2022:
  - √ Taxable retail sales were over \$3.2 billion.

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

Indicator	Gaston County	North Carolina
Homeownership rate (2017-2021)	65.7%	65.9%
Median value of owner-occupied housing units (2017-2021)	\$ 170,500	\$ 197,500
Persons below poverty level (2017-2021)	14.9%	13.4%
Employed (June 2022)	114,672	5,157,162
Unemployment Rate (June 2022)	3.7%	3.7%
Per Capita 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



# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022 (concluded)

## *Requests for Information*



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

**Gary F. Hoskins**

*Associate Superintendent—Finance and Operations/Chief Financial Officer*  
Gaston County Board of Education  
1351 Bradford Heights Road  
Gastonia, North Carolina 28054



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# **BASIC FINANCIAL STATEMENTS**

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**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
*June 30, 2022*

Exhibit 1

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,075,350	\$ 8,146,139	\$ 39,221,489
Due from other governments	660,869	396,170	1,057,039
Receivables (net)	331,843	12,975	344,818
Net OPEB asset	146,581	3,894	150,475
Internal balances	1,330,821	(1,330,821)	-
Inventory and prepaid expenses	-	713,219	713,219
Capital assets (Note 1)			
Land and construction in progress	14,759,034	-	14,759,034
Other capital assets, net of depreciation	231,002,204	2,007,127	233,009,331
Total capital assets	<u>245,761,238</u>	<u>2,007,127</u>	<u>247,768,365</u>
Total assets	<u>279,306,702</u>	<u>9,948,703</u>	<u>289,255,405</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>86,512,159</u>	<u>2,298,235</u>	<u>88,810,394</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,526,693	105,535	2,632,228
Accrued salaries, wages, and payroll withholdings	-	-	-
Unearned revenue	5,046,467	-	5,046,467
Due to other governments	8,875,785	-	8,875,785
Long-term liabilities			
Net pension liability	47,567,905	1,263,663	48,831,568
Net OPEB liability	275,441,556	7,317,232	282,758,788
Due within one year	8,955,000	376,200	9,331,200
Due in more than one year	9,982,433	562,567	10,545,000
Total liabilities	<u>358,395,839</u>	<u>9,625,197</u>	<u>368,021,036</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>161,060,929</u>	<u>4,275,160</u>	<u>165,336,089</u>
<b>NET POSITION</b>			
Net investment in capital assets	245,761,238	2,007,127	247,768,365
Restricted			
Prepays	-	-	-
Stabilization by state statute	48,897	-	48,897
Individual school activities	3,170,509	-	3,170,509
Other Specific Revenue	8,556,524	-	8,556,524
Capital Outlay	(271,665)	-	(271,665)
DIPNC OPEB plan	749,325	19,907	769,232
Unrestricted	<u>(411,652,735)</u>	<u>(3,680,453)</u>	<u>(415,333,188)</u>
Total net position	<u>\$ (153,637,907)</u>	<u>\$ (1,653,419)</u>	<u>\$ (155,291,326)</u>

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended June 30, 2022*

Exhibit 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental Activities				
Instructional services				
Regular instructional	\$ 147,540,826	\$ -	\$ 141,118,090	\$ -
Special populations	31,632,112	-	33,068,418	-
Alternative programs	22,758,895	-	18,265,110	-
School leadership	17,696,500	-	15,515,108	-
Co-curricular	6,989,758	-	3,766,595	-
School-based support	21,685,045	-	19,615,466	-
System-wide support services				
Support and development	2,466,912	-	1,960,091	-
Special population support and development	922,173	-	916,497	-
Alternative programs and services support and development	780,088	-	481,976	-
Technology support	5,103,140	-	2,469,606	-
Operational support	33,058,503	402,555	19,003,251	-
Financial and human resource	5,062,250	-	2,635,022	-
Accountability	304,730	-	-	-
System-wide pupil support	364,145	-	222,391	-
Policy, leadership and communications	2,475,692	-	1,055,821	-
Ancillary services	1,106,544	-	1,106,544	-
Non-programed charges	7,419,460	-	1,654,509	-
Unallocated depreciation expense*	1,708,452	-	-	-
Total governmental activities	309,075,225	402,555	262,854,495	-
<b>Business-type activities</b>				
School food service	20,373,046	674,736	23,335,555	-
Total primary government	\$ 329,448,271	\$ 1,077,291	\$ 286,190,050	\$ -

\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended June 30, 2022*

Exhibit 2  
(continued)

<b>Functions/Programs</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Primary government</b>			
Governmental Activities			
Instructional services			
Regular instructional	\$ (6,422,736)	\$ -	\$ (6,422,736)
Special populations	1,436,306	-	1,436,306
Alternative programs	(4,493,785)	-	(4,493,785)
School leadership	(2,181,392)	-	(2,181,392)
Co-curricular	(3,223,163)	-	(3,223,163)
School-based support	(2,069,579)	-	(2,069,579)
System-wide support services			
Support and development	(506,821)	-	(506,821)
Special population support and development	(5,676)	-	(5,676)
Alternative programs and services support and development	(298,112)	-	(298,112)
Technology support	(2,633,534)	-	(2,633,534)
Operational support	(13,652,697)	-	(13,652,697)
Financial and human resource	(2,427,228)	-	(2,427,228)
Accountability	(304,730)	-	(304,730)
System-wide pupil support	(141,754)	-	(141,754)
Policy, leadership and communications	(1,419,871)	-	(1,419,871)
Ancillary services	-	-	-
Non-programmed charges	(5,764,951)	-	(5,764,951)
Unallocated depreciation expense	(1,708,452)	-	(1,708,452)
Total governmental activities	<u>(45,818,175)</u>	<u>-</u>	<u>(45,818,175)</u>
<b>Business-type activities</b>			
School food service	-	3,637,245	3,637,245
Total primary government	<u>(45,818,175)</u>	<u>3,637,245</u>	<u>(42,180,930)</u>
General revenues			
Unrestricted county appropriations - operating	51,501,704	-	51,501,704
Unrestricted county appropriations - capital	5,149,652	-	5,149,652
Unrestricted State appropriations - operating	-	-	-
Unrestricted State appropriation - capital	456,593	-	456,593
Investment earnings, unrestricted	248,101	-	248,101
Miscellaneous, unrestricted	23,530,389	42,977	23,573,366
Transfers	(79,224)	79,224	-
Total general revenues and transfers	<u>80,807,215</u>	<u>122,201</u>	<u>80,929,416</u>
Change in net position	34,989,040	3,759,446	38,748,486
Net position, beginning,	<u>(188,626,947)</u>	<u>(5,412,865)</u>	<u>(194,039,812)</u>
Net position, ending	<u>\$ (153,637,907)</u>	<u>\$ (1,653,419)</u>	<u>\$ (155,291,326)</u>

**GASTON COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

Exhibit 3

	Major Funds					Non-major Funds - Individual School Funds	Total Governmental Funds
	General	State Public School	Capital Outlay	Other Specific Revenue	Federal Grants		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 16,905,898	\$ -	\$ 4,598	\$ 10,994,345	\$ -	\$ 3,170,509	\$ 31,075,350
Due from other funds	-	7,929	82,086	1,330,821	123,723	-	1,544,559
Due from other governments	48,897	-	88,132	523,840	-	-	660,869
Accounts receivable	-	-	-	331,843	-	-	331,843
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 16,954,795</u>	<u>\$ 7,929</u>	<u>\$ 174,816</u>	<u>\$ 13,180,849</u>	<u>\$ 123,723</u>	<u>\$ 3,170,509</u>	<u>\$ 33,612,621</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 1,646,908	\$ -	\$ 446,481	\$ 433,304	\$ -	\$ -	\$ 2,526,693
Due to other funds	-	-	-	213,738	-	-	213,738
Due to other governments	8,875,785	7,929	-	-	123,723	-	9,007,437
Unearned revenue	1,069,184	-	-	3,977,283	-	-	5,046,467
Accrued salaries and wages payable	-	-	-	-	-	-	-
Total liabilities	<u>11,591,877</u>	<u>7,929</u>	<u>446,481</u>	<u>4,624,325</u>	<u>123,723</u>	<u>-</u>	<u>16,794,335</u>
Deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund balances</b>							
Nonspendable:							
Prepays	-	-	-	-	-	-	-
Restricted:							
Stabilization by state statute	48,897	-	-	-	-	-	48,897
Individual Schools	-	-	-	-	-	3,170,509	3,170,509
Other Specific Revenue Fund	-	-	-	8,556,524	-	-	8,556,524
Capital Outlay	-	-	(271,665)	-	-	-	(271,665)
Assigned:							
Subsequent years insurance	150,000	-	-	-	-	-	150,000
Subsequent years expenditures	-	-	-	-	-	-	-
Unassigned:	5,164,021	-	-	-	-	-	5,164,021
Total fund balances	<u>5,362,918</u>	<u>-</u>	<u>(271,665)</u>	<u>8,556,524</u>	<u>-</u>	<u>3,170,509</u>	<u>16,818,286</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,954,795</u>	<u>\$ 7,929</u>	<u>\$ 174,816</u>	<u>\$ 13,180,849</u>	<u>\$ 123,723</u>	<u>\$ 3,170,509</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Net OPEB asset	146,581
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	245,761,238
Deferred outflows related to pensions	47,565,235
Deferred outflows related to OPEB	38,946,924
Some liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds (Note 2).	(18,937,433)
Net pension liability	(47,567,905)
Net OPEB liability	(275,441,556)
Deferred inflows of resources related to pensions	(65,247,134)
Deferred inflows of resources related to OPEB	(95,682,143)
Net position of governmental activities	<u>\$ (153,637,907)</u>

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
*For the Year Ended June 30, 2022*

Exhibit 4

	Major Funds					Non-major Funds - Individual Schools Funds	Total Governmental Funds
	General	State Public School	Capital Outlay	Other Specific Revenue	Federal Grants		
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 203,466,736	\$ 456,593	\$ 6,248,641	\$ -	\$ -	\$ 210,171,970
Gaston County	51,501,704	-	5,149,652	370,824	-	-	57,022,180
U.S. Government	-	7,888,358	-	5,234,220	47,976,193	-	61,098,771
School receipts - athletics, vending, fund raisers, misc.	-	-	-	-	-	5,290,410	5,290,410
Other	1,275,456	-	-	9,273,707	-	-	10,549,163
<b>Total revenues</b>	<b>52,777,160</b>	<b>211,355,094</b>	<b>5,606,245</b>	<b>21,127,392</b>	<b>47,976,193</b>	<b>5,290,410</b>	<b>344,132,494</b>
<b>EXPENDITURES</b>							
<b>Current</b>							
Instructional services							
Regular instructional	12,425,781	129,387,121	-	6,539,517	11,730,969	-	160,083,388
Special populations	1,960,671	25,097,856	-	1,505,930	7,970,562	-	36,535,019
Alternative programs	365,412	6,226,489	-	6,362,344	12,038,621	-	24,992,866
School leadership	4,995,141	14,978,595	-	17,427	535,845	-	20,527,008
Co-curricular	2,556,873	-	-	5,129	668	4,668,496	7,231,166
School-based support	1,943,389	16,261,955	-	2,877,320	3,353,511	-	24,436,175
System-wide support services							
Support and development	763,004	887,905	-	107,066	1,072,186	-	2,830,161
Special population support and development	177,110	346,612	-	7,349	569,885	-	1,100,956
Alternative programs and services support and development	158,612	122,256	-	244,313	359,720	-	884,901
Technology support	3,037,016	2,396,142	-	-	73,464	-	5,506,622
Operational support	15,066,962	11,356,749	-	1,219,542	7,646,502	-	35,289,755
Financial and human resource	1,352,307	2,371,672	-	1,514,458	263,350	-	5,501,787
Accountability	265,243	200,502	-	-	12,926	-	478,671
System-wide pupil support	423,510	212,695	-	9,769	9,696	-	655,670
Policy, leadership and communications	1,415,191	1,028,801	-	-	27,020	-	2,471,012
Ancillary services	31,157	400,520	-	16,672	656,759	-	1,105,108
Non-programmed charges	5,592,770	-	-	172,181	1,654,509	-	7,419,460
<b>Debt service</b>							
Principal payment	-	-	374,507	-	-	-	374,507
<b>Capital outlay</b>							
Real property and buildings	-	-	5,540,570	-	-	-	5,540,570
Furniture and equipment	-	-	-	-	-	-	-
Buses and motor vehicles	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>52,530,149</b>	<b>211,275,870</b>	<b>5,915,077</b>	<b>20,599,017</b>	<b>47,976,193</b>	<b>4,668,496</b>	<b>342,964,802</b>
Excess (deficiency) of revenues over expenditures	247,011	79,224	(308,832)	528,375	-	621,914	1,167,692
<b>Other financing sources (uses)</b>							
Capital lease obligations issued	-	-	-	-	-	-	-
Net transfers to other funds	-	(79,224)	-	-	-	-	(79,224)
<b>Net change in fund balance</b>	<b>247,011</b>	<b>-</b>	<b>(308,832)</b>	<b>528,375</b>	<b>-</b>	<b>621,914</b>	<b>1,088,468</b>
Fund balances, beginning	5,115,907	-	37,167	8,028,149	-	2,548,595	15,729,818
Fund balances, ending	\$ 5,362,918	\$ -	\$ (271,665)	\$ 8,556,524	\$ -	\$ 3,170,509	\$ 16,818,286

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended June 30, 2022*

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 1,088,468
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 exceeded capital outlays in the current period.	(3,916,571)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Contributions to the pension plan in current fiscal year are not included on the Statement of Activities	27,048,149
Contributions to the OPEB plan in current fiscal year are not included on the Statement of Activities	10,535,238
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
OPEB non-employer contributions	1,710,331
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on the net position. Also, governmental funds report the effect of premiums, discounts and similiar 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.	374,507
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	(10,186,326)
OPEB Expense	11,447,490
Compensated absences	(3,112,246)
Loss on disposal of assets	-
	<hr/>
Total changes in net position of governmental activities	<u>\$ 34,989,040</u>

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION** **Exhibit 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND**  
*For the Year Ended June 30, 2022*

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Gaston County	51,501,704	51,501,704	51,501,704	-
U.S. Government	-	-	-	-
Other	750,000	1,558,714	1,275,456	(283,258)
<b>Total revenues</b>	<u>52,251,704</u>	<u>53,060,418</u>	<u>52,777,160</u>	<u>(283,258)</u>
<b>Expenditures</b>				
<b>Current</b>				
Instructional services				
Regular	14,029,205	10,926,008	12,425,781	(1,499,773)
Special populations	1,983,785	1,592,914	1,960,671	(367,757)
Alternative programs	249,544	271,846	365,412	(93,566)
School leadership	6,579,548	5,176,093	4,995,141	180,952
Co-curricular	1,341,260	2,374,903	2,556,873	(181,970)
School-based support	1,968,582	1,842,303	1,943,389	(101,086)
System-wide support services				
Support and development	501,068	877,335	763,004	114,331
Special population support and development	177,371	166,971	177,110	(10,139)
Alternative programs and services support and development	147,099	140,704	158,612	(17,908)
Technology support	2,813,161	2,987,094	3,037,016	(49,922)
Operational support	13,274,235	16,848,633	15,066,962	1,781,671
Financial and human resource	1,733,914	1,630,715	1,352,307	278,408
Accountability	531,050	527,205	265,243	261,962
System-wide pupil support	448,113	545,030	423,510	121,520
Policy, leadership and communications	1,473,769	1,403,755	1,415,191	(11,436)
Ancillary services	-	155,671	31,157	124,514
Non-programmed charges	5,000,000	5,593,238	5,592,770	468
Unbudgeted funds	-	-	-	-
<b>Debt service</b>				
Principal payment	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<u>52,251,704</u>	<u>53,060,418</u>	<u>52,530,149</u>	<u>530,269</u>
<b>Revenues over (under) expenditures</b>	-	-	247,011	247,011
<b>Other financing uses</b>				
Transfers to other funds	-	-	-	-
<b>Revenues and other sources over (under) expenditures and other uses</b>	-	-	247,011	247,011
Fund balance appropriated	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	247,011	<u>\$ 247,011</u>
<b>Fund balances, beginning</b>			5,115,907	
<b>Fund balances, ending</b>			<u>\$ 5,362,918</u>	

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND**  
*For the Year Ended June 30, 2022*

