

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

**TUESDAY, DECEMBER 7, 2021
5:30 P.M.**

**WATAUGA COUNTY ADMINISTRATION BUILDING
COMMISSIONERS' BOARD ROOM**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
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AGENDA ITEM 2:

APPROVAL OF MINUTES:

November 16, 2021, Regular Meeting

November 16, 2021, Closed Session

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, NOVEMBER 16, 2021**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, November 16, 2021, at 5:30 P.M. in the Commissioners' Board Room located in the Watauga County Administration Building, Boone, North Carolina.

Chairman Welch called the meeting to order at 5:34 P.M. The following were present:

PRESENT: John Welch, Chairman
 Billy Kennedy, Vice-Chairman
 Carrington Peralion, Commissioner
 Larry Turnbow, Commissioner
 Charlie Wallin, Commissioner
 Anthony di Santi, County Attorney
 Deron Geouque, County Manager
 Anita J. Fogle, 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 October 19, 2021, regular meeting and closed session minutes.

Vice-Chairman Kennedy, seconded by Commissioner Peralion, moved to approve the October 19, 2021, regular meeting minutes as presented.

VOTE: Aye-5
 Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Peralion, moved to approve the October 19, 2021, closed session minutes as presented.

VOTE: Aye-5
 Nay-0

APPROVAL OF AGENDA

Chairman Welch called for additions and/or corrections to the November 16, 2021, agenda.

Commissioner Turnbow, seconded by Commissioner Welch, moved to approve the November 16, 2021, agenda as presented.

VOTE: Aye-5
 Nay-0

PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON PROPOSED AMENDMENTS TO THE WATAUGA COUNTY PLANNING & DEVELOPMENT ORDINANCE

A public hearing was scheduled to allow public comment regarding proposed amendments to the Watauga County Planning & Development Ordinance.

Mr. Joe Furman, Planning & Inspections Director, presented proposed amendments to Chapters 7, 8, 9, and 21 of the Planning & Development Ordinance to the Planning Board on September 20, 2021. The Planning Board discussed and voted to approve the amendments and to recommend that the Board of Commissioners schedule a public hearing to consider amending the Ordinance as proposed. On October 19, 2021, additional amendments were added for consideration that addressed decriminalizing local ordinances and takes effect December 1, 2021. Mr. Furman reviewed additional amendments more recently received as well.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to call the public hearing to order at 5:50 P.M.

VOTE: Aye-5
Nay-0

As there was no public comment, Commissioner Wallin, seconded by Commissioner Turnbow, moved to close the public hearing at 5:51 P.M.

VOTE: Aye-5
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to adopt the Watauga County Planning and Development Ordinance as presented by Mr. Furman.

VOTE: Aye-5
Nay-0

PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON THE PROPOSED 2022 SCHEDULE OF VALUES

Mr. Larry Warren, Tax Administrator, and Mr. Ryan Vincent, Vincent Valuations, presented the 2022 Schedule of Values for the upcoming revaluation for public comment. The Schedule of Values was available, prior to the hearing, on the County's website as well as via a hard copy in the Tax Administrator's Office.

Commissioner Turnbow, seconded by Commissioner Pertalion, moved to call the public hearing to order at 5:55 P.M.

VOTE: Aye-5
Nay-0

As there was no public comment, Commissioner Pertalion, seconded by Commissioner Wallin, moved to close the public hearing at 5:55 P.M.

VOTE: Aye-5
Nay-0

Commissioner Pertalion, seconded by Vice-Chairman Kennedy, moved to adopt the 2022 Schedule of Values as presented by Mr. Larry Warren and Mr. Ryan Vincent.

VOTE: Aye-5
Nay-0

[Clerk's Note: The County Manager requested other Tax Matters be heard while the Administrator was at the podium.]

TAX MATTERS

A. Monthly Collections Report

Tax Administrator, Mr. Larry Warren, presented the Tax Collections Report for the month of October 2021. 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 October 2021 for Board approval:

TO BE TYPED IN MINUTE BOOK

Mr. Warren stated the amount was high due to a recent settlement with Lowe's Hardware.

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to approve the Refunds and Releases Report for October 2021 as presented.

VOTE: Aye-5
Nay-0

UPDATE ON THE NEW RIVER CONSERVANCY'S SOUTH FORK PROJECT

Ms. Chelsea Blount and Ms. Elizabeth Underwood with the New River Conservancy shared an update on the following projects within the County: South Fork New River Restoration Phase II, Middle Fork New River Section 1B, Winkler's Creek Restoration Plan, and Peacock Parking Lot/Boone Creek Daylight. The report was for information only and, therefore, no action was required.

[Clerk's Note: The Coronavirus Update was presented next as there was a delay in Mr. Deal's arrival to the meeting.]

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.

PROPOSED AMENDMENTS TO THE WATAUGA MEDICAL CENTER BYLAWS

Mr. Jim Deal, Chairman of the Watauga Medical Center Board of Trustees, requested approval of an amendment to Article II of their Bylaws that would allow more flexibility in the At-Large selection process and updates the term limit provisions applicable to the current board members.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the amendment to Article II regarding the At-Large selection process and term limit provisions along with the slate of candidates as presented by Mr. Deal.

VOTE: Aye-5
Nay-0

Chairman Welch stated that the slate of candidates would be considered under Boards and Commissions.

REQUEST TO PURCHASE MOBILE RADIOS

County Manager Geouque, on behalf of Major Redmon with the Watauga County Sheriff's Office, requested approval for the purchase of eight dual band mobile radios from Two Way Radio of Carolina, Inc. for FY 21-22 vehicles. The total cost was \$32,080 and adequate funds were available in the Sheriff's Office budget to cover the expense.

Commissioner Turnbow, seconded by Commissioner Wallin, moved to approve the purchase of eight dual band mobile radios from Two Way Radio of Carolina, Inc. in the amount of \$32,080.

VOTE: Aye-5
Nay-0

PROPOSED REPLACEMENT OF THE COURTHOUSE HVAC CONTROLS SYSTEM

Mr. Robert Marsh, Maintenance Director, stated that repairs to the Courthouse HVAC main controls had recently become necessary. Due to the critical nature of the system and cold weather setting in, staff authorized the repair with Johnson Controls, in the amount of \$15,561.88, to limit any disruption to the system. Mr. Marsh requested action for formal approval by the Board.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the repair of the HVAC system in the amount of \$15,561.88 with Johnson Controls.

VOTE: Aye-5
Nay-0

FINANCE MATTERS

A. FY 2021 Carry Forward Purchase Orders

Ms. Misty Watson, Finance Director, presented carry forward purchase orders for Fiscal Year 2021. The purchase orders have been approved with funds currently available.

Commissioner Turnbow, seconded by Commissioner Wallin, moved to approve the carry forward purchase orders as presented by Ms. Watson.

VOTE: Aye-5
Nay-0

B. Proposed Inmate Catastrophic Insurance Contract

Ms. Misty Watson, Finance Director, presented a proposed contract renewal for catastrophic insurance with Insurance Management Consultants for inmates housed in the County jail. The insurance shields the County from large medical claims that could occur while inmates were being housed in the Watauga County Jail. The proposal was in the amount of \$25,328.52 which was a \$11,567 decrease from last year and has a \$5,000 deductible. Adequate funds were available to cover the contracted cost.

Vice-Chairman Kennedy, seconded by Commissioner Wallin, moved to approve the contract with Insurance Management Consultants, Inc. for catastrophic insurance coverage in the amount of \$25,328.52 with a \$5,000 deductible.

VOTE: Aye-5
Nay-0

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Proposed Acceptance of Communications Grant on Behalf of NC State Highway Patrol TSU/NCEM

County Manager Geouque requested acceptance of a communications grant on Behalf of the NC State Highway Patrol TSU/NCEM as a subrecipient from the Homeland Security Grant Program (HSGP) in the amount of \$400,000 for the VIPER System's use in installing a microwave monitoring system throughout the State. The system would be in use at multiple radio sites within Watauga County and was a critical upgrade which benefited our public safety radio systems. The grant was similar to the \$350,000 grant previously accepted for radios for our State EM local members.

Commissioner Turnbow, seconded by Commissioner Peralion, moved to accept the grant as a subrecipient from the Homeland Security Grant Program (HSGP) in the amount of \$400,000 as presented by the County Manager.

VOTE: Aye-5
Nay-0

B. Proposed Appalachian State University Tower Lease Renewal

County Manager Geouque stated that Appalachian State University had requested the renewal of a lease for a tower, antenna, and small building at the County's Rich Mountain tower site for broadcasting of their radio station, WASU. The University assured there would be no interference with County equipment at that site.

Property owned by the County may be leased or rented for such terms and upon such conditions as the Board may determine, for up to ten (10) years. Property may be rented or leased only pursuant to a resolution of the Board authorizing the execution of the lease or rental agreement adopted at a regular Board meeting upon 10 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the Board's intent to authorize the lease or rental at its next regular meeting. The resolution was adopted in September 2020 and then advertised as required. Appalachian State University's State Office has had the lease since that time and recently gave their approval. The County Manager requested Board approval, contingent upon County Attorney review, for both the lease and the completion of the State's PO-28 Lease proposal form.

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to approve the lease, contingent upon County Attorney approval.

VOTE: Aye-5
Nay-0

C. Proposed Resolution Establishing the Sheriff's Salary

County Manager Geouque stated that, per Statute, prior to the filing period for the fall elections, the Board must establish the salary for the Sheriff in order for filing fees to be determined. The County Manager presented a proposed resolution establishing the Sheriff's salary at the County's current pay plan entry level in the amount of \$81,919.

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to adopt the resolution setting the Sheriff's salary as presented.

VOTE: Aye-5
Nay-0

D. January Meeting Schedule

County Manager Geouque stated that the Board has traditionally cancelled one of the meetings in December or January depending on how the holidays fell. Due to where Christmas and New Year's fall during the week, staff would recommend the Board cancel the first meeting in January as there would be insufficient time to prepare the Board packets. Historically, December and the first weeks in January have few issues requiring Board action.

Vice-Chairman Kennedy, seconded by Commissioner Wallin, moved to cancel the first meeting in January 2022.

VOTE: Aye-5
Nay-0

E. Boards and Commissions

County Manager Geouque presented the following:

Watauga County Board of Adjustment

The Board of Adjustment term of Mr. Lonnie Webster was to expire in November and he did not wish to be reappointed. The revised NC General Statute 160D no longer makes any mention of appointments representing zoned areas of counties with partial-county zoning; therefore, it was not necessary to consider where appointees live. The term would be for three years. A volunteer application was presented from Ms. Sue Sweeting, who was willing to serve. This was a first reading.

Commissioner Turnbow, seconded by Vice-Chairman Kennedy, moved to waive the second reading and appoint Ms. Sue Sweeting to serve on the Watauga County Board of Adjustment with a term ending November 30, 2024.

VOTE: Aye-5
Nay-0

Watauga Medical Center Board of Trustees

The Watauga Medical Center Board of Trustees had recommended Ms. Lisa Cooper for appointment as well as Mr. Kent Tarbutton and Ms. Jan Winkler for reappointment to the Watauga Medical Center Board of Trustees. Each of their terms would be effective January 1, 2022, through December 31, 2024. These were first readings.

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to waive the second reading and appoint Ms. Lisa Cooper and reappoint Mr. Kent Tarbutton and Ms. Jan Winkler to serve on the Watauga Medical Center Board of Trustees; each with a term beginning January 1, 2022, and ending December 31, 2024.

VOTE: Aye-5
Nay-0

Vaya Board

Vice-Chairman Kennedy stated that, due to the ongoing consolidation of Cardinal Health into Vaya Health, the Board needed to appoint two Regional Board representatives to the Vaya Board meeting the following criteria as included in the October 13, 2021, CCAB Resolution and approved by DHHS on October 27, 2021, as follows:

- * Required: one of whom was an elected County Commissioner,

* Optional: in addition to the required County Commissioner member above, Board of County Commissioners may additionally appoint a representative from their County that meets the following criteria: A County Commissioner, County Manager, Department of Social Services Director, Public Health Director, or law enforcement representative.

