

## Public Service Announcement

In order to maintain the safety of County residents, the Watauga County Board of Commissioners Meeting scheduled for 5:30 P.M. on Tuesday, January 19, 2021, will be conducted electronically. The Board Packet, including the agenda, is available on the County's website at:

[http://www.wataugacounty.org/App\\_Pages/Dept/BOC/boardpacket.aspx](http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx)

**The public may access this meeting by**

**Calling: +1 929 205 6099 and entering the following:**

**Meeting ID: 839 6359 8761**

**Password: 12345**

**OR**

**Clicking the following link:**

<https://us02web.zoom.us/j/83963598761?pwd=MFZuUjVGOGtlNVA0Q1ovWXZvWUR5QT09>

The County is making every effort to ensure that the public is able to, not only listen to the meeting, but also to participate in the public comment portion. You may submit public comments by email to: [public.comments@watgov.org](mailto:public.comments@watgov.org) or by mail to:

Clerk to the Board of Commissioners  
814 West King Street, Suite 205  
Boone, NC 28607

Public comments received by 5:00 P.M. on Monday, January 18, 2021, will be available to view by the time of the meeting (January 19, 2021, at 5:30 P.M.) on the County's website at:

[http://www.wataugacounty.org/App\\_Pages/Dept/BOC/boardpacket.aspx](http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx)

A recording of this meeting will be available by 5:00 P.M. on Wednesday, January 20, 2021, on the County's website at:

[http://www.wataugacounty.org/App\\_Pages/Dept/BOC/boardpacket.aspx](http://www.wataugacounty.org/App_Pages/Dept/BOC/boardpacket.aspx)

**TENTATIVE AGENDA & MEETING NOTICE  
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, JANUARY 19, 2021  
5:30 P.M.**

**ELECTRONIC MEETING ORIGINATING FROM THE  
WATAUGA COUNTY COMMUNITY RECREATION CENTER  
COMMUNITY ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: December 15, 2020, Regular Meeting December 15, 2020, Closed Session		1
	3	APPROVAL OF THE JANUARY 19, 2021, AGENDA		9
5:35	4	CORONAVIRUS (COVID-19) COMMUNITY UPDATE	MS. JENNIFER GREENE	11
5:40	5	PROPOSED FIFTH AMENDMENT TO WATAUGA MEDICAL CENTER LEASE AGREEMENT	MR. JIM DEAL MR. TOM DALE MR. CHUCK MANTOOTH	13
5:45	6	PRESENTATION OF FY 2020 AUDIT	MS. CINDY RANDOLPH	53
5:50	7	FINANCE MATTERS A. Budget Amendments B. FY 2020 Carry Forward Purchase Orders	MS. MISTY WATSON	167 171
5:55	8	WATAUGA COUNTY SCHOOLS MATTERS A. Watauga County Schools Update B. Request for Approval of Lottery Applications	DR. SCOTT ELLIOT MS. LY MARZE	175 177
6:00	9	PROPOSED HIGH COUNTRY KILL/CHILL FACILITY	MR. JIM HAMILTON	183
6:05	10	TAX MATTERS A. Monthly Collections Report B. Refunds and Releases C. Board of Equalization and Review Schedule	MR. LARRY WARREN	189 191 197
6:10	11	MAINTENANCE MATTERS A. Bid Award for Courtroom #2 A/V System B. Bid Award for Complex Sports Facility	MR. ROBERT MARSH	201 211
6:15	12	RADIO INFRASTRUCTURE BUDGET AMENDMENT REQUEST	MR. WILL HOLT	239

TIME	#	TOPIC	PRESENTER	PAGE
6:20	13	MISCELLANEOUS ADMINISTRATIVE MATTERS	MR. DERON GEOUQUE	
		A. Selection of an Architect for the New Valle Crucis Elementary School		241
		B. Discussion of Turner House Demolition		243
		C. Proposed Dates for Annual Pre-Budget Retreat		245
		D. Proposed Dates for Budget Work Sessions		247
		E. Proposed Resolution to Support the North Carolina Association of County Commissioners (NCACC) Initiative on Food Resiliency		249
		F. Proposed Resolution Supporting the Approval and Adoption of the High Country Council of Governments Charter		253
		G. Boards and Commissions		277
		H. Announcements		283
6:25	14	PUBLIC COMMENT	BY WRITTEN SUBMISSION	285
6:30	15	BREAK		285
6:35	16	CLOSED SESSION		285
		Attorney/Client Matters – G. S. 143-318.11(a)(3)		
		Land Acquisition – G. S. 143-318.11(a)(5)(i)		
7:00	17	ADJOURN		

**AGENDA ITEM 2:**

**APPROVAL OF MINUTES:**

December 15, 2020, Regular Meeting

December 15, 2020, Closed Session

**DRAFT****MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS  
TUESDAY, DECEMBER 15, 2020**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, December 15, 2020, at 5:30 P.M. remotely with the meeting originating in the Community Room located in the Watauga County Community Recreation Center, Boone, North Carolina.

Chairman Welch called the remote electronic meeting to order at 5:33 P.M. The following were present:

**PRESENT:** John Welch, Chairman  
 Billy Kennedy, Vice-Chairman  
 Carrington Peralion, Commissioner  
 Charlie Wallin, Commissioner  
 Larry Turnbow, Commissioner  
 Deron Geouque, County Manager  
 Macy Hafner, Substitute Clerk to the Board

Commissioner Wallin opened with a prayer and Commissioner Turnbow led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

Chairman Welch called for additions and/or corrections to the December 7, 2020, regular meeting and closed session minutes.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the December 7, 2020, regular meeting minutes as presented.

VOTE: Aye-5  
 Nay-0

Vice-Chairman Kennedy seconded by Commissioner Turnbow moved to approve the December 7, 2020, closed session minutes as presented.

VOTE: Aye-5  
 Nay-0

**APPROVAL OF AGENDA**

Chairman Welch called for additions and/or corrections to the December 15, 2020, agenda.

Vice-Chairman Kennedy requested nominations for the Watauga Medical Center Board of Trustees be considered for appointment under Boards and Commissions.

Commissioner Wallin, seconded by Vice-Chairman Kennedy moved to approve the December 15, 2020, agenda as changed.

VOTE: Aye-5  
Nay-0

### **CORONAVIRUS (COVID-19) COMMUNITY UPDATE**

Ms. Jennifer Greene, AppHealthCare Director, provided an update on the Coronavirus (COVID-19). The report was for information only and, therefore, no action was required.

### **UPDATE ON THE PRITZKER CHILDREN'S INITIATIVE (PCI)**

Ms. Crystal Kelly updated the Board on the Pritzker Children's Initiative. The presentation was for information only and, therefore, no action is required.

### **TAX MATTERS**

#### ***A. Monthly Collections Report***

Tax Administrator, Mr. Larry Warren, presented the Tax Collections Report for the month of November 2020. The report was presented for information only and, therefore, no action was required.

#### ***B. Refunds and Releases***

Mr. Warren presented the Refunds and Releases Report for November 2020 for Board approval:

TO BE TYPED IN MINUTE BOOK

Vice-Chairman Kennedy, seconded by Commissioner Peralta, moved to approve the Refunds and Releases Report for November 2020 as presented.

VOTE: Aye-5  
Nay-0

### **REQUEST TO ACCEPT FY 2021 SENIOR'S HEALTH INSURANCE INFORMATION PROGRAM (SHIIP) GRANT/CONTRACT**

Ms. Angie Boitnotte, Director of Project on Aging (POA), requested the Board accept the FY 2021 grant/contract for the Senior's Health Insurance Information Program (SHIIP). The grant was for \$6,079 and required no County funds. The funds would be used to provide assistance and outreach to low-income citizens.

Vice-Chairman Kennedy seconded by Commissioner Turnbow moved to accept the Senior's Health Insurance Information Program (SHIIP) grant in the amount of \$6,079.

VOTE: Aye-5  
Nay-0

## **EMERGENCY SERVICES MATTERS**

### ***A. Communications Tower Engineering Request***

Mr. Will Holt, Emergency Services Director, requested the Commissioners approve engineering services from Engineered Tower Solutions, PLLC, in the amount of \$30,000 which would include the Rich Mountain and the Communication Center towers. Adequate funds were budgeted to cover the expense and was part of the emergency communications upgrade plan.

Vice-Chairman Kennedy seconded by Commissioner Wallin moved to accept the proposal from Engineered Tower Solutions, PLLC, for tower engineering services in the amount of \$30,000.

VOTE: Aye-5  
Nay-0

### ***B. Request to Extend Due Diligence Period***

Mr. Will Holt requested the Commissioners extend the due diligence period for the Sampson Road property. The County was purchasing the property to construct an emergency communication tower. The reason for the extension was regulatory delays at the federal level. The property owner was amenable to the extension. The extension would add an additional six (6) months to the contract.

Vice-Chairman Kennedy seconded by Commissioner Turnbow moved to approve the extension of the due diligence period.

VOTE: Aye-5  
Nay-0

## **BID AWARDS FOR COMMUNITY RECREATION CENTER OUTDOOR FACILITIES**

Mr. Robert Marsh, Maintenance Director, presented bids for fencing, paving, color coating, striping and equipment for the new basketball, pickleball, and tennis courts. Staff recommended the low bidders McCall Fencing for fencing, Tri County Paving for asphalt paving, and Triangle Fence for color coating, striping and equipment in the amounts of \$50,730, \$104,298.99, and \$58,250, respectively.

Commissioner Turnbow seconded by Vice-Chairman Kennedy moved to accept bidder McCall Fencing in the amount of \$50,730 for fencing.

VOTE: Aye-5  
Nay-0

Vice-Chairman Kennedy seconded by Commissioner Wallin moved to accept bidder Tri County Paving in the amount of \$104,298.99 for asphalt paving.

VOTE: Aye-5  
Nay-0

Commissioner Turnbow seconded by Commissioner Pertalion moved to accept bidder Triangle Fence in the amount of \$58,250 for color coating, striping, and equipment.

VOTE: Aye-5  
Nay-0

### **PROPOSED OPENING PLAN FOR COMMUNITY RECREATION CENTER**

Per Commissioner direction, staff has prepared an opening plan for the new Community Recreation Center (CRC). The plan provides three (3) options for the Board's consideration. Option 1 is to open the facility only for the Watauga High School Swim Team. Option 2 is opening the facility for the WHS Swim Team and the general public. Option 3 would keep the facility closed until COVID 19 restrictions are lifted to allow for 50% capacity or higher of the facility.

The Commissioners discussed potential ways of shortening the time from when COVID-19 restrictions are lifted to the actual hiring of personnel and opening of the facility.

Vice-Chairman Kennedy pointed out the increase in cases in the County and suggested waiting to open the CRC. Medical personnel have expressed concern that January has the potential to be the worst month we've seen. He did not want the CRC as one more risk for COVID-19 spread.

Commissioner Turnbow agreed with Vice-Chairman Kennedy, and stated changes in regulations will be forthcoming in the next week or two. Conditions are currently spiking strongly and suggested we wait and see the impact of the new regulations. If restrictions are relaxed, we need to find a way to expedite the hiring process and open the facility. Commissioner Turnbow expressed we all want the facility open but we need to wait and see what the Governor's office suggests.

Commissioner Wallin expressed concern that due to the CRC not being open, we are sending citizens from Watauga County to other surrounding counties to utilize their recreation facilities. Watauga County is not giving a place here to recreate and sending our citizens to Avery County and they are not obeying rules as well as we are. If we are not trying to hire staff early, the County will lose out on all of the potential revenue from people making New Year's resolutions to join gyms.

Vice-Chairman Kennedy responded that the County was not making anyone go to Avery county. Each parent makes the decision about what is right for their child. Nobody is forcing these children and families to go to Avery County. He wished they could train here. While we understand these are teenagers and they need exercise, whatever we do for one person, we have to do for everyone in the County.

Commissioner Turnbow stated he would not allow somebody else to make a decision for his child. Given the circumstances, he understood parents' decisions to take their children to another county



but that does not mean he would make that decision. He would not take responsibility for another parent's decision for their children.

The County Manager stated that it's not only when the restrictions allow us to open up but also when it is safe to do so. Watauga recently went from yellow to orange on the State's alert system. The County experienced a spike after Thanksgiving and anticipated another spike after Christmas. Additionally, University students will possibly be returning from break in January potentially providing another spike in COVID-19 cases. The County's actions are for the safety of our citizens and staff.

Chairman Welch felt the County Manager should have permission to expedite the hiring process in the event COVID-19 restrictions are lessened. He recommended staff do everything possible to open the facility as quickly as possible once restrictions allowed it.

Mr. Stephen Poulos wanted to hire people but needed to have an opening date first. It is difficult to hire staff when you don't have a specific date for people to accept a job. A good majority of the employees will be Appalachian State University Students, staffed to do whatever commitment was needed, to expedite the process.

County Manager Geouque stated worst case scenario is two (2) months' time to advertise for the position, hire, and train the new personnel. Staff will do everything possible to reduce the two (2) month time period. It was consensus of the Board to authorize the County Manager and staff to take whatever measures necessary to shorten the time period from when restrictions are lifted to opening the new facility.

## **MISCELLANEOUS ADMINISTRATIVE MATTERS**

### ***A. Proposed Demolition of Turner Property Structures***

County Manager Geouque stated that in February 2020, the Commissioners held a special called meeting with the Town of Boone to discuss the Turner House Property. After the meeting, direction was given to have a firm provide conceptual drawing(s) and soil borings to determine the viability of a parking deck at the Town owned Queen Street lot. The County and Town provided two proposals and the Town's proposal was selected due to the cost being less. In July, McGill Associates presented a rendering and cost estimate of the proposed deck at the Queen Street lot to the Board. The price tag was \$10 to \$15 million dollars but no soil borings were completed to determine the viability of the project. Continuing to delay construction of the parking lot/deck to meet the long-term parking needs of the courthouse facility only increases the escalation of cost to the County. Bids were received for demolition of the Turner House and the lowest bidder was D.H. Griffin in the amount of \$21,300. Due to the price and the uncertainty of the viability of the project, staff seeks direction from the Board on how to proceed.

Adequate funds have been budgeted to cover the expense of the demolition. Should the Board wish to proceed forward; action is required to accept D.H. Griffin's bid in the amount of \$21,300 to demolish the Turner House.

Commissioner Turnbow seconded by Vice-Chairman Kennedy moved to accept D.H. Griffin's bid in the amount of \$21,300 to demolish the Turner House.

VOTE: Aye-5  
Nay-0

***B. Boards and Commissions***

County Manager Geouque presented the following:

*Boone Rural Fire Protection Service District Board*

*Watauga County Planning Board*

Each Commissioner nominates a representative to the Boone Rural Fire Protection Service District Board and the Watauga County Planning Board whose terms run concurrent with the term of the appointing Commissioner. Planning Board members must live within the appointing Commissioner's District and action must be taken by the entire Board of Commissioners to make these appointments. Boone Rural Fire Service District Board members must own property and reside within the respective Fire Service District.

Commissioner Turnbow stated that Ms. Katy Abrams had moved out of his district and he was looking for a replacement.

Vice-Chairman Kennedy stated that he was also looking to select a replacement for his Planning Board member and was awaiting confirmation indicating the individual would like to serve on the Planning Board.

Commissioner Pertalion nominated Mr. Dave Robertson for her representative on the Planning Board. Commissioner Pertalion also stated that she has someone in mind for the Boone Rural Fire Service District Board who is awaiting confirmation that the meetings would be virtual and could be done by telephone.

Commissioner Wallin seconded by Commissioner Turnbow, moved to waive the second reading and approve Mr. Dave Robertson as Commissioner Pertalion's representative on the Planning Board.

VOTE: Aye-5  
Nay-0

*Watauga Medical Center Board of Trustees*

The Watauga Medical Center Board of Trustees recommended the reappointment of Dr. Paul Dagher, MD, and Ms. Mary Louise Roberts, and the appointment of Ms. Meagan Phillips as Board Trustees. Each of their terms would be effective January 1, 2020, through December 31, 2022. These were first readings.

Commissioner Turnbow, seconded by Commissioner Peralion, moved to waive the second reading and reappoint Dr. Paul Dagher, MD, and Ms. Mary Louise Roberts, and to appoint Ms. Meagan Phillips as Watauga County representatives on the Watauga Medical Center Board of Trustees with each of their terms to end on December 31, 2022.

VOTE: Aye-5  
Nay-0

### *C. Announcements*

County Manager Geouque announced that the Ethics for Elected Officials Online Training - Incumbents only can receive the required ethics training, via Zoom, on February 26, 2021, or March 23, 2021. Newly elected County Commissioners would receive the training through the Essentials of County Government course.

### **PUBLIC COMMENT**

Written public comments were submitted by Mr. Cameron St. Clair, Ms. Pam Williamson, and Dr. Eric Plaag

### **CLOSED SESSION**

At 7:19 P.M., Vice-Chairman Kennedy, seconded by Commissioner Wallin, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3) and Land Acquisition, per G. S. 143-318.11(a)(5)(i).

VOTE: Aye-5  
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Wallin, moved to resume the open meeting at 8:15 P.M.

VOTE: Aye-5  
Nay-0

### **ADJOURN**

Vice-Chairman Kennedy, seconded by Commissioner Peralion, moved to adjourn the meeting at 8:15 P.M.

VOTE: Aye-5  
Nay-0

John Welch, Chairman

ATTEST: Macy Hafner, Substitute Clerk to the Board

**AGENDA ITEM 3:**

**APPROVAL OF THE JANUARY 19, 2021, AGENDA**

Blank Page

**AGENDA ITEM 4:**

**CORONAVIRUS (COVID-19) COMMUNITY UPDATE**

**MANAGER'S COMMENTS:**

Ms. Jennifer Greene, AppHealthCare Director, will provide an update on the Coronavirus (COVID-19).

The report is for information only; therefore, no action is required.

Blank Page

**AGENDA ITEM 5:****PROPOSED FIFTH AMENDMENT TO WATAUGA MEDICAL CENTER LEASE AGREEMENT****MANAGER'S COMMENTS:**

The Watauga Medical Center Board of Trustees has requested an amendment, (5<sup>th</sup> Amendment to Lease Agreement), to the lease for Watauga County Medical Center. Staff's understanding of the reason for the extension is that the lease is required as a part of the hospital's bond financing for the new Central Energy Plant and the hospital wing, which will include new surgical operating and patient care rooms. The term of the bond for the hospital improvements is anticipated to be thirty-five (35) years and the lease is required to be five (5) years longer than the bond. The Board of Trustees is requesting an extension of twenty-seven (27) years with the expiration date changing from 2034 to 2061.

Board action is required to approve the 5<sup>th</sup> Amendment to the lease modifying the expiration date from 2034 to 2061.



**RETURN TO:** Robert L. Wilson, Jr., Nelson Mullins Riley & Scarborough LLP, 4140 Parklake Avenue, GlenLake One | Second Floor, Raleigh, North Carolina 27612

**FIFTH AMENDMENT TO LEASE AGREEMENT**

THIS FIFTH AMENDMENT TO LEASE AGREEMENT (“Fifth Amendment”) is made and entered into effective as of the \_\_\_\_ day of January, 2021, by and between WATAUGA COUNTY, a body politic, organized and existing under and by virtue of the laws of the State of North Carolina (“Lessor”), and WATAUGA MEDICAL CENTER, INC., a North Carolina nonprofit corporation (“Lessee”).

**Recitals:**

A. Lessor and Lessee entered into a Lease Agreement for a term of thirty (30) years beginning on November 5, 1990 (the “Lease”);

B. The Lease has been amended by Lessor and Lessee on June 16, 1992, on July 1, 1996, on June 1, 2004, and on November 16, 2010, constituting four (4) previous, separate amendments thereto, the Third Amendment of which extended the term of the Lease until November 4, 2034;

C. By mutual agreement, and in accordance with the provisions of N.C. Gen. Stat. § 131E-7(d), Lessor and Lessee wish to amend the Lease further as herein stated in order to revise and extend further the term hereof.

D. Lessor and Lessee have elected to reduce the amendment to writing as herein stated.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. The definition of the term of the Lease as stated in the habendum clause of the Lease shall be amended as follows:

For a period beginning on the 5<sup>th</sup> day of November, 1990, and ending on the 4<sup>th</sup> day of November, 2061, under the terms and conditions as set forth herein.

2. Section 5, which was amended by the Fourth Amendment to the Lease, shall be further amended by deleting and replacing Section 5 as follows:

5. Lessee further agrees that if Lessee ceases to operate a hospital at the leased site, Lessee vacates the premises, or ceases its function at the leased premises, and as a result thereof Lessor elects to terminate the Lease, then and in that event, Watauga Medical Center, Inc. shall donate, transfer, deliver, and convey all its monies, properties, and other assets to the said County of Watauga to be used by said County exclusively for the accomplishment of the purpose of

providing a Community Hospital Service for the people of Watauga County, and prior to such Lease termination, including a termination by mutual agreement, if applicable, Lessor first shall take such actions as then may be required to assume Lessee's obligations under the Master Trust Indenture and related documents of the North Carolina Medical Care Commission Health Care Facilities Revenue Refunding Bonds (Appalachian Regional Healthcare System) Series 2011A, any other bonds issued by the North Carolina Medical Care Commission, or any other bonds issued by any other bond issuer on behalf of Lessee, to fund improvements of the leased premises. Lessee and Lessor agree that specific performance shall be a remedy for breach of this provision of this Lease.

3. Except as hereinabove amended, the Lease, as amended, shall remain in full force and effect.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties have caused this Fifth Amendment to be executed as by law provided, as of the day and year first above written.

LESSOR:

WATAUGA COUNTY

By: \_\_\_\_\_

John Welch  
Chairman, Board of County Commissioners

ATTEST:

\_\_\_\_\_  
Anita J. Fogle, Clerk to the Board

[COUNTY SEAL]

LESSEE:

WATAUGA MEDICAL CENTER, INC.

By: \_\_\_\_\_

Chuck Mantooth, President

ATTEST:

\_\_\_\_\_  
JoLynn M. Mahoney, Secretary

[CORPORATE SEAL]

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

I, \_\_\_\_\_, Notary Public, do hereby certify that \_\_\_\_\_ personally came before me this day and acknowledged that she is Clerk to the Board of County Commissioners for Watauga County, a body politic organized and existing under and by virtue of the laws of the State of North Carolina, and that by authority duly given, and as the act of the said Watauga County, the foregoing instrument was signed in its name by the Chairman of the Board of County Commissioners, sealed with its corporate seal, and attested by herself as its Clerk.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

I, \_\_\_\_\_, Notary Public, do hereby certify that JoLynn M. Mahoney personally came before me this day and acknowledged that she is Secretary of Watauga Medical Center, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by its Secretary.

Witness my hand and notarial seal, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Article 2.

Public Hospitals.

Part 1. Municipal Hospitals.

**§ 131E-5. Title and purpose.**

(a) This Part shall be known and may be cited as the "Municipal Hospital Act."

(b) The purpose of this Part is to authorize municipalities to construct, operate and maintain hospitals and other facilities which furnish hospital, clinical and similar services to the people of this State. It is also the purpose of this Part to authorize municipalities to cooperate with other public and private agencies and with each other. Additionally, it is the purpose of this Part to authorize municipalities to accept assistance from State and federal agencies and from other sources.

(c) This Part provides an additional and alternative method for municipalities to establish facilities that furnish hospital, clinical and similar services. This Part shall not be regarded as repealing any powers now existing under any other law, either general, special or local.

(d) This Part shall be construed liberally to effect its purposes. (1983, c. 775, s. 1.)

**§ 131E-6. Definitions.**

As used in this Part, unless otherwise specified:

- (1) "City", as defined in G.S. 160A-1(2), means a municipal corporation organized under the laws of this State for the better government of the people within its jurisdiction and having the powers, duties, privileges, and immunities conferred by law on cities, towns, and villages. The term "city" does not include counties or municipal corporations organized for a special purpose under any statute or law. The word "city" is interchangeable with the words "town" and "village" and shall mean any city as defined in this subdivision without regard to the terminology employed in charters, local acts, other portions of the General Statutes, or local customary usage.
- (2) "Community general hospital" means a short-term nonfederal hospital that provides diagnostic and therapeutic services to patients for a variety of medical conditions, both surgical and nonsurgical, such services being available for use primarily by residents of the community in which it is located.
- (3) "Corporation, foreign or domestic, authorized to do business in North Carolina" means any of the following:
  - a. A corporation for profit or having a capital stock which is created and organized under Chapter 55 of the General Statutes or any other general or special act of this State.
  - b. A foreign corporation which has procured a certificate of authority to transact business in this State pursuant to Article 10 of Chapter 55 of the General Statutes.
  - c. A limited liability company formed under Chapter 57D of the General Statutes.
  - d. A foreign limited liability company that has procured a certificate of authority to transact business in this State pursuant to Article 7 of Chapter 57D of the General Statutes.

- (4) "Hospital facility" means any one or more buildings, structures, additions, extensions, improvements or other facilities, whether or not located on the same site or sites, machinery, equipment, furnishings or other real or personal property suitable for health care or medical care; and includes, without limitation, general hospitals; chronic disease, maternity, mental, tuberculosis and other specialized hospitals; nursing homes, including skilled nursing facilities and intermediate care facilities; adult care homes for the aged and disabled; public health center facilities; housing or quarters for local public health departments; facilities for intensive care and self-care; clinics and outpatient facilities; clinical, pathological and other laboratories; health care research facilities; laundries; residences and training facilities for nurses, interns, physicians and other staff members; food preparation and food service facilities; administrative buildings, central service and other administrative facilities; communication, computer and other electronic facilities; fire-fighting facilities; pharmaceutical and recreational facilities; storage space; X ray, laser, radiotherapy and other apparatus and equipment; dispensaries; utilities; vehicular parking lots and garages; office facilities for hospital staff members and physicians; and such other health and hospital facilities customarily under the jurisdiction of or provided by hospitals, or any combination of the foregoing, with all necessary, convenient or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping, and physical amenities.
- (4a) "Hospital land" means air and ground rights to real property held either in fee or by lease by a municipality, with all easements, rights-of-way, appurtenances, landscaping, and physical amenities such as utilities, parking lots, and garages, but excluding other improvements to land described in subsection (4) of this section and G.S. 131E-16(15).
- (5) "Municipality" means any county, city, or other political subdivision of this State, or any hospital district created under Part C of this Article.
- (6) "Nonprofit association" or "nonprofit corporation" means any association or corporation from which no part of the net earnings inures or may lawfully inure to the benefit of a private shareholder or individual. (1983, c. 775, s. 1; 1997-233, s. 1; 2014-115, s. 56(a).)

#### **§ 131E-7. General powers.**

(a) A municipality shall have all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere in this Part:

- (1) To construct, equip, operate, and maintain hospital facilities;
- (2) To levy property taxes pursuant to G.S. 153A-149 or G.S. 160A-209 and to allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities; a hospital district may levy annually a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act, Chapter 105 of the General Statutes, Subchapter II, and a hospital district may allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities;

- (3) To issue bonds and notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes, for the financing of hospital facilities;
- (4) To use property owned or controlled by the municipality;
- (5) To acquire real or personal property, including existing hospital facilities, by purchase, grant, gift, devise, lease, condemnation, or otherwise;
- (6) To establish a fee schedule for services received from hospital facilities and to make services available regardless of ability to pay.

(b) A municipality or a public hospital may contract with or enter into any arrangement with other public hospitals or municipalities of this or other states, the State of North Carolina, federal, or public agencies, or with any person, private organization, or nonprofit corporation or association for the provision of health care. The municipality or public hospital may pay for or contribute its share of the cost of any such contract or arrangement from revenues available for these purposes, including revenues rising from the provision of health care.

(c) Any two or more municipalities may enter into agreements to jointly exercise the powers, privileges, and authorities granted by this Part. These agreements may provide for:

- (1) The appointment of a board, composed of representatives of the parties to the agreement, to supervise and manage a hospital facility;
- (2) The authority and duties of the board and the compensation of its members;
- (3) The proportional share of the costs of acquisition, construction, improvement, maintenance, or operation of hospital facilities;
- (4) The duration, amendment, and termination of the agreement and the disposition of property on termination of the agreement; and
- (5) Any other matters as necessary.

(d) A municipality may lease any hospital facility, or part, to a nonprofit association on terms and conditions consistent with the purposes of this Part. The municipality will determine the length of the lease. No lease executed under this subsection shall be deemed to convey a freehold interest.

(e) A municipality shall not sell nor convey any rights of ownership the municipality has in any hospital facility, including the buildings, land and equipment associated with the hospital, to any corporation or other business entity operated for profit, except that nothing herein shall prohibit the sale of surplus buildings, surplus land or surplus equipment by a municipality to any corporation or other business entity operated for profit.

A municipality may lease any hospital facility, or part, to any corporation, foreign or domestic, authorized to do business in North Carolina on terms and conditions consistent with the purposes of this Part and with G.S. 160A-272. The municipality shall determine the length of the lease; however, no lease under this subsection shall be longer than 10 years, including options to renew or extend the original term of the lease, except that leases of surplus buildings, surplus land or surplus equipment may be for any length of time determined by the municipality. The lease shall provide that the hospital facility will be operated as a community general hospital open to the general public and that the lessee will accept Medicare and Medicaid patients. No lease executed under this subsection shall be deemed to convey a freehold interest. No bonds, notes nor other evidences of indebtedness shall be issued by a municipality to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

For purposes of this subsection, "surplus" means any building, land or equipment which is not required for use in the delivery of necessary health care services by a hospital facility at the time of the sale, conveyance of ownership rights, or lease.

This subsection shall not be construed to affect any pending litigation nor to reflect any legislative intent as to any prior authorized or executed agreements. This subsection shall be effective from January 1, 1984 until June 30, 1984.

(f) In addition to the general and special powers conferred by this Part, a municipality is authorized to exercise powers necessary to implement the powers under this Part. (1983, c. 775, s. 1; 1993, c. 529, s. 5.3; 1995, c. 509, s. 71.)

#### **§ 131E-7.1. Public hospitals' managed care development authorized.**

A public hospital as defined in G.S. 159-39(a) may acquire an ownership interest, in whole or in part, in a nonprofit or for-profit managed care company, including a health maintenance organization, physician hospital organization, physician organization, management services organization, or preferred provider organization with which the public hospital is also directly or indirectly a contracting provider. Ownership interest may be evidenced by the ownership or acquired by the purchase of stock. This ownership or acquisition of stock is the exercise of a health care function and is not the investment of idle funds within the meaning of G.S. 159-30 and G.S.159-39(g). (1995 (Reg. Sess., 1996), c. 713, s. 1.)

#### **§ 131E-8. Sale of hospital facilities to nonprofit corporations.**

(a) A municipality as defined in G.S. 131E-6(5) or hospital authority as defined in G.S. 131E-16(14), upon such terms and conditions as it deems wise, with or without monetary consideration, may sell or convey to a nonprofit corporation organized under Chapter 55A of the General Statutes any rights of ownership the municipality or hospital authority has in a hospital facility including the building, land and equipment associated with the hospital, if the nonprofit corporation is legally committed to continue to operate the facility as a community general hospital open to the general public, free of discrimination based upon race, creed, color, sex or national origin. The nonprofit corporation shall also agree, as a condition of the municipality or hospital authority's conveying ownership, to provide such services to indigent patients as the municipality or hospital authority and the nonprofit corporation shall agree. The nonprofit corporation shall further agree that should it fail to operate the facility as a community general hospital open to the general public or should the nonprofit corporation dissolve without a successor nonprofit corporation to carry out the terms and conditions of the agreement of conveyance, all ownership rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital.

(b) When either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the nonprofit corporation must agree to the following:

By the effective date of sale or conveyance, the nonprofit corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then



outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The nonprofit corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

(c) Any sale or conveyance under this section must be approved by the municipality or hospital authority by a resolution adopted at a regular meeting of the governing body on 10 days' public notice. Notice shall be given by publication describing the hospital facility to be conveyed, the proposed monetary consideration or lack thereof, and the governing body's intent to authorize the sale or conveyance.

(d) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to sales or conveyances pursuant to this section.

(e) A sale or conveyance of substantially all the equipment is a sale or conveyance of hospital facility. (1983, c. 775, s. 1; 1989, c. 444.)

#### **§ 131E-8.1. Maintenance of Health Education Facilities.**

(a) This section shall apply to all sales and leases of a hospital facility by a municipality or hospital authority where any portion of the facility was constructed with a capital grant from the Area Health Education Centers Program (AHEC).

(b) The municipality or hospital authority shall give specific notice of intent to sell or lease and of any public hearing to the Director of the local AHEC program and the Director of the AHEC Program at the University of North Carolina School of Medicine at Chapel Hill.

(c) The municipality or hospital authority may provide continued access to the identical or equivalent facilities suitable for continuation of AHEC activities, including all services being provided under the existing operating contract. The municipality or hospital authority may convey all ownership rights in the hospital facility, or any part thereof, to the local AHEC Program without monetary consideration. Further, the municipality or hospital authority may reimburse the local AHEC Program for any funds used for the original construction of any office for AHEC provided by AHEC to establish or continue the hospital facility.

(d) No portion of this section shall be construed to alter rights or obligations of the operating contracts between the hospital facility and AHEC. (1983 (Reg. Sess., 1984), c. 1056, s. 1; 1985 (Reg. Sess., 1986), c. 995.)

#### **§ 131E-9. Governing authority of hospital facilities.**

(a) The governing body of a municipality may establish by resolution an office, board, or other municipal agency to plan, establish, construct, maintain, or operate a hospital facility. The resolution shall prescribe the powers, duties, compensation, and tenure of the members of the governing authority. The municipality shall remain responsible for the expenses of planning, establishment, construction, maintenance and operation of the hospital facilities.

(b) (1) The county board of commissioners of a county may establish by resolution a county hospital authority to plan, establish, construct, maintain, or operate a hospital facility. The authority shall be referred to as "\_\_\_\_\_ County Hospital Authority."

(2) The county hospital authority shall consist of six appointed members and one ex officio member.

- (3) The appointed members of the authority shall be appointed by the county board of commissioners. All appointed members shall be residents of the county. Three of the members shall be residents of a city in the county and the remaining three members shall not be residents of the same city or cities in which the other three members appointed under this subdivision reside.
- (4) For the initial appointments to the county hospital authority, two of the members shall be appointed for a term of three years, two for a term of four years, and two for a term of five years to achieve staggered terms. All subsequent appointments shall be for five-year terms.
- (5) The ex officio member of the county hospital authority shall be a member of the county board of commissioners. The ex officio member's term on the hospital authority shall be commensurate with his or her term as a member of the county board of commissioners.
- (6) When any member of the county hospital authority resigns or is removed from office before the expiration of the member's term, the county board of commissioners shall appoint a person to serve the unexpired portion of the term.

(c) Any authority vested in a county under this Part or any authority or power that may be exercised by a hospital authority under the Hospital Authorities Act, Chapter 131E, Article 2, Part B, may be vested by resolution of the county board of commissioners in a county hospital authority established under this section. However, a county hospital authority shall exercise only the powers and duties prescribed in the county board of commissioners' resolution. The county board of commissioners shall determine in the resolution the compensation, traveling and any other expenses which shall be paid to each member of the county hospital authority. However, the expenses to plan, establish, construct and operate the hospital facility shall remain the responsibility of the county. (1983, c. 775, s. 1.)

#### **§ 131E-10. Condemnation.**

Every municipality is authorized to condemn property to carry out the purposes of this Part. In condemning property, a municipality shall proceed in the manner provided in Chapter 40A of the General Statutes or in the charter of the municipality. A municipality or its agents is authorized to enter upon land, provided no unnecessary damage is done, to make surveys and examinations relative to any condemnation proceeding. Notwithstanding the provisions of any other statute or of any applicable municipal charter, the municipality may take possession of property to be condemned at any time after the commencement of the condemnation proceeding. The municipality shall not be precluded from abandonment of the condemnation of property in any case where possession has not taken place. (1983, c. 775, s. 1.)

#### **§ 131E-11. Federal and State aid.**

Every municipality or nonprofit association is authorized to accept and disburse federal and State moneys, whether made available by grant, loan, gift or devise, to carry out the purposes of this Part. All federal moneys shall be accepted and disbursed upon the terms and conditions prescribed by the United States, if the terms and conditions are consistent with State law. All State moneys shall be accepted and disbursed upon the terms and conditions prescribed by either or both the State and the North Carolina Medical Care Commission. Unless the terms and conditions provide otherwise, the chief financial officer of the municipality shall deposit all moneys received under this section and keep them in separate trust funds. (1983, c. 775, s. 1.)

**§ 131E-12. Public purposes.**

The exercise of the powers, privileges, and authorities conferred on municipalities by this Part are public and government functions, exercised for a public purpose and matters of public necessity. In the case of a county, the exercise of the powers, privileges and authorities conferred by this Part is a county function and purpose, as well as a public and governmental function. In the case of any municipality other than a county, the exercise of the powers, privileges, and authorities conferred by this Part is a municipal function and purpose, as well as a public and governmental function. (1983, c. 775, s. 1.)

**§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.**

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

- (1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
- (2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.
- (3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- (4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
- (5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital

facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

(b) In the case of a sale or conveyance, if either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the corporation shall agree to the following:

By the effective date of sale or conveyance, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility if the facility has been sold or conveyed to a corporation, foreign or domestic, authorized to do business in North Carolina.

(c) In the case of a lease, the municipality or hospital authority shall determine the length of the lease. No lease executed under this section shall be deemed to convey a freehold interest. Any sublease or assignment of the lease shall be subject to the conditions prescribed by this section. If the term of the lease is more than 10 years, and either general obligation bonds or revenue bonds issued for the benefit of the hospital to be leased are outstanding at the time of the lease, then the corporation shall agree to the following:

By the effective date of the lease, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish

to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part thereof:

- (1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.
- (2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.
- (3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.
- (4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.
- (5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.
- (6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.
- (7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and

handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.

- (8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(e) Notwithstanding the provisions of subsections (c) and (d) of this section or G.S. 131E-23, a hospital authority as defined in G.S. 131E-16(14) or a municipality may lease or sublease hospital land to a corporation or other business entity, whether for profit or not for profit, and may participate as an owner, joint venturer, or other equity participant with a corporation or other business entity for the development, construction, and operation of medical office buildings and other health care or hospital facilities, so long as the municipality, hospital authority, or other entity continues to maintain its primary community general hospital facilities as required by subsection (a) of this section.

(f) A municipality or hospital authority may permit or consent to the pledge of hospital land or leasehold estates in hospital land to facilitate the development, construction, and operation of medical office buildings and other health care or hospital facilities. A municipality or hospital authority also may, as lessee, enter into master leases or agreements to fund for temporary vacancies relating to hospital land or hospital facilities for use in the provision of health care.

(g) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to leases, subleases, sales, or conveyances under this Chapter.

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

- (1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.
- (2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent

to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.

- (3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.
- (4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public. (1983 (Reg. Sess., 1984), c. 1066, s. 1; 1997-233, s. 2; 1997-443, s. 11A.118(a); 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2015-288, s. 3.)

**§ 131E-14. Lease or sale of hospital facilities to certain nonprofit corporations.**

If a municipality or hospital authority leases, sells, or conveys a hospital facility, or part, to a nonprofit corporation of which a majority of voting members of its governing body is not appointed or controlled by the municipality or hospital authority, the procedural requirements set forth in G.S. 131E-13(d) shall apply. (1983 (Reg. Sess., 1984), c. 1066, s. 2.)

**§ 131E-14.1. Branch facilities.**

Notwithstanding anything in this Article, any municipality owning and operating a hospital organized under the provisions of this Part or Part 3 or any nonprofit corporation which leases or operates a hospital facility pursuant to an agreement with the municipality may erect, remodel, enlarge, purchase, finance, and operate branches and related facilities within this State but outside the boundaries of the county subject to the following limitations:

- (1) No moneys derived from the exercise by the owning municipality of its power of taxation shall be expended on facilities located outside its boundaries;
- (2) No moneys derived from the issuance by the owning municipality of its bonds or notes shall be expended on facilities located outside its boundaries;
- (3) The owning municipality shall not possess the power of eminent domain or have the right of condemnation with respect to hospital facilities located outside its boundaries; and
- (4) The power conferred on counties by G.S. 153A-169 and G.S. 153A-170 to adopt ordinances regulating the use of county-owned property and parking on county-owned property shall not extend to hospital facilities located outside its boundaries unless the board of commissioners of the county in which the facility is located shall by resolution permit any such ordinance to be applicable within its jurisdiction.
- (5), (6) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 676, s. 1. (1983, c. 578, s. 1; 1993 (Reg. Sess., 1994), c. 676, s. 1.)

**§ 131E-14.2. Conflict of interest.**

(a) No member of the board of directors or employee of a public hospital, as defined in G.S. 159-39(a), or that person's spouse shall do either of the following:

- (1) Acquire any interest, direct or indirect, in any hospital facility or in any property included or planned to be included in a hospital facility.

- (2) Have any direct interest in any contract or proposed contract for materials or services to be furnished or used in connection with any hospital facility, except an employment contract for an employee. This restriction shall not apply to any contract, undertaking, or other transaction with a bank or banking institution, savings and loan association or public utility in the regular course of its business provided that the contract, undertaking, or other transaction shall be authorized by the board by specific resolution on which no director having direct interest shall vote.

(b) The fact that a person or that person's spouse owns ten percent (10%) or less stock of a corporation or has a ten percent (10%) or less ownership in any other business entity or is an employee of that corporation or other business entity does not make the person have a "direct interest" as this phrase is used in subsection (a) of this section; provided that, in order for the exception to apply, the contract, undertaking, or other transaction shall be authorized by the board of directors by specific resolution on which no director or employee having an interest, direct or indirect, shall vote.

(c) If a member of the board of directors or an employee of a public hospital or that person's spouse owns or controls an interest, direct or indirect, in any property included or planned to be included in any hospital facility, the member of the board of directors or the employee shall immediately disclose the same in writing to the board and the disclosure shall be entered upon the minutes of the board. Failure to disclose shall constitute misconduct in office and shall be grounds for removal.

(c1) Subsection (a) of this section shall not apply if the director or employee is not involved in making or administering the contract. A director or employee is involved in administering a contract if the director or employee oversees the performance of or interprets the contract. A director or employee is involved in making a contract if the director or employee participates in the development of specifications or terms or in the preparation or award of the contract. A director or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract. A director is also involved in making a contract if the board of directors takes action on the contract, whether or not the director actually participates in that action, unless the contract is approved under an exception to this section under which the director is allowed to benefit and is prohibited from voting.

(d) Subsection (a) of this section shall not apply to any member of the board of directors of a public hospital if (i) the undertaking or contract or series of undertakings or contracts between the public hospital and one of its officials is approved by specific resolution of the board adopted in an open and public meeting and recorded in its minutes; (ii) the official entering into the contract or undertaking with the public hospital does not in an official capacity participate in any way or vote; and (iii) the amount does not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period, or the contract is for medically related or administrative services that are provided by a director who serves on the board as an ex officio representative of the hospital medical staff pursuant to a hospital bylaw adopted prior to January 1, 2005, or that are provided by the spouse of that director.

(e) Subsection (a) of this section shall not apply to any employment relationship between a public hospital and the spouse of a member of the board of directors of the public hospital.

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate



termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A public hospital that is a party to the contract may request approval to continue contracts under this subsection from the chairman of the Local Government Commission. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare. (2001-409, s. 6; 2005-70, s. 1; 2006-264, s. 64(b).)

## Part 2. Hospital Authority.

### § 131E-15. Title and purpose.

(a) This Part shall be known as the "Hospital Authorities Act."

(b) The General Assembly finds and declares that in order to protect the public health, safety, and welfare, including that of low income persons, it is necessary that counties and cities be authorized to provide adequate hospital, medical, and health care and that the provision of such care is a public purpose. Therefore, the purpose of this Part is to provide an alternate method for counties and cities to provide hospital, medical, and health care. (1943, c. 780, ss. 1, 2; 1971, c. 799; 1983, c. 775, s. 1.)

### § 131E-16. Definitions.

As used in this Part, unless otherwise specified:

- (1) "Board of county commissioners" means the legislative body charged with governing the county.
- (2) "Bonds" means any bonds or notes issued by the hospital authority pursuant to this Part and the Local Government Finance Act, Chapter 159 of the General Statutes.
- (3) "City" means any city or town which is, or is about to be, included in the territorial boundaries of a hospital authority when created hereunder.
- (4) "City clerk" and "mayor" means the clerk and mayor, respectively, of the city, or the officers thereof charged with the duties customarily imposed on the clerk and mayor, respectively.
- (5) "City council" means the legislative body, council, board of commissioners, board of trustees, or other body charged with governing the city or town.
- (6) "Commissioner" means one of the members of a hospital authority appointed in accordance with the provisions of this Part.
- (7) "Community general hospital" means a short-term nonfederal hospital that provides diagnostic and therapeutic services to patients for a variety of medical conditions, both surgical and nonsurgical, such services being available for use primarily by residents of the community in which it is located.
- (8) "Contract" means any agreement of a hospital authority with or for the benefit of an obligee whether contained in a resolution, trust indenture, mortgage, lease, bond or other instrument.
- (9) "Corporation, foreign or domestic, authorized to do business in North Carolina" means a corporation for profit or having a capital stock which is created and organized under Chapter 55 of the General Statutes or any other general or special act of this State, or a foreign corporation which has procured a certificate of authority to transact business in this State pursuant to Article 10 of Chapter 55 of the General Statutes.

- (10) "County" means the county which is, or is about to be, included in the territorial boundaries of a hospital authority when created hereunder.
- (11) "County clerk" and "chairman of the board of county commissioners" means the clerk and chairman, respectively, of the county or the officers thereof charged with the duties customarily imposed on the clerk and chairman, respectively.
- (12) "Federal government" means the United States of America, or any agency, instrumentality, corporate or otherwise, of the United States of America.
- (13) "Government" means the State and federal governments and any subdivision, agency or instrumentality, corporate or otherwise, of either of them.
- (14) "Hospital authority" means a public body and a body corporate and politic organized under the provisions of this Part.
- (15) "Hospital facilities" means any one or more buildings, structures, additions, extensions, improvements or other facilities, whether or not located on the same site or sites, machinery, equipment, furnishings or other real or personal property suitable for health care or medical care; and includes, without limitation, general hospitals; chronic disease, maternity, mental, tuberculosis and other specialized hospitals; nursing homes, including skilled nursing facilities and intermediate care facilities; adult care homes for the aged and disabled; public health center facilities; housing or quarters for local public health departments; facilities for intensive care and self-care; clinics and outpatient facilities; clinical, pathological and other laboratories; health care research facilities; laundries; residences and training facilities for nurses, interns, physicians and other staff members; food preparation and food service facilities; administrative buildings, central service and other administrative facilities; communication, computer and other electronic facilities; fire-fighting facilities; pharmaceutical and recreational facilities; storage space; X ray, laser, radiotherapy and other apparatus and equipment; dispensaries; utilities; vehicular parking lots and garages; office facilities for hospital staff members and physicians; and such other health and hospital facilities customarily under the jurisdiction of or provided by hospitals, or any combination of the foregoing, with all necessary, convenient or related interests in land, machinery, apparatus, appliances, equipment, furnishings, appurtenances, site preparation, landscaping and physical amenities.
- (15a) "Hospital land" means air and ground rights to real property held either in fee or by lease by a hospital authority, with all easements, rights-of-way, appurtenances, landscaping, and physical amenities such as utilities, parking lots, and garages, but excluding other improvements to land described in G.S. 131E-6(4) and subsection (15) of this section.
- (16) "Municipality" means any county, city, town or incorporated village, other than a city as defined above, which is located within or partially within the territorial boundaries of an authority.
- (17) "Real property" means lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

- (18) "State" means the State of North Carolina. (1943, c. 780, s. 3; 1971, c. 780, s. 22; c. 799; 1983, c. 775, s. 1; 1995, c. 535, s. 19; 1997-233, s. 3.)

**§ 131E-17. Creation of a hospital authority.**

(a) A hospital authority may be created whenever a city council or a county board of commissioners finds and adopts a resolution finding that it is in the interest of the public health and welfare to create a hospital authority.

(b) After the adoption of a resolution creating a hospital authority, the mayor or the chairman of the county board of commissioners shall appoint commissioners in accordance with G.S. 131E-18.

(c) The commissioners shall be a public body and a body corporate and politic upon the completion of the procedures described in G.S. 131E-19. (1943, c. 780, s. 4; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-18. Commissioners.**

(a) The mayor or the chairman of the county board shall appoint the commissioners of the authority. There shall be not less than six and not more than 30 commissioners. Upon a finding that it is in the public interest, the commissioners may adopt a resolution increasing or decreasing the number of commissioners by a fixed number; Provided that no decrease in the number of commissioners shall shorten a commissioner's term. A certified copy of the resolution and a list of nominees shall be submitted to the mayor or the chairman of the county board of commissioners for appointments in accordance with the procedures set forth in subsection (d) of this section.

(b) For the initial appointments of commissioners, one-third of the commissioners shall be appointed for a term of one year, one-third for a term of two years, and one-third for a term of three years to achieve staggered terms. All subsequent appointments shall be for three-year terms. A commissioner shall hold office until a successor has been appointed and qualified. Vacancies from resignation or removal from office shall be filled for the unexpired portion of the term.

(c) The mayor or the chairman of the county board of commissioners shall name the first chair of the authority. Thereafter, the commissioners shall elect each subsequent chair from their members. The commissioners shall elect from their members the first vice-chair and all subsequent vice-chairs.

(d) When a commissioner resigns, is removed from office, completes a term of office, or when there is an increase in the number of commissioners, the remaining commissioners shall submit to the mayor or the chairman of the county board of commissioners a list of nominees for appointment to the commission. The mayor or the chairman of the county board of commissioners shall appoint, only from the nominees, the number of commissioners necessary to fill all vacancies. However, the mayor or the chairman of the county board of commissioners may require the commissioners to submit as many additional lists of nominees as he or she may desire.

(e) The mayor shall file with the city clerk, or the chairman of the county board of commissioners shall file with the county clerk, a certificate of appointment or reappointment of a commissioner. The certificate shall be conclusive evidence of the due and proper appointment of the commissioner.

(f) Commissioners shall receive no compensation for their services, but they shall be entitled to reimbursement for necessary expenses, including travel expenses, incurred in the discharge of their duties.

(g) For a county with a population of less than 75,000, according to the most recent decennial federal census, the following exceptions to the provisions of this section shall apply:

- (1) The commissioners shall be appointed by the county board of commissioners rather than the chairman of the county board of commissioners;
- (2) In making appointments under subsection (d) of this section, the county board of commissioners shall consider the nominations of the commissioners of the authority, but the county board of the commissioners is not bound by the nominations and may choose any qualified person.

The foregoing exceptions shall not apply when a county with a population of less than 75,000 jointly establishes a hospital authority with a city.

(h) A majority of the commissioners shall constitute a quorum. (1943, c. 780, s. 5; 1971, c. 799; 1973, c. 792; 1981, c. 525, s. 1; 1983, c. 775, s. 1.)

### **§ 131E-19. Incorporation of a hospital authority.**

(a) After the commissioners are appointed, they shall present to the Secretary of State an application for incorporation as a hospital authority. The application shall be signed by each of the commissioners and shall set forth:

- (1) That the city council or the county board of commissioners has found that it is in the interest of the public health and welfare to create a hospital authority;
- (2) That the mayor or the chairman of the county board of commissioners has appointed them as commissioners;
- (3) The name and official residence of each of the commissioners;
- (4) A certified copy of the appointment evidencing the commissioners' right to office, and the date and place of induction into and taking of office;
- (5) That they desire the hospital authority to become a public body and a body corporate and politic under this Part;
- (6) The term of office of each of the commissioners;
- (7) The name which is proposed for the corporation; and
- (8) The location and principal office of the corporation.

The application shall be subscribed and sworn to by each of the commissioners before an officer authorized by the laws of this State to take and certify oaths. This officer shall certify upon the application that he or she personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed to the application and took the oath in the officer's presence.

(b) The Secretary of State shall examine the application. If he or she finds that the name proposed for the corporation is not identical with that of a person or of any other corporation in this State or so nearly similar so as to lead to confusion and uncertainty, the application shall be filed and recorded in the appropriate book of record in the Secretary of State's office. The Secretary of State shall then make and issue to the commissioners a certificate of incorporation pursuant to this Part, under the Seal of the State, and shall record the certificate with the application.

(c) A hospital authority's name or the location or principal office of the corporation may be changed by the adoption of a resolution by the majority of the authority's commissioners. A copy of the resolution, duly verified by the chair and secretary of the commission before an officer authorized by the laws of this State to take and certify oaths, shall be delivered to the Secretary of State, along with a conformed copy. If the Secretary of State finds that the proposed name is not identical with that of a person or any corporation of this State, or so nearly similar as to lead to

confusion and uncertainty, the resolution shall be filed and recorded in the appropriate book of record in the Secretary of State's office. A resolution changing the location or principal office of the hospital authority shall be filed and recorded in the appropriate book of record in the Secretary of State's office. The Secretary of State shall then return to the authority the conformed copy, together with a certificate stating that the attached copy is a true copy of the document in the Secretary of State's office, that shows the date of filing.