**Exhibit 6**  
(continued)

	<b>State Public School Fund</b>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
State of North Carolina	\$ 193,889,922	\$ 213,587,059	\$ 203,466,736	\$ (10,120,323)
Gaston County	-	-	-	-
U.S. Government	-	2,198,796	7,888,358	5,689,562
Other	-	-	-	-
Total revenues	<u>193,889,922</u>	<u>215,785,855</u>	<u>211,355,094</u>	<u>(4,430,761)</u>
<b>Expenditures</b>				
<b>Current</b>				
Instructional services				
Regular	122,261,194	131,205,579	129,387,121	1,818,458
Special populations	22,899,595	26,132,755	25,097,856	1,034,899
Alternative programs	7,702,435	6,469,717	6,226,489	243,228
School leadership	11,455,384	13,527,910	14,978,595	(1,450,685)
Co-curricular	-	-	-	-
School-based support	12,378,449	13,487,958	16,261,955	(2,773,997)
System-wide support services				
Support and development	653,865	725,829	887,905	(162,076)
Special population support and development	339,791	372,508	346,612	25,896
Alternative programs and services support and development	124,504	138,517	122,256	16,261
Technology support	100,928	2,559,548	2,396,142	163,406
Operational support	12,666,428	17,154,235	11,356,749	5,797,486
Financial and human resource	1,845,269	1,930,370	2,371,672	(441,302)
Accountability	110,115	123,320	200,502	(77,182)
System-wide pupil support	157,140	287,400	212,695	74,705
Policy, leadership and communications	998,578	1,019,692	1,028,801	(9,109)
Ancillary services	196,247	571,293	400,520	170,773
Non-programmed charges	-	-	-	-
Unbudgeted funds	-	-	-	-
<b>Debt service</b>				
Principal payment	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<u>193,889,922</u>	<u>215,706,631</u>	<u>211,275,870</u>	<u>4,430,761</u>
<b>Revenues over (under) expenditures</b>	-	79,224	79,224	-
<b>Other financing uses</b>				
Transfers to other funds	-	(79,224)	(79,224)	-
<b>Revenues and other sources over (under) expenditures and other uses</b>	-	-	-	-
Fund balance appropriated	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balances, beginning</b>			-	
<b>Fund balances, ending</b>			<u>\$ -</u>	

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND**  
*For the Year Ended June 30, 2022*

**Exhibit 6**  
(continued)

	<b>Other Specific Revenue Fund</b>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
State of North Carolina	\$ 5,814,930	\$ 5,814,930	\$ 6,248,641	\$ 433,711
Gaston County	600,000	600,000	370,824	(229,176)
U.S. Government	300,000	300,000	5,234,220	4,934,220
Other	10,253,328	19,186,139	9,273,707	(9,912,432)
Total revenues	<u>16,968,258</u>	<u>25,901,069</u>	<u>21,127,392</u>	<u>(4,773,677)</u>
<b>Expenditures</b>				
<b>Current</b>				
Instructional services				
Regular	1,398,059	7,010,392	6,539,517	470,875
Special populations	1,664,058	2,240,806	1,505,930	734,876
Alternative programs	5,814,930	6,439,012	6,362,344	76,668
School leadership	2,379	14,606	17,427	(2,821)
Co-curricular	-	170,559	5,129	165,430
School-based support	4,598,061	5,502,283	2,877,320	2,624,963
System-wide support services				
Support and development	102,323	105,534	107,066	(1,532)
Special population support and development	500	1,500	7,349	(5,849)
Alternative programs and services support and development	206,497	206,497	244,313	(37,816)
Technology support	-	-	-	-
Operational support	1,069,695	1,818,922	1,219,542	599,380
Financial and human resource	1,743,968	1,793,491	1,514,458	279,033
Accountability	-	-	-	-
System-wide pupil support	48,948	107,508	9,769	97,739
Policy, leadership and communications	-	-	-	-
Ancillary services	-	-	16,672	(16,672)
Non-programmed charges	318,840	199,623	172,181	27,442
Unbudgeted funds	-	290,336	-	290,336
<b>Debt service</b>				
Principal payment	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<u>16,968,258</u>	<u>25,901,069</u>	<u>20,599,017</u>	<u>5,302,052</u>
<b>Revenues over (under) expenditures</b>	-	-	528,375	528,375
<b>Other financing uses</b>				
Transfers to other funds	-	-	-	-
<b>Revenues and other sources over (under) expenditures and other uses</b>	-	-	528,375	528,375
Fund balance appropriated	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	528,375	<u>\$ 528,375</u>
<b>Fund balances, beginning</b>			8,028,149	
<b>Fund balances, ending</b>			<u>\$ 8,556,524</u>	

**GASTON COUNTY BOARD OF EDUCATION** **Exhibit 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE** **(continued)**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND**  
*For the Year Ended June 30, 2022*

	<b>Federal Grants Fund</b>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Gaston County	-	-	-	-
U.S. Government	123,664,779	131,975,647	47,976,193	(83,999,454)
Other	-	-	-	-
<b>Total revenues</b>	<u>123,664,779</u>	<u>131,975,647</u>	<u>47,976,193</u>	<u>(83,999,454)</u>
<b>Expenditures</b>				
<b>Current</b>				
Instructional services				
Regular	31,179,366	35,863,724	11,730,969	24,132,755
Special populations	10,268,268	11,637,349	7,970,562	3,666,787
Alternative programs	21,282,519	23,534,783	12,038,621	11,496,162
School leadership	-	-	535,845	(535,845)
Co-curricular	-	-	668	(668)
School-based support	25,783,063	26,654,346	3,353,511	23,300,835
System-wide support services				
Support and development	1,705,381	1,721,146	1,072,186	648,960
Special population support and development	497,612	475,536	569,885	(94,349)
Alternative programs and services support and development	504,888	505,203	359,720	145,483
Technology support	-	-	73,464	(73,464)
Operational support	27,937,555	26,464,329	7,646,502	18,817,827
Financial and human resource	165,992	163,358	263,350	(99,992)
Accountability	-	-	12,926	(12,926)
System-wide pupil support	-	-	9,696	(9,696)
Policy, leadership and communications	-	-	27,020	(27,020)
Ancillary services	-	250,990	656,759	(405,769)
Non-programmed charges	4,340,135	4,704,883	1,654,509	3,050,374
Unbudgeted funds	-	-	-	-
<b>Debt service</b>				
Principal payment	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<u>123,664,779</u>	<u>131,975,647</u>	<u>47,976,193</u>	<u>83,999,454</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-
<b>Other financing uses</b>				
Transfers to other funds	-	-	-	-
<b>Revenues and other sources over (under) expenditures and other uses</b>	-	-	-	-
Fund balance appropriated	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balances, beginning</b>			-	
<b>Fund balances, ending</b>			<u>\$ -</u>	

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
*For the Year Ended June 30, 2022*

Exhibit 7

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 8,146,139
Receivables (net)	409,145
Net OPEB asset	3,894
Inventories	713,219
Total current assets	<u>9,272,397</u>
<b>Noncurrent assets</b>	
Capital assets, net	2,007,127
Total assets	<u>11,279,524</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>2,298,235</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 105,535
Due to other funds	1,330,821
Current portion of long-term obligations	376,200
Total current liabilities	<u>1,812,556</u>
<b>Noncurrent liabilities</b>	
Long-term obligations	562,567
Net pension liability	1,263,663
Net OPEB liability	7,317,232
Total noncurrent liabilities	<u>9,143,462</u>
Total liabilities	<u>10,956,018</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>4,275,160</u>
<b>NET POSITION</b>	
Investment in capital assets	2,007,127
Restricted for DIPNC OPEB plan	19,907
Unrestricted	<u>(3,680,453)</u>
Total net position	<u>\$ (1,653,419)</u>

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
*For the Year Ended June 30, 2022*

Exhibit 8

	<u>Enterprise Fund</u> <u>Major Fund</u> <u>School Food</u> <u>Service</u>
<b>OPERATING REVENUES</b>	
Food sales	\$ 674,736
Total operating revenues	<u>674,736</u>
<b>OPERATING EXPENSES</b>	
Purchase of food	7,391,096
Salaries and benefits	10,633,604
Indirect costs	776,636
Materials and supplies	1,222,010
Depreciation	349,700
Other	-
Total operating expenses	<u>20,373,046</u>
Operating loss	<u>(19,698,310)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	20,980,726
Federal commodities	1,578,193
Indirect cost not paid	776,636
Other	42,977
Total nonoperating revenue	<u>23,378,532</u>
Income before transfers	3,680,222
Transfers from other funds	<u>79,224</u>
Change in net position	3,759,446
Total net position, beginning	<u>(5,412,865)</u>
Total net position, ending	<u><u>\$ (1,653,419)</u></u>

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
*For the Fiscal Year Ended June 30, 2022*

Exhibit 9

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 811,165
Cash paid for goods and services	(9,336,400)
Cash paid to employees for services	(10,378,405)
Net cash used by operating activities	<u>(18,903,640)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal reimbursements	22,558,919
Other - noncapital financing activities	42,977
Cash from noncapital financing activities	<u>22,601,896</u>
<b>CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(179,232)
Loss on disposal of capital assets	-
Net cash used in capital and related financing activities	<u>(179,232)</u>
<b>Net increase in cash and cash equivalents</b>	3,519,024
Balance, beginning	4,627,115
<b>Balance, ending</b>	<u>\$ 8,146,139</u>
<b>Reconciliation of operating loss to net cash used by operating activities</b>	
Operating loss	<u>\$ (19,698,310)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	349,700
Salaries paid by special revenue fund	79,224
Indirect costs not paid	776,636
Changes in assets, liabilities, deferred inflows and deferred outflows of resources:	
Decrease in accounts receivable	136,429
Decrease in OPEB asset	7,256
Increase in inventory	(17,663)
Decrease in due to other funds	(428,667)
Decrease in accounts payable and accrued expenses	(356,188)
Increase in deferred outflows of resources	(344,263)
Decrease in net pension liability	(1,851,229)
Increase in net OPEB liability	1,023,473
Increase in deferred inflows of resources	913,714
Increase in long-term liabilities	506,248
Total adjustments	<u>794,670</u>
Net cash used by operating activities	<u>\$ (18,903,640)</u>

The notes to the basic financial statements are an integral part of this statement.

**GASTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
*For the Fiscal Year Ended June 30, 2022*

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**Exhibit 9**  
**(continued)**

**Noncash investing, capital, and financing activities:**

The State Public School Fund and Federal Fund paid salaries and benefits of \$79,224 to administrative personnel of the School Food Service Fund during the fiscal year. The payments are reflected as a transfer in and an operating expense on Exhibit 8.

Indirect costs of \$776,636 that would be due to the General Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

The School Food Service Fund received donated commodities with a value of \$1,578,193 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue. The Fund recorded the consumption of the donated commodities during the fiscal year as an operating expense. These transactions are reported on Exhibit 8.



# NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Gaston County Board of Education 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 Gaston County Board of Education (Board) is a Local Education Agency (LEA) 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 also receives local, State and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

### **B. Basis of Presentation**

*Government-wide Statements:* The Statement of Net Position and the Statement of Activities display information about the Board. These statements include the financial activities of the overall government. 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 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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses for the proprietary fund includes the cost of sales and services, administrative expenses, indirect costs, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

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 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.

*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.

*Other Specific Revenue 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.

*Federal Grants Fund.* The Federal Grants Fund is used to account for grant monies received directly from the federal government.

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.

The Board reports the following non-major governmental funds:

*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 instructional needs, club programs, activity buses and athletic



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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teams.

### **C. Measurement Focus and Basis of Accounting**

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary 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 sixty 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 is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases 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 positions 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. All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

### **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 the 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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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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, Liabilities, Deferred Inflows and Fund Equity**

#### 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 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 Board's investments are reported at amortized cost or at fair value as determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external 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.

#### Inventories

The inventories of the Board are valued at average cost, which approximates the first-in, first-out



# NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

(FIFO) method, or market. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

## Prepaid Items

Items that benefit future periods are recorded as prepaid and included in assets. The balance will be included as an expenditure in the period that the item benefits.

## Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated acquisition value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1993 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of three or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	30-50
Mobile Units	15-20
Land Improvements	10-20
Furniture	5-10
Equipment	5-10
Vehicles	6-10
Computers	3-5

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

## 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.

## Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred outflows of resources*, represents a consumption of net assets that applies to 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 Other Postemployment Benefits (OPEB) related deferral and contributions made to the plans subsequent to the measurement date.



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Board has several items that meet this criterion—sales tax refunds receivable in the State Public School Fund and Federal Grants Fund and pension and OPEB related deferrals.

### 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, 2016 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.

### Net Position/Fund Balances

#### Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, net of related debt; restricted and unrestricted. Restricted net positions 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.

#### Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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**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.

*Restricted for Other Specific Revenue Fund*—The Other Specific Revenue Fund is used to account for the proceeds of specific revenue sources, other than debt service or capital projects, that are restricted by Federal and other providers to be spent for specific purposes. The major source of revenue is a grant from the State of North Carolina for a pre-school program. This grant accounts for over half of the Other Specific Revenue Fund. Numerous other grants are accounted for in the Other Specific Revenue Fund, many of which are less than \$100,000.

**Committed Fund Balance**—portion of fund balance that can only be used for specific purpose as set forth in a resolution approved by majority vote by a quorum of the Board of Education's governing body (highest level of decision-making authority) and in certain instances approval by the County's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action. Committed Fund Balance in the Capital Outlay Fund represents construction contracts approved by Board of Education votes.

**Assigned Fund Balance**—This classification includes the portion of fund balance that the Board intends to use for specific purposes.

*Subsequent year's insurance*—portion of fund balance that is assigned to insurance cost that is not already classified in restricted or committed. The governing body approved the assignment.

*Subsequent year's expenditures*—portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Board of Education approves the appropriation.

**Unassigned Fund Balance**—This classification includes the portion of fund balance that has not been restricted, committed or assigned to specific purposes of 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: bond proceeds, federal funds, State funds, local non-Board of Education funds and 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.



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

### Reconciliation of Government-wide and Fund Financial Statements

- A. Explanation of certain differences between the Governmental Fund Balance Sheet (Exhibit 3), and the Government-wide Statement of Net Position (Exhibit 1).

The Governmental Fund Balance Sheet includes a reconciliation between total fund balances and net position of governmental activities as reported in the Statement of Net Position. The net adjustment of (\$170,456,193) consists of several elements as follows:

<b>Description</b>	<b>Amount</b>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	\$ 514,776,862
Less accumulated depreciation	(269,015,624)
Net capital assets	245,761,238
Net OPEB Asset	146,581
Pension related deferred outflows of resources	47,565,235
OPEB related deferred outflows of resources	38,946,924
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:	
Leases and installment financing	-
Compensated absences	(18,937,433)
Net pension liability	(47,567,905)
Net OPEB liability	(275,441,556)
Deferred inflows of resources related to pensions	(65,247,134)
Deferred inflows of resources related to OPEB	<u>(95,682,143)</u>
Total adjustment	<u>\$ (170,456,193)</u>

- B. 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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 5) 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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

activities. There are several elements of that total adjustment of \$ 33,900,572 as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 5,673,826
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	(9,590,397)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the Statement of Activities-it affects only the government-wide statement of net position	-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net positions in the government-wide statements	374,507
Contributions to the pension plan in current fiscal year are not included on the Statement of Activities	27,048,149
Contributions to the OPEB plans in current fiscal year are not included on the Statement of Activities	10,535,238
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
OPEB non-employer contribution	1,710,331
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	(10,186,326)
OPEB Expense	11,447,490
Compensated absences	(3,112,246)
<b>Total adjustment</b>	<b><u>\$ 33,900,572</u></b>

### Defined Benefit Pension Plan and Other Post Employment Benefits (OPEB) Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 has 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 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.



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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### NOTE 2: DETAIL NOTES ON ALL FUNDS

#### A. Assets

##### 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 Board'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, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$ 24,957,738 and with the State Treasurer of \$ 0. The bank balances with the financial institutions and the State Treasurer were \$ 31,526,423 and \$ 5,081,306; respectively. Of these balances, \$ 3,420,509 was covered by federal depository insurance and \$ 33,187,220 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

##### Investments

At June 30, 2022, the Board had invested \$ 14,259,153 with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2022. The Board has no policy for managing interest rate risk or credit risk. The Board also had \$4,598 invested with the NC Capital Management Trust Government Portfolio which carried a credit rating of AAAM by Standard and Poor's.

*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. The STIF had a weighted average maturity of 1.3 years as of June 30, 2022.

*Credit Risk.* The Board's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard and Poor's as of June 30, 2022. The STIF is unrated and is authorized under NC General Statute 147-69.1. 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. More than 5 percent of the Board's investments are invested with the State Treasurer in the STIF. This investment is 99.9% of the Board's total investments.



# NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

## Accounts Receivable

Receivables at the government-wide level at June 30, 2022, were as follows:

	Due from Other Governments	Other	Due from Other Funds (Internal Balances)	Total	Purpose of Internal Balances
<b>Governmental activities:</b>					
General Fund	\$ 48,897	\$ -	\$ -	\$ 48,897	Sales tax refund allocation
State Public School Fund	-	-	7,929	7,929	Sales tax refund allocation
Capital Outlay Fund	88,132	-	82,086	170,218	Sales tax refund allocation
Federal Grants Fund	-	-	123,723	123,723	Sales tax refund allocation
Other Specific Revenue Fund	523,840	331,843	1,117,083	1,972,766	Worker's Compensation, Indirect Cost
<b>Total governmental activities</b>	<u>\$ 660,869</u>	<u>\$ 331,843</u>	<u>\$ 1,330,821</u>	<u>\$ 2,323,533</u>	
<b>Business-type activities:</b>					
School Food Service Fund	<u>\$ 396,170</u>	<u>\$ 12,975</u>	<u>\$ (1,330,821)</u>	<u>\$ (921,676)</u>	Worker's Compensation, Indirect Cost

Due from other governments consists of the following:

**Governmental activities:**

General Fund	\$ 48,897	Sales tax refund, Fines & forfeitures
Capital Outlay Fund	88,132	Capital reimbursements from County
Other Specific Revenue Fund	523,840	Commissioner's Sch of Exc, Medicaid Reimbursements
<b>Total</b>	<u>\$ 660,869</u>	

**Business-type activities:**

School Food Service Fund	<u>\$ 396,170</u>	USDA reimbursement, summer feeding, and catered lunches
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## Capital Assets

Capital assets activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 14,759,034	\$ -	\$ -	\$ 14,759,034
Construction in progress	-	-	-	-
<i>Total capital assets not being depreciated</i>	<u>14,759,034</u>	<u>-</u>	<u>-</u>	<u>14,759,034</u>
<b>Capital assets being depreciated:</b>				
Buildings	441,538,540	4,263,092	-	445,801,632
Equipment and furniture	15,945,044	1,410,734	-	17,355,778
Vehicles	25,114,212	-	-	25,114,212
Land improvements	12,004,327	-	-	12,004,327
<i>Total capital assets being depreciated</i>	<u>494,602,123</u>	<u>5,673,826</u>	<u>-</u>	<u>500,275,949</u>
<b>Less accumulated depreciation for:</b>				
Buildings	222,708,003	7,671,851	-	230,379,854
Equipment and furniture	15,485,294	1,103,391	-	16,588,685
Vehicles	16,489,535	605,061	-	17,094,596
Land improvements	5,000,516	210,094	-	5,210,610
<i>Total accumulated depreciation</i>	<u>259,683,348</u>	<u>\$ 9,590,397</u>	<u>\$ -</u>	<u>269,273,745</u>
<i>Total capital assets being depreciated, net</i>	<u>234,918,775</u>			<u>231,002,204</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 249,677,809</u>			<u>\$ 245,761,238</u>
<b>Business-type activities:</b>				
<b>School Food Service Fund:</b>				
<b>Capital assets being depreciated:</b>				
Furniture and office equipment	\$ 10,487,851	<u>\$ 179,232</u>	<u>\$ -</u>	\$ 10,667,083
<b>Less accumulated depreciation for:</b>				
Furniture and office equipment	8,310,256	<u>\$ 349,700</u>	<u>\$ -</u>	8,659,956
<b>School Food Service Fund capital assets, net</b>	<u>\$ 2,177,595</u>			<u>\$ 2,007,127</u>



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 1,708,452
Regular instructional services	7,671,851
Operational support services	<u>210,094</u>
Total	<u>\$ 9,590,397</u>

### **B. Liabilities**

#### Pension Plan and Other Postemployment Obligations

##### 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—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 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](http://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 benefi-



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

ciaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of their 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 the compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2022, was 14.78% from July 1, 2021 to December 31, 2021 and 17.98% from January 1, 2022 to June 30, 2022, of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$27,766,696 for the year ended June 30, 2022.

*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, 2022, the Board reported a liability of \$48,831,568 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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. At June 30, 2021, and at June 30, 2020, the Board's proportion was 1.09% and 1.10%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$11,051,623. At June 30, 2022, the Board reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,744,885	\$ 1,109,018
Changes of assumptions	18,317,246	-
Net difference between projected and actual earnings on pension plan investments	-	60,502,921
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	5,368,515
Board contributions subsequent to the measurement date	27,766,696	-
<b>TOTAL</b>	<b>\$ 48,828,827</b>	<b>\$ 66,980,454</b>



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

We reported \$27,766,696 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 ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30:</b>	
2023	\$ (8,442,160)
2024	\$ (9,076,629)
2025	\$ (9,843,530)
2026	\$ (18,556,004)
Thereafter	-

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

Inflation	2.5 percent
Salary Increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2020 actuarial valuation are based on the actuarial 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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. 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 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability reported at June 30, 2022 and 2021 was 6.50% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 163,799,477	\$ 48,831,568	\$ (46,735,584)

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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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### Other Postemployment Benefits

#### 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.

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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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 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. For the current fiscal year, the Board contributed 6.68% from July 1, 2021 to December 31, 2021 and 5.90% from January 1, 2022 to June 30, 2022, of covered payroll which amounted to \$10,662,547. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187 million, which was isolated from the OPEB expense and allocated to participating employees as a separate revenue item. The Board’s proportionate share of this allocation totaled \$ 1,710,331.

At June 30, 2022, the Board reported a liability of \$ 282,758,788 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and 2020, the Board’s proportion was .956% and .974%, respectively.

\$10,662,547 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2023	\$ (34,796,174)
2024	\$ (17,910,819)
2025	\$ (8,032,080)
2026	\$ (9,272,015)
2027	\$ 559,568
Thereafter	-



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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

Inflation	2.50%
	3.25 - 8.05%
Investment rate of return	6.50%
Healthcare cost trend rate - medical	5.00 - 6.00%
Healthcare cost trend rate - prescription drug	5.00 - 9.50%
Healthcare cost trend rate - administrative	3.00%

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 2.16% at June 30, 2022, a decrease of 2.21%. 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 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

*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 District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	<b>1% Decrease (1.16%)</b>	<b>Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Net OPEB Liability	\$ 336,337,468	\$ 282,758,788	\$ 239,366,085

*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 District'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 discount rate:

	<b>1% Decrease</b>	<b>Healthcare Trend Rates</b>	<b>1% Increase</b>
	(Medical - 4.00 - 5.00%, Pharmacy - 4.00 - 8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00 - 6.00%, Pharmacy - 5.00 - 9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	(Medical - 6.00 - 7.00%, Pharmacy - 6.00 - 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB Liability	\$ 228,986,930	\$ 282,758,788	\$ 354,092,105



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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*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.

### 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.

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.* 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 provided 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.

*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, 2022, employers made a statutory contribution of .09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$152,564 for the year ended June 30, 2022.

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



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2022, the Board reported an asset of \$150,475 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 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, 2021 and 2020, the Board's proportion was .955% and .979%, respectively.

\$152,564 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2023	\$ 100,728
2024	\$ 69,388
2025	\$ 89,340
2026	\$ 49,790
2027	\$ 23,277
Thereafter	\$ 61,467

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

Inflation	2.50%
Salary increases	3.25% - 8.05%, include 3.5% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District'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:

	<b>1% Decrease (2.00%)</b>	<b>Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
Net OPEB Asset	\$ 95,007	\$ 150,475	\$ 201,788

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

The plan 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 were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>TOTAL</u>
<b>OPEB Expense (Benefit)</b>	\$ (11,741,015)	\$ 334,072	\$ (11,406,943)
<b>OPEB Liability (Asset)</b>	282,758,788	(150,475)	282,608,313
<b>Proportionate share of the net OPEB liability (asset)</b>	.915%	.921%	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	1,669,367	383,669	2,053,036
Changes of assumptions	23,127,234	26,421	23,153,655
Net difference between projected and actual earnings on plan investments	-	14,685	14,685
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,903,662	41,418	3,945,080
Board contributions subsequent to the measurement date	10,662,547	152,564	10,815,111
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	5,263,457	-	5,263,457
Changes of assumptions	68,716,531	54,630	68,771,161
Net difference between projected and actual earnings on plan investments	144,643	-	144,643
Changes in proportion and differences between Board contributions and proportionate share of contributions	24,027,153	17,570	24,044,723



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

### Accounts Payable and Accrued Expenses

Accounts payable at June 30, 2022, are as follows:

	<u>Vendors</u>	<u>Due to other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>			
General Fund	\$ 1,646,908	\$ 8,875,785	\$ 10,522,693
State Public School Fund	-	-	\$ -
Capital Outlay Fund	446,481	-	\$ 446,481
Federal Grants Fund	-	-	\$ -
Other Specific Revenue Fund	433,304	-	\$ 433,304
Total governmental activities	<u>\$ 2,526,693</u>	<u>\$ 8,875,785</u>	<u>\$ 11,402,478</u>
<b>Business-type Activities:</b>			
School Food Service Fund	<u>\$ 105,535</u>	<u>\$ -</u>	<u>\$ 105,535</u>

### Deferred Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 3,945,080	\$ 29,413,238
Change in assumption	41,470,901	68,771,161
Difference between projected and actual earnings on plan investments	14,685	60,647,564
Difference between expected and actual experience	4,797,921	6,372,474
Sales tax refunds (State Public School Fund and Federal Grants Fund)	-	131,652
Prepaid lunches	-	-
Board contributions subsequent to the measurement date	38,581,807	-
Total	<u>\$ 88,810,394</u>	<u>\$ 165,336,089</u>

### Unearned Revenues

The balance in unearned revenues at year-end is composed of the following elements:

	<u>Unavailable Revenue</u>
Grants not yet earned (General & Other Specific Revenue Fund)	\$ 5,046,467
Total	<u>\$ 5,046,467</u>



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

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### 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. Statutory workers' compensation coverage is purchased through private insurers. Coverage is provided to the extent employees are paid from Federal or local funds. Workers' Compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds.

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.

- The general liability coverage provides limits of \$1 million per occurrence subject to a \$2 million aggregate. Third party medical payments at \$15,000. Third party fire damage at \$500,000. Employee benefits are covered at \$1 million per occurrence, \$3 million aggregate. Health Occupational Education coverage is at \$1 million per occurrence and \$1 million aggregate and Job Shadowing and Job Internship coverage is \$10,000 accidental death benefit, \$10,000 accidental dismemberment and \$10,000 accidental medical expense. Abuse or Molestation coverage provides a \$1 million per occurrence subject to a \$2 million aggregate. Law Enforcement coverage provides \$1 million per wrongful act subject to a \$1 million aggregate.
- The automobile policy has a \$1 million combined single limit for bodily injury and property damage for all owned vehicles. There is not an aggregate limit for automobile liability. Coverage for under insured and uninsured motorist is \$1 million. Scheduled autos are covered for physical damage up to actual cash value (cost to repair or replace less depreciation). Hired autos are also covered for physical damage at the actual cash value. Coverage for garage keepers' comprehensive and collision is \$60,000 each.
- School Leaders Errors and Omissions liability coverage with a \$1 million per occurrence subject to a \$2 million aggregate, which carries a \$10,000 deductible.
- Umbrella coverage in the amount of \$5 million per occurrence subject to a \$5 million aggregate applies as excess over the general liability, automobile liability and employer's liability, employee benefits liability, school leaders errors and omissions, abuse or molestation, law enforcement professional liability, and health occupational education liability; subject to a self-insured retention of \$10,000.
- The property policy provides blanket real and personal property coverage with a total limit of \$500 million, which carries a \$25,000 deductible per incident.
- Flood coverage is provided at a limit of \$5 million, with a \$50,000 deductible in all zones except for zone A which carries a \$1 million limit. There are no school buildings in zone A.
- Earthquake coverage is provided at a limit of \$5 million, with a \$50,000 deductible.
- Boiler and machinery coverage is provided at specific locations with a total blanket limit of \$100 million subject to a \$5,000 deductible.



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

- Inland marine coverage is provided for certain property at scheduled limits, which carries a \$500 deductible per incident.
- Crime coverage is also provided with a \$500,000 limit for public employees' dishonesty, \$500,000 for forgery or alteration subject to a \$2,500 deductible and, \$500,000 inside and outside premises for theft of money and securities subject to a \$2,500 deductible.
- Performance bond is provided for the Finance Officer with \$100,000 coverage.

The Board also 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 with an unlimited lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

### Contingent Liabilities

At June 30, 2022, 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.

### Long-Term Obligations

#### a. Capital Leases

As authorized in State law [G.S. 115C-528(a)], the Board entered into various lease agreements for certain vehicles and equipment. The leasing arrangements were made for various years, and at the conclusion of each term, ownership is transferred to the Board. At June 30, 2022, assets recorded no direct placement installment purchase contracts.

#### b. Long-Term Obligations

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2022:

	<b>Beginning Balance, restated</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
<b>Governmental Activities:</b>					
Capitalized leases	\$ 374,507	\$ -	\$ 374,507	\$ -	\$ -
Compensated absences	15,825,187	12,067,428	8,955,182	18,937,433	8,955,000
Net pension liability	128,099,220	-	80,531,315	47,567,905	-
Net OPEB liability	258,829,428	16,612,128	-	275,441,556	-
Total	<u>\$ 403,128,342</u>	<u>\$ 28,679,556</u>	<u>\$ 89,861,004</u>	<u>\$ 341,946,894</u>	<u>\$ 8,955,000</u>
<b>Business-Type Activities:</b>					
Compensated absences	\$ 432,519	\$ 882,423	\$ 376,175	\$ 938,767	\$ 376,200
Net pension liability	3,114,892	-	1,851,229	1,263,663	-
Net OPEB liability	6,293,759	1,023,473	-	7,317,232	-
Total	<u>\$ 9,841,170</u>	<u>\$ 1,905,896</u>	<u>\$ 2,227,404</u>	<u>\$ 9,519,662</u>	<u>\$ 376,200</u>



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (continued)

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The financing contract requires only principal payments of each contract year.

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

### C. Interfund Activity

Transfers to/from other funds at June 30, 2022, consist of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
State Public School Fund	School Food Service Fund	\$ 79,224

The State Public School Fund paid salaries and benefits of \$79,224 to administrative personnel of the School Food Service Fund during the fiscal year. The salaries and benefits are paid to meet requirements of the United States Department of Agriculture Food and Nutrition Service which requires a local effort, or contribution, to the program.

### 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.

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

<b>Total fund balance - General Fund</b>	<b>\$</b>	<b>5,362,918</b>
<i>Less:</i>		
Stabilization by State Statute		48,897
Appropriated Fund Balance in 2023 Budget		150,000
Remaining Fund Balance	<u>\$</u>	<u>5,164,021</u>

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

	<u><b>General Fund</b></u>	
Encumbrances	\$	-



## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (concluded)

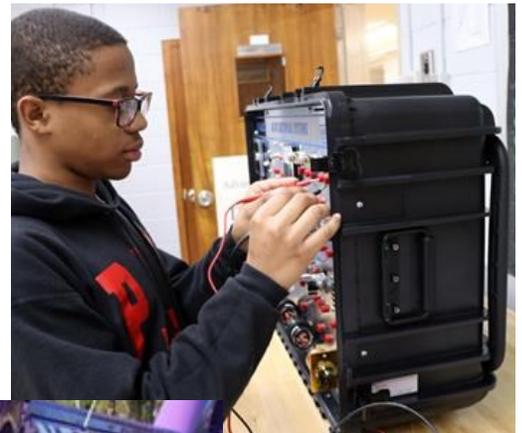
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### **NOTE 3: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

#### **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



**GASTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 27,766,696	\$ 24,239,220	\$ 21,084,301	\$ 20,017,439	\$ 17,024,028
Contributions in relation to the contractually required contribution	\$ 27,766,696	\$ 24,239,220	\$ 21,084,301	\$ 20,017,439	\$ 17,024,028
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Contractually required contribution	\$ 15,052,013	\$ 13,196,128	\$ 13,032,434	\$ 11,661,897	
Contributions in relation to the contractually required contribution	\$ 15,052,013	\$ 13,196,128	\$ 13,032,434	\$ 11,661,897	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Board's covered payroll	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973	\$ 134,199,040	
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%	

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. Information is not required to be presented retroactively.

**GASTON COUNTY SCHOOLS, NORTH CAROLINA  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST NINE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net pension liability (asset)	1.04%	1.09%	1.10%	1.13%	1.10%
Board's proportionate share of the net pension liability (asset)	\$ 48,831,568	\$ 131,214,112	\$ 114,362,049	\$ 111,996,045	\$ 87,036,057
Board's covered payroll	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335	\$ 150,821,769
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.78%	80.72%	70.21%	70.92%	57.71%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Board's proportion of the net pension liability (asset)	1.09%	1.06%	1.04%	1.03%	
Board's proportionate share of the net pension liability (asset)	\$ 99,920,315	\$ 38,920,465	\$ 12,111,578	\$ 63,332,870	
Board's covered payroll	\$ 144,219,980	\$ 142,430,973	\$ 134,199,040	\$ 136,064,083	
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	69.28%	27.33%	9.03%	46.55%	
Plan fiduciary net position as a percentage of the total pension liability	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. Information is not required to be presented retroactively.

**GASTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 152,564	\$ 147,600	\$ 162,562	\$ 228,026	\$ 221,091
Contributions in relation to the contractually required contribution	<u>152,564</u>	<u>147,600</u>	<u>162,562</u>	<u>228,026</u>	<u>221,091</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 573,123	\$ 591,302	\$ 583,967	\$ 590,476	\$ 598,682
Contributions in relation to the contractually required contribution	<u>573,123</u>	<u>591,302</u>	<u>583,967</u>	<u>590,476</u>	<u>598,682</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered payroll	150,821,769	144,219,980	142,430,973	\$ 134,199,040	\$ 136,064,083
Contributions as a percentage of covered payroll	0.38%	0.41%	0.41%	0.44%	0.44%

**GASTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST SIX FISCAL YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Board's proportion of the net OPEB asset	0.921%	0.955%	0.979%	1.002%	0.958%	0.974%
Board's proportionate share of the net OPEB asset	\$ 150,475	\$ 469,666	\$ 422,361	\$ 304,450	\$ 594,942	\$ 605,096
Board's covered payroll	\$ 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 as a percentage of its covered payroll	0.09%	0.29%	0.26%	0.19%	0.39%	0.42%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only six years of data presented.

**GASTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 10,662,547	\$ 10,955,209	\$ 10,517,766	\$ 10,212,314	\$ 9,554,301
Contributions in relation to the contractually required contribution	<u>10,662,547</u>	<u>10,955,209</u>	<u>10,517,766</u>	<u>10,212,314</u>	<u>9,554,301</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 169,515,850	\$ 164,000,138	\$ 162,562,071	\$ 162,875,827	\$ 157,922,335
Contributions as a percentage of covered payroll	6.29%	6.68%	6.47%	6.27%	6.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 8,762,745	\$ 8,076,319	\$ 7,819,460	\$ 7,246,748	\$ 7,211,396
Contributions in relation to the contractually required contribution	<u>8,762,745</u>	<u>8,076,319</u>	<u>7,819,460</u>	<u>7,246,748</u>	<u>7,211,396</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 150,821,769	\$ 144,219,980	\$ 142,430,973	\$ 134,199,040	\$ 136,064,083
Contributions as a percentage of covered payroll	5.81%	5.60%	5.49%	5.40%	5.30%

**GASTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
LAST SIX FISCAL YEARS\***

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Board's proportion of the net OPEB liability (asset)	0.915%	0.956%	0.974%	0.993%	0.997%	0.941%
Board's proportionate share of the net OPEB liability (asset)	\$ 282,758,788	\$ 265,123,187	\$ 308,233,938	\$ 282,751,816	\$ 326,892,034	\$ 409,571,482
Board's covered payroll	\$ 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 (asset) as a percentage of its covered payroll	172.41%	163.09%	189.24%	179.04%	216.74%	283.99%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%	2.41%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only six years of data presented.





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**COMBINING AND  
INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

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# AT A GLANCE

## NUMBER OF SCHOOLS

Total Number of Schools . . .	56
Elementary Schools . . . . .	29
Intermediate Schools . . . . .	1
Middle Schools . . . . .	11
High Schools . . . . .	12
Special Needs School . . . . .	1
Alternate School . . . . .	1
Virtual School . . . . .	1



## ETHNIC DISTRIBUTION

Caucasian . . . . .	50.9%
African American . . . . .	24.2%
Hispanic . . . . .	17.4%
Multiracial . . . . .	5.7%
Asian . . . . .	1.5%
American Indian . . . . .	0.2%
Hawaiian or Pacific Islander . . . . .	0.1%



## CLASS OF 2022

Number of Graduates . . . . . 1,900

Approximately 900 academic, athletic and merit scholarships offered which total more than \$27 million.

Number of Scholarships valued at \$100,000 or greater . . . . . 93

Graduation rate . . . . . 85.2%



## TRANSPORTATION

Total Number of Students	
Transported Daily . . . . .	15,000
Miles Traveled Daily . . . . .	12,000
Yellow Buses . . . . .	211
Activity Buses . . . . .	47
Gallons of Fuel per week . . . . .	15,000



## ENROLLMENT

Total Number of Students . . . . .	29,704
Grades K-5 . . . . .	12,923
Grades 6-8 . . . . .	7,212
Grades 9-12 . . . . .	9,334
Early College . . . . .	235



## ACADEMIC PERFORMANCE

Middle and High School levels — 87% of schools Met or Exceeded Growth

39 schools Met or Exceeded Academic Growth Expectations



## SCHOOL NUTRITION

Breakfasts Served Daily . . . . .	9,000
Breakfasts Served Annually . . . . .	1.6 million
Lunches Served Daily . . . . .	19,000
Lunches Served Annually . . . . .	3.4 million



## EMPLOYEES

Total Number of Employees (Part and Full Time) . . . . .	3,827
Total Number of Teachers . . . . .	1,950
Average Years of Experience for Teachers . . . . .	13

**GASTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
*For the Fiscal Year Ended June 30, 2022*

Exhibit A

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Gaston County				
Appropriation from general revenues	51,501,704	51,501,704	51,501,704	-
Other				
Fines and forfeitures	700,000	700,000	945,601	245,601
Interest earned on investments	50,000	50,000	12,112	(37,888)
Miscellaneous revenue and reimbursements	-	808,714	317,743	(490,971)
Total other	750,000	1,558,714	1,275,456	(283,258)
<b>Total revenues</b>	<b>52,251,704</b>	<b>53,060,418</b>	<b>52,777,160</b>	<b>(283,258)</b>
<b>Expenditures</b>				
Instructional services				
Regular	14,029,205	10,926,008	12,425,782	(1,499,774)
Special populations	1,983,785	1,592,914	1,960,672	(367,758)
Alternative programs	249,544	271,846	365,412	(93,566)
School leadership	6,579,548	5,176,093	4,995,141	180,952
Co-curricular	1,341,260	2,374,903	2,556,873	(181,970)
School-based support	1,968,582	1,842,303	1,943,389	(101,086)
Total instructional services	26,151,924	22,184,067	24,247,269	(2,063,202)
System-wide support services				
Support and development	501,068	877,335	763,004	114,331
Special population support and development	177,371	166,971	177,110	(10,139)
Alternative programs and services support and development	147,099	140,704	158,612	(17,908)
Technology support	2,813,161	2,987,094	3,037,016	(49,922)
Operational support	13,274,235	16,848,633	15,066,962	1,781,671
Financial and human resource	1,733,914	1,630,715	1,352,307	278,408
Accountability	531,050	527,205	265,243	261,962
System-wide pupil support	448,113	545,030	423,510	121,520
Policy, leadership and communications	1,473,769	1,403,755	1,415,191	(11,436)
Total system-wide support services	21,099,780	25,127,442	22,658,955	2,468,487
Ancillary services	-	155,671	31,157	124,514
Non-programmed charges				
Payments to other charter schools	5,000,000	5,593,238	5,592,770	468
<b>Total expenditures</b>	<b>52,251,704</b>	<b>53,060,418</b>	<b>52,530,151</b>	<b>530,267</b>

**GASTON COUNTY BOARD OF EDUCATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Fiscal Year Ended June 30, 2022**

**Exhibit A  
 (continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues over (under) expenditures</b>	-	-	247,009	247,009
<b>Other financing uses</b>				
Transfers to other funds	-	-	-	-
<b>Expenditures and other uses over (under) revenues</b>	-	-	247,009	247,009
<b>Fund balance appropriated</b>	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	247,009	<u>\$ 247,009</u>
<b>Fund balance, beginning</b>			<u>5,115,907</u>	
<b>Fund balance, ending</b>			<u>\$ 5,362,916</u>	

**GASTON COUNTY BOARD OF EDUCATION**  
**SCHEDULES OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
*For the Fiscal Year Ended June 30, 2022*

Exhibit B

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State of North Carolina				
Public School Building Capital Fund	\$ -	\$ -	\$ -	\$ -
Sales tax refund	-	-	82,086	82,086
State appropriations - buses	<u>1,576,911</u>	<u>1,576,911</u>	<u>374,507</u>	<u>(1,202,404)</u>
Total State of North Carolina	<u>1,576,911</u>	<u>1,576,911</u>	<u>456,593</u>	<u>(1,120,318)</u>
Gaston County				
Bonds	19,956,972	19,958,852	3,396,570	(16,562,282)
General county revenues	<u>1,753,082</u>	<u>1,753,082</u>	<u>1,753,082</u>	<u>-</u>
Total Gaston County	<u>21,710,054</u>	<u>21,711,934</u>	<u>5,149,652</u>	<u>(16,562,282)</u>
<b>Total revenues</b>	<u>23,286,965</u>	<u>23,288,845</u>	<u>5,606,245</u>	<u>(17,682,600)</u>
<b>Expenditures</b>				
Capital outlay				
Real property and buildings	-	-	5,540,570	-
Furniture and equipment	-	-	-	-
Buses and motor vehicles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>23,286,965</u>	<u>23,288,845</u>	<u>5,540,570</u>	<u>17,748,275</u>
Debt service	<u>-</u>	<u>-</u>	<u>374,507</u>	<u>(374,507)</u>
<b>Total expenditures</b>	<u>23,286,965</u>	<u>23,288,845</u>	<u>5,915,077</u>	<u>17,373,768</u>
<b>Revenues over (under) expenditures</b>	-	-	(308,832)	(308,832)
<b>Other financing sources</b>				
Capital lease obligations issued	-	-	-	-
Transfers to other funds	-	-	-	-
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues and other sources over(under) expenditures and other uses</b>	-	-	(308,832)	(308,832)
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(308,832)</u>	<u>\$ (308,832)</u>
<b>Fund balance, beginning</b>			<u>37,167</u>	
<b>Fund balance, ending</b>			<u>\$ (271,665)</u>	

**GASTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
*For the Fiscal Year Ended June 30, 2022*

Exhibit C

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Operating revenues, food sales</b>	\$ 2,589,500	\$ 2,589,500	\$ 674,736	\$ (1,914,764)
<b>Operating expenditures</b>				
Business support services				
Purchase of food	-	-	7,408,759	-
Salaries and benefits	-	-	11,139,852	-
Indirect costs	-	-	776,636	-
Materials and supplies	-	-	1,222,010	-
Capital outlay	-	-	179,232	-
Other	-	-	-	-
<b>Total operating expenditures</b>	<u>21,104,500</u>	<u>24,968,044</u>	<u>20,726,489</u>	<u>4,241,555</u>
Operating loss	(18,515,000)	(22,378,544)	(20,051,753)	2,326,791
<b>Non-operating revenues</b>				
Federal reimbursements	-	-	20,980,726	-
Federal commodities	-	-	1,578,193	-
Indirect cost not paid	-	-	776,636	-
State reimbursements	-	-	-	-
Other	-	-	42,977	-
<b>Total non-operating revenues</b>	<u>18,515,000</u>	<u>22,378,544</u>	<u>23,378,532</u>	<u>999,988</u>
<b>Revenues over (under) expenditures before other financing sources</b>	-	-	3,326,779	3,326,779
<b>Other financing sources</b>				
Transfers from other funds	-	-	79,224	79,224
Capital contribution	-	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,406,003</u>	<u>\$ 3,406,003</u>
<b>Reconciliation of modified accrual to full accrual basis</b>				
Reconciling items				
Depreciation			(349,700)	
Indirect costs			(776,636)	
Indirect costs not paid			776,636	
Equipment purchases			179,232	
Increase in accrued vacation pay			506,248	
Increase in inventory			17,663	
<b>Change in net position (full accrual)</b>			<u>\$ 3,759,446</u>	





# STATISTICAL SECTION

# 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.

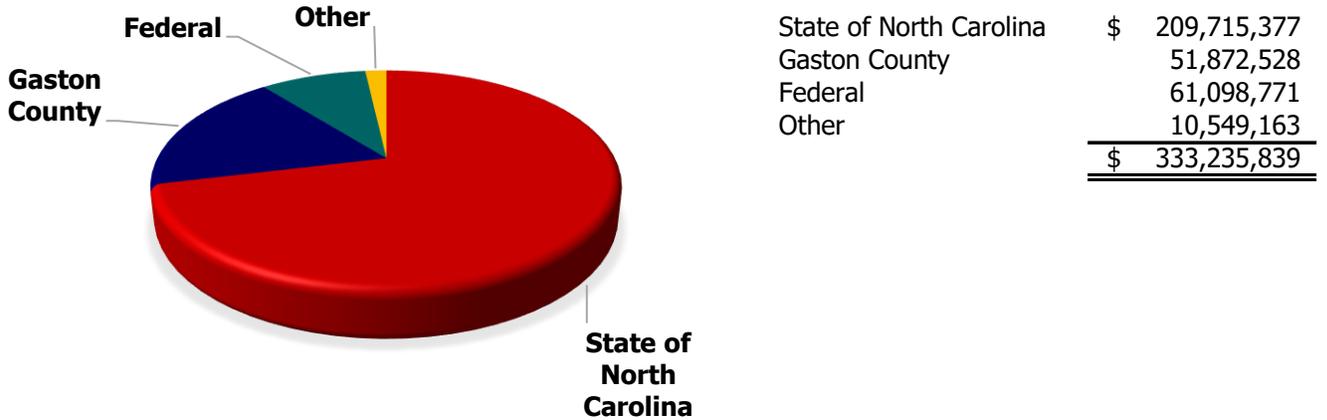
**SOURCES:** *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.*



**GASTON COUNTY BOARD OF EDUCATION**  
**Financial Perspective**  
**Government and Business-type Activities**  
**June 30, 2022**