The County Manager would then submit the Regional Board representative names to the Community Relations Regional Director and the Secretary to the Board, Christina Rose Carter.

The Secretary to the Board and the Community Relations Regional Directors would then schedule the first Regional Board meetings, for each of the four regions, to occur in either December 2021 or January 2022. The Regional Boards would, in turn, appoint their two Governing Board representatives with the goal for the newly constituted Vaya Health Governing Board to hold their initial meeting in February 2022.

Both Vice-Chairman Kennedy and Commissioner Wallin currently serve on Vaya Boards and wish to continue serving in the new capacity.

Vice-Chairman Kennedy, seconded by Commissioner Pertalion, moved to waive the first reading and appoint himself and Commissioner Wallin to serve on the Vaya Health Regional Board.

VOTE: Aye-5
Nay-0

F. Announcements

County Manager Geouque announced that, due to the ongoing COVID pandemic, the Annual County Christmas Luncheon has been cancelled. Hopefully the Luncheon will be resumed next year. Board members shared their appreciation for staff.

PUBLIC COMMENT

The following spoke during public comment in opposition to asphalt plants and a desire to protect the gateways of the High Country: Anne Ward and Susie Winters.

Vice-Chairman Kennedy, Commissioner Turnbow, and Commissioner Wallin shared their concerns as well.

CLOSED SESSION

At 7:04 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).

VOTE: Aye-5
Nay-0

Commissioner Wallin, seconded by Commissioner Pertalion, moved to resume the open meeting at 8:05 P.M.

VOTE: Aye-5
Nay-0

ADJOURN

Commissioner Wallin, seconded by Vice-Chairman Kennedy, moved to adjourn the meeting at 8:05 P.M.

VOTE: Aye-5
Nay-0

John Welch, Vice-Chairman

ATTEST:
Anita J. Fogle, Clerk to the Board

AGENDA ITEM 3:**BOARD ORGANIZATIONAL MATTERS***A. Election of Officers***MANAGER'S COMMENTS:**

Since there is no Chairman at this point in time, it has been customary for the County Manager to conduct the election; however, this can be handled by a commissioner if that is the desire of the Board. Nominations are taken from the floor for Chairman, and the election is by simple majority of the Board members. At this point, the Chairman will call for nominations for the Vice-Chair. Following the election of officers, the new Chairman assumes his duties and presides over the meeting. It is appropriate at this time for the commissioners to change the seating arrangements if they so desire, or this could be done at a later meeting.

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AGENDA ITEM 3:**BOARD ORGANIZATIONAL MATTERS*****B. Staff Appointments*****MANAGER'S COMMENTS:**

It has been local practice for the Board to take action on the following staff appointments who serve at the pleasure of the Board. These include County Manager, Deron Geouque; Clerk to the Board, Anita Fogle; Substitute Clerks to the Board, Monica Harrison (Human Resources Manager) and Macy Hafner (Human Resources Coordinator); and the County Attorney (appointment of the attorney can be done by individual name or firm name whichever is appropriate). In addition, a separate Department of Social Services Attorney may be appointed or the appointed County Attorney may serve at the discretion of the Board.

Board action is required.

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AGENDA ITEM 3:

BOARD ORGANIZATIONAL MATTERS

C. Fidelity Bonds

MANAGER'S COMMENTS:

Board action is needed to set these specific name fidelity bonds for the positions as detailed in the packet. Ms. Misty Watson will be present for discussion.



WATAUGA COUNTY

FINANCE OFFICE

814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

MEMORANDUM

TO: Deron Geouque, County Manager
FROM: Misty Watson, Finance Director
SUBJECT: Fidelity Bonds, Official and Authorized Signers
DATE: November 30, 2021

The following fidelity bonds are in place and require the annual approval of the Watauga County Board of Commissioners. Currently, the County Manager serves as Deputy Finance Director in the absence of the Finance Director and is bonded as such. The Finance Director, County Manager, and Chair of the Board of Commissioners serve as the authorized signers for disbursements on all County accounts. Additional signers and Deputy Finance Officers on the Inmate Commissary account only are Randy Greene, James Sharpe, Barry Trivette, and Michael Brown. Official depositories of the County are First National Bank and BB&T.

<u>Position</u>	<u>Bond Amount</u>	<u>Statutory Requirement</u>
Finance Director	\$50,000	No less than \$50,000, NCGS 159-29
Deputy Finance Director/ County Manager	\$50,000	
Tax Collector	\$50,000	Amount considered reasonable by BCC, NCGS 105-349-c
Register of Deeds	\$50,000	At least \$10,000, but no more than \$50,000, NCGS 161-4
Sheriff	\$25,000	Amount considered reasonable by BCC, but no more than \$25,000, NCGS 162-8

Board approval is requested for the bonds, official depositories and the authorized signers as listed above.

AGENDA ITEM 3:**BOARD ORGANIZATIONAL MATTERS*****D. Commissioner Appointments to Boards & Commissions*****MANAGER'S COMMENTS:**

Included in the packet is a list of Boards & Commissions on which the commissioners themselves have served in the past. Some of these are legal requirements that the commissioners serve, and some are at the request of the agencies. The majority of these appointments can be made by the Chairman of the Board although several of them do require Board action. Therefore, it has been the practice for the Chairman to submit a list of appointments with Board action to approve the entire list. If there is more than one nomination for a particular appointment, the Board may vote on each nomination separately.

Commissioner Appointments to Boards & Commissions

As of December 2020

Board/Commission	Member
Appalachian District Health Department	Pertalion
Appalachian Theatre Board of Trustees Ex-Officio Member	Wallin or Welch
AppalCART Authority	Wallin
Blue Ridge Resource Conservation & Development Area	Turnbow
Caldwell Community College & Technical Institute - Watauga Advisory Board	Welch
Children's Council	Pertalion
Child Protection Team	Kennedy
Cooperative Extension Advisory Leadership Board	Pertalion
Economic Development Commission (EDC)	Turnbow
Educational Planning Committee (2 appointees)	Wallin & Welch
EMS Advisory Committee	Pertalion
High Country Council of Governments Executive Board Rural Transportation Advisory Committee (RTAC) Rural Planning Organization (RPO)	Turnbow
Juvenile Crime Prevention Council (JCPC)	Welch
Humane Society	Turnbow
Library Board	Kennedy
Motor Vehicle Valuation Review Committee	BCC
New River Service Authority Board	Wallin
Northwest Regional Housing Authority (five-year term expires Dec. 12, 2024)	Pat Vines
POA Advisory Committee (Home & Community Care Block Grant)	Pertalion
Sheriff's Office Liaison	Kennedy & Turnbow
Vaya County Commissioner Advisory Board	Wallin
Social Services Advisory Board	Wallin
Watauga County Arts Council (added February 2020)	Pertalion
Watauga County Fire Commission	Welch
Watauga County Personnel Advisory Committee	Chair/ Vice-Chair
Watauga County Recreation Commission	Welch
Watauga Medical Center Board of Trustees	Kennedy
W.A.M.Y. Community Action	Wallin
Watauga Opportunities, Inc.	Turnbow
Workforce Development Board (WDB)	Chairman

AGENDA ITEM 3:

BOARD ORGANIZATIONAL MATTERS

E. Regular Meeting Schedule

MANAGER'S COMMENTS:

The Board's regular meetings are currently scheduled for the 1st Tuesday and the 3rd Tuesday of each month at 5:30 P.M. This schedule can continue or may be changed at the pleasure of the Board.

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AGENDA ITEM 4:

APPROVAL OF THE DECEMBER 7, 2021, AGENDA

MANAGER'S COMMENTS:

Now that the Board has been officially constituted, it is appropriate for the Board to act on approval of the agenda.

If you have questions or require more information, please do not hesitate to contact me.

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AGENDA ITEM 5:

PRESENTATION OF NC COOPERATIVE EXTENSION COUNTY PARTNERSHIP AWARD

MANAGER'S COMMENTS:

Watauga County is one of five counties in the state receiving the 2021 NC Cooperative Extension County Partnership Award. Kelley Heimstra, West District Director for Cooperative Extension will be presenting the award to the board.



N.C. Cooperative Extension
 Office of the Director
 Campus Box 7602
 Raleigh, NC 27695

2021 NC Cooperative Extension County Partnership Award
Sponsored by
NC Cooperative Extension Foundation

County: **Watauga**

County Manager Name: **Deron Geouque**

Commissioners: **John Welch, Billy Kennedy, Larry Turnbow, Charlie Wallin, Carrington Peralion**

Submitted by: **Jim Hamilton**

Title: County Extension Director

Nominator E-Mail: jvhamilt@ncsu.edu

Nominator Telephone: 828.264.3061

The Purpose of the County Partnership Award is to recognize local governments for their outstanding partnership with the NC Cooperative Extension (NCCE). **This award will highlight “best practices” based on the following criteria:**

- **Commitment of Resources** – Please explain how your county has committed financial resources and/or in-kind resources such as facilities, additional county staff, enhanced technology, etc. to support the NC Cooperative Extension.
- **Inclusiveness in County Government** - Describe relationships between NCCE and county government.
- **Advocacy and/or Involvement in Extension Program(s)** – Describe how county government collaborated, advocated or became involved in a particular program or the overall Extension program. Include examples of partnerships between NCCE and County Government to address issues in the county.

Awards will be presented to one county per Extension District (five awards) at the NC Association of County Commissioners' Annual Conference.



Date: 05/04/2021

Signature:

**I. NC Cooperative Extension County Partnership Award Nomination: Watauga County**

Watauga County consistently has been a partner and advocate for the North Carolina Cooperative Extension Mission. Despite the changing tides of political parties & leadership over the years, the Watauga County Board of Commissioners and County Manager recognize the impact that Watauga's Extension programs have on the lives and livelihoods of its citizens and agricultural community.

The burgeoning local food economy in Watauga is strong. With small average farm sizes (typical in the western counties of the state), our local farmers rely on a number of direct markets such as restaurant sales, farmers markets & the High Country Food Hub. Cooperative Extension & Watauga County have contributed significant time and resources into supporting the local food infrastructure that sustains a large number of our small scale, local food producers. The following three cases highlight the support, inclusiveness, advocacy, and commitment of Watauga County leadership to the Extension mission.

*The High Country Food Hub has grown into one of the most successful food hubs in the state due to the partnerships between the County, Cooperative Extension, and a local non-profit. Due to high demand for cooler, freezer, and storage capacity from our local food producers to meet & sustain growth, in 2016, the Watauga County Board of Commissioners approved 1,400 square feet of the Watauga Agricultural Services Center to be transformed into freezers, refrigerators, and dry food storage space. The county provides this space, rent-free, to the High Country Food Hub (managed by Blue Ridge Women in Agriculture), which allows farmers to sell directly to customers and restaurants via an online marketplace. Last year, the Food Hub managed almost \$900,000 in direct sales, which kept our farms and farmers afloat during the height of the pandemic. <https://www.highcountryfoodhub.org/about.html>; <https://www.hcpres.com/news/high-country-food-hub-sees-major-increases-in-customer-sales-and-in-food-supply-from-local-farmers.html>; https://www.wataugademocrat.com/mountaintimes/columns/local-food-producers-face-challenges-opportunities-during-covid-19/article_978eea67-c846-58be-80dd-bcc9370202d0.html

*Watauga County also supported Extension's requests to provide funding and space for shared-use equipment for our farming community. To farm efficiently & profitably, having access to safe & reliable

technology & equipment is a must. However, due to the small scale of many of our farms, the price tag to own this equipment outright is out of reach for many of our farmers. Watauga County provided funding for the purchase of a mobile cattle chute and head-gate, which allows our cattle producers to vaccinate & care for their animals safely under the multiple-pasture management strategy that many farmers operate. The County also provided space (previously used as an overflow impound lot adjacent to the Ag Services Center) and funding to construct a storage structure to house this and other pieces of equipment purchased via grants or direct funding from the county. Today, in addition to the mobile chute/head-gate, Extension & Watauga County Soil & Water rent out mulch layers & lifters, a weed wiper, a ripper, a potato digger, a no-till drill, a Christmas tree planter, and a mobile poultry processing unit recently (April 2021) awarded to Extension by the Poultry Working Group at NC State Extension.