(d) In any legal proceeding, a copy of the certificate of incorporation, certified by the Secretary of State, shall be admissible in evidence and shall be conclusive proof of its filing and contents and the incorporation of the hospital authority in accordance with this Part. (1943, c. 780, s. 4; 1966, c. 988, s. 1; 1971, c. 799; 1983, c. 775, s. 1.)

#### **§ 131E-20. Boundaries of the authority.**

(a) The territorial boundaries of a hospital authority shall include the city or county creating the authority and the area within 10 miles from the territorial boundaries of that city or county. However, a hospital authority may engage in health care activities in a county outside its territorial boundaries pursuant to:

- (1) An agreement with a hospital facility if only one hospital currently exists in that county;
- (2) An agreement with any hospital if more than one hospital currently exists in that county; or
- (3) An agreement with any health care agency if no hospital currently exists in that county.

In no event shall the territorial boundaries of a hospital authority include, in whole or in part, the area of any previously existing hospital authority. All priorities shall be determined on the basis of the time of issuance of the certificates of incorporation by the Secretary of State.

(b) After the creation of an authority, the subsequent existence within its territorial boundaries of more than one city or county shall in no way affect the territorial boundaries of the authority. (1943, c. 780, s. 4; 1971, c. 799; 1983, c. 775, s. 1; 1993, c. 529, s. 6.1.)

#### **§ 131E-21. Conflict of interest.**

(a) No commissioner or employee of the hospital authority or that person's spouse shall do either of the following:

- (1) Acquire any interest, direct or indirect, in any hospital facility or in any property included or planned to be included in a hospital facility.
- (2) Have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any hospital facility, except an employment contract for an employee. The foregoing restriction shall not apply to any contract, undertaking, or other transaction with a bank or banking institution, savings and loan association or public utility in the regular course of its business; Provided that any such contract, undertaking, or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner having an interest, direct or indirect, shall vote.

(b) The fact that a person or that person's spouse owns ten percent (10%) or less stock of a corporation or has a ten percent (10%) or less ownership in any other business entity or is an employee of that corporation or other business entity does not make the person have an "interest,

direct or indirect" as this phrase is used in subsection (a) of this section; provided that, in order for the exception to apply, the contract, undertaking or other transaction shall be authorized by the commissioners by specific resolution on which no commissioner or employee having an interest, direct or indirect, shall vote.

(c) If a commissioner or employee of an authority or that person's spouse owns or controls an interest, direct or indirect, in any property included or planned to be included in any hospital facility, the commissioner or employee shall immediately disclose the same in writing to the authority and the disclosure shall be entered upon the minutes of the authority. Failure to disclose shall constitute misconduct in office and shall be grounds for a commissioner's removal from office under G.S. 131E-22.

(d) Subsection (a) of this section shall not apply to any commissioner of a hospital authority if (i) the undertaking or contract or series of undertakings or contracts between the hospital authority and one of its officials is approved by specific resolution of the governing body adopted in an open and public meeting and recorded in its minutes and the amount does not exceed twelve thousand five hundred dollars (\$12,500) for medically related services and twenty-five thousand dollars (\$25,000) for other goods or services within a 12-month period; and (ii) the official entering into the contract or undertaking with the hospital authority does not in an official capacity participate in any way or vote.

(e) Subsection (a) of this section shall not apply to any employment relationship between a hospital authority and the spouse of a commissioner of the hospital authority.

(f) A contract entered into in violation of this section is void. A contract that is void under this section may continue in effect until an alternative can be arranged when: (i) immediate termination would result in harm to the public health or welfare, and (ii) the continuation is approved as provided in this subsection. A hospital authority that is a party to the contract may request approval to continue contracts under this subsection from the chairman of the Local Government Commission. Approval of continuation of contracts under this subsection shall be given for the minimum period necessary to protect the public health or welfare. (1943, c. 780, s. 7; 1971, c. 749; 1983, c. 775, s. 1; 1983 (Reg. Sess., 1984), c. 1058, s. 1; 2001-409, s. 7.)

### **§ 131E-22. Removal of commissioners.**

(a) The appointing authority, as stated in G.S. 131E-18, may remove a commissioner for inefficiency, neglect of duty, or misconduct in office. A commissioner may be removed only after he or she has been given a copy of the charges and provided the opportunity to be heard in person or by counsel. A commissioner is entitled to at least 10 days after receipt of the notice to prepare for a hearing before the mayor or the chairman of the county.

(b) An obligee of the authority may file with the mayor or the chairman of the county board of commissioners written charges that the authority is willfully violating the laws of the State or a term, provision, or covenant to any contract to which the authority is a party. The mayor or the chairman of the county board of commissioners shall give each of the commissioners a copy of the charges at least 10 days prior to the hearing on the charges. The commissioners shall be provided an opportunity to be heard in person or by counsel. The mayor or the chairman of the county board of commissioners shall, within 15 days after receipt of the charges, remove any commissioners of the authority who are found to have acquiesced in any willful violation. If a commissioner has not filed a written statement before the hearing with the authority stating his or her objections to or lack of participation in the violation, the commissioner shall be deemed to have acquiesced in a willful violation.

(c) If, after due and diligent search, a commissioner to whom charges are required to be delivered cannot be found within the county where the authority is located, the charges shall be deemed to be served upon the commissioner when it is mailed to the commissioner at the commissioner's last known address as the same appears on the records of the authority.

(d) In the event of the removal of any commissioner, the mayor shall file in the office of the city clerk, or the chairman of the county board of commissioners shall file with the county clerk, a record of the proceedings together with the charges against the commissioner and the findings. (1943, c. 780, s. 8; 1971, c. 799; 1983, c. 775, s. 1.)

### **§ 131E-23. Powers of the authority.**

(a) An authority shall have all powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to those powers granted elsewhere in this Part:

- (1) To investigate hospital, medical, and health conditions and the means of improving those conditions;
- (2) To determine where inadequate hospital and medical facilities exist;
- (3) To accept donations or money, personal property, or real estate for the benefit of the authority and to take title to the same from any person, firm, corporation or society;
- (4) To acquire by purchase, gift, devise, lease, condemnation, or otherwise any existing hospital facilities;
- (5) To purchase, lease, obtain options upon, or otherwise acquire any real or personal property or any interest therein from any person, firm, corporation, city, county, or government;
- (6) To sell, exchange, transfer, assign, or pledge any real or personal property or any interest therein to any person, firm, corporation, city, county or government;
- (7) To own, hold, clear and improve property;
- (8) To borrow money upon its bonds, notes, debentures, or evidences of indebtedness, as provided for in G.S. 131E-26 and G.S. 131E-27;
- (9) To purchase real or personal property pursuant to G.S. 131E-32;
- (10) To appoint an administrator of a hospital facility and necessary assistants, and any and all other employees necessary or advisable, to fix their compensation, to adopt necessary rules governing their employment, and to remove employees;
- (11) To delegate to its agents or employees any powers or duties as it may deem appropriate;
- (12) To employ its own counsel and legal staff;
- (13) To adopt, amend and repeal bylaws for the conduct of its business;
- (14) To enter into contracts for necessary supplies, equipment, or services for the operation of its business;
- (15) To appoint committees or subcommittees as it shall deem advisable, to fix their duties and responsibilities, and to do all things necessary in connection with the construction, repair, reconstruction, management, supervision, control and operation of the authority's business;

- (16) To establish procedures for health care providers to secure the privilege of practicing within any hospital operated by the authority pursuant to Part 3 of Article 5 of this Chapter;
- (17) To establish reasonable rules governing the conduct of health care providers while on duty in any hospital operated by the facility pursuant to Part 3 of Article 5 of this Chapter;
- (18) To provide for the construction, reconstruction, improvement, alteration or repair of any hospital facility, or any part of a facility;
- (19) To enter into any contracts or other arrangements with any municipality, other public agency of this or any other State or of the United States, or with any individual, private organization, or nonprofit association for the provision of hospital, clinical, or similar services;
- (20) To lease any hospital facilities to or from any municipality, other public agency of this or any other state or of the United States, or to any individual, corporation, or association upon any terms and subject to any conditions as may carry out the purposes of this Part. The authority may provide for the lessee to use, operate, manage and control the hospital facilities, and to exercise designated powers, in the same manner as the authority itself might do;
- (21) To act as an agent for the federal, State or local government in connection with the acquisition, construction, operation or management of a hospital facility, or any part thereof;
- (22) To arrange with the State, its subdivisions and agencies, and any county or city, to the extent it is within the scope of their respective functions,
  - a. To cause the services customarily provided by each to be rendered for the benefit of the hospital authority,
  - b. To furnish, plan, replan, install, open or close streets, roads, alleys, sidewalks or similar facilities and to acquire property, options or property rights for the furnishing of property or services for a hospital facility, and
  - c. To provide and maintain parks and sewage, water and other facilities for hospital facilities and to lease and rent any of the dwellings or other accommodations or any of the lands, buildings, structures or facilities embraced in any hospital facility and to establish and revise the rents and charges;
- (23) To insure the property or the operations of the authority against risks as the authority may deem advisable;
- (24) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which trustees, guardians, executors, administrators, and others acting in a fiduciary capacity may legally invest funds under their control;
- (25) To sue and be sued;
- (26) To have a seal and to alter it at pleasure;
- (27) To have perpetual succession;
- (28) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority;



- (29) To remove vehicles parked on land owned or leased by the hospital authority in areas clearly designated as no parking or restricted parking zones. An owner of a removed vehicle as a condition of regaining possession of the vehicle, shall reimburse the hospital authority for all reasonable costs, not to exceed fifty dollars (\$50.00), incidental to the removal and storage of the vehicle provided that the designation of the area as a no parking or restricted parking zone clearly indicates that the owner may be subject to these costs;
- (30) To plan and operate hospital facilities;
- (31) To provide teaching and instruction programs and schools for medical students, interns, physicians, nurses, technicians and other health care professionals;
- (32) To provide and maintain continuous resident physician and intern medical services;
- (33) To adopt, amend and repeal rules and regulations governing the admission of patients and the care, conduct, and treatment of patients;
- (34) To establish a fee schedule for services received from hospital facilities and make the services available regardless of ability to pay;
- (35) To maintain and operate isolation wards for the care and treatment of mental, contagious, or other similar diseases;
- (36) To sell a hospital facility pursuant to G.S. 131E-8 or G.S. 131E-13; and
- (37) To agree to limitations upon the exercise of any powers conferred upon the hospital authority by this Part in connection with any loan by a government.
- (38) To engage in health care activities outside the State.

(b) A hospital authority may exercise any or all of the powers conferred upon it by this Part, either generally or with respect to any specific hospital facility or facilities, through or by designated agents, including any corporation or corporations which are or shall be formed under the laws of this State.

(c) Expired pursuant to Session Laws 1983, c. 775, s. 1.

(d) No provisions with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to a hospital authority unless otherwise specified by the General Assembly. (1913, c. 42, s. 15; 1917, c. 268; C.S., s. 7273; 1983, c. 775, s. 1; 1995, c. 509, s. 135.1(1); 1997-456, s. 27; 1999-456, s. 6; 2015-288, s. 5.)

#### **§ 131E-24. Eminent domain.**

(a) A hospital authority may acquire by eminent domain any real property, including fixtures and improvements, which it deems necessary to carry out the purposes of this Part. The hospital authority may exercise the power of eminent domain under the provisions of Chapter 40A of the General Statutes or any other statute now in force or subsequently enacted for the exercise of the power of eminent domain.

(b) No property belonging to any city, town, or county, any government, religious or charitable organization, or to any existing hospital or clinic may be acquired without its consent. No property belonging to a public utility corporation may be acquired without the approval of the commission or other officer or agency, if any, having regulatory power over the corporation.

(c) The right of eminent domain shall not be exercised unless and until a certificate of public convenience and necessity for the facility has been issued by the North Carolina Utilities Commission. The proceedings leading up to issuing of the certificate of public convenience and necessity, and the right of appeal from the proceedings shall be governed by the Public Utilities

Act, Chapter 62 of the General Statutes, and the rights under that act are hereby expressly reserved to all interested parties in the proceedings. In addition to the powers now granted by law to the North Carolina Utilities Commission, the Utilities Commission is authorized to investigate and examine all facilities set up or attempted to be set up under this Part and to determine the question of public convenience and necessity for the facility. (1943, s. 780, s. 10; 1971, c. 799; 1981, c. 919, s. 18; 1983, c. 775, s. 1.)

**§ 131E-25. Zoning and building laws.**

All hospital facilities of the authority shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the hospital facility is situated. (1943, c. 780, s. 11; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-26. Revenue bonds and notes.**

(a) A hospital authority shall have the power to issue revenue bonds under the Local Government Revenue Bond Act, Chapter 159 of the General Statutes, Article 5, or the bond and revenue anticipation provisions of Chapter 159 of the General Statutes, Article 9, for the purpose of acquiring, constructing, reconstructing, improving, enlarging, bettering, equipping, extending or operating hospital facilities.

(b) A hospital authority shall have the power to borrow for the purposes above enumerated upon its notes or other evidences of indebtedness, subject to the approval of the Local Government Commission as provided in G.S. 131E-32(c). Such approval shall be required regardless of the amount of any such borrowing. Any borrowing by a hospital authority before the date of ratification of Part 2 of Article 2 of this Chapter, whether or not approved by the Local Government Commission, is valid, ratified and confirmed. (1983, c. 775, s. 1.)

**§ 131E-27. Contracts with federal government.**

A hospital authority is authorized:

- (1) To borrow money and accept grants from the federal government for or to aid in the construction of a hospital facility;
- (2) To acquire any land acquired by the federal government for the construction of a hospital facility; and
- (3) To acquire, lease or manage any hospital facility constructed or owned by the federal government.

To these ends, a hospital authority is authorized to enter into contracts, mortgages, trust indentures, leases or other agreements giving the federal government the right to supervise and approve the construction, maintenance and operation of the hospital facility. It is the purpose and intent of this Part to authorize every hospital authority to do any and all things necessary to secure the financial aid and cooperation of the federal government in the construction, maintenance, and operation of hospital facilities. (1943, c. 780, s. 19; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-28:** Repealed by Session Laws 2016-5, s. 5.3(a), effective May 11, 2016.

**§ 131E-29. Audits and recommendations.**

Each hospital authority shall file with the mayor of the city or the chairman of the county board of commissioners at least annually an audit report by a certified public accountant of its activities

for the preceding year, and shall make any recommendations necessary to carry out the purposes of this Part. (1943, c. 780, s. 22; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-30. Appropriations.**

Each year the governing body of a city or county in which the hospital authority is located may appropriate and transfer funds to the authority. The appropriations shall be from the General Fund and may not exceed five percent (5%) of the General Fund. Money appropriated and paid to the hospital authority by a city or county shall be deemed a necessary expense of the city or county. However, the appropriations shall not be deemed to be a revenue of the authority for the purpose of bonds of the hospital authority issued under the Local Government Revenue Bond Act, Chapter 159 of the General Statutes, Article 5. (1943, c. 780, s. 25; 1971, c. 780, s. 23; c. 799; 1983, c. 775, s. 1.)

**§ 131E-31. Transfers of property by a city or county to a hospital authority.**

(a) A city or county may lease, sell, convey, or otherwise transfer, with or without consideration or with nominal consideration, any property, whether real or personal or mixed, to a hospital authority whose territorial boundaries include at least part of the city or county. A hospital authority is authorized to accept such lease, transfer, assignment or conveyance and to bind itself to the performance and observation of any agreements and conditions required by the city or county.

(b) If a city or county sells, conveys, or otherwise irrevocably transfers to a hospital authority property with a market value in excess of two hundred fifty thousand dollars (\$250,000), and if the hospital authority accepts this property, the mayor of the city or the chairman of the county board of commissioners shall have the right to name additional commissioners to serve on the authority. The number of additional commissioners shall be such that the proportion of additional commissioners to existing commissioners is approximately equal to the proportion of the total value being transferred to the hospital authority to the total value of property already held by the authority. The determination of the ratios will be made solely by the governing body of the city or county transferring the property to the hospital authority; however, in no event shall fewer than two nor more than nine commissioners be added to the hospital authority. The total number of commissioners shall be increased by the number of commissioners added under this subsection. The times of commencement and expiration of the initial terms of the commissioners being added shall be determined by agreement between the hospital authority and the governing body of the city or county. After the expiration of the initial terms, subsequent terms will be three years. Copies of the agreement setting out the number of persons being added and the terms of each shall be filed with the clerk of the city or the clerk of the county board of commissioners making the transfer and, thereafter, copies of the reports referred to in G.S. 131E-29 shall be filed with the clerk of the city or the clerk of the county board of commissioners. (1943, c. 780, s. 26; 1961, c. 988, s. 2; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-32. Purchase money security interests.**

(a) An authority shall have the power and authority to purchase real or personal property under installment contracts, purchase money mortgages or deeds of trust, or other instruments, which create in the property purchased a security interest to secure payment of the purchase price and interest thereon. No deficiency judgment may be rendered against any authority for breach of an obligation authorized by this section. Any contract made or entered into by an authority before

the date of ratification of Part 2 of Article 2 of this Chapter which would have been valid hereunder is valid, ratified and confirmed.

(b) A hospital authority may contract pursuant to this section in an amount of less than seven hundred fifty thousand dollars (\$750,000), adjusted, as hereinafter provided, in any single transaction without the approval of the Local Government Commission: Provided, however, that the approval of the Local Government Commission shall be required for any single contract pursuant to this section if the aggregate dollar amount of all such contracts outstanding after any such single transaction, exclusive of revenue bonds issued pursuant to G.S. 131E-26 and federal contracts entered pursuant to G.S. 131E-27, would exceed ten percent (10%) of the total operating revenues, as hereinafter defined, of the hospital authority for its most recently completed fiscal year as set forth in the audited financial statements of such authority for such fiscal year. The approval of the Local Government Commission shall be required with respect to any single contract pursuant to this section in an amount of seven hundred fifty thousand dollars (\$750,000) or more, adjusted as hereinafter provided.

(c) Approval of the Local Government Commission under this section or as required by G.S. 131E-26(b) shall be obtained in accordance with such rules and regulations as the Local Government Commission may prescribe and shall be evidenced by the secretary's certificate on the contract or note or other evidence of indebtedness. In determining whether to approve any such contract or borrowing, the Local Government Commission shall consider whether the hospital authority can demonstrate the financial responsibility and capability of the hospital authority to fulfill its obligations with respect to such contract or borrowing. The Local Government Commission may approve the application without other findings, if it finds that (i) the proposed project or the purpose of the borrowing is necessary and expedient, (ii) the contract or the borrowing, under the circumstances, is preferable to a bond issue for the same purpose, (iii) the sums to fall due under the contract or borrowing are adequate and not excessive for the proposed purpose, (iv) the authority's debt management procedures are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law and (v) the authority is not in default on any of its debt service obligations. Any contract or borrowing subject to this subsection requiring the approval of the Local Government Commission that does not bear the secretary's certificate thereon shall be void, and it shall be unlawful for any officer, employee or agent of a hospital authority to make any payments of money thereunder. An order of the Local Government Commission approving any such contract or borrowing shall not be regarded as an approval of the legality of the contract or borrowing in any respect.

(d) The seven hundred fifty thousand dollars (\$750,000) amount referred to in G.S. 131E-32(b) shall be in effect from July 15, 1983 through September 30, 1984. For each twelve-month period thereafter, the seven hundred fifty thousand dollar (\$750,000) amount shall be the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in the Department of Commerce Composite Construction Cost Index.

(e) For purposes of G.S. 131E-32(b), the "total operating revenues" of a hospital authority for a fiscal year means patient revenue, less provisions for contractual adjustments, uncompensated care and bad debts, plus other operating revenues, all as determined in accordance with generally accepted accounting principles. (1983, c. 775, s. 1.)

### **§ 131E-33. Part controlling.**

Insofar as the provisions of this Part are inconsistent with the provisions of any other law, the provisions of this Part shall be controlling; however this Part shall not be construed as preventing a city, town, or county from establishing and operating a hospital under the authority of any other law now or hereafter in effect. (1943, c. 780, s. 28; 1971, c. 799; 1983, c. 775, s. 1.)

**§ 131E-34:** Repealed by Session Laws 2011-326, s. 17, effective June 27, 2011.

**§§ 131E-35 through 131E-39. Reserved for future codification purposes.**

### Part 3. Hospital District Act.

#### **§ 131E-40. Title and purpose.**

- (a) This Part shall be known as the "Hospital District Act."
- (b) It is the purpose of this Part to authorize the creation of hospital districts to furnish hospital, clinical and similar services to the people of this State.
- (c) This Part provides an additional and alternative method for the provision of hospital, clinical and similar services.
- (d) This Part shall be construed liberally to effect its purposes. (1983, c. 775, s. 1.)

#### **§ 131E-41. Methods of creation of a hospital district.**

(a) The voters of an area may petition their county board of commissioners and the North Carolina Medical Care Commission for the creation of a hospital district. All of the area proposed to be included within a hospital district must be located within one county. The petition shall be signed by at least 500 voters of the area described in the petition. However, if the area has less than 1,100 voters, then the minimum number of petitioners shall be 250 voters. The petition shall set forth:

- (1) A description of the area to be included within the proposed hospital district;
- (2) The names of all municipalities located in whole or in part in the proposed hospital district;
- (3) The names of all publicly owned hospitals in the proposed hospital district;
- (4) The purpose or purposes sought to be accomplished by the creation of the hospital district; and
- (5) The proposed name of the hospital district.

The petition shall be delivered to the county board of commissioners of the county in which the proposed hospital district would be located. If the county board of commissioners approves the creation of the hospital district, they shall have the petition delivered to the North Carolina Medical Care Commission for review under G.S. 131E-42.

(b) In the alternative, the county board of commissioners, in its discretion, may create a hospital district by resolution. This authority exists only when one hospital district already exists in the county, or when a special tax levy for hospital purposes has been authorized or is now authorized with respect to a portion of the county. This power is limited to establishing a hospital district in the area lying outside the existing hospital district or outside the portion of the county in which a hospital tax levy has been or is now authorized. When a county board of commissioners exercises its power under this subsection, all other provisions of this Part shall be applicable, except as modified by this subsection. (1949, c. 766, s. 5; 1953, c. 1045, s. 1; 1959, cc. 877, 1074; 1971, c. 780, s. 37.4; 1973, c. 476, s. 152; c. 494, s. 45; c. 1090, s. 1; 1983, c. 775, s. 1.)

**§ 131E-42. Hearing and determination.**

(a) After receipt of a petition for the creation of a hospital district that meets the requirements of G.S. 131E-41(a) and that has been approved by the county board of commissioners, the North Carolina Medical Care Commission shall give notice of a hearing on the creation of a hospital district. The notice of hearing shall be posted at the county courthouse door and at three public places within the proposed district. In addition, notice of hearing shall be published at least once for three successive weeks in a newspaper circulating in the proposed district. The notice of hearing shall specify:

- (1) The date of hearing which shall not be earlier than 20 days after the first posting and publication of notice;
- (2) The location of the hearing, which shall be within the county in which the proposed district would be located; and
- (3) That any interested person may appear and be heard at the hearing.

(b) At the time and place specified in the notice of hearing, the North Carolina Medical Care Commission, or its designee, shall hear all interested persons, and, if necessary, adjourn and reconvene at a later time.

(c) After the hearing, the North Carolina Medical Care Commission shall determine if it is in the public interest and beneficial to the residents of the area to create a hospital district, and, if it is, shall adopt a resolution creating the hospital district. The resolution shall define the area to be included in the hospital district. The area shall either be the one described in the petition or a part of that area. However, no municipality, in whole or in part, shall be included in a hospital district unless the governing body of the municipality shall have approved by resolution the inclusion and shall have filed a certified copy of the resolution with the North Carolina Medical Care Commission.

(d) Each hospital district shall be designated by the North Carolina Medical Care Commission as the "\_\_\_\_\_ Hospital District of \_\_\_\_\_ County," inserting in the blank spaces a name identifying the locality and the name of the county.

(e) The North Carolina Medical Care Commission shall give notice of the creation of a hospital district. The notice shall be published at least once for two successive weeks in the newspaper in which the notice of hearing required by G.S. 131E-42(a) was published. A notice substantially in the following form, the blanks first being properly filled in, with the printed or written signature of the executive secretary of the North Carolina Medical Care Commission appended, shall be published with the resolution:

The foregoing resolution was passed by the North Carolina Medical Care Commission on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_; it was first published on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Any action or proceeding questioning the validity of the resolution or creation of the \_\_\_\_\_ Hospital District of \_\_\_\_\_ County or the inclusion in the district of any of the areas described in the resolution must be commenced within thirty days after the first publication of this resolution.

---

Secretary  
North Carolina Medical  
Care Commission.

(1943, c. 766, s. 5; 1951, c. 805; 1953, c. 1045, ss. 1, 2; 1959, c. 877; 1973, c. 476, s. 152; c. 1090, s. 1; 1983, c. 775, s. 1; 1999, c. 456, s. 59.)

**§ 131E-43. Limitation of actions.**

Any action or proceeding in any court to set aside a resolution of the North Carolina Medical Care Commission creating any hospital district, or questioning the validity of the resolution, or the creation of any hospital district, or the inclusion in the district of any of the territory described in the resolution creating the district, must be commenced within 30 days after the first publication of the resolution and notice required by G.S. 131E-42(e). Thereafter, no right of action or defense founded upon the invalidity of a resolution or the creation of a district or the inclusion of any territory in the district shall be asserted, nor shall the validity of the resolution or the creation of the district or the inclusion of any territory be open to question in any court upon any ground, except in any action or proceeding commenced within the 30-day period. (1949, c. 766, s. 5; 1951, c. 805; 1953, c. 1045, s. 2; 1973, c. 476, s. 152; c. 1090, s. 1; 1983, c. 775, s. 1.)

**§ 131E-44. General powers.**

(a) The inhabitants of a hospital district are a body corporate and politic by the name specified by the North Carolina Medical Care Commission. Under that name they:

- (1) Are vested with all the property and rights of property belonging to any corporation;
- (2) Have perpetual succession;
- (3) May sue or be sued;
- (4) May contract;
- (5) May acquire any real or personal property;
- (6) May hold, invest, sell or dispose of property;
- (7) May have a seal and alter and renew it; and
- (8) May exercise the powers conferred upon them by this Part.

(b) A hospital district is vested with all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere:

- (1) Those powers granted under the Municipal Hospital Act, Chapter 131E of the General Statutes, Article 2, Part A;
- (2) To issue general obligation and revenue bonds and bond anticipation notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes;
- (3) To issue tax and revenue anticipation notes pursuant to Chapter 159 of the General Statutes, Article 9, Part 2; and
- (4) All other powers as are necessary and incidental to the exercise of the powers of this Part. (1971, c. 780, s. 37.4; 1973, c. 476, s. 152; c. 494, s. 45; 1983, c. 775, s. 1.)

**§ 131E-45. County taxes.**

The county board of commissioners may levy a tax for the financing of the operation, equipment, and maintenance of any hospital operated by the district, including any public or nonprofit hospital, if the tax is approved by a majority of the qualified voters of the hospital district who shall vote on the question of levying the tax. The county board of commissioners shall determine the rate or amount of taxes that will be levied if approved by the voters of the district. The election on the question of levying the tax may be held at any time fixed by the county board

of commissioners and shall be conducted in the same manner as bond elections held under G.S. 159-61. (1949, c. 766, s. 5; 1953, c. 1045, s. 6; 1983, c. 775, s. 1.)

**§ 131E-46. Referendum on repeal of tax levy.**

(a) The board of commissioners of the county in which a hospital district was created under the provisions of this Part may, if a tax levy was authorized by referendum under G.S. 131E-45, call a referendum on the repeal of the authority to levy a tax. Such referendum may be called only if there are no outstanding general obligation bonds of the district.

(b) The question on the ballot shall be:

FOR removal of the right of the board of county commissioners to levy and collect a tax in \_\_\_\_\_ Hospital District of \_\_\_\_\_ County,

AGAINST removal of the right of the board of county commissioners to levy and collect a tax in \_\_\_\_\_ Hospital District of \_\_\_\_\_ County."

(c) The referendum shall be conducted in the same manner as bond elections held under G.S. 159-61. No new registration of voters shall be required.

(d) If a majority of the votes cast are in favor of the question, then beginning on the first day of the fiscal year following the date of the referendum, the board of county commissioners shall have no authority to levy a tax in the hospital district unless the voters approve under G.S. 131E-45. No referendum may be held within one year of the date of a referendum under this section. (1983, c. 775, s. 1.)

**§ 131E-47. Governing body.**

The board of county commissioners of the county in which a hospital district is located shall be the governing body of the district. All of the provisions of the Municipal Hospital Act, Chapter 131E, Article 2, Part 1, shall apply to the hospital district and to the county board of commissioners as the governing body. (1953, c. 1045, s. 7; 1983, c. 775, s. 1.)

Part 4. Limited Liability.

**§ 131E-47.1. Limited liability.**

(a) A person serving as a director, trustee, or officer of a public hospital as defined in G.S. 159-39, or as a commissioner, member, or officer of a hospital authority established under Part 1 or 2 of this Article, or as a director, trustee, or officer of North Carolina Memorial Hospital, shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of this service, except where the person:

- (1) Is compensated for his services beyond reimbursement for expenses,
- (2) Was not acting within the scope of his official duties,
- (3) Was not acting in good faith,
- (4) Committed gross negligence or willful or wanton misconduct that resulted in the damage or injury,
- (5) Derived an improper personal financial benefit from the transaction,
- (6) Incurred the liability from the operation of a motor vehicle, or
- (7) Is defendant in an action brought under G.S. 55A-28.1 or 55A-28.2.

(b) The immunity in subsection (a) is personal to the directors, trustees, officers, commissioners, and members, and does not immunize the hospital or hospital authority for liability for the acts or omissions of the directors, trustees, or officers. (1987 (Reg. Sess., 1988), c. 1057, s. 1; c. 1100, s. 39.2.)





**§ 131E-7. General powers.**

(a) A municipality shall have all the powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to the powers granted elsewhere in this Part:

- (1) To construct, equip, operate, and maintain hospital facilities;
- (2) To levy property taxes pursuant to G.S. 153A-149 or G.S. 160A-209 and to allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities; a hospital district may levy annually a tax on property having a situs in the district under the rules and according to the procedures prescribed in the Machinery Act, Chapter 105 of the General Statutes, Subchapter II, and a hospital district may allocate those and other revenues whose use is not otherwise restricted by law to fund hospital facilities;
- (3) To issue bonds and notes pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes, for the financing of hospital facilities;
- (4) To use property owned or controlled by the municipality;
- (5) To acquire real or personal property, including existing hospital facilities, by purchase, grant, gift, devise, lease, condemnation, or otherwise;
- (6) To establish a fee schedule for services received from hospital facilities and to make services available regardless of ability to pay.

(b) A municipality or a public hospital may contract with or enter into any arrangement with other public hospitals or municipalities of this or other states, the State of North Carolina, federal, or public agencies, or with any person, private organization, or nonprofit corporation or association for the provision of health care. The municipality or public hospital may pay for or contribute its share of the cost of any such contract or arrangement from revenues available for these purposes, including revenues rising from the provision of health care.

(c) Any two or more municipalities may enter into agreements to jointly exercise the powers, privileges, and authorities granted by this Part. These agreements may provide for:

- (1) The appointment of a board, composed of representatives of the parties to the agreement, to supervise and manage a hospital facility;
- (2) The authority and duties of the board and the compensation of its members;
- (3) The proportional share of the costs of acquisition, construction, improvement, maintenance, or operation of hospital facilities;
- (4) The duration, amendment, and termination of the agreement and the disposition of property on termination of the agreement; and
- (5) Any other matters as necessary.

(d) A municipality may lease any hospital facility, or part, to a nonprofit association on terms and conditions consistent with the purposes of this Part. The municipality will determine the length of the lease. No lease executed under this subsection shall be deemed to convey a freehold interest.

(e) A municipality shall not sell nor convey any rights of ownership the municipality has in any hospital facility, including the buildings, land and equipment associated with the hospital, to any corporation or other business entity operated for profit, except that nothing herein shall prohibit the sale of surplus buildings, surplus land or surplus equipment by a municipality to any corporation or other business entity operated for profit.

A municipality may lease any hospital facility, or part, to any corporation, foreign or domestic, authorized to do business in North Carolina on terms and conditions consistent with the purposes of this Part and with G.S. 160A-272. The municipality shall determine the length of the lease; however, no lease under this subsection shall be longer than 10 years, including

options to renew or extend the original term of the lease, except that leases of surplus buildings, surplus land or surplus equipment may be for any length of time determined by the municipality. The lease shall provide that the hospital facility will be operated as a community general hospital open to the general public and that the lessee will accept Medicare and Medicaid patients. No lease executed under this subsection shall be deemed to convey a freehold interest. No bonds, notes nor other evidences of indebtedness shall be issued by a municipality to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

For purposes of this subsection, "surplus" means any building, land or equipment which is not required for use in the delivery of necessary health care services by a hospital facility at the time of the sale, conveyance of ownership rights, or lease.

This subsection shall not be construed to affect any pending litigation nor to reflect any legislative intent as to any prior authorized or executed agreements. This subsection shall be effective from January 1, 1984 until June 30, 1984.

(f) In addition to the general and special powers conferred by this Part, a municipality is authorized to exercise powers necessary to implement the powers under this Part. (1983, c. 775, s. 1; 1993, c. 529, s. 5.3; 1995, c. 509, s. 71.)

**§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.**

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or part, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

- (1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.
- (2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.
- (3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.
- (4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.
- (5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

(b) In the case of a sale or conveyance, if either general obligation bonds or revenue bonds issued for the benefit of the hospital to be conveyed are outstanding at the time of sale or conveyance, then the corporation shall agree to the following:

By the effective date of sale or conveyance, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local

Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section. A hospital which has placed funds in escrow to retire outstanding general obligation or revenue bonds, as provided in this section, shall not be considered a public hospital, and G.S. 159-39(a)(3) shall be inapplicable to such hospitals.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility if the facility has been sold or conveyed to a corporation, foreign or domestic, authorized to do business in North Carolina.

(c) In the case of a lease, the municipality or hospital authority shall determine the length of the lease. No lease executed under this section shall be deemed to convey a freehold interest. Any sublease or assignment of the lease shall be subject to the conditions prescribed by this section. If the term of the lease is more than 10 years, and either general obligation bonds or revenue bonds issued for the benefit of the hospital to be leased are outstanding at the time of the lease, then the corporation shall agree to the following:

By the effective date of the lease, the corporation shall place into an escrow fund money or direct obligations of, or obligations the principal of and interest on which, are unconditionally guaranteed by the United States of America (as approved by the Local Government Commission), the principal of and interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all bonds then outstanding to the maturity date or dates of such bonds or to the date or dates specified for the redemption thereof. The corporation shall furnish to the Local Government Commission such evidence as the Commission may require that the securities purchased will satisfy the requirements of this section.

No bonds, notes or other evidences of indebtedness shall be issued by a municipality or hospital authority to finance equipment for or the acquisition, extension, construction, reconstruction, improvement, enlargement, or betterment of any hospital facility when the facility is leased to a corporation, foreign or domestic, authorized to do business in North Carolina.

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part thereof:

- (1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.
- (2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation

of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.

- (3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.
- (4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.
- (5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.
- (6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.
- (7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.
- (8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(e) Notwithstanding the provisions of subsections (c) and (d) of this section or G.S. 131E-23, a hospital authority as defined in G.S. 131E-16(14) or a municipality may lease or sublease hospital land to a corporation or other business entity, whether for profit or not for profit, and may participate as an owner, joint venturer, or other equity participant with a corporation or other business entity for the development, construction, and operation of medical office buildings and other health care or hospital facilities, so long as the municipality, hospital authority, or other entity continues to maintain its primary community general hospital facilities as required by subsection (a) of this section.

(f) A municipality or hospital authority may permit or consent to the pledge of hospital land or leasehold estates in hospital land to facilitate the development, construction, and operation of medical office buildings and other health care or hospital facilities. A municipality or hospital authority also may, as lessee, enter into master leases or agreements to fund for temporary vacancies relating to hospital land or hospital facilities for use in the provision of health care.

(g) Neither G.S. 153A-176 nor Article 12 of Chapter 160A of the General Statutes shall apply to leases, subleases, sales, or conveyances under this Chapter.

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

- (1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.
- (2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.
- (3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.
- (4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public. (1983 (Reg. Sess., 1984), c. 1066, s. 1; 1997-233, s. 2; 1997-443, s. 11A.118(a); 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2015-288, s. 3.)

## AGENDA ITEM 6:

### PRESENTATION OF FY 2020 AUDIT

#### MANAGER'S COMMENTS:

Ms. Cindy Randolph with C. Randolph, CPA, PLLC will present the Fiscal Year 2020 County audit. Below are some of the financial highlights:

- ❖ The total assets of the County exceeded its liabilities at the close of the fiscal year by \$173,057,263.
- ❖ The County's unassigned fund balance for the general fund was \$25,226,121 at the end of the year, representing 46.1% of total General Fund expenditures. This is an increase of \$4,728,123 in the unassigned fund balance from the previous year.
- ❖ The current year collection rate for property taxes was 98.59% which was a decrease from last year's 99.01%. The County is still well above the statewide average of 98.28% for entities of similar populations in fiscal year 2018-19.
- ❖ **Outstanding debt principal increased by \$3,414,027.** Total outstanding debt principal at June 30, 2020 is \$46,190,000. Watauga County's legal debt limit is \$696,594,671 so the County continues to be well below the state limits.
- ❖ S&P updated their review of the County's financials and reaffirmed the County's stable outlook and credit rating at AA.

The County's financial position remains strong due to the direction provided by the Commissioners and through execution of that direction by County staff. Staff at a future meeting will provide recommendations on the allocation of the increase in unassigned fund balance. The audit is for information only; therefore, no action is required.





**WATAUGA COUNTY, NORTH CAROLINA**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



## WATAUGA COUNTY, NORTH CAROLINA

### BOARD OF COUNTY COMMISSIONERS

John Welch, Chairman

Billy Kennedy, Vice Chairman

Larry Turnbow

Charlie Wallin

Perry Yates

### COUNTY OFFICIALS

Deron T. Geouque

County Manager

Misty Watson, CPA

Finance Director

	<u>Page</u>
<b>Independent Auditor's Report</b>	1-3
<b>Management's Discussion and Analysis</b>	4-10
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
<u>Exhibit</u>	
A	11
B	12
<b>Fund Financial Statements:</b>	
C	13
D-1	14
D-2	15
E	16
F	17
G	18
H	19
I	20
J	21
<b>Notes to the Financial Statements</b>	22-56
<b>Required Supplemental Financial Data:</b>	
<u>Schedule</u>	
1	57
2	58
3	59
4	60
5	61
6	62

**Watauga County, North Carolina**

## Table of Contents

June 30, 2020

7	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	63
8	Schedule of County's Contributions (LGERS)	64
9	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (RODSPF)	65
10	Schedule of County's Contributions (RODSPF)	66
<b>Combining and Individual Fund Schedules:</b>		
<b><u>Schedule</u></b>		
1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget and Actual	67-71
2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Fund - Budget and Actual	72
3	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Recreation Center Project Fund - Budget and Actual	73
4	Combining Balance Sheets - Nonmajor Governmental Funds	74
5	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	75
<b>Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:</b>		
6	Federal Equitable Sharing Fund	76
7	State Substance Abuse Tax Fund	77
8	Emergency Telephone System Fund	78
9	Fire District Funds	79
10	Occupancy Tax Fund	80
11	Solid Waste Fund	81
12	Combining Schedule of Fiduciary Net Position - Pension Trust Funds	82
13	Combining Schedule of Changes in Fiduciary Net Position - Pension Trust Funds	83
14	Combining Schedule of Changes in Assets and Liabilities - Agency Funds	84
<b>Other Schedules:</b>		
15	Schedule of Ad Valorem Taxes Receivable	85
16	Analysis of Current Tax Levy - County-Wide Levy	86
17-A	Secondary Market Disclosures	87
17-B	Ten Largest Taxpayers	88
18	Analysis of Current Tax Levy - Fire Districts	89

**Compliance Section:**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	90-91
Independent Auditor's Report on Compliance for each major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	92-93
Independent Auditor's Report on Compliance for each major State programs and on Internal Control Over Compliance Required by the State Single Audit Implementation Act.	94-95
Schedule of Findings and Questioned Costs	96-97
Corrective Action Plan	98
Schedule of Prior Year Findings	99
Schedule of Expenditures of Federal and State Awards	100-102

## FINANCIAL SECTION

---

**C. Randolph CPA, PLLC***Certified Public Accountant*219A Beaver Creek School Rd.  
West Jefferson, North Carolina 28694  
Phone: (336) 846-3211  
Fax: (336) 846-1142

---

**Independent Auditor's Report**To the Board of Commissioners  
Watauga County, North Carolina**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Watauga County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Watauga County, North Carolina's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of AppalCART. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for AppalCART is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of AppalCART were audited in accordance with *Government Auditing Standards*. The financial statements of the Watauga County District U Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

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

## ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Watauga County, North Carolina, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-10, the Law Enforcement Officers' Special Separation Allowance Irrevocable Trust's Schedules of the Changes in the Net Pension Liability, Net Pension Liability, and County's Contributions, on pages 57 through 59, respectively, the Other Post Employment Benefits Schedules of Funding Progress, Changes in Net OPEB Liability and Related Ratios, County's Contributions, and Investment Returns on pages 60 through 62, respectively, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and County's Contributions, on pages 63 through 64, respectively, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of Net Pension Asset and County's Contributions, on pages 65 through 66, 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 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Watauga County, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements and the Schedule of Expenditures of Federal and State Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of the Watauga County, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Watauga County, North Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Watauga County, North Carolina's internal control over financial reporting and compliance.

*C. Randolph CPA, PLLC*

West Jefferson, North Carolina

December 22, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Watauga County

### Year Ended June 30, 2020

As management of Watauga County, we offer readers of Watauga County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage users to read the information presented here in conjunction with additional information we have furnished in the County's financial statements and notes which follow this narrative.

### Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$173,057,263.
- The County's total net position increased by \$17,795,967 primarily due to an increase in cash assets from revenues, particularly sales tax and property tax, exceeding budget coupled with operating expenditures below expected levels.
- The County's unassigned fund balance for the General Fund was \$25,226,121 at the end of the year, representing 46.1% of total General Fund expenditures. This is an increase of \$4,728,123 in unassigned fund balance over the previous year.
- Total County debt decreased by \$3,414,027 in outstanding principal. The decrease was a result of principal payments for existing debt and refunding the 2012 High School LOBS.
- The County:
  - Completed paving of the Anne Marie parking lot
  - Completed a wetlands and stream restoration at Brookshire
  - Purchased property in Valle Crucis
  - Continued a Tower project to enhance emergency communications
  - Continued a project to build a new recreation and community center
  - Began improvements at the County Landfill
- S&P Global Ratings reaffirmed the County's credit rating at AA and the County's financial stability.
- For the sixth year, the County was able to allocate funds to the Capital Projects Fund as part of the original budget ordinance denoting a continued rebound from the recession.

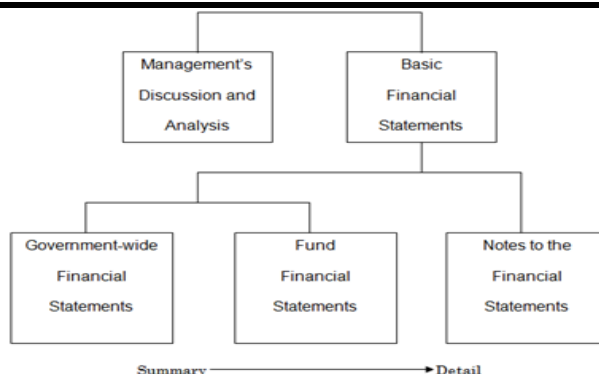
### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Watauga County's basic financial statements. The County's basic financial statements consist of three components, 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The basic financial statements present two different views of the County's finances through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Watauga County.

### Required Components of Annual Financial Report

Figure 1



## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### Basic Financial Statements

---

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

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

The next sections of the basic financial statements are the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Directly following the notes is the **supplemental information**. This section first contains **required supplemental information** about the County's pension plans and the other postemployment benefits plan, followed by additional **supplemental information**. This **supplemental information** is provided to show details about the County's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

### Government-wide Financial Statements

---

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

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

Government-wide financial statements may be divided into as many as three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes solid waste services offered by Watauga County. The final category is the component units. AppalCART is a separate governmental entity, which operates a transportation authority in Watauga County. Watauga County Board of Commissioners appoints the eight member governing body. Watauga County provides some financial support and AppalCART is financially accountable to the County. The Watauga County District U Tourism Development Authority (TDA) is a separate governmental entity created to administer occupancy tax funds collected to promote tourism in the County. The seven voting members of the Authority Board are appointed by the County Board of Commissioners.

### Fund Financial Statements

---

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

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to

## MANAGEMENT'S DISCUSSION AND ANALYSIS

finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows three columns: 1) the final budget as amended by the board, 2) the actual resources, charges to appropriations, and ending balances in the General Fund, and 3) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** - Watauga County has one proprietary fund, the Solid Waste Fund. Enterprise funds are used to report the same functions presented as business-like activities in the government-wide financial statements. Watauga County uses enterprise funds to account for its solid waste operations. This fund is the same as those separate activities shown in the business-type activities in the Statement of Net Position and Statement of Activities.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Watauga County has eight fiduciary funds, two of which are pension trust funds and the other six are agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 22 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Watauga County's progress in funding its obligation to provide pension benefits to its employees and other postemployment benefits. Required supplementary information can be found beginning on page 57 of this report.

## Government-Wide Financial Analysis

### Watauga County's Net Position

Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 74,390,164	\$ 83,302,688	\$ 7,963,452	\$ 7,759,834	82,353,616	\$ 91,062,522
Net capital assets	144,345,752	123,614,625	4,979,923	4,814,605	149,325,675	128,429,230
Total assets	218,735,916	206,917,313	12,943,375	12,574,439	231,679,291	219,491,752
Total deferred outflows of resources	5,192,167	4,158,089	347,947	374,287	5,539,664	4,532,376
Long-term liabilities outstanding	56,502,402	61,153,455	1,523,434	1,535,245	58,025,836	62,688,700
Other liabilities	3,866,025	4,686,052	332,792	333,029	4,198,817	5,019,081
Total liabilities	60,368,427	65,839,507	1,856,226	1,868,274	62,224,653	67,707,781
Total deferred inflows of resources	1,876,361	995,686	60,678	59,365	1,937,039	1,055,051
Net position:						
Net investment in capital assets	95,466,292	69,604,047	4,979,923	4,814,605	100,446,215	74,418,682
Restricted	10,559,753	18,911,192	-	-	10,559,753	18,911,192
Unrestricted	55,657,250	55,724,940	6,394,045	6,206,482	62,051,295	61,931,422
Total net position	\$ 161,683,295	\$ 144,240,209	\$ 11,373,968	\$ 11,021,087	\$ 173,057,263	\$ 155,261,296

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the County exceeded liabilities by \$173,057,263 at June 30, 2020. The County's net position increased by a total of \$17,795,967 for the fiscal year. Net position is reported in three categories: Net investment in capital assets of \$100,446,215 restricted net position of \$10,559,753; and unrestricted net position of \$62,051,295.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The net investment in capital assets is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment), less any related debt still outstanding that was issued to acquire those items. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. At June 30, 2020, the increase in this category of net position correlates to reduced outstanding debt along with increased capital assets.

Another category of net position is restricted net position. This represents resources that are subject to external restrictions on how they may be used. The County has restricted assets due to statutory requirements for Register of Deeds Automation Enhancement Funds, Tax Revaluation, and Stabilization by State Statutes. Special revenues funds and Register of Deeds pension assets account for the balance of the restricted net position.

The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors. Several particular aspects of the County's financial operations affected the reporting of total unrestricted net position:

- Higher current cash and cash equivalent assets;

### Watauga County Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,567,942	\$ 2,608,634	\$ 5,118,690	\$ 5,092,325	\$ 7,686,632	\$ 7,700,959
Operating grants and contributions	6,029,904	4,615,840	140,998	150,629	6,170,902	4,766,469
Capital grants	971,519	521,602	-	-	971,519	521,602
General revenues:						
Property taxes	41,013,750	36,029,382	-	-	41,013,750	36,029,382
Other taxes	17,220,231	15,600,007	-	-	17,220,231	15,600,007
Grant and contributions not restricted to specific programs	4,603,582	4,699,806	-	-	4,603,582	4,699,806
Other	989,620	1,370,455	127,692	126,841	1,117,312	1,497,296
Sale of capital assets	17,419	(453,952)	-	-	17,419	(453,952)
Total revenues	73,413,967	64,991,774	5,387,380	5,369,795	78,801,347	70,361,569
<b>Expenses</b>						
General government	9,675,488	9,016,992	-	-	9,675,488	9,016,992
Public safety	16,482,718	14,818,024	-	-	16,482,718	14,818,024
Transportation	231,493	224,792	-	-	231,493	224,792
Economic & physical development	2,829,166	2,544,199	-	-	2,829,166	2,544,199
Environment protection	549,279	383,857	-	-	549,279	383,857
Humans services	7,900,887	7,776,908	-	-	7,900,887	7,776,908
Cultural and recreation	1,892,470	2,122,231	-	-	1,892,470	2,122,231
Education	16,248,335	16,245,320	-	-	16,248,335	16,245,320
Interest on long-term debt	161,045	1,718,807	-	-	161,045	1,718,807
Solid Waste	-	-	5,034,499	5,015,059	5,034,499	5,015,059
Total expenses	55,970,881	54,851,130	5,034,499	5,015,059	61,005,380	59,866,189
Increase in net position	17,443,086	10,140,644	352,881	354,736	17,795,967	10,495,380
Net position, beginning	144,240,209	134,099,565	11,021,087	10,666,351	155,261,296	144,765,916
Net position, ending	\$ 161,683,295	\$144,240,209	\$11,373,968	\$11,021,087	\$173,057,263	\$155,261,296

**Governmental activities:** Governmental activities increased the County's net position by \$17,443,086, thereby accounting for 98% of the total growth in the net position of Watauga County. Key elements of this increase are as follows:

- Sales tax increases due to the improved economic factors particularly in the tourism industry, resulted in revenues above projection;
- Continued high property tax collections at a rate of 98.59% for the current fiscal year;
- Close monitoring of expenditures throughout the year with actual expenditures below budget.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

**Business-type activities:** Business-type activities increased Watauga County's net position by \$352,881, 2%. Key elements of this increase are as follows:

- Revenues for investment earnings were above projections due to a strong market;
- Close monitoring of expenditures throughout the year with actual expenditures below budget.

### Financial Analysis of the County's Funds

---

Watauga County uses fund accounting to ensure and demonstrate compliance with finance-related legal and accounting requirements.

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund increased to \$25,226,121 while total fund balance increased to \$35,186,904. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 45.3 percent of total General Fund expenditures, while total fund balance represents 64.3 percent of that same amount.

**General Fund Budgetary Highlights** - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once more exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues, transfers and expenditures by \$26,500,609.

Major budget increases include:

- \$500,000 for the community recreation center
- \$1,091,997 for carried forward projects
- \$375,000 for the purchase of the Valle Landing property
- \$367,129 for the Watauga Humane Society loan
- \$19,240,000 refunding of the 2012 High School LOBS
- \$204,165 unused funds for school projects
- \$381,935 for various capital projects where actual costs were below budget
- \$571,512 for school capital projects
- \$218,001 for Soil and Water grants
- \$184,459 for ROAP grant
- \$2,254,298 for CARES funding
- The remaining budget amendments were for various amounts and across all functional areas of the County and were to adjust appropriations as necessary to maintain services.

The actual operating revenues for the General Fund were \$2,062,375 more than the budgeted amount. Actual operating expenses were less than budgeted by \$8,675,469.

**Proprietary Funds** - Watauga County's proprietary fund is used to provide information on the solid waste enterprise. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$6,394,045. The total increase in proprietary net position was \$352,881.

## Capital Asset and Debt Administration

**Capital Assets:** Watauga County's investment in capital assets for its governmental and business type activities as of June 30, 2020, totals \$149,325,675 (net of depreciation). These assets include construction in progress, buildings, land, equipment, improvements, and vehicles. Major capital asset transactions during the year include:

- Purchased new vehicles and numerous pieces of equipment for County governmental departments;
- Completed paving of the Anne Marie Field;
- Completed a wetlands and stream restoration at Brookshire;
- Continued a Tower project to enhance emergency communications;
- Continued a project to build a new recreation and community center;
- Began construction on Landfill improvements

### Watauga County's Capital Assets, Net of Depreciation

Figure 4

	Governmental	Business	Total
	Activities	Activities	
	2020	2020	2020
Land	\$ 21,924,901	\$ 975,497	\$ 22,900,398
Buildings	74,463,058	2,692,694	77,155,752
Other improvements	1,729,414	49,003	1,778,417
Leasehold improvements	5,554,794	5,804	5,560,598
Equipment	936,978	569,640	1,506,618
Vehicles	884,084	648,670	1,532,754
Construction in progress	38,836,923	38,617	38,875,540
Intangible assets	15,600	-	15,600
Total	\$ 144,345,752	\$ 4,979,923	\$ 149,325,675

Additional information on the County's capital assets can be found in note 3.A.6 of this report.