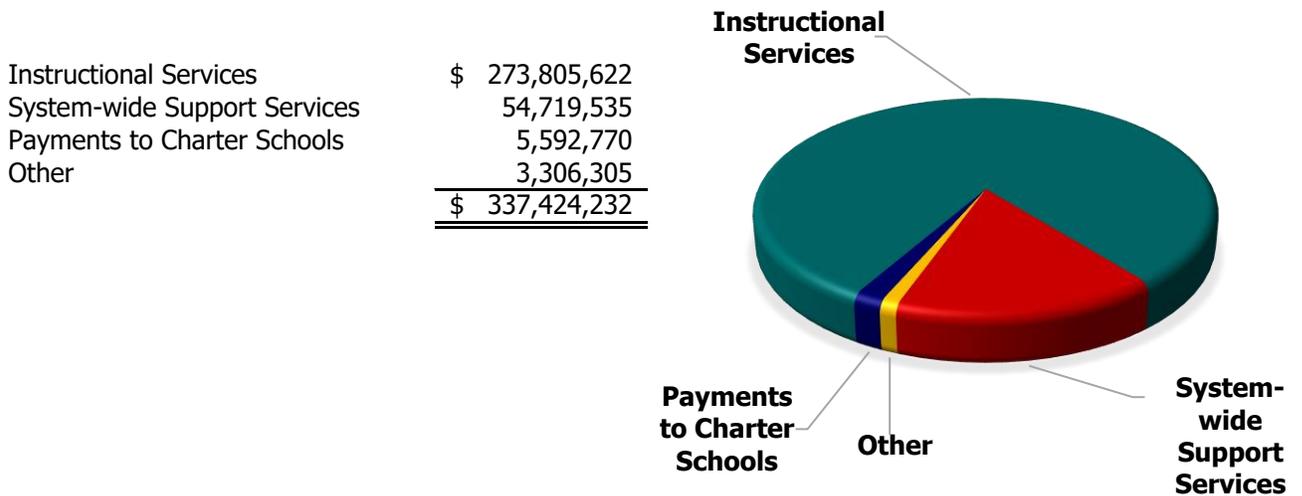
**Table 1**

**Revenue Sources**



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

**Expenditures/Expenses**

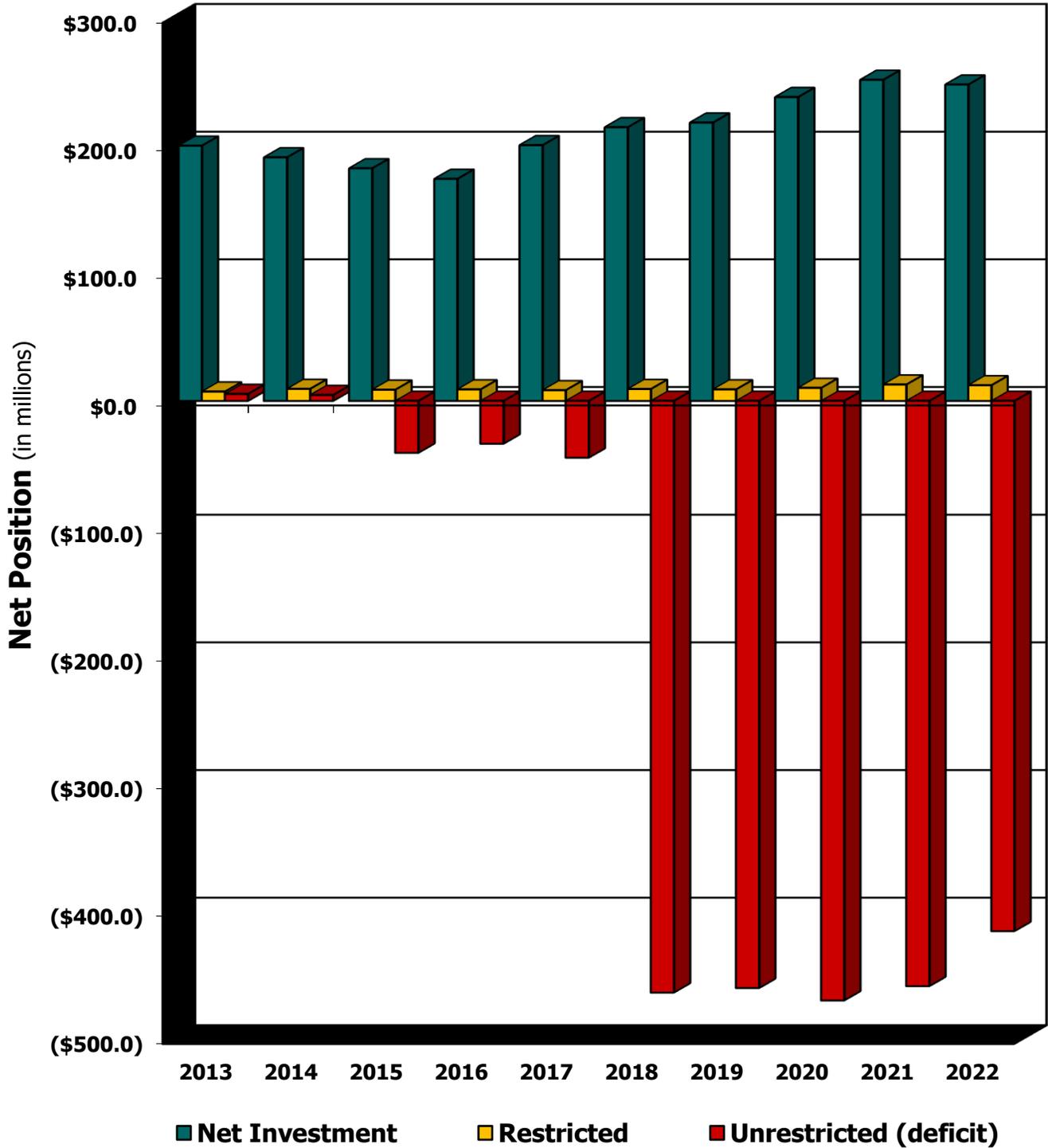


**Note:** Information taken from Exhibit 4. Expenditures do not include Capital Outlay, but do include payments to charter schools (see Exhibit A).

**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: 2013 - 2022 Gaston County Board of Education annual financial statements

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

**Table 2**

	<b>Year Ended June 30</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 197,764,753	\$ 188,745,413	\$ 180,327,473	\$ 172,131,872	\$ 198,386,759
Restricted	7,294,071	9,425,514	8,770,636	9,009,677	8,368,888
Unrestricted (deficit)	1,807,132	922,157	(42,572,637)	(35,660,161)	(47,034,759)
Total	<u>\$ 206,865,956</u>	<u>\$ 199,093,084</u>	<u>\$ 146,525,472</u>	<u>\$ 145,481,388</u>	<u>\$ 159,720,888</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 2,130,673	\$ 2,037,301	\$ 1,867,892	\$ 1,795,280	\$ 1,906,853
Unrestricted	3,653,200	3,699,955	1,929,895	2,130,593	2,565,169
Total	<u>\$ 5,783,873</u>	<u>\$ 5,737,256</u>	<u>\$ 3,797,787</u>	<u>\$ 3,925,873</u>	<u>\$ 4,472,022</u>
<b>District-wide:</b>					
Net investment in capital assets	\$ 199,895,426	\$ 190,782,714	\$ 182,195,365	\$ 173,927,152	\$ 200,293,612
Restricted	7,294,071	9,425,514	8,770,636	9,009,677	8,368,888
Unrestricted (deficit)	5,460,332	4,622,112	(40,642,742)	(33,529,568)	(44,469,590)
Total	<u>\$ 212,649,829</u>	<u>\$ 204,830,340</u>	<u>\$ 150,323,259</u>	<u>\$ 149,407,261</u>	<u>\$ 164,192,910</u>

**SOURCE: 2013 - 2022 Gaston County Board of Education annual financial statements**

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

**Table 2**  
 (continued)

	<b>Year Ended June 30</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 212,465,825	\$ 216,211,595	\$ 235,525,356	\$ 249,303,302	\$ 245,761,238
Restricted	9,307,633	9,022,441	10,210,746	12,810,819	12,253,590
Unrestricted (deficit)	(457,338,448)	(453,985,793)	(459,780,674)	(450,741,068)	(411,652,735)
Total	<u>\$ (235,564,990)</u>	<u>\$ (228,751,757)</u>	<u>\$ (214,044,572)</u>	<u>\$ (188,626,947)</u>	<u>\$ (153,637,907)</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 1,894,541	\$ 1,806,784	\$ 2,522,255	\$ 2,201,774	\$ 2,027,034
Unrestricted	(6,076,104)	(5,882,075)	(9,863,883)	(7,614,639)	(3,680,453)
Total	<u>\$ (4,181,563)</u>	<u>\$ (4,075,291)</u>	<u>\$ (7,341,628)</u>	<u>\$ (5,412,865)</u>	<u>\$ (1,653,419)</u>
<b>District-wide:</b>					
Net investment in capital assets	\$ 214,360,366	\$ 218,018,379	\$ 238,047,611	\$ 251,505,076	\$ 247,788,272
Restricted	9,307,633	9,022,441	10,210,746	12,810,819	12,253,590
Unrestricted (deficit)	(463,414,552)	(459,867,868)	(469,644,557)	(458,355,707)	(415,333,188)
Total	<u>\$ (239,746,553)</u>	<u>\$ (232,827,048)</u>	<u>\$ (221,386,200)</u>	<u>\$ (194,039,812)</u>	<u>\$ (155,291,326)</u>

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

**Table 3**

	<b>Year Ended June 30</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Expenses</b>					
Governmental activities:					
Instructional services	\$ 197,557,244	\$ 200,643,216	\$ 207,118,760	\$ 209,759,726	\$ 226,137,572
Support services	42,533,124	44,261,929	45,714,523	44,072,329	46,029,116
Ancillary services	319,519	193,051	277,824	139,876	144,140
Non-programmed charges	1,989,509	2,749,875	2,995,395	3,264,607	3,433,535
Interest on long-term debt	-	-	-	-	-
Unallocated depreciation expense	1,278,125	1,406,752	1,463,849	1,398,508	953,840
Total governmental activities expenses	<u>243,677,521</u>	<u>249,254,823</u>	<u>257,570,351</u>	<u>258,635,046</u>	<u>276,698,203</u>
Business-type activities:					
School food service	17,300,067	17,939,751	18,649,941	19,044,418	18,291,494
Total primary government expenses	<u>\$ 260,977,588</u>	<u>\$ 267,194,574</u>	<u>\$ 276,220,292</u>	<u>\$ 277,679,464</u>	<u>\$ 294,989,697</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services					
Regular instructional	\$ 23,854	\$ -	\$ -	\$ -	\$ -
Special instructional programs	-	-	-	-	-
Operational support services	422,214	504,718	1,539,292	594,577	511,750
Business support services	-	-	-	-	-
Operating grants and contributions	181,434,462	181,909,098	191,705,543	193,283,584	202,570,091
Total governmental activities program revenues	<u>181,880,530</u>	<u>182,413,816</u>	<u>193,244,835</u>	<u>193,878,161</u>	<u>203,081,841</u>
Business-type activities:					
Charges for services	4,873,192	4,783,141	3,630,453	3,450,282	3,311,309
Operating grants and contributions	12,220,781	12,777,485	13,951,649	15,464,393	15,434,170
Capital grants and contributions	-	-	-	-	27,391
Total business-type activities program revenues	<u>17,093,973</u>	<u>17,560,626</u>	<u>17,582,102</u>	<u>18,914,675</u>	<u>18,772,870</u>
Total program revenues	<u>\$ 198,974,503</u>	<u>\$ 199,974,442</u>	<u>\$ 210,826,937</u>	<u>\$ 212,792,836</u>	<u>\$ 221,854,711</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Unrestricted county appropriations - operating	\$ 41,526,704	\$ 43,547,893	\$ 43,816,704	\$ 43,816,704	\$ 45,351,704
Unrestricted county appropriations - capital	18,523,321	6,501,962	7,617,271	9,997,818	35,581,481
Unrestricted State appropriation - operating	-	-	-	-	-
Unrestricted State appropriation - capital	732,456	197,364	419,873	382,120	776,902
Investment earnings, unrestricted	12,979	58,235	58,235	88,059	129,229
Miscellaneous, unrestricted	11,215,942	9,023,953	10,598,204	9,665,190	10,892,473
Transfers	(274,546)	(261,272)	(246,876)	(237,090)	(64,773)
Total governmental activities general revenues	<u>71,736,856</u>	<u>59,068,135</u>	<u>62,263,411</u>	<u>63,712,801</u>	<u>92,667,016</u>
Business-type activities:					
Unrestricted State appropriations - operating	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	-	-
Miscellaneous, unrestricted	50,953	71,236	85,127	20,739	-
Transfers	274,546	261,272	246,876	237,090	64,773
Total business-type activities general revenues	<u>325,499</u>	<u>332,508</u>	<u>332,003</u>	<u>257,829</u>	<u>64,773</u>
Total general revenues	<u>\$ 72,062,355</u>	<u>\$ 59,400,643</u>	<u>\$ 62,595,414</u>	<u>\$ 63,970,630</u>	<u>\$ 92,731,789</u>
<b>Change in net position</b>					
Governmental activities	\$ 9,939,865	\$ (7,772,872)	\$ (2,062,105)	\$ (1,044,084)	\$ 19,050,654
Business-type activities	119,405	(46,617)	(735,836)	128,086	546,149
Total primary government change in net position	<u>\$ 10,059,270</u>	<u>\$ (7,819,489)</u>	<u>\$ (2,797,941)</u>	<u>\$ (915,998)</u>	<u>\$ 19,596,803</u>

**SOURCE: 2013 - 2022 Gaston County Board of Education annual financial statements**

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

**Table 3**  
(continued)

	<b>Year Ended June 30</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Expenses</b>					
Governmental activities:					
Instructional services	\$ 244,365,036	\$ 240,010,632	\$ 236,667,493	\$ 228,071,190	\$ 248,303,136
Support services	47,636,755	46,682,749	55,157,709	50,105,331	50,537,633
Ancillary services	82,844	109,980	52,964	2,136,770	1,106,544
Non-programmed charges	3,567,059	3,789,135	4,480,948	6,060,761	7,419,460
Interest on long-term debt	-	-	-	-	-
Unallocated depreciation expense	1,434,754	1,241,618	5,616,203	4,799,469	1,708,452
Total governmental activities expenses	<u>297,086,448</u>	<u>291,834,114</u>	<u>301,975,317</u>	<u>291,173,521</u>	<u>309,075,225</u>
Business-type activities:					
School food service	18,208,948	17,166,091	19,310,936	13,353,190	20,373,046
Total primary government expenses	<u>\$ 315,295,396</u>	<u>\$ 309,000,205</u>	<u>\$ 321,286,253</u>	<u>\$ 304,526,711</u>	<u>\$ 329,448,271</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services					
Regular instructional	\$ -	\$ -	\$ -	\$ -	\$ -
Special instructional programs	-	-	-	-	-
Operational support services	509,971	780,490	733,344	328,233	402,555
Business support services	-	-	-	-	-
Operating grants and contributions	209,647,960	219,029,025	218,793,807	234,158,532	262,854,495
Total governmental activities program revenues	<u>210,157,931</u>	<u>219,809,515</u>	<u>219,527,151</u>	<u>234,486,765</u>	<u>263,257,050</u>
Business-type activities:					
Charges for services	3,640,725	3,432,214	2,556,257	72,894	674,736
Operating grants and contributions	14,753,544	13,740,769	12,487,566	14,854,423	23,335,555
Capital grants and contributions	8,429	44,325	457,093	194,318	-
Total business-type activities program revenues	<u>18,402,698</u>	<u>17,217,308</u>	<u>15,500,916</u>	<u>15,121,635</u>	<u>24,010,291</u>
Total program revenues	<u>\$ 228,560,629</u>	<u>\$ 237,026,823</u>	<u>\$ 235,028,067</u>	<u>\$ 249,608,400</u>	<u>\$ 287,267,341</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Unrestricted county appropriations - operating	\$ 47,751,704	\$ 48,351,704	\$ 50,311,704	\$ 49,811,704	\$ 51,501,704
Unrestricted county appropriations - capital	20,366,466	13,728,484	33,486,048	21,266,211	5,149,652
Unrestricted State appropriation - operating	-	-	-	-	-
Unrestricted State appropriation - capital	1,320,638	1,362,340	1,294,495	1,315,528	456,593
Investment earnings, unrestricted	129,229	273,063	248,101	248,101	248,101
Miscellaneous, unrestricted	12,899,878	15,176,401	12,314,972	9,518,756	23,530,389
Transfers	(50,977)	(54,160)	(499,969)	(55,919)	(79,224)
Total governmental activities general revenues	<u>82,416,938</u>	<u>78,837,832</u>	<u>97,155,351</u>	<u>82,104,381</u>	<u>80,807,215</u>
Business-type activities:					
Unrestricted State appropriations - operating	-	-	-	-	-
Investment earnings, unrestricted	-	-	-	-	-
Miscellaneous, unrestricted	8,429	895	43,715	104,399	42,977
Transfers	50,977	54,160	499,968	55,919	79,224
Total business-type activities general revenues	<u>59,406</u>	<u>55,055</u>	<u>543,683</u>	<u>160,318</u>	<u>122,201</u>
Total general revenues	<u>\$ 82,476,344</u>	<u>\$ 78,892,887</u>	<u>\$ 97,699,034</u>	<u>\$ 82,264,699</u>	<u>\$ 80,929,416</u>
<b>Change in net position</b>					
Governmental activities	\$ (4,511,579)	\$ 6,813,233	\$ 14,707,185	\$ 25,417,625	\$ 34,989,040
Business-type activities	244,727	106,272	(3,266,337)	1,928,763	3,759,446
Total primary government change in net position	<u>\$ (4,266,852)</u>	<u>\$ 6,919,505</u>	<u>\$ 11,440,848</u>	<u>\$ 27,346,388</u>	<u>\$ 38,748,486</u>

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

Table 4

	<b>Year Ended June 30</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Fund</b>					
Nonspendable	\$ 2,018,326	\$ 1,583,728	\$ 1,357,869	\$ 9,125	\$ -
Restricted	983,495	3,198,763	1,346,836	602,243	507,429
Committed	-	-	-	-	-
Assigned	1,500,500	1,350,000	3,149,000	3,299,000	1,350,000
Unassigned	8,596,957	8,421,435	6,299,324	4,267,131	3,713,330
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Undesignated	-	-	-	-	-
Total General Fund	<u>\$ 13,099,278</u>	<u>\$ 14,553,926</u>	<u>\$ 12,153,029</u>	<u>\$ 8,177,499</u>	<u>\$ 5,570,759</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,310,576	6,226,751	7,423,800	8,407,434	7,861,459
Unassigned	(53,385)	(23,559)	-	-	-
Committed	1,135,340	167,351	-	-	-
Reserved	-	-	-	-	-
Undesignated, reported in					
Individual Schools Funds	-	-	-	-	-
Restricted Grants Fund	-	-	-	-	-
Capital Outlay Fund	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 7,392,531</u>	<u>\$ 6,370,543</u>	<u>\$ 7,423,800</u>	<u>\$ 8,407,434</u>	<u>\$ 7,861,459</u>
Total General And All Other Governmental Funds	<u>\$ 20,491,809</u>	<u>\$ 20,924,469</u>	<u>\$ 19,576,829</u>	<u>\$ 16,584,933</u>	<u>\$ 13,432,218</u>
<b>Year Ended June 30</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ 1,007,251	\$ -	\$ -
Restricted	578,285	368,862	96,766	242,935	48,897
Committed	-	-	-	-	-
Assigned	150,000	150,000	150,000	150,000	150,000
Unassigned	4,371,959	4,277,089	4,851,995	4,722,972	5,164,021
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Undesignated	-	-	-	-	-
Total General Fund	<u>\$ 5,100,244</u>	<u>\$ 4,795,951</u>	<u>\$ 6,106,012</u>	<u>\$ 5,115,907</u>	<u>\$ 5,362,918</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,666,213	7,374,024	7,424,977	10,613,911	11,455,368
Unassigned	-	-	-	-	-
Committed	-	-	-	-	-
Reserved	-	-	-	-	-
Undesignated, reported in					
Individual Schools Funds	-	-	-	-	-
Restricted Grants Fund	-	-	-	-	-
Capital Outlay Fund	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 7,666,213</u>	<u>\$ 7,374,024</u>	<u>\$ 7,424,977</u>	<u>\$ 10,613,911</u>	<u>\$ 11,455,368</u>
Total General And All Other Governmental Funds	<u>\$ 12,766,457</u>	<u>\$ 12,169,975</u>	<u>\$ 13,530,989</u>	<u>\$ 15,729,818</u>	<u>\$ 16,818,286</u>