http://www.wataugacounty.org/App_Pages/Dept/SWCD/equiprent.aspx

*Most recently, the County has partnered with Cooperative Extension to develop a site for a regional red meat “kill and chill” facility. Capacity delays in meat slaughter and processing exacerbated by the pandemic put a significant strain on our county’s (and our region’s) commercial meat producers. While Cooperative Extension assisted one commercial producer in procuring a round of grant funding to convert an old deer processing facility into the county’s first USDA inspected *processing* facility, slaughter & cooling logistics remain a challenge. Extension worked with the County Manager, Economic Development Chair, the Operations Services Director of the landfill, and other partners to develop & submit four different funding proposals from Nov 2020-March 2021. The grants totaling \$2 million to Golden LEAF, Tobacco Trust Fund, USDA’s Rural Business Development Grant Program, and the Appalachian Regional Commission will be used to construct and upfit a modern abattoir that will serve producers in Watauga and surrounding counties. County Commissioners approved the project and committed to the donation of a 2.5 acre site at the Watauga County Landfill and pledged direct & matching support. Five other county managers also signed letters of support for the Golden LEAF proposal, which will be announced the first week of June. https://www.wataugademocrat.com/watauga/watauga-butchery-fills-a-need-for-local-farmers/article_73e50619-a371-5c86-935a-db858d26ddea.html; https://www.wataugademocrat.com/kill-chill-map-location/image_1ecc03c2-45a1-5254-93cf-92049d020397.html; https://www.averyjournal.com/news/econ-dev-committee-addresses-kill-and-chill-facility/article_dc43c0b8-0429-5af9-9f3c-9b9c2269d699.html

II. Summary of Accomplishments

Watauga County & Cooperative Extension have partnered to support the local agricultural economy with several different initiatives. Since 2016, Watauga County has provided rent-free space in the Ag Services Center to house the High Country Food Hub, which provides storage & an online marketplace for local producers to sell directly to consumers. This project was a joint effort between County Commissioners, the County Manager, Cooperative Extension, & a local non-profit. Watauga County also funded the purchase of a mobile cattle chute to support livestock producers, many of whom have multiple pastures scattered throughout the county. The chute is managed by Cooperative Extension & is also used throughout the year for educational programs. Currently, Watauga County leadership is working with Cooperative Extension to develop a site for a USDA inspected slaughter & processing facility to serve our region's commercial meat producers. County Commissioners approved the project & committed the site and resources at the county's landfill.

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AGENDA ITEM 6:

PRESENTATION OF FY 2021 AUDIT

MANAGER'S COMMENTS:

Ms. Cindy Randolph with C. Randolph, CPA, PLLC will present the Fiscal Year 2021 County audit. The County's financial position remains strong due to the direction provided by the Commissioners and through execution of that direction by County staff. Below are some of the financial highlights:

- ❖ The total assets of the County exceeded its liabilities at the close of the fiscal year by \$190,957,610.
- ❖ The County's unassigned fund balance for the general fund was \$34,873,904 at the end of the year, representing 61.7% of total General Fund expenditures. This is an increase of \$9,647,783 in the unassigned fund balance from the previous year.
- ❖ The current year collection rate for property taxes was 98.88% which was an increase from last year's 98.59%. The County is still well above the statewide average of 98.11% for entities of similar populations in fiscal year 2019-20.
- ❖ **Outstanding debt principal decreased by \$4,980,000.** Total outstanding debt principal at June 30, 2021 is \$41,210,000. Watauga County's legal debt limit is \$720,972,511 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 audit is presented for information only; and therefore, no action is required. Due to another successful year and an increase in the unassigned fund balance, staff is recommending to appropriate \$4,200,000 to restore the long-term capital for the Watauga County School System for the Fiscal Year ended June 30, 2021 and transfer to the Capital Projects Fund \$5,400,000 for a future parking deck and \$47,783 for future facilities maintenance.

Board action is required to authorize the transfer of the \$9,647,783 increase from unassigned balance.



WATAUGA COUNTY, NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



WATAUGA COUNTY, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

John Welch, Chairman

Billy Kennedy, Vice Chairman

Carrington Pertalion

Larry Turnbow

Charlie Wallin

COUNTY OFFICIALS

Deron T. Geouque

County Manager

Misty Watson, CPA

Finance Director

Watauga County, North Carolina

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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of County 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, 2021, 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, which represents 70.6%, 70.6% and 48% of the assets, net position and revenues, respectively, of the aggregate discretely presented component unit. 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, 2021, and the respective changes in financial position and cash flows, where applicable, 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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, effective July 1, 2020, the County adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 58 through 60, 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 61 through 63, respectively, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and County's Contributions, on pages 64 through 65, 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 66 through 67, 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 basic financial statements of Watauga County, North Carolina. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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, budgetary

schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, 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 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

November 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Watauga County

Year Ended June 30, 2021

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, 2021. 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 \$190,957,610.
- The County's total net position increased by \$17,872,309 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 \$34,873,904 at the end of the year, representing 61.7% of total General Fund expenditures. This is an increase of \$9,647,783 in unassigned fund balance over the previous year.
- Total County debt decreased by \$4,980,000 in outstanding principal. The decrease was a result of principal payments for existing debt.
- The County:
 - Began design of a new Valle Crucis school
 - Continued construction of new sports complex including pickleball, basketball and tennis courts.
 - Continued a Tower project to enhance emergency communications
 - Completed construction of a new recreation and community center
 - Continued 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 seventh 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.

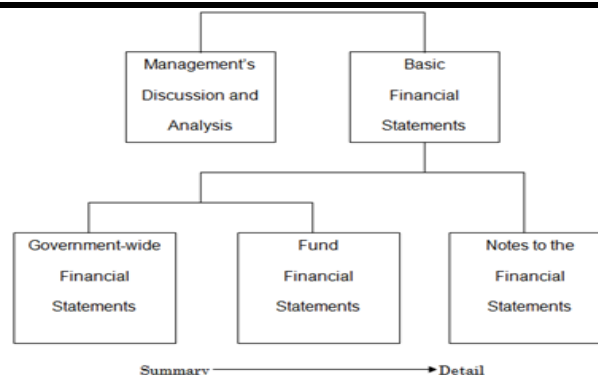
Overview of the Financial Statements

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



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows 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			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 92,728,603	\$ 74,390,164	\$ 9,175,094	\$ 7,963,452	\$ 101,903,697	\$ 82,353,616
Net capital assets	142,356,494	144,345,752	4,718,807	4,979,923	147,075,301	149,325,675
Total assets	235,085,097	218,735,916	13,893,901	12,943,375	248,978,998	231,679,291
Total deferred outflows of resources	6,177,285	5,192,167	438,621	347,497	6,615,906	5,539,664
Long-term liabilities outstanding	53,306,461	56,502,402	1,592,602	1,523,434	54,899,063	58,025,836
Other liabilities	2,509,072	3,866,025	327,359	332,792	2,836,431	4,198,817
Total liabilities	55,815,533	60,368,427	1,919,961	1,856,226	57,735,494	62,224,653
Total deferred inflows of resources	6,829,732	1,876,361	72,068	60,678	6,901,800	1,937,039
Net position:						
Net investment in capital assets	98,766,137	95,466,292	4,718,807	4,979,923	103,484,944	100,446,215
Restricted	13,925,920	10,559,753	-	-	13,925,920	10,559,753
Unrestricted	65,925,060	55,657,250	7,621,686	6,394,045	73,546,746	62,051,295
Total net position	\$ 178,617,117	\$ 161,683,295	\$ 12,340,493	\$ 11,373,968	\$ 190,957,610	\$ 173,057,263

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 \$190,957,610 at June 30, 2021. The County's net position increased by a total of \$17,872,309 for

MANAGEMENT'S DISCUSSION AND ANALYSIS

the fiscal year. Net position is reported in three categories: Net investment in capital assets of \$103,484,944 restricted net position of \$13,925,920; and unrestricted net position of \$73,546,746.

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, 2021, 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, Health Services, Public Safety, Education, Register of Deeds Pension Plan, 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 2,912,305	\$ 2,567,942	\$ 5,959,494	\$ 5,118,690	\$ 8,871,799	\$ 7,686,632
Operating grants and contributions	5,955,236	6,029,904	148,684	140,998	6,103,920	6,170,902
Capital grants	727,051	971,519	-	-	727,051	971,519
General revenues:						
Property taxes	42,040,508	41,013,750	-	-	42,040,508	41,013,750
Other taxes	22,845,335	17,220,231	-	-	22,845,335	17,220,231
Grant and contributions not restricted to specific programs	5,082,329	4,603,582	-	-	5,082,329	4,603,582
Other	149,705	989,620	20,901	127,692	170,606	1,117,312
Sale of capital assets	32,330	17,419	-	-	32,330	17,419
Total revenues	79,744,799	73,413,967	6,129,079	5,387,380	85,873,878	78,801,347
Expenses						
General government	10,549,762	9,675,488	-	-	10,549,762	9,675,488
Public safety	17,704,726	16,482,718	-	-	17,704,726	16,482,718
Transportation	87,956	231,493	-	-	87,956	231,493
Economic & physical development	4,633,366	2,829,166	-	-	4,633,366	2,829,166
Environment protection	381,960	549,279	-	-	381,960	549,279
Humans services	8,424,661	7,900,887	-	-	8,424,661	7,900,887
Cultural and recreation	2,545,268	1,892,470	-	-	2,545,268	1,892,470
Education	16,925,191	16,248,335	-	-	16,925,191	16,248,335
Interest on long-term debt	1,586,125	161,045	-	-	1,586,125	161,045
Solid Waste	-	-	5,162,554	5,034,499	5,162,554	5,034,499
Total expenses	62,839,015	55,970,881	5,162,554	5,034,499	68,001,569	61,005,380
Increase in net position	16,905,784	17,443,086	966,525	352,881	17,872,309	17,795,967
Net position, beginning	161,683,295	144,240,209	11,373,968	11,021,087	173,057,263	155,261,296
Prior period restatement – change in accounting principle	28,038	-	-	-	28,038	-
Net position, beginning, restated	161,711,333	144,240,209	11,373,968	-	173,085,301	155,261,296
Net position, ending	\$ 178,617,117	\$161,683,295	\$12,340,493	\$11,373,968	\$190,957,610	\$173,057,263

Governmental activities: Governmental activities increased the County's net position by \$16,905,784, thereby accounting for 94.6% of the total growth in the net position of Watauga County. Key elements of this increase are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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 98.88% for the current fiscal year;
- Close monitoring of expenditures throughout the year with actual expenditures below budget.

Business-type activities: Business-type activities increased Watauga County's net position by \$966,525, 5.4%. Key elements of this increase are as follows:

- Revenues for tipping fees 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 \$34,873,904 while total fund balance increased to \$45,637,067. 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 61.7 percent of total General Fund expenditures, while total fund balance represents 80.8 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 \$14,078,113.

Major budget increases include:

- \$318,847 for revaluation
- \$3,208,828 for carried forward projects
- \$135,000 for Emergency Management towers
- \$1,725,420 for the Middlefork Greenway Section 4 expansion
- \$900,000 for CDBG-CV funding
- \$4,000,000 transfer of unassigned fund balance to CIP
- \$404,274 for pay adjustments
- \$1,185,000 for school capital projects
- \$395,646 for increase in sales tax allocated to fire departments
- \$1,090,280 for CARES funding
- \$333,467 for various Board of Election grants to cover COVID-19 additional expenses
- 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 \$9,912,556 more than the budgeted amount. Actual operating expenses were less than budgeted by \$8,707,974.

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 \$7,621,686. The total increase in proprietary net position was \$966,525.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021, totals \$147,075,301 (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;
- Began design of new Valle Crucis school;
- Continued construction of new sports complex;
- Continued a Tower project to enhance emergency communications;
- Completed construction of a new recreation and community center;
- Continued improvements at the Landfill

Watauga County's Capital Assets, Net of Depreciation

Figure 4

	Governmental	Business	Total
	Activities	Activities	
	2021	2021	2021
Land	\$ 22,932,045	\$ 975,497	\$ 23,907,542
Buildings	109,395,663	2,606,796	112,002,459
Other improvements	1,508,804	29,401	1,538,205
Leasehold improvements	5,267,651	5,556	5,273,207
Equipment	1,152,203	492,501	1,644,704
Vehicles	720,798	426,273	1,147,071
Construction in progress	1,363,730	182,785	1,546,515
Intangible assets	15,600	-	15,600
Total	\$ 142,356,494	\$ 4,718,807	\$ 147,075,301

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, 2021, Watauga County had no bonded debt outstanding or authorized.