**Long-term Debt.** As of June 30, 2020, Watauga County had no bonded debt outstanding or authorized.

### Watauga County's Outstanding Debt

Figure 5

	Governmental Activities	
	2019	2020
Installment purchase	\$ 49,604,027	\$ 46,190,000

Watauga County's total debt decreased by \$3,414,027 or (6.9%) during the past fiscal year due to scheduled debt service payments and refunding of the 2012 High School LOBS. There is no debt associated with the business activities. The State of North Carolina limits the amount of debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries less outstanding debt principal. The legal debt margin for Watauga County as of June 30, 2020 is \$696,594,671. Additional information regarding Watauga County's long-term debt can be found in Note 3.B.6.b of this report.

## Economic Factors

The following key economic factors reflect the fiscal environment the County is working in:

- The County has approved a \$68,630,207 budget for fiscal year 2021, which represents a 30% decrease from FY 2020 adopted budget. The decrease is primarily due to refunding 2012 high



## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

school LOBS in FY 2020;

- The County's unemployment rate has increased from 4.2 percent at the end of June 2019 to 6.2 percent at the end of June 2020;
- Appalachian State University provides continued stability to the local economy as a major employer and source of overall positive economic impact from the student population;
- The County experienced an increase in sales tax revenues in fiscal year 2020 before businesses closed due to COVID-19. A decrease is projected in fiscal year 2021 due to unknown impacts of the COVID-19 pandemic.

### Budget Highlights for the Fiscal Year Ending June 30, 2021

---

**Governmental activities** – The County's property tax rate remains constant at 40.3 cents per \$100 in property valuation. Sales tax revenue is projected with a 24 percent decrease based on the uncertainty of the economy due to COVID-19. Other revenues are also expected to experience a decrease due to COVID-19.

Budgeted expenditures in the General Fund have decreased predominately due to large maintenance projects being budgeted in fiscal year ending June 30, 2020 and future capital school projects being reduced to \$500,000 due to the uncertainty of COVID-19. Capital purchases are allocated mainly for vehicles and continued expansion of emergency service tower operations with other projects still limited to primarily repairs and maintenance. Funds are allocated to be set aside this year for future capital school projects of \$500,000 and \$1,600,000 for county projects-mainly funding \$500,000 for emergency communications, \$1,000,000 for future maintenance and repairs, \$50,000 for economic development, and \$50,000 to Caldwell Community College.

**Businesses-type activities** – Budgeted revenues for solid waste service revenues are projected a slight decrease due to the sale of recycled scrap and investment income decreasing. Funds have been budgeted for capital additions for continued improvements at the tipping station.

### Requests for Information

---

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Watauga County Finance Director, 814 West King Street, Suite 216, Boone, NC 28607. The report can also be found on our website [www.wataugacounty.org/main/App\\_Pages/Dept/Finance/countyAudits.aspx](http://www.wataugacounty.org/main/App_Pages/Dept/Finance/countyAudits.aspx).

## BASIC FINANCIAL STATEMENTS

**Watauga County, North Carolina**  
Statement of Net Position  
June 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	AppalCART	Watauga County District U Tourism Development Authority
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 49,229,693	\$ 7,548,657	\$ 56,778,350	\$ 3,400,999	\$ 4,184,097
Restricted cash and cash equivalents	1,002,437	-	1,002,437	-	-
Receivables (net)	1,562,677	335,584	1,898,261	19,898	-
Due from other governments	6,660,350	32,486	6,692,836	788,997	402,918
Prepaid expenses	-	46,725	46,725	27,717	-
Inventory	-	-	-	239,932	-
Total current assets	<u>58,455,157</u>	<u>7,963,452</u>	<u>66,418,609</u>	<u>4,477,543</u>	<u>4,587,015</u>
<b>Non-current assets</b>					
Net pension asset - ROD	111,264	-	111,264	-	-
Notes receivable	15,823,743	-	15,823,743	-	-
Capital assets:					
Land, intangible, and construction in progress	60,777,424	1,014,113	61,791,537	1,121,092	-
Other capital assets, net of depreciation	83,568,328	3,965,810	87,534,138	13,176,478	-
Total capital assets	<u>144,345,752</u>	<u>4,979,923</u>	<u>149,325,675</u>	<u>14,297,570</u>	<u>-</u>
Total non-current assets	<u>160,280,759</u>	<u>4,979,923</u>	<u>165,260,682</u>	<u>14,297,570</u>	<u>-</u>
Total assets	<u>218,735,916</u>	<u>12,943,375</u>	<u>231,679,291</u>	<u>18,775,113</u>	<u>4,587,015</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	2,819,883	236,504	3,056,387	-	40,298
Deferred charge on refunding of debt	1,388,100	-	1,388,100	-	-
OPEB deferrals	984,184	110,993	1,095,177	-	-
Total deferred outflows of resources	<u>5,192,167</u>	<u>347,497</u>	<u>5,539,664</u>	<u>-</u>	<u>40,298</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses	2,894,042	332,791	3,226,833	198,323	20,302
Accrued interest payable	139,449	-	139,449	-	-
Due to other governments	793,048	-	793,048	-	-
Liabilities payable from restricted assets	39,486	-	39,486	-	-
Debt service due within one year	5,351,507	140,472	5,491,979	55,846	13,481
Total current liabilities	<u>9,217,532</u>	<u>473,263</u>	<u>9,690,795</u>	<u>254,169</u>	<u>33,783</u>
<b>Long-term liabilities</b>					
Due in more than one year	51,150,895	1,382,963	52,533,858	35,991	68,819
Total liabilities	<u>60,368,427</u>	<u>1,856,226</u>	<u>62,224,653</u>	<u>290,160</u>	<u>102,602</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	221,573	913	222,486	-	3,017
OPEB deferrals	644,185	59,765	703,950	-	-
Unearned revenue	1,001,211	-	1,001,211	2,000	-
Prepaid taxes	9,392	-	9,392	-	-
Total deferred inflows of resources	<u>1,876,361</u>	<u>60,678</u>	<u>1,937,039</u>	<u>2,000</u>	<u>3,017</u>
<b>NET POSITION</b>					
Net investment in capital assets	95,466,292	4,979,923	100,446,215	14,297,570	-
Restricted for:					
Stabilization by State Statute	9,567,647	-	9,567,647	-	402,918
Register of Deeds' pension plan	123,116	-	123,116	-	-
Public safety	449,661	-	449,661	-	-
Register of Deeds Automation/Enhancement	50,656	-	50,656	-	-
Revaluation	368,673	-	368,673	-	-
Unrestricted	55,657,250	6,394,045	62,051,295	4,185,383	4,118,776
Total net position	<u>\$ 161,683,295</u>	<u>\$ 11,373,968</u>	<u>\$ 173,057,263</u>	<u>\$ 18,482,953</u>	<u>\$ 4,521,694</u>

The accompanying notes are an integral part of this statement

**Watauga County, North Carolina**  
Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	AppalCART	Watauga County District U Tourism Development Authority
<b>Primary government:</b>									
Governmental Activities:									
General government	\$ 9,675,488	\$ 1,351,006	\$ -	\$ 624,408	\$ (7,700,074)	\$ -	\$ (7,700,074)		
Public safety	16,482,718	974,264	1,794,985	23,500	(13,689,969)	-	(13,689,969)		
Transportation	231,493	-	184,460	-	(47,033)	-	(47,033)		
Economic and physical development	2,829,166	-	140,898	-	(2,688,268)	-	(2,688,268)		
Environmental protection	549,279	-	141,827	-	(407,452)	-	(407,452)		
Human services	7,900,887	77,766	3,726,735	-	(4,096,386)	-	(4,096,386)		
Cultural and recreational	1,892,470	164,906	40,550	-	(1,687,014)	-	(1,687,014)		
Education	16,248,335	-	449	323,611	(15,924,275)	-	(15,924,275)		
Interest and fees on long-term debt	161,045	-	-	-	(161,045)	-	(161,045)		
Total governmental activities	<u>55,970,881</u>	<u>2,567,942</u>	<u>6,029,904</u>	<u>971,519</u>	<u>(46,401,516)</u>	<u>-</u>	<u>(46,401,516)</u>		
Business-type activities:									
Solid waste	5,034,499	5,118,690	140,998	-	-	225,189	225,189		
Total	<u>\$ 5,034,499</u>	<u>\$ 5,118,690</u>	<u>\$ 140,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,189</u>	<u>\$ 225,189</u>		
Total	<u>\$ 61,005,380</u>	<u>\$ 7,686,632</u>	<u>\$ 6,170,902</u>	<u>\$ 971,519</u>	<u>\$ (46,401,516)</u>	<u>\$ 225,189</u>	<u>\$ (46,176,327)</u>		
Component units:									
AppalCART	<u>\$ 5,402,610</u>	<u>\$ 1,860,315</u>	<u>\$ 2,971,816</u>	<u>\$ 53,018</u>				<u>\$ (517,461)</u>	
Watauga County District U Tourism Development Authority	<u>\$ 1,551,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					<u>\$ (1,551,966)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purpose					41,013,750	-	41,013,750	-	-
Local option sales tax					14,117,340	-	14,117,340	-	-
Other taxes and licenses					3,102,891	-	3,102,891	-	2,055,015
Grants and contributions not restricted to specific programs					4,603,582	-	4,603,582	-	-
Investment earnings, unrestricted					989,620	121,213	1,110,833	27,308	53,154
Gain (loss) sale of fixed assets					17,419	-	17,419	-	-
Miscellaneous, unrestricted					-	6,479	6,479	18,751	343,866
Total general revenues					<u>63,844,602</u>	<u>127,692</u>	<u>63,972,294</u>	<u>46,059</u>	<u>2,452,035</u>
Change in net position					17,443,086	352,881	17,795,967	(471,402)	900,069
Net position, beginning					144,240,209	11,021,087	155,261,296	18,954,355	3,621,625
Net position, ending					<u>\$ 161,683,295</u>	<u>\$ 11,373,968</u>	<u>\$ 173,057,263</u>	<u>\$ 18,482,953</u>	<u>\$ 4,521,694</u>

The accompanying notes are an integral part of this statement

**Watauga County, North Carolina**  
Governmental Funds  
Balance Sheet  
June 30, 2020

	General	Capital Projects Fund	Recreation Center Project Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 31,756,770	\$ 13,655,257	\$ 3,817,666	\$ -	\$ 49,229,693
Restricted cash and cash equivalents	419,329	-	-	583,108	1,002,437
Taxes receivable, net	927,429	-	-	383,778	1,311,207
Due from other governments	6,265,991	-	349,209	45,150	6,660,350
Accounts receivable, net	78,945	-	-	-	78,945
Notes receivable	15,823,743	-	-	-	15,823,743
Total assets	<u>\$ 55,272,207</u>	<u>\$ 13,655,257</u>	<u>\$ 4,166,875</u>	<u>\$ 1,012,036</u>	<u>\$ 74,106,375</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,904,938	\$ -	\$ 989,104	\$ -	\$ 2,894,042
Due to other governments	400,204	-	-	392,844	793,048
Liabilities to be paid from restricted assets	-	-	-	39,486	39,486
Total liabilities	<u>2,305,142</u>	<u>-</u>	<u>989,104</u>	<u>432,330</u>	<u>3,726,576</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Taxes receivable	927,429	-	-	103,852	1,031,281
Prepaid taxes	9,392	-	-	-	9,392
Unearned revenue	1,001,211	-	-	-	1,001,211
Notes receivable	15,842,129	-	-	-	15,842,129
Total deferred inflows of resources	<u>17,780,161</u>	<u>-</u>	<u>-</u>	<u>103,852</u>	<u>17,884,013</u>
<b>FUND BALANCES</b>					
Restricted for:					
Stabilization by State Statute	9,541,454	-	-	26,193	9,567,647
Public safety	-	-	-	449,661	449,661
Register of Deeds	50,656	-	-	-	50,656
Revaluation	368,673	-	-	-	368,673
Committed for:					
Capital projects	-	13,655,257	3,177,771	-	16,833,028
Future years' appropriation	-	-	-	-	-
Unassigned	25,226,121	-	-	-	25,226,121
Total fund balances	<u>35,186,904</u>	<u>13,655,257</u>	<u>3,177,771</u>	<u>475,854</u>	<u>52,495,786</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,272,207</u>	<u>\$ 13,655,257</u>	<u>\$ 4,166,875</u>	<u>\$ 1,012,036</u>	<u>\$ 74,106,375</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:

Total Fund Balance, Governmental Funds	\$ 52,495,786
Net pension asset - ROD	111,264
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	144,345,752
Deferred charge on refunding of debt	1,388,100
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds.	172,525
Deferred inflows for notes receivable	15,842,129
Deferred inflows of resources for taxes receivable	1,031,281
Contributions to the pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,156,362
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	217,900
OPEB related deferrals, net	122,099
Pension related deferrals-all plans, net	1,441,948
Net OPEB liability	(2,176,887)
Net pension liability - LEOSSA	(269,573)
Net pension liability - LGERS	(4,117,962)
Some liabilities, including net pension liabilities, debt related payables and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(50,077,429)</u>
Net position of governmental activities	<u>\$ 161,683,295</u>

**Watauga County, North Carolina**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2020

	Major Funds			Non-Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Recreation Center Project Fund	Other Governmental Funds	
<b>REVENUES</b>					
Ad valorem taxes	\$ 37,373,588	\$ -	\$ -	\$ 3,353,317	\$ 40,726,905
Other taxes and licenses	15,134,357	-	-	2,085,874	17,220,231
Unrestricted intergovernmental	4,589,762	-	-	-	4,589,762
Restricted intergovernmental	6,433,277	-	-	408,606	6,841,883
Permits and fees	839,865	-	-	-	839,865
Sales and services	1,079,918	-	-	-	1,079,918
Investment earnings	562,276	160,957	266,387	6,686	996,306
Donations	212,418	-	40,550	-	252,968
Miscellaneous	561,864	-	-	-	561,864
Total revenues	<u>66,787,325</u>	<u>160,957</u>	<u>306,937</u>	<u>5,854,483</u>	<u>73,109,702</u>
<b>EXPENDITURES</b>					
Current:					
General government	8,925,571	-	-	-	8,925,571
Public safety	12,245,576	-	-	3,712,795	15,958,371
Transportation	231,493	-	-	-	231,493
Economic and physical development	713,133	-	-	2,085,874	2,799,007
Environmental protection	532,800	-	-	-	532,800
Human services	7,295,611	-	-	-	7,295,611
Cultural and recreational	1,447,796	-	22,578,906	-	24,026,702
Education	16,248,335	-	-	-	16,248,335
Debt service:					
Principal	5,264,027	-	-	-	5,264,027
Interest	1,778,703	-	-	-	1,778,703
Total expenditures	<u>54,683,045</u>	<u>-</u>	<u>22,578,906</u>	<u>5,798,669</u>	<u>83,060,620</u>
Revenues over (under) expenditures	<u>12,104,280</u>	<u>160,957</u>	<u>(22,271,969)</u>	<u>55,814</u>	<u>(9,950,918)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	22,983	-	-	-	22,983
Refunding of bonds	(19,055,720)	-	-	-	-
Refunding bonds	19,240,000	-	-	-	-
Transfers from other funds	3,619,091	7,136,100	500,000	-	11,255,191
Transfers to other funds	(7,636,100)	(3,619,091)	-	-	(11,255,191)
Total other financing sources and uses	<u>(3,809,746)</u>	<u>3,517,009</u>	<u>500,000</u>	<u>-</u>	<u>207,263</u>
Net change in fund balance	8,294,534	3,677,966	(21,771,969)	55,814	(9,743,655)
<b>Fund balance, beginning of year</b>	<u>26,892,370</u>	<u>9,977,291</u>	<u>24,949,740</u>	<u>420,040</u>	<u>62,239,441</u>
<b>Fund balance, end of year</b>	<u>\$ 35,186,904</u>	<u>\$ 13,655,257</u>	<u>\$ 3,177,771</u>	<u>\$ 475,854</u>	<u>\$ 52,495,786</u>

**Watauga County, North Carolina**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balance of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds	\$	(9,743,655)
---	----	-------------

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 capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 24,182,941	
Sale of assets not fully depreciated	(5,562)	
Depreciation expense for governmental assets	<u>(3,446,250)</u>	
		20,731,129

Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities.		1,016,929
--	--	-----------

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.		217,900
---	--	---------

Benefit payments paid and administrative expense for the LEOSSA in the current fiscal year are not included on the Statement of Activities.		139,433
---	--	---------

Expenses reported on fund statements that are capitalized on government-wide statements - refunding costs		(277,620)
---	--	-----------

Expenses reported on fund statements that are capitalized on government-wide statements - Note Receivable - Watauga Humane Society		367,129
--	--	---------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues	<u>286,845</u>	286,845

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.		
OPEB plan expense	(320,695)	
Pension expense-LGERS and ROD	(1,871,414)	
Compensated absences	(3,038)	
Pension expense-LEOSSA	(74,883)	
Amortization of bond premiums	<u>1,846,088</u>	
Combined adjustment		(423,942)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long term debt	5,264,027	
Refunding of bonds	19,055,720	
Issuance of long term debt	(19,240,000)	
Decrease in accrued interest payable	<u>49,191</u>	
		<u>5,128,938</u>

Total changes in net position of governmental activities	\$	<u>17,443,086</u>
--	----	-------------------

The accompanying notes are an integral part of this statement

**Watauga County, North Carolina**  
Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2020

	<b>General Fund</b>			
	Budget		Actual Amounts	Variance with Final Budget-
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 36,473,161	\$ 36,473,161	\$ 37,373,588	\$ 900,427
Other taxes and licenses	13,265,000	13,397,000	15,134,357	1,737,357
Unrestricted intergovernmental	3,761,000	3,761,000	4,589,762	828,762
Restricted intergovernmental	4,527,979	7,958,333	6,433,277	(1,525,056)
Permits and fees	738,657	738,657	839,865	101,208
Sales and services	1,241,808	1,241,808	1,079,918	(161,890)
Investment earnings	254,000	254,000	562,276	308,276
Donations	30,500	401,110	212,418	(188,692)
Miscellaneous	499,881	499,881	561,864	61,983
Total revenues	<u>60,791,986</u>	<u>64,724,950</u>	<u>66,787,325</u>	<u>2,062,375</u>
<b>Expenditures:</b>				
General government	10,940,790	13,026,258	8,925,571	4,100,687
Public safety	12,096,913	14,765,674	12,245,576	2,520,098
Transportation	67,495	251,954	231,493	20,461
Economic and physical development	583,674	761,329	713,133	48,196
Environmental protection	415,876	645,607	532,800	112,807
Human services	8,346,855	8,449,485	7,295,611	1,153,874
Cultural and recreation	1,839,031	1,834,413	1,447,796	386,617
Education	15,614,953	16,529,658	16,248,335	281,323
Debt service:				
Principal retirement	4,799,027	5,264,027	5,264,027	-
Interest and other charges	2,295,109	1,830,109	1,778,703	51,406
Total expenditures	<u>56,999,723</u>	<u>63,358,514</u>	<u>54,683,045</u>	<u>8,675,469</u>
Revenues over (under) expenditures	<u>3,792,263</u>	<u>1,366,436</u>	<u>12,104,280</u>	<u>10,737,844</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	22,983	22,983
Refunding bonds	-	19,240,000	19,240,000	-
Refunding of bonds	-	(19,055,720)	(19,055,720)	-
Transfers from other funds	2,757,737	3,619,091	3,619,091	-
Transfers to other funds	(6,550,000)	(7,636,100)	(7,636,100)	-
Fund balance appropriated	-	2,466,293	-	(2,466,293)
Total other financing sources (uses)	<u>(3,792,263)</u>	<u>(1,366,436)</u>	<u>(3,809,746)</u>	<u>(2,443,310)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ 8,294,534	\$ <u>8,294,534</u>
Fund balance, beginning of year			<u>26,892,370</u>	
Fund balance, end of year			<u>\$ 35,186,904</u>	



**Watauga County, North Carolina**  
Statement of Net Position  
Proprietary Fund  
June 30, 2020

	<u>Enterprise Fund</u>
	<u>Solid Waste Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 7,548,657
Receivables, net	335,584
Prepaid expense	46,725
Due from other governments	32,486
Total current assets	<u>7,963,452</u>
Non-current assets:	
Capital assets:	
Land and construction in progress	1,014,113
Other capital assets, net of depreciation	3,965,810
Total capital assets	<u>4,979,923</u>
Total assets	<u>12,943,375</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
OPEB deferrals	110,993
Pension deferrals	236,504
Total deferred outflows of resources	<u>347,497</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	332,791
Accrued compensated absences - current	18,727
Accrued landfill postclosure and closure costs - current	121,745
Total current liabilities	<u>473,263</u>
Non-current liabilities:	
Net pension liability	382,051
Net OPEB liability	201,964
Accrued landfill postclosure and closure costs - noncurrent	718,753
Accrued compensated absences	80,195
Total non-current liabilities	<u>1,382,963</u>
Total liabilities	<u>1,856,226</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
OPEB deferrals	59,765
Pension deferrals	913
Total deferred inflows of resources	<u>60,678</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,979,923
Unrestricted	6,394,045
Total net position	<u>\$ 11,373,968</u>

**Watauga County, North Carolina**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2020

	<b>Enterprise Fund</b>
	<b>Solid Waste Fund</b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 4,961,239
Sale of recycled materials	157,451
	5,118,690
Total operating revenues	5,118,690
 <b>OPERATING EXPENSES:</b>	
Landfill operations	4,539,604
Recycling operations	81,986
Depreciation	412,909
	5,034,499
Total operating expenses	5,034,499
Operating income	84,191
 <b>NONOPERATING REVENUES:</b>	
Interest and investment revenue	121,213
Miscellaneous revenues	6,479
Restricted intergovernmental revenues	140,998
	268,690
Total nonoperating revenues	268,690
Change in net position	352,881
Total net position, beginning	11,021,087
Total net position, ending	\$ 11,373,968

**Watauga County, North Carolina**  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2020

	<b>Enterprise Fund</b>
	<b>Solid Waste Fund</b>
Cash flows from operating activities:	
Cash received from customers	\$ 5,148,526
Cash paid for goods and services	(3,135,106)
Cash paid to employees for services	(1,517,153)
Net cash provided by operating activities	496,267
Cash flows from noncapital financing activities:	
Restricted intergovernmental revenues	143,071
Miscellaneous revenues	6,479
Net cash provided by noncapital financing activities	149,550
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(578,228)
Net cash used by capital and related financing activities	(578,228)
Cash flows from investing activities:	
Interest on investments	121,213
Net cash provided by investing activities	121,213
Net increase in cash and cash equivalents	188,802
Cash and cash equivalents, July 1	7,359,855
Cash and cash equivalents, June 30	\$ <u>7,548,657</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ <u>84,191</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	412,909
Changes in assets, liabilities, deferred outflows and inflows of resources:	
Increase in deferred outflow of resources - pensions	22,967
Increase in deferred inflow of resources - OPEB	3,107
Increase in deferred outflows of resources - OPEB	3,823
Increase in net pension liability	65,511
Increase in net OPEB liability	23,368
Decrease in deferred inflow of resources - pensions	(1,794)
Decrease in accrued landfill postclosure and closure costs	(96,737)
Increase in accounts receivable	29,836
Increase in prepaid expense	(46,725)
Increase in accounts payable	(236)
Decrease in accrued compensated absences	(3,953)
Total adjustments	412,076
Net cash provided by operating activities	\$ <u>496,267</u>

The accompanying notes are an integral part of this statement

**Watauga County, North Carolina**  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2020

	<u>Irrevocable Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,723,225	\$ 70,274
Accounts receivable	1,554	8,550
	<u>\$ 2,724,779</u>	<u>\$ 78,824</u>
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 78,824
	<u>-</u>	<u>78,824</u>
Net position:		
Assets held in trust for postemployment benefits other than pensions	\$ 2,058,754	\$ -
Assets held in trust for law enforcement officers' special separation allowance benefits	666,025	-
	<u>\$ 2,724,779</u>	<u>\$ -</u>

**Watauga County, North Carolina**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020

	<b>Irrevocable Trust Funds</b>
	<u>                    </u>
<b>Additions:</b>	
Employer contributions	\$ 397,233
Interest earned	<u>55,977</u>
Total additions	<u>453,210</u>
<b>Deductions:</b>	
Benefits	184,233
Administrative expense	<u>23,000</u>
Total deductions	<u>207,233</u>
Change in net position	245,977
<b>Net position restricted for post employment benefits other than pensions and law enforcement officers' special separation allowance</b>	
Beginning of year	<u>2,478,802</u>
End of year	<u>\$ <u>2,724,779</u></u>

## WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Year Ended June 30, 2020

### Note 1 - Summary of Significant Accounting Policies:

The accounting policies of Watauga County and its component units 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 County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

#### AppalCART

AppalCART operates mainly in Watauga County in the northwest part of North Carolina, providing transportation services to the various areas and residents within Watauga County. Watauga County's Board of Commissioners appoints the eight member governing board of AppalCART and AppalCART operates within the County's boundaries for the benefit of the County's residents. The County provides some financial support to AppalCART, but it is not responsible for the debts of AppalCART except when such are expressly granted by statute or by the consent of the Board of Commissioners of Watauga County. The Board of Commissioners of Watauga County has the authority to terminate the existence of AppalCART at any time, provided a 60-day written notice is given to AppalCART, and all property and assets of AppalCART shall automatically become the property of Watauga County and the County shall succeed to all rights, obligations and liabilities of AppalCART. AppalCART designates its own management, approves its own budget, and maintains its own accounting system; however, AppalCART is fiscally accountable to Watauga County and the County has the authority to examine all records and accounts at any time. AppalCART, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements may be obtained from the entity's administrative offices at AppalCART, 305 Hwy 105 Bypass, Boone, NC 28607.

#### Watauga County District U Tourism Development Authority

The North Carolina General Legislation enacted a law which authorized Watauga County to levy a room occupancy tax; and the Watauga County Commissioners adopted a resolution levying this tax and created the Watauga County District U Tourism Development Authority. The Authority operates within Watauga County's boundaries for the promotion and development of tourism, and the County provides room occupancy tax proceeds as their main source of revenue to the Authority, but the County is not responsible for the debts and is not entitled to the surpluses of the Authority. The Watauga County's Board of Commissioners appoints the seven voting members of the Authority. The Watauga County District U Tourism Development Authority has a June 30 year end and is presented as if it is a governmental fund. Complete financial statements may be obtained from the entity's administrative offices at Watauga County District U Tourism Development Authority, 815 West King Street, Suite 10, Boone, NC 28607.

#### B. Basis of Presentation – Basis of Accounting

##### **Basis of Presentation, Measurement Focus – Basis of Accounting**

*Government-wide Statements:* The Statements of Net Position and the Statements of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods and 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, including all taxes, are presented as general revenues.

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

The County reports the following major governmental funds:

*General Fund* – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Capital Projects Fund* – This is a capital projects fund. It accounts for the County's reserves set aside for future capital needs.

*Recreation Center Project Fund* – This is a project fund to account for the County's community recreation center project.

The County reports the following major enterprise fund:

*Solid Waste Fund* – This fund accounts for the operation, maintenance, and development of the County's transfer and disposal sites.

The County reports the following other fund types:

*Pension Trust Funds* – The County maintains two pension trust funds – the Other Post-Employment Benefits Fund and the Law Enforcement Officers' Special Separation Allowance Fund. Pension trust funds are used to report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefit (OPEB) Irrevocable Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees. The LEO Special Separation Allowance (LEOSSA) Irrevocable Trust Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance.

*Agency Funds* – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Trust Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Vehicle Tax-Towns Fund, which accounts for registered motor vehicle property taxes that are collected by the County for various municipalities within the County but are not revenues to the County; the Inmate Commissary Fund, which accounts for monies deposited with the County's Detention Center for the benefit of certain individuals; the Fine and Forfeitures Fund, which accounts for various fines and forfeitures that the County is required to remit to the Watauga County Board of Education, the Deed of Trust Fee Fund, which accounts for fees collected by the Register of Deeds

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

which are remitted to the State Treasurer on a monthly basis, and the Town of Boone Taxes Fund, which accounts for property taxes billed and collected by the County on behalf of the Town of Boone.

*Non-major Funds* – The County maintains five legally budgeted non-major funds. The Federal Equitable Sharing Fund, the State Substance Abuse Tax Fund, the Emergency Telephone System Fund, the Fire Districts Funds, and the Occupancy Tax Fund are all reported as non-major special revenue funds.

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

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

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

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

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

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

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



## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

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

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

#### **C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Capital Project Fund, the Federal Equitable Sharing, the State Substance Abuse Tax, the Emergency Telephone System, Fire Districts, Occupancy Tax Special Revenue Funds, and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinance is adopted for the Recreation Center Project fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The budget officer is authorized by the budget ordinance to transfer appropriation within a fund not to exceed 10% of the total departmental appropriation of the department whose allocation is reduced; however, any revisions that alter the total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### **D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity**

##### **1. Deposits and Investments**

All deposits of the County, AppalCART, and the Watauga County District U Tourism Development Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, AppalCART, and the Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, AppalCART, and the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

The County, AppalCART, and the Authority's investments are carried at fair value as determined by quoted market prices. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a short-term bond fund investing in treasuries, government agencies, and money market investments allowed under G.S. 159-30, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

## WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Year Ended June 30, 2020

### Cash and Cash Equivalents

The County pools money from several funds, except the OPEB Irrevocable Trust Fund, the LEOSSA Irrevocable Trust Fund, the DSS Trust Fund, and the Inmate Commissary Fund, 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. AppalCART the Authority consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash or cash equivalents.

### 2. Restricted Cash

Money for Tax Revaluation is classified as restricted assets because its use is restricted per NC General Statute 153A-150. Money for the Register of Deeds Automation Enhancement Fund is restricted by NC General Statute 161-50 to pay for computer equipment and technology needs for the Register of Deeds' office. Federal regulations require equitable sharing funds be used for approved law enforcement needs. State substance abuse tax receipts are restricted to law enforcement needs. Emergency Telephone Systems funds are restricted per NC General Statute 62A-46. Occupancy tax revenues are restricted for disbursement to the Watauga District U Tourism Development Authority. Taxes collected on behalf of the fire districts are restricted as payable to the districts.

#### Watauga County Restricted Cash

Governmental Activities		
General Fund	Tax revaluation	\$ 368,673
	Register of Deeds	50,656
Federal Equitable Sharing Fund	Law enforcement	145,562
State Substance Abuse Tax Fund	Law enforcement	45,124
Emergency Telephone Fund	911 eligible expenditures	265,584
Occupancy Tax Fund	Tourism	112,918
Fire District Funds	Unexpended collections	13,920
Total Governmental Activities		\$1,002,437

### 3. Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

### 4. Allowances for Doubtful Accounts

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

### 5. Inventory

The inventories of AppalCart are maintained for fuel oil, tires, and vehicle parts; valuation is at last in first out (LIFO) basis. The cost of the inventory of AppalCart is recorded as an expense when consumed.

### 6. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received July 1, 2015, are recorded at their acquisition value. Minimum capitalization is \$5,000 for all governmental fund assets. On July 1, 1989, the County established the Solid Waste Fund to account for the operations of the landfill. At this time, all landfill assets were transferred to this fund at original cost less accumulated depreciation from date of purchase. Property, plant, and equipment acquired after July 1, 1989, are recorded at original cost at

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

time of acquisition. After July 1, 2002, the Fund's minimum capitalization cost is \$5,000. Prior to July 1, 2002, the Fund did not have a minimum capitalization cost. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

The County holds title to a Watauga County Board of Education property that has not been included in capital assets. The property has been deeded to the County to permit installment purchase financing. Lease agreements between the County and the Board of Education give the Board of Education full use of Mabel School, full responsibility for maintenance of the facility, and stipulate the County will convey title back to the Board of Education once all restrictions of the financing agreements have been met. The property is reflected as a capital asset in the financial statements of the Watauga County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	10 to 50
Leasehold improvements	10 to 50
Other improvements	8 to 99
Furniture and equipment	5 to 20
Vehicles and motorized equipment	5

Capital assets of the AppalCART are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Office furniture and equipment	5 to 7
Shop equipment	8
Vehicles	7 to 12
Land improvements	10
Buildings	50

Capital assets of the Watauga County District U Tourism Development Authority are depreciated over their useful lives on a straight-line basis as follows:

	<u>Years</u>
Computer equipment	5
Furniture and fixtures	7

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has the following items that meet this criterion – pension related deferrals and OPEB deferrals. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has the following items that meet the criterion for this category – prepaid taxes, taxes receivable, notes receivable, unearned revenue, OPEB deferrals and pension related deferrals.

#### **8. Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs are expensed in the reporting period in which they are incurred. In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs,

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

#### **9. Compensated Absences**

The vacation policies of the County and AppalCART provide for the accumulation of up to thirty day earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund and AppalCART statements. The vacation policy of the Authority provides for the accumulation of up to fifteen days earned vacation leave with such leave being fully vested when earned. On the Authority's government-wide statement, an expense and liability for compensated absences and salary-related payments are recorded as the leave is earned.

The sick leave policies of the County, the Authority, and AppalCART provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement with the County and the Authority may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made by the County or its component units.

#### **10. Net Positions/Fund Balances**

##### **Net Position**

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

##### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

*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.

*Restricted Fund Balance* – This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law. The County has the following restricted items:

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

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

Restricted for Revaluation – portion of fund balance restricted under State Statute [G.S. 153A-150].

Restricted for Register of Deeds – portion of fund balance restricted by revenue source for automation and technology enhancements in the Register of Deeds' office [G.S. 161-11.3].

Restricted for Public Safety – portion of fund balance representing the aggregate of net positions for three special revenue funds: the Emergency Telephone System Fund, the State Substance Abuse Tax Fund, and the Federal Equitable Sharing Fund.

Restricted for Community Recreation Center – portion of fund balance restricted for unspent bond proceeds.

*Committed Fund Balance* – portion of fund balance which can only be used for a specific purpose by a majority vote of Watauga County's governing board (highest body of decision making authority). Any change or removal of specific purpose requires majority action by the governing board.

Committed for Capital Projects – portion of fund balance set aside for future capital project expenditures.

*Assigned Fund Balance* – portion of fund balance the governing board decides to use for a specific purpose.

*Unassigned Fund Balance* – portion of the total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds at year-end.

Watauga County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-county funds, and county funds. For the purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

#### **11. Defined Benefit Pension and OPEB Plans**

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

Note 2 -

#### **Detail Notes on All Funds**

##### **A. Assets**

##### **1. Deposits**

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

All of the County's, AppalCART's, and the Authority'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 County's, AppalCART's, and the Authority's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, AppalCART, and the Authority, these deposits are considered to be held by their agents in the entities' names. 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 County, AppalCART, or the Authority. Because of the inability to measure the exact amount of collateral pledged for the County, AppalCART, or the Authority, 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, AppalCART, and the Authority rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, AppalCART, and the Authority have no formal policy regarding custodial credit risk for deposits.

At June 30, 2020, the County's deposits had a carrying amount of \$24,605,358 and a bank balance of \$25,660,332. Of the bank balance, \$864,639 was covered by federal depository insurance and the remainder is covered by collateral held under the Pooling Method. At June 30, 2020, Watauga County had \$3,000 cash on hand.

At June 30, 2020, AppalCART's deposits had a carrying amount of \$1,290,988 and a bank balance of \$1,301,988. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,051,988 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2020, the Authority's deposits had a carrying amount of \$1,854,767 and a bank balance of \$1,917,536. Of the balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The Authority had no cash on hand.

## 2. Investments

As of June 30, 2020, the County had the following investments and maturities:

Investments by Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	1-5 Years
Commercial Paper	Fair Value Level 2	20,141,337	14,154,520	5,986,817	-
Government Agencies	Fair Value Level 2	1,505,838	-	-	1,505,838
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	2,294,422	2,294,422	N/A	N/A
NC Capital Management Trust – Term Portfolio*	Fair Value Level 1	12,024,331	12,024,331	-	-

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

Total:		<u>\$35,965,928</u>	<u>\$28,473,273</u>	<u>\$5,986,817</u>	<u>\$1,505,838</u>
--------	--	---------------------	---------------------	--------------------	--------------------

\*As of June 30, 2020, the NCCMT Term Portfolio had a duration of .15 years. Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Ratings are from Standard and Poor's scale.

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

*Interest Rate Risk.* The County has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's internal investment procedure limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's internal management policy recommends purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

*Credit Risk.* The County has no formal policy regarding credit risk, but has internal management procedures that limits the County's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2020, the County's investments in commercial paper were rated A1 by Standard & Poor's and P1 by Moody's Investors Service. The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies with Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation are rated AA+ by Standard & Poor's and AAA by Moody's Investors Service. The County does have an elevated credit risk due to safekeeping held in a third party arrangement.

At June 30, 2020, AppalCART's investment stated at fair value, consisted of \$2,110,011 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. AppalCART has no formal policy on interest rate risk or credit risk on its investments.

At June 30, 2020, the Authority's investments consisted of the following:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Maturity</b>	<b>Rating</b>
NC Capital Management Trust – Government Portfolio	\$ 108,104	N/A	AAAM
NC Capital Management Trust – Term Portfolio	2,221,226	.15 years	Unrated
	<u>\$2,329,330</u>		

*Interest Rate Risk.* The Authority has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

internal investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

*Credit risk.* The Authority has no formal policy regarding credit risk, but has internal management procedures that limits the Authority's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Authority's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2020. The Authority's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

### 3. Property Tax – Use – Value Assessment on Certain Lands

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

Tax Year Levied	Tax	Interest	Total
2016	\$ 670,350	\$ 189,374	\$ 859,724
2017	762,996	146,877	909,873
2018	765,574	78,502	844,076
2019	873,126	-	873,126
Total	\$ 3,072,046	\$ 414,753	\$ 3,486,799

### 4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	Accounts	Taxes Receivable	Interest Receivable	Total
<b>Governmental Activities:</b>				
General	\$ 78,945	\$ 1,054,289	\$ 155,214	\$ 1,288,448
Other Governmental	-	396,352	17,311	413,663
Total receivables	78,945	1,450,641	172,525	1,702,111
Allowance for doubtful accounts	-	(139,434)	-	(139,434)
Total-governmental activities	\$ 78,945	\$ 1,311,207	\$ 172,525	\$ 1,562,677
<b>Business-type Activities</b>				
Solid Waste	\$ 410,703	\$ -	\$ -	\$ 410,703
Allowance for doubtful accounts	(75,119)	-	-	(75,119)
Total-business-type activities	\$ 335,584	\$ -	\$ -	\$ 335,584

The due from other governments that is owed to the County consists of the following:

Governmental activities:	
NC Dept of Natural and Cultural Resources	\$ 35,908
NC DOR	5,484,111
Watauga County Register of Deeds	7,047
NC Dept of Public Instruction	207,830
NC Dept of Public Safety	98,231
Town of Blowing Rock	125,665
Caldwell Community College & Technical Institute	15,332
High Country Council of Governments	2,105



## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

Town of Beech Mountain	128,859
Town of Boone	17,060
Town of Seven Devils	20,467
Watauga County Clerk of Court	19,109
Watauga County District U TDA	3,784
NC DHHS	468,649
Emergency Telephone System	26,193
Total-governmental activities	\$ 6,660,350
Business-type activities:	
NCDOR	\$ 32,486

#### 5. Notes Receivable

The County entered into a promissory note with Appalachian State University on September 28, 2017 for the sale of the Old Watauga High School property located in Boone in the amount \$15,475,000. The terms of the note include interest at 0% and annual principal payments commencing July 1, 2022 in the amount \$800,000 continuing through July 1, 2040 with a final payment of \$1,075,000. The balance as of June 30, 2020 was \$15,475,000.

The County entered into a promissory note with Watauga Humane Society on November 26, 2019 to purchase the note held with TD Bank in the amount \$367,129 in Watauga Humane Society's name. The terms of the note include interest at 3% and monthly payments in the amount \$3,546 commencing January 1, 2020 continuing through December 1, 2029. The balance as of June 30, 2020 was \$348,743.

#### 6. Capital Assets

##### **Primary Government:**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 21,544,911	\$ 379,990	\$ -	\$ 21,924,901
Intangible	15,600	-	-	15,600
Construction in progress	16,189,455	23,027,458	379,990	38,836,923
Total capital assets not being depreciated	37,749,967	23,407,448	379,990	60,777,424
<b>Capital assets being depreciated:</b>				
Buildings	101,449,060	-	-	101,449,060
Other improvements	5,412,681	477,000	-	5,889,681
Leasehold improvements	7,546,816	125,345	-	7,672,161
Equipment	6,554,734	309,687	112,201	6,752,220
Vehicles and motorized equipment	2,625,601	243,451	156,997	2,712,055
Total capital assets being depreciated	123,588,892	1,155,483	269,198	124,475,177
Less accumulated depreciation for:				
Buildings	24,957,706	2,028,296	-	26,986,002
Other improvements	3,698,044	462,223	-	4,160,267
Leasehold improvements	1,854,368	262,999	-	2,117,367
Equipment	5,615,645	311,375	111,778	5,815,242
Vehicles and motorized equipment	1,598,472	381,357	151,858	1,827,971
Total accumulated depreciation	37,724,234	3,446,250	263,636	40,906,848
Total capital assets being depreciated, net	85,864,658			83,568,329

## WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Year Ended June 30, 2020

<b>Governmental activity capital assets, net</b>	<b>\$ 123,614,625</b>	<b>\$144,345,752</b>
--	-----------------------	----------------------

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

General government	\$ 1,943,252
Public safety	572,482
Economic and physical development	30,159
Environmental protection	9,967
Human services	370,341
Cultural and recreational	520,049
Total depreciation expense	<b>\$ 3,446,250</b>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 975,497	\$ -	\$ -	\$ 975,497
Construction in progress	-	38,617	-	38,617
Total capital assets not being depreciated	975,497	38,617	-	1,014,113
<b>Capital assets being depreciated:</b>				
Improvements	445,921	-	-	445,921
Leasehold improvements	319,960	-	-	319,960
Buildings	4,152,793	-	-	4,152,793
Equipment	1,729,909	419,489	-	2,149,398
Vehicles	1,881,082	120,122	-	2,001,204
Total capital assets being depreciated	8,529,664	539,611	-	9,069,276
Less accumulated depreciation for:				
Improvements	373,721	23,197	-	396,918
Leasehold improvements	313,908	248	-	314,156
Building	1,374,201	85,898	-	1,460,099
Equipment	1,487,090	92,668	-	1,579,758
Vehicles	1,141,636	210,898	-	1,352,534
Total accumulated depreciation	4,690,556	412,909	-	5,103,464
Total capital assets being depreciated, net	3,839,108			3,965,811
<b>Business-type capital assets, net</b>	<b>\$ 4,814,605</b>			<b>\$ 4,979,923</b>

### Construction commitments

The County has one active construction project as of June 30, 2020. The governmental project includes the Community Recreation Center. At June 30, 2020, the government's commitments with contractors are as follows:

	Spent-to-date	Remaining Commitment
Community Recreation Center	\$ 36,753,343	\$ 143,455
Total	\$ 36,753,343	\$ 143,455

### Discretely presented component units

Capital asset activity for the AppalCART for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				

## WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Year Ended June 30, 2020

### Capital assets not being depreciated:

Land	\$ 1,114,242	\$ -	\$ -	\$ 1,114,242
Construction in progress	6,850	-	-	6,850
Total capital assets not being depreciated	1,121,092	-	-	1,121,092

### Capital assets being depreciated:

Buildings	6,713,329	-	-	6,713,329
Land improvements	11,156	-	-	11,156
Office furniture and equipment	515,240	-	-	515,240
Shop equipment	394,433	3,486	37,223	360,696
Vehicles	12,755,757	50,695	1,280,558	11,525,894
Total capital assets being depreciated	19,126,315	54,181	1,317,781	19,126,315
Less accumulated depreciation for:				
Buildings	815,361	135,789	-	951,150
Land improvements	11,156	536	-	11,692
Office furniture and equipment	277,918	63,644	-	341,562
Shop equipment	334,306	11,943	37,223	309,026
Vehicles	4,603,249	1,013,716	1,280,558	4,336,407
Total accumulated depreciation	6,041,990	1,225,628	1,317,781	5,949,837
Total capital assets being depreciated, net	14,347,925			13,176,478
<b>Business-type activities capital assets, net</b>	<b>\$15,649,017</b>			<b>\$14,297,570</b>

## B. Liabilities

### 1. Payables

Payables at the government-wide level at June 30, 2020, were as follows:

	Vendors	Salaries and benefits	Due to other governments	Total
Governmental activities:				
General	\$ 1,458,718	\$ 446,220	\$ 400,204	\$ 2,305,142
Recreation center project fund	989,104	-	-	989,104
Other governmental funds	39,486	-	392,844	432,330
Total-governmental activities	\$ 2,487,308	\$ 446,220	\$ 793,048	\$ 3,726,576
Business-type activities:				
Solid Waste	\$ 301,254	\$ 31,537	\$ -	\$ 332,791

### 2. Pension Plan Obligations

#### a. Local Governmental Employees' Retirement System

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the County to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LERS. 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.org](http://www.osc.nc.org).

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.7% of compensation for law enforcement officers and 9.05% for general employees and firefighters, actuarially determined as an amount that, when combined with employees contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,113,164 for the year ended June 30, 2020.

*Refunds of Contributions.* County employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2020, the County reported a liability of \$4,500,013 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

County's proportion was 0.16478% (measured as of June 30, 2019), which was a decrease of 0.00081% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$2,024,641. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 770,516	\$ -
Changes of assumptions	733,428	-
Net difference between projected and actual earnings on pension plan investments	109,762	-
Changes in proportion and differences between County contributions and proportionate share of contributions	58,807	10,753
County contributions subsequent to the measurement date	<u>1,113,164</u>	<u>-</u>
Total	\$ <u>2,785,677</u>	\$ <u>10,753</u>

\$1,113,164 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 815,227
2022	259,403
2023	452,383
2024	134,746
2025	-
Thereafter	-
Total	\$ <u>1,661,759</u>

At June 30, 2020, the Authority reported a liability of \$68,819 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Authority's proportion was 0.00252% (measured as of June 30, 2019), which was a decrease of 0.00010% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Authority recognized pension expense of \$29,323. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows 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	\$ 11,784	\$ -
Changes of assumptions	11,216	-
Net difference between projected and actual earnings on	1,679	-

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

pension plan investments		
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	3,017
Authority contributions subsequent to the measurement date	<u>15,619</u>	<u>-</u>
Total	\$ <u><u>40,298</u></u>	\$ <u><u>3,017</u></u>

\$15,619 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 11,034
2022	2,781
2023	6,120
2024	1,727
2025	-
Thereafter	-
Total	\$ <u><u>21,662</u></u>

*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	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

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	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.0%. 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 proportionate share of the net pension asset to changes in the discount rate.* The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
County's proportionate share of the net pension liability (asset)	\$ 10,292,353	\$ 4,500,013	\$ (314,595)
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability (asset)	\$ 157,402	\$ 68,819	\$ (4,811)

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

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

##### **1. Plan Description**

Watauga County administers a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. In June of 2016, the County established an irrevocable trust, the Law Enforcement Officers' Special Separation Allowance (LEOSSA) Irrevocable Trust Fund, to account for the assets set aside for this purpose. For reporting purposes, the LEOSSA is presented as a pension trust fund as it meets the criteria for trust funds outlined in GASB Statement 68.

*Benefits Provided.* The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The data required regarding the membership of the Watauga County Law Enforcement Separation Allowance Plan was furnished by the County and the NC Local Governmental Employees' Retirement System. The following table summarizes the membership of the Plan as of June 30, 2019, the valuation date:

Retirees receiving benefits	3
Inactive members entitled to but not receiving benefits	0
Active plan members	42
Total	45

*Contributions.* The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the year ended June 30, 2020, the County contributed \$139,433, or 6.95% of covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

*Refunds of Contributions.* Because all funds are contributed by the County, no refunds are available to members of the plan.

*Actuarial Assumptions.* The total pension liability (TPL) in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Based on service, ranging from 3.50 to 7.35 percent, including inflation
Investment rate of return	3.50 percent, net of pension plan investment expense, including inflation
Mortality	Pre-retirement mortality rates bases on the RP-2014 Employee tables, projected forward generationally using Scale MP-2015 Post-retirement rate based on the RP-2014 Healthy Annuitant tables, projected forward generationally using Scale MP-2015; rates loaded by 4% for males

*Discount rate.* The discount rate used to measure the total pension liability was 3.50%. Since the assets are held in short term investments, a discount rate equal to the 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate was used. The index used for this purpose is the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

*Projected cash flows.* The projection of cash flows used to determine the discount rate assumed that the employer would contribute the actuarially determined contribution in the future.

*Long term rate of return.* The long-term expected rate of return on pension plan investments is assumed to be 3.50% annually. Since the Separation Allowance assets are held in short term investments a discount rate equal to the 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate was used. The index used for this purpose is the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

*Sensitivity of the net pension asset to changes in the discount rate.* The following presents the net pension liability calculated using the discount rate of 3.50 percent, as well as what the net pension



## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50 percent) or one percentage point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net pension liability	\$354,466	\$269,573	\$192,057

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the chart below:

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) – (b)
<b>Balance as of June 30, 2018; measurement date</b>	\$ 751,983	\$ 470,475	\$ 281,508
<b>Changes for the year:</b>			
Service cost	59,759	-	59,759
Interest	30,735	-	30,735
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions or other inputs	29,530	-	29,530
Contributions – employer	-	130,091	(130,091)
Contributions – employee	-	-	-
Net investment income	-	11,387	(11,387)
Benefits paid	(35,091)	(35,091)	-
Plan administrative expenses	-	(9,519)	9,519
Net changes	84,933	96,868	(11,935)
<b>Balance as of June 30, 2019; measurement date</b>	\$ 836,916	\$ 567,343	\$ 269,573

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LEOSSA Pension Plan**

The assumed rate of return was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Rate. There were no changes between the measurement date of the net pension liability and the County's reporting date that are expected to have a significant effect on the net pension liability.

For the year ended June 30, 2020, the County recognized pension expense of \$74,883. Since certain expense items are amortized over closed periods each year, the deferred portion of these items must be tracked annually. If the amounts serve to reduce pension expense, they are labeled deferred inflows. If they will increase pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of the June 30, 2019 measurement date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,847	\$ 151,384
Changes of assumptions	75,407	54,984
Net difference between projected and actual earnings on	17,807	-

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

pension plan investments		
County benefit payments and admin expenditures		
subsequent to the measurement date	139,433	-
Total	\$ <u>253,494</u>	\$ <u>206,368</u>

The County paid \$129,433 in benefit payments and \$10,000 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2021	\$	(6,115)
2022		(7,852)
2023		(9,617)
2024		(11,537)
2025		(13,232)
Thereafter		(43,954)
Total	\$	<u>(92,307)</u>

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

*Funding Policy.* Article 12E of G.S. Chapter 143 required the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Contributions for the year ended June 30, 2020 were \$138,222, which consisted of \$112,759 from the County and \$25,463 from the law enforcement officers. No amounts were forfeited.

**d. Supplemental Retirement Income Plans for General Employees**

Employees, other than law enforcement, have the choice of participating in a 401(k) plan or a 457 deferred compensation plan. The County contributes five percent of each employee's salary to the plan of their choice. Employees may make elective deferrals to each plan. Contributions for the year ended June 30, 2020 to these plans were \$779,113 which consisted of \$487,439 from the County and \$291,674 from employees. No amounts were forfeited.