SOURCE: 2013 - 2022 Gaston County Board of Education annual financial statements

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

**Table 5**

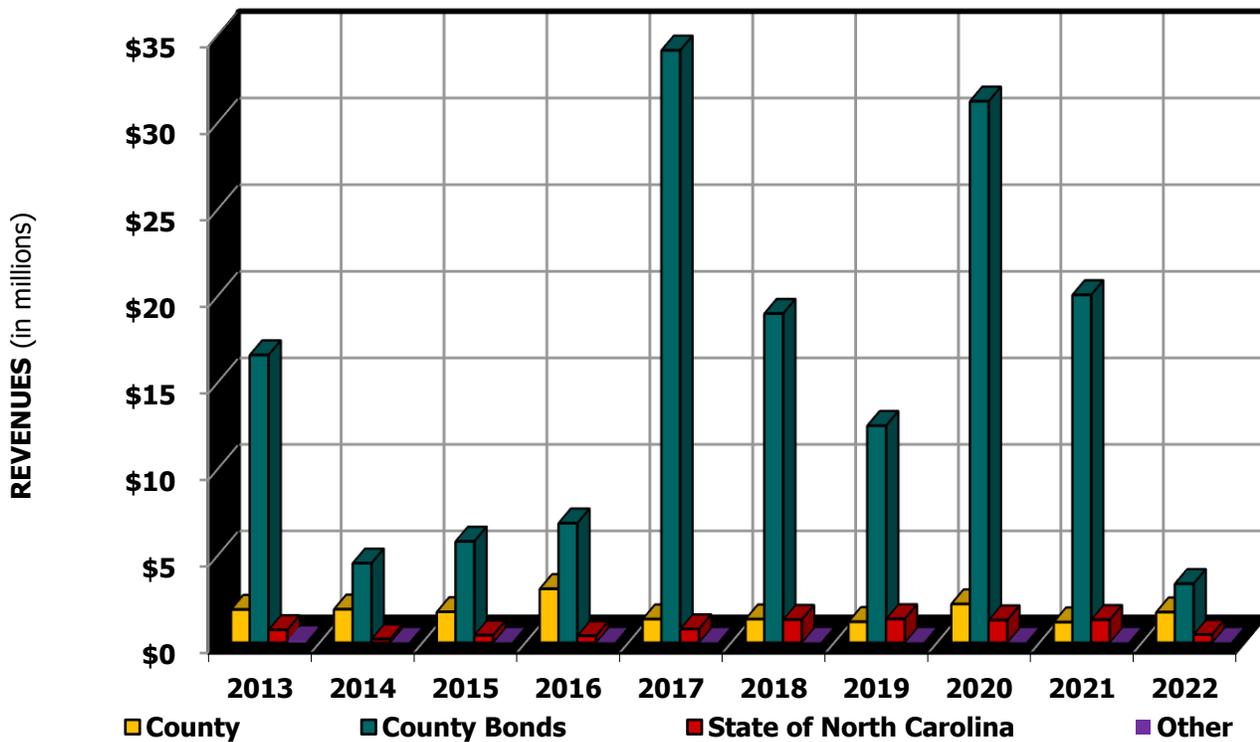
	<b>Year Ended June 30</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>					
State of North Carolina	\$ 161,077,198	\$ 160,299,857	\$ 170,570,712	\$ 173,639,054	\$ 181,821,274
Gaston County	60,050,025	49,283,666	51,498,975	53,869,522	80,998,185
U.S. Government	21,812,505	20,286,937	20,758,427	18,830,948	21,932,385
School receipts	7,202,786	7,584,887	7,266,206	7,531,290	7,289,187
Other	3,298,153	3,760,436	4,905,760	3,159,808	3,772,599
Total revenues	<u>253,440,667</u>	<u>241,215,783</u>	<u>255,000,080</u>	<u>257,030,622</u>	<u>295,813,630</u>
<b>Expenditures</b>					
Instructional programs	187,412,607	186,065,172	198,628,265	201,343,525	214,112,055
Support services	42,120,477	43,876,298	46,104,517	44,648,312	45,001,043
Ancillary services	319,925	777,554	932,528	182,525	144,386
Non-programmed charges	1,989,509	2,165,338	2,338,628	3,222,438	3,433,535
Debt service					
Principal retirement	679,074	160,739	321,229	284,706	775,314
Interest and fiscal charges	-	-	-	-	-
Capital outlay	24,375,092	7,476,750	8,417,167	10,352,353	37,243,849
Total expenditures	<u>256,896,684</u>	<u>240,521,851</u>	<u>256,742,334</u>	<u>260,033,859</u>	<u>300,710,182</u>
Revenues over (under) expenditures	<u>(3,456,017)</u>	<u>693,932</u>	<u>(1,742,254)</u>	<u>(3,003,237)</u>	<u>(4,896,552)</u>
<b>Other financing sources (uses)</b>					
Capital lease obligations issued	642,957	-	641,490	248,431	1,808,610
Transfers to other funds	(2,611,911)	(261,272)	(246,876)	(237,090)	(64,773)
Capital contributions	2,228,981	-	-	-	-
Total other financing sources (uses)	<u>(382,930)</u>	<u>(261,272)</u>	<u>394,614</u>	<u>11,341</u>	<u>1,743,837</u>
Net change in fund balance	<u>\$ (3,838,947)</u>	<u>\$ 432,660</u>	<u>\$ (1,347,640)</u>	<u>\$ (2,991,896)</u>	<u>\$ (3,152,715)</u>
Ratio of debt service to total non-capital expenditures	0.29%	0.07%	0.12%	0.11%	0.29%

	<b>Year Ended June 30</b>				
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Revenues</b>					
State of North Carolina	\$ 188,738,980	\$ 198,412,573	\$ 198,897,201	\$ 201,123,228	\$ 210,171,970
Gaston County	68,183,170	62,455,733	84,380,499	71,901,037	57,022,180
U.S. Government	23,377,436	20,481,351	19,948,959	37,021,003	61,098,771
School receipts	7,647,441	7,283,918	6,342,651	5,236,352	5,290,410
Other	4,678,817	10,067,934	7,770,142	7,419,671	10,549,163
Total Revenues	<u>292,625,844</u>	<u>298,701,509</u>	<u>317,339,452</u>	<u>319,701,291</u>	<u>344,132,494</u>
<b>Expenditures</b>					
Instructional programs	223,027,135	233,958,265	229,146,614	236,622,450	273,805,622
Support services	44,804,721	46,214,484	47,031,607	50,003,587	54,719,535
Ancillary services	76,863	109,644	52,996	2,136,989	1,105,108
Non-programmed charges	3,567,059	3,789,135	4,480,948	6,060,761	7,419,460
Debt service					
Principal retirement	1,287,338	1,348,792	1,243,131	1,181,300	374,507
Interest and fiscal charges	-	-	-	-	-
Capital outlay	22,948,254	14,959,684	33,523,173	21,811,508	5,540,570
Total expenditures	<u>295,711,370</u>	<u>300,380,004</u>	<u>315,478,469</u>	<u>317,816,595</u>	<u>342,964,802</u>
Revenues over (under) expenditures	<u>(3,085,526)</u>	<u>(1,678,495)</u>	<u>1,860,983</u>	<u>1,884,696</u>	<u>1,167,692</u>
<b>Other financing sources (uses)</b>					
Capital lease obligations issued	2,470,742	1,136,173	-	370,052	-
Transfers to other funds	(50,977)	(54,160)	(499,969)	(55,919)	(79,224)
Capital contributions	-	-	-	-	-
Total other financing sources (uses)	<u>2,419,765</u>	<u>1,082,013</u>	<u>(499,969)</u>	<u>314,133</u>	<u>(79,224)</u>
Net change in fund balance	<u>\$ (665,761)</u>	<u>\$ (596,482)</u>	<u>\$ 1,361,014</u>	<u>\$ 2,198,829</u>	<u>\$ 1,088,468</u>
Ratio of debt service to total non-capital expenditures	0.47%	0.47%	0.44%	0.40%	0.11%

**SOURCE: 2013 - 2022 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

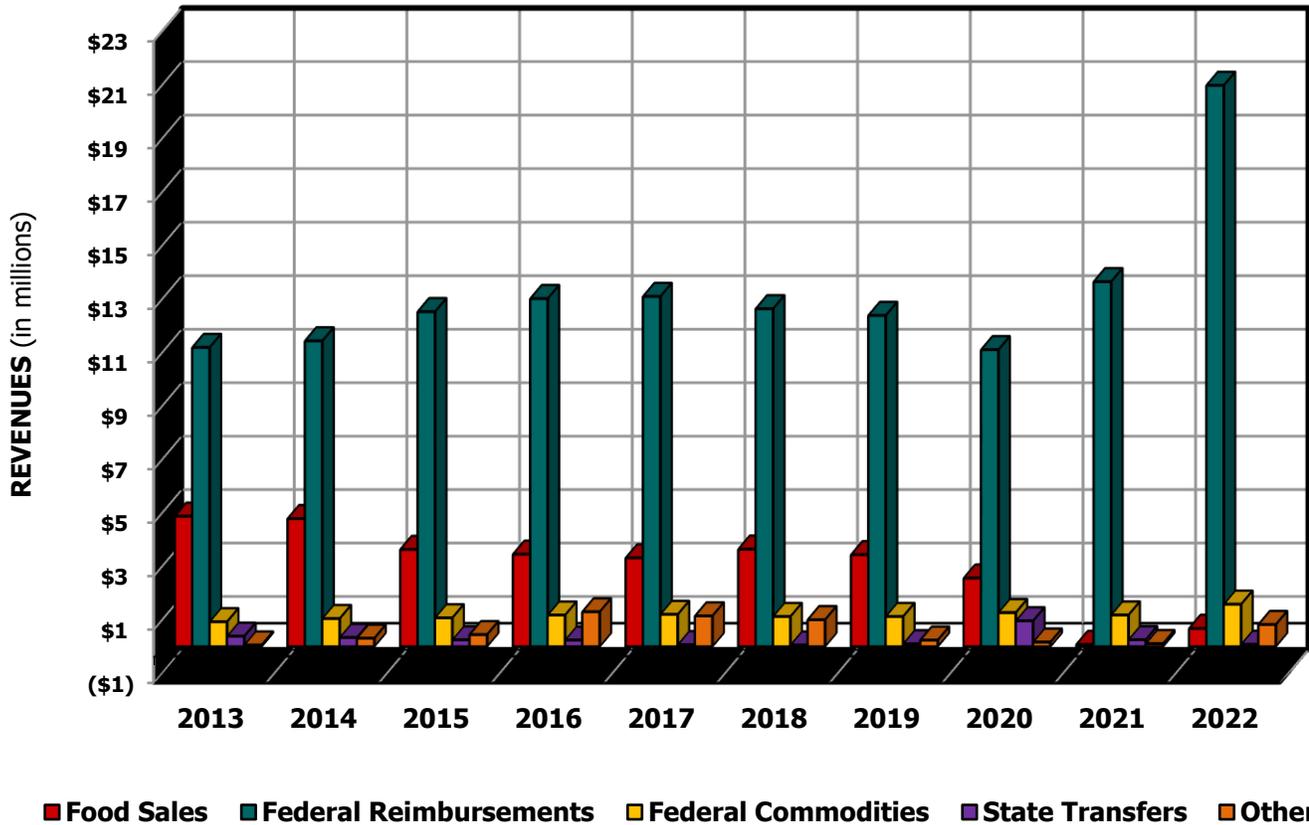


Year Ended June 30	2013	2014	2015	2016	2017
<b>Revenue</b>					
County	\$ 1,907,273	\$ 1,920,987	\$ 1,771,953	\$ 3,102,660	\$ 1,350,819
County Bonds	16,616,048	4,580,975	5,845,318	6,895,158	34,230,662
State of North Carolina	732,456	197,364	419,873	382,120	776,902
Other	96,877	-	-	-	-
<b>Total Revenue</b>	<b>\$ 19,352,654</b>	<b>\$ 6,699,326</b>	<b>\$ 8,037,144</b>	<b>\$ 10,379,938</b>	<b>\$ 36,358,383</b>
<b>Total Expenditures</b>	<b>\$ 25,054,166</b>	<b>\$ 7,637,489</b>	<b>\$ 8,738,396</b>	<b>\$ 10,637,059</b>	<b>\$ 38,019,163</b>
Year Ended June 30	2018	2019	2020	2021	2022
<b>Revenue</b>					
County	\$ 1,353,419	\$ 1,195,234	\$ 2,226,931	\$ 1,176,425	\$ 1,753,082
County Bonds	19,013,047	12,533,250	31,259,117	20,089,786	3,396,570
State of North Carolina	1,320,638	1,362,340	1,294,495	1,315,528	456,593
Other	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 21,687,104</b>	<b>\$ 15,090,824</b>	<b>\$ 34,780,543</b>	<b>\$ 22,581,739</b>	<b>\$ 5,606,245</b>
<b>Total Expenditures</b>	<b>\$ 22,948,254</b>	<b>\$ 14,959,684</b>	<b>\$ 33,523,173</b>	<b>\$ 21,811,508</b>	<b>\$ 5,540,570</b>

SOURCE: 2013 - 2022 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

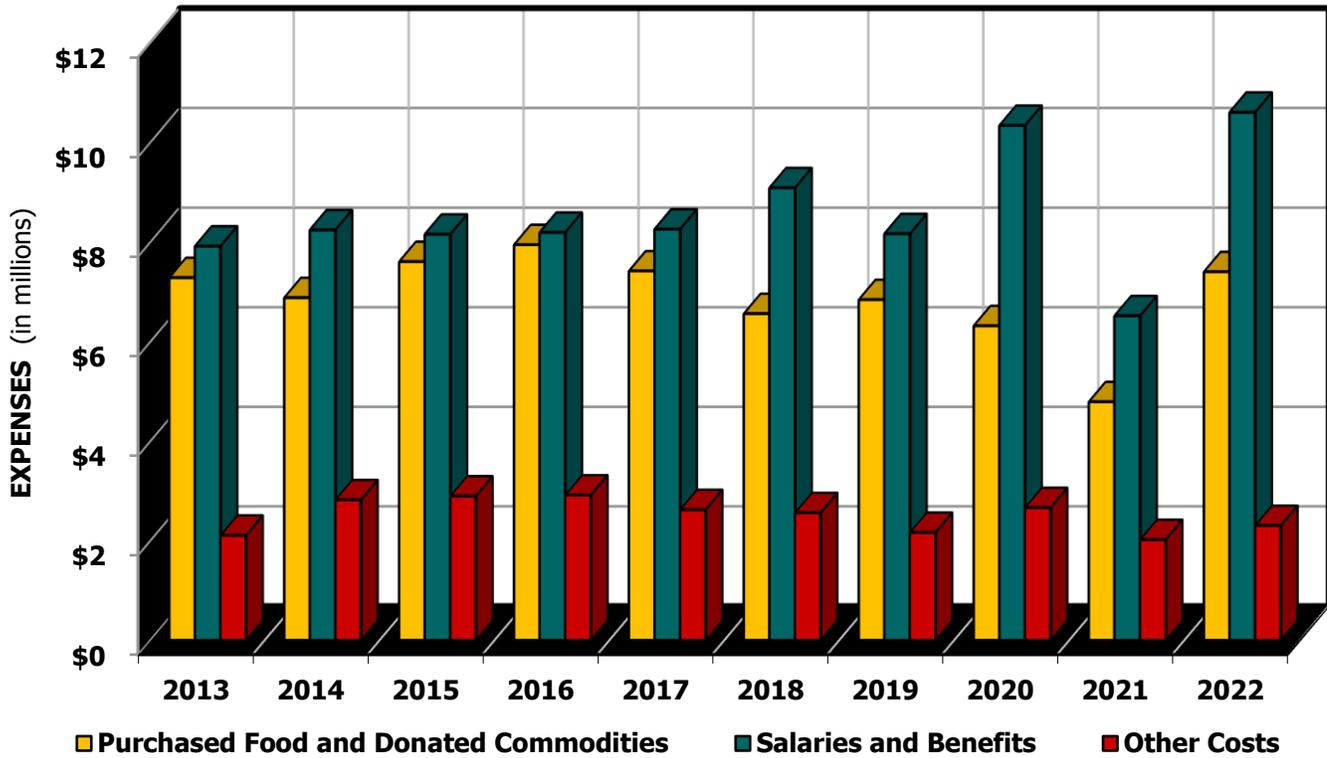


Year Ended June 30	2013	2014	2015	2016	2017
Food Sales	\$ 4,873,192	\$ 4,783,141	\$ 3,630,453	\$ 3,450,282	\$ 3,311,309
Federal Reimbursements	11,190,070	11,436,488	12,526,265	13,016,569	13,094,222
Federal Commodities	922,327	1,041,935	1,069,047	1,172,420	1,198,856
Transfers and Capital Contributions	382,930	324,997	246,876	237,090	64,773
Other	50,953	306,573	441,464	1,296,143	1,141,092
<b>Totals</b>	<b>\$ 17,419,472</b>	<b>\$ 17,893,134</b>	<b>\$ 17,914,105</b>	<b>\$ 19,172,504</b>	<b>\$ 18,810,252</b>
Year Ended June 30	2018	2019	2020	2021	2022
Food Sales	\$ 3,640,725	\$ 3,432,214	\$ 2,556,257	\$ 72,894	\$ 674,736
Federal Reimbursements	12,634,761	12,385,553	11,104,744	13,647,011	20,980,726
Federal Commodities	1,118,758	1,119,505	1,264,573	1,175,666	1,578,193
Transfers and Capital Contributions	50,977	98,485	957,061	250,237	79,224
Other	1,008,454	236,606	161,964	104,399	819,613
<b>Totals</b>	<b>\$ 18,453,675</b>	<b>\$ 17,272,363</b>	<b>\$ 16,044,599</b>	<b>\$ 15,250,207</b>	<b>\$ 24,132,492</b>