Watauga County's Outstanding Debt

Figure 5

	Governmental Activities	
	2021	2020
Installment purchase	\$ 41,210,000	\$ 46,190,000

Watauga County's total debt decreased by \$4,980,000 or (10.9%) during the past fiscal year due to scheduled debt service payments. 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, 2021 is \$720,972,511. 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 \$62,568,247 General Fund budget for fiscal year 2022, which represents a 2% increase from FY 2021 adopted budget;
- The County's unemployment rate has decreased from 6.2 percent at the end of June 2020 to 4.0

MANAGEMENT'S DISCUSSION AND ANALYSIS

- percent at the end of June 2021;
- 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 2021 due to an increase in tourism related to COVID-19.

Budget Highlights for the Fiscal Year Ending June 30, 2022

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 46 percent increase from fiscal year 2021 budget based on actual results in the previous fiscal year.

Budgeted expenditures in the General Fund have increased 6.7 percent predominately due to funding the School system's long-term capital and new roofs at the Human Services and Law Enforcement Center buildings. Capital purchases are allocated mainly for vehicles, a new Valle Crucis School, 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 \$4,700,000 and \$1,438,000 for county projects-mainly funding \$550,000 for emergency communications, \$738,000 for future maintenance and repairs, \$50,000 for economic development, \$50,000 for community recreation facilities and \$50,000 to Caldwell Community College.

Businesses-type activities – Budgeted revenues for solid waste service revenues are projected a slight increase due to tipping fees.

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.

BASIC FINANCIAL STATEMENTS

Watauga County, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	AppalCART	Watauga County District U Tourism Development Authority
ASSETS					
Current assets					
Cash and cash equivalents	\$ 67,085,595	\$ 8,540,401	\$ 75,625,996	\$ 3,542,161	\$ 6,676,412
Restricted cash and cash equivalents	1,146,434	-	1,146,434	17,566	-
Receivables (net)	1,464,489	595,669	2,060,158	50,042	-
Due from other governments	7,068,464	39,024	7,107,488	308,796	614,590
Inventory	-	-	-	300,443	-
Total current assets	<u>76,764,982</u>	<u>9,175,094</u>	<u>85,940,076</u>	<u>4,219,008</u>	<u>7,291,002</u>
Non-current assets					
Net pension asset - ROD	142,552	-	142,552	-	-
Notes receivable	15,821,069	-	15,821,069	-	-
Capital assets:					
Land, intangible, and construction in progress	24,311,375	1,158,281	25,469,656	1,121,092	-
Other capital assets, net of depreciation	118,045,119	3,560,526	121,605,645	12,173,718	-
Total capital assets	<u>142,356,494</u>	<u>4,718,807</u>	<u>147,075,301</u>	<u>13,294,810</u>	<u>-</u>
Total non-current assets	<u>158,320,115</u>	<u>4,718,807</u>	<u>163,038,922</u>	<u>13,294,810</u>	<u>-</u>
Total assets	<u>235,085,097</u>	<u>13,893,901</u>	<u>248,978,998</u>	<u>17,513,818</u>	<u>7,291,002</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	3,615,138	278,060	3,893,198	-	43,152
Deferred charge on refunding of debt	1,110,480	-	1,110,480	-	-
OPEB deferrals	1,451,667	160,561	1,612,228	-	-
Total deferred outflows of resources	<u>6,177,285</u>	<u>438,621</u>	<u>6,615,906</u>	<u>-</u>	<u>43,152</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	1,552,987	327,359	1,880,346	278,125	103,071
Accrued interest payable	60,427	-	60,427	-	-
Due to other governments	735,083	-	735,083	-	-
Liabilities payable from restricted assets	160,575	-	160,575	-	-
Debt service due within one year	5,410,640	144,117	5,554,757	58,529	8,349
Total current liabilities	<u>7,919,712</u>	<u>471,476</u>	<u>8,391,188</u>	<u>336,654</u>	<u>111,420</u>
Long-term liabilities					
Due in more than one year	47,895,821	1,448,485	49,344,306	37,149	73,970
Total liabilities	<u>55,815,533</u>	<u>1,919,961</u>	<u>57,735,494</u>	<u>373,803</u>	<u>185,390</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	210,067	445	210,512	-	5,846
OPEB deferrals	771,990	71,623	843,613	-	-
Unearned revenue	5,830,515	-	5,830,515	17,566	-
Prepaid taxes	17,160	-	17,160	-	-
Total deferred inflows of resources	<u>6,829,732</u>	<u>72,068</u>	<u>6,901,800</u>	<u>17,566</u>	<u>5,846</u>
NET POSITION					
Net investment in capital assets	98,766,137	4,718,807	103,484,944	13,294,810	-
Restricted for:					
Stabilization by State Statute	10,444,039	-	10,444,039	-	614,590
Register of Deeds' pension plan	133,255	-	133,255	-	-
Education	2,458,022	-	2,458,022	-	-
Public safety	513,411	-	513,411	-	-
Health services	29,448	-	29,448	-	-
Register of Deeds Automation/Enhancement	86,916	-	86,916	-	-
Revaluation	260,829	-	260,829	-	-
Unrestricted	65,925,060	7,621,686	73,546,746	3,827,639	6,528,328
Total net position	<u>\$ 178,617,117</u>	<u>\$ 12,340,493</u>	<u>\$ 190,957,610</u>	<u>\$ 17,122,449</u>	<u>\$ 7,142,918</u>

Watauga County, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

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
Primary government:									
Governmental Activities:									
General government	\$ 10,549,762	\$ 1,359,518	\$ 394,487	\$ 427,428	\$ (8,368,329)	\$ -	\$ (8,368,329)		
Public safety	17,704,726	848,302	1,463,956	-	(15,392,468)	-	(15,392,468)		
Transportation	87,956	-	-	-	(87,956)	-	(87,956)		
Economic and physical development	4,633,366	-	139,176	-	(4,494,190)	-	(4,494,190)		
Environmental protection	381,960	500	65,614	-	(315,846)	-	(315,846)		
Human services	8,424,661	131,220	3,891,555	-	(4,401,886)	-	(4,401,886)		
Cultural and recreational	2,545,268	368,437	-	-	(2,176,831)	-	(2,176,831)		
Education	16,925,191	204,328	448	299,623	(16,420,792)	-	(16,420,792)		
Interest and fees on long-term debt	1,586,125	-	-	-	(1,586,125)	-	(1,586,125)		
Total governmental activities	<u>62,839,015</u>	<u>2,912,305</u>	<u>5,955,236</u>	<u>727,051</u>	<u>(53,244,423)</u>	<u>-</u>	<u>(53,244,423)</u>		
Business-type activities:									
Solid waste	5,162,554	5,959,494	148,684	-	-	945,624	945,624		
Total	<u>\$ 5,162,554</u>	<u>\$ 5,959,494</u>	<u>\$ 148,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945,624</u>	<u>\$ 945,624</u>		
Component units:									
AppalCART	<u>\$ 5,280,133</u>	<u>\$ 520,044</u>	<u>\$ 3,216,588</u>	<u>\$ 149,244</u>			<u>\$ (1,394,257)</u>		
Watauga County District U Tourism Development Authority	<u>\$ 1,620,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (1,620,412)</u>	
General revenues:									
Taxes:									
Property taxes, levied for general purpose					42,040,508	-	42,040,508	-	-
Local option sales tax					17,179,832	-	17,179,832	-	-
Other taxes and licenses					5,665,503	-	5,665,503	-	3,926,317
Grants and contributions not restricted to specific programs					5,082,329	-	5,082,329	-	-
Investment earnings, unrestricted					149,705	19,501	169,206	403	11,489
Gain (loss) sale of fixed assets					32,330	-	32,330	8,659	-
Miscellaneous, unrestricted					-	1,400	1,400	24,691	303,830
Total general revenues					<u>70,150,207</u>	<u>20,901</u>	<u>70,171,108</u>	<u>33,753</u>	<u>4,241,636</u>
Change in net position					16,905,784	966,525	17,872,309	(1,360,504)	2,621,224
Net position, beginning					161,683,295	11,373,968	173,057,263	18,482,953	4,521,694
Prior period restatement - change in accounting principle					28,038	-	28,038	-	-
Net position, beginning, restated					<u>161,711,333</u>	<u>11,373,968</u>	<u>173,085,301</u>	<u>18,482,953</u>	<u>4,521,694</u>
Net position, ending					<u>\$ 178,617,117</u>	<u>\$ 12,340,493</u>	<u>\$ 190,957,610</u>	<u>\$ 17,122,449</u>	<u>\$ 7,142,918</u>

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

Watauga County, North Carolina
Governmental Funds
Balance Sheet
June 30, 2021

	General	Capital Projects Fund	Recreation Center Project Fund	ARP Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 40,316,386	\$ 15,583,447	\$ 3,124,583	\$ 5,433,124	\$ 2,628,055	\$ 67,085,595
Restricted cash and cash equivalents	347,745	-	-	-	798,689	1,146,434
Taxes receivable, net	852,745	-	-	-	432,886	1,285,631
Due from other governments	7,019,793	-	-	-	48,671	7,068,464
Accounts receivable, net	27,677	-	-	-	-	27,677
Notes receivable	15,821,069	-	-	-	-	15,821,069
Total assets	<u>\$ 64,385,415</u>	<u>\$ 15,583,447</u>	<u>\$ 3,124,583</u>	<u>\$ 5,433,124</u>	<u>\$ 3,908,301</u>	<u>\$ 92,434,870</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,540,952	\$ -	\$ -	\$ 12,035	\$ -	\$ 1,552,987
Due to other governments	106,996	-	-	-	628,087	735,083
Liabilities to be paid from restricted assets	-	-	-	-	160,575	160,575
Total liabilities	<u>1,647,948</u>	<u>-</u>	<u>-</u>	<u>12,035</u>	<u>788,662</u>	<u>2,448,645</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	852,745	-	-	-	90,137	942,882
Prepaid taxes	17,160	-	-	-	-	17,160
Unearned revenue	409,426	-	-	5,421,089	-	5,830,515
Notes receivable	15,821,069	-	-	-	-	15,821,069
Total deferred inflows of resources	<u>17,100,400</u>	<u>-</u>	<u>-</u>	<u>5,421,089</u>	<u>90,137</u>	<u>22,611,626</u>
FUND BALANCES						
Restricted for:						
Stabilization by State Statute	10,415,418	-	-	-	28,621	10,444,039
Public safety	-	-	-	-	513,411	513,411
Register of Deeds	86,916	-	-	-	-	86,916
Education	-	-	-	-	\$2,458,022	2,458,022
Health services	-	-	-	-	\$29,448	29,448
Revaluation	260,829	-	-	-	-	260,829
Committed for:						
Capital projects	-	15,583,447	3,124,583	-	-	18,708,030
Unassigned	34,873,904	-	-	-	-	34,873,904
Total fund balances	<u>45,637,067</u>	<u>15,583,447</u>	<u>3,124,583</u>	<u>-</u>	<u>3,029,502</u>	<u>67,374,599</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 64,385,415</u>	<u>\$ 15,583,447</u>	<u>\$ 3,124,583</u>	<u>\$ 5,433,124</u>	<u>\$ 3,908,301</u>	<u>\$ 92,434,870</u>

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

Total Fund Balance, Governmental Funds	\$ 67,374,599
Net pension asset - ROD	142,552
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	142,356,494
Deferred charge on refunding of debt	1,110,480
Other assets are not available to pay for current period expenditures and therefore are unavailable in the funds - accrued interest taxes receivable	151,181
Deferred inflows for notes receivable	15,821,069
Deferred inflows of resources for taxes receivable	942,882
Contributions to the pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,323,765
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	244,900
OPEB related deferrals, net	434,777
Pension related deferrals-all plans, net	2,081,306
Net OPEB liability	(2,684,407)
Net pension liability - LEOSSA	(531,748)
Net pension liability - LGERS	(5,346,006)
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.	(44,804,727)
Net position of governmental activities	<u>\$ 178,617,117</u>