**e. Register of Deeds' Supplemental Pension Fund**

*Plan Description.* Watauga County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

(LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 28699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,956 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$111,264 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was .56359%, which was a decrease of .05254% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$13,263. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,365
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,138	-
Changes in proportion and differences between County contributions and proportionate share of contributions	10,123	-
County contributions subsequent to the measurement date	5,956	-
Total	\$ 17,217	\$ 5,365

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

\$5,956 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2021	\$ 2,869
2022	3,644
2023	1,582
2024	(2,198)
2025	-
Thereafter	-
Total	\$ <u>5,897</u>

*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	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$7,496	\$(111,264)	\$6,127

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

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

The net pension liability (asset) for LGERS and ROD was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018. The net pension liability (asset) for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of that same date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 4,500,013	\$ (111,264)	\$ -	\$ 4,388,749
Proportion of the Net Pension Liability (Asset)	0.16478%	-0.56359%	n/a	n/a
Net Pension Liability	-	-	\$ 269,573	\$ 269,573
Pension Expense	\$ 2,024,641	\$ 13,263	\$ 74,883	\$ 2,112,787

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 770,516	\$ -	\$ 20,847	\$ 791,363
Changes of assumptions	733,428	-	75,407	808,835
Net difference between projected and actual earnings on pension plan investments	109,762	1,138	17,807	128,707
Changes in proportion and differences between County contributions and proportionate share of contributions	58,807	10,123	-	68,930
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,113,164	5,956	139,433	1,258,553
Total	<u>\$ 2,785,677</u>	<u>\$ 17,217</u>	<u>\$ 253,494</u>	<u>\$ 3,056,388</u>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 5,365	\$ 151,384	\$ 156,749
Changes of assumptions	-	-	54,984	54,984
Changes in proportion and differences between County contributions and proportionate share of contributions	10,753	-	-	10,753
Total	<u>\$ 10,753</u>	<u>\$ 5,365</u>	<u>\$ 206,368</u>	<u>\$ 222,486</u>

#### **g. Other Postemployment Benefit for Health Insurance**

##### **Plan Description**

*Plan Administration.* Under a County resolution as of September 1, 2001, Watauga County administers the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System and have at least five years of creditable service with the County. The County has elected to partially pay the future overall cost of coverage for these benefits. The HCB Plan is available to qualified retirees at up to 100%, with a \$400 monthly maximum paid toward premium, until the age of 65 or until Medicare eligible, whichever is sooner based on years of creditable service with the County. The Board of Commissioners may amend the benefit provisions. The HCB Plan is in the County's report as a pension trust fund with funds held in an irrevocable trust. A separate report was not issued for the Plan.

Management of the HCB Plan is vested in the Watauga County Board of Commissioners.

*Plan Membership.* At June 30, 2019 and June 30, 2020, the HCB Plan membership consisted of the following:

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

	<u>2019</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefit payments	24	24
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	<u>249</u>	<u>249</u>
Total	<u>273</u>	<u>273</u>

*Benefits Provided.* The HCB plan provides healthcare benefits for retirees. The County pays a percentage of the cost of coverage for employees' benefits through private insurers.

*Contributions.* The Board of Commissioners established the contribution requirements of plan members and these requirements may be amended by the Board. The Board establishes rates based on an actuarially determined rate. Per a County resolution, the County is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. The County's contribution is dependent on the employee's number of years of creditable service with the County. Retirees pay the difference in the premium less their subsidy based on years of service in the chart below. For the current year, the County contributed \$257,800.

County contributions to HCB Plan based on creditable years of service

25 years or more with Watauga County	\$400 per month maximum or 100%, whichever is less
20 to 25 years with Watauga County	\$300 per month maximum or 75%, whichever is less
10 years in LGERS with last 5 years with Watauga County	\$0

**Investments**

*Investment policy.* The HCB Plan's policy in regards to the allocation of invested assets is established by the County Financial Policy used by management. It is the policy of the County to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio and staggered maturities. Investments are valued at fair value. The current asset allocation policy is in 100% fixed income investments with an expected long term rate of return of 3.5 percent.

*Rate of return.* For the year ended June 30, 2019, the annual money weighted rate of return on investments, net of investment expense, was 1.80 percent.

**Net OPEB Liability of the County**

The components of the net OPEB liability of the County at June 30, 2020 were as follows:

Total OPEB Liability	\$ 4,290,310
Plan fiduciary net position	<u>1,911,459</u>
County's net OPEB liability	<u>\$ 2,378,851</u>

Plan fiduciary net position as a percentage of Total OPEB Liability is 44.55%.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation 3.0 percent

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

Salary increases	Based on service, ranging from 7.35 percent for Uniformed Employees grading down to 3.50 percent over 40 years, and 7.75% for General Employees grading down to 3.50 percent over 24 years, including inflation
Discount rate	3.50 percent
Healthcare cost trend rates	7.0 percent grading down to 4.5 percent over 10 years
Healthy mortality rates	
Pre-retirement	RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015
Post-retirement	RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 115 percent (male) and 79 percent (female) for general employees and by 104 percent (male) for sworn law enforcement officers.

Total OPEB liabilities were rolled forward to June 30, 2019 and June 30, 2020 for the employer and the plan, respectively, utilizing updated procedures incorporating the actuarial assumptions.

The actuarial assumptions used in the June 30, 2019 valuation were based on the NCLGERS assumption study for the five-year period ended December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.50 percent. The discount rate incorporates a municipal bond rate which is 3.50 percent as reported in the Bond Buyer for the 20 Year general obligation bonds as of June 30, 2019.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50 percent)	Discount Rate (3.50 percent)	1% Increase (4.50 percent)
Net OPEB liability (asset)	\$ 2,736,927	\$ 2,378,851	\$ 2,053,574

*Sensitivity of the net OPEB liability to changes in the healthcare trend rate.* The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were to calculate healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rate:

	1% Decrease in Trend Rates	Healthcare Cost Trend Rate (7.0 percent decreasing to 4.5 percent over 10 years)	1% Increase in Trend Rates
Net OPEB liability (asset)	\$ 2,073,296	\$ 2,378,851	\$ 2,743,756



## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

*Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2020, the County reported a net OPEB liability of \$2,378,851. The total OPEB liability used to calculate the net OPEB liability was measured by an actuarial valuation as of June 30, 2019.

At June 30, 2020, the components of the net OPEB liability of the County, as measured at June 30, 2019, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2018	\$ 4,012,410	\$ 1,768,745	\$ 2,243,665
Changes for the Year:			-
Service Cost	248,114	-	248,114
Interest	162,144	-	162,144
Differences between Expected and Actual experience	(114,921)	-	(114,921)
Changes of assumptions	124,063	-	124,063
Contributions	-	264,000	(264,000)
Net Investment Income	-	32,752	(32,752)
Administrative expense	-	(12,538)	12,538
Benefit Payments	(141,500)	(141,500)	-
Net Changes	277,900	142,714	135,186
Balances at June 30, 2019	<u>\$ 4,290,310</u>	<u>\$ 1,911,459</u>	<u>\$ 2,378,851</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent in 2018 to 3.50 percent in 2019.

For the year ended June 30, 2020, the County recognized OPEB expense of \$390,855. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 528,885	\$ 204,660
Changes of assumptions	241,052	499,290
Net Difference between projected and actual earnings on plan investments	67,440	-
County contributions subsequent to the measurement date	257,800	-
Total	<u>\$ 1,095,177</u>	<u>\$ 703,950</u>

\$257,800 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

## WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Year Ended June 30, 2020

2021	\$	38,638
2022		34,089
2023		29,205
2024		21,584
2025		(19,105)
Thereafter		29,016
		29,016
		\$ 133,427

### **h. Other Employment Benefits**

#### **Death Benefits**

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

For the fiscal year ended June 30, 2020, the County made contributions to the State for death benefits of \$8,848 for general employees and \$3,224 for law enforcement employees. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represents 0.1% and 0.14% of covered payroll, respectively.

The County has elected to provide additional death benefits for all eligible employees through a commercial insurance carrier in the amounts equal to an employee's salary rounded up to the next \$1,000. Coverage is provided at a maximum of \$80,000 with no minimum value. Benefits in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

### **i. Retirement Plan – AppalCART**

Please see the separately issued financial report of AppalCART for a complete description of their single employer pension plan.

### **3. Closure and Postclosure Care Costs – Solid Waste Landfill and the Land Clearing Inert Debris (LCID)**

**Solid Waste Landfill** - On April 8, 1994, the County stopped accepting municipal solid waste at the County's landfill, and closure procedures were initiated. State and federal laws and regulations required the County to place a final cover on its landfill facility and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Groundwater testing continues, as required by NCDENR. Due to a NCDENR directive, in fiscal year 2004-2005, a methane collection system was installed to prevent the potential for offsite migration. Further remedial actions are not anticipated unless groundwater conditions change. The County has reported accrued landfill postclosure costs of \$486,980. The County will recognize the postclosure costs over the remaining 4 years.

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

**(LCID)** - State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting debris, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as each balance sheet date. The \$353,518 reported as landfill closure and postclosure care liability at June 30, 2020 represents a cumulative amount reported to date based on the use of 36% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$486,980 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020.

#### 4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources as of June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources Statement of Net Position	Governmental Funds Balance Sheet
Changes in assumptions, pensions and OPEB	\$ 1,049,887	\$ 554,274	\$ -
Pensions and OPEB – difference between expected and actual experience	1,320,248	361,409	-
Pensions and OPEB – difference between projected and actual investment earnings	196,147	-	-
Pensions and OPEB – change in proportion and difference between employer contributions and proportionate share of contributions	68,930	10,753	-
Contributions to pension and OPEB plans in	1,516,353	-	-
Deferred charge on refunding of debt	1,388,100	-	-
Note receivable	-	-	15,842,129
Prepaid taxes not yet earned (General)	-	9,392	9,392
Unearned revenue (General)	-	1,001,211	1,001,211
Taxes receivable, net (General)	-	-	927,429
Taxes Receivable, net (Special Revenue)	-	-	103,852
Total	<u>\$ 5,539,664</u>	<u>\$ 1,937,039</u>	<u>\$ 17,884,013</u>

#### 5. Risk Management

The County 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. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$76,935,630 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2,000,000 per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation. The County provides employee health, dental and life insurance benefits through commercial carriers.

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. Under this program, the County has purchased commercial flood insurance for \$1,324,000 for certain flood-prone structures. The County carries flood insurance to avoid possible significant loss.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are covered by a blanket bond for \$250,000. The Finance Officer, Tax Administrator, Register of Deeds, and County Manager (as Deputy Finance Director) are each individually bonded for \$50,000 each. The Sheriff is bonded for \$25,000.

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

AppalCART is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. AppalCART is insured with the NC Association of County Commissioners Liability and Property and Worker's Compensation Pools that provides coverage for general liability in the amount of \$2,000,000 with an additional \$3,000,000 in vehicle liability purchased per NC DOT requirements and worker's comp insurance at the statutory limits. The County is a member of these same pools.

The Watauga County District U Tourism Development Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is insured with the NC Association of County Commissioners Liability and Property that provide coverage for general liability in the amount of \$2,000,000 and worker's comp coverage with a commercial firm at the statutory limits. The County is a member of the same Liability and Property pool.

#### **6. Long-term Obligations**

##### **a. Installment Purchase**

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County financed various transactions during previous years by direct placement installment purchase. The installment purchases were issued pursuant to security agreements that require that legal title remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The County has four installment purchases serviced by the general fund.

The first direct placement installment purchase was executed in the amount of \$1,290,274 for Qualified School Construction Bonds on June 14, 2010 for school renovations. This installment purchase calls for 10 annual principal payments of \$129,028 plus interest at 5.8 percent with a federal interest credit giving an effective rate of zero percent prior to federal sequestration reductions affecting the annual reimbursement of interest. The balance was paid in full during the current fiscal year.

The second and third installment direct placement purchase agreements were executed on June 28, 2012 to refinance the construction of the new high school. These installment purchases were refinanced June 28, 2012 into limited obligation bonds. The limited obligations bonds were issued in two series, A and B. Series A is for a principal amount of \$45,045,000 with terms ranging from 2016 to 2028. The Series A bonds were partially refunded on October 2, 2019. The refunded portion totaled \$17,390,000 with a new principal balance of \$19,240,000. The refunding was undertaken to reduce total debt service payments by \$677,245 over the remaining life of the purchase agreements. The Series A bonds have an outstanding balance at June 30, 2020 of \$29,020,000. Series B was for

## WATAUGA COUNTY, NORTH CAROLINA

### Notes to the Financial Statements For the Year Ended June 30, 2020

\$10 million with a term of three years and a set rate of 1.81 percent and this series paid out in fiscal year 2014-15.

The fourth direct placement installment purchase agreement was for limited obligations bonds and was executed in the amount \$18,490,000 for the construction of the community recreation center on October 25, 2018. The installment purchase calls for annual payments of principal and semi-annual payments of interest for a period of 15 years. The annual principal payments range from \$1,320,000 to \$1,325,000. The outstanding balance as of June 30, 2020 is \$17,170,000. Proceeds from the LOBs included a premium of \$1,723,277 which will be amortized and expensed in interest over the life of the installment purchase agreement.

For Watauga County, the future minimum payments as of June 30, 2020, including \$8,979,336 of interest, are:

Year Ending June 30	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
2021	\$ 4,980,000	\$ 1,696,631	\$ -	\$ -
2022	5,000,000	1,472,398	-	-
2023	5,040,000	1,230,333	-	-
2024	4,990,000	1,077,657	-	-
2025	4,945,000	925,412	-	-
2026-2030	17,275,000	2,273,905	-	-
2031-2033	3,960,000	303,000	-	-
<b>Total payments</b>	<b>\$ 46,190,000</b>	<b>\$ 8,979,336</b>	<b>\$ -</b>	<b>\$ -</b>

#### **b. General Obligation Indebtedness**

The County has no general obligation debt outstanding or authorized as of June 30, 2020. At June 30, 2020, Watauga County had a legal debt margin of \$696,594,671.

#### **c. Advance Refunding**

In June 2012, the County issued \$55,045,000 in limited obligation bonds to refinance the installment purchase loans for the land and construction of the 2010 high school. These funds refinanced the original debt remaining of \$61,000,000 plus interest and expenses. This resulted in premiums totaling \$5,206,201 to be amortized over the remaining thirteen year life of the new debt. On October 2, 2019, the County issued \$19,240,000 of limited obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in a refunded escrow held by US Bank. As a result, the refunded bonds are defeased and the liability has been removed from the governmental activities column of the statement of net position. Due to the refunding of the Series A limited obligation bonds the premium on advance refunding liability was reduced by \$1,639,207. A liability for the balance of the premium of \$1,195,953 and the annual amortization of \$91,996 in interest expense are in the government-wide statements.

#### **d. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Balance			Balance June 30, 2020	Current Portion of Balance
	July 1, 2019	Increases	Decreases		
<b><u>Governmental activities:</u></b>					
Net pension liability (LGERS)	\$ 3,611,821	\$ 506,141	\$ -	\$ 4,117,962	\$ -
Net pension liability (LEOSSA)	281,508	-	11,935	269,573	-
Net OPEB liability	2,065,069	111,818	-	2,176,887	-

**WATAUGA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

Direct Placement Installment purchases	49,604,027	19,240,000	22,654,027	46,190,000	4,980,000
Premium on LOBS	1,608,392	-	114,885	1,493,507	114,885
Premium on advance refunding	2,927,156	-	1,731,203	1,195,953	91,996
Compensated absences	1,055,482	1,654,848	1,651,810	1,058,520	164,626
Total governmental activities	<u>\$ 61,153,455</u>	<u>\$ 21,512,807</u>	<u>\$ 26,163,860</u>	<u>\$ 56,502,402</u>	<u>\$5,351,507</u>

**Business-type activities:**

Net pension liability (LGERS)	\$ 316,540	\$ 65,511	\$ -	\$ 382,051	\$ -
Net OPEB liability	178,596	23,368	-	201,964	-
Accrued landfill closure and post closure costs	937,235	25,008	121,745	840,498	121,745
Compensated absences	102,874	139,666	143,619	98,921	18,727
Total business-type activities	<u>\$ 1,535,245</u>	<u>253,553</u>	<u>\$ 265,365</u>	<u>\$ 1,523,434</u>	<u>140,472</u>

**Discretely presented component units:****AppalCART**

Compensated absences	<u>\$ 81,675</u>	<u>\$ 66,008</u>	<u>\$ 55,846</u>	<u>\$ 91,837</u>	<u>\$ 55,846</u>
----------------------	------------------	------------------	------------------	------------------	------------------

**Watauga County TDA**

Net pension liability (LGERS)	\$ 62,155	\$ 6,664	\$ -	\$ 68,819	\$ -
Compensated absences	10,283	13,786	10,588	13,481	13,481
Total Watauga County TDA	<u>\$ 72,438</u>	<u>\$ 20,450</u>	<u>\$ 10,588</u>	<u>\$ 82,300</u>	<u>\$ 13,481</u>

For Watauga County and the Authority, compensated absences for governmental activities are liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. For AppalCART, compensated absences are accounted for on the FIFO basis, assuming that employees are taking time that has been previously earned.

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2020, consist of the following:

From the General Fund to the Capital Projects Fund to accumulate resources for future capital acquisitions	\$ 7,136,100
From the General Fund to the Recreation Center Project Fund for the Community Recreation Center	500,000
From the Capital Projects Fund to the General Fund	3,619,091
Total	<u>\$ 11,255,191</u>

**D. Net Investment in Capital Assets**

	Governmental	Business-type
Capital assets	\$ 144,345,752	\$ 4,979,923
Less long-term debt	46,190,000	-
Less LOBs premium	1,493,507	-
Less advance refunding premium	1,195,953	-
Net investment in capital assets	<u>\$ 95,466,292</u>	<u>\$ 4,979,923</u>

**E. Fund Balance**

Watauga County has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

proceeds, federal funds, state funds, local non-county funds, county funds. For the purposes fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

Total fund balance – General Fund	\$35,186,904
Less:	
Stabilization by State Statute	9,541,454
Register of Deeds Automation/Enhancement	50,656
Tax Revaluation	368,673
Remaining fund balance	<u>\$25,226,121</u>

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

Encumbrances:	General Fund - \$3,214,904
	Recreation Center Project Fund - \$191,090
	State Substance Fund - \$26,143
	Enterprise Fund - \$552,691

**Note 3 -****Joint Ventures**

The County participates in a joint venture to operate Appalachian Regional Library with two other local governments. Each participating government appoints four board members to the twelve-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because of the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$652,360 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from their offices at 148 Library Drive, West Jefferson, NC 28694.

The County, in conjunction with Ashe and Alleghany Counties, participates in a joint venture to operate the Appalachian District Health Department. Each participating government appoints one board member to the Governing Board and they in turn appoint the other members of the Governing Board. None of the participating governments have any equity interest in the Health Department, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$746,920 to the Health Department to supplement its activities. Complete financial statements for the Health Department can be obtained from the Health Department's offices at 126 Poplar Grove Connector Road, Boone, NC 28607.

**Note 4 -****Jointly Governed Organization**

The County communally governs Caldwell Community College and Technical Institute with one other government and the community college system of the State of North Carolina. The County appoints two members of its fourteen members Board of Trustees. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,000,279 to Caldwell Community College and Technical Institute to supplement its activities. Complete financial statements for the College can be obtained at 2855 Hickory Boulevard, Hudson, NC 28638.

**WATAUGA COUNTY, NORTH CAROLINA**Notes to the Financial Statements  
For the Year Ended June 30, 2020

The County, in conjunction with seven other counties and nineteen municipalities, established the High Country Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$27,299 and purchased services in the amount of \$1,975 with the Council during the fiscal year ended June 30, 2020. The County was the sub recipient of three grants totaling \$335,829. The first grant is for \$300,694 in Home and Community Care Block Grant funds and the second is for \$21,039 in Nutrition Programs for the Elderly funds. Both are from the US Department of Health and Human Services and the Division of Aging of the North Carolina Department of Health and Human Services that was passed through the Council. The third grant is for \$14,096 from the Division of Aging of the North Carolina Department of Health and Human Services that was passed through the Council. Complete financial statements for the Council can be obtained at 468 New Market Blvd., Boone, NC 28607.

**Note 5 - Summary Disclosure of Significant Commitments and Contingencies****Federal and State Assisted Programs**

The County 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 moneys 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 moneys.

**Note 6 - Subsequent Events**

For the year ended June 30, 2020, the County has evaluated subsequent events for potential recognition and disclosure through December 22, 2020 – the date the financial statements were available to be issued.



## Required Supplemental Financial Data

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

### **Schedule**

- 1 Schedule of Changes in the Net Pension Liability-Law Enforcement Officers' Special Separation Allowance Irrevocable Trust (LEOSSA)
- 2 Schedule of the Net Pension Liability (LEOSSA)
- 3 Schedule of County's Contributions (LEOSSA)
- 4 Schedule of Changes in the OPEB Liability and Related Ratios
- 5 Schedule of County's Contributions (OPEB)
- 6 Schedule of Investment Returns (OPEB)
- 7 Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)
- 8 Schedule of County's Contributions (LGERS)
- 9 Schedule of County's Proportionate Share of Net Pension Liability (Asset) (RODSPF)
- 10 Schedule of County's Contributions (RODSPF)

Watauga County, North Carolina  
Law Enforcement Officers' Special Separation Allowance Irrevocable Trust

Schedule of the Changes in the Net Pension Liability (Asset)  
Last Five Fiscal Years

	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016*</u>
<b>Total pension liability</b>					
Service cost	\$ 59,759	\$ 57,398	\$ 57,127	\$ 24,305	\$ 49,129
Interest	30,735	26,308	25,578	14,474	26,460
Benefit changes	-	-	-	-	-
Difference between expected and actual experience	-	25,317	(173,460)	(33,229)	-
Changes of assumptions and other inputs	29,530	(21,390)	(50,285)	60,466	11,037
Benefit payments, including refunds of member contributions	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
<b>Net change in total pension liability</b>	<u>84,933</u>	<u>61,389</u>	<u>(158,439)</u>	<u>58,915</u>	<u>63,324</u>
<b>Total pension liability-beginning</b>	<u>751,983</u>	<u>690,594</u>	<u>849,033</u>	<u>790,118</u>	<u>726,794</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 836,916</u>	<u>\$ 751,983</u>	<u>\$ 690,594</u>	<u>\$ 849,033</u>	<u>\$ 790,118</u>
<b>Plan net position</b>					
Contributions-employer	\$ 130,091	\$ 109,744	\$ 143,399	\$ 7,101	\$ 71,302
Contributions-member	-	-	-	-	-
Net investment income	11,387	5,867	752	428	706
Benefit payments, including refunds of member contributions	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
Administrative expense	(9,519)	(18,500)	(457)	-	(236)
Refund of contributions	-	-	-	-	-
Other	-	-	-	-	-
<b>Net change in plan net position</b>	<u>96,868</u>	<u>70,867</u>	<u>126,295</u>	<u>428</u>	<u>48,470</u>
<b>Plan net position-beginning</b>	<u>470,475</u>	<u>399,608</u>	<u>273,313</u>	<u>272,885</u>	<u>224,415</u>
<b>Plan net position-ending (b)</b>	<u>\$ 567,343</u>	<u>\$ 470,475</u>	<u>\$ 399,608</u>	<u>\$ 273,313</u>	<u>\$ 272,885</u>
<b>Net pension liability-ending (a) - (b)</b>	<u>\$ 269,573</u>	<u>\$ 281,508</u>	<u>\$ 290,986</u>	<u>\$ 575,720</u>	<u>\$ 517,233</u>

\*Information is as of the Measurement date of December 31, 2015.

\*\*Information is presented as of the measurement date of June 30 one year prior to the reporting year noted.

**Notes to schedule:**

Benefit changes                   None  
Assumption changes

The assumed rate of return was decreased from 3.87% to 3.50% to reflect a change in the Municipal Bond Rate. There were no changes between the measurement date and the County's reporting date that are expected to have a significant effect on the net pension liability.

**Watauga County, North Carolina  
 Law Enforcement Officers' Special Separation Allowance Irrevocable Trust**

**Schedule of the Net Pension Liability (Asset)  
 Last Five Fiscal Years**

	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016*</u>
Total pension liability (TPL)	\$ 836,916	\$ 751,983	\$ 690,594	\$ 849,033	\$ 790,118
Plan net position	<u>567,343</u>	<u>470,475</u>	<u>399,608</u>	<u>273,313</u>	<u>272,885</u>
Net pension liability	<u>\$ 269,573</u>	<u>\$ 281,508</u>	<u>\$ 290,986</u>	<u>\$ 575,720</u>	<u>\$ 517,233</u>
Ratio of plan net position to total pension liability	67.79%	62.56%	57.86%	32.19%	34.54%
Covered payroll	2,005,514	2,005,514	1,837,013	1,883,580	1,837,735
Net pension liability as a percentage of covered payroll	13.44%	14.04%	15.84%	30.57%	28.15%

*\*Information is as of the Measurement date of December 31, 2015.*

*\*\*Information is as of the Measurement date of June 30 of the prior fiscal year.*

**Notes to schedule:**

The TPL was measured based on data as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	Based on service, ranging from 3.50 - 7.35%, including inflation
Investment Rate of Return	3.50%, net of pension plan investment expense, including inflation
Mortality	
Pre-retirement	RP-2014 Employee tables, projected forward generationally with Scale MP-2015
Post-retirement	RP-2014 Healthy Annuitant tables, projected forward generationally with Scale MP-2015. Rates loaded by 4% for males.

**Watauga County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance Irrevocable Trust**

**Schedule of County Contributions**  
**Last Five Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined employer contribution	\$ 103,230	\$ 88,544	\$ 109,308	\$ 95,479	\$ 60,285
Contributions in relation to the contractually required contribution	139,433	130,091	109,744	143,399	39,727
Contribution deficiency (excess)	<u>\$ (36,203)</u>	<u>\$ (41,547)</u>	<u>\$ (436)</u>	<u>\$ (47,920)</u>	<u>\$ 20,558</u>
County's covered payroll	\$ 2,005,514	\$ 2,005,514	\$ 1,837,013	\$ 1,823,288	\$ 1,883,580
Contributions as a percentage of covered payroll	6.95%	6.49%	5.97%	7.86%	2.11%

**Notes to schedule:**

Valuation date: Actuarially determined employer contribution is determined on an annual basis

Methods and assumptions used to determine contribution rates for the year ended June 30, 2020:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Remaining amortization period	12.5 years
Asset valuation method	Market value of assets
Investment Rate of Return	3.5%, including inflation, net of pension plan investment expense
Inflation	3.00%
Salary increases	Based on service, ranging from 3.50% to 7.35%, including inflation
Mortality	
Pre-retirement	RP-2014 Employee tables, projected forward generationally with Scale MP-2015
Post-retirement	RP-2014 Healthy Annuitant tables, projected forward generationally with Scale MP-2015. Rates multiplied by 104%.

**Watauga County, North Carolina**  
**Other Post Employment Benefits Irrevocable Trust**

**Schedule of the Changes in the Net OPEB Liability (Asset) and Related Ratios\***  
**Last Four Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>				
Service cost	\$ 248,114	\$ 204,963	\$ 245,616	\$ 196,127
Interest	162,144	133,400	104,379	128,565
Benefit changes	-	-	-	-
Difference between expected and actual experience	(114,921)	705,179	(166,570)	-
Changes of assumptions and other inputs	124,063	(491,388)	(209,201)	264,995
Benefit payments, including refunds of member contributions	(141,500)	(122,100)	(107,800)	(120,700)
<b>Net change in total OPEB liability</b>	<u>277,900</u>	<u>430,054</u>	<u>(133,576)</u>	<u>468,987</u>
<b>Total OPEB liability-beginning</b>	<u>4,012,410</u>	<u>3,582,356</u>	<u>3,715,932</u>	<u>3,246,945</u>
<b>Total OPEB liability-ending (a)</b>	<u>4,290,310</u>	<u>4,012,410</u>	<u>3,582,356</u>	<u>3,715,932</u>
<b>Plan fiduciary net position</b>				
Contributions-employer	\$ 264,000	\$ 264,800	\$ 872,800	\$ 207,436
Contributions-member	-	-	-	-
Net investment income	32,752	22,310	10,714	7,889
Benefit payments, including refunds of member contributions	(141,500)	(122,100)	(107,800)	(120,700)
Administrative expense	(12,538)	(25,000)	-	(4,800)
<b>Net change in plan fiduciary net position</b>	<u>142,714</u>	<u>140,010</u>	<u>775,714</u>	<u>89,825</u>
<b>Plan fiduciary net position-beginning</b>	<u>1,768,745</u>	<u>1,628,735</u>	<u>853,021</u>	<u>763,196</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>1,911,459</u>	<u>1,768,745</u>	<u>1,628,735</u>	<u>853,021</u>
<b>Net OPEB liability-ending (a) - (b)</b>	<u>\$ 2,378,851</u>	<u>\$ 2,243,665</u>	<u>\$ 1,953,621</u>	<u>\$ 2,862,911</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	44.55%	44.08%	45.47%	22.96%
Covered employee payroll	\$ 11,825,259	\$ 11,480,834	\$ 10,715,512	\$ 10,160,128
Plan Net OPEB Liability as percentage of covered employee payroll	20.12%	19.54%	18.23%	28.18%

\*Information is presented as of the measurement date of June 30 one year prior to the reporting year noted.

**Notes to Schedule**

Benefit changes	None
Changes of assumptions	For 2020 the discount rate changed from 3.87% to 3.50%.

**Watauga County, North Carolina  
Other Post Employment Benefits Irrevocable Trust**

**Schedule of County Contributions  
Last Ten Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 272,198	\$ 227,672	\$ 253,925	\$ 179,656	\$ 171,685	\$ 171,685	\$ 177,098	\$ 177,098	\$ 189,788	\$ 160,959
Contributions in relation to the actuarially determined contribution	257,800	264,000	256,000	872,800	207,436	230,450	205,575	211,783	169,359	160,959
Contribution deficiency (excess)	<u>\$ 14,398</u>	<u>\$ (36,328)</u>	<u>\$ (2,075)</u>	<u>\$ (693,144)</u>	<u>\$ (35,751)</u>	<u>\$ (58,765)</u>	<u>\$ (28,477)</u>	<u>\$ (34,685)</u>	<u>\$ 20,429</u>	<u>\$ -</u>
Covered payroll	\$ 11,825,259	\$ 11,480,834	\$ 10,745,512	\$ 10,160,128	\$ 10,512,790	\$ 10,028,405	\$ 10,387,368	\$ 10,011,037	\$ 10,526,058	\$ 10,666,529
Contributions as a percentage of covered payroll	2.18%	2.30%	2.38%	8.59%	1.97%	2.30%	1.98%	2.12%	1.61%	1.51%

**Notes to Schedule**

Methods and assumptions used to establish "actuarially determined contribution" rates:

Valuation date: Actuarially determined contribution rates are calculated biannually as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Measurement date: June 30, 2019

Discount rate 3.50% as of June 30, 2019 and 3.87% as of June 30, 2018 measurement

Actuarial cost method Projected Unit Credit

Amortization method Open 30-year level percent of pay as of June 30, 2018

Remaining amortization period 30-years

Asset valuation method Market Value

Inflation rate 3%

Retirement age 2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 115% (male) and 79% (female) for General Employees and by 104% (male) for Uniformed Employees

Salary increases Based on service, 7.35% for Uniformed Employees grading down to 3.50% over 40 years, and 7.75% for General Employees grading down to 3.50% over 24 years, including inflation

Investment rate of return The assets are invested in cash, so the 20-year, general obligation, municipal bond index rate as of the Measurement Date is used as the discount rate.

Mortality RP-2014 Healthy Annuitant base rates projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 115% (male) and 79% (female) for General Employees and by 104% (male) for Uniformed Employees

Healthcare trend costs 7.00% grading down to 4.50% over 10 years

**Watauga County, North Carolina  
Other Post Employment Benefits Irrevocable Trust**

**Schedule of Investment Returns  
Last Four Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	1.80%	1.32%	0.87%	0.98%

**Watauga County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**

**Local Government Employees' Retirement System (LGERS)**  
Last Seven Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.16478%	0.16559%	0.16785%	0.17390%	0.17404%	(0.17777)%	0.18070%
County's proportionate share of the net pension liability (asset) \$	\$ 4,500,013	\$ 3,928,361	2,564,283	\$ 3,690,741	\$ 781,083	\$ (1,048,391)	\$ 2,178,129
County's covered employee payroll	\$ 11,777,037	\$ 11,330,399	10,813,081	\$ 10,682,801	\$ 10,536,590	\$ 10,387,368	10,367,190
County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	38.21%	34.67%	23.71%	34.55%	7.41%	-10.09%	21.01%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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



**Watauga County, North Carolina  
County's Contributions**

**Local Governmental Employees' Retirement System  
Last Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,113,164	\$ 937,359	\$ 861,878	\$ 798,115	\$ 732,167	\$ 761,648	\$ 738,196
Contributions in relation to the contractually required contribution	1,113,164	937,359	861,878	798,115	732,167	761,648	738,196
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,134,733	\$ 11,777,037	\$ 11,330,399	\$ 10,813,081	\$ 10,682,801	\$ 10,536,590	\$ 10,387,368
Contributions as a percentage of covered payroll	9.17%	7.96%	7.61%	7.38%	6.85%	7.23%	7.11%

**Watauga County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**

**Register of Deeds' Supplemental Pension Fund (RODSPF)**  
 Last Seven Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	(0.56359)%	(0.61613%)	(0.65062%)	(0.66734%)	(0.65929%)	(0.6297%)	(0.6609%)
County's proportionate share of the net pension liability (asset) \$	\$ (111,264)	\$ (102,050)	\$ (111,054)	\$ (124,766)	\$ (152,800)	\$ (142,737)	\$ (141,158)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

**Watauga County, North Carolina  
 County's Contributions**

**Register of Deeds' Supplemental Pension Fund (RODSPF)  
 Last Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,956	\$ 5,357	\$ 5,273	\$ 5,653	\$ 5,452	\$ 5,276	\$ 5,142
Contributions in relation to the contractually required contribution	5,956	5,357	5,273	5,653	5,452	5,276	5,142
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

## COMBINING AND INDIVIDUAL FUND SCHEDULES

## Watauga County, North Carolina

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance
<b>REVENUES:</b>			
Taxes - ad valorem:			
Current year		\$ 36,968,186	
Prior years		264,641	
Advertising and interest		140,761	
Total Taxes - ad valorem	\$ 36,473,161	37,373,588	\$ 900,427
Taxes - other:			
Local option sales taxes		14,117,340	
Real estate transfer tax		623,216	
ABC Bottle tax		23,213	
Heavy equipment rental tax		10,293	
Gross receipts tax		54,828	
Video programming tax		305,467	
Total Taxes - other	13,397,000	15,134,357	1,737,357
Unrestricted Intergovernmental:			
Miscellaneous revenues from Towns		2,014,547	
Medicaid hold harmless		2,394,238	
Tax collection fees		120,182	
Occupancy tax administrative fee		32,604	
Payments in lieu of taxes		28,191	
Total Unrestricted Intergovernmental	3,761,000	4,589,762	828,762
Restricted Intergovernmental:			
Grants-Federal and State		6,016,238	
Public School Building Capital Fund - Lottery		323,611	
Federal Interest Credit		7,134	
Court facilities fees		86,294	
Total Restricted Intergovernmental	7,958,333	6,433,277	(1,525,056)
Permits and Fees:			
Sheriff's office permits and fees		119,092	
Planning and inspection fees		321,462	
Register of deeds fees		328,379	
Fire inspection fees		10,571	
Child Support fees		60,361	
Total Permits and Fees	738,657	839,865	101,208
Sales and Services:			
POA services		11,497	
TDA Financial and other services		12,000	
Recreation fees		164,906	
Reimbursement for Inmates		105,427	
Rent		412,555	
DMV notary/passport processing fees		157,400	
Blowing Rock communication services		180,603	
Election revenues		35,530	
Total Sales and Service	1,241,808	1,079,918	(161,890)
Investment earnings:	254,000	562,276	308,276
Miscellaneous:			
Other		561,864	
Donations		212,418	
Total Miscellaneous	900,991	774,282	(126,709)
<b>TOTAL REVENUES</b>	<b>64,724,950</b>	<b>66,787,325</b>	<b>2,062,375</b>

## Watauga County, North Carolina

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>General Government</b>			
Governing Body:			
Salaries and benefits		\$ 54,445	
Operating expenses		4,574	
Total Governing Body	\$ 62,085	59,019	\$ 3,066
Administration:			
Salaries and benefits		422,822	
Operating expenses		10,741	
Total Administration	450,903	433,563	17,340
Finance:			
Salaries and benefits		327,230	
Operating expenses		64,251	
Total Finance	401,738	391,481	10,257
Tax Administration:			
Salaries and benefits		941,558	
Operating expenses		158,748	
Total Tax Administration	1,153,718	1,100,306	53,412
Tax Revaluation:			
Operating expenses		174	
Total Tax Revaluation	50,000	174	49,826
Tag Office:			
Salaries and benefits		217,865	
Operating expenses		3,646	
Total Tag Office	242,261	221,511	20,750
Legal Services:			
Operating expenses	87,200	86,155	1,045
Court facilities:			
Operating expenses	5,289	5,011	278
Board of Elections:			
Salaries and benefits		266,444	
Operating expenses		138,426	
Total Board of Elections	476,416	404,870	71,546
Register of Deeds:			
Salaries and benefits		472,407	
Operating expenses		57,398	
Capital outlay		3,625	
Total Register of Deeds	551,934	533,430	18,504
General Administration:			
Operating expenses		1,107,710	
Capital outlay		368,643	
Total General Administration	1,985,070	1,476,353	508,717
Information Technologies:			
Salaries and benefits		480,804	
Operating expenses		450,127	
Capital outlay		62,693	
Total Information Technologies	1,104,875	993,624	111,251

## Watauga County, North Carolina

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance
Maintenance:			
Salaries and benefits		\$ 1,196,469	
Operating expenses		30,124	
Total Maintenance	\$ 1,330,822	1,226,593	\$ 104,229
Public Buildings:			
Operating expenses		1,161,176	
Capital outlay		832,305	
Total Public Buildings	5,123,947	1,993,481	3,130,466
<b>Total General Government</b>	<b>13,026,258</b>	<b>8,925,571</b>	<b>4,100,687</b>
<b>Public Safety</b>			
Sheriff's Office:			
Salaries and benefits		3,701,804	
Operating expenses		425,486	
Capital outlay		323,400	
Total Sheriff's Office	4,839,670	4,450,690	388,980
Detention Center:			
Salaries and benefits		1,647,186	
Operating expenses		640,231	
Capital outlay		9,385	
Total Detention Center	2,356,496	2,296,802	59,694
Emergency Services:			
Salaries and benefits		846,089	
Operating expenses		53,817	
Capital outlay		87,543	
Total Emergency Services	1,076,006	987,449	88,557
Emergency Management:			
Salaries and benefits		278,112	
Operating expenses		1,968,735	
Capital outlay		35,655	
Total Emergency Management	4,127,551	2,282,502	1,845,049
Planning and Inspections:			
Salaries and benefits		602,256	
Operating expenses		19,168	
Total Planning and Inspections	679,626	621,424	58,202
Other Emergency Services:	1,543,071	1,471,249	71,822
Animal Control:			
Salaries and benefits		128,279	
Operating expenses		7,181	
Total Animal Control	143,254	135,460	7,794
<b>Total Public Safety</b>	<b>14,765,674</b>	<b>12,245,576</b>	<b>2,520,098</b>
<b>Transportation</b>			
Transportation:	251,954	231,493	20,461
<b>Economic and Physical Development</b>			
Special Appropriations:	533,385	531,493	1,892
Economic Development:	227,944	181,640	46,304
<b>Total Economic and Physical Development</b>	<b>761,329</b>	<b>713,133</b>	<b>48,196</b>

## Watauga County, North Carolina

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance
<b>Environmental Protection</b>			
Cooperative Extension:			
Salaries and benefits		\$ 259,749	
Operating expenses		14,436	
Total Cooperative Extension	\$ 285,581	274,185	\$ 11,396
Soil and Water Conservation:			
Salaries and benefits		107,747	
Operating expenses		150,868	
Total Soil and Water Conservation	360,026	258,615	101,411
<b>Total Environmental Protection</b>	<b>645,607</b>	<b>532,800</b>	<b>112,807</b>
<b>Human Services</b>			
Public Health:	746,920	746,920	-
Mental Health:	171,194	171,194	-
Social Services:			
Salaries and benefits		3,103,336	
Operating expenses		283,892	
Capital outlay		2,825	
Beneficiary payments		1,585,465	
Total Social Services	5,906,038	4,975,518	930,520
Project on Aging:			
Salaries and benefits		1,085,206	
Operating expenses		186,731	
Capital outlay		6,510	
Total Project on Aging	1,496,914	1,278,447	218,467
Veterans Services:			
Salaries and benefits		122,053	
Operating expenses		1,479	
Total Veterans Services	128,419	123,532	4,887
<b>Total Human Services</b>	<b>8,449,485</b>	<b>7,295,611</b>	<b>1,153,874</b>
<b>Education</b>			
Public Schools - current		13,664,548	
Public Schools - capital outlay		1,583,508	
Community College - current		950,279	
Community College - capital outlay		50,000	
<b>Total Education</b>	<b>16,529,658</b>	<b>16,248,335</b>	<b>281,323</b>
<b>Cultural and Recreational</b>			
Library:	652,360	652,360	-
Recreation:			
Salaries and benefits		702,633	
Operating expenses		92,803	
Total Recreation	1,182,053	795,436	386,617
<b>Total Cultural and Recreational</b>	<b>1,834,413</b>	<b>1,447,796</b>	<b>386,617</b>
<b>Debt Service</b>			
Principal retirement		5,264,027	
Interest and fees		1,778,703	
<b>Total Debt Service</b>	<b>7,094,136</b>	<b>7,042,730</b>	<b>51,406</b>
<b>TOTAL EXPENDITURES</b>	<b>63,358,514</b>	<b>54,683,045</b>	<b>8,675,469</b>
Revenues over (under) expenditures	1,366,436	12,104,280	10,737,844



**Watauga County, North Carolina**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of capital assets	\$ -	\$ 22,983	\$ 22,983
Transfers to Recreation Center Project Fund	(500,000)	(500,000)	-
Transfers to Capital Projects Fund	(7,136,100)	(7,136,100)	-
Refunding bonds issues	19,240,000	19,240,000	-
Payment to refunded escrow	(19,055,720)	(19,055,720)	-
Transfers from Capital Projects Fund	3,619,091	3,619,091	-
Fund balance appropriated	<u>2,466,293</u>	<u>-</u>	<u>(2,466,293)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(1,366,436)</u></b>	<b><u>(3,809,746)</u></b>	<b><u>(2,443,310)</u></b>
<b>Net change in fund balance</b>	<b>\$ <u>-</u></b>	<b>8,294,534</b>	<b>\$ <u>8,294,534</u></b>
<b>Fund balance, beginning of year</b>		<b><u>26,892,370</u></b>	
<b>Fund balance, end of year</b>		<b>\$ <u>35,186,904</u></b>	

**Watauga County, North Carolina**  
 Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Investment earnings	\$ <u>          -</u>	\$ <u>    160,957</u>	\$ <u>    160,957</u>
<b>Expenditures:</b>			
General government	<u>    6,754,165</u>	<u>                  -</u>	<u>    6,754,165</u>
Revenues over (under) expenditures	<u>   (6,754,165)</u>	<u>        160,957</u>	<u>    6,915,122</u>
<b>Other financing sources (uses):</b>			
Transfer from other funds	7,136,100	7,136,100	-
Transfer to other funds	(3,619,091)	(3,619,091)	-
Appropriated fund balance	<u>    3,237,156</u>	<u>                  -</u>	<u>   (3,237,156)</u>
<b>Total other financing sources (uses)</b>	<u>    6,754,165</u>	<u>    3,517,009</u>	<u>   (3,237,156)</u>
Net change in fund balance	\$ <u>                  -</u>	3,677,966	\$ <u>    3,677,966</u>
<b>Fund balance, beginning of year</b>		<u>    9,977,291</u>	
<b>Fund balance, end of year</b>		\$ <u>   13,655,257</u>	

**Watauga County, North Carolina**  
 Recreation Center Project Fund  
 Schedule of Revenues and Expenditures and Changes in  
 Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total-to Date</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>					
Donations	\$ -	-	\$ 40,550	\$ 40,550	\$ 40,550
Investment earnings	-	909,192	266,387	1,175,579	1,175,579
<b>Total revenues</b>	<u>-</u>	<u>909,192</u>	<u>306,937</u>	<u>1,216,129</u>	<u>1,216,129</u>
<b>Expenditures:</b>					
Land Improvements	15,445	15,445	-	15,445	-
Building and furniture, fixtures and equipment	35,404,447	12,750,672	22,122,014	34,872,686	531,761
Professional services/architect	4,390,000	2,582,366	456,892	3,039,258	1,350,742
<b>Total expenditures</b>	<u>39,809,892</u>	<u>15,348,483</u>	<u>22,578,906</u>	<u>37,927,389</u>	<u>(1,882,503)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(14,439,291)</u>	<u>(22,271,969)</u>	<u>(36,751,810)</u>	<u>3,058,082</u>
<b>Other financing sources:</b>					
Proceeds from installment obligations issued	18,490,000	18,490,000	-	18,490,000	-
Premium on installment obligations	1,723,277	-	-	1,723,277	-
Transfer from other Funds	19,596,615	19,096,615	500,000	19,596,615	-
<b>Total other financing sources</b>	<u>39,809,892</u>	<u>19,096,615</u>	<u>500,000</u>	<u>39,809,892</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,657,324</u>	<u>(21,771,969)</u>	<u>\$ 3,058,082</u>	<u>\$ 3,058,082</u>
<b>Fund balance at beginning of year</b>			<u>24,949,740</u>		
<b>Fund balance at end of year</b>			<u>\$ 3,177,771</u>		

## Schedule 4

**Watauga County, North Carolina**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	<b>Nonmajor Special Revenue Funds</b>					
	<b>Federal Equitable Sharing Fund</b>	<b>State Substance Abuse Tax Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Fire Districts Funds</b>	<b>Occupancy Tax Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS:</b>						
Restricted cash and cash equivalents	\$ 145,562	\$ 45,124	\$ 265,584	\$ 13,920	\$ 112,918	\$ 583,108
Due from other governments	-	-	26,193	18,957	-	45,150
Taxes receivable, net	-	-	-	103,852	279,926	383,778
Total assets	\$ 145,562	\$ 45,124	\$ 291,777	\$ 136,729	\$ 392,844	\$ 1,012,036
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>						
Liabilities:						
Accounts payable and accrued liabilities	-	755	5,854	32,877	-	39,486
Due to other governments	-	-	-	-	392,844	392,844
Total Liabilities	-	755	5,854	32,877	392,844	432,330
Deferred Inflows of Resources:						
Taxes receivable	-	-	-	103,852	-	103,852
Total deferred inflows of resources	-	-	-	103,852	-	103,852
Fund Balances:						
Restricted for:						
Stabilization by State Statute	-	-	26,193	-	-	26,193
Public Safety	145,562	44,369	259,730	-	-	449,661
Total fund balances	145,562	44,369	285,923	-	-	475,854
Total liabilities, deferred inflows of resources, and fund balances	\$ 145,562	\$ 45,124	\$ 291,777	\$ 136,729	\$ 392,844	\$ 1,012,036

## Schedule 5

**Watauga County, North Carolina**  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2020

**Nonmajor Special Revenue Funds**

	<u>Federal Equitable Sharing Fund</u>	<u>State Substance Abuse Tax Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Fund</u>	<u>Occupancy Tax Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>REVENUES</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,353,317	\$ -	\$ 3,353,317
Other taxes and licenses	-	-	-	-	2,085,874	2,085,874
Restricted intergovernmental	54,061	40,235	314,310	-	-	408,606
Investment earnings	1,850	730	4,106	-	-	6,686
Total revenues	<u>55,911</u>	<u>40,965</u>	<u>318,416</u>	<u>3,353,317</u>	<u>2,085,874</u>	<u>5,854,483</u>
<b>EXPENDITURES</b>						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	2,085,874	2,085,874
Public safety	3,375	29,676	326,427	3,353,317	-	3,712,795
Total expenditures	<u>3,375</u>	<u>29,676</u>	<u>326,427</u>	<u>3,353,317</u>	<u>2,085,874</u>	<u>5,798,669</u>
Net change in fund balances	52,536	11,289	(8,011)	-	-	55,814
Fund balances, beginning of year	<u>93,026</u>	<u>33,080</u>	<u>293,934</u>	<u>-</u>	<u>-</u>	<u>420,040</u>
Fund balances, end of year	<u>\$ 145,562</u>	<u>\$ 44,369</u>	<u>\$ 285,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475,854</u>

**Watauga County, North Carolina**  
 Federal Equitable Sharing Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Restricted intergovernmental - Federal	\$ -	\$ 54,061	\$ 54,061
Investment earnings	<u>-</u>	<u>1,850</u>	<u>1,850</u>
<b>Total revenues</b>	<u>-</u>	<u>55,911</u>	<u>55,911</u>
<b>Expenditures:</b>			
Public safety	<u>35,634</u>	<u>3,375</u>	<u>32,259</u>
Revenues over (under) expenditures	<u>(35,634)</u>	<u>52,536</u>	<u>88,170</u>
<b>Other financing sources (uses):</b>			
Appropriated fund balance	<u>35,634</u>	<u>-</u>	<u>(35,634)</u>
Net change in fund balance	<u>\$ -</u>	<u>52,536</u>	<u>\$ 52,536</u>
<b>Fund balance, beginning of year</b>		<u>93,026</u>	
<b>Fund balance, end of year</b>		<u>\$ 145,562</u>	

**Watauga County, North Carolina**  
 State Substance Abuse Tax Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Restricted intergovernmental - State	\$ 25,000	\$ 40,235	\$ 15,235
Investment earnings	<u>100</u>	<u>730</u>	<u>630</u>
<b>Total revenues</b>	<u>25,100</u>	<u>40,965</u>	<u>15,865</u>
<b>Expenditures:</b>			
Public safety	34,450	29,676	4,774
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>34,450</u>	<u>29,676</u>	<u>4,774</u>
Revenues over (under) expenditures	<u>(9,350)</u>	<u>11,289</u>	<u>20,639</u>
<b>Other financing sources (uses):</b>			
Appropriated fund balance	<u>9,350</u>	<u>-</u>	<u>(9,350)</u>
Net change in fund balance	<u>\$ -</u>	<u>11,289</u>	<u>\$ 11,289</u>
<b>Fund balance, beginning of year</b>		<u>33,080</u>	
<b>Fund balance, end of year</b>		<u>\$ 44,369</u>	

**Watauga County, North Carolina**  
 Emergency Telephone System Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
Emergency Telephone Surcharge funds	\$ 314,311	\$ 314,310	\$ (1)
Investment earnings	<u>-</u>	<u>4,106</u>	<u>4,106</u>
<b>Total revenues</b>	<u>314,311</u>	<u>318,416</u>	<u>4,105</u>
<b>Expenditures:</b>			
Public safety:			
Implementation services	51,118	48,640	2,478
Software	107,081	91,445	15,636
Training	6,885	1,707	5,178
Telephones	97,601	107,964	(10,363)
Hardware	84,790	71,352	13,438
Furniture	<u>8,475</u>	<u>5,319</u>	<u>3,156</u>
<b>Total expenditures</b>	<u>355,950</u>	<u>326,427</u>	<u>29,523</u>
<b>Other financing sources (uses):</b>			
Appropriated fund balance	<u>41,639</u>	<u>-</u>	<u>(41,639)</u>
<b>Total Other Financing sources (uses):</b>	<u>41,639</u>	<u>-</u>	<u>(41,639)</u>
Net change in fund balance	\$ <u><u>-</u></u>	(8,011)	\$ <u><u>(8,011)</u></u>
<b>Fund balance, beginning of year</b>		<u>293,934</u>	
<b>Fund balance, end of year</b>		\$ <u><u>285,923</u></u>	



**Watauga County, North Carolina**  
 Fire Districts Funds  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ <u>3,436,250</u>	\$ <u>3,353,317</u>	\$ <u>(82,933)</u>
<b>Total revenues</b>	<u>3,436,250</u>	<u>3,353,317</u>	<u>(82,933)</u>
<b>Expenditures:</b>			
Public safety:			
Beaver Dam Fire Department	114,300	105,718	
Beech Mountain Fire Department	1,950	1,626	
Blowing Rock Fire Department	512,000	505,674	
Boone Fire Department	963,000	941,927	
Cove Creek Fire Department	265,200	255,815	
Creston Fire Department	6,300	5,936	
Deep Gap Fire Department	207,500	202,355	
Fall Creek Fire Department	11,050	9,587	
Foscoe Fire Department	569,800	558,717	
Meat Camp Fire Department	228,000	221,380	
Shawneehaw Fire Department	114,300	106,910	
Stewart Simmons Fire Department	248,500	249,751	
Todd Fire Department	65,850	65,558	
Zionville Fire Department	<u>128,500</u>	<u>122,363</u>	
<b>Total expenditures</b>	<u>3,436,250</u>	<u>3,353,317</u>	<u>82,933</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
<b>Fund balance, beginning of year</b>		<u>-</u>	
<b>Fund balance, end of year</b>		\$ <u><u>-</u></u>	