SOURCE: 2013 - 2022 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

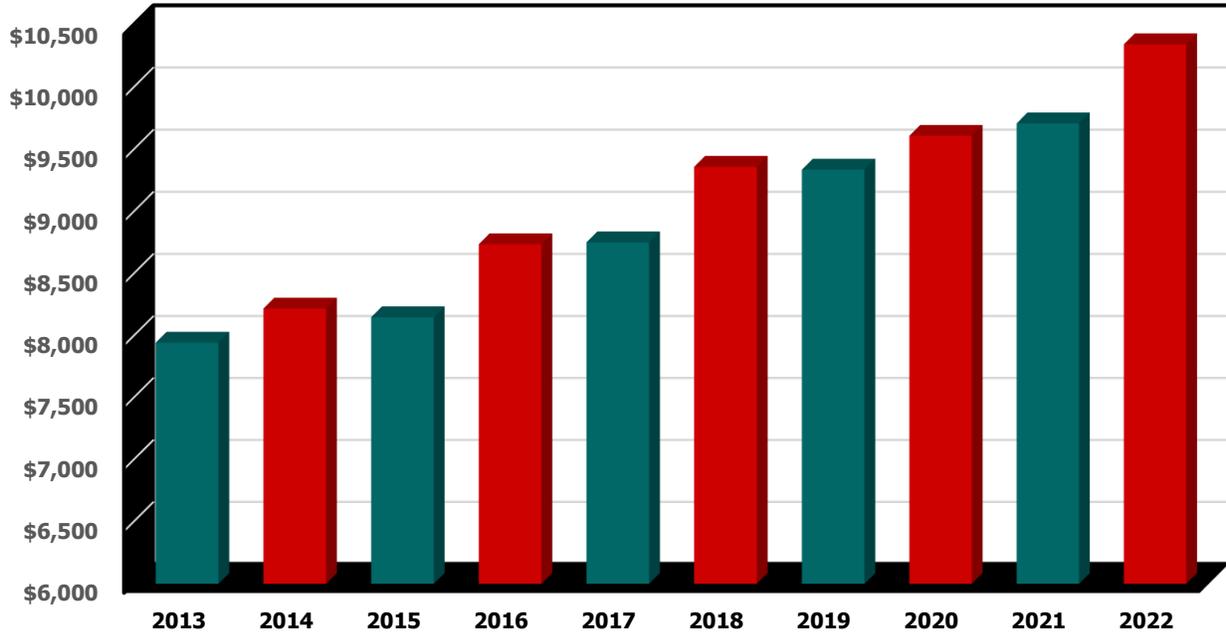


Year Ended June 30	2013	2014	2015	2016	2017
Purchased Food and Donated Commodities	\$ 7,282,399	\$ 6,881,864	\$ 7,603,468	\$ 7,942,885	\$ 7,416,516
Salaries and Benefits	7,914,153	8,240,759	8,152,935	8,189,994	8,256,301
Other Costs	2,103,515	2,817,128	2,893,538	2,911,539	2,618,677
<b>Totals</b>	<b>\$ 17,300,067</b>	<b>\$ 17,939,751</b>	<b>\$ 18,649,941</b>	<b>\$ 19,044,418</b>	<b>\$ 18,291,494</b>
Year Ended June 30	2018	2019	2020	2021	2022
Purchased Food and Donated Commodities	\$ 6,566,614	\$ 6,841,081	\$ 6,316,169	\$ 4,788,714	\$ 7,391,096
Salaries and Benefits	9,085,963	8,163,977	10,335,426	6,516,499	10,633,604
Other Costs	2,556,371	2,161,033	2,659,341	2,016,231	2,348,346
<b>Totals</b>	<b>\$ 18,208,948</b>	<b>\$ 17,166,091</b>	<b>\$ 19,310,936</b>	<b>\$ 13,321,444</b>	<b>\$ 20,373,046</b>

SOURCE: 2013 - 2022 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	2013	2014	2015	2016	2017
<b>Average daily membership (ADM)</b>	<b>31,189</b>	<b>31,152</b>	<b>31,421</b>	<b>31,555</b>	<b>31,499</b>
<b>Expenses</b>					
Instructional	\$ 6,433	\$ 6,649	\$ 6,592	\$ 7,166	\$ 7,179
Support services	1,419	1,467	1,455	1,459	1,461
Ancillary services	6	9	9	5	5
Non-programmed charges	88	96	95	109	109
<b>Operating expenses per pupil</b>	<b>\$ 7,946</b>	<b>\$ 8,221</b>	<b>\$ 8,151</b>	<b>\$ 8,739</b>	<b>\$ 8,754</b>
Year Ended June 30	2018	2019	2020	2021	2022
<b>Average daily membership (ADM)</b>	<b>31,581</b>	<b>31,116</b>	<b>30,834</b>	<b>29,489</b>	<b>29,704</b>
<b>Expenses</b>					
Instructional	\$ 7,738	\$ 7,713	\$ 7,676	\$ 7,734	\$ 8,359
Support services	1,508	1,500	1,789	1,699	1,701
Ancillary services	3	4	2	72	37
Non-programmed charges	113	122	145	206	250
<b>Operating expenses per pupil</b>	<b>\$ 9,362</b>	<b>\$ 9,339</b>	<b>\$ 9,611</b>	<b>\$ 9,711</b>	<b>\$ 10,348</b>

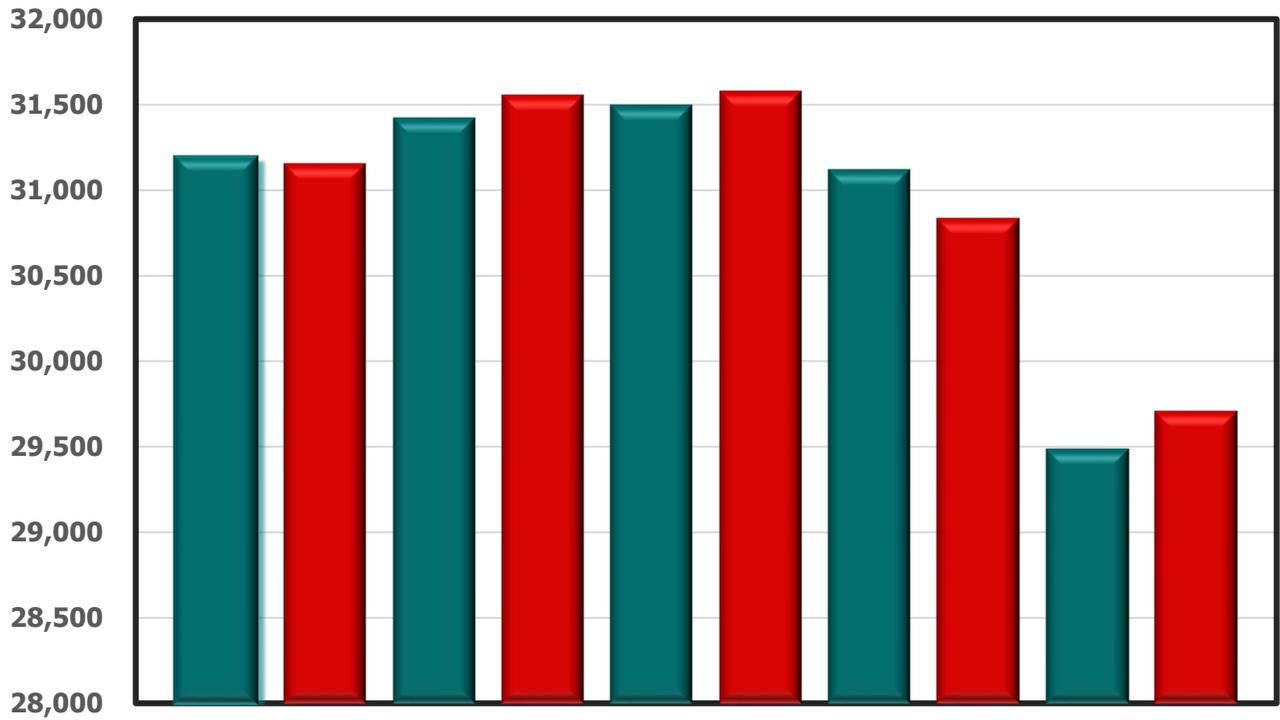
**SOURCES:** ADM - Principal's Monthly Report - Month 01

2013 - 2022 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**



	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>ADM</b>	31,189	31,152	31,421	31,555	31,499	31,581	31,116	30,834	29,489	29,704

**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**

<b>Category</b>	<b>Year Ended June 30</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrators, Managers	36	38	42	41	38	36	36	38	43	*
Principals	56	56	56	54	54	54	54	54	57	*
Assistant Principals	55	58	63	63	69	70	69	68	66	*
Teachers	1,875	1,898	1,881	1,874	1,864	1,908	1,890	1,840	1,904	*
Guidance Counselors	82	80	85	83	84	88	93	94	90	*
Psychologists	16	18	15	17	22	19	17	17	14	*
Media Specialists	51	52	51	51	49	48	48	47	48	*
Other Professionals	174	182	194	220	216	199	198	204	191	*
Teacher Assistants	388	417	416	429	425	419	408	377	393	*
Technicians	17	17	17	16	17	17	16	16	18	*
Clerical, Secretarial	169	167	176	178	180	188	185	183	188	*
Service Workers	187	188	203	193	204	214	224	240	262	*
Skilled Crafts	46	50	46	49	49	51	52	53	54	*
<b>Total Full-Time Employees</b>	<b>3,152</b>	<b>3,221</b>	<b>3,245</b>	<b>3,268</b>	<b>3,271</b>	<b>3,311</b>	<b>3,290</b>	<b>3,231</b>	<b>3,328</b>	<b>*</b>

**SOURCE: North Carolina Public Schools Statistical Profile**

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.

\* Information not available

**GASTON COUNTY BOARD OF EDUCATION**  
**School Building Data**  
**June 30, 2022**

Table 12

<b>School</b>	<b>Grade Span</b>	<b>Average Daily Membership</b>	<b>Age (Years) of Original Construction</b>	<b>Date of Original Construction</b>
<b><u>Elementary Schools</u></b>				
Beam Intermediate	4-5	196	74	1948
Belmont Central	2-5	673	53	1969
W.A. Bess	K-5	579	40	1982
Bessemer City Central	3-5	391	23	1999
Bessemer City Primary	K-2	337	46	1976
Brookside	K-5	450	28	1994
Carr	K-5	628	61	1961
Catawba Heights	K-5	269	63	1959
Chapel Grove	K-5	352	68	1954
Cherryville	K-3	354	66	1956
Costner	K-5	427	57	1965
Gardner Park	K-5	496	58	1964
H.H. Beam	K-5	494	48	1974
Hawks Nest	4-5	340	20	2002
Kiser	3-5	320	74	1948
Lingerfeldt	K-5	390	69	1953
Lowell	K-5	402	44	1978
McAdenville	K-5	179	73	1949
New Hope	K-5	473	67	1955
North Belmont	K-5	291	46	1976
Page	K-1	346	49	1973
Pinewood	K-5	451	53	1969
Pleasant Ridge	K-5	810	70	1952
Rankin	K-5	489	72	1950
Robinson	K-3	373	68	1954
Sadler	K-5	340	18	2004
Sherwood	K-5	508	53	1969
Springfield	K-2	318	46	1976
Tryon	K-5	300	82	1940
Woodhill	K-5	461	55	1967

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

**GASTON COUNTY BOARD OF EDUCATION**  
**School Building Data**  
**June 30, 2022**

**Table 12**  
**(continued)**

<b>School</b>	<b>Grade Span</b>	<b>Average Daily Membership</b>	<b>Age (Years) of Original Construction</b>	<b>Date of Original Construction</b>
<b><u>Middle Schools</u></b>				
Belmont	6-8	720	84	1938
Bessemer City	6-8	490	68	1954
Chavis	6-8	393	71	1951
Cramerton	6-8	890	24	1998
W.C. Friday	6-8	586	52	1970
Grier	6-8	636	67	1955
Holbrook	6-8	751	68	1954
Mount Holly	6-8	595	83	1939
Southwest	6-8	772	51	1971
Stanley	6-8	675	63	1959
York Chester	6-8	458	83	1939
<b><u>High Schools</u></b>				
Ashbrook	9-12	1,269	52	1970
Bessemer City	9-12	573	58	1964
Cherryville	9-12	494	66	1956
Stuart W. Cramer	9-12	943	9	2013
East Gaston	9-12	848	51	1971
Forestview	9-12	1,018	24	1998
Gaston Early College	9-13	238	*	*
Gaston Early College of Medical Science	9-13	79	*	*
Highland School of Technology	9-12	533	68	1954
Hunter Huss	9-12	1,091	60	1962
North Gaston	9-12	1,114	52	1970
South Point	9-12	925	58	1964
<b><u>Special/Alternative Schools</u></b>				
Gaston Virtual Academy	4-9	928	N/A	N/A
Warlick	6-12	97	73	1949
Webb Street	K-12	151	73	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		
2022	\$ -	\$ *	234,215	\$ *	*
2021	374,507	48,508	231,337	1.62	0.130%
2020	1,185,755	44,739	227,942	5.20	0.038%
2019	2,428,916	41,535	224,529	10.82	0.017%
2018	2,614,505	41,379	224,144	11.66	0.016%
2017	1,458,101	39,578	220,182	6.62	0.003%
2016	424,805	38,261	216,903	1.96	0.009%
2015	461,080	36,950	213,442	2.16	0.008%
2014	140,819	35,531	211,040	0.67	0.025%
2013	301,558	34,549	209,450	1.44	0.011%

**SOURCES: 2013 - 2022 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

# GASTON COUNTY STATISTICAL INFORMATION



This section provides statistical data from Gaston County.