Watauga County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Recreation Center Project Fund	ARP Project Fund	Other Governmental Funds	
REVENUES						
Ad valorem taxes	\$ 38,677,716	\$ -	\$ -	\$ -	3,472,535	\$ 42,150,251
Other taxes and licenses	18,654,677	-	-	-	4,190,658	22,845,335
Unrestricted intergovernmental	5,082,329	-	-	-	-	5,082,329
Restricted intergovernmental	6,174,379	-	-	34,773	353,136	6,562,288
Permits and fees	1,094,582	-	-	-	70,699	1,165,281
Sales and services	936,988	-	-	-	204,328	1,141,316
Investment earnings	104,650	34,382	7,484	1,772	1,417	149,705
Donations	156,679	-	-	-	-	156,679
Miscellaneous	590,088	-	-	-	-	590,088
Total revenues	<u>71,472,088</u>	<u>34,382</u>	<u>7,484</u>	<u>36,545</u>	<u>8,292,773</u>	<u>79,843,272</u>
EXPENDITURES						
Current:						
General government	9,313,776	-	-	-	275,027	9,588,803
Public safety	13,541,193	-	-	36,545	3,771,564	17,349,302
Transportation	87,956	-	-	-	-	87,956
Economic and physical development	627,993	-	-	-	3,976,078	4,604,071
Environmental protection	373,591	-	-	-	-	373,591
Human services	7,613,988	-	-	-	213,170	7,827,158
Cultural and recreational	1,531,452	-	60,672	-	-	1,592,124
Education	16,718,941	-	-	-	206,250	16,925,191
Debt service:						
Principal	4,980,000	-	-	-	-	4,980,000
Interest	1,696,631	-	-	-	-	1,696,631
Total expenditures	<u>56,485,521</u>	<u>-</u>	<u>60,672</u>	<u>36,545</u>	<u>8,442,089</u>	<u>65,024,827</u>
Revenues over (under) expenditures	<u>14,986,567</u>	<u>34,382</u>	<u>(53,188)</u>	<u>-</u>	<u>(149,316)</u>	<u>14,818,445</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	32,330	-	-	-	-	32,330
Transfers from other funds	1,617,000	6,174,808	-	-	2,664,000	10,455,808
Transfers to other funds	(6,174,808)	(4,281,000)	-	-	-	(10,455,808)
Total other financing sources and uses	<u>(4,525,478)</u>	<u>1,893,808</u>	<u>-</u>	<u>-</u>	<u>2,664,000</u>	<u>32,330</u>
Net change in fund balance	10,461,089	1,928,190	(53,188)	-	2,514,684	14,850,775
Fund balance, beginning of year	35,186,904	13,655,257	3,177,771	-	475,854	52,495,786
Prior period adjustment	(10,926)	-	-	-	10,926	-
Prior period restatement - change in accounting principle	-	-	-	-	28,038	-
Fund balance, beginning, restated	<u>35,175,978</u>	<u>13,655,257</u>	<u>3,177,771</u>	<u>-</u>	<u>514,818</u>	<u>52,495,786</u>
Fund balance, end of year	<u>\$ 45,637,067</u>	<u>\$ 15,583,447</u>	<u>\$ 3,124,583</u>	<u>\$ -</u>	<u>3,029,502</u>	<u>\$ 67,374,599</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, 2021

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

Net changes in fund balances - total governmental funds \$ 14,850,775

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	\$ 2,343,643	
Sale of assets not fully depreciated	(32,159)	
Depreciation expense for governmental assets	<u>(4,300,747)</u>	(1,989,263)

Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities. 1,185,829

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities. 244,900

Benefit payments paid and administrative expense for the LEOSSA in the current fiscal year are not included on the Statement of Activities. 137,936

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

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds (21,060) (21,060)

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 (109,743) (109,743)

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	(412,742)	
Pension expense-LGERS and ROD	(1,867,841)	
Compensated absences	(95,423)	
Pension expense-LEOSSA	(108,089)	
Amortization of bond premiums	<u>309,103</u>	(2,174,992)
Combined adjustment		

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	4,980,000	
Decrease in accrued interest payable	<u>79,022</u>	<u>5,059,022</u>

Total changes in net position of governmental activities \$ 16,905,784

Watauga County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2021

	General Fund			
	Budget		Actual Amounts	Variance with Final Budget-
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 36,911,375	\$ 36,911,375	\$ 38,677,716	\$ 1,766,341
Other taxes and licenses	10,244,800	10,693,081	18,654,677	7,961,596
Unrestricted intergovernmental	2,890,500	2,890,500	5,082,329	2,191,829
Restricted intergovernmental	4,446,535	7,849,329	6,174,379	(1,674,950)
Permits and fees	730,617	730,617	1,094,582	363,965
Sales and services	1,222,468	1,222,468	936,988	(285,480)
Investment earnings	38,500	38,500	104,650	66,150
Donations	30,500	686,767	156,679	(530,088)
Miscellaneous	536,895	536,895	590,088	53,193
Total revenues	<u>57,052,190</u>	<u>61,559,532</u>	<u>71,472,088</u>	<u>9,912,556</u>
Expenditures:				
General government	8,870,284	15,117,696	9,313,776	5,803,920
Public safety	12,589,618	14,611,393	13,541,193	1,070,200
Transportation	67,495	87,956	87,956	-
Economic and physical development	620,483	676,860	627,993	48,867
Environmental protection	415,854	513,572	373,591	139,981
Human services	8,172,844	8,509,409	7,613,988	895,421
Cultural and recreation	2,162,028	2,185,616	1,531,452	654,164
Education	15,614,953	16,814,362	16,718,941	95,421
Debt service:				
Principal retirement	4,980,000	4,980,000	4,980,000	-
Interest and other charges	1,696,631	1,696,631	1,696,631	-
Total expenditures	<u>55,190,190</u>	<u>65,193,495</u>	<u>56,485,521</u>	<u>8,707,974</u>
Revenues over (under) expenditures	<u>1,862,000</u>	<u>(3,633,963)</u>	<u>14,986,567</u>	<u>18,620,530</u>
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	32,330	22,330
Transfers from other funds	228,000	1,617,000	1,617,000	-
Transfers to other funds	(2,100,000)	(6,174,808)	(6,174,808)	-
Fund balance appropriated	-	8,181,771	-	(8,181,771)
Total other financing sources (uses)	<u>(1,862,000)</u>	<u>3,633,963</u>	<u>(4,525,478)</u>	<u>(8,159,441)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ 10,461,089	\$ <u>10,461,089</u>
Fund balance, beginning of year			35,186,904	
Prior period adjustment			<u>(10,926)</u>	
Fund balance, beginning, restated			<u>35,175,978</u>	
Fund balance, end of year			\$ <u>45,637,067</u>	

Watauga County, North Carolina
Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Enterprise Fund</u>
	<u>Solid Waste Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,540,401
Receivables, net	595,669
Due from other governments	39,024
Total current assets	<u>9,175,094</u>
Non-current assets:	
Capital assets:	
Land and construction in progress	1,158,281
Other capital assets, net of depreciation	3,560,526
Total capital assets	<u>4,718,807</u>
Total assets	<u>13,893,901</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB deferrals	160,561
Pension deferrals	278,060
Total deferred outflows of resources	<u>438,621</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	327,359
Accrued compensated absences - current	22,372
Accrued landfill post closure and closure costs - current	121,745
Total current liabilities	<u>471,476</u>
Non-current liabilities:	
Net pension liability	482,609
Net OPEB liability	249,051
Accrued landfill post closure and closure costs - noncurrent	618,026
Accrued compensated absences	98,799
Total non-current liabilities	<u>1,448,485</u>
Total liabilities	<u>1,919,961</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	71,623
Pension deferrals	445
Total deferred inflows of resources	<u>72,068</u>
NET POSITION	
Net investment in capital assets	4,718,807
Unrestricted	7,621,686
Total net position	<u>\$ 12,340,493</u>

Watauga County, North Carolina
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2021

	Enterprise Fund
	Solid Waste Fund
OPERATING REVENUES:	
Charges for services	\$ 5,689,417
Sale of recycled materials	270,077
	5,959,494
Total operating revenues	5,959,494
 OPERATING EXPENSES:	
Landfill operations	4,665,960
Recycling operations	116,260
Depreciation	413,153
	5,195,373
Total operating expenses	5,195,373
Operating income	764,121
 NONOPERATING REVENUES:	
Interest and investment revenue	19,501
Miscellaneous revenues	1,400
Gain on disposal of assets	32,819
Restricted intergovernmental revenues	148,684
	202,404
Total nonoperating revenues	202,404
Change in net position	966,525
Total net position, beginning	11,373,968
Total net position, ending	\$ 12,340,493

Watauga County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Enterprise Fund
	Solid Waste Fund
Cash flows from operating activities:	
Cash received from customers	\$ 5,699,408
Cash paid for goods and services	(3,278,269)
Cash paid to employees for services	(1,473,224)
Net cash provided by operating activities	947,915
Cash flows from noncapital financing activities:	
Restricted intergovernmental revenues	142,146
Miscellaneous revenues	1,400
Net cash provided by noncapital financing activities	143,546
Cash flows from capital and related financing activities:	
Proceeds received from sale of fixed assets	32,819
Acquisition and construction of capital assets	(152,037)
Net cash used by capital and related financing activities	(119,218)
Cash flows from investing activities:	
Interest on investments	19,501
Net cash provided by investing activities	19,501
Net increase in cash and cash equivalents	991,744
Cash and cash equivalents, July 1	7,548,657
Cash and cash equivalents, June 30	\$ 8,540,401
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 764,121
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	413,153
Changes in assets, liabilities, deferred outflows and inflows of resources:	
Increase in deferred outflow of resources - pensions	(41,556)
Increase in deferred inflow of resources - OPEB	11,858
Increase in deferred outflows of resources - OPEB	(49,568)
Increase in net pension liability	100,558
Increase in net OPEB liability	47,087
Decrease in deferred inflow of resources - pensions	(468)
Decrease in accrued landfill post closure and closure costs	(100,727)
Increase in accounts receivable	(260,085)
Increase in prepaid expense	46,725
Increase in accounts payable	(5,432)
Decrease in accrued compensated absences	22,249
Total adjustments	183,794
Net cash provided by operating activities	\$ 947,915

Watauga County, North Carolina
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2021

	<u>Irrevocable Trust Funds</u>	<u>Custodial Funds</u>
Assets		
Cash and cash equivalents	\$ 2,970,049	\$ 68,960
Accounts receivable	-	-
	<u>\$ 2,970,049</u>	<u>\$ 68,960</u>
Liabilities and Net Position		
Liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ -
	<u>-</u>	<u>-</u>
Net position:		
Assets held in trust for postemployment benefits other than pensions	\$ 2,219,361	\$ -
Assets held in trust for law enforcement officers' special separation allowance benefits	750,688	-
Individuals, organizations and other governments	-	68,960
Total fiduciary net position	<u>\$ 2,970,049</u>	<u>\$ 68,960</u>

Watauga County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Irrevocable Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Additions:		
Employer contributions	\$ 431,436	-
Interest earned	6,770	-
Ad valorem taxes collected for other governments	-	6,752,810
Collections on behalf of inmates	-	246,593
	<u> </u>	<u> </u>
Total additions	<u>438,206</u>	<u>6,999,403</u>
Deductions:		
Benefits	169,936	-
Administrative expense	23,000	-
Tax distributions to other governments	-	6,772,701
Payment on behalf of inmates	-	191,108
	<u> </u>	<u> </u>
Total deductions	<u>192,936</u>	<u>6,963,809</u>
Net increase (decrease) in fiduciary net position	245,270	35,594
Net position - beginning, as previously reported	2,724,779	-
Prior period restatement	-	33,366
Net position - beginning, as restated	2,724,779	33,366
Net position - ending	<u>\$ 2,970,049</u>	<u>68,960</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

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, 2021

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.