**Watauga County, North Carolina**  
 Occupancy Tax Fund  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget and Actual  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Occupancy tax	\$ <u>2,088,000</u>	\$ <u>2,085,874</u>	\$ <u>(2,126)</u>
<b>Total revenues</b>	<u>2,088,000</u>	<u>2,085,874</u>	<u>(2,126)</u>
<b>Expenditures:</b>			
Tourism development	2,057,000	2,055,015	1,985
Administrative fee	<u>31,000</u>	<u>30,859</u>	<u>141</u>
<b>Total expenditures</b>	<u>2,088,000</u>	<u>2,085,874</u>	<u>2,126</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
<b>Fund balance, beginning of year</b>		<u>-</u>	
<b>Fund balance, end of year</b>		\$ <u><u>-</u></u>	

**Watauga County, North Carolina**  
Solid Waste Fund  
Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)  
For the Year Ended June 30, 2020

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 4,962,479	\$ 4,961,239	\$ (1,240)
Sale of recycled materials	358,350	157,451	(200,899)
Total	<u>5,320,829</u>	<u>5,118,690</u>	<u>(202,139)</u>
Non-operating revenues:			
Miscellaneous revenue	45,100	6,479	(38,621)
Investment earnings	-	121,213	121,213
Restricted intergovernmental revenues	123,550	140,998	17,448
Total	<u>168,650</u>	<u>268,690</u>	<u>100,040</u>
Total revenues	<u>5,489,479</u>	<u>5,387,380</u>	<u>(102,099)</u>
<b>Expenditures:</b>			
Landfill operations:			
Salaries and employee benefits		1,462,365	
Other operating expenditures		3,053,166	
Total landfill operations	<u>4,929,634</u>	<u>4,515,531</u>	<u>414,103</u>
Recycling operations:			
Salaries and employee benefits		54,788	
Other operating expenses		27,198	
Total recycling operations	<u>147,643</u>	<u>81,986</u>	<u>65,657</u>
Capital outlay:			
Capital outlay	<u>1,677,258</u>	<u>586,009</u>	<u>1,091,249</u>
Total expenditures	<u>6,754,535</u>	<u>5,183,526</u>	<u>1,571,009</u>
Revenues under/(over) expenditures	<u>(1,265,056)</u>	<u>203,854</u>	<u>1,468,910</u>
<b>Other financing sources:</b>			
Appropriated fund balance	<u>1,265,056</u>	-	<u>(1,265,056)</u>
Total other financing sources	<u>1,265,056</u>	-	<u>(1,265,056)</u>
Revenues over expenditures and other sources	<u>\$ -</u>	<u>203,854</u>	<u>\$ 203,854</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

Reconciling items:		
Increase in deferred outflow of resources - pensions		(22,967)
Increase in net pension liability		(65,511)
Decrease in deferred inflow of resources - pensions		1,794
Increase in deferred outflow of resources - OPEB		(3,823)
Increase in deferred inflow of resources - OPEB		(3,107)
Increase in net OPEB liability		(23,368)
Decrease in accrued landfill postclosure and closure costs		96,737
Capital outlay		578,228
Depreciation		(412,909)
Decrease in accrued compensated absences		3,953
Total reconciling items		<u>149,027</u>
Change in net position	<u>\$</u>	<u>352,881</u>

**Watauga County, North Carolina**  
 Combining Schedule of Fiduciary Net Position  
 Irrevocable Trust Funds  
 For the Year Ended June 30, 2020

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 664,471	\$ 2,058,754	\$ 2,723,225
Accounts receivable	1,554	-	1,554
	<u>\$ 666,025</u>	<u>\$ 2,058,754</u>	<u>\$ 2,724,779</u>
<b>Net position:</b>			
Assets held in trust for retirement benefits	<u>\$ 666,025</u>	<u>\$ 2,058,754</u>	<u>\$ 2,724,779</u>

**Schedule 13**

**Watauga County, North Carolina**  
Combining Schedule of Changes in Fiduciary Net Position  
Irrevocable Trust Funds  
For the Year Ended June 30, 2020

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
<b>Additions:</b>			
Employer contributions	\$ 139,433	\$ 257,800	\$ 397,233
Interest	<u>13,682</u>	<u>42,295</u>	<u>55,977</u>
Total additions	<u>153,115</u>	<u>300,095</u>	<u>453,210</u>
<b>Deductions:</b>			
Benefits	44,433	139,800	184,233
Administrative expense	<u>10,000</u>	<u>13,000</u>	<u>23,000</u>
Total deductions	<u>54,433</u>	<u>152,800</u>	<u>207,233</u>
Change in net position	98,682	147,295	245,977
Net position, beginning	567,343	1,911,459	2,478,802
Net position, ending	<u>\$ 666,025</u>	<u>\$ 2,058,754</u>	<u>\$ 2,724,779</u>

**Watauga County, North Carolina**  
 Agency Funds  
 Combining Schedule of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>July 1, 2020</u>
<b>Social Services Trust:</b>				
Assets:	\$ <u>40,798</u>	\$ <u>186,996</u>	\$ <u>195,728</u>	\$ <u>32,066</u>
Liabilities:	\$ <u>40,798</u>	\$ <u>186,996</u>	\$ <u>195,728</u>	\$ <u>32,066</u>
<b>Vehicle Tax-Towns:</b>				
Assets:	\$ <u>11</u>	\$ <u>180,348</u>	<u>180,348</u>	\$ <u>11</u>
Liabilities:	\$ <u>11</u>	\$ <u>180,348</u>	\$ <u>180,348</u>	\$ <u>11</u>
<b>Town of Boone Taxes:</b>				
Assets:	\$ <u>2,258</u>	\$ <u>6,439,404</u>	\$ <u>6,421,675</u>	\$ <u>19,987</u>
Liabilities:	\$ <u>2,258</u>	\$ <u>6,439,404</u>	\$ <u>6,421,675</u>	\$ <u>19,987</u>
<b>Inmate Commissary:</b>				
Assets:	\$ <u>15,635</u>	\$ <u>169,055</u>	\$ <u>171,322</u>	\$ <u>13,368</u>
Liabilities:	\$ <u>15,635</u>	\$ <u>169,055</u>	\$ <u>171,322</u>	\$ <u>13,368</u>
<b>Fines and Forfeitures:</b>				
Assets:	\$ <u>20,510</u>	\$ <u>255,038</u>	\$ <u>266,998</u>	\$ <u>8,550</u>
Liabilities:	\$ <u>20,510</u>	\$ <u>255,038</u>	\$ <u>266,998</u>	\$ <u>8,550</u>
<b>Deed of Trust Fee:</b>				
Assets:	\$ <u>3,838</u>	\$ <u>51,373</u>	\$ <u>50,369</u>	\$ <u>4,842</u>
Liabilities:	\$ <u>3,838</u>	\$ <u>51,373</u>	\$ <u>50,369</u>	\$ <u>4,842</u>
<b>Total - All Agency Funds</b>				
Assets:	\$ <u>83,050</u>	\$ <u>7,282,214</u>	\$ <u>7,286,440</u>	\$ <u>78,824</u>
Liabilities:	\$ <u>83,050</u>	\$ <u>7,282,214</u>	\$ <u>7,286,440</u>	\$ <u>78,824</u>

**Watauga County, North Carolina**  
 General Fund  
 Schedule of Ad Valorem Taxes Receivable  
 For the Year Ended June 30, 2020

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019 - 2020	\$ -	\$ 37,498,022	\$ 36,968,186	\$ 529,836
2018 - 2019	321,272	-	175,653	146,195
2017 - 2018	170,231	-	53,124	117,107
2016 - 2017	87,628	-	19,562	68,286
2015 - 2016	57,006	-	13,012	44,002
2014 - 2015	52,618	-	11,381	41,237
2013 - 2014	37,571	-	6,216	31,355
2012 - 2013	32,500	-	3,848	28,652
2011 - 2012	22,793	-	1,370	21,423
2010 - 2011	20,446	-	5,700	14,746
2009 - 2010	13,157	-	13,157	-
	<u>\$ 815,222</u>	<u>\$ 37,498,022</u>	<u>\$ 37,271,209</u>	<u>1,042,839</u>
Plus: 2020 - 2021 receivable				11,451
Less: Allowance for uncollectible accounts General Fund				<u>(126,861)</u>
Ad valorem taxes receivable - net General Fund				<u>\$ 927,429</u>

---

**Reconciliation with revenues:**

Ad valorem taxes - General Fund		\$ 37,373,588
Reconciling items:		
Advertising and interest collected	(140,761)	
Taxes written off	10,957	
Penalties payable to WCS	5,225	
Prior year releases and refunds	22,200	
Total reconciling items	<u>(102,379)</u>	
Total collections and credits		<u>\$ 37,271,209</u>

**Watauga County, North Carolina**  
Analysis of Current Tax Levy  
County-wide Levy  
For the Year Ended June 30, 2020

	Property Valuation	Rate	Amount of Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original levy:</b>					
Property taxed at current year's rate	\$ 8,745,342,678	\$ 0.00403	\$ 35,243,755	\$ 35,243,755	\$ -
Motor vehicles	451,834,739	0.00403	1,820,894	-	1,820,894
Penalties	-		6,054	6,054	-
Total	<u>9,197,177,417</u>		<u>37,070,703</u>	<u>35,249,809</u>	<u>1,820,894</u>
<b>Discoveries:</b>					
Property taxed at current year's rate	119,606,651	0.00403	555,915	555,915	-
Penalties	-		266	266	-
Total	<u>119,606,651</u>		<u>556,181</u>	<u>556,181</u>	<u>-</u>
<b>Abatements:</b>					
	<u>(31,975,682)</u>		<u>(128,862)</u>	<u>(128,862)</u>	<u>-</u>
Total property valuation	\$ <u>9,284,808,386</u>				
			<b>Net levy</b>	37,498,022	1,820,894
			<b>Uncollected taxes at June 30, 2020</b>	529,836	11,973
			<b>Current year's taxes collected</b>	\$ <u>36,968,186</u>	\$ <u>1,808,921</u>
			<b>Current levy collection percentage</b>	<u>98.59%</u>	<u>99.34%</u>



**Schedule 17-A**

**Watauga County, North Carolina**  
 Analysis of Current Tax Levy  
 County-wide Levy  
 For the Year Ended June 30, 2020

**Secondary Market Disclosures:**

Assessed Valuation:		
Assessment Ratio		100%
Real Property	\$ 9,006,362,766	
Personal Property	173,329,860	
Public Service Companies	<u>105,115,760</u>	
Total Assessed Valuation	\$ 9,284,808,386	
Tax Rate per \$100		0.403
Net Levy (Includes penalties, discoveries, releases and abatements)	\$ <u><u>37,498,022</u></u>	

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2020:

<b>Fire Protection District</b>	<b>Tax Rate per \$100</b>	<b>Net Levy</b>
Beech Mountain Rural	\$ 0.05	\$ 1,608
Blowing Rock	0.05	503,381
Boone Rural	0.06	947,915
Cove Creek	0.05	255,539
Cove Creek Rural	0.05	324
Deep Gap	0.05	202,599
Foscoe	0.05	482,584
Foscoe Rural	0.05	75,645
Meat Camp	0.05	227,532
Northwest Watauga	0.05	118,190
Shawneehaw	0.05	104,910
Shawneehaw Rural	0.05	6,810
Stewart Simmons	0.085	242,583
Todd	0.07	65,231
Zionville	0.05	<u>122,659</u>
<b>Total Net Fire Protection District Levies</b>		<b>\$ <u><u>3,357,510</u></u></b>

**Watauga County, North Carolina**  
 Ten Largest Taxpayers  
 For the Year Ended June 30, 2020

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2019 Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>	
Blue Ridge Electric Membership Coop	Electric Utility	\$ 83,904,980	0.90	%
Wallace Loft LLC	Rental Properties	46,504,000	0.50	
BR Development Group LLC	Real Estate Development	25,661,800	0.28	
The Standard at Boone LLC	Commercial Rental Properties	13,391,850	0.14	
MV of Boone LLC	Rental Properties	23,480,200	0.25	
Dugger Valley Inv Group LLC	Real Estate Development	23,317,700	0.25	
Meadowview at Boone LLC	Rental Properties	17,906,700	0.19	
Skyline Terrace Apartments LLC	Commercial Rental Properties	13,797,200	0.15	
Templeton Properties LP	Commercial Rental Properties	15,707,880	0.17	
Highland Crossing-B, LLC	Real Estate Development	15,743,220	0.17	
		<u>\$ 279,415,530</u>	<u>3.02</u>	<u>%</u>

**Watauga County, North Carolina**  
 Analysis of Current Tax Levy  
 Fire Districts  
 For the Year Ended June 30, 2020

	<b>Northwest Watauga Fire District</b>	<b>Beech Mtn. Rural Fire Service District</b>	<b>Blowing Rock Rural Fire District</b>	<b>Boone Rural Fire District</b>	<b>Cove Creek Fire District</b>
<b>Tax rate per \$100</b>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.06</u>	\$ <u>0.05</u>
<b>Net levy</b>	\$ 118,190	\$ 1,608	\$ 503,381	\$ 947,915	\$ 255,539
<b>Uncollected taxes at June 30, 2020</b>	<u>5,439</u>	<u>1</u>	<u>4,431</u>	<u>14,134</u>	<u>5,645</u>
<b>Current year's taxes collected</b>	\$ <u>112,751</u>	\$ <u>1,607</u>	\$ <u>498,950</u>	\$ <u>933,781</u>	\$ <u>249,894</u>
<b>Current levy collection percentage</b>	<u>95.40%</u>	<u>99.94%</u>	<u>99.12%</u>	<u>98.51%</u>	<u>97.79%</u>

	<b>Cove Creek Rural Fire Service District</b>	<b>Deep Gap Fire District</b>	<b>Foscoe Fire District</b>	<b>Foscoe Rural Fire Service District</b>	<b>Meat Camp Fire District</b>
<b>Tax rate per \$100</b>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>
<b>Net levy</b>	\$ 324	\$ 202,599	\$ 482,584	\$ 75,645	\$ 227,532
<b>Uncollected taxes at June 30, 2020</b>	<u>-</u>	<u>3,874</u>	<u>5,364</u>	<u>894</u>	<u>7,551</u>
<b>Current year's taxes collected</b>	\$ <u>324</u>	\$ <u>198,725</u>	\$ <u>477,220</u>	\$ <u>74,751</u>	\$ <u>219,981</u>
<b>Current levy collection percentage</b>	<u>100.00%</u>	<u>98.09%</u>	<u>98.89%</u>	<u>98.82%</u>	<u>96.68%</u>

	<b>Shawnheehaw Fire District</b>	<b>Shawnheehaw Rural Fire Service District</b>	<b>Stewart Simmons Fire District</b>	<b>Todd Fire District</b>	<b>Zionville Fire District</b>
<b>Tax rate per \$100</b>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.085</u>	\$ <u>0.07</u>	\$ <u>0.05</u>
<b>Net levy</b>	\$ 104,910	\$ 6,810	\$ 242,583	\$ 65,231	\$ 122,659
<b>Uncollected taxes at June 30, 2020</b>	<u>801</u>	<u>230</u>	<u>2,535</u>	<u>226</u>	<u>3,024</u>
<b>Current year's taxes collected</b>	\$ <u>104,109</u>	\$ <u>6,580</u>	\$ <u>240,048</u>	\$ <u>65,005</u>	\$ <u>119,635</u>
<b>Current levy collection percentage</b>	<u>99.24%</u>	<u>96.62%</u>	<u>98.95%</u>	<u>99.65%</u>	<u>97.53%</u>

## COMPLIANCE SECTION

---

## C. Randolph CPA, PLLC

*Certified Public Accountant*

219A Beaver Creek School Rd.  
West Jefferson, North Carolina 28694  
Phone: (336) 846-3211  
Fax: (336) 846-1142

---

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

To the Board of County Commissioners  
Watauga County, North Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Watauga County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Watauga County, North Carolina's basic financial statements, and have issued our report thereon dated December 22, 2020. Our report includes a reference to other auditors who audited the financial statements of AppalCART, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial or compliance and other matters that are reported separately by those auditors. The financial statements of the Watauga County District U Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

#### **Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Watauga County, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*C. Randolph CPA, PLLC*

West Jefferson, North Carolina

December 22, 2020

---

## **C. Randolph CPA, PLLC**

*Certified Public Accountant*

219A Beaver Creek School Rd.

West Jefferson, North Carolina 28694

Phone: (336) 846-3211

Fax: (336) 846-1142

---

### **Independent Auditor's Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance Required By The Uniform Guidance**

To the Board of Commissioners  
Watauga County, North Carolina

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

We have audited Watauga County, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Watauga County, North Carolina's major federal programs for the year ended June 30, 2020. Watauga County, North Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

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

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

In our opinion, Watauga County, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

#### ***Report on Internal Control over Compliance***

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

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

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

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

*C. Randolph CPA, PLLC*

West Jefferson, North Carolina

December 22, 2020



---

## **C. Randolph CPA, PLLC**

*Certified Public Accountant*

219A Beaver Creek School Rd.  
West Jefferson, North Carolina 28694  
Phone: (336) 846-3211  
Fax: (336) 846-1142

---

### **Independent Auditor's Report On Compliance For Each Major State Program And On Internal Control Over Compliance Required By The Uniform Guidance and State Single Audit Implementation Act**

To the Board of Commissioners  
Watauga County, North Carolina

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

We have audited Watauga County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Watauga County, North Carolina's major state programs for the year ended June 30, 2020. Watauga County, North Carolina's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

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

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

In our opinion, Watauga County, North Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

#### ***Report on Internal Control over Compliance***

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

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

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

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

*C. Randolph CPA, PLLC*

West Jefferson, North Carolina

December 22, 2020

---

**WATAUGA COUNTY, NORTH CAROLINA**
**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**


---

**I. Summary of Auditor's Results****Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? yes no
  - Significant deficiency(ies) identified yes none reported
- Noncompliance material to financial statements noted? yes no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

The following were audited as major federal program for Watauga County for the fiscal year ended June 30, 2020:

<u>Program Name or Cluster</u>	<u>CFDA #</u>
Medicaid Cluster	93.778, 93.777, 93.775
Coronavirus Relief Fund	21.019

The threshold for determining Federal Type A programs for Watauga County is \$750,000

Auditee qualified as low-risk auditee? yes no

---

**WATAUGA COUNTY, NORTH CAROLINA**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2020**

---

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? \_\_\_yes    xno
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_yes    xnone reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act \_\_\_yes    xno

Major State programs for Watauga County for the fiscal year ended June 30, 2020 are:

State Program

Public School Building Capital Fund

NC Clean Water Management Trust Fund – Brookshire Wetlands and Stream Restoration

Federal Program – State Match

Medicaid Cluster

**II. Financial Statement Findings**

None noted.

**III. Federal Award Findings and Questioned Costs**

None noted.

**IV. State Award Findings and Questioned Costs**

None noted.



# WATAUGA COUNTY

## FINANCE OFFICE

---

814 West King St., Suite 216 - Boone, NC 28607 - Phone (828) 265-8007  
Fax (828) 265-8006

### **Corrective Action Plan For the Year Ended June 30, 2020**

#### **II. Financial Statement Findings**

None noted.

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

None noted.

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

None noted.

---

**WATAUGA COUNTY, NORTH CAROLINA**

**Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2020**

---

**Finding 2019-001**

**Status:** Corrected.

**Finding 2019-002**

**Status:** Corrected.

**Finding 2019-003**

**Status:** Corrected.

**WATAUGA COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-Through Grantor/Program/Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal (Direct & Pass- Through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<b>Federal Awards:</b>						
<u>U.S. Department of Agriculture</u>						
Passed-through the N.C. Department of Health and Human Services:						
<u>Division of Social Services:</u>						
<u>SNAP Cluster</u>						
Administration:						
Supplemental Nutrition Assistance Program	10.561		216,900	-	-	216,900
Total SNAP Cluster			216,900	-	-	216,900
Total U.S. Department of Agriculture			216,900	-	-	216,900
<u>U.S. Department of Homeland Security</u>						
Passed-through the N.C. Department of Public Safety:						
Emergency Management Performance Grant	97.042		38,904	-	-	38,904
Disaster Grant - Public Assistance	97.036		50,044	16,232	-	-
Total U.S. Department of Homeland Security			88,948	16,232	-	38,904
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607		2,357	-	-	2,357
Equitable Sharing Program	16.922		54,062	-	-	-
State Criminal Alien Assistance Program	16.606		363	-	-	1,021
Total U.S. Department of Justice			56,782	-	-	3,378
<u>U.S. Department of Treasury</u>						
Office of State Budget and Management/NC Pandemic Office:						
CRF	21.019		1,267,361	-	540,656	-
<u>U.S. Department of Health &amp; Human Services</u>						
<u>Administration on Aging:</u>						
Passed-through High Country Council of Governments:						
<u>Aging Cluster:</u>						
Home and Community Care Block Grant (HCCBG)						
Families First Coronavirus Response Act	93.045		32,854	-	-	-
Special Programs for the Aging - Title III B - Access Services	93.044		11,333	159,195	-	18,948
Special Programs for the Aging - Title III C - Congregate Meals	93.045		50,992	2,999	-	6,000
Special Programs for the Aging - Title III C - Home Delivered Meals	93.045		71,949	4,232	-	8,465
Nutrition Services Incentive Program (NSIP)	93.053		21,039	-	-	-
Total Aging Cluster			188,167	166,426	-	33,413
Passed-through N.C. Department of Insurance:						
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779		6,571	-	-	-
<u>Administration for Children and Families:</u>						
Passed-through the N.C. Department of Health and Human Services:						
<u>Division of Social Services:</u>						
Family Preservation	93.556		15,891	-	-	-
<u>Temporary Assistance for Needy Families Cluster:</u>						
Workfirst administrative	93.558		44,509	-	-	36,385
WorkFirst services	93.558		149,720	-	-	129,612
Total Temporary Assistance for Needy Families Cluster			194,229	-	-	165,997
Child Support Enforcement	93.563		214,507	-	-	110,624
<u>Low-Income Home Energy Assistance Block Grant:</u>						
Administration	93.568		178,599	-	-	-
Crisis Intervention Payments	93.568		180,690	-	-	-
Permanency Planning	93.645		16,453	-	-	5,484
Social Services Block Grant	93.667		206,087	-	-	57,804
Total Low-Income Home Energy Assistance Block Grant:			581,829	-	-	63,288
Total Division of Social Services			1,006,456	-	-	339,909
<u>Medicaid Cluster:</u>						
Medical Assistance Program:						
Administration	93.778		957,179	1,097	-	364,878
Total Medical Assistance Program			957,179	1,097	-	364,878
Division of Social Services:						
Administration						
Health choice	93.767		53,599	1,261	-	3,664
Total N.C. Health Choice			53,599	1,261	-	3,664
Foster Care and Adoption Cluster (Note 3)						
Adoption Assistance	93.659		5,266	-	-	4,234
Title IV-E Foster Care	93.658		159,930	9,310	-	132,571
Foster Care - Direct Benefit Payments	93.658		322,860	70,363	-	63,234
Adoption/Foster Care Special Provision	93.658		22,086	-	-	5,801
Total Foster Care and Adoption Cluster (Note 3)			510,142	79,673	-	205,840

<u>Subsidized Child Care (Note 3)</u>					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Development Fund - Administration	93.596	<u>77,568</u>	-	-	-
Total Child Care Development Fund Cluster		<u>77,568</u>	-	-	-
Total Subsidized Child Care (Note 3)		<u>77,568</u>	-	-	-
<u>Health Care Financing Administration</u>					
Passed-through the N.C. Department of Health and Human Services:					
Medical Assistance Program					
Chafee Foster Care Independence - Direct Benefit Payment	93.674	<u>31,572</u>	<u>3,230</u>	-	-
Total Division of Medical Assistance		<u>31,572</u>	<u>3,230</u>	-	-
Total U.S. Department of Health & Human Services		<u>2,831,254</u>	<u>251,687</u>	-	<u>947,704</u>
Total Federal Awards		<u>4,461,245</u>	<u>267,919</u>	<u>540,656</u>	<u>1,206,886</u>
<b>State Awards:</b>					
<u>N.C. Department of Health and Human Services:</u>					
Passed-through Region D Council of Governments:					
Senior center general purchases	19/20 AANCT3GP	-	14,096	-	-
<u>Division of Social Services</u>					
State Foster Care Benefits Program	State Foster Care 20	-	<u>230,346</u>	-	<u>161,565</u>
Total N.C. Department of Health and Human Services		-	<u>244,442</u>	-	<u>161,565</u>
<u>N.C. Department of Public Safety:</u>					
Division of Administration, Community Programs					
Juvenile Crime Prevention Council Programs		-	140,898	140,898	33,731
Tier II grant - 2019	T2-2019-MOA1791	-	<u>983</u>	-	-
Total N.C. Department of Public Safety		-	<u>141,881</u>	<u>140,898</u>	<u>33,731</u>
<u>N.C. Department of Public Instruction:</u>					
NC Public School Building Capital-Lottery Proceeds					
Public School National Forest Service		-	323,611	323,611	-
Total N.C. Department of Public Instruction		-	<u>449</u>	<u>449</u>	-
<u>N.C. Department of Transportation:</u>					
Employment Transportation Operating Assistance					
Elderly and Disabled Transportation Assistance		-	15,562	-	-
Rural General Public Program		-	50,955	-	-
Total N.C. Department of Transportation		-	<u>97,481</u>	-	-
<u>N.C. Department of Agriculture and Consumer Services:</u>					
Soil Conservation Assistance	G4010029601SSWC	-	3,600	-	260,043
Soil Conservation Technician Cost Sharing	G4010029601SSWC	-	<u>25,572</u>	-	<u>25,572</u>
Total N.C. Department of Agriculture		-	<u>29,172</u>	-	<u>285,615</u>
<u>N.C. Department of Natural and Cultural Resources:</u>					
Stream Initiative for Ted Mackorell Soccer Complex					
Ward's Mill Dam Removal	Grant # 7675	-	18,001	-	-
<u>NC Clean Water Management Trust Fund:</u>	Contract # 7964	-	94,654	-	-
Brookshire Wetlands and Stream Restoration	Contract #2017-425	-	<u>365,000</u>	-	-
Total N.C. Department of Natural and Cultural Resources		-	<u>477,655</u>	-	-
<u>N.C. Division of Veteran's Affairs</u>					
Veteran's Service Program					
Total N.C. Division of Veteran's Affairs	143B-1211C4	-	<u>2,182</u>	-	<u>123,533</u>
Total State Awards		-	<u>1,383,390</u>	<u>464,958</u>	<u>604,444</u>
Total Federal and State Awards		<u>\$ 4,461,245</u>	<u>\$ 1,651,309</u>	<u>\$ 1,005,614</u>	<u>\$ 1,811,330</u>



**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**1. Basis of Presentation:

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State award activity of Watauga County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Watauga County, it is not intended to and does not present the financial position, changes in net position or cash flows of Watauga County.

2. Summary of Significant Account Policies:

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered Federal awards to the County and are included in this schedule.

3. Cluster of Programs:

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Subsidized Child Care
- Foster Care and Adoption

4. Benefit Payments Issued by the State:

The amounts listed below were paid directly to individual recipients by the State from Federal and State moneys. County personnel are involved with certain functions, primarily, eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ -	\$ 376,752
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 3,294,481	\$ -
Temporary Assistance for Needy Families	93.558	39,935	-
Adoption Assistance	93.659	212,770	47,850
Medical Assistance Program	93.778	24,136,155	11,056,836
Children's Health Insurance Program	93.767	848,627	57,564
Child Welfare Services Adoption	N/A	-	167,244
State/County Special Assistance Program	N/A	-	170,760
		<u>\$ 28,531,968</u>	<u>\$ 11,877,006</u>

5. Coronavirus Relief Funds

Watauga County received \$2,264,398 of funding from the Coronavirus Relief Fund (21.019). At least twenty-five (25%) of the funds are mandated to go to municipalities within Watauga County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

**AGENDA ITEM 7:**

**FINANCE MATTERS**

*A. Budget Amendments*

**MANAGER'S COMMENTS:**

Ms. Misty Watson, Finance Director, will review budget amendments as included in your packet.

Board approval is requested.



## WATAUGA COUNTY FINANCE OFFICE

814 West King St., Suite 216, Boone, NC 28607 Phone (828) 265-8007

### MEMORANDUM

**TO:** Deron T. Geouque, County Manager  
**FROM:** Misty Watson, Finance Director  
**SUBJECT:** Budget Amendments  
**DATE:** January 19, 2021

The following budget amendment requires the approval of the Watauga County Board of Commissioners. Board approval is requested.

103839	332100	COVID Response Grant Expenses	33,739
104170	449050	COVID Response Grant Expenses	33,739

To recognize grant received from The Center for Tech and Civic Life for the public purpose of planning and operating safe and secure election administration. No match is required.

103300	332004	Senior Center Grant	14,020
105550	449900	Senior Center Grant Expenses	14,020

Per Board action taken 10/6/20; to recognize the acceptance of the Senior Center grant funds. County dollars required as match funds are already in the POA budget.

104170	449022	CARES Funding Expenses	38,000
103300	314702	CARES Funding	38,000

To recognize the acceptance of funds received under Session Law 2020-97 for a sub grant reserved for Board of Elections under the CARES Act Supplemental Funds. No match is required.

103300	346000	Coronavirus Relief Fund	10,000
104330	449001	CRF - Watauga County	10,000

To recognize the acceptance of additional funds received under Session Law 2020-4 for a portable broadband kit for the local health department to facilitate the real time transmission of testing data from COVID-19 mobile testing sites located in rural areas served by the local health department. No match is required.

103300	351000	USDA Cooperative Extension Grant	8,333
104950	449920	Cooperative extension grant	8,333

Per action taken 4/7/20; to recognize the acceptance of the grant project for Veteran Farmers with a partnership between Appalachian State University and NC Cooperative Extension. No match is required.

104141	469500	Contracted services	160,000	
103991	399100	Fund balance		160,000

To recognize funds for tax revaluation appraisal services with Vincent Valuations LLC. Adequate funds were carried forward as restricted in fund balance from previous years.

103300	332006	SHIIP Grant		6,079
105550	449901	SHIIP Grant expenses	6,079	

Per Board action taken 12/15/20; to recognize the acceptance of the State Health Insurance Information Program (SHIIP) grant funds. No match is required.

103300	332101	One-stop Bonuses - Board of Elections		25,057
104170	412601	One-stop bonuses	25,057	

To recognize the acceptance of one-stop bonuses received from the NC State Board of Elections. No match is required.

103300	346000	Coronavirus Relief Fund		986,937
104330	449003	CRF - Town of Boone	119,484	
104330	449004	CRF - Town of Seven Devils	13,188	
104330	449005	CRF - Town of Beech Mountain	94,058	
104330	449006	CRF - Appalachian Regional Healthcare	159,514	
104330	449007	CRF - Watauga County School System	108,307	
104330	449001	CRF - Watauga County	160,501	
104330	449008	CRF - App Health Care	331,885	

To recognize the carryover of unspent funds received under Session Law 2020-4 for money reserved for local governments under the Coronavirus Relief Fund and FEMA reimbursement for COVID-19 related expenses.

143300	332010	CARES LIEAP		68,701
145410	449031	CARES LIEAP	68,701	

To recognize the acceptance of Pandemic LIEAP (Low Income Energy Assistance Payments) grant funds from the Division of Social Services. No match is required.

145310	449200	CARES APS/CPS	13,032	
143300	332009	CARES APS/CPS		13,032

To recognize the acceptance of Adult Protective Services/Child Protective Services grant funds under the CARES Act. No match is required.

Blank Page

**AGENDA ITEM 7:**

**FINANCE MATTERS**

***B. FY 2020 Carry Forward Purchase Orders***

**MANAGER'S COMMENTS:**

Ms. Watson will present the Carry Forward Purchase Orders for Fiscal Year 2020. Carry Forward Purchase Orders are projects already budgeted but not finished or in some cases just starting.

Board action is required to approve the Carry Forward Purchase Orders as presented.

## Carry Forward FY 2020 Purchase Orders

011921 BCC Meeting

Account	Description	Purpose	Amount	PO#
104199-469103	Clark Nexsen	Facilities study	7,500.00	2020118
104210-429000	Thermal printers for patrol	Thermal printers for patrol	2,000.00	2020239
104210-439500	Vermont Systems	Training for software for CRC	2,926.74	2019148
104210-439500	Tyler Technologies	Employee Self Service Training	700.00	2020038
104210-439500	Tyler Technologies	Crystal report training	3,322.00	2020221
104210-439500	Vermont Systems	Rec Trac training	4,847.50	2020103
104210-442201	Rec Trac	Rec Trac software for CRC	480.00	2019148
104210-442201	IT - Exchange server license	Exchange server license	15,000.00	2019159
104210-442201	Tyler Technologies	ESS module	1,500.00	2020038
104210-442201	Tyler Technologies	Crystal reporting module	4,940.00	2020221
104210-444000	Rec Trac	Maintenance for Rec Trac for CRC	1,357.37	2019148
104210-444000	Tyler Technologies	ESS maintenance	897.04	2020038
104210-444000	Vermont Systems	Rec Trac maintenance	211.79	2020103
104210-452000	3 Tablets for P&I	Tablets for planning and inspections for on-site	4,000.00	2018167
104210-452000	IT - Switches core 10gb and replacements	Switches core 10gb and replacements	15,000.00	2019160
104210-452000	IT - large format printer	Printer	1,200.00	2019161
104260-449900	Maintenance small projects	Stripe and seal parking lots	20,075.00	2020241
104261-435100	Creekside Electronics	Access control system	8,365.00	2020207
104261-435100	Strickland Waterproofing	Courthouse Exterior	57,500.00	2020220
104261-435100	Muter	Courthouse roof	595,218.00	2020240
104261-451000	AT&T	Update phone system	43,178.54	2020123
104261-458000	NC Dept Public Safety	Millwork Courtroom #2 renovations	39,160.00	2020191
104261-458000	Courtroom #2 renovations	Courtroom #2 renovations	50,048.77	2020242
104262-435100	East Annex - complete Juvenile expansion renovations and patch sidewalks	East Annex - complete Juvenile expansion renovations and patch sidewalks	15,000.00	2020242
104263-435101	Admin roof	Admin building roof	240,468.00	2020242
104268-458000	Winkler's Creek bookcases and storage cabinet	Bookcases and storage	6,950.00	2018139
104272-458000	Western Watauga Community Center HVAC update	Renovations for grant received	3,942.16	2020242
104273-458000	Turner building demolition	Turner building demolition	100,000.00	2020242
104277-435101	Frontier Gas	LEC gas conversion	7,000.00	2020237
104277-435200	HVAC	Natural gas pack conversion at LEC; sally port heaters and contingency	11,931.00	2020198
104283-135103	CRC relocation of fields, tennis courts, basketball and pickle ball	CRC relocation of fields, tennis courts, basketball and pickle ball	994,950.00	2020242
104283-457001	Greenway Trail Park	Carry forward NCDENR grant	200,000.00	2019173
104283-457003	Guy Ford River Road access funds	Guy Ford River Road access funds	144,437.00	2019120
104283-457006	Middlefork Greenway Sect 4 carry forward	Middlefork Greenway Sect 4	49,414.89	2019172
104286-435101	Infield mix for Anne Marie Park	Infield mix	7,980.00	2019154
104285-435101	LED lighting Rocky Knob	LED lighting Rocky Knob	900.00	2020246
104288-457001	Rocky Knob Trails Grant	Rocky Knob Trails Grant	154,752.00	2020242
104288-469500	Cole's Lawn Care	Mulch for new Rocky Knob playground	2,745.00	2020050
104289-435101	CRC grounds	CRC grounds	1,900.00	2020232
104289-455000	Community Rec Center equipment	Cleaning equipment	7,185.00	2020232

## Carry Forward FY 2020 Purchase Orders

011921 BCC Meeting

104289-456000	Community Rec Center equipment	Small cleaning equipment	12,843.00	2020232
104289-458003	Timmons Group Design Services for Watauga County	Engineering and design of the outdoor facilities at the new Community Recreation Center	17,905.00	2019149
104290-435101	Sterling Creek Park gravel	Sterling Creek Park gravel	937.00	2020236
104310-449903	Dana Safety	helmets, tactical gear	5,559.00	2020223
104310-449903	Dana Safety	Riot response suits	4,365.00	2020224
104310-451000	Thomas J Madden & Associates	license plate tracker	23,424.58	2020208
104310-454000	Police upfitting on vehicles	Police upfitting on vehicles	3,409.00	2020235
104310-454000	Ross Automotive	2020 Dodge Durangos	56,634.00	2020142
104310-454000	Dana Safety	Police vehicle upfits	4,487.23	2020069
104310-454000	Dana Safety	Rhino Push Bumper guards	1,027.94	2020107
104310-454000	Ilderton Dodge	2020 Dodge Durango	29,186.51	2020169
104310-454000	Ilderton Dodge	2020 Dodge Durango Pursuit	29,227.00	2020202
104310-454000	Mobile Communications	Kenwood Viking Dual radio	4,583.50	2020222
104311-451008	Appalachian Professional Land Surveyors	Tower Site Survey	4,000.00	2020231
104330-449000	Webb Chemical and Paper	flex wipe dispensers - COVID	390.00	2020187
104330-449000	DLX Enterprises	Tent for COVID	12,470.77	2020211
104500-469845	ROAP Grant	Unused 2020 ROAP grant funds carried forward to 2021 (to be used by WOI)	20,460.82	2020173
104920-463000	Artemis Independent	Boonies Videos	10,000.00	2020053
104920-463000	Startup High Country	Partial match for grant	10,000.00	2020039
104920-463000	Boone Underground	coworking space	15,000.00	2020210
104960-429002	No Till Drill	Carry forward per Grant	3,829.76	2016238
104960-449902	Bill Edmisten Memorial donations	Memorial donations	481.61	2010369
104960-449917	Wards Mill Dam Removal	Wards Mill Dam Removal	75,688.75	2020243
104960-469853	Soil and Water Special Allocation	Soil and Water Special Allocation	3,021.27	2020243
105550-422000	Carryforward FFCRA Grant funds under the CARES Act	Carryforward FFCRA Grant funds under the CARES Act	5,273.00	2020234
105550-422000	Bluedog Associates	HDM emergency meals	4,420.00	2020182
105550-449020	Carryforward BCBS grant for emergency meals	Carryforward BCBS grant for emergency meals	2,909.01	2020234
105550-449901	POA carry forward funds	Carry forward SHIP grant funds	1,849.00	2020234
105550-449902	POA carry forward funds	Carry forward Exxon grant funds	5,826.21	2020234
106120-449900	Carry forward senior games	Senior games	7,436.73	2016237
106125-429000	Olla LLC	pickle ball equipment	3,199.90	2020229
145310-449902	Foster Care Discretionary Funds	Carry forward foster care funds	1,621.99	2020238
145310-449903	Adult Protective Services	Carry forward adult protective service funds	2,278.14	2020238
145310-449904	CPS Discretionary Funds	Carry forward CPS funds	2,175.52	2020238
264310-454000	Modern Nissan of Winston Salem	2020 Toyota Tacoma	26,143.00	2020203
667420-429000	8 yard dumpsters	8 dumpsters	6,255.00	2020228
667420-435100	Reese Lawncare	Pressure wash transfer station	4,000.00	2020216
667420-435101	Install pipe at Landfill pond	Pipe landfill pond	14,500.00	2018068
667420-441100	Rent at container site	Container Site	2,000.00	2020233
667420-455002	Bakers Waste Equipment	Roll-offs	7,772.00	2020225
667420-455002	McGill	Innovation drive improvements	395,120.00	2020245
667420-457001	McGill	Innovation drive, sediment studies	123,044.00	2020245

**TOTAL 3,793,738.04**



Blank Page

**AGENDA ITEM 8:**

**WATAUGA COUNTY SCHOOLS MATTERS**

*A. Watauga County Schools Update*

**MANAGER'S COMMENTS:**

Dr. Scott Elliott, Watauga County School Superintendent, will present an update on Watauga County Schools.

Blank Page

**AGENDA ITEM 8:**

**WATAUGA COUNTY SCHOOLS MATTERS**

***B. Lottery Funds Request***

**MANAGER'S COMMENTS:**

Ms. Ly Marze, Watauga County Schools Director of Finance, will request the release of funds from the State Education Lottery Fund. A total amount of \$225,000 is being requested for carpet/tile replacement, kitchen and cafeteria equipment, VOIP system, door replacements, and roof renovations/replacements.

Board approval is required to release the requested funds.

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Watauga County  
LEA: Watauga County Schools  
Address: 175 Pioneer Trail, Boone, NC 28607

Contact Person: Ly Marze  
Title: Finance Officer  
Phone: 828-264-7190

Project Title: Carpet and Tile Replacements  
Location: K-12 Schools Districtwide  
Type of Facility: K-12 Schools

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: Replace worn out carpet and/or tile in classrooms for safety

Estimated Costs:

Purchase of Land _____	\$ _____	
Planning and Design Services _____	_____	
New Construction _____	_____	
Additions / Renovations _____	_____	30,000.00
Repair _____	_____	
Debt Payment / Bond Payment _____	_____	
<b>TOTAL _____</b>	<b>\$ _____</b>	<b>30,000.00</b>

Estimated Project Beginning Date: July 2020 Est. Project Completion Date: June 2021

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 30,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners) \_\_\_\_\_ (Date) 12-14-20  
(Signature — Chair, Board of Education) \_\_\_\_\_ (Date) \_\_\_\_\_

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Watauga County

Contact Person: Ly Marze

LEA: Watauga County Schools

Title: Finance Officer

Address: 175 Pioneer Trail, Boone, NC 28607

Phone: 828-264-7190

Project Title: Replace Kitchen and Cafeteria Equipment

Location: K-8 Schools (Blowing Rock, Green Valley, Mabel)

Type of Facility: K-8 Schools

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: Replace dish machine, condenser and evaporator for walk in cooler and freezer units

Estimated Costs:

Purchase of Land	_____	\$	_____
Planning and Design Services	_____		_____
New Construction	_____		_____
Additions / Renovations	_____		55,000.00
Repair	_____		_____
Debt Payment / Bond Payment	_____		_____
<b>TOTAL</b>	_____	<b>\$</b>	<b>55,000.00</b>

Estimated Project Beginning Date: July 2020

Est. Project Completion Date: June 2021

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 55,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners)

(Date)

Ray L. Chandler

12-14-20

(Signature — Chair, Board of Education)

(Date)

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Watauga County  
LEA: Watauga County Schools  
Address: 175 Pioneer Trail, Boone, NC 28607

Contact Person: Ly Marze  
Title: Finance Officer  
Phone: 828-264-7190

Project Title: VoIP System - Parkway School  
Location: 160 Parkway School Dr, Boone, NC  
Type of Facility: K-8 School

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:  
(3) No county shall have to provide matching funds...  
(4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.  
(5) A county may not use monies in this Fund to pay for school technology needs.  
  
As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: Replace phone, intercom and bells system

Estimated Costs:

Purchase of Land _____	\$ _____	
Planning and Design Services _____	_____	
New Construction _____	_____	
Additions / Renovations _____	_____	80,000.00
Repair _____	_____	
Debt Payment / Bond Payment _____	_____	
<b>TOTAL _____</b>	<b>\$ _____</b>	<b>80,000.00</b>

Estimated Project Beginning Date: July 2020 Est. Project Completion Date: June 2021

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 80,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

\_\_\_\_\_  
(Signature — Chair, County Commissioners) (Date)  
Ray L. Childers 12-14-20  
\_\_\_\_\_  
(Signature — Chair, Board of Education) (Date)

**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Watauga County

Contact Person: Ly Marze

LEA: Watauga County Schools

Title: Finance Officer

Address: 175 Pioneer Trail, Boone, NC 28607

Phone: 828-264-7190

Project Title: Door Replacements

Location: K-12 Schools Districtwide

Type of Facility: K-12 Schools

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. **Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.**

Short description of Construction Project: Replace classroom doors in school buildings for safety

Estimated Costs:

Purchase of Land	_____	\$	_____
Planning and Design Services	_____		_____
New Construction	_____		_____
Additions / Renovations	_____		15,000.00
Repair	_____		_____
Debt Payment / Bond Payment	_____		_____
<b>TOTAL</b>	_____	<b>\$</b>	<b>15,000.00</b>

Estimated Project Beginning Date: July 2020 Est. Project Completion Date: June 2021

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 15,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners) \_\_\_\_\_ (Date) \_\_\_\_\_  
*May L. Childers* 12-19-20  
 (Signature — Chair, Board of Education) \_\_\_\_\_ (Date) \_\_\_\_\_



**APPLICATION  
PUBLIC SCHOOL BUILDING CAPITAL FUND  
NORTH CAROLINA EDUCATION LOTTERY**

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

County: Watauga County

Contact Person: Ly Marze

LEA: Watauga County Schools

Title: Finance Officer

Address: 175 Pioneer Trail, Boone, NC 28607

Phone: 828-264-7190

Project Title: Roof Renovations/Replacements

Location: K-12 Schools Districtwide

Type of Facility: K-12 Schools

North Carolina General Statutes, Chapter 18C, provides that a portion of the proceeds of the North Carolina State Lottery Fund be transferred to the Public School Building Capital Fund in accordance with G.S. 115C-546.2. Further, G.S. 115C-546.2 (d) has been amended to include the following:

- (3) No county shall have to provide matching funds...
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs.

As used in this section, "Public School Buildings" shall include only facilities for individual schools that are used for instructional and related purposes, and does not include central administration, maintenance, or other facilities. ***Applications must be submitted within one year following the date of final payment to the Contractor or Vendor.***

Short description of Construction Project: Renovate/replace sections of roofs on our school buildings

Estimated Costs:

Purchase of Land _____	\$ _____
Planning and Design Services _____	_____
New Construction _____	_____
Additions / Renovations _____	45,000.00
Repair _____	_____
Debt Payment / Bond Payment _____	_____
<b>TOTAL _____</b>	<b>\$ _____ 45,000.00</b>

Estimated Project Beginning Date: July 2020

Est. Project Completion Date: June 2021

We, the undersigned, agree to submit a statement of state monies expended for this project within 60 days following completion of the project.

The County Commissioners and the Board of Education do hereby jointly request approval of the above project, and request release of \$ 45,000.00 from the Public School Building Capital Fund (Lottery Distribution). We certify that the project herein described is within the parameters of G.S. 115C-546.

(Signature — Chair, County Commissioners)

(Date)

*Hay L. Childers*

12-14-20

(Signature — Chair, Board of Education)

(Date)

**AGENDA ITEM 9:****PROPOSED HIGH COUNTRY KILL/CHILL FACILITY****MANAGER'S COMMENTS:**

Mr. Jim Hamilton, Cooperative Extension Director, will update the Board on the proposed project for the Golden Leaf Northwest Sector Community Based Grant Initiative program to create and construct new facilities for livestock slaughter and processing in Watauga County. The goal of the project was for Watauga County to provide the location for a local "kill-chill" facility as well as leveraged funding for the construction of a USDA certified facility to meet the demand of local and regional producers.

The County was invited to submit a full proposal, due February 11<sup>th</sup>. The total amount requested is \$1.4 million, which would serve the counties of Ashe, Alleghany, Avery, Caldwell, Mitchell, and Watauga. After an initial meeting, the amount requested maybe increased due to the infrastructure cost associated with the project.

The Board is requested to authorize the submittal of the full proposal with the understanding that if the grant is awarded the Board would need to accept the grant at a future meeting.

## **High Country Kill/Chill Facility for 6-county region (Ashe, Alleghany, Watauga, Avery, Caldwell, and Mitchell)**

**UPDATE: Watauga County was invited to submit a full proposal, due February 11<sup>th</sup>. Total request is for \$1.46 million to build a USDA certified slaughter/chill facility at Watauga County Landfill. Will be public/private partnership project. Watauga Butchery would lease the new facility from the county to provide slaughter and cooling capacity for Watauga and regional commercial and 'exempt' meat producers.**

Our proposal for the Golden LEAF Northwest Sector CBGI grant program is to construct/create a new facility to facilitate livestock slaughter & processing for the High Country region. Watauga Butchery (managed by Bob Shipley/Shiplee Beef) opened the first USDA certified processing facility in Watauga County in July 2020 to provide processing capacity for his commercial meat business and for other certified commercial livestock producers in Watauga and surrounding counties. However, slaughter capacity and bottlenecks remains a challenge for ALL local/regional producers beyond those commercial producers.

While the recently-opened processing facility at Watauga Butchery (formerly Coles Processing) has been open and processing custom (private, farm family) and USDA certified carcasses and will have the capacity to process & hang/cool more carcasses, there is still a strong demand to increase slaughter & processing capacity for our local and regional producers. The nearest accessible USDA slaughter/processing facilities with any capacity to handle demand from our regional producers are in Wilkesboro or Taylorsville...and their capacity is extremely limited.

It is our goal that Watauga County provide the siting for a local "kill-chill" facility and provide some leveraged funding for the construction of a USDA certified facility to meet the demand of our local producers and capitalize on the need for this service from farmers & producers from regional producers as well. The project will provide additional employment & educational/training opportunities and alleviate the bottleneck & travel/delays for local & regional meat production.

Below, are talking points & information bullets regarding the current situation and demand for a local/regional "Kill/Chill" facility.

- In Sept., Watauga Butchery was approved via the IMPEC program for funding to expand capacity at their existing site with increased cooler and processing capacity along with significant equipment investments to improve throughput and labor efficiency. While this project is adding needed processing capacity and value-added services to local & regional producers for PROCESSING, kill-chill capacity is maxed out at other plants across the state/region.
- Since March 2020, bottlenecks at meat processing plants (state and regionwide) have reduced capacity and caused delays for area cattle producers. Many processors are into 2021 to accept animals for processing. Processors are reserving space for slaughter/processing for animals that aren't born yet

- Watauga Butchery is the High Country’s only USDA-certified facility which opened and received its first carcasses for processing in July 2020. While the facility has a current processing capacity of over 100 animals per month, there is extremely limited USDA-certified *slaughter* capacity and the current facility cannot add this capacity.
- Animals from regional producers have to be transported to either Wilkesboro or Taylorsville (or other plants in TN and VA) to existing plants for USDA inspected slaughter. However, limited kill-capacity at these plants limits the number of animals that can be serviced across the region. Additionally, there is expense (and risk) when transporting animals and carcasses this distance
- In Watauga County alone, there are between 100-150+ cattlemen and small-scale producers who rely on slaughter/processing capacity to feed their families, produce income for their farms, and to provide local meat to restaurants and for direct-sale to consumers
- There are 66 licensed meat handlers in the core 6 counties and 166 licensed meat handlers in the other counties in NC that the butchery would serve.
- Watauga’s average total herd size annually is 7,200 head. The majority of our region’s livestock herd is sold at auction/shipped to finishing locations out of state. However, due to more livestock producers adopting direct-to-consumer retail, restaurant, and local sales, more animals are being produced for and require local slaughter and processing & USDA certification
- 85-90% of farms in the High Country by value of sales make less than \$25,000/year; 70% of those sales are livestock, poultry and livestock products; Each steer retained for local meat sales can net \$500-\$1000/hd over market prices for feeders (cattle that are auction-sold); 90% of farms are less than 180 acres;
- There is strong potential for High Country producers to create our own regional “High Country Branded Beef” to group raise and sell beef under one logo with parameters to ensure quality and meet consumer demands. Per info from NCDCA and contacts from Shipley Beef/Watauga Butchery There are regional grocery store opportunities
- The Biltmore Estate and Hickory Nut Gap Farm are projected “anchor customers” for a new slaughter facility that would supply ~800 head per year
- Regional opportunities that would benefit from a kill/chill/processing facility centrally located in the High Country include: Commercial kitchen in Ashe County, TRACTOR in Yancey (which currently does not sell/handle meat products), a pet-product production plant in Caldwell, and additional custom slaughter for existing small scale processing in Allegany and Avery
- Job creation: We anticipate 8-10 full time full time jobs created within the first 3 years of operation. There is potential for job-training at local community colleges (butchery/processing certificate program) and on-site quality/handling training at the facility for Cooperative Extension to provide to regional producers
- 20% guaranteed capacity for custom/exempt slaughter & processing for “custom exempt” producers. (small producers growing meat for home & family consumption— not for sale)

- The High Country Kill & Chill facility will be set up as a service provider—HCHC kills, chills (and Watauga Butchery processes custom & certified products) and can serve as the ‘marketing entity’ for community brand for producers who may not have their own brand but have the quality/genetics to include animals in regional brand
- “Carbon Footprint” considerations: area producers, historically, have expended considerable fuel & time getting animals to markets sometimes over 2 hours away (one way) for slaughter/processing. A High Country Location would significantly reduce fuel costs, travel, and carbon emissions. Additionally, with the proposed facility located at the Watauga County Landfill, which has a composting facility on site, waste materials can be utilized for compost production on site.