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

**Table 14**

<b>Year Ended June 30</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Environmental Protection</b>	<b>Economic &amp; Physical Development</b>	<b>Human Services</b>
2022	\$ 42,279,544	\$ 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	26,609,035	62,119,338	60,916	4,567,632	61,588,632
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
2014	23,965,459	56,497,044	49,390	3,422,972	58,547,080
2013	23,467,884	55,756,864	63,277	3,492,907	58,648,954

**SOURCE: Gaston County Finance Department**

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

**Table 14**  
**(continued)**

<b>Year Ended June 30</b>	<b>Cultural &amp; Recreational</b>	<b>Education</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Total</b>
2022	\$ 7,947,537	\$ 59,153,869	\$ 28,964,166	\$ 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	28,348,246	280,497,413
2016	5,384,033	49,693,622	16,317,490	25,316,479	251,657,177
2015	5,235,321	49,517,556	10,176,139	25,492,642	243,494,641
2014	5,141,154	48,108,930	9,219,457	25,462,045	233,769,682
2013	4,988,208	46,691,012	24,619,020	26,253,651	245,033,836

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

**Table 15**

Municipality	Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>County</b>	0.8350	0.8700	0.8700	0.8700	0.8700	0.8700	0.8700	0.8400	0.8300	0.8100
<b>Cities and Towns</b>										
Belmont	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
Bessemer City	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Cherryville	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600
Cramerton	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
Dallas	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Gastonia	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
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	0.3130	0.3070	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Kings Mountain	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Lowell	0.4000	0.4000	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
McAdenville	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Mt. Holly	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Ranlo	0.2860	0.2860	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
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	0.5400	0.5400
<b>Fire Districts</b>										
Agriculture Center	0.0630	0.0630	0.0630	0.0630	0.0730	0.0730	0.0730	0.0920	0.0112	0.1200
Alexis	0.0850	0.0850	0.0900	0.0900	0.0950	0.0950	0.0950	0.0790	0.0990	0.1060
Chapel Grove	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930	0.1240
Chestnut Ridge	0.0800	0.0800	0.0840	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010	0.1200
Community	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.0990	0.1190	0.1210
Crouse	0.0740	0.0740	0.0740	0.0740	0.0740	0.0740	0.0860	0.0690	0.0750	0.0750
East Gaston	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0720	0.0920	0.0980
High Shoals	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040	0.1040
Hughs Pond	0.1010	0.1010	0.1010	0.1010	0.1100	0.1100	0.1100	0.1050	0.1050	0.1050
Long Shoals	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1030	0.1040	0.1040	0.1040
Lowell	0.0500	0.0500	0.0500	0.0500	0.0740	0.0740	0.0740	0.0680	0.0680	0.0680
Lucia-Riverbend	0.1050	0.1050	0.1050	0.1050	0.1100	0.1100	0.1140	0.0930	0.1130	0.1250
New Hope	0.0800	0.0800	0.0880	0.0880	0.0880	0.0880	0.1000	0.0840	0.0970	0.0970
Ranlo	0.0840	0.0840	0.0840	0.0840	0.0845	0.0845	0.0840	0.0880	0.0910	0.0910
South Gastonia	0.0950	0.0950	0.1050	0.1050	0.1050	0.1050	0.1050	0.0930	0.0930	0.1240
South Point	0.0640	0.0640	0.0640	0.0640	0.0400	0.0400	0.0400	0.0360	0.0500	0.0500
Spencer Mountain	0.0700	0.0700	0.0800	0.0800	0.0800	0.0800	0.0800	0.0930	0.1030	0.1030
Tryonata	0.0800	0.0800	0.0840	0.0840	0.0840	0.0840	0.0950	0.0810	0.1010	0.1200
Union Road	0.0670	0.0670	0.0770	0.0770	0.0770	0.0770	0.0770	0.0650	0.0760	0.0760
Waco	0.0730	0.0730	0.0730	0.0730	0.0950	0.0950	0.0950	0.0810	0.0950	0.0950

**SOURCE: Gaston County Finance Department**

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

Table 16

<b>Year Ended June 30</b>	<b>Commercial Permits</b>	<b>Industrial Permits</b>	<b>Bank Deposits x \$1,000</b>
2022	\$ 236,962,123	\$ 75,000	\$ 3,768,767
2021	244,330,679	0	3,363,125
2020	94,056,648	0	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
2014	25,138,335	88,179,891	2,247,186
2013	47,521,513	41,135,183	2,264,468

**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**

<b>Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
2022	\$ 176,450,171	\$ 174,965,654	99.16%
2021	170,971,588	170,364,778	99.65%
2020	166,281,606	165,532,478	99.55%
2019	130,421,455	130,005,492	99.68%
2018	127,701,957	127,317,801	99.70%
2017	123,779,768	123,476,185	99.75%
2016	120,282,146	120,024,706	99.79%
2015	121,177,992	120,905,771	99.78%
2014	127,281,287	127,042,822	99.81%
2013	125,234,084	125,041,918	99.85%

**SOURCE: Gaston County Finance Department**

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

**Table 18**

TAXPAYER	2022			2021		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 672,138,421	1	3.2%	\$ 557,549,402	1	3.1%
Triangle Real Estate	195,224,770	2	0.9%	70,840,486	6	0.4%
Daimler Trucks North America	174,211,807	3	0.8%	194,250,532	2	1.1%
FMC Corporation	94,148,631	4	0.4%	63,583,128	7	0.4%
Public Service Company	91,906,852	5	0.4%	118,513,358	3	0.7%
Owens Corning Non-Woven	77,746,463	6	0.4%	75,874,264	4	0.4%
Southwood Realty Company	64,848,570	7	0.3%	73,637,832	5	0.4%
Georgia Pacific, LLC	56,254,750	8	0.3%	50,572,505	9	0.3%
Bud Antle Corporation	45,091,467	9	0.2%	-	-	-
WalMart Real Est Business	42,268,370	10	0.2%	-	-	-
Pharr Yarns, Inc.	-	-	-	-	-	-
Industrial Fabricators, Inc.	-	-	-	-	-	-
CTL Packaging USA, Inc.	-	-	-	-	-	-
Firestone Fibers & Textiles	-	-	-	53,680,119	8	0.3%
Mann+Hummel Filtration Tech US	-	-	-	49,850,606	10	0.3%
	<b>\$ 1,513,840,101</b>		<b>7.1%</b>	<b>\$ 1,308,352,232</b>		<b>7.3%</b>

TAXPAYER	2017			2016		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 438,806,658	1	3.1%	\$ 407,944,704	1	2.9%
Daimler Trucks North America	149,977,069	2	1.1%	96,565,695	2	0.7%
Public Service Company	80,741,839	3	0.6%	75,773,961	3	0.6%
Owens Corning Non-Woven	61,493,960	4	0.4%	-	-	-
FMC Corporation	54,105,672	5	0.4%	-	-	-
Southwood Realty	52,384,054	6	0.4%	-	-	-
Bud Antle Corporation	45,590,270	7	0.3%	48,181,391	6	0.4%
Mann+Hummel Filtration Tech US	45,504,877	8	0.3%	-	-	-
AT&T	45,085,544	9	0.3%	-	-	-
Pharr Yarns, Inc.	44,020,868	10	0.3%	54,434,517	4	0.4%
Dole Food Company	-	-	-	52,230,356	5	0.4%
Seven Oaks Farm, LLC	-	-	-	47,307,929	7	0.3%
Triangle Real Estate	-	-	-	45,255,904	8	0.3%
Clariant Corporation	-	-	-	44,953,282	9	0.3%
CTL Packaging USA, Inc.	-	-	-	42,762,583	10	0.3%
Rutherford EMS	-	-	-	-	-	-
	<b>\$ 1,017,710,811</b>		<b>7.2%</b>	<b>\$ 915,410,322</b>		<b>6.6%</b>

**SOURCE: Gaston County Finance Department**

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

**Table 18**  
(continued)

TAXPAYER	2020			2019		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 557,549,402	1	3.1%	\$ 503,775,335	1	3.4%
Triangle Real Estate	70,840,486	6	0.4%	-	-	-
Daimler Trucks North America	194,250,532	2	1.1%	162,272,723	2	1.1%
FMC Corporation	63,583,128	7	0.4%	65,405,762	5	0.4%
Public Service Company	118,513,358	3	0.7%	99,725,580	3	0.7%
Owens Corning Non-Woven	75,874,264	4	0.4%	79,742,599	4	0.5%
Southwood Realty Company	73,637,832	5	0.4%	51,257,916	6	0.3%
Georgia Pacific, LLC	50,572,505	9	0.3%	-	-	-
Bud Antle Corporation	-	-	-	44,212,664	8	0.3%
AT&T	-	-	-	-	-	-
Pharr Yarns, Inc.	-	-	-	42,992,410	9	0.3%
Industrial Fabricators, Inc.	-	-	-	39,786,622	10	0.3%
CTL Packaging USA, Inc.	-	-	-	-	-	-
Firestone Fibers & Textiles	53,680,119	8	0.3%	-	-	-
Mann+Hummel Filtration Tech US	49,850,606	10	0.3%	45,967,372	7	0.3%
	<b>\$ 1,308,352,232</b>		<b>7.3%</b>	<b>\$ 1,135,138,983</b>		<b>7.6%</b>

TAXPAYER	2015			2014		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 402,344,986	1	2.6%	\$ 498,336,203	1	3.4%
Daimler Trucks North America	91,155,042	2	0.6%	88,931,161	2	0.6%
Public Service Company	63,882,771	3	0.4%	62,031,218	3	0.4%
Owens Corning Non-Woven	-	-	-	-	-	-
FMC Corporation	50,956,118	6	0.3%	50,308,960	7	0.3%
Southwood Realty	44,114,600	8	0.3%	42,768,426	9	0.3%
Bud Antle Corporation	51,036,603	5	0.3%	50,507,056	6	0.4%
Mann+Hummel Filtration Tech US	42,237,836	9	0.3%	-	-	-
AT&T	53,837,204	4	0.4%	55,073,335	5	0.4%
Pharr Yarns, Inc.	47,285,428	7	0.3%	56,470,849	4	0.4%
Dole Food Company	-	-	-	-	-	-
Seven Oaks Farm, LLC	-	-	-	44,582,006	8	0.3%
Triangle Real Estate	-	-	-	39,939,501	10	0.3%
Clariant Corporation	-	-	-	-	-	-
CTL Packaging USA, Inc.	34,847,979	10	0.2%	-	-	-
Rutherford EMS	-	-	-	-	-	-
	<b>\$ 881,698,567</b>		<b>5.7%</b>	<b>\$ 988,948,715</b>		<b>6.8%</b>

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

**Table 18**  
(continued)

TAXPAYER	2018		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 482,863,599	1	3.3%
Triangle Real Estate	-	-	-
Daimler Trucks North America	163,183,107	2	1.1%
FMC Corporation	54,593,800	6	0.4%
Public Service Company	92,372,331	3	0.6%
Owens Corning Non-Woven	92,000,551	4	0.6%
Southwood Realty Company	67,144,494	5	0.5%
Georgia Pacific, LLC	44,215,294	7	0.3%
Bud Antle Corporation	43,290,371	9	0.3%
AT&T	-	-	-
Pharr Yarns, Inc.	42,123,968	10	0.3%
Industrial Fabricators, Inc.	-	-	-
CTL Packaging USA, Inc.	-	-	-
Firestone Fibers & Textiles	-	-	-
Mann+Hummel Filtration Tech US	44,177,458	8	0.3%
	<b>\$ 1,125,964,973</b>		<b>7.7%</b>

TAXPAYER	2013		
	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy Corporation	\$ 465,560,162	1	3.1%
Daimler Trucks North America	88,867,953	2	0.6%
Public Service Company	62,344,340	3	0.4%
Owens Corning Non-Woven	-	-	-
FMC Corporation	49,385,583	6	0.3%
Southwood Realty	-	-	-
Bud Antle Corporation	48,345,182	7	0.3%
Mann+Hummel Filtration Tech US	35,399,963	9	0.2%
AT&T	61,527,015	4	0.4%
Pharr Yarns, Inc.	55,808,813	5	0.4%
Dole Food Company	-	-	-
Seven Oaks Farm, LLC	-	-	-
Triangle Real Estate	47,186,108	8	0.3%
Clariant Corporation	-	-	-
CTL Packaging USA, Inc.	-	-	-
Rutherford EMS	34,403,963	10	0.2%
	<b>\$ 948,829,082</b>		<b>6.2%</b>

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

**Table 19**

Employer	2022			2021			2020			2019		
	Number of Employees	Rank	Type	Number of Employees	Rank	Type	Number of Employees	Rank	Type	Number of Employees	Rank	Type
Caromont Health	1,000+	1	Health Services	1,000+	1	Health Services	1,000+	2	Health Services	1,000+	2	Health Services
Gaston County Schools	1,000+	2	Education	1,000+	2	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
Mann+Hummel Filtration (formerly WIX Corporation)	1,000+	6	Manufacturing	1,000+	6	Manufacturing	1,000+	7	Manufacturing	1,000+	7	Manufacturing
American & Efird, Inc.	1,000+	7	Manufacturing	1,000+	7	Manufacturing	1,000+	6	Manufacturing	1,000+	6	Manufacturing
City of Gastonia	500-999	8	Public Administration	500-999	9	Public Administration	500-999	8	Public Administration	500-999	9	Public Administration
Food Lion	500-999	9	Retail Trade	500-999	8	Retail Trade	-	-	-	-	-	-
Gaston College	500-999	10	Education	-	-	-	-	-	-	-	-	-
Trion Solutions, Inc.	-	-	-	-	-	-	500-999	9	Professional and Business Services	500-999	8	Professional and Business Services
Pharr Yarns, Inc.	-	-	-	-	-	-	-	-	-	500-999	10	Manufacturing
Dole Food Company	-	-	-	-	-	-	-	-	-	-	-	-
Sara Lee Corporation	-	-	-	-	-	-	-	-	-	-	-	-
Bud Antle, Inc.	-	-	-	500-999	10	Manufacturing	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	2018			2017			2016			2015		
	Number of Employees	Rank	Type									
Caromont Health	1,000+	2	Health Services									
Gaston County Schools	1,000+	1	Education									
Freightliner Corporation	1,000+	3	Manufacturing									
County of Gaston	1,000+	4	Public Administration	1,000+	4	Public Administration	1,000+	4	Public Administration	1,000+	5	Public Administration
Wal-Mart Associates, Inc.	1,000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	5	Retail Trade	1,000+	4	Retail Trade
Mann+Hummel Filtration (formerly WIX Corporation)	1,000+	7	Manufacturing									
American & Efird, Inc.	1,000+	6	Manufacturing									
City of Gastonia	500-999	8	Public Administration									
Food Lion	-	-	-	-	-	-	-	-	-	-	-	-
Gaston College	500-999	10	Education	500-999	10	Education	500-999	10	Education	-	-	-
Trion Solutions, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
Pharr Yarns, Inc.	500-999	9	Manufacturing									
Dole Food Company	-	-	-	-	-	-	-	-	-	-	-	-
Sara Lee Corporation	-	-	-	-	-	-	-	-	-	500-999	10	Manufacturing
Bud Antle, Inc.	-	-	-	-	-	-	-	-	-	-	-	-

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

**Table 19**  
(continued)

<b>Employer</b>	<b>2014</b>			<b>2013</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Type</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Type</b>
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	500-999	10	Manufacturing
County of Gaston	1,000+	5	Public Administration	1,000+	4	Public Administration
Wal-Mart Associates, Inc.	1,000+	4	Retail Trade	1,000+	3	Retail Trade
Mann+Hummel Filtration (formerly WIX Corporation)	1,000+	6	Manufacturing	1,000+	5	Manufacturing
American & Efird, Inc.	1,000+	7	Manufacturing	1,000+	7	Manufacturing
City of Gastonia	500-999	9	Public Administration	500-999	8	Public Administration
Food Lion	-	-	-	-	-	-
Gaston College	-	-	-	-	-	-
Trion Solutions, Inc.	-	-	-	-	-	-
Pharr Yarns, Inc.	500-999	8	Manufacturing	1,000+	6	Manufacturing
Dole Food Company	500-999	10	Manufacturing	500-999	9	Manufacturing
Sara Lee Corporation	-	-	-	-	-	-
Bud Antle, Inc.	-	-	-	-	-	-

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

Table 20

<b>Year Ended June 30</b>	<b>Employed</b>	<b>Unemployment Rate</b>
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%
2014	91,654	9.00%
2013	90,841	10.20%

**SOURCE: Gaston County Economic Development Commission**

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

**Table 21**

<b>Year Ended June 30</b>	<b>Per Capita Income</b>	<b>Per Capita Rank Within State of NC</b>	<b>Total Personal Income</b> <small>(in thousands of dollars)</small>
2022	\$ *	*	\$ *
2021	48,508	46	*
2020	44,739	46	*
2019	41,535	46	9,319,266
2018	41,379	*	8,944,138
2017	39,578	*	8,714,408
2016	38,565	29	8,298,882
2015	36,950	33	7,886,647
2014	35,531	28	7,685,932
2013	34,549	30	7,329,247

**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

<b>Year Ended June 30</b>	<b>Total Debt Service Expenditures</b> <sup>(1)</sup>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Debt Service to Total General Expenditures</b>
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%
2014	25,462,045	230,413,531	11.1%
2013	26,253,651	243,981,777	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**

<b>Year Ended June 30</b>	<b>Net General Bonded Debt</b>	<b>Estimated Actual Value of Taxable Property x \$1,000</b>	<b>Assessed Value x \$1,000</b>	<b>Ratio - Debt to Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
2022	\$ 188,174,420	\$ 25,340,070	\$ 21,202,037	0.89%	231,941	\$ 811
2021	203,400,222	20,745,544	20,546,387	0.99%	230,378	883
2020	234,753,198	19,934,655	19,745,275	1.19%	228,618	1,027
2019	269,601,609	17,379,041	14,990,972	1.80%	222,744	1,210
2018	186,341,784	14,761,918	16,437,043	1.13%	221,006	843
2017	195,722,876	15,344,435	15,943,318	1.23%	218,445	896
2016	213,575,436	14,112,891	13,808,053	1.55%	215,439	992
2015	178,203,288	13,971,891	13,907,621	1.28%	212,405	840
2014	193,470,690	13,515,569	14,652,228	1.32%	210,356	920
2013	207,119,648	12,981,058	13,733,960	1.51%	209,483	989

**SOURCE: Gaston County Finance Department**