Custodial Funds – Custodial funds are used to report fiduciary activities that are not required to be reporting in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County, and the Jail Inmate Commissary Fund, which holds cash collections for the benefit of inmates from their friends and families.

Non-major Funds – The County maintains nine 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, the Occupancy Tax Fund, the Representative Payee Fund, the Fines

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

and Forfeitures Fund, the Deed of Trust Fund and the Valle Crucis School Project 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.

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 Funds, the Federal Equitable Sharing, the State Substance Abuse Tax, the Emergency Telephone System, Fire Districts, Occupancy Tax, Representative Payee, Fines and Forfeitures and Deed of Trust Special Revenue Funds, and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Recreation Center Project fund, the Valle Crucis School Project fund and the ARP 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), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

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. The County, AppalCART and the Authority consider demand deposits and investments purchased with an

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

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	\$ 260,829
	Register of Deeds	86,916
Federal Equitable Sharing Fund	Law enforcement	118,643
State Substance Abuse Tax Fund	Law enforcement	32,106
Emergency Telephone Fund	911 eligible expenditures	373,477
Occupancy Tax Fund	Tourism	269,532
Fire District Funds	Unexpended collections	4,931
Total Governmental Activities		\$1,146,434

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, 2020.

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 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

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.

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].

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 Health Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security’s Representative Payee Program.

Restricted for Education – portion of fund balance that is restricted for the Watauga County Board of Education.

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

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,

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 2021, the County's deposits had a carrying amount of \$58,203,575 and a bank balance of \$60,691,366. Of the bank balance, \$864,650 was covered by federal depository insurance and the remainder is covered by collateral held under the Pooling Method. At June 30, 2021, Watauga County had \$3,450 cash on hand.

At June 30, 2021, AppalCART's deposits had a carrying amount of \$1,449,313 and a bank balance of \$1,479,504. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,229,504 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2021, the Authority's deposits had a carrying amount of \$6,567,589 and a bank balance of \$6,598,155. 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, 2021, 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	17,856,362	14,859,663	2,996,699	-
Government Agencies	Fair Value Level 2	894,522	296,877	-	597,645
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	2,853,530	2,853,530	N/A	N/A
Total:		<u>\$21,604,414</u>	<u>\$18,010,070</u>	<u>\$2,996,699</u>	<u>\$597,645</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 2021, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 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 and AAAM-mf by Moody's Investors Services as of June 30, 2021. The County's investments in US Agencies with Federal Home Loan Bank is rated AAA 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, 2021, AppalCART's investment stated at fair value, consisted of \$2,110,414 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and AAAM-mf by Moody's Investors Services. AppalCART has no formal policy on interest rate risk or credit risk on its investments.

At June 30, 2021, the Authority's investments consisted of the following:

Investment Type	Fair Value	Maturity	Rating
NC Capital Management Trust – Government Portfolio	\$ 108,823	N/A	AAAM
	<u>\$ 108,823</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 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 and AAAM-mf by Moody's Investors Services as of June 30, 2021.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

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
2017	\$ 762,996	\$ 215,546	\$ 978,542
2018	765,874	147,431	913,305
2019	873,126	89,495	962,621
2020	868,258	-	868,258
Total	<u>\$ 3,270,254</u>	<u>\$ 452,472</u>	<u>\$ 3,722,726</u>

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts	Taxes Receivable	Interest Receivable	Total
Governmental Activities:				
General	\$ 27,677	\$ 982,663	\$ 137,797	\$ 1,148,137
Other Governmental	-	432,886	13,384	446,270
Total receivables	27,677	1,415,549	151,181	1,594,407
Allowance for doubtful accounts	-	(129,918)	-	(129,918)
Total-governmental activities	<u>\$ 27,677</u>	<u>\$ 1,285,631</u>	<u>\$ 151,181</u>	<u>\$ 1,464,489</u>
Business-type Activities				
Solid Waste	\$ 667,985	\$ -	\$ -	\$ 667,985
Allowance for doubtful accounts	(72,316)	-	-	(72,316)
Total-business-type activities	<u>\$ 595,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 595,669</u>

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

Governmental activities:	
NC Dept of Natural and Cultural Resources	\$ 133,611
NC DOR	5,545,066
NC Dept of Public Instruction	285,213
NC Dept of Public Safety	89,468
NC Dept of Commerce	116,741
Town of Blowing Rock	181,782
Caldwell Community College & Technical Institute	15,532
High Country Council of Governments	41,347
Town of Beech Mountain	176,220
Avery County	3,711
Town of Boone	1,409
Town of Seven Devils	27,095
Watauga County Clerk of Court	18,608
Watauga County District U TDA	6,123
NC DHHS	397,917
Emergency Telephone System	28,621
Total-governmental activities	<u>\$ 7,068,464</u>
Business-type activities:	
NCDOR	<u>\$ 39,024</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 2021 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 loan was modified on August 18, 2020 to allow interest only payments for September 1, 2020 through September 1, 2021. As a result of the loan modification, payments will continue through December 1, 2030. The balance as of June 30, 2021 was \$346,069.

6. Capital Assets

Primary Government:

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 21,924,901	\$ 1,007,144	\$ -	\$ 22,932,045
Intangible	15,600	-	-	15,600
Construction in progress	38,836,923	1,704,384	39,177,577	1,363,730
Total capital assets not being depreciated	<u>60,777,424</u>	<u>2,711,528</u>	<u>39,177,577</u>	<u>24,311,375</u>
Capital assets being depreciated:				
Buildings	101,449,060	37,714,365	-	139,163,425
Other improvements	5,889,681	285,973	-	6,175,654
Leasehold improvements	7,672,161	12,323	40,014	7,644,470
Equipment	6,752,220	581,056	96,498	7,236,778
Vehicles and motorized equipment	2,712,055	215,980	106,642	2,821,393
Total capital assets being depreciated	<u>124,475,177</u>	<u>38,809,697</u>	<u>243,154</u>	<u>163,041,720</u>
Less accumulated depreciation for:				
Buildings	26,986,002	2,781,760	-	29,767,762
Other improvements	4,160,267	506,583	-	4,666,850
Leasehold improvements	2,117,367	273,168	13,716	2,376,819
Equipment	5,815,242	359,970	90,637	6,084,575
Vehicles and motorized equipment	1,827,971	379,266	106,642	2,100,595
Total accumulated depreciation	<u>40,906,849</u>	<u>4,300,747</u>	<u>210,995</u>	<u>44,996,601</u>
Total capital assets being depreciated, net	<u>83,568,328</u>			<u>118,045,119</u>
Governmental activity capital assets, net	<u>\$ 144,345,752</u>			<u>\$142,356,494</u>

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

General government	\$ 1,929,701
Public safety	575,955
Economic and physical development	29,295
Environmental protection	6,196
Human services	368,490
Cultural and recreational	1,391,110
Total depreciation expense	<u>\$ 4,300,747</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 975,497	\$ -	\$ -	\$ 975,497
Construction in progress	38,617	144,168	-	182,785
Total capital assets not being depreciated	1,014,113	144,168	-	1,158,282
Capital assets being depreciated:				
Improvements	445,921	-	-	445,921
Leasehold improvements	319,960	-	-	319,960
Buildings	4,152,793	-	-	4,152,793
Equipment	2,149,398	7,869	-	2,157,267
Vehicles	2,001,204	-	220,290	1,780,914
Total capital assets being depreciated	9,069,276	7,869	220,290	8,856,855
Less accumulated depreciation for:				
Improvements	396,918	19,602	-	416,520
Leasehold improvements	314,156	248	-	314,404
Building	1,460,099	85,898	-	1,545,997
Equipment	1,579,758	85,008	-	1,664,766
Vehicles	1,352,534	222,397	220,290	1,354,641
Total accumulated depreciation	5,103,464	413,153	220,290	5,296,328
Total capital assets being depreciated, net	3,965,811			3,560,527
Business-type capital assets, net	\$ 4,979,923			\$ 4,718,809

Construction commitments

The County has one active construction project as of June 30, 2021. The governmental project includes the Community Recreation Center. At June 30, 2021, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Valle Crucis School	\$ 206,250	\$ 2,457,750
Middlefork Greenway Sect. 4	441,997	1,204,298
Courthouse roof	-	634,777
Total	<u>\$ 648,247</u>	<u>\$ 4,296,825</u>

Discretely presented component units

Capital asset activity for the AppalCART for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
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	25,392	-	540,632
Shop equipment	360,696	9,259	11,848	358,107
Vehicles	11,525,894	230,333	22,150	11,734,077

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Total capital assets being depreciated	19,126,315	264,984	33,998	19,357,301
Less accumulated depreciation for:				
Buildings	951,150	135,789	-	1,086,939
Land improvements	11,692	536	-	12,228
Office furniture and equipment	341,562	61,244	-	402,806
Shop equipment	309,026	10,807	11,848	307,985
Vehicles	4,359,107	1,036,668	22,150	5,373,625
Total accumulated depreciation	5,972,537	1,245,044	33,998	7,183,583
Total capital assets being depreciated, net	13,153,778			12,173,718
Business-type activities capital assets, net	\$14,274,870			\$13,294,810

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries and benefits	Due to other governments	Total
Governmental activities:				
General	\$ 1,175,670	\$ 377,317	\$ 106,996	\$ 1,619,983
Other governmental funds	160,575	-	628,087	788,662
Total-governmental activities	\$ 1,336,245	\$ 377,317	\$ 735,083	\$ 2,448,645
Business-type activities:				
Solid Waste	\$ 303,880	\$ 23,479	\$ -	\$ 327,359

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 (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local 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 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.org.

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 2021, was 10.84% of compensation for law enforcement officers and 10.24% 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 \$1,284,035 for the year ended June 30, 2021.

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, 2021, the County reported a liability of \$5,828,615 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 0.16311% (measured as of June 30, 2020), which was a decrease of 0.001671% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$2,034,725. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 736,052	\$ -
Changes of assumptions	433,763	-
Net difference between projected and actual earnings on	820,221	-

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2021

pension plan investments		
Changes in proportion and differences between County contributions and proportionate share of contributions	84,141	5,377
County contributions subsequent to the measurement date	1,284,035	-
Total	\$ <u>3,358,212</u>	\$ <u>5,377</u>

\$1,284,035 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	\$ 586,128
2022	777,207
2023	462,722
2024	242,744
2025	-
Thereafter	-
Total	\$ <u>2,068,801</u>

At June 30, 2021, the Authority reported a liability of \$73,970 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the Authority's proportion was 0.00207% (measured as of June 30, 2020), which was a decrease of 0.00045% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Authority recognized pension expense of \$23,023. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,341	\$ -
Changes of assumptions	5,505	-
Net difference between projected and actual earnings on pension plan investments	10,409	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	5,846
Authority contributions subsequent to the measurement date	17,897	-
Total	\$ <u>43,152</u>	\$ <u>5,846</u>

\$17,897 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:

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2021

Year ended June 30:	
2021	\$ 4,738
2022	7,565
2023	4,026
2024	3,081
2025	-
Thereafter	-
Total	\$ <u>19,410</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 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
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, 2019 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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)	\$ 11,825,625	\$ 5,828,615	\$ 844,678
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability (asset)	\$ 150,077	\$ 73,970	\$ 10,720

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Annual Financial Report 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 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, 2020, the valuation date:

Retirees receiving benefits	4
Inactive members entitled to but not receiving benefits	0
Active plan members	47
Total	51

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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, 2021, the County contributed \$137,936, or 5.98% 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Based on service, ranging from 3.25 to 7.75 percent, including inflation
Investment rate of return	2.21 percent, net of pension plan investment expense, including inflation
Mortality	Pre-retirement mortality rates based on the Pub-2010 Safety Employees tables, project forward generationally using Scale MP-2019 Post-retirement rate based on the Pub-2010 Safety Retirees tables, set forward one year and multiplied by .97, then projected generationally using Scale MP-2019

Discount rate. The discount rate used to measure the total pension liability was 2.21%. 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, 2020.

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 2.21% 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, 2020.