Watauga Butchery currently operates their processing business under a “member producer” model. With Watauga Butchery and other producers in the county/area that would be using the services of both this processing as well as a new kill/chill facility, there ARE other small scale processing facilities in the region that producers might/do use. There's one in Alleghany County and another in Avery (within the 6-county region) and additional processors in 'beyond' the region in TN and VA. However, some of those processing facilities are not USDA inspected. For producers wanting to sell meats commercially, animals must be slaughtered *and* processed at USDA facilities. That is/has been the bottleneck and logistics issue for many producers even before the pandemic. For producers who *don't* sell their meat commercially (custom exempt producers who slaughter & process for home consumption), they do not need USDA inspected slaughter. However, due to regional capacity limitations, it is anticipated that those producers will utilize the kill/chill facility for slaughter (due to demand/convenience/capacity) but may or may not choose to process at Watauga Butchery. This has been goal of the project from day one—to create a 'hub & spokes' dynamic where the kill/chill facility would serve the needs of other processing/packing facilities, butcher shops, restaurants, specialty meats businesses in the region.

For animals going from the kill/chill to Watauga Butchery, transportation will be included between facilities for customers using Watauga Butchery for processing. As part of the current processing expansion for Watauga Butchery, they're purchasing an additional refrigerated truck for that kind of transport. If farmers choose to process at other locations, arrangements could be made for transport to another location.

### **Regional Supply & Demand Data for Watauga Butchery Kill and Chill\***

66 licensed meat handlers in the core 6 counties and 166 licensed meat handlers in the other counties in NC that the butchery would serve.

1. 58,020 All Cattle and Calves for 6 supporting counties
2. 74,422 All Cattle and Calves for 6 adjacent NC counties (Burke, Madison, McDowell, Surry, Wilkes, and Yancey)
3. 84,704 All Cattle and Calves for 5 TN Counties (Carter, Johnson, Sullivan, Washington, and Unicoi)
4. 264,218 All Cattle and Calves for 5 VA Counties (Grayson, Russell, Scott, Smyth, Washington and Wythe Counties)

5. 2,631 All Goats for core 6
6. 4,359 Goats for next 6
7. 3,597 All Goats TN
8. 5,424 All Goats VA
9. 312 Hogs and Pigs core 6
10. 791 Hogs and Pigs next 6
11. 1,147 Hogs and Pigs TN
12. 786 Hogs and Pigs VA
13. 1,613 Sheep and Lambs core 6
14. 2,953 Sheep and Lambs next 6
15. 4,844 Sheep and Lambs TN
16. 19,177 Sheep and Lambs VA
17. 50 Farmers selling direct core 6
18. 55 Farmers selling direct next 6
19. 42 Farmers selling direct TN
20. 29 Farmers selling direct VA

*Total: All Cattle and Calves-481,364*

*Total: All Goats-16,011*

*Total: All Hogs and Pigs-3,036*

*Total: All Sheep and Lambs-28,587*

\*data compiled from the 2017 Census of Agriculture & NCDA meat handlers licensing website

Blank Page

**AGENDA ITEM 10:**

**TAX MATTERS**

*A. Monthly Collections Report*

**MANAGER'S COMMENTS:**

Mr. Larry Warren, Tax Administrator, will present the Monthly Collections Report and be available for questions and discussion.

The report is for information only; therefore, no action is required.




**Monthly Collections Report**

**Watauga County**

Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report December 2020

	<u>Current Month</u> <u>Collections</u>	<u>Current Month</u> <u>Percentage</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
<b><u>General County</u></b>					
Taxes 2020	9,144,113.18	55.95%	29,180,473.59	80.21%	74.07%
Prior Year Taxes	16,728.84		207,238.41		
Solid Waste User Fees	710,932.59	59.55%	2,145,573.25	81.51%	75.26%
Green Box Fees	0.00	NA	282.82	NA	NA
<b>Total County Funds</b>	<b>\$9,871,774.61</b>		<b>\$31,533,568.07</b>		
<b><u>Fire Districts</u></b>					
Foscoe Fire	106,179.30	57.55%	393,993.85	83.35%	75.01%
Boone Fire	229,589.03	59.30%	740,408.24	82.42%	77.59%
Fall Creek Service Dist.	1,745.30	40.57%	7,130.23	73.27%	63.17%
Beaver Dam Fire	22,234.54	46.17%	80,012.84	75.01%	71.42%
Stewart Simmons Fire	35,722.72	29.20%	163,255.86	65.24%	58.86%
Zionville Fire	24,141.98	49.31%	89,882.85	78.21%	74.55%
Cove Creek Fire	47,283.57	48.14%	191,208.03	78.79%	75.92%
Shawneehaw Fire	22,294.28	52.48%	80,081.38	79.73%	72.73%
Meat Camp Fire	44,347.68	50.17%	166,936.67	78.82%	74.04%
Deep Gap Fire	42,996.15	51.24%	146,412.38	78.10%	75.11%
Todd Fire	10,987.51	50.74%	51,627.50	82.84%	73.54%
Blowing Rock Fire	99,325.41	50.62%	398,411.30	80.40%	73.16%
M.C. Creston Fire	1,159.36	40.87%	4,489.05	72.48%	71.63%
Foscoe Service District	14,656.72	52.22%	61,694.87	82.09%	77.14%
Beech Mtn. Service Dist.	138.03	12.14%	668.22	40.09%	36.43%
Cove Creek Service Dist.	21.50	9.23%	112.70	34.77%	30.54%
Shawneehaw Service Dist	1,529.91	51.52%	5,212.38	78.17%	79.71%
	<b>\$702,607.69</b>		<b>\$2,574,408.12</b>		
<b><u>Towns</u></b>					
Boone	2,269,000.48	67.40%	4,917,149.09	81.72%	76.34%
Municipal Services	59,981.35	68.81%	108,380.92	79.89%	74.47%
Boone MV Fee	NA	NA	NA	NA	NA
Blowing Rock	NA	NA	NA	NA	NA
Seven Devils	NA	NA	NA	NA	NA
Beech Mountain	NA	NA	NA	NA	NA
<b>Total Town Taxes</b>	<b>\$2,328,981.83</b>		<b>\$5,025,530.01</b>		
<b>Total Amount Collected</b>	<b>\$12,903,364.13</b>		<b>\$39,133,506.20</b>		

 Tax Collections Director

 Tax Administrator

**AGENDA ITEM 10:**

**TAX MATTERS**

*B. Refunds and Releases*

**MANAGER'S COMMENTS:**

Mr. Warren will present the Refunds and Releases Reports. Board action is required to accept the Refunds and Releases Reports.

01/04/2021 08:27  
Larry.Warren

WATAUGA COUNTY  
RELEASES - 12/01/2020 TO 12/31/2020

P 1  
tnrcrpt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1734216 ADAMS, CRAIG G 7156 NC HIGHWAY 194 S BANNER ELK, NC 28604-9222	RE 2020 1869-99-2662-000 TAX RELEASES PARCEL SHOULD HAVE BEEN DEACTIVATED	35777	12/31/2020	F08	7608	0 F08 G01 SWF	211.80 1,707.11 80.00 <hr/> 1,998.91
1111269 BARLOW, PATRICIA MILLER MILLER, MARTIN 1760 MEAT CAMP RD BOONE, NC 28607	RE 2020 2914-80-0777-000 TAX RELEASES PARCEL SHOULD HAVE BEEN DEACTIVATED	37110	12/31/2020	F09	7592	0 F09 G01	25.70 207.14 <hr/> 232.84
1111269 BARLOW, PATRICIA MILLER MILLER, MARTIN 1760 MEAT CAMP RD BOONE, NC 28607	RE 2020 2914-80-0777-001 TAX RELEASES PARCEL SHOULD HAVE BEEN DEACTIVATED	37111	12/31/2020	F09	7593	0 F09 G01 SWF	36.70 295.80 80.00 <hr/> 412.50
1111269 BARLOW, PATRICIA MILLER MILLER, MARTIN 1760 MEAT CAMP RD BOONE, NC 28607	RE 2020 2914-81-1484-000 TAX RELEASES PARCEL SHOULD HAVE BEEN DEACTIVATED	37112	12/31/2020	F09	7594	0 F09 G01	20.40 164.42 <hr/> 184.82
1777134 BUSTER'S LOG HOMES INC 116 OLD DAIRY FARM RD BANNER ELK, NC 28604	RE 2020 1950-80-2060-000 TAX RELEASES PARCEL SHOULD HAVE BEEN DEACTIVATED	35927	12/31/2020	F08	7607	0 F08 G01	9.65 77.78 <hr/> 87.43
1777230 CABIBBO, ALFREDO + CABIBBO, PATRICIA 150 TUSCANY RDG SUGAR GROVE, NC 28679	RE 2020 2900-40-0065-000 TAX RELEASES PARCEL WAS MERGED IN 2019	18708	12/23/2020	F02	7605	0 F02 G01	16.56 111.23 <hr/> 127.79
1777230 CABIBBO, ALFREDO + CABIBBO, PATRICIA 150 TUSCANY RDG SUGAR GROVE, NC 28679	RE 2020 2900-40-0271-000 TAX RELEASES PARCEL WAS MERGED IN 2019	18709	12/23/2020	F02	7606	0 F02 G01	21.42 143.87 <hr/> 165.29
1598996 CARDTRONICS LP 1235 NORTH LOOP WEST SUITE 205 HOUSTON, TX 77008	PP 2020 598996999 REFUND RELEASE EQUIPMENT IN C03 & C04	169	12/31/2020	C02	7598	0 C02	21.98
1500108 CARROLL AND CARROLL A N.C. PARTNERSHIP P O BOX 1549 BOONE, NC 28607-1549	RE 2020 2921-90-6452-000 TAX RELEASES PARCEL DEACTIVATED IN 2019	18850	12/31/2020	F02	7602	0 F02 G01	22.98 154.35 <hr/> 177.33

01/04/2021 08:27  
Larry.Warren

WATAUGA COUNTY  
RELEASES - 12/01/2020 TO 12/31/2020

P 2  
tnccrpt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1500108 CARROLL AND CARROLL A N.C. PARTNERSHIP P O BOX 1549 BOONE, NC 28607-1549	RE 2020	40845	12/31/2020			0 F10	3.45
	2931-00-4239-000			F10		G01	27.81
	TAX RELEASES				7603		
	PARCEL DEACTIVATED IN 2019						31.26
1546772 CHAPPELL, DONALD 282 WES JONES RD NEWLAND, NC 28657	RE 2020	35958	12/31/2020			0 F08	.50
	1950-70-9365-000			F08		G01	4.03
	TAX RELEASES				7599		
	PROPERTY IS TAXED IN AVERY COUNTY						4.53
1546772 CHAPPELL, DONALD 282 WES JONES RD NEWLAND, NC 28657	RE 2020	35959	12/31/2020			0 F08	5.10
	1950-70-9423-000			F08		G01	41.11
	TAX RELEASES				7600		
	PROPERTY IS TAXED IN AVERY COUNTY						46.21
1027945 CHURCH, BETTY EDMISTEN DBA DICK'S GARAGE 190 NEW RIVER HEIGHTS RD BOONE, NC 28607	PP 2020	1503	12/31/2020			0 G01	11.08
	27945999			F02		F02	1.65
	TAX RELEASES				7591		
	OUT OF BUSINESS						12.73
1069392 HANKS, DOUGLAS AND JANICE 4799 RICH MTN RD BOONE, NC 28607-8862	RE 2020	38183	12/31/2020			0 F09	44.40
	2904-63-4715-000			F09		G01	357.86
	TAX RELEASES				7609	SWF	80.00
	PARCEL SHOULD HAVE BEEN DEACTIVATED						482.26
1069392 HANKS, DOUGLAS AND JANICE 4799 RICH MTN RD BOONE, NC 28607-8862	RE 2020	38184	12/31/2020			0 F09	11.85
	2904-64-2230-000			F09		G01	95.51
	TAX RELEASES				7610		
	PARCEL SHOULD HAVE BEEN DEACTIVATED						107.36
1069392 HANKS, DOUGLAS AND JANICE 4799 RICH MTN RD BOONE, NC 28607-8862	RE 2020	38186	12/31/2020			0 F09	58.75
	2904-64-4155-000			F09		G01	473.53
	TAX RELEASES				7611	SWF	80.00
	PARCEL SHOULD HAVE BEEN DEACTIVATED						612.28
1589521 SHORE FAMILY LTD PTNRP C/O GARY E SHORE PO BOX 266 BLOWING ROCK, NC 28605	RE 2020	16715	12/31/2020			0 F01	137.85
	1980-90-7883-000			F01		G01	1,111.07
	TAX RELEASES				7596		
	NCDOT CONDEMNED FOR EMINANT DOMAIN IN 2019 AND NOW STATE OWNED PROPERTY						1,248.92
1813617 SILO RIDGE TOWNHOME OWNERS ASSOCIATION, ATTN: TAMNA DUNNIGAN 2575 HWY 105 SOUTH, SUITE 70 BOONE, NC 28607	RE 2020	48655	12/31/2020			0 FS1	20.95
	1990-45-1185-000			FS1		G01	168.86
	REFUND RELEASE				7595		
	DESIGNATED COMMON AREA						189.81

01/04/2021 08:27  
Larry.Warren

WATAUGA COUNTY  
RELEASES - 12/01/2020 TO 12/31/2020

P 3  
tncrapt

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1177831 WILLIAMS, FRANK J 337 KIRBY BRANCH ROAD ZIONVILLE, NC 28698-9430	RE 2020	32094	12/31/2020			62,600	F06	31.30
	1984-31-8901-000			F06			G01	252.28
	TAX RELEASES RECEIVES SENIOR EXEMPTION				7601			283.58
1589415 WKH FAMILY LLC 2234 METTS AVE WILMINGTON, NC 28403	RE 2020	48785	12/31/2020			294,300	FS1	147.15
	1980-35-9774-000			FS1			G01	1,186.03
	REFUND RELEASE HOUSE BURNED DOWN IN 2019				7604		SWF	80.00
DETAIL SUMMARY		COUNT: 20		RELEASES - TOTAL		356,900		1,413.18
								7,841.01

01/04/2021 08:27  
 Larry.Warren

WATAUGA COUNTY  
 RELEASES - 12/01/2020 TO 12/31/2020

P 4  
 tncrapt

RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2020	RE	F01	FOSCOE FIRE RE	137.85
2020	RE	F02	BOONE FIRE RE	60.96
2020	RE	F06	ZIONVILLE FIRE RE	31.30
2020	RE	F08	SHAWNEEHAW FIRE RE	227.05
2020	RE	F09	MEAT CAMP FIRE RE	197.80
2020	RE	F10	DEEP GAP FIRE RE	3.45
2020	RE	FS1	FOSCOE SERV DIST RE	168.10
2020	RE	G01	WATAUGA COUNTY RE	6,579.79
2020	RE	SWF	SANITATION USER FEE	400.00
2020	PP	C02	BOONE PP	21.98
2020	PP	F02	BOONE FIRE PP	1.65
2020	PP	G01	WATAUGA COUNTY PP	11.08
			2020 TOTAL	7,841.01
			SUMMARY TOTAL	7,841.01

01/04/2021 08:27  
Larry.Warren

WATAUGA COUNTY  
RELEASES - 12/01/2020 TO 12/31/2020

P 5  
tncrapt

RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT
C02	2020	C02 BOONE PP	21.98
		C02 TOTAL	21.98
F01	2020	F01 FOSCOE FIRE RE	137.85
F01	2020	G01 WATAUGA COUNTY RE	1,111.07
		F01 TOTAL	1,248.92
F02	2020	F02 BOONE FIRE PP	62.61
F02	2020	G01 WATAUGA COUNTY PP	420.53
		F02 TOTAL	483.14
F06	2020	F06 ZIONVILLE FIRE RE	31.30
F06	2020	G01 WATAUGA COUNTY RE	252.28
		F06 TOTAL	283.58
F08	2020	F08 SHAWNEEHAW FIRE RE	227.05
F08	2020	G01 WATAUGA COUNTY RE	1,830.03
F08	2020	SWF SANITATION USER FEE	80.00
		F08 TOTAL	2,137.08
F09	2020	F09 MEAT CAMP FIRE RE	197.80
F09	2020	G01 WATAUGA COUNTY RE	1,594.26
F09	2020	SWF SANITATION USER FEE	240.00
		F09 TOTAL	2,032.06
F10	2020	F10 DEEP GAP FIRE RE	3.45
F10	2020	G01 WATAUGA COUNTY RE	27.81
		F10 TOTAL	31.26
FS1	2020	FS1 FOSCOE SERV DIST RE	168.10
FS1	2020	G01 WATAUGA COUNTY RE	1,354.89
FS1	2020	SWF SANITATION USER FEE	80.00
		FS1 TOTAL	1,602.99
		SUMMARY TOTAL	7,841.01

**AGENDA ITEM 10:****TAX MATTERS*****C. Board of Equalization and Review Schedule*****MANAGER'S COMMENTS:**

Mr. Larry Warren, Tax Administrator, will discuss the scheduling of the FY 2021 Board of Equalization and Review (E&R). The Board may create a special Board of Equalization and Review that will serve this spring. In previous years, the Board was incorporated to include the Manager as an alternate member.

The convening date for the Board of Equalization and Review is scheduled for Monday, April 19<sup>th</sup> from 4:00 PM to 7:00 PM in the County Commissioners Conference Room. Adjournment of the Board is scheduled for Thursday, April 29, 2021 at 5:00 PM in the County Commissioners Conference Room.

Staff will request the Board approve the schedule for FY 2021 Board of Equalization and Review as presented. In addition, direction is requested as to whether the Board wishes to create a special board for E&R or if the Board of County Commissioners plans to serve in that capacity. Should the Board wish to have the County Manager serve as an alternate member the attached resolution would need to be adopted.

The member compensation also needs to be set. For the past several years it has been \$75.00 per session.

Board action is required to 1.) set the convening and adjournment dates; 2.) decide if the Board wishes to serve in the capacity as the Board of Equalization and Review; 3.) adopt the enclosed resolution and request the County Manager to serve as an alternate member; 4.) set the compensation rate at \$75 per session with the County Manager not receiving any additional compensation.





---

# WATAUGA COUNTY TAX ADMINISTRATION

---

*Courthouse, Suite 21 – 842 West King Street – Boone, NC 28607  
(828) 265-8021 – FAX (828) 264-3230*

## MEMORANDUM

TO: Deron T. Geouque  
FROM: Larry D. Warren  
SUBJECT: 2021 Board of Equalization and Review  
DATE: January 8, 2021

---

I'd like to address the County Commissioners at the January 19th meeting to discuss dates and times for the 2021 Board of E&R. My recommendation is:

Convene on Monday April 19th from 4:00 pm to 7:00 pm.  
Adjourn for the taking of applications on Thursday April 29, 2021 at 5:00 pm.

The dates and times the Board approves will be advertised locally prior to the first meeting. The convening and adjourning dates for the 2021 Board of E&R is the official time for taking of applications for hearing of the property tax appeals. Compensation for the 2021 Board of E&R will also need to be approved. The member compensation for the past several years has been set at \$75.00 per session. Please let me know if you have questions. Also, I would like to present the attached Resolution for the Board's approval in establishing the Watauga County Board of Equalization and Review for 2021.

STATE OF NORTH CAROLINA

**DRAFT**

COUNTY OF WATAUGA

**RESOLUTION ESTABLISHING  
WATAUGA COUNTY BOARD OF EQUALIZATION AND REVIEW**

**WHEREAS**, North Carolina General Statutes Section 105-322 authorizes the Board of County Commissioners by resolution to appoint a special Board of Equalization and Review to hear and review appeals of listings and valuations placed upon taxable property located within Watauga County; and

**WHEREAS**, this Board desires to establish a Board of Equalization and Review to perform those duties specified in G.S. 105-322.

**NOW, THEREFORE, BE IT RESOLVED** that the Watauga County Board of Commissioners hereby establishes a Board of Equalization and Review as follows:

**MEMBERSHIP:**

1. Shall consist of the 5 member County Commissioners, each having one vote.
2. Three members shall constitute a quorum.
3. One alternate shall be appointed consisting of the County Manager.
4. The alternate shall only serve to meet a quorum of the Board for a scheduled Board of Equalization and Review meeting.

**POWERS AND DUTIES:**

The powers and duties of this Board shall be as specified in NCGS 105-328 and Article 21 of the Machinery Act.

**ADOPTED** this, the 19<sup>th</sup> day of January, 2021.

\_\_\_\_\_  
John Welch, Chairman  
Watauga County Board of Commissioners

ATTEST:

\_\_\_\_\_  
Anita J. Fogle, Clerk to the Board

Blank Page

## **AGENDA ITEM 11:**

### **MAINTENANCE MATTERS**

#### ***A. Bid Award for Courtroom #2 A/V System***

### **MANAGER'S COMMENTS:**

Maintenance received bids for the A/V system for Courtroom #2, which is currently undergoing renovations. The A/V system will complete the renovations to the courtroom. Three (3) bids were received with Creekside Electronics being the lowest responsive bidder. Adequate funds have been budgeted to cover the expense in the renovation project line.

Staff recommends awarding the bid to Creekside Electronics, in the amount of \$20,021. Board action is required.



## WATAUGA COUNTY MAINTENANCE DEPARTMENT

---

274 Winklers Creek Road, Suite B, Boone, NC 28607 - Phone (828) 264-1430  
Fax (828) 264-1473

TO: Deron Geouque, County Manager

FROM: Robert Marsh, Maintenance Director *RM*

DATE: December 17, 2020

RE: Courtroom #2 Bid Award Recommendation for A/V System

Maintenance received bids for an A/V system for Courtroom #2 which is currently undergoing renovations.

<b>BID SUMMARY FOR COURTROOM #2 A/V SYSTEM</b>		
<u>Bidder</u>	<u>Contact</u>	<u>Amount</u>
Creekside Electronics Boone, NC	Lane Robinson	\$20,021
Clark Powell Winston Salem, NC	Gary Bennett	\$27,343
Freedom Electric Boone, NC	Charles Safrit	No Bid

Staff recommends the bid be awarded to the low bidder, Creekside Electronics, in the amount of \$20,021

**Creekside Electronics, Inc.**  
**PO Box 3708**  
**Boone, NC 28607**  
**Telephone: (828)264-3039**  
**Toll Free: (888)864-3039**  
**Fax: (828)264-6880**



Proposal Number 18386  
 Created 12/1/2020 Expires 12/31/2020  
 Salesperson LANE ROBINSON

WATAUGA CO. MAINTENANCE  
 274 WINKLERS CREEK ROAD  
 SUITE B  
 BOONE, NC 28607

**PROPOSAL:**  
**AUDIO / VIDEO SYSTEM FOR**  
**COURTROOM #2**  
**WATAUGA COUNTY COURTHOUSE**

Qty	Description	Price	Ext. Price
1	BIAMP NEXIA CS DSP AUDIO SYSTEM	\$1,998.00	\$1,998.00
1	5C-XLI800 POWER AMPLIFIER	\$299.00	\$299.00
1	RTI XP8V CONTROL PROCESSOR	\$1,755.00	\$1,755.00
1	RTI KA11B TOUCHSCREEN CONTROLLER	\$1,649.00	\$1,649.00
1	RTI KA11ST CONTROLLER STAND	\$75.00	\$75.00
1	RTI RK1+2 ALL MIC MUTE BUTTON 2 BUTTONS FOR JUDGE ONE TO MUTE ALL MICS AND ONE TO KILL VIDEO ON TV	\$249.00	\$249.00
1	RTI VIRSA IR EMITTER	\$16.00	\$16.00
5	SHURE MX412D/C 12" DESKTOP MICROPHONE w/ MUTE BUTTON AND STATUS LED FOR JUDGE, CLERK, DEFENSE, PROSECUTION, COURT REPORTER	\$288.00	\$1,440.00
2	SHURE MX418D/C 18" DESKTOP MICROPHONE FOR WITNESS AND PODIUM	\$288.00	\$576.00
1	SHURE BETA 58A SUPERCARDOID MICROPHONE FOR JUROR'S BOX	\$195.00	\$195.00
1	MSH100-10B MICROPHONE STAND	\$25.00	\$25.00
1	WILLIAMS SOUND FM-557 ASSITIVE LISTENING SYSTEM WITH 4 LISTENING RECEIVERS	\$1,495.00	\$1,495.00
1	WB-400-CE-10 SURGE PROTECTOR / POWER FILTER	\$165.00	\$165.00
1	SR-WMS-12U WALL MOUNT RACK SYSTEM	\$672.00	\$672.00
4	TOA H2EX CEILING MOUNT SPEAKER	\$152.00	\$608.00
1	0E-65LED4KA 65" 4K LED MONITOR	\$659.00	\$659.00
1	SM-F-L FLAT WALL MOUNT	\$88.00	\$88.00
1	B-900-MOIP-4K-CTRL MEDIA OVER IP CONTROLLER	\$435.00	\$435.00

Proposal Number: 18386

Page 1 of 3

Qty	Description	Price	Ext. Price
2	B-900-MOIP-4K-TX MEDIA OVER IP TRANSMITTER	\$625.00	\$1,250.00
1	B-900-MOIP-4K-RX MEDIA OVER IP RECEIVER	\$625.00	\$625.00
1	AN-210-SW-R-8-POE GIGABIT SWITCH	\$295.00	\$295.00
800	MMK-BULK-500 BULK MICROPHONE CABLE	\$1.00	\$800.00
1	WP1042 XLR F WALL PLATE	\$13.00	\$13.00
8	WP-XLR-F3P XLR CONNECTOR	\$10.00	\$80.00
2	NC3FD-LX-HA XLR-F PANEL MOUNT CONNECTOR	\$5.00	\$10.00
2	NE8FDP RJ45 PANEL MOUNT CONNECTOR	\$12.00	\$24.00
2	WPU1013 SINGLE GANG 2D PLATE	\$14.00	\$28.00
2	NE8MX-TOP CAT5 ETHERCON CONNECTOR	\$3.50	\$7.00
2	H4-WP1234BR HDMI KEYSTONE	\$19.00	\$38.00
2	PLATE-1-BR 1 PORT PLATE	\$3.00	\$6.00
3	B6-4K-1 HDMI CABLE	\$20.00	\$60.00
400	16/2 SPEAKER CABLE	\$0.28	\$112.00
600	CAT6 CABLE	\$0.29	\$174.00
1	INSTALLATION MATERIALS	\$100.00	\$100.00
1	INSTALLATION & PROGRAMMING	\$4,000.00	\$4,000.00

---

<b>SubTotal</b>	<b>\$20,021.00</b>
<b>Sales Tax</b>	<b>\$1,351.44</b>
<b>Total</b>	<b>\$21,372.44</b>

**120VAC ELECTRICAL POWER AND INTERNET TO BE SUPPLIED BY  
WATAUGA COUNTY**

All material is guaranteed to be as specified. All work to be completed in a workman like manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance. Creekside Electronics, Inc. is not responsible for damages resulting from acts of God or nature, with or without the presence of surge protection. There is a late payment charge of 1½% per month (18% per annum) on the unpaid balance of the previous month less payments or credit within the billing cycle. In the event the Company is caused to engage the services of an attorney to enforce the terms of this Agreement, the Company shall be entitled to recover of the Customer the costs of such enforcement including, but not limited to: reasonable attorney's fees, court costs and other fees and costs reasonably incurred.

**Acceptance of Proposal**


The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as specified below.

**Payment Terms**

70% upon acceptance:   enclosed     sending by mail   (only if signed contract is faxed)  
30% upon completion (We will send you a final bill)

Proposal Accepted by: \_\_\_\_\_

Position/Title: \_\_\_\_\_ Date Accepted: \_\_\_\_\_

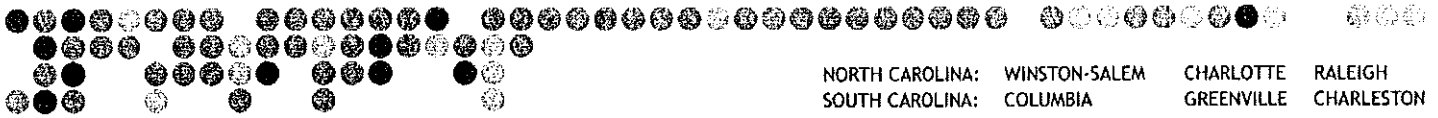
Creekside Electronics Representative:  \_\_\_\_\_

Date:   12/1/21





A CERTIFIED WOMAN-OWNED BUSINESS



NORTH CAROLINA: WINSTON-SALEM CHARLOTTE RALEIGH  
 SOUTH CAROLINA: COLUMBIA GREENVILLE CHARLESTON

# System Proposal

**Date:** December 16, 2020  
**To:** Robert Marsh  
**Company:** Watauga County  
**Address:** 842 W King Street  
**City:** Boone, NC  
**Work Phone:**  
**Cell Phone:** (828) 264-1430  
**E-mail:** [robert.marsh@watgov.org](mailto:robert.marsh@watgov.org)  
**Proposal:**  
**Project Name:** Courtroom #2

**Gary Bennett, Account Manager**  
 110 Regent Drive  
 Winston-Salem, NC 27055  
 Ph: (336) 701-6495 C: (336) 462-0772  
 Tollfree: (800) 532-1099  
[gary@clark-powell.com](mailto:gary@clark-powell.com)

**Scope of Work:** ClarkPowell will install a multi-zone court audio system with ceiling speakers and 6 gooseneck microphones. The microphones will be placed at the following locations - judge, prosecution, defense, witness, clerk and court reporter) The new audio system will be controlled by a controller located at the clerk's desk. **Valid: 30 Days E665.GB**

The Prosecution and Defense table will receive an HDMI cable so that a laptop can be connected to the new wall-mounted 75" LED display. The bailiff will use the TV's remote control to select between the two laptop connections.

Item #	Qty	Manufacturer	Model	Description	Unit	Total
<b>HARDWARE &amp; SERVICES</b>						
<b>DISPLAYS</b>						
	1	Sony	FWD75X800H	75" 4K Commercial LED Display	2,019.00	\$2,019.00
	1	Chief	LTM1U	Wall Mount	231.00	\$231.00
	2	Extron	60-1631-52	HDMI 4K/60 Tx - 330 feet (100 m) (Prosecution and Defense Table)	481.00	\$962.00
	1	Extron	60-1631-53	HDMI 4K/60 Rx - 330 feet (100 m) (At TV Location)	488.00	\$488.00
	1	Extron	60-1615-01	IN1808	3,520.00	\$3,520.00
	1	Extron	60-1390-03	MLC 55 RS	417.00	\$417.00
<b>AUDIO SYSTEM</b>						
	1	BiAmp	TesiraForte AVB CI	Digital audio server with 12 analog inputs — each with Acoustic Echo Cancellation (AEC) technology, 8 analog outputs, and up to 8 channels of configurable USB audio.	2,371.00	\$2,371.00
	1	BiAmp	TEC-X 1000 White	Touch-enabled Control Pad with Knob	353.00	\$353.00
	8	BiAmp	C6	6.5" Ceiling Loudspeaker	118.00	\$944.00
	1	Biamp	REVAMP4120T	4 Ch x 120 W Audio Amplifier	812.00	\$812.00
	6	Audix	MICROPOD18	18" Micropod Microphone	298.00	\$1,788.00
	6	Audix	ATS1	Heavy Duty Shock Mount Table Stand, Programmable switch (on/off, talk/mute)	180.00	\$1,080.00
<b>OFE Equipment</b>						
	1	Presonus	Audio Box	Presonus Multi Channel Audio Box		
<b>RACKING</b>						
	1	ClarkPowell	Custom	AV Equipment Rack w/ Power Management & All Accessories		

Item #	Qty	Manufacturer	Model	Description	Unit	Total
	1	MAP	ERK-2725	ERK SERIES RACK, 27 RU, 25"D	520.00	\$520.00
	2	MAP	PD-915R	RACKMOUNT POWER, 9 OUTLET, 15A, BASIC SURGE	96.00	\$192.00
	1	MAP	FD-27	SOLID FRONT DOOR, 27 RU RACKS	182.00	\$182.00
	1	MAP	CBS-ERK-25	CASTER BASE, 25"D, ERK SERIES	154.00	\$154.00
	1	MAP	ERK-RR27	RACKRAIL, 10-32, 27 RU, ERK SERIES	50.00	\$50.00
	1	ClarkPowell	Custom	Misc. Installation Hardware, Cables, Connectors & Rental Expenses	890.00	\$890.00
	1	ClarkPowell	Custom	Design, Engineering, Project Management, Installation, Programming, Testing & Training	9,600.00	\$9,600.00
	1	ClarkPowell	Custom	1 Year System Assurance Plan	770.00	\$770.00
<i>Estimated Ground Freight</i>						
<b>TAXABLE SUBTOTAL</b>						<b>\$27,343.00</b>
<i>Estimated Tax (7.25%)</i>						<b>\$1,982.37</b>
<b>OTHER</b>						
	1	ClarkPowell	Custom	Bus. Licenses & permits	-	
	1	ClarkPowell	Custom	Performance Bond	-	
<b>TOTAL ESTIMATED PRICE</b>						<b>\$29,325.37</b>
30% Deposit due with order						<b>\$8,797.61</b>

**WARRANTY INFORMATION:** ClarkPowell will repair any defect in the system directly related to the installation services provided by ClarkPowell for a period of 90 days after the completion of the project installation. This standard warranty does not apply to the equipment that makes up the system. Each piece of equipment in the proposed system will carry a standard manufacturer's warranty the details of which will be provided by ClarkPowell within the system documentation. Optional preventative maintenance and service contracts are available from ClarkPowell and are highly recommended for optimum performance of your system. For further reference see our website at [www.clark-powell.com/standard-warranty/](http://www.clark-powell.com/standard-warranty/) for details on our standard warranty, and the terms & conditions of which are incorporated herein.

Protect your investment. ClarkPowell offers two cost-effective levels of ongoing service support, over and above your original 90 day warranty;

	2nd Year	3rd Year	3 Year Bundle
<b>CP ASSURANCE;</b> 2 Preventative Maintenance Visits, Unlimited Call-outs, 2 Working Day response time	\$931	\$978	\$2143
<b>CP ASSURANCE Plus;</b> 4 Preventative Maintenance Visits, Unlimited Call-outs, 1 Working Day response time	\$1494	\$1569	\$3405

**PROJECT TIMING** - ClarkPowell prides itself in providing systems tailored to the specific needs of each client. Because of this we have a very well defined process that commences upon receipt of the client purchase order. During this process, the final design is agreed and then peer reviewed before any orders are placed. Also, due to the specialist nature of much of the equipment that we supply, there can be manufacturing times to consider and some items may be available on back-order only. Because of these factors, for an average, non-complex project you should expect installation to commence no sooner than 6 - 8 weeks after order placement. We can of course accommodate expedited schedules if your needs are urgent - please discuss this with your sales representative.

**This proposal/system design includes only the items listed above. Price DOES NOT include Tax or Freight, unless noted as a separate line item. Restocking and return freight fees may apply to any equipment returned after order.**

Item #	Qty	Manufacturer	Model	Description	Unit	Total
--------	-----	--------------	-------	-------------	------	-------

All Rights Reserved. This system proposal and any system design implied therein are the intellectual property of ClarkPowell and would be considered a "Trade Secret". Using the contents of this quote for any bid document is strictly prohibited. Proposed hours for installation are Monday-Friday, 8:00am to 5:00pm. Deviations from these times will require special conditions and pricing modification.

**CLARKPOWELL STANDARD TERMS AND CONDITIONS:**

Payment terms are as follows:

1. All orders are subject to credit approval.
2. A 30% deposit will be required with all installation orders, due upon receipt of PO.
3. Invoices for progress payments will be generated monthly for equipment and non-equipment costs.
4. Warehoused equipment will be invoiced, itemized with serial numbers and available for inspection.
5. ClarkPowell accepts Visa, MasterCard, American Express credit card orders. Credit card orders are subject to a 3% processing fee which will be added to the above total on the final invoice. Credit card orders are limited to \$10,000.00.
6. Payment terms are net 20 calendar days.
7. This system Proposal is valid for 30 days with the exception of any increases in international trade tariffs.

Performance terms are as follows:

1. Standard manufacturer's warranties apply to all items.
2. Site conditions may require certain complete and finished facility infrastructure or network connectivity to be provided by client in order to complete an operational system.
3. ClarkPowell assumes no liability or risk of loss for owner furnished equipment or data contained therein.
4. ClarkPowell will attempt to utilize existing software "code" furnished and owned by the client but assumes no liability for said code. Software code developed by ClarkPowell under contract will be furnished to client upon final payment of the project.
5. ClarkPowell will make every effort to fulfill the project in the client's requested timeline but cannot guarantee compliance due to external factors such as manufacturer's equipment availability.
6. Schedule changes will require a minimum 5 business day notice in order to accommodate changes to the on-site crew assignment.
7. Service calls carried out under warranty that are found to be the cause of Owner Furnished Equipment (OFE) will be subject to charge.

Proposal Approved by: \_\_\_\_\_

Signature: \_\_\_\_\_

**Robert.Marsh**

---

**From:** Charles Safrit <charles@freedomelectech.com>  
**Sent:** Monday, December 07, 2020 12:27 PM  
**To:** Robert.Marsh  
**Cc:** Steven.Moody  
**Subject:** Re: Watauga County

I apologize for the late response. Unfortunately this is not a system type we typically install and I do not have suppliers to get the equipment needed for this project. We are not going to be able to supply a price for this.

On Mon, Nov 23, 2020 at 3:18 PM Robert.Marsh <[Robert.Marsh@watgov.org](mailto:Robert.Marsh@watgov.org)> wrote:

Charles,

I need a price for a simple sound system in Courtroom #2 which is currently under renovations. Key components are as follows:

1. Mics @ Judge, Clerk, Defense, Prosecution, Witness, Court Reporter, Podium and a stand mounted mic at the Juror's box.
2. (4) Wireless ADA listening devices
3. Mic splitter for NCAOC equipment to connect with
4. Ability for Judge to quash mics
5. Amp
6. Wall mount for all equipment

We do not wish to interconnect with any other systems and absolutely no recording ability.

I'll send plans of the room layout in another email

Thank you,

Robert Marsh

--

Charles Safrit  
**Freedom ElecTech, Inc.**  
**Electrical & Technology Solutions**  
521 Hwy. 105 Ext. Suite 3  
Boone, NC 28607  
828.386.6555 office  
828.406.5609 cell  
828.386.1811 fax  
[charles@freedomelectech.com](mailto:charles@freedomelectech.com)

**AGENDA ITEM 11:****MAINTENANCE MATTERS*****B. Bid Award for Complex Sports Facility*****MANAGER'S COMMENTS:**

The County 's project engineer, Timmons Group, received bids for lighting the Complex Field on December 23, 2020. The scope of work included lighting the softball field, basketball court and tennis courts. Three (3) bids were received with Tommy Lawrence Electric being the lowest responsive bidder. Lawrence Electric completed the sports lighting on the two adjacent County softball fields in 2007. Adequate funds are available to cover the expense in the budgeted amount for the project.

Staff recommends awarding the bid to Tommy Lawrence Electric in the amount of \$235,861. Board action is required.



## WATAUGA COUNTY MAINTENANCE DEPARTMENT

---

274 Winklers Creek Road, Suite B, Boone, NC 28607 - Phone (828) 264-1430  
Fax (828) 264-1473

TO: Deron Geouque, County Manager

FROM: Robert Marsh, Maintenance Director *RM*

DATE: January 11, 2021

RE: Complex Sports Facility Bid Award Request

### BACKGROUND

The County's project engineer, Timmons Group, received bids for lighting the Complex Field on December 23, 2020. The scope of work included lighting the softball field, basketball court and tennis courts.

### BID SUMMARY

Bid Tabulation			
Name	Address	Contact	Amount
Tommy Lawrence Elect.	Roxboro, NC	Tommy Lawrence (336) 599-4771	\$235,861
E. F. Belk & Son	Mooresville, NC	Chip Belk (704) 664-5959	\$388,020
Qualite	Hillsdale, MI	Todd Krohn (517) 610-5709	\$442,049

### RECOMMENDATION

Staff recommends the County award the bid to the low bidder, Tommy Lawrence Electric, in the amount of \$235,861.

Lawrence Electric successfully completed the sports lighting on the two adjacent softball fields in 2007. Mr. Lawrence has informed me there is an eight-week lead time on the steel lighting poles, and, if approved, he can mobilize sometime in April to begin the installation.

**CONSTRUCTION DOCUMENTS &  
TECHNICAL SPECIFICATIONS**

**WATAUGA COUNTY COMMUNITY RECREATION CENTER  
OUTDOOR SPORTS LIGHTING PROJECT**

**231 COMPLEX DRIVE  
BOONE, NC 28607**

**TIMMONS GROUP**

**610 E. MOREHEAD STREET  
SUITE 250  
CHARLOTTE, NC 28202  
Ph: (704) 376-1073, Fax: (704) 376-1076**

**December 11, 2020**



WATAUGA COUNTY COMMUNITY RECREATION CENTER  
OUTDOOR SPORTS LIGHTING PROJECT

**Construction Documents & Technical Specifications  
For  
Watauga County Community Recreation Center  
Outdoor Sports Lighting Project**

**Table of Contents**

<u>Section</u>	<u>Page No.</u>
<b><u>Specifications</u></b>	
Section 01 6526 – Scope of Work and Sports Lighting System . . . . .	01 6526-1
<b><u>Site Lighting</u></b>	
Cover Sheet . . . . .	C000
Electrical Site Plan . . . . .	E1
<b><u>Electrical Equipment</u></b>	
Equipment Cut Sheets . . . . .	1 - 8

Watauga County Community Recreation Center Outdoor Sports Lighting Project

**SPORTS LIGHTING SPECIFICATION**  
**Watauga County Community Recreation Center Outdoor Sports Lighting Project**

## 1.1 SCOPE OF WORK

SCOPE OF WORK

1. Furnish and Install Sports Lighting Equipment for Watauga County Community Recreation Center Softball Field (50 Foot-Candles Infield and 30 Foot-Candles Outfield), Basketball Court (50 Foot-Candles), Tennis Courts (50 Foot-Candles), and Pickle Ball Courts (50 Foot-Candles) per photometric design drawing number A020419TSLI Revision 01 dated 11-6-20.
2. Locate any underground lines before digging. Owner will provide location of irrigation lines (if applicable); however, repair of any underground utilities damaged during construction shall be responsibility of the contractor.
3. Any fencing damages or removal to be replaced by the contractor.
4. All coordination for work to be coordinated with Robert Marsh-Building Maintenance Director for Watauga County.
5. Any damage to the existing site during construction must be repaired back to the original state.
6. Sports Lighting Poles are to be Direct Burial Steel poles backfilled with concrete. All poles are to include pole climbing steps, pole safety cable, and pole catwalk/maintenance platforms. Crossarms will not be accepted for this project due to potential damage and access to the poles for future service work.
7. The power source is to be 480 Volt/3 Phase. Location for Transformer on-site to be verified by Watauga County prior to bid.
8. The bidding contractor will be required to provide pull all permits and pay for any and all charges for the electrical permits that are required by Watauga County Permit Office.
9. The Electrical Contractor to supply and install all new conduit wire in PVC Conduit to each pole.
10. There will not be a pre-bid conference meeting. It will be the responsibility of the electrical contractor to make a site visit and review the project details.
11. Contractor to provide all insurance requirements prior to contract award by Watauga County.
12. All requirements of the National Electric Code, Article 250 for bonding and grounding shall be strictly adhered to.
13. All Trenches are to be filled and tamped thoroughly. Any Concrete or Asphalt that has to be crossed must be repaired by the electrical contractor to its original look. No trenches are allowed across the playing surface. All open trenches and hole boring shall be guarded/barricaded off by the contractor during construction. Seed and Straw landscaping for the trenches and trucks to be repaired by Watauga County Facilities Department.
14. Contractor is solely responsible for all jobsite safety requirements.
15. All taxes to be included in the contractor's proposal.
16. Encounter of any embedded rock or unsuitable soil during hole drilling to be billed time and materials. No soil borings will be provided for this project. All work must be prior approved and agreed upon by the contractor and Watauga County.

Watauga County Community Recreation Center Outdoor Sports Lighting Project

17. Provide and install new galvanized steel service structure with new panel and control cabinet for the field to be controlled with a key contactor. The panels/contactor cabinet to be located within 50 feet of the field or courts. The power source for the field to be 480 volt/3 phase to be located within 50 feet of the field.. Any charges for the power company to bring 480 Volt/ 3 Phase power to the field to be provided direct from power provider to owner. Watauga County Facilities Department to verify location prior to bid.
18. Electrical equipment should be specified as ITE Siemens, GE, Square D, or Cutler Hammer.
19. Any questions in regards to the specification or scope of work will be addressed and provided to all bidding contractors prior to bid date. Direct all questions to \_\_\_\_\_
20. Job Site Address: Watauga Community Recreation Center  
231 Complex Drive, Boone, NC 28607
21. Bids are due by Wednesday, December 23, 2020 at 2pm eastern standard time.
22. The sports lighting representative to assist with the aiming of the lights and provide light test commission reports per bid document specifications.
23. It is intent of Watauga County to award this job no later than January 2, 2021.
24. The winning bidder will provide all materials and labor and other needs according to the scope of work above.
25. Sales Tax on Materials to Be Included with Total Bid Cost.
26. The email address to submit bids: [brian.crutchfield@timmons.com](mailto:brian.crutchfield@timmons.com)

## ACCOUNTABILITY/ASSURANCE

1. A formal light test shall be conducted in the presence of the owner, contractor, and lighting representative. Actual readings must meet the required levels and uniformities set forth in written specifications.
2. Lighting systems not meeting performance criteria for this project shall be upgraded at the contractor's expense until the owner is satisfied that all lighting, structural, and electrical components meet the specifications herein.

2. PART 2 – PRODUCTS

## 2.1 TABLE OF LIGHTING FIXTURE PRODUCTS

Field+Courts	Hubbell Sports Lighting, GE Sports Lighting or approved equal
--------------	---

## 2.2 LIGHTING PERFORMANCE

The purpose of these specifications is to define the performance and design standards for the lighting of this project. The manufacturer shall supply lighting equipment and computer generated point by point analysis that meets or exceeds the following:

- A. Performance Criteria
  1. The lamp shall be a 1500 watt metal halide lamp and shall meet ANSI code M48 and be a

Watauga County Community Recreation Center Outdoor Sports Lighting Project

Venture 1500 watt metal halide lamp or approved equal. Proprietary Lamps will not be accepted and must be readily available at three local electrical suppliers. Lamps shall have Initial Vertical Lumens of 170,000

1. All computer generated point-by-point light scans shall be based on an approved lamp manufacturer’s published initial lumen output based (after 100 hours burn in). The lamp manufacturer’s 1500 watt lamp specification sheet must be provided
3. A tilt factor of 1.0 shall not be acceptable for any type of lamp, and all computer generated point-by-points shall be calculated based on each individual optical units actual tilt and required tilt factor for the degree variance from the lamp measured and published operating position.
4. The specified light levels shall be derived by applying Light Loss Factors to the Initial and Maintained lighting designs in the following manner (Per IESNA Recommended Practice for Sports & Recreation Area Lighting -- RP-6-01). All manufacturers shall comply with providing initial and maintained foot-candles per number 5 and 6 below.
5. Initial Light Levels are to be based on foot-candles as calculated from the photometric report of the luminaire (per the lamp manufacturer’s 100 hour lamp lumens) x Ballast Factor x Voltage Factor x Ambient Temperature Factor x Lamp Tilt Factor.

Area of Lighting for 50 Foot-Candles (Softball Field Infield, Basketball Court, Tennis Courts, and Pickleball Courts): 62.5 foot-candles

Area of Lighting for 50 Foot-Candles (Softball Field Outfield): 37.5 foot-candles

6. Target (or Maintained) Light levels are based on Initial Light Levels multiplied by the Recoverable Light Loss Factor (LLF) of 0.80. Recoverable LLF = LLD x LDD = .80  
Target Light Levels shall meet or exceed the following. All manufacturers must provide initial and maintained lighting designs for approval per IESNA RP-6-01 Section 2.2.5.

<u>Area of Lighting</u> Field+Courts	<u>Average Entire Field</u> 50 foot-candles
---	--

7. The manufacturer guarantees initial field light intensity levels and uniformity ratios after initial start-up or within the first One Hundred (100) hours of operation (Per IES and Lamp Manufacturer Initial Lumen Output Ratings). Light level readings shall be taken at the grid point locations as detailed in the point by point analysis specification at 3’ above field grade.
8. If manufacturer uses a purchased ballast in their fixture/enclosure, the manufacturer must apply the appropriate ballast factor (per ballast manufacturer’s data) in their lighting calculation to account for wattage loses of a ballast operating “hot in the fixture/enclosure”. A ballast factor of 1.0 shall not be allowed, unless the ballast and fixture/enclosure are from the same manufacturer and have been rated and tested to operate the lamp at its design center hot in the fixture/enclosure.

B. Performance Criteria - Light Uniformity: In order to ensure the optimal playability and visual appearance of the field, all lighting designs shall meet the following:

1. Maximum to Minimum Uniformity Ratio - The uniformity of the playing field shall be measured by comparing the maximum reading to the minimum reading. This ratio shall not exceed the following:

Area of Lighting	Minimum Uniformity Ratio
Field	2.0 to 1.0

Watauga County Community Recreation Center Outdoor Sports Lighting Project

2. Coefficient of Variance (CV): The ratio of the standard deviation for all of the light level readings to the mean light level for the defined set of grid points shall not exceed the following:

Area of Lighting	Coefficient of Variance
Field	1.5

2.3 POINT BY POINT ANALYSIS

A. Computer Models - Test Stations

Submitted computer models depicting the measurements of light shall be generated on a grid of specified number of points covering a stated area on an equally spaced grid. See the chart below for the exact specifications of points, areas and grid spacing for each field:

Area of Lighting	Target Points	Size of Area	Grid Spacing
Field and Courts	30' X 30' and 10' X 10'	Field and Courts	30' X 30' and 10' X 10'

B. Meter Orientation

1. Horizontal foot-candles - models shall represent readings taken with the meter test cell positioned horizontal 36 inches above grade.

2.4 INSPECTION AND VERIFICATION

A. Test and Measurement Procedures

1. Testing of the facility shall be done based at the test points as described in section 2.3.
2. All testing will be done with entire facility illuminated and shall be done after 100 hours of lighting systems use (per IES recommended practice) to allow the lamps to depreciate to their stated initial lumen output per manufacturer's lamp technical data sheet.
- 2.. The manufacturer will be required to grid the complete field(s) based on the computer models submitted requirements and take readings at each grid point. The manufacturers will be required to utilize a calibrated, cosine corrected light meter for test measurements. The average of the two meter readings will be recorded as the light intensity of each grid point.
3. For final approval of the project the manufacturer shall provide a final report from the test Results.

Watauga County Community Recreation Center Outdoor Sports Lighting Project

## 2.5 SPORTS LIGHTING SYSTEM

The sports lighting system shall be Hubbell Lighting, GE Sports Lighting or approved equal.

Any proposed substitutions must submit complete system information and documentation including required computer generated lighting models for approval 5 days prior to bid date for any other manufacturers not listed in this specification.

- A. General Description – The Sports Lighting System shall consist of the listed equipment features below,
1. Steel Poles to be rated for Wind Load for Watauga County and applied strength requirements and overload factors per the North Carolina Builders Code. Pole Mounting heights per photometric drawings.
  2. All approved sports lighting manufacturers are required to provide pole steps, pole safety cables, and Maintenance platforms on the poles. Crossarms will not be approved for this project.
  3. Ballast Fixture consisting of die-cast aluminum ballast assembly, lamp, lamp socket, reflector, lens, lamp support, reinforcing retaining ring.

## 2.6 LUMINAIRE STRUCTURE

- A. Factory Construction: The integral luminaire shall be factory assembled as two primary components – Ballast Assembly and Optical Assembly. Fixture External Light Spill Visors are Required.
- B. Single Photometric Unit: Each fixture shall be attached to the cage in such a way that it's aiming position has been determined relative to all other fixtures on the pole so that all luminaires on the assembly are oriented to form a single photometric unit.
- C. Lamps: Lamps shall be a 1500 watt metal halide and shall meet ANSI designation M48-1500BU. The lamps shall be Venture 1500 watt metal halide lamps or approved equal. Proprietary lamps will not be considered.
- D. Reflector and Lamp Supports: The reflector shall be fastened to the ballast assembly with a heat resistance reinforcing retaining ring which centers and stabilizes the lamp in the reflector and provides heat shield to protect the lamp socket from heat.
- E. Lens: A hinged and removable lens of impact and thermal resistant glass with silicone gasket shall be centered in a zinc rich painted galvanized steel lens rim and attached to the reflector with a minimum four (4) stainless steel clamps.
- F. Aiming: The manufacturer shall provide a point by point aiming diagram for field aiming points.
- G. Aiming Alignment: Luminaire assembly shall be provided from the factory to the job site as a unit which may be universally oriented in a manner that the entire luminaire assembly can be field aimed as a single unit.
- H. Materials and Coatings: All steel components shall be hot dip galvanized to the most current ASTM A-123 standards. High purity reflector grade aluminum shall be anodized and coated with a thin layer of heat-cured glass that is chemically bonded to the reflector for corrosion protection, greater smoothness, better reflectivity and ease of cleaning. All non-current carrying fasteners, hinges, and latches shall be stainless steel and shall be cadmium plated or coated with thermoset epoxy type organic coatings such as Empigard to prevent galvanic interaction.
- I. Platform Welding: Maintenance Platform sections for the luminaire assembly shall be welded before galvanizing. Any additional fasteners used for the attachment of accessories to the platform shall be stainless

Watauga County Community Recreation Center Outdoor Sports Lighting Project

steel, hot-dipped galvanized or coated with Empigard or equivalent. All weld joints utilized will be pre-qualified per the American Welding Society or qualified by an AWS certified inspector or testing firm.

- J. Structural Strength: To assure continued alignment of the critical aiming of the luminaires and to avoid wind damage to the platforms or its components, the platform, fixture, reflector, and its attachment to the pole shall be designed to withstand winds of 90 mph with applied gust factor. Luminaires shall be attached to the platform by a minimum of one bolt.

2.7 WARRANTY –

A. Assurance

1. Labor – Contractor agrees to provide materials for a period of 1 year to replace defective ballasts and repair defects on workmanship as related to aiming of the luminaires, etc.
2. Lamps and Ballast – Lamps are warranted not to fail for two years from the date of delivery. Lamps which fail during the first year will be replaced at no charge. The second year the lamps are included but not labor. Ballasts are warranted not fail for five years date of delivery. Ballasts that fail during the first year will be replaced no charge. Years two thru five the ballasts are included but not labor.
3. Limitations – The following are not covered by this warranty:
  - a. Fuses
  - b. Damage from weather condition events such as lightning, hail, or excessive wind from tornadoes or hurricanes;
  - c. vandalism, or abuse;
  - d. Unauthorized repairs or alterations.

2.8 INSTALLATION

- A. Contractor shall install poles and lights per manufacturer lighting design. It will be the responsible of the contractor/lighting rep to make a site visit and obtain all measurements for the existing fields..
- B. Assembly: The pole to be properly plumbed and aligned per Design Pole Locations.

2.9 MANUFACTURER'S REPRESENTATIVE ON SITE VISIT

Manufacturer shall provide a qualified, factory trained, representative on-site after the completion of the project installation. The manufacturer shall make any necessary adjustments to the aiming in order to ensure that the specified lighting performance is met. This service is to be provided free of charge, provided the lighting equipment was installed in accordance with the manufacturer's design and specifications.

2.10 ALTERNATE SUBMITTAL DATA TO BE PROVIDED BY ANY OTHER PRODUCTS THAT ARE NOT LISTED

Watauga County Community Recreation Center Outdoor Sports Lighting Project

A. Failure to provide any of the following information with the alternate submittal will be grounds for rejection of the alternate. Each item listed below shall be provided in the form of clear and concise statements and/or plans and drawings which can be easily read and clearly interpreted. Each item shall also be clearly lettered to correspond with the following list. All items shall be assembled in the order indicated and secured or bound in a neat and orderly fashion for easy use and reference. Faxed bids will not be accepted. Owner must notify all bidders of any approved alternate by addendum only. Bidders requesting to use equipment other than that specified shall submit 7 days prior to bid opening the following:

1. Lighting layout design showing luminaire mounting heights, aiming focus points, reflector types, number of luminaires per pole and kilowatt consumption for initial and maintained designs per fixture counts set forth and initial foot-candles per this specification.
2. A drawing of the Sports Lighting Structure meeting or exceeding specified criteria.
3. Computer generated point-by-point analysis of field light values as set forth in accordance with lighting performance specifications.
4. Complete photometric reports produced by an independent testing laboratory for each type of reflector to be utilized to achieve performance criteria.
5. Computer generated spill/glare analysis in accordance with lighting performance specifications.
6. Written statements of model number and manufacturer for all equipment bid.
7. Written warranty from the manufacturer covering entire structure as outlined in specifications.
8. Certified engineer shall verify and stamp wind load tests of luminaire assembly to meet or exceed structural strength as described in specifications. Please note, EPA test does not constitute mis-alignment verification.
9. UL Test Number
10. Manufacturer shall submit a letter guaranteeing that foot-candle levels and uniformity as specified will be met. In addition, manufacturer's remedy to deficiencies will be noted.
11. There shall be provided by the manufacturer sufficient data and calculations to show that the specified criteria will be met.

Failure to provide any of the above-described documentation will be grounds for proposal rejection.

BASE BID - As shown in scope of work above: \$ 235,861.00

\* Base Bid price includes all labor, materials, permits taxes, and anything else to complete project

COMPANY NAME: Tommy Lawrence Electrical Contractors Inc DATE: 12/23/20

COMPANY ADDRESS: PO Box 641, Roxboro, NC 27573

CONTACT NAME: Tommy Lawrence



Watauga County Community Recreation Center Outdoor Sports Lighting Project

CONTACT SIGNATURE: Tommy Lawrence

COMPANY FAX: 336-599-7114

COMPANY PHONE: 336-599-4771

EMAIL ADDRESS: tleci@esinc.net

NC ELECTRICAL LICENSE NUMBER: 03831-U

DEDUCT AMOUNT OF \$20,600.00 to DELETE STEPS & CAGES

Special Quote Conditions:

1. The winning bidder will provide all materials and labor and other needs according to the scope of work above to Watauga County.

Insuring that quotes are received by Watauga County and received on time is the sole responsibility of the bidding contractor. Watauga County takes no responsibility for the lost or late submissions. You can submit a quote on your company quote form/letterhead if you are not using the attached bid form. Be sure to include the pertinent information. Bids will be accepted by email.

All prices and notations shall be printed in ink or typewritten. Errors shall be crossed out and corrections entered and initialed by the person signing the bid. Erasures or use of typewriter correction media may be cause for rejection of the bid. No bid shall be altered or amended after the specified time for opening.

Watauga County reserves the right to reject portions of a bid, as well as any and all bids in their entirety and to waive minor irregularities in the bid that, in the opinion of the foundation, do not affect the overall validity of the bid.



NOTE:  
NEW ELECTRICAL SERVICE MUST BE ELEVATED TO A MINIMUM 7' ABOVE BASE FLOOD ELEVATION. ELEVATION CERTIFICATE MUST BE SUBMITTED PRIOR TO ANY INSTALLATION VERIFYING THE MINIMUM 7' ABOVE BASE FLOOD ELEVATION REQUIREMENT HAS BEEN MET.

NEMA 3  
HUBBELL SL51500H4V2  
METAL LIGHTS PER LUMEN 170000  
LIGHT LOSS FACTOR 0.900  
WATTS PER LUMINAIRE 1810  
CANDELA FILE NAME SL51500H4-V2IES  
NUMBER LUMINAIRES USED 2  
KW THESE LUMINAIRES 2.2

NEMA 3  
HUBBELL SL51500H4V2  
METAL LIGHTS PER LUMEN 170000  
LIGHT LOSS FACTOR 0.900  
WATTS PER LUMINAIRE 1810  
CANDELA FILE NAME SL51500H4-V2IES  
NUMBER LUMINAIRES USED 13  
KW THESE LUMINAIRES 52.1

NEMA 3  
HUBBELL SL51500H4V2  
METAL LIGHTS PER LUMEN 170000  
LIGHT LOSS FACTOR 0.900  
WATTS PER LUMINAIRE 1810  
CANDELA FILE NAME SL51500H4-V2IES  
NUMBER LUMINAIRES USED 10  
KW THESE LUMINAIRES 16.1

NEMA 3  
HUBBELL SL51500H4V2  
METAL LIGHTS PER LUMEN 170000  
LIGHT LOSS FACTOR 0.900  
WATTS PER LUMINAIRE 1810  
CANDELA FILE NAME SL51500H4-V2IES  
NUMBER LUMINAIRES USED 15  
KW THESE LUMINAIRES 24.2

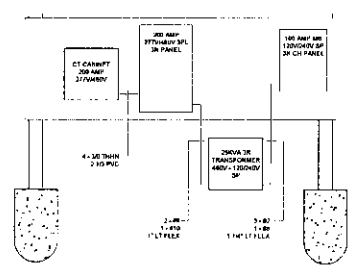
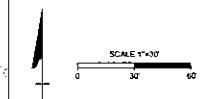
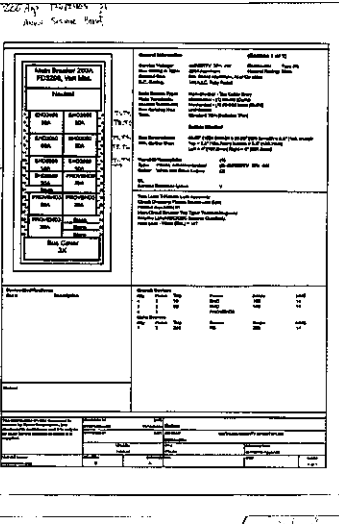
SOFTBALL  
80 POINTS AT Z-3, SP 20FT BY 20FT  
HORIZONTAL FOOT CANDLES  
AVERAGE 31  
MAXIMUM 43  
MINIMUM 21  
AVERAGE MINIMUM 1.48  
MAXIMUM AVERAGE 1.77  
COEF VAR 0.17  
UNIFGRAD 1.44

BASKETBALL  
40 POINTS AT Z-3, SP 10FT BY 10FT  
HORIZONTAL FOOT CANDLES  
AVERAGE 51  
MAXIMUM 58  
MINIMUM 32  
AVERAGE MINIMUM 1.40  
MAXIMUM AVERAGE 2.00  
COEF VAR 0.17  
UNIFGRAD 1.56

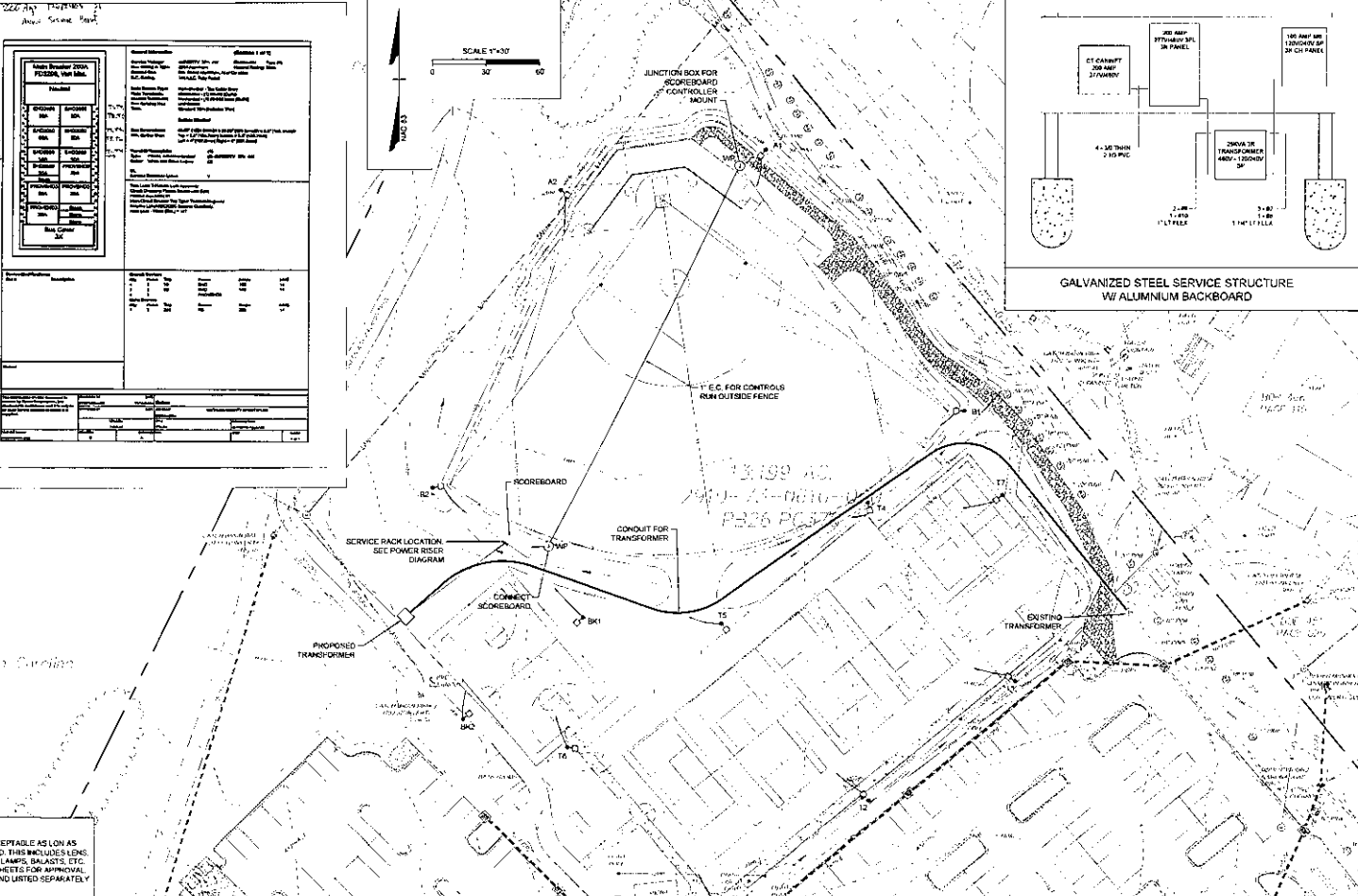
TENNIS  
66 POINTS AT Z-3, SP 20FT BY 20FT  
HORIZONTAL FOOT CANDLES  
AVERAGE 53  
MAXIMUM 77  
MINIMUM 31  
AVERAGE MINIMUM 1.72  
MAXIMUM AVERAGE 2.29  
COEF VAR 0.18  
UNIFGRAD 1.56

PICKLEBALL  
25 POINTS AT Z-3, SP 10FT BY 10FT  
HORIZONTAL FOOT CANDLES  
AVERAGE 31  
MAXIMUM 66  
MINIMUM 40  
AVERAGE MINIMUM 1.28  
MAXIMUM AVERAGE 1.83  
COEF VAR 0.13  
UNIFGRAD 1.40

FIXTURE NOTES:  
1. SUBSTITUTIONS APPROVED BY THE ENGINEER PREVIOUS TO BID ARE ACCEPTABLE AS LONG AS THEY ARE EQUAL TO THE FIXTURE SPECIFIED. THIS INCLUDES LENS, COLORS, REFLECTORS, PHOTOMETRICS, HOUSING MATERIALS, FINISHES, LAMPS, BALLASTS, ETC. ALL SUBSTITUTIONS SHALL BE SUBMITTED TO THE ENGINEER WITH CUT SHEETS FOR APPROVAL. SUBSTITUTE FIXTURES SHALL BE PRICED WITH THE SPECIFIED FIXTURE AND LISTED SEPARATELY SO THE ENGINEER AND OWNER CAN MAKE AN INFORMED DECISION.



GALVANIZED STEEL SERVICE STRUCTURE  
W/ ALUMINUM BACKBOARD



LIGHT FIXTURE SCHEDULE

TYPE	MANUFACTURER	CATALOG NUMBER	LAMP	BALLASTS	FIXTURE WATTAGE	VOLTAGE	KW	HEIGHT	GLUC	Y-LOC	DESCRIPTION
A1	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.1	80FT	-25	25	FIXTURE TYPE AND QUANTITIES ON POLE: (1) NEMA 3, (2) NEMA 5
A2	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.1	80FT	-25	25	FIXTURE TYPE AND QUANTITIES ON POLE: (1) NEMA 3, (2) NEMA 4, (2) NEMA 5
B1	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	12.0	80FT	-5	305	FIXTURE TYPE AND QUANTITIES ON POLE: (4) NEMA 3, (2) NEMA 4, (1) NEMA 5
G2	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	12.8	80FT	-5	305	FIXTURE TYPE AND QUANTITIES ON POLE: (4) NEMA 3, (1) NEMA 4, (1) NEMA 5
RK1	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	4.8	40FT	215	105	FIXTURE TYPE AND QUANTITIES ON POLE: (3) NEMA 5
RK2	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	4.8	40FT	301.9	14.3	FIXTURE TYPE AND QUANTITIES ON POLE: (3) NEMA 5
T1	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.1	50FT	96.3	317.4	FIXTURE TYPE AND QUANTITIES ON POLE: (2) NEMA 4, (2) NEMA 5
T2	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.4	50FT	201.5	292.3	FIXTURE TYPE AND QUANTITIES ON POLE: (2) NEMA 5
T3	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.4	50FT	303.6	367.5	FIXTURE TYPE AND QUANTITIES ON POLE: (1) NEMA 4, (2) NEMA 5
T4	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.1	50FT	88.8	160.7	FIXTURE TYPE AND QUANTITIES ON POLE: (1) NEMA 4, (4) NEMA 5
T5	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.4	50FT	170.9	180	FIXTURE TYPE AND QUANTITIES ON POLE: (4) NEMA 5
T6	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	6.4	50FT	272.9	141.2	FIXTURE TYPE AND QUANTITIES ON POLE: (1) NEMA 4, (2) NEMA 5
T7	HUBBELL	SL51500H	METAL HALIDE	HIP REGULATED PLA	1500W	120-277	3.2	40FT	20.5	252.3	FIXTURE TYPE AND QUANTITIES ON POLE: (2) NEMA 6

THIS DRAWING PREPARED AT THE  
ELECTRICAL ENGINEERING  
101 E. Hargett Street, Suite 201, Charlotte, NC 28202  
TEL: 704.375.1100 FAX: 704.375.1101  
WWW.TIMMONSGROUP.COM

DATE: 08/20/19  
DESIGNED BY: RAS  
CHECKED BY: RHC  
SCALE: AS SHOWN

WATAUGA COUNTY PARK  
ELECTRICAL SITE PLAN

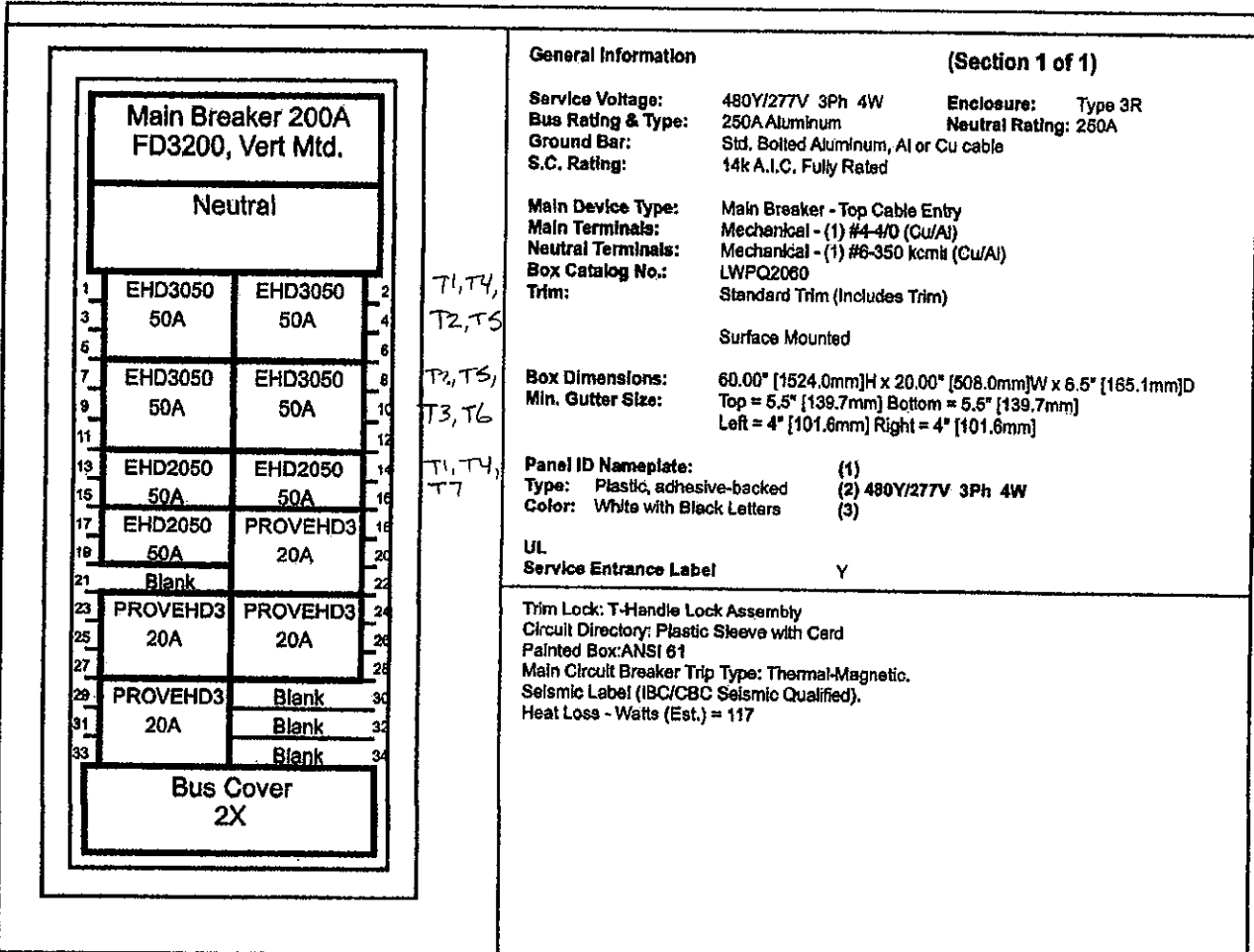
**TIMMONS GROUP**

Job No: 43785  
Sheet No: E-1

Meeting

200 Amp 120/240V 3P  
Main Service Panel

A1+B1  
A2+B2  
Bk1+Bk2  
xformer



**General Information (Section 1 of 1)**

**Service Voltage:** 480Y/277V 3Ph 4W      **Enclosure:** Type 3R  
**Bus Rating & Type:** 250A Aluminum      **Neutral Rating:** 250A  
**Ground Bar:** Std. Bolted Aluminum, Al or Cu cable  
**S.C. Rating:** 14k A.I.C. Fully Rated

**Main Device Type:** Main Breaker - Top Cable Entry  
**Main Terminals:** Mechanical - (1) #4-4/0 (Cu/Al)  
**Neutral Terminals:** Mechanical - (1) #6-350 kcmil (Cu/Al)  
**Box Catalog No.:** LWPO2080  
**Trim:** Standard Trim (Includes Trim)

Surface Mounted

**Box Dimensions:** 60.00" [1524.0mm]H x 20.00" [508.0mm]W x 6.5" [165.1mm]D  
**Min. Gutter Size:** Top = 5.5" [139.7mm] Bottom = 5.5" [139.7mm]  
 Left = 4" [101.6mm] Right = 4" [101.6mm]

**Panel ID Nameplate:** (1)  
**Type:** Plastic, adhesive-backed (2) 480Y/277V 3Ph 4W  
**Color:** White with Black Letters (3)

**UL Service Entrance Label** Y

Trim Lock: T-Handle Lock Assembly  
 Circuit Directory: Plastic Sleeve with Card  
 Painted Box: ANSI 61  
 Main Circuit Breaker Trip Type: Thermal-Magnetic.  
 Seismic Label (IBC/CBC Seismic Qualified).  
 Heat Loss - Watts (Est.) = 117

**Device Modifications:**

Ref #	Description

**Branch Devices**

Qty	Poles	Trip	Frame	Amps	kAIC
4	3	50	EHD	100	14
3	2	50	EHD	100	14
4	3		PROVEHD3		

**Main Devices**

Qty	Poles	Trip	Frame	Amps	kAIC
1	3	200	FD	225	14

**Notes:**

The information on this document is created by Eaton Corporation. It is disclosed in confidence and it is only to be used for the purpose in which it is supplied.	PREPARED BY	DATE	Eaton		
	STEPHEN LEE	11/16/2020	JOB NAME	WATAUGA COUNTY SPORTSPLEX	
	APPROVED BY	DATE	DESIGNATION		
	VERSION	1.0.0.37	TYPE	DRAWING TYPE	
NEG-ALT Number	REVISION	DWG SIZE	G.O.	ITEM	SHEET
K589111&XK1-0000	0	A			1 of 1



**Detail Bill of Material**

Project Name: WATAUGA COUNTY SPORTSPLEX  
 General Order No: Negotiation No: K5891116X0K1  
 Alternate No: 0000

Item No.	Qty	Product	Description
1		Panelboards	30 Circuits, 250A, Fully Rated, 480Y/277V 3Ph 4W, Aluminum Bus, 14kAIC, 200A, FD 3P Main Breaker[Top Fed], Surface Mounted

Catalog No P3D250BT34AH3R

- Qty List of Materials**
- 1 200A, FD 3P Main Breaker
  - 4 50A, 3P EHD Branch Breaker
  - 3 50A, 2P EHD Branch Breaker
  - 4 3P EHD Branch Provision Only
  - 1 Std. Bolted Al Ground Bar (Al/Cu Cable)
  - 1 Panel Nameplate - White with Black Letters
  - 1 Service Entrance Panel
  - 1 Type 3R Enclosure: LWPQ2060

Item No.	Qty	Product	Description
1		Dry Type Transformers	Transformer Type: General Purpose Vented 1 Phase, 25 KVA, 1 K-Factor 240 X 480 Primary Volts 120/240 Secondary Volts Temperature Rise 150C with 220C Insulation System Aluminum Winding Material Sound Reduction : 0 NEMA ST-20 Audible Sound Level: 45 Efficiency : DOE 10 CFR Part 431 (2016) UL Listed : Y Enclosure Type: NEMA 2 (for N3R, select Weather Shield in Mods tab) Operating Frequency: 60 HZ

Catalog No T20P11S2516

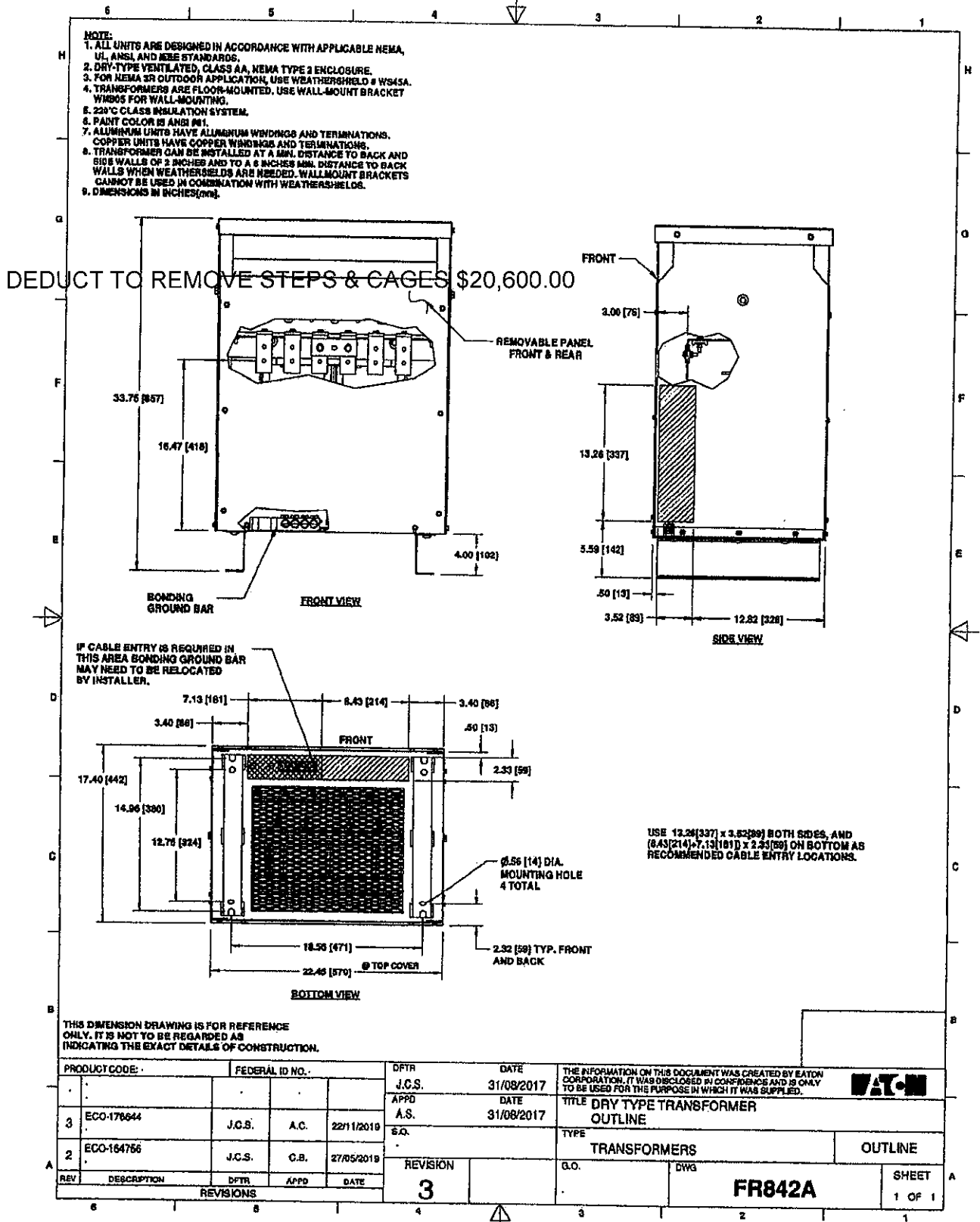
- Qty List of Materials**
- 1 1 Phase, 25 KVA, 240 X 480 Primary Volts, 120/240 Secondary Volts, 150C with 220C Insulation System Temperature Rise, Aluminum Winding Material, 60 HZ
  - 1 TRANSFORMER WEATHERSHIELD KIT FITS FRAME FR842A

Eaton Selling Policy 25-000 applies.

All orders must be released for manufacture within 90 days of date of order entry. If approval drawings are required, drawings must be returned approved for release within 60 days of mailing. If drawings are not returned accordingly, and/or if shipment is delayed for any reason, the price of the order will increase by 1.0% per month or fraction thereof for the time the shipment is delayed.

Seller shall not be responsible for any failure to perform, or delay in performance of, its obligations resulting from the COVID-19 pandemic or any future epidemic, and Buyer shall not be entitled to any damages resulting thereof.

Stepdown Transformer 480V SP to 120/240V SP



PRODUCT CODE:		FEDERAL ID NO.:		DFTR	DATE	THE INFORMATION ON THIS DOCUMENT WAS CREATED BY EATON CORPORATION. IT WAS DISCLOSED IN CONFIDENCE AND IS ONLY TO BE USED FOR THE PURPOSE IN WHICH IT WAS SUPPLIED.		
3	ECO-176644	J.C.S.	A.C.	22/11/2019	APPD	DATE	TITLE	
2	ECO-164756	J.C.S.	C.B.	27/05/2019	S.O.	DATE	DRY TYPE TRANSFORMER OUTLINE	
REVISIONS				REVISION	TYPE		OUTLINE	
REV	DESCRIPTION	DFTR	APPD	DATE	3	TRANSFORMERS		SHEET
					FR842A		1 OF 1	

GONEG-AR-Date:		Job Name:	
K5891116X0K1-0000-11/16/2020		WATAUGA COUNTY SPORTSPLEX	
Item Number:	Catalog Number:	Designation:	
	T20P11S2516		

**Dry-Type Transformers General Information**

- Standard Transformer Catalog Number: T20P11S2516
- Transformer Type: General Purpose Vented
- Phase: 1
- kVA: 25
- Primary Volts: 240 X 480
- Secondary Volts: 120/240
- Temperature Rise: 150C with 220C Insulation System
- Winding Material: Aluminum
- Enclosure Type: NEMA 2 (for N3R, select Weather Shield in Mods tab)
- Frequency (Hz): 60
- Frame: 842A
- Wiring Diagram: 3XA
- Weight (lbs.): 255
- Impedance (%): 3.24
- UL Listed: Y
- Max Practical Inrush (Amps): 550
- X/R: 0
- No Load Losses (Watts): 74
- Total Losses (Watts): 1004

**Standard Values**

- K-Factor: 1
- TAPS: 1@+5%, 2@-5% X 2@+2.5%, 4@-2.5%
- Sound Reduction (dB): 0
- NEMA ST20 Sound Level (dB): 45
- DOE 10 CFR Part 431 (2016) Efficient: Y
- Infrared Viewing Window: None

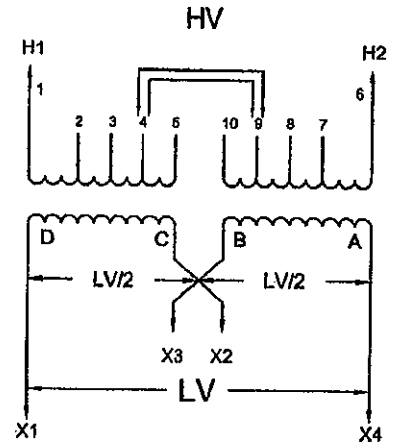
**Field-Installed Accessories Included**

- Lug Kit: Not Included
- Weather Shield: WS45A

The information on this document is created by Eaton. It is disclosed in confidence and it is only to be used for the purpose in which it is supplied.	PREPARED BY STEPHEN LEE	DATE 11/16/2020	<b>Eaton</b>	
	APPROVED BY	DATE	JOB NAME WATAUGA COUNTY SPORTSPLEX	DESIGNATION
	VERSION 1.0.0.4	TYPE Dry-Type Transformer	DRAWING TYPE Customer Appr.	
NEG-ALT Number K689116X0K1-0000	REVISION 0	DWG SIZE A	G.O.	SHEET 1 of 1

WDG	Volts	Connect	Line	
HV	Use Both Cables Provided			
	504	5 to 10	H1-H2	
	492	5 to 9		
	480	4 to 9		
	468	4 to 8		
	456	3 to 8		
	444	3 to 7		
	432	2 to 7		
	Use 1 Cable per Conn.			
	252	5 to H2 & 10 to H1		
240	4 to H2 & 9 to H1			
228	3 to H2 & 8 to H1			
216	2 to H2 & 7 to H1			
LV	240	X2 to X3	X1-X4	
	120	X1 to X3 & X2 to X4		
	* 120/240	X2 to X3		

\* THREE WIRE OPERATION



PRODUCT CODE: TRANSFORMER		FEDERAL ID NO.		DFTR	DATE	THE INFORMATION ON THIS DOCUMENT WAS CREATED BY EATON CORPORATION. IT WAS DISCLOSED IN CONFIDENCE AND IS ONLY TO BE USED FOR THE PURPOSE IN WHICH IT WAS SUPPLIED.	<b>EATON</b>
				HEG	12/01/01		
				APPO	DATE	TITLE DRY TYPE TRANSFORMER WIRING SCHEMATIC	
				EER	12/01/01		
05 UPDATE FORMAT EATON & CHANGE DESC TO HV/LV		J.C.S.	C.B.	10/JUN/14	S.D.	TYPE DRY TYPE TRANSFORMER	WIRING
REV	DESCRIPTION	DFTR	APPO	DATE	REVISION	Q.D.	DWG
REVISIONS					05		3XA
							SHEET 1 OF 01

GO/NEG-Air-Date: K5891116XOK1-0000-11/16/2020		Job Name: WATAUGA COUNTY SPORTSPLEX	
Item Number:	Catalog Number: T20P11S2516	Designation:	



100 Amp 120/240 V SP  
Sub Panel

# Loadcenters and Circuit Breakers

Type CH Loadcenters and Circuit Breakers

# 1.1

## Product Selection

### Single-Phase—Main Circuit Breaker Loadcenters—10/25 kAIC

1

#### CHP14B100X1 Single-Phase Three-Wire—120/240 Vac—Insulated/Bondable Split Neutral



Main Breaker Type	Main Ampere Rating	Maximum Number 3/4-Inch (19.1 mm) of Spaces	Maximum Number 3/4-Inch (19.1 mm) of Poles	Enclosure Type	Box Size	Wire Size Range Cu/Al 60 °C or 75 °C for Main Breaker	Loadcenter <sup>(1)</sup> Catalog Number	Combination <sup>(2)</sup>	Surface	
CH 10 kAIC	100	14	28	Indoor	X1	#6-1/0	CHP14B100X1 <sup>(1)(3)</sup>	CHPX1AF <sup>(4)</sup>	CHPX1AS <sup>(5)</sup>	
		14	28	Outdoor	XDR	#6-1/0	CHP14B100R <sup>(6)</sup>	—	—	
		18	36	Indoor	X2	#6-1/0	CHP18B100X2 <sup>(1)(3)</sup>	CHPX2AF <sup>(4)</sup>	CHPX2AS <sup>(5)</sup>	
		18	36	Outdoor	X2R	#6-1/0	CHP18B100R <sup>(6)</sup>	—	—	
		22	44	Indoor	X2	#6-1/0	CHP22B100X2 <sup>(1)(3)</sup>	CHPX2AF <sup>(4)</sup>	CHPX2AS <sup>(5)</sup>	
		22	44	Outdoor	X2R	#6-1/0	CHP22B100R <sup>(6)</sup>	—	—	
	125	125	30	60	Indoor	X5	#6-1/0	CHP30B100X5 <sup>(1)(3)</sup>	CHPX5AF <sup>(4)</sup>	CHPX5AS <sup>(5)</sup>
			30	60	Outdoor	X5R	#6-1/0	CHP30B100R <sup>(6)</sup>	—	—
			22	44	Indoor	X2	#6-1/0	CHP22B125X2 <sup>(1)(3)</sup>	CHPX2AF <sup>(4)</sup>	CHPX2AS <sup>(5)</sup>
			22	44	Outdoor	X2R	#6-1/0	CHP22B125R <sup>(6)</sup>	—	—
			30	60	Indoor	X5	#6-1/0	CHP30B125X5 <sup>(1)(3)</sup>	CHPX5AF <sup>(4)</sup>	CHPX5AS <sup>(5)</sup>
			30	60	Outdoor	X5R	#6-1/0	CHP30B125R <sup>(6)</sup>	—	—
CSR 25 kAIC	150	24	48	Indoor	X5	#2-300 kcmil	CHP24B150X5 <sup>(1)(3)</sup>	CHPX5BF <sup>(4)</sup>	CHPX5BS <sup>(5)</sup>	
		24	48	Outdoor	X5R	#2-300 kcmil	CHP24B150R <sup>(6)</sup>	—	—	
		32	64	Indoor	X6	#2-300 kcmil	CHP32B150X6 <sup>(1)(3)</sup>	CHPX6BF <sup>(4)</sup>	CHPX6BS <sup>(5)</sup>	
		32	64	Outdoor	X6R	#2-300 kcmil	CHP32B150R <sup>(6)</sup>	—	—	
	200	200	8	16	Outdoor	X5R	#2-300 kcmil	CHP08B200RF <sup>(7)</sup>	—	—
			24	48	Indoor	X5	#2-300 kcmil	CHP24B200X5 <sup>(1)(3)</sup>	CHPX5BF <sup>(4)</sup>	CHPX5BS <sup>(5)</sup>
			24	48	Outdoor	X5R	#2-300 kcmil	CHP24B200R <sup>(6)</sup>	—	—
			32	64	Indoor	X6	#2-300 kcmil	CHP32B200X6 <sup>(1)(3)</sup>	CHPX6BF <sup>(4)</sup>	CHPX6BS <sup>(5)</sup>
			32	64	Outdoor	X6R	#2-300 kcmil	CHP32B200R <sup>(6)</sup>	—	—
			42	84	Indoor	X7	#2-300 kcmil	CHP42B200X7 <sup>(1)(3)</sup>	CHPX7BF <sup>(4)</sup>	CHPX7BS <sup>(5)</sup>
			42	84	Outdoor	X7R	#2-300 kcmil	CHP42B200R <sup>(6)</sup>	—	—
			60	120	Indoor	X9	#2-300 kcmil	CHP60B200X9 <sup>(1)(3)</sup>	CHPX9BF <sup>(4)</sup>	—
225	225	32	64	Outdoor	X6R	#2-300 kcmil	CHP32B225R <sup>(6)</sup>	—	—	
		42	84	Indoor	X7	#2-300 kcmil	CHP42B225X7 <sup>(1)(3)</sup>	CHPX7BF <sup>(4)</sup>	CHPX7BS <sup>(5)</sup>	
		42	84	Outdoor	X7R	#2-300 kcmil	CHP42B225R <sup>(6)</sup>	—	—	
		60	120	Indoor	X9	#2-300 kcmil	CHP60B225X9 <sup>(1)(3)</sup>	CHPX9BF <sup>(4)</sup>	—	
DK 10 kAIC	300	42	84	Indoor	PM	(2) 3/0-250 kcmil	CHP42PM300	CH7PMF <sup>(8)</sup>	CH7PMS	
	400	42	84	Indoor	PM	(2) 3/0-250 kcmil	CHP42PM400	CH7PMF <sup>(8)</sup>	CH7PMS	

- Notes**
- (1) All main circuit breaker loadcenters are listed for use as service entrance equipment.
  - (2) Ground bar kits priced separately. See Page V1-T1-26.
  - (3) Combination style covers may be used in surface or flush applications.
  - (4) Can be top or bottom fed by rotating the enclosure and trim 180 degrees.
  - (5) Plug-on Neutral style loadcenter.
  - (6) Rainproof panels are furnished with hub closure plates. For rainproof hubs, refer to See Page V1-T1-25.
  - (7) Panel includes #2-300 kcmil feed-through lugs.
  - (8) This cover is for flush applications only (not combination).
- Box sizes Pages V1-T1-31 and V1-T1-32.

# Loadcenters and Circuit Breakers

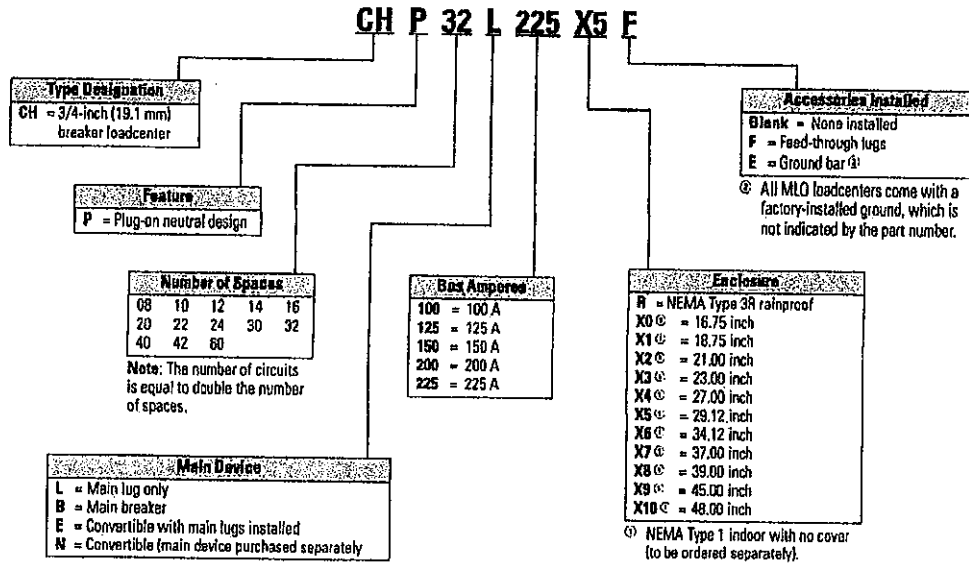
## Type CH Loadcenters and Circuit Breakers

# 1.1

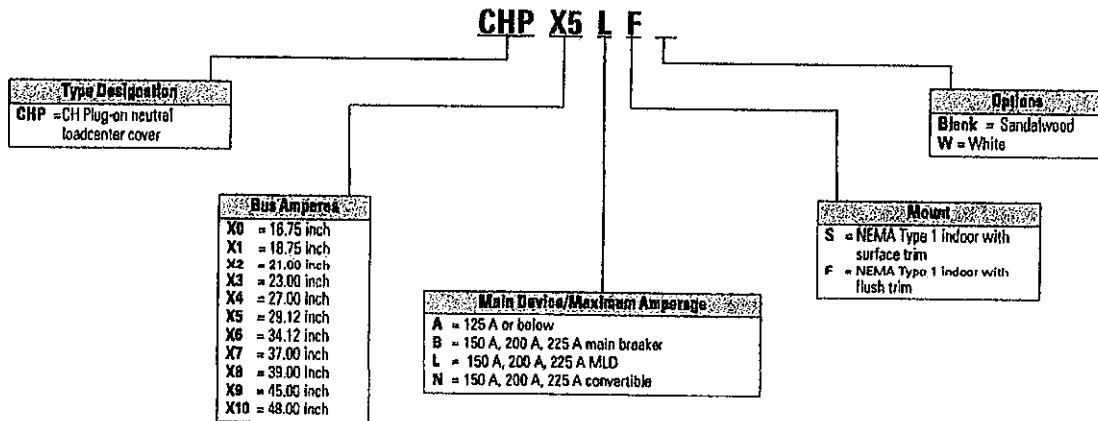
### Catalog Number Selection

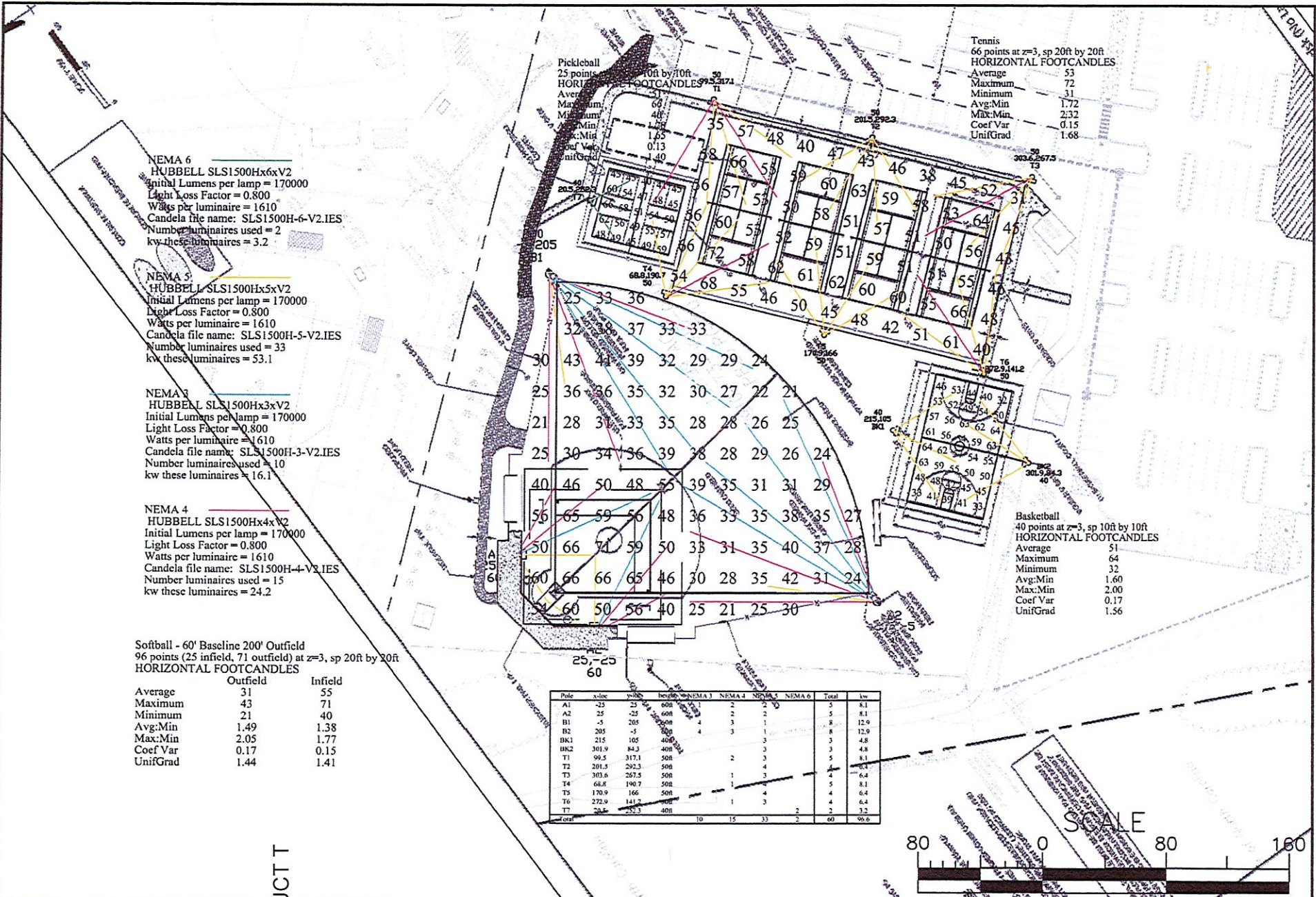
#### CH Plug-on Neutral Loadcenters

1



#### CH Plug-on Neutral Covers (Ordered Separately)





**NEMA 6**  
 HUBBELL SLS1500Hx6xV2  
 Initial Lumens per lamp = 170000  
 Light Loss Factor = 0.800  
 Watts per luminaire = 1610  
 Candela file name: SLS1500H-6-V2.IES  
 Number luminaires used = 2  
 kw these luminaires = 3.2

**NEMA 5**  
 HUBBELL SLS1500Hx5xV2  
 Initial Lumens per lamp = 170000  
 Light Loss Factor = 0.800  
 Watts per luminaire = 1610  
 Candela file name: SLS1500H-5-V2.IES  
 Number luminaires used = 33  
 kw these luminaires = 53.1

**NEMA 3**  
 HUBBELL SLS1500Hx3xV2  
 Initial Lumens per lamp = 170000  
 Light Loss Factor = 0.800  
 Watts per luminaire = 1610  
 Candela file name: SLS1500H-3-V2.IES  
 Number luminaires used = 10  
 kw these luminaires = 16.1

**NEMA 4**  
 HUBBELL SLS1500Hx4xV2  
 Initial Lumens per lamp = 170000  
 Light Loss Factor = 0.800  
 Watts per luminaire = 1610  
 Candela file name: SLS1500H-4-V2.IES  
 Number luminaires used = 15  
 kw these luminaires = 24.2

Softball - 60' Baseline 200' Outfield  
 96 points (25 infield, 71 outfield) at z=3, sp 20ft by 20ft  
 HORIZONTAL FOOTCANDLES

	Outfield	Infield
Average	31	55
Maximum	43	71
Minimum	21	40
Avg:Min	1.49	1.38
Max:Min	2.05	1.77
Coef Var	0.17	0.15
UnifGrad	1.44	1.41

Pickleball  
 25 points at z=3, sp 10ft by 10ft  
 HORIZONTAL FOOTCANDLES

Average	51
Maximum	66
Minimum	40
Avg:Min	1.25
Max:Min	1.65
Coef Var	0.13
UnifGrad	1.40

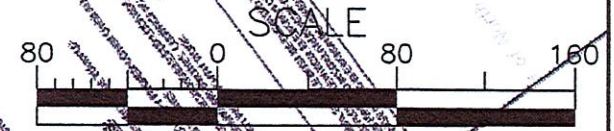
Tennis  
 66 points at z=3, sp 20ft by 20ft  
 HORIZONTAL FOOTCANDLES

Average	53
Maximum	72
Minimum	31
Avg:Min	1.72
Max:Min	2.32
Coef Var	0.15
UnifGrad	1.68

Basketball  
 40 points at z=3, sp 10ft by 10ft  
 HORIZONTAL FOOTCANDLES

Average	51
Maximum	64
Minimum	32
Avg:Min	1.60
Max:Min	2.00
Coef Var	0.17
UnifGrad	1.56

Pole	x loc	y loc	height	NEMA 3	NEMA 4	NEMA 5	NEMA 6	Total	kw
A1	-25	-25	60ft	1	2	2	0	5	8.1
A2	25	-25	60ft	1	2	2	0	5	8.1
B1	-5	205	60ft	4	3	1	0	8	12.9
B2	205	-5	60ft	4	3	1	0	8	12.9
BK1	215	105	40ft	3	3	0	0	3	4.8
BK2	301.9	84.3	40ft	3	3	0	0	3	4.8
T1	99.5	317.1	50ft	0	2	3	0	5	8.1
T2	201.5	292.3	50ft	0	1	4	0	5	8.1
T3	303.6	267.5	50ft	0	1	3	0	4	6.4
T4	68.8	198.7	50ft	0	1	4	0	5	8.1
T5	170.9	166	50ft	0	1	4	0	5	8.1
T6	272.9	141.2	50ft	0	1	3	0	4	6.4
T7	20.4	292.3	40ft	0	0	2	2	2	3.2
<b>Total</b>				<b>10</b>	<b>15</b>	<b>33</b>	<b>2</b>	<b>60</b>	<b>96.6</b>



PO BOX 41029  
 CHARLOTTE NC 28241  
 OFFICE (704) 587-6692  
 FAX (704) 587-3318  
 www.tsportslight.com

Calculated light levels and visualizations are based on specific information that has been supplied to TSL. Any differences in luminaire installation, lighted area geometry and obstructions in the lighted area may produce different results from the predicted values. Normal tolerances of voltage, lamp output, and ballast and luminaire manufacture will effect results.