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 2.21 percent, as well as what the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net pension liability	\$651,315	\$531,748	\$422,803

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) – (b)
Balance as of June 30, 2019; measurement date	\$ 836,916	\$ 567,343	\$ 269,573
Changes for the year:			
Service cost	65,966	-	65,966
Interest	30,823	-	30,823
Benefit changes	-	-	-
Difference between expected and actual experience	37,151	-	37,151
Changes of assumptions or other inputs	271,350	-	271,350
Contributions – employer	-	139,433	(139,433)
Contributions – employee	-	-	-
Net investment income	-	13,682	(13,682)
Benefits paid	(44,433)	(44,433)	-
Plan administrative expenses	-	(10,000)	10,000
Net changes	360,857	98,602	(262,255)
Balance as of June 30, 2020; measurement date	\$ 1,197,773	\$ 666,025	\$ 531,748

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LEOSA Pension Plan

The assumed rate of return was decreased from 3.50% to 2.21% 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, 2021, the County recognized pension expense of \$108,089. 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, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of the June 30, 2020 measurement date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,484	\$ 133,845
Changes of assumptions	314,542	48,791
Net difference between projected and actual earnings on pension plan investments	16,822	-
County benefit payments and admin expenditures subsequent to the measurement date	137,936	-
Total	\$ 521,784	\$ 182,636

The County paid \$127,936 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 20,910
2023	19,145
2024	17,225
2025	15,530
2026	13,997
Thereafter	114,405
Total	\$ 201,212

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 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, 2021 were \$145,147, which consisted of \$116,721 from the County and \$28,426 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, 2021 to these plans were \$752,946 which consisted of \$498,204 from the County and \$254,742 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 (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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.

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 \$8,112 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$142,552 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was .62201%, which was an increase of .05842% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of (\$2,024). At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,905
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	12,198
Changes in proportion and differences between County contributions and proportionate share of contributions	5,090	7,396
County contributions subsequent to the measurement date	8,112	-
Total	\$ 13,202	\$ 22,499

\$8,112 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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For the Year Ended June 30, 2021

Year ended June 30:

2022	\$	(3,275)
2023		(5,557)
2024		(5,505)
2025		(3,073)
2026		-
Thereafter		-
Total	\$	(17,410)

Actuarial Assumptions. The total pension liability in the December 31, 2019 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, 2019 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, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including 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.

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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)	\$(121,080)	\$(142,552)	\$(160,721)

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

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 June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The net pension liability (asset) for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. 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)	\$ 5,828,615	\$ (142,552)	\$ -	\$ 5,686,063
Proportion of the Net Pension Liability (Asset)	0.16311%	-0.58420%	n/a	n/a
Net Pension Liability	-	-	\$ 531,748	\$ 531,748
Pension Expense	\$ 2,034,725	\$ (2,024)	\$ 108,089	\$ 2,140,790

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Notes to the Financial Statements For the Year Ended June 30, 2021

At June 30, 2021, 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>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 736,052	\$ -	\$ 52,484	\$ 788,536
Changes of assumptions	433,763	-	314,542	748,305
Net difference between projected and actual earnings on pension plan investments	820,221	-	16,822	837,043
Changes in proportion and differences between County contributions and proportionate share of contributions	84,141	5,090	-	89,231
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,284,035	8,112	137,936	1,430,083
Total	<u>\$ 3,358,212</u>	<u>\$ 13,202</u>	<u>\$ 521,784</u>	<u>\$ 3,893,198</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 2,905	\$ 133,845	\$ 136,750
Changes of assumptions	-	-	48,791	48,791
Net difference between projected and actual earnings on pension plan investments	-	12,198	-	12,198
Changes in proportion and differences between County contributions and proportionate share of contributions	5,377	7,396	-	12,773
Total	<u>\$ 5,377</u>	<u>\$ 22,499</u>	<u>\$ 182,636</u>	<u>\$ 210,512</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, 2020 and June 30, 2021, the HCB Plan membership consisted of the following:

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	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefit payments	27	24
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	<u>236</u>	<u>249</u>
Total	<u>263</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 \$293,500.

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 2.21 percent.

Rate of return. For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 2.15 percent.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2021 were as follows:

Total OPEB Liability	\$ 4,992,212
Plan fiduciary net position	<u>2,058,754</u>
County's net OPEB liability	<u>\$ 2,933,458</u>

Plan fiduciary net position as a percentage of Total OPEB Liability is 41.24%.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
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Inflation	2.50 percent
Salary increases	Based on service, ranging from 7.75 percent for Uniformed Employees grading down to 3.25 percent over 40 years, and 8.25% for General Employees grading down to 3.25 percent over 35 years, including inflation
Discount rate	2.21 percent
Healthcare cost trend rates	6.0 percent, then 6.75 percent decreasing by .25 percent per year, 4.50 percent ultimate rate
Healthy mortality rates	
Pre-retirement	(General) Pub-2010 General Employees table, projected generationally using Scale: MP-2019 (Uniformed) Pub-2010 Safety Employees table, projected generationally using Scale: MP-2019.
Post-retirement	(General): Pub-2010 General Retiree table, set forward two years and multiplied by 96% for males, unadjusted for females, projected generationally using Scale MP-2019. (Uniformed): Pub-2010 Safety Retiree table, set forward one year and multiplied by 97%, projected generationally using Scale MP-2019.

Total OPEB liabilities were rolled forward to June 30, 2020 and June 30, 2021 for the employer and the plan, respectively, utilizing updated procedures incorporating the actuarial assumptions.

The actuarial assumptions used in the June 30, 2020 valuation were based on the NCLGERS assumption study for the five-year period ended December 31, 2015.

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 2.21 percent. The discount rate incorporates a municipal bond rate which is 2.21 percent as reported in the Bond Buyer for the 20 Year general obligation bonds as of June 30, 2020.

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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21 percent)	Discount Rate (2.21 percent)	1% Increase (3.21 percent)
Net OPEB liability (asset)	\$ 3,352,260	\$ 2,933,458	\$ 2,552,505

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:

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	1% Decrease in Trend Rates		Healthcare Cost Trend Rate (6.0 percent decreasing to 4.5 percent)	1% Increase in Trend Rates
Net OPEB liability (asset)	\$ 2,594,765	\$	2,933,458	\$ 3,333,595

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County reported a net OPEB liability of \$2,933,458. The total OPEB liability used to calculate the net OPEB liability was measured by an actuarial valuation as of June 30, 2020.

At June 30, 2021, the components of the net OPEB liability of the County, as measured at June 30, 2020, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2020	\$ 4,290,310	\$ 1,911,459	\$ 2,378,851
Changes for the Year:			-
Service Cost	273,893	-	273,893
Interest	157,322	-	157,322
Differences between Expected and Actual experience	(299,908)	-	(299,908)
Changes of assumptions	710,395	-	710,395
Contributions	-	257,800	(257,800)
Net Investment Income	-	42,295	(42,295)
Administrative expense	-	(13,000)	13,000
Benefit Payments	(139,800)	(139,800)	-
Net Changes	701,902	147,295	554,607
Balances at June 30, 2021	\$ 4,992,212	\$ 2,058,754	\$ 2,933,458

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

For the year ended June 30, 2021, the County recognized OPEB expense of \$470,719. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 440,738	\$ 431,897
Changes of assumptions	814,013	411,716
Net Difference between projected and actual earnings on plan investments	63,977	-
County contributions subsequent to the measurement date	293,500	-
Total	\$ 1,612,228	\$ 843,613

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

\$293,500 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2022	\$	90,688
2023		85,804
2024		78,183
2025		37,494
2026		79,183
Thereafter		103,763
	<u>\$</u>	<u>475,115</u>

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, 2021, the County made contributions to the State for death benefits of \$8,979 for general employees and \$3,390 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 post closure costs of \$365,235. The County will recognize the postclosure costs over the remaining 4 years.

(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 \$374,536 reported as landfill closure and postclosure care liability at June 30, 2021 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 \$365,235 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2021.

4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources as of June 30, 2021 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	\$ 1,562,318	\$ 460,507	\$ -
Pensions and OPEB – difference between expected and actual experience	1,229,274	568,647	-
Pensions and OPEB – difference between projected and actual investment earnings	901,020	12,198	-
Pensions and OPEB – change in proportion and difference between employer contributions and proportionate share of contributions	89,231	12,773	-
Contributions to pension and OPEB plans in	1,723,583	-	-
Deferred charge on refunding of debt	1,110,480	-	-
Note receivable	-	-	15,821,069
Prepaid taxes not yet earned (General)	-	17,160	17,160
Unearned revenue (General)	-	5,830,515	5,830,515
Taxes receivable, net (General)	-	-	852,745
Taxes Receivable, net (Special Revenue)	-	-	90,137
Total	<u>\$ 6,615,906</u>	<u>\$ 6,901,800</u>	<u>\$ 22,611,626</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 administrated 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 \$118,390,943 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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.

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 and second 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, 2021 of \$25,360,000. Series B was for \$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.

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2021

The third 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, 2021 is \$15,850,000. 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, 2021, including \$7,282,705 of interest, are:

Year Ending June 30	Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest
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	4,920,000	742,565	-	-
2027-2031	13,675,000	1,691,740	-	-
2032-2033	2,640,000	142,600	-	-
Total payments	\$ 41,210,000	\$ 7,282,705	\$ -	\$ -

b. General Obligation Indebtedness

The County has no general obligation debt outstanding or authorized as of June 30, 2021. At June 30, 2021, Watauga County had a legal debt margin of \$720,972,511.

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 eight 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 decreased 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 \$1,001,735 and the annual amortization of interest expense is 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, 2021:

<u>Governmental activities:</u>	Balance			Balance June 30, 2021	Current Portion of Balance
	July 1, 2020	Increases	Decreases		
Net pension liability (LGRS)	\$ 4,117,962	\$ 1,228,044	\$ -	\$ 5,346,006	\$ -
Net pension liability (LEOSSA)	269,573	262,175	-	531,748	-
Net OPEB liability	2,176,887	507,520	-	2,684,407	-
Direct Placement Installment purchases	46,190,000	-	4,980,000	41,210,000	5,000,000
Premium on LOBS	1,493,507	-	114,885	1,378,622	114,885

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2021

Premium on advance refunding	1,195,953	-	194,218	1,001,735	143,105
Compensated absences	1,058,520	1,789,950	1,694,527	1,153,943	152,650
Total governmental activities	<u>\$ 56,502,402</u>	<u>\$ 3,787,689</u>	<u>\$ 6,983,630</u>	<u>\$ 53,306,461</u>	<u>\$ 5,410,640</u>

Business-type activities:

Net pension liability (LGRS)	\$ 382,051	\$ 100,558	\$ -	\$ 482,609	\$ -
Net OPEB liability	201,964	47,087	-	249,051	-
Accrued landfill closure and post closure costs	840,498	21,018	121,745	739,771	121,745
Compensated absences	98,921	177,535	155,286	121,170	22,372
Total business-type activities	<u>\$ 1,523,434</u>	<u>346,198</u>	<u>\$ 277,031</u>	<u>\$ 1,592,601</u>	<u>144,117</u>

Discretely presented component units:**AppalCART**

Compensated absences	<u>\$ 91,837</u>	<u>\$ 62,370</u>	<u>\$ 58,529</u>	<u>\$ 95,678</u>	<u>\$ 58,529</u>
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Watauga County TDA

Net pension liability (LGRS)	\$ 68,819	\$ 5,151	\$ -	\$ 73,970	\$ -
Compensated absences	13,481	13,877	19,009	8,349	8,349
Total Watauga County TDA	<u>\$ 82,300</u>	<u>\$ 19,028</u>	<u>\$ 19,009</u>	<u>\$ 82,319</u>	<u>\$ 8,349</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, 2021, consist of the following:

From the General Fund to the Capital Projects Fund to accumulate resources for future capital acquisitions	\$ 6,174,808
From the Capital Projects Fund to the Valle Crucis School Special Revenue Fund	2,664,000
From the Capital Projects Fund to the General Fund	1,617,000
Total	<u>\$ 10,455,808</u>

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 142,356,494	\$ 4,718,807
Less long-term debt	41,210,000	-
Less LOBs premium	1,378,622	-
Less advance refunding premium	1,001,735	-
Net investment in capital assets	<u>\$ 98,766,137</u>	<u>\$ 4,718,807</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 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.