DATE: 11/6/20  
 DRAWING NUMBER: A020419TSL1

REV: 01  
 CHECK BY: [blank]  
 DRAWN BY: TSL

WATAUGA COUNTY PARKS AND REC  
 TORRENCE SPORTS LIGHTING

**E. F. Belk & Son, Inc.****ELECTRICAL CONTRACTORS**

(NC 150 BY-PASS)  
 933 OAKRIDGE FARM HWY.  
 MOORESVILLE, NC 28115

Voice (704)664-5959  
 Fax (704) 664-3840  
 email: cbelk@efbelkelectric.com

December 23, 2020

Watauga County Community Park

Attn:

Ref: **Brian Crutchfield**

This electrical quote is per the request of Brian Crutchfield per my plan review. This quote is for setting (4) poles on a softball field, (7) poles on tennis and pickle courts, (2) poles on basket ball court. Installing a new 200 amp 277-480 volt service, 25 kva 480-240 volt transformer and a 120-240 volt 100 amp panel. All panels-transformers are Square D and Nema 3r. All electrical equipment is per specs. Please feel free to call with any questions or for clarification.

**Quote (1): New 200 Amp Service- Setting (13) Total Steel Poles** **\$388,020.00**  
**Included in this Quote:**

1. Get engineered drawings/stamp.
2. Pulling permits.
3. Laying out new locations of (7)-60' OL poles on tennis-pickle ball courts per engineering/stamped drawings.
4. Laying out new locations of (4)-70' OL poles on softball field per engineering/stamped drawings.
5. Laying out new locations of (2)-50' OL poles on basketball courts per engineering/stamped drawings.
6. Installing a new 200 amp 277-480 volt, 25 kva 480-240 volt transformer, and 120-240 volt panel on a 2" galvanized angle iron rack. All electrical equipment is Nema 3R.
7. Excavating (6) 1" conduit for pole feeders (1) to Poles T1-T2-T4-T5, (1) to Poles T-2-T-3 T-5 T-6, (1) to Poles T-1 T-4 T-7, (1) to Poles A-1 B-1, (1) to Poles A-2 B-2, (1) BK-1 BK-2 out of new (3) new contactor cabinets located within 50' of (3) total fields.
8. Running (1) 1" conduit from behind home plate to score board for controls.
9. Tamping ditches.
10. Rigging poles and installing lights, cages, steps, and pulling wire up pole.
11. Making terminations in junction box at top of pole.
12. Boring (13)-30" holes 10' deep per pole manufacturer engineered specs.
13. Using a crane and setting all (13) poles.
14. Using concrete backfilling holes.
15. Terminating conduits into poles.
16. Pulling feeder wire from contactor cabinet to poles.
17. Terminating on contactors and making joints in poles.

18. Getting inspections and turning power on.
19. Checking and making sure everything is in proper working order.
20. Doing a Photo metrics test at night to make sure that proper foot candles are present.
21. Cleaning all trash, dirt, gravel, etc.
22. Equipment Rental- trencher, tamp, air compressor, bobcat, crane, and hole boring truck.
20. Labor to install.

*Rock Clause/Unsuitable Soils:*

*If Rock, Unsuitable Soils, or Ground Water is encountered while Excavating, Trenching or Boring Holes we will stop once encountered and assess location with Owner. We will handle any Rock Encountered/Unsuitable Soils on a Time and Material Basis.*

Yours Truly,

A handwritten signature in black ink that reads "Chip Belk". The signature is written in a cursive, slightly slanted style.

Chip Belk

Watauga County Community Recreation Center Outdoor Sports Lighting Project

CONTACT SIGNATURE: Chip Belk

COMPANY FAX: 704 664 3840

COMPANY PHONE: 704 664 5959

EMAIL ADDRESS: cbelk@efbelkelectric.com

NC ELECTRICAL LICENSE NUMBER:

Special Quote Conditions:

1. The winning bidder will provide all materials and labor and other needs according to the scope of work above to Watauga County.

Insuring that quotes are received by Watauga County and received on time is the sole responsibility of the bidding contractor. Watauga County takes no responsibility for the lost or late submissions. You can submit a quote on your company quote form/letterhead if you are not using the attached bid form. Be sure to include the pertinent information. Bids will be accepted by email.

All prices and notations shall be printed in ink or typewritten. Errors shall be crossed out and corrections entered and initialed by the person signing the bid. Erasures or use of typewriter correction media may be cause for rejection of the bid. No bid shall be altered or amended after the specified time for opening.

Watauga County reserves the right to reject portions of a bid, as well as any and all bids in their entirety and to waive minor irregularities in the bid that, in the opinion of the foundation, do not affect the overall validity of the bid.

Watauga County Community Recreation Center Outdoor Sports Lighting Project

- A. Failure to provide any of the following information with the alternate submittal will be grounds for rejection of the alternate. Each item listed below shall be provided in the form of clear and concise statements and/or plans and drawings which can be easily read and clearly interpreted. Each item shall also be clearly lettered to correspond with the following list. All items shall be assembled in the order indicated and secured or bound in a neat and orderly fashion for easy use and reference. Faxed bids will not be accepted. Owner must notify all bidders of any approved alternate by addendum only. Bidders requesting to use equipment other than that specified shall submit 7 days prior to bid opening the following:
1. Lighting layout design showing luminaire mounting heights, aiming focus points, reflector types, number of luminaires per pole and kilowatt consumption for initial and maintained designs per fixture counts set forth and initial foot-candles per this specification.
  2. A drawing of the Sports Lighting Structure meeting or exceeding specified criteria.
  3. Computer generated point-by-point analysis of field light values as set forth in accordance with lighting performance specifications.
  4. Complete photometric reports produced by an independent testing laboratory for each type of reflector to be utilized to achieve performance criteria.
  5. Computer generated spill/glare analysis in accordance with lighting performance specifications.
  6. Written statements of model number and manufacturer for all equipment bid.
  7. Written warranty from the manufacturer covering entire structure as outlined in specifications.
  8. Certified engineer shall verify and stamp wind load tests of luminaire assembly to meet or exceed structural strength as described in specifications. Please note, EPA test does not constitute mis-alignment verification.
  9. UL Test Number
  10. Manufacturer shall submit a letter guaranteeing that foot-candle levels and uniformity as specified will be met. In addition, manufacturer's remedy to deficiencies will be noted.
  11. There shall be provided by the manufacturer sufficient data and calculations to show that the specified criteria will be met.

Failure to provide any of the above-described documentation will be grounds for proposal rejection.

BASE BID - As shown in scope of work above: \$ 380,020.00

\* Base Bid price includes all labor, materials, permits taxes, and anything else to complete project

COMPANY NAME: EF Belk & Son Inc DATE: 12-23-20

COMPANY ADDRESS: 933 Oakridge Farm Hwy Mooresville, NC 28115

CONTACT NAME: Chip Belk

Watauga County Community Recreation Center Outdoor Sports Lighting Project

- A. Failure to provide any of the following information with the alternate submittal will be grounds for rejection of the alternate. Each item listed below shall be provided in the form of clear and concise statements and/or plans and drawings which can be easily read and clearly interpreted. Each item shall also be clearly lettered to correspond with the following list. All items shall be assembled in the order indicated and secured or bound in a neat and orderly fashion for easy use and reference. Faxed bids will not be accepted. Owner must notify all bidders of any approved alternate by addendum only. Bidders requesting to use equipment other than that specified shall submit 7 days prior to bid opening the following:
1. Lighting layout design showing luminaire mounting heights, aiming focus points, reflector types, number of luminaires per pole and kilowatt consumption for initial and maintained designs per fixture counts set forth and initial foot-candles per this specification.
  2. A drawing of the Sports Lighting Structure meeting or exceeding specified criteria.
  3. Computer generated point-by-point analysis of field light values as set forth in accordance with lighting performance specifications.
  4. Complete photometric reports produced by an independent testing laboratory for each type of reflector to be utilized to achieve performance criteria.
  5. Computer generated spill/glare analysis in accordance with lighting performance specifications.
  6. Written statements of model number and manufacturer for all equipment bid.
  7. Written warranty from the manufacturer covering entire structure as outlined in specifications.
  8. Certified engineer shall verify and stamp wind load tests of luminaire assembly to meet or exceed structural strength as described in specifications. Please note, EPA test does not constitute mis-alignment verification.
  9. UL Test Number
  10. Manufacturer shall submit a letter guaranteeing that foot-candle levels and uniformity as specified will be met. In addition, manufacturer's remedy to deficiencies will be noted.
  11. There shall be provided by the manufacturer sufficient data and calculations to show that the specified criteria will be met.

Failure to provide any of the above-described documentation will be grounds for proposal rejection.

BASE BID - As shown in scope of work above: \$ 442,049.00

\* Base Bid price includes all labor, materials, permits taxes, and anything else to complete project


COMPANY NAME: QUALITE SPORTS LIGHTING LLC DATE: 12/23/2020

COMPANY ADDRESS: 215 W. MECHANIC HILLSDALE, MI 49242

CONTACT NAME: TODD KROHN



Watauga County Community Recreation Center Outdoor Sports Lighting Project

CONTACT SIGNATURE: 

COMPANY FAX: 517-437-3146 COMPANY PHONE: 517-610-5709

EMAIL ADDRESS: TKRDHW@QUALITE.COM

NC ELECTRICAL LICENSE NUMBER: U33762

Special Quote Conditions:

1. The winning bidder will provide all materials and labor and other needs according to the scope of work above to Watauga County.

Insuring that quotes are received by Watauga County and received on time is the sole responsibility of the bidding contractor. Watauga County takes no responsibility for the lost or late submissions. You can submit a quote on your company quote form/letterhead if you are not using the attached bid form. Be sure to include the pertinent information. Bids will be accepted by email.

All prices and notations shall be printed in ink or typewritten. Errors shall be crossed out and corrections entered and initialed by the person signing the bid. Erasures or use of typewriter correction media may be cause for rejection of the bid. No bid shall be altered or amended after the specified time for opening.

Watauga County reserves the right to reject portions of a bid, as well as any and all bids in their entirety and to waive minor irregularities in the bid that, in the opinion of the foundation, do not affect the overall validity of the bid.

**AGENDA ITEM 12:**

**RADIO INFRASTRUCTURE BUDGET AMENDMENT REQUEST**

**MANAGER’S COMMENTS:**

Mr. Will Holt, Emergency Services Director, will request the Board authorize the use of \$100,000 from the Emergency Communications line in the County’s CIP. Additional funding is being requested due to the progress occurring with the system improvements.

Board action is required to authorize the use of \$100,000 from the Emergency Communications line in the County’s CIP.



# Watauga County Emergency Services

184 Hodges Gap Rd, Suite D  
Boone, NC 28607  
Phone 828-264-4235  
Fax 828-265-7617



**Fire Marshal ♦ Emergency Management ♦ Communications**

January 12, 2021

**To:** Board of Commissioners

**CC:** Deron Geouque, County Manager  
Misty Watson, Finance Director  
Anita Fogle, Clerk to the Board

**Subject:** Radio Infrastructure Budget Amendment

Board of Commissioners,

Please consider my request for \$100,000 from the capital reserve plan for the radio infrastructure project for use this fiscal year. This request is due to progress occurring more rapidly than expected at two sites in the northern and southeastern portions of the county site along with the need to take additional design steps at the Foscoe site. The current allocation from the CIP for this fiscal year has been used in system design, completion of regulatory requirements, upgrades to current facilities, and the inspection of the Rich Mountain and Communications Center towers.

Respectfully,

Will Holt  
ES Director

**AGENDA ITEM 13:****MISCELLANEOUS ADMINISTRATIVE MATTERS*****A. Selection of an Architect for the New Valle Crucis Elementary School***

The County solicited requests for qualifications for architectural services for the new Valle Crucis Elementary School. The proposals were due November 13, 2020. The facilities committee consisting of Chairman Welch, Commissioner Wallin, County Manager Geouque, Watauga County School Board Chairman Childers, and School Superintendent Dr. Elliott reviewed the nine (9) proposals submitted. After a thorough review along with substantial discussion, the members unanimously agreed to recommend the selection of Clark Nexsen to the Board of Commissioners for their approval.

Clark Nexsen was selected due to their recent success with the design and construction of the County's new Community Recreation Center. The County has worked with Clark Nexsen over the past ten (10) years. Clark Nexsen also has work experience with the school system having recently completed a comprehensive study of their facilities. In addition, Clark Nexsen assisted with the due diligence on the property acquired for the new school. Their involvement in the due diligence period has provided Clark Nexsen with extensive knowledge of the current site and its conditions.

Staff would recommend the Board select Clark Nexsen as the architect for the new Valle Crucis School and authorize the County Manager to negotiate a contract.

Board action is required.

Blank Page

**AGENDA ITEM 13:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*B. Discussion of Turner House Demolition*

**MANAGER'S COMMENTS:**

The Boone Town Manager sent an email inquiring if the County is interested in any further discussions or exploration of the joint Queen Street Parking Lot.

Staff seeks direction from the Board.

Blank Page

**AGENDA ITEM 13:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*C. Proposed Dates for Annual Pre-Budget Retreat*

**MANAGER'S COMMENTS:**

The proposed dates for the Annual Pre-Budget Retreat are February 8<sup>th</sup> and 9<sup>th</sup> or the 11<sup>th</sup> and 12<sup>th</sup> with times proposed from 12–7 P.M. and 9 A.M.–1 P.M. Two days are required for the Retreat and should the Board wish, times and dates may be adjusted accordingly.

Direction from the Board is requested to set the dates of the Retreat.



Blank Page

## **AGENDA ITEM 13:**

### **MISCELLANEOUS ADMINISTRATIVE MATTERS**

#### ***D. Proposed Dates for Budget Work Sessions***

#### **MANAGER'S COMMENTS:**

The Board holds two budget work sessions each year. The work sessions are scheduled after the Manager's proposed budget is presented on the first meeting in May. The proposed dates for the budget work sessions are May 6<sup>th</sup> and 7<sup>th</sup> or the 13<sup>th</sup> and 14<sup>th</sup> with times proposed from 12–8 P.M. and 9 A.M.–1 P.M. Should the Board wish, times and dates may be adjusted accordingly.

Direction from the Board is requested to set the dates of the budget work sessions.

Blank Page

**AGENDA ITEM 13:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*E. Proposed Resolution to Support the North Carolina Association of County Commissioners (NCACC) Initiative on Food Resiliency*

**MANAGER'S COMMENTS:**

The North Carolina Association of County Commissioners (NCACC) is requesting the Board adopt the attached resolution promoting food system resiliency.

Board action is requested.

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

**DRAFT****RESOLUTION in Support of NCACC Presidential Initiative  
to Promote Food System Resiliency**

**WHEREAS**, access to food is a basic human need and is vital to the well-being of a community; and

**WHEREAS**, all 100 North Carolina counties are committed to ensuring the needs of their citizens are met; and

**WHEREAS**, food security, defined as reliable access to quality, affordable food, is vital to a thriving community and food insecurity threatens the fabric of a healthy society; and

**WHEREAS**, according to Feeding America's annual Map the Meal Gap study, conducted to improve our understanding of food insecurity and food costs at the local level, the average food insecurity rate across North Carolina's counties is 14 percent. And Feeding America projects that the rate will rise to 19.3 percent due to the pandemic; and

**WHEREAS**, Watauga County has a food insecurity rate of twenty percent (20%); and

**WHEREAS**, the current pandemic is only further exacerbating the issue of food insecurity and families are facing difficult decisions about how to make ends meet, including whether they can afford the food they need; and

**WHEREAS**, it is projected that the food insecurity rate in North Carolina will rise to 19.3 percent due to the pandemic and the child food insecurity rate is projected to rise from 19.3 percent to 28.6 percent; and

**WHEREAS**, according to state officials, agriculture and agribusiness account for 17% of all jobs in the state and an annual economic impact of \$91.8 billion and is a vital aspect of the economy in North Carolina; and

**WHEREAS**, county commissioners have a responsibility to ensure the basic needs of our citizens are met; and

**WHEREAS**, the North Carolina Association of County Commissioners (NCACC), under the direction of President Ronnie Smith will be leading a task force to address food system resiliency to help counties take actions to ensure the resources we have are getting to the people in need; and

**WHEREAS**, the NCACC Task Force will be meeting to examine the various issues that go into creating and sustaining a resilient food system for our residents; and

**WHEREAS**, by supporting our farmers, supply chains, agribusiness, food industry, and hungry families, we can build resilient communities.

**NOW, THEREFORE, LET IT BE RESOLVED**, that the Watauga County Board of Commissioners do hereby support the work of the NCACC task force and will commit to examining the food system in Watauga County and take steps to help strengthen the system in the service of sustaining a thriving community.

**ADOPTED** this the 19<sup>th</sup> day of January, 2021.

---

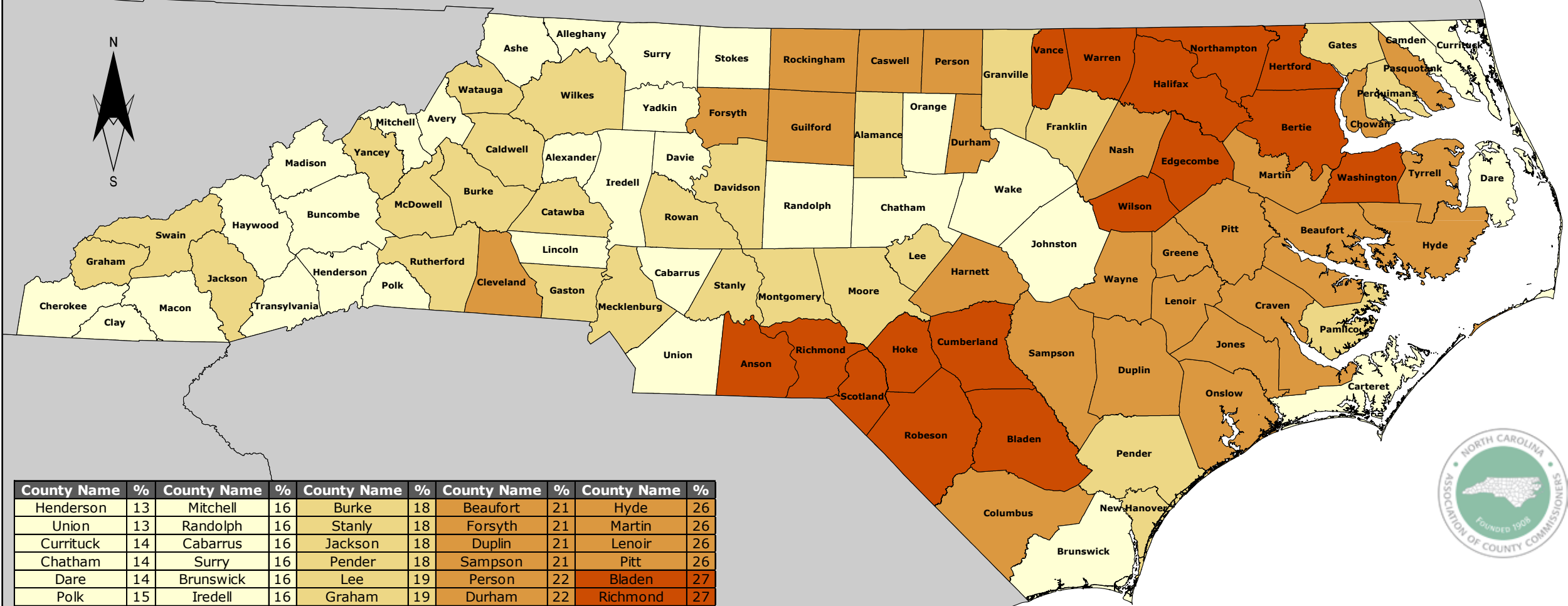
John Welch, Chairman  
Watauga County Board of Commissioners

ATTEST:

---

Anita J. Fogle  
Clerk to the Board

# Food Insecurity Rates



County Name	%	County Name	%	County Name	%	County Name	%	County Name	%
Henderson	13	Mitchell	16	Burke	18	Beaufort	21	Hyde	26
Union	13	Randolph	16	Stanly	18	Forsyth	21	Martin	26
Currituck	14	Cabarrus	16	Jackson	18	Duplin	21	Lenoir	26
Chatham	14	Surry	16	Pender	18	Sampson	21	Pitt	26
Dare	14	Brunswick	16	Lee	19	Person	22	Bladen	27
Polk	15	Iredell	16	Graham	19	Durham	22	Richmond	27
Davie	15	Johnston	16	Alamance	19	Harnett	22	Anson	27
Transylvania	15	Orange	16	New Hanover	19	Craven	22	Wilson	27
Lincoln	15	Cherokee	16	Rowan	19	Cleveland	22	Hoke	28
Avery	15	Ashe	16	Franklin	19	Greene	23	Warren	28
Clay	15	Alexander	16	Montgomery	19	Guilford	23	Cumberland	28
Yadkin	15	Wake	16	Gaston	19	Caswell	23	Bertie	28
Carteret	15	Catawba	17	Gates	20	Tyrrell	24	Robeson	28
Haywood	15	Moore	17	Granville	20	Jones	24	Washington	29
Buncombe	16	Yancey	17	Rutherford	20	Nash	24	Hertford	30
Alleghany	16	Davidson	17	Swain	20	Columbus	25	Vance	30
Madison	16	Caldwell	17	Mecklenburg	20	Wayne	25	Northampton	31
Stokes	16	Pamlico	17	Watauga	20	Pasquotank	25	Halifax	32
Camden	16	McDowell	17	Perquimans	20	Onslow	25	Scotland	33
Macon	16	Wilkes	18	Rockingham	21	Chowan	26	Edgecombe	33

Source: Map the Meal Gap (2016 data)

Note: Food insecurity refers to USDA's measure of lack of access, at times, to enough food for an active, healthy life for all household members and limited or uncertain availability of nutritionally adequate foods. Food-insecure households are not necessarily food insecure all the time.



**AGENDA ITEM 13:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*F. Proposed Resolution Supporting the Approval and Adoption of the High Country Council of Governments Charter*

**MANAGER'S COMMENTS:**

The High Country Council of Governments is requesting the Board adopt the attached resolution amending their existing Charter.

Board action is required.



STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

**DRAFT**

**Resolution Supporting the Approval and Adoption of the  
High Country Council of Governments Charter**

**WHEREAS**, the High Country Council of Governments was originally chartered in 1974, when created by the Counties of Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey, then as “Region D Council of Governments;” and

**WHEREAS**, since formed, the High Country Council of Governments has adopted bylaws, and from time-to-time amended both its Charter and bylaws; and

**WHEREAS**, the High Country Council of Governments has grown by adding municipalities, and its governance has evolved to include regular monthly meetings of the full board where all member counties and municipalities have voting representatives; and

**WHEREAS**, the Executive Board and management of the High Country Council of Governments have undertaken to update and modernize its Charter, with the proposed amended Charter attached hereto; and

**WHEREAS**, by Charter, two-thirds of the participating governmental units must approve of any Charter amendment; and

**WHEREAS**, this County’s Board of Commissioners has had opportunity to review the changes contained within the proposed amendments to the Charter attached hereto, and finds that those changes accurately reflect, modernize, and improve the High Country Council of Governments’ ongoing organization and operations and should be approved and adopted.

**NOW, THEREFORE, BE IT RESOLVED** by the Watauga County Board of Commissioners that the attached amended Charter for the High Country Council of Governments should be adopted and approved.

**ADOPTED** this the 19<sup>th</sup> day of January, 2021.

---

John Welch, Chairman  
Watauga County Board of Commissioners

ATTEST:

---

Anita J. Fogle  
Clerk to the Board

CONCURRENT RESOLUTION TO ENACT  
A CHARTER FOR THE  
~~REGION D~~ HIGH COUNTRY COUNCIL OF GOVERNMENTS

Whereas, Article 20 of Chapter 160A authorizes any two or more municipalities and counties to create a regional council of local officials with such powers as are specified in the creating resolution or amendments thereof; and

Whereas, the governing bodies of the Counties of Alleghany, Ashe, Wilkes, Watauga, Avery, Mitchell, and Yancey have expressed an interest in the creation of a regional council of local officials; and the governing bodies of their local governmental units finds that it would be in the best interest of the citizens of this area to join together in the creation of such a regional council of local officials; and

Whereas, a regional council of local officials would benefit the governmental units participating in such a council, would provide a forum in which the participating officials might study and discuss community problems of mutual interest and concern and could lead to making of recommendations for consideration by the participating local governing bodies.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Alleghany, Ashe, Watauga, Wilkes, Avery, Mitchell, and Yancey Counties, that there be formed a regional council of local officials to be designated ~~Region D~~ High Country Council of Governments with the charter of said council being as follows:

CHARTER OF THE ~~REGION D~~ HIGH COUNTRY COUNCIL OF GOVERNMENTS

ARTICLE I

Section 1. Name of Council

The name of the regional council of local officials hereby created is the ~~Region D~~ High Country Council of Governments. Hereinafter referred to as the "Council."

Section 2. Membership

- a) Membership in the Council shall consist of the ~~e~~Counties of Alleghany, Ashe, Wilkes, Watauga, Avery, Mitchell, and Yancey upon adoption of this concurrent resolution. Thereafter, membership shall be allowed to any municipality ~~in~~ ~~Region D~~ within the geographic region of the Council upon adoption by the applicant of a resolution committing to joining the Council as it is then constituted and operating. ~~identical to the one under which the Council is then operating.~~ The governing body of the applicant shall select one of its elected members to be ~~a~~ an Executive Board member of the Council. Membership shall

also be open to minority organizations ~~of Region D~~ within the geographic region of the Council.

- b) Any participating governmental unit, or minority organization, may withdraw from the Council at the end of any Council fiscal year, after having given sixty (60) days' notice to that effect and sending a certified copy of ~~said~~ a resolution to ~~withdraw~~ to ~~each of~~ the other participating governmental units.

### Section 3. Governing Structure

- a) ~~Council Executive~~ Board. ~~All~~ The members ~~of delegated to~~ the Council shall be collectively referred to as the ~~Council Executive~~ Board. Each member ~~government~~ shall select a member of their governing board ~~or representatives of minority organizations~~ as its representative on the ~~Council Executive~~ Board.
- ~~b) Executive Committee. The Executive Committee shall consist of the following:~~
- ~~1. One elected official from a municipality within each county with each county's municipal representative being selected by caucus of their members at the annual meeting of the Council Board.~~
  - ~~2. One elected official from each member municipality within each county.~~
  - ~~3. One representative of minority organizations within the Region.~~
- ~~The maximum number of Executive Committee members is fifteen.~~
- c) Voting:
1. Voting on ~~both~~ the ~~Council Executive~~ Board ~~and the Executive Committee~~ shall be on the basis of one vote per member of the ~~Council Executive~~ Board ~~or Executive Committee~~ unless a ~~weighed~~ ~~weighted~~ vote is called for under the provision of subparagraph 2 hereunder.
  2. A ~~weighed~~ ~~weighted~~ vote may be called for by any member of the ~~Council Executive~~ Board ~~or Executive Committee~~.
  3. In ~~weighed~~ ~~weighted~~ voting, each ~~governmental representative~~ member of the Executive ~~Committee Board~~ is allowed one vote plus one vote for each 10,000 population or a fraction thereof represented.
- d) ~~Quorum. 60%~~ ~~50%~~ of the members of the ~~Council Executive~~ Board shall constitute a quorum at any regular or special meeting of the ~~Council Executive~~ Board. The affirmative vote of a simple majority of the votes cast shall be necessary to act favorably on any matter.

### Section 4. Purpose

The purpose of the Council shall be:

1. To serve as a forum for discussion of governmental problems of mutual interest and concern.

2. To develop and formalize policy recommendations concerning matters having an area-wide significance.
3. To promote inter-governmental cooperation.
4. To provide organizational machinery to ensure effective communication and coordination among the participating governmental units;
5. To serve as a vehicle for the collection and distribution of information concerning matters of area-wide interest;  
and
6. To review upon request of a participating governmental unit applications of that unit for any grant-in-aid, federal, state or private.

The Council shall strive to promote harmony and cooperation among its members. It shall seek to deal with problems in a manner which is mutually satisfactory, and shall respect the autonomy of all local governments, within the ~~Region D~~ High Country area.

#### Section 5. Finance Matters

- a) ~~On or before the 15<sup>th</sup> of April each year,~~ The Executive Director shall prepare and submit to the Executive Board ~~each participating governmental unit~~ a proposed budget for the ~~next~~ each fiscal year in accordance with North Carolina Law and other applicable regulations as amended from time to time. ~~commencing July 1.~~
- b) The budget shall include ~~also set out the share of membership dues proportionate share (in terms of percentage) of the budget~~ to be borne by each participating governmental unit, based on the latest decennial census ~~or the American Community Survey,~~ whichever is most current.
- c) Upon approval of the budget by ~~all participating governmental units~~ the Executive Board, each participating governmental unit shall appropriate its share of the budget and shall forward to the ~~Council Treasurer~~ Finance Officer its share of the budget. All such appropriations shall be made in accordance with the ~~Municipal or County Fiscal Control Act~~ Local Government Budget and Fiscal Control Act, ~~as may be appropriate. The Council may designate a Council employee or with the agreement of the governing body involved, designate one of the City or county Accountants as the official Council Treasurer to perform the function of the City or County Accountant under the Municipal or County Fiscal Control Act insofar as post-budget approval or expenditures is concerned.~~

## ARTICLE II

#### Section 1. Meetings

Regular meetings of the ~~Council Executive~~ Board shall be held ~~at least once annually.~~ ~~Regular meetings of the Executive Committee shall be held~~ monthly unless determined from time to time to be not necessary. ~~Special meetings of the Executive Committee shall be held~~

~~monthly.~~ Special meetings of the ~~Council or~~ Executive ~~Committee Board~~ may be called by the Executive Director, Chair, or by any three members of the ~~Executive Board Council or Executive Committee~~. At least five days written notice shall be given of any special meeting. ~~Such notice~~ shall state the time, place, and purpose of the meeting.

### Section 2. Annual Report

The ~~administrator~~ Executive Director shall prepare and submit an annual written report of the Council activities, including a financial statement, to the participating governmental units.

## ARTICLE III

### Section 1. Officers

At the first regular meeting of ~~each calendar year, and annually thereafter,~~ the Executive ~~Committee Board~~ shall elect a ~~chairman~~ Chair, ~~vice chairman~~ Vice Chair, ~~s~~Secretary, and ~~t~~Treasurer to serve for one year or until their successors have been duly elected. ~~Any vacancy occurring in an office shall be filled for the unexpired term by the Council.~~ All officers shall be members of the Executive ~~Committee Board~~. The Executive ~~Committee Board~~ may elect such additional officers as it finds to be necessary in the proper performance of its duties. ~~Board members elected as Chair or Vice Chair shall be limited to two consecutive terms. The Chair will rotate between county and municipal elected officials. If the Chair of the Board is a representative from a county, then the Vice Chair shall be a representative from a town; or if the Chair of the Board is a representative from a town, then the Vice Chair shall be a representative from a county.~~

### Section 2. Duties of Officers

- a) The Chair shall preside at all meetings of the ~~Council and~~ Executive ~~Committee Board~~ and shall conduct said meetings in an orderly and impartial manner so as to permit a free and full discussion by the membership of such matters as may be brought before the ~~Council of~~ Executive ~~Committee Board~~. ~~and t~~The Chair shall have the same voting rights as the other members.
- b) The Chair may appoint such committees as ~~he~~ he/she finds to be necessary or desirable.
- c) The Vice Chair shall perform all the duties of the Chair in the absence of the Chair, or in the event of the inability of the Chair to act and shall perform such other duties as the Executive ~~Committee Board~~ may delegate to him or her.
- d) All other officers elected by the Executive ~~Committee Board~~ shall perform such duties as may be prescribed by the Executive ~~Committee Board~~.

## ARTICLE IV

### Section 1. Powers, Duties and Responsibilities of the Council

The Council, within the limitations of funds and personnel provided by the participating governmental units, shall have the following powers, duties, and responsibilities:

- 1) To apply for, accept, receive, and disburse funds, grants, and services made available to it by the State of North Carolina or any agency thereof, the United States of America or any agency thereof, any unit of government (whether or not a member of the Council), and any private or civic agency;
- 2) To employ personnel;
- 3) To contract with consultants;
- 4) To contract with the State of North Carolina, any other state, the United States of America, or any agency thereof, for services;
- 5) To study regional governmental problems, including matters affecting health, safety, welfare, education recreation, economic conditions, regional planning, and regional development;
- 6) To promote cooperative arrangements and coordinated action among its member governments;
- 7) To make recommendations for review and action to its member governments and other public agencies which perform functions within the region in which its member governments are located;
- 8) Any other powers that are exercised or capable of exercise by its member governments and desirable for dealing with problems of mutual concern, subject to approval of the Executive ~~Committee~~ Board;
- 9) **All other powers, duties, and responsibilities allowed or required by law.**

## ARTICLE V

### Section 1. Executive Director

The Executive Director will be selected by **and shall serve at the pleasure of** the Executive ~~Committee Board of the Council~~. The salary of the Executive Director will be set annually by the Executive ~~Committee~~ Board.

### Section 2. Other Staff

Other staff ~~employees~~ will be ~~employed by~~ **will be employees of the Council, to be hired, supervised, and subject to termination by** the Executive Director ~~based upon qualifications for the position. All employees, including the Executive Director, are employees of the Council.~~

## ARTICLE VI

### Amendments and Effective Date

All prior amendments to this Charter made by board vote, or resolution, or adoption, together with actions for or by the Council in reliance thereon, are hereby ratified and reaffirmed. This amended Charter, and any amendments hereto, ~~Amendments to the Charter~~ shall not become effective until adopted by two-thirds (2/3) of the participating governmental units ~~in the Region D Council of Governments~~ of the Council.

## ~~ARTICLE VII~~

### Effective Date

~~— This Charter shall be in full force and effective from and after the date of its adoption by all initially named participating governmental units.~~

CONCURRENT RESOLUTION TO ENACT  
A CHARTER FOR THE  
REGION D COUNCIL OF GOVERNMENTS

Whereas, Article 20 of Chapter 160A authorizes any two or more municipalities and counties to create a regional council of local officials with such powers as are specified in the creating resolution or amendments thereof; and

Whereas, the governing bodies of the Counties of Alleghany, Ashe, Wilkes, Watauga, Avery, Mitchell, and Yancey have expressed an interest in the creation of a regional council of local officials; and the governing bodies of their local governmental units finds that it would be in the best interest of the citizens of this area to join together in the creation of such a regional council of local officials; and

Whereas, a regional council of local officials would benefit the governmental units participating in such a council, would provide a forum in which the participating officials might study and discuss community problems of mutual interest and concern and could lead to making of recommendations for consideration by the participating local governing bodies.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Alleghany, Ashe, Watauga, Wilkes, Avery, Mitchell, and Yancey Counties, that there be formed a regional council of local officials to be designated Region D Council of Governments with the charter of said council being as follows:



CHARTER OF THE REGION D COUNCIL OF GOVERNMENTS

## ARTICLE I

Section 1. Name of Council

The name of the regional council of local officials hereby created is the Region D Council of Governments. "Hereinafter referred to as the "Council".

Section 2. Membership

(a) Membership in the Council shall consist of the counties of Alleghany, Ashe, Wilkes, Watauga, Avery, Mitchell, and Yancey upon adoption of this concurrent resolution. Thereafter, membership shall be allowed to any municipality in Region D upon adoption by the applicant of a resolution identical to the one under which the Council is then operating. The governing body of the applicant shall select one of its elected members to be a member of the Council. Membership shall also be open to minority organizations of Region D.

(b) Any participating governmental unit, or minority organization, may withdraw from the Council at the end of any Council fiscal year, after having given sixty (60) days notice to that effect and sending a certified copy of said resolution to the other participating governmental units.

Section 3. Governing Structure

(a) Council Board. All members of the Council shall be collectively referred to as the Council Board. Each member shall select a member of their governing board or representatives of

minority organizations as its representative on the Council.

(b) Executive Committee

The Executive Committee shall consist of the following:

1. One elected official from each County's Board of Commissioners.
2. One elected official from a municipality within each county with each county's municipal representative being selected by caucus of their members at the annual meeting of the Council Board.
3. One representative of minority organizations within the Region.

The maximum number of Executive Committee members is fifteen.

(c) Voting:

1. Voting on both the Council Board and the Executive Committee shall be on the basis of one vote per member of the Council Board or Executive Committee unless a weighed vote is called for under the provision of subparagraph 2 hereunder.
2. A weighed vote may be called for by any member of the Council Board or Executive Committee
3. In weighed voting, each member of the Executive Committee is allowed one vote plus one vote for each 10,000 population or a fraction thereof represented.

(d) 60% of the members of the Council shall constitute a quorum at any regular or special meeting of the Council. The affirmative vote of a simple majority of the votes cast shall be necessary to act favorably on any matter.

#### Section 4. Purpose

The purpose of the Council shall be:

- (1) To serve as a forum for discussion of governmental problems of mutual interest and concern.
- (2) To develop and formalize policy recommendations concerning matters having an area-wide significance.
- (3) To promote inter-governmental cooperation.
- (4) To provide organizational machinery to insure effective communication and coordination among the participating governmental units;
- (5) To serve as a vehicle for the collection and distribution of information concerning matters of area-wide interest; and
- (6) To review upon request of a participating governmental unit applications of that unit for any grant-in-aid, federal, state, or private.

The Council shall strive to promote harmony and cooperation among its members. It shall seek to deal with problems in a manner which is mutually satisfactory, and shall respect the autonomy of all local governments, within the Region D area.

## Section 5. Finance Matters

(a) On or before the 15th of April each year, the Executive Director shall prepare and submit to each participating governmental unit a proposed budget for the next fiscal year commencing July 1.

(b) The budget shall also set out the proportionate share (in terms of percentage) of the budget to be borne by each participating governmental unit, based on the latest decennial census.

(c) Upon approval of the budget by all participating governmental units, each participating governmental unit shall appropriate its share of the budget and shall forward to the Council Treasurer its share of the budget. All such appropriations shall be made in accordance with the Municipal or County Fiscal Control Act, as may be appropriate. The Council may designate a Council employee or with the agreement of the governing body involved, designate one of the City or County Accountants as the official Council Treasurer to perform the function of the City or County Accountant under the Municipal or County Fiscal Control Act insofar as post-budget approval or expenditures is concerned.

## ARTICLE II

### Section 1. Meetings

Regular meetings of the Council Board shall be held at least once annually. Regular meetings of the Executive Committee shall be held monthly. Special meetings of the Council or Executive Committee may be called by the Executive Director, Chairman, or

by any three members of the Council or Executive Committee.

At least five days written notice shall be given of any special meeting. It shall state the time, place, and purpose of the meeting.

### Section 2. Annual Report

The administrator shall prepare and submit an annual written report of the Council activities, including a financial statement to the participating governmental units.

## ARTICLE III

### Section 1. Officers

At the first regular meeting of the Executive Committee and annually thereafter, the Executive Committee shall elect a chairman, vice chairman, secretary, and treasurer to serve for one year or until their successors have been duly elected. All officers shall be members of the Executive Committee. The Executive Committee may elect such additional officers as it finds to be necessary in the proper performance of its duties.

### Section 2. Duties of Officers

(a) The Chairman shall preside at all meetings of the Council and Executive Committee and shall conduct said meetings in an orderly and impartial manner so as to permit a free and full discussion by the membership of such matters as may be brought before the Council of Executive Committee and the Chairman shall have the same voting rights as other members.

(b) The Chairman may appoint such committees as he finds to be necessary or desirable.

(c) The vice chairman shall perform all the duties of the chairman in the absence of the chairman, or in event of the inability of the chairman to act and shall perform such other duties as the Executive Committee may delegate to him.

(d) All other officers elected by the Executive Committee shall perform such duties as may be prescribed by Executive Committee.

#### ARTICLE IV

##### Section 1. Powers, Duties and Responsibilities of the Council

The Council, within the limitations of funds and personnel provided by the participating governmental units, shall have the following powers, duties, and responsibilities:

(1) To apply for, accept, receive, and disburse funds, grants, and services made available to it by the State of North Carolina or any agency thereof, the United States of America or any agency thereof, any unit of local government (whether or not a member of the Council), and any private or civic agency;

(2) To employ personnel;

(3) To contract with consultants;

(4) To contract with the State of North Carolina, any other state, the United States of America, or any agency thereof, for services;

(5) To study regional governmental problems, including matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning, and regional development;

(6) To promote cooperative arrangements and coordinated action among its member governments;

(7) To make recommendations for review and action to its member governments and other public agencies which perform functions within the region in which its member governments are located;

(8) Any other powers that are exercised or capable of exercise by its member governments and desirable for dealing with problems of mutual concern, subject to approval of the Executive Committee.

## ARTICLE V

### Section 1. Executive Director

The Executive Director will be selected by the Executive Committee of the Council. The salary of the Executive Director will be set annually by the Executive Committee.

### Section 2

Other staff employees will be employed by the Executive Director based upon qualifications for the position. All employees, including the Executive Director are employees of the Council.

## ARTICLE VI

### Amendments

Amendments to the Charter shall not become effective until adopted by two-thirds (2/3) of the participating governmental units in the Region D Council of Governments.

ARTICLE VII


Effective Date

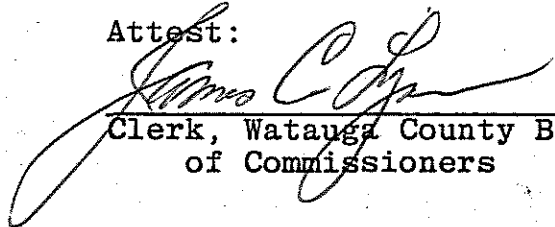
This Charter shall be in full force and effective from and after the date of its adoption by all initially named participating governmental units.



In witness whereof, the Board of County Commissioners of the County of Watauga, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.


This the 2nd day of April, 1974.

  
\_\_\_\_\_  
Chairman, Watauga County Board  
of Commissioners


Attest:  
  
\_\_\_\_\_  
Clerk, Watauga County Board  
of Commissioners

In witness whereof, the Board of County Commissioners of the County of Wilkes, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.

This the 2nd day of April, 1974.


  
\_\_\_\_\_  
Chairman, Wilkes County Board of  
Commissioners

Attest:

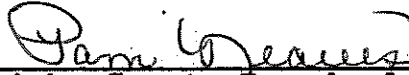
  
\_\_\_\_\_  
Clerk, Wilkes County Board of  
Commissioners

In witness whereof, the Board of County Commissioners of the County of Ashe, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.

This the 2nd day of April, 1974


  
\_\_\_\_\_  
Chairman, Ashe County Board of  
Commissioners

Attest:


  
\_\_\_\_\_  
Clerk, Ashe County Board of  
Commissioners

In witness whereof, the Board of County Commissioners of the County of Alleghany, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.

This the 2nd day of April, 1974

  
Chairman, Alleghany County Board  
of Commissioners

Attest:

  
Clerk, Alleghany County Board  
of Commissioners

In witness whereof, the Board of County Commissioners of the County of Avery, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.

This the 5th day of August, 1974.



*Mark Banner*  
\_\_\_\_\_  
Chairman, Avery County Board  
of Commissioners

Attest:

*Patti D. Setzer*  
\_\_\_\_\_  
Clerk, Avery County Board  
of Commissioners

NORTH CAROLINA  
MITCHELL COUNTY

IN WITNESS WHEREOF, the Board of County Commissioners of the County of Mitchell, State of North Carolina have duly authorized the Chairman of the Board to act on behalf of the Board and,

WHEREAS the Chairman has caused this resolution to be executed and approved.

This the 2nd day of April, 1974.

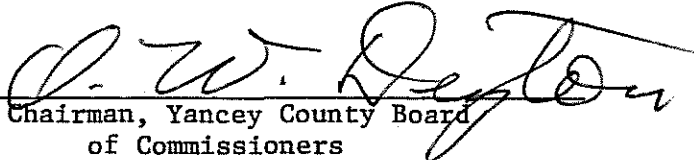
Robert B. Hughes  
Chairman, Mitchell County Board of  
Commissioners

ATTEST:

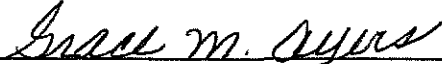
Judy Young  
Judy Young, Clerk to the Board

In witness whereof, the Board of County Commissioners of the County of Yancey, State of North Carolina, have duly authorized the Chairman of the Board to act on behalf of the Board, and whereas the Chairman has caused this resolution to be executed and approved.

This the 2nd day of April, 1974.

  
\_\_\_\_\_  
Chairman, Yancey County Board  
of Commissioners

Attest:

  
\_\_\_\_\_  
Clerk, Yancey County Board  
of Commissioners



**AGENDA ITEM 13:****MISCELLANEOUS ADMINISTRATIVE MATTERS*****G. Boards and Commissions*****MANAGER'S COMMENTS:****Adult Care Home Community Advisory Committee**

Stevie John, Regional Long Term Care Ombudsman with High Country Council of Governments, has submitted Janet Specht for reappointment to serve a three-year term on the Watauga County Nursing Home Community Advisory Committee. Ms. John also submitted Wanda Brach for appointment to the Watauga County Nursing Home Community Advisory Committee. These are first readings.

**Recreation Commission**

The terms of Recreation Commission members representing the Blowing Rock, Mabel, and Cove Creek elementary school districts are up for appointment. Parks and Recreation Director, Stephen Poulos, has requested recommendations for appointments to fill these positions.

Cove Creek Principal, Scott Carter, recommends the reappointment of Toby Cone to represent the Cove Creek School district.

Blowing Rock principal, Patrick Sukow, recommends the reappointment of Jared Everett as the Blowing Rock School district representative.

Mabel Principal, Elin Reuben, recommends the reappointment of Roxanne Saltman to represent the Mabel School district.

The above are first readings.

**Boone Rural Fire Protection Service District Board****Watauga County Planning Board**

Each Commissioner nominates a representative to the Boone Rural Fire Protection Service District Board and the Watauga County Planning Board whose terms run concurrent with the term of the appointing Commissioner. Planning Board members must live within the appointing Commissioner's District and action must be taken by the entire Board of Commissioners to make these appointments. Boone Rural Fire Service District Board members must own property and reside within the Fire Service District.



Brenda Lyerly  
Chair of the Board

Johnny Riddle  
Vice-Chair



Chris Jones  
Secretary

Valerie Jaynes  
Treasurer

468 New Market Blvd.  
Boone, NC 28607

[www.regiond.org](http://www.regiond.org)

Voice: 800-735-8262

Phone: 828-265-5434  
Fax: 828-265-5439

January 14, 2021

Anita Fogle  
Clerk to the Board of Commissioners  
814 W. King Street, Suite 205  
Boone, NC 28607

Dear Ms. Fogle:

The term of appointment of Ms. Janet Specht to the Watauga County Nursing Home Community Advisory Committee has expired. She has indicated her desire to be reappointed for an additional three-year term.

Please submit Ms. Specht's name to the Commissioners for their consideration and let me know their decision at your earliest convenience.

Sincerely,

*Stevie John*

Stevie M. John, MSW  
Regional Long Term Care Ombudsman

Brenda Lyerly  
Chair of the Board

Johnny Riddle  
Vice-Chair



Chris Jones  
Secretary

Valerie Jaynes  
Treasurer

468 New Market Blvd.  
Boone, NC 28607

[www.regiond.org](http://www.regiond.org)

Voice: 800-735-8262

Phone: 828-265-5434  
Fax: 828-265-5439

January 14, 2021

Clerk to the Board  
Ms. Anita J. Fogle  
814 West King Street, Suite 205  
Boone, North Carolina 28607

Dear Ms. Fogle:

Ms. Wanda Brach has indicated her willingness to be appointed to the Watauga County Nursing Home Community Advisory Committee for Long Term Care.

Please submit Ms. Brach's name to the Commissioners for their consideration and let me know their decision at your earliest convenience.

Sincerely,

Stevie John, MSW  
Regional Long Term Care Ombudsman

## Anita.Fogle

---

**From:** Patrick Sukow <sukowp@wataugaschools.org>  
**Sent:** Friday, December 18, 2020 8:43 AM  
**To:** Stephen Poulos; Deron.Geouque; Anita.Fogle  
**Subject:** Rec Commission

I would like to ask that Jared Everett be reappointed for the Recreation Commission from the Blowing Rock district. He has served on the Commission before and would like to continue.

--

Patrick Sukow  
Principal  
Blowing Rock School  
828-295-3204  
[sukowp@wataugaschools.org](mailto:sukowp@wataugaschools.org)

*Note: All email correspondence to and from this address is subject to public review under the North Carolina public records law. As a result, messages may be monitored by and disclosed to third parties.*

In compliance with federal law, Watauga County Schools administers all education programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.

**Anita.Fogle**

---

**From:** Scott Carter <carters@wataugaschools.org>  
**Sent:** Monday, January 4, 2021 8:49 AM  
**To:** Deron.Geouque; Anita.Fogle; Stephen Poulos  
**Subject:** Commission Rep

Good morning!

I wanted to let you all know that I would like to reappoint Toby Cone as the Cove Creek rep. Thank you and Happy New Year!

--

Scott Carter  
Principal  
Cove Creek School  
(828) 297-2781  
@CoachCarter\_HS

*Note: All email correspondence to and from this address is subject to public review under the North Carolina public records law. As a result, messages may be monitored by and disclosed to third parties.*

In compliance with federal law, Watauga County Schools administers all education programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.

## Anita.Fogle

---

**From:** Elin Reuben <reubene@wataugaschools.org>  
**Sent:** Thursday, December 31, 2020 5:12 PM  
**To:** Deron.Geouque; Anita.Fogle  
**Subject:** Roxanne Saltman

Good evening,

I hope this email finds you both well.

Roxanne Saltman (828.406.3312) is excited to serve again on the Parks and Rec Commission.

Sincerely,  
Elin

--

*Mrs. Elin Reuben*  
Principal

Mabel School  
404 Mabel School Road  
Zionville, NC 28698

Visit our school's website: [Mabel](#)  
Visit our school's Twitter Page: @MabelSchool  
Join our school's PTA: [PTA](#)

Phone: 828-297-2512  
Fax: 828-297-4109

*Note: All email correspondence to and from this address is subject to public review under the North Carolina public records law. As a result, messages may be monitored by and disclosed to third parties.*

In compliance with federal law, Watauga County Schools administers all education programs, employment activities and admissions without discrimination against any person on the basis of gender, race, color, religion, national origin, age or disability.

**AGENDA ITEM 13:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*H. Announcements*

**MANAGER'S COMMENTS:**

Watauga County Parks and Recreation is teaming up with the Hospitality House, Casting Bread and Hunger & Health Coalition to collect food items. Please drop your items off at the new Community Recreation Center between 8:00 A.M. and 5:00 P.M. from Monday, January 11, through Friday, February 12.

# Food for Friends FOOD DRIVE

Watauga County Parks and Recreation is teaming up with Hospitality House, Casting Bread and Hunger & Health Coalition to collect food items for our community friends in need. During this winter season and this COVID-19 challenging time, we could all use a helping hand.

Please drop your items off at the new Watauga Community Recreation Center between 8 a.m. and 5 p.m. Monday through Friday.

**DRIVE DATES:** Monday, January 11th—Friday, February 12th  
**Delivery Date to Food Pantries by Valentine’s Day, 2021**

**SUPPORT HEALTHY AND HUNGER-FREE COMMUNITIES**

Donations of non-perishable, staple food items are an important complement to fresh produce donated by farmers, community gardens, grocery retailers and others.

<p><b>FRUITS &amp; VEGETABLES</b></p> <ul style="list-style-type: none"> <li>Low sodium canned vegetables</li> <li>Diced tomatoes</li> <li>Tomato sauce</li> <li>Canned fruit in juice, water or light syrup</li> <li>Unsweetened apple sauce</li> <li>Shelf-stable fruit cups in juice</li> <li>Raisins</li> </ul>		<p><b>DAIRY</b></p> <ul style="list-style-type: none"> <li>Dry milk (low fat)</li> <li>Evaporated milk (2%)</li> <li>Shelf-stable milk (1%)</li> </ul> <p><b>GRAINS</b></p> <ul style="list-style-type: none"> <li>Whole wheat pasta</li> <li>Whole grain crackers</li> <li>Cereals: oatmeal, grits, raisin bran and other whole grain cereals</li> <li>Brown rice</li> <li>High fiber, low sugar granola bars</li> </ul>
<p><b>PROTEINS</b></p> <ul style="list-style-type: none"> <li>Dried or low-sodium canned beans</li> <li>Canned tuna in water</li> <li>Canned salmon</li> <li>Canned chicken</li> <li>Low sodium bean soups</li> <li>Peanut butter</li> </ul>		

## CASTING BREAD



*Increase Food Security*

**HUNGER AND HEALTH COALITION**

**HOSPITALITY HOUSE**  
 NORTHWEST NORTH CAROLINA  
 Helping Rebuild Lives

**AGENDA ITEM 14:**

**PUBLIC COMMENT**

**AGENDA ITEM 15:**

**BREAK**

**AGENDA ITEM 16:**

**CLOSED SESSION**

Attorney/Client Matters – G. S. 143-318.11(a)(3)  
Land Acquisition – G. S. 143-318.11(a)(5)(i)