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2021

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	\$45,637,067
Less:	
Stabilization by State Statute	10,415,418
Register of Deeds Automation/Enhancement	86,916
Tax Revaluation	260,829
Remaining fund balance	<u>\$34,873,904</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 - \$3,385,108
	Valle Crucis School Project Fund - \$2,457,750
	E-911 Fund - \$16,800
	Enterprise Fund - \$1,742,527

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, 2021. 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, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$813,129 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.

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

paid membership fees of \$34,337 and purchased services in the amount of \$11,287 with the Council during the fiscal year ended June 30, 2021. The County was the sub recipient of three grants totaling \$337,603. The first grant is for \$307,543 in Home and Community Care Block Grant funds and the second is for \$16,041 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 \$14,019 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, 2021, the County has evaluated subsequent events for potential recognition and disclosure through November 29, 2021 – the date the financial statements were available to be issued.

Note 7 - Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2021

Governmental Activities Net Position – Increase (Decrease)	Nonmajor Special Revenue Fund Balance – Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ -	\$ -	\$ 13,368	Cash related to funds held on behalf of incarcerated inmates was reclassified from the General Fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund.
\$ -	-	19,998	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position.
28,038	28,038	-	
<u>\$ 28,038</u>	<u>\$ 28,038</u>	<u>\$ 33,366</u>	

Note 8 -

Prior Period Adjustment/Correction of Error

The NC Department of Public Safety disallowed \$10,926 in Emergency Telephone System expenditures for the fiscal year ended June 30, 2020, resulting in a prior period adjustment. The prior period adjustment is reflected in the nonmajor special revenue fund, Emergency Telephone System Fund.

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 Six Fiscal Years

	2021**	2020**	2019**	2018**	2017**	2016*
Total pension liability						
Service cost	\$ 65,966	\$ 59,759	\$ 57,398	\$ 57,127	\$ 24,305	\$ 49,129
Interest	30,823	30,735	26,308	25,578	14,474	26,460
Benefit changes	-	-	-	-	-	-
Difference between expected and actual experience	37,151	-	25,317	(173,460)	(33,229)	-
Changes of assumptions and other inputs	271,350	29,530	(21,390)	(50,285)	60,466	11,037
Benefit payments, including refunds of member contributions	(44,433)	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
Net change in total pension liability	<u>360,857</u>	<u>84,933</u>	<u>61,389</u>	<u>(158,439)</u>	<u>58,915</u>	<u>63,324</u>
Total pension liability-beginning	<u>836,916</u>	<u>751,983</u>	<u>690,594</u>	<u>849,033</u>	<u>790,118</u>	<u>726,794</u>
Total pension liability-ending (a)	<u>\$ 1,197,773</u>	<u>\$ 836,916</u>	<u>\$ 751,983</u>	<u>\$ 690,594</u>	<u>\$ 849,033</u>	<u>\$ 790,118</u>
Plan net position						
Contributions-employer	\$ 139,433	\$ 130,091	\$ 109,744	\$ 143,399	\$ 7,101	\$ 71,302
Contributions-member	-	-	-	-	-	-
Net investment income	13,682	11,387	5,867	752	428	706
Benefit payments, including refunds of member contributions	(44,433)	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
Administrative expense	(10,000)	(9,519)	(18,500)	(457)	-	(236)
Refund of contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan net position	<u>98,682</u>	<u>96,868</u>	<u>70,867</u>	<u>126,295</u>	<u>428</u>	<u>48,470</u>
Plan net position-beginning	<u>567,343</u>	<u>470,475</u>	<u>399,608</u>	<u>273,313</u>	<u>272,885</u>	<u>224,415</u>
Plan net position-ending (b)	<u>\$ 666,025</u>	<u>\$ 567,343</u>	<u>\$ 470,475</u>	<u>\$ 399,608</u>	<u>\$ 273,313</u>	<u>\$ 272,885</u>
Net pension liability-ending (a) - (b)	<u>\$ 531,748</u>	<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 3.50% to 2.21% 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 Six Fiscal Years**

	<u>2021**</u>	<u>2020**</u>	<u>2019**</u>	<u>2018**</u>	<u>2017**</u>	<u>2016*</u>
Total pension liability (TPL)	\$ 1,197,773	\$ 836,916	\$ 751,983	\$ 690,594	\$ 849,033	\$ 790,118
Plan net position	<u>666,025</u>	<u>567,343</u>	<u>470,475</u>	<u>399,608</u>	<u>273,313</u>	<u>272,885</u>
Net pension liability	<u>\$ 531,748</u>	<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	55.61%	67.79%	62.56%	57.86%	32.19%	34.54%
Covered payroll	2,307,552	2,005,514	2,005,514	1,837,013	1,883,580	1,837,735
Net pension liability as a percentage of covered payroll	23.04%	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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Based on service, ranging from 3.50 - 7.35%, including inflation
Investment Rate of Return	2.21%, net of pension plan investment expense, including inflation
Mortality	
Pre-retirement	Pub-2010 Safety Employees tables, projected forward generationally using Scape MP-2019
Post-retirement	Pub-2010 Safety Retirees tables, set forward one year and multiplied by 0.97, then projected generationally using Scale MP-2019

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

Schedule of County Contributions
Last Six Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined employer contribution	\$ 109,031	\$ 103,230	\$ 88,544	\$ 109,308	\$ 95,479	\$ 60,285
Contributions in relation to the contractually required contribution	137,936	139,433	130,091	109,744	143,399	39,727
Contribution deficiency (excess)	<u>\$ (28,905)</u>	<u>\$ (36,203)</u>	<u>\$ (41,547)</u>	<u>\$ (436)</u>	<u>\$ (47,920)</u>	<u>\$ 20,558</u>
County's covered payroll	\$ 2,307,552	\$ 2,005,514	\$ 2,005,514	\$ 1,837,013	\$ 1,823,288	\$ 1,883,580
Contributions as a percentage of covered payroll	5.98%	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	10.5 years
Asset valuation method	Market value of assets
Investment Rate of Return	2.21%, including inflation, net of pension plan investment expense
Inflation	2.50%
Salary increases	Based on service, ranging from 3.25% to 7.75%, including inflation
Mortality	
Pre-retirement	Pub-2010 Safety Employees tables, projected forward generationally using Scape MP-2019
Post-retirement	Pub-2010 Safety Retirees tables, set forward one year and multiplied by 0.97, then projected generationally using Scale MP-2019

Watauga County, North Carolina
Other Post Employment Benefits Irrevocable Trust

Schedule of the Changes in the Net OPEB Liability (Asset) and Related Ratios*
Last Five Fiscal Years

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 273,893	\$ 248,114	\$ 204,963	\$ 245,616	\$ 196,127
Interest	157,322	162,144	133,400	104,379	128,565
Benefit changes	-	-	-	-	-
Difference between expected and actual experience	(299,908)	(114,921)	705,179	(166,570)	-
Changes of assumptions and other inputs	710,395	124,063	(491,388)	(209,201)	264,995
Benefit payments, including refunds of member contributions	(139,800)	(141,500)	(122,100)	(107,800)	(120,700)
Net change in total OPEB liability	<u>701,902</u>	<u>277,900</u>	<u>430,054</u>	<u>(133,576)</u>	<u>468,987</u>
Total OPEB liability-beginning	<u>4,290,310</u>	<u>4,012,410</u>	<u>3,582,356</u>	<u>3,715,932</u>	<u>3,246,945</u>
Total OPEB liability-ending (a)	<u>4,992,212</u>	<u>4,290,310</u>	<u>4,012,410</u>	<u>3,582,356</u>	<u>3,715,932</u>
Plan fiduciary net position					
Contributions-employer	\$ 257,800	\$ 264,000	\$ 264,800	\$ 872,800	\$ 207,436
Contributions-member	-	-	-	-	-
Net investment income	42,295	32,752	22,310	10,714	7,889
Benefit payments, including refunds of member contributions	(139,800)	(141,500)	(122,100)	(107,800)	(120,700)
Administrative expense	(13,000)	(12,538)	(25,000)	-	(4,800)
Net change in plan fiduciary net position	<u>147,295</u>	<u>142,714</u>	<u>140,010</u>	<u>775,714</u>	<u>89,825</u>
Plan fiduciary net position-beginning	<u>1,911,459</u>	<u>1,768,745</u>	<u>1,628,735</u>	<u>853,021</u>	<u>763,196</u>
Plan fiduciary net position-ending (b)	<u>2,058,754</u>	<u>1,911,459</u>	<u>1,768,745</u>	<u>1,628,735</u>	<u>853,021</u>
Net OPEB liability-ending (a) - (b)	<u>\$ 2,933,458</u>	<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	41.24%	44.55%	44.08%	45.47%	22.96%
Covered employee payroll	\$ 11,825,259	\$ 11,825,259	\$ 11,480,834	\$ 10,715,512	\$ 10,160,128
Plan Net OPEB Liability as percentage of covered employee payroll	24.81%	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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 282,753	\$ 272,198	\$ 227,672	\$ 253,925	\$ 179,656	\$ 171,685	\$ 171,685	\$ 177,098	\$ 177,098	\$ 189,788
Contributions in relation to the actuarially determined contribution	293,500	257,800	264,000	256,000	872,800	207,436	230,450	205,575	211,783	169,359
Contribution deficiency (excess)	\$ <u>(10,747)</u>	\$ <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>
Covered payroll	\$ 13,633,944	\$ 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
Contributions as a percentage of covered payroll	2.15%	2.18%	2.30%	2.38%	8.59%	1.97%	2.30%	1.98%	2.12%	1.61%

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, 2020

Discount rate 2.21% as of June 30, 2020 and 3.50% as of June 30, 2019 measurement

Actuarial cost method Entry age actuarial cost method

Amortization method Closed 30 year level dollar as of June 30, 2020

Remaining amortization period 30-years from June 30, 2020

Asset valuation method Market Value

Inflation rate 2.50%

Salary increases Based on service, 7.75% for Uniformed Employees grading down to 3.25% over 40 years, and 8.25% for General Employees grading down to 3.25% over 35 years, including inflation and productivity

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 Pre-Retirement (General): Pub-2010 General employees table, projected generationally using Scale: MP-2019. Healthy (General): Pub-2010 General retirees table, set forward two years and multiplied by 96% for males, unadjusted for females, projected generationally using Scale MP-2019. Disabled (General): Pub-2010 General disabled retirees table, set forward three years for males, set back one year for females, projected generationally using Scape MP-2019.

Pre-Retirement (Uniformed): Pub-2010 Safety employees table, projected generationally using Scale: MP-2019. Healthy (Uniformed): Pub-2010 Safety retirees table, set forward one year and multiplied by 97%, projected generationally using Scale MP-2019. Disabled (Uniformed): Pub-2010 General disabled retirees table, set back three years, projected generationally using Scape MP-2019.

Healthcare trend costs 6.00%, then 6.75% decreasing by .25% per year, 4.50% ultimate rate

Watauga County, North Carolina
Other Post Employment Benefits Irrevocable Trust

Schedule of Investment Returns
Last Five Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	2.15%	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 Eight Fiscal Years*

	<u>2021</u>	<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) %	0.16311%	0.16478%	0.16559%	0.16785%	0.17390%	0.17404%	(0.17777)%	0.18070%
County's proportionate share of the net pension liability (asset) \$	\$ 5,828,615	\$ 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	\$ 12,134,733	\$ 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	48.03%	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%	94.18%	91.47%	98.09%	98.79%	102.64%	94.35%	98.22%

*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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,284,035	\$ 1,113,164	\$ 937,359	\$ 861,878	\$ 798,115	\$ 732,167	\$ 761,648	\$ 738,196
Contributions in relation to the contractually required contribution	1,284,035	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>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
County's covered payroll	12,397,522	\$ 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	10.36%	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 Eight Fiscal Years*

	<u>2021</u>	<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) %	(0.62201)%	(0.56359)%	(0.61613%)	(0.65062%)	(0.66734%)	(0.65929%)	(0.6297%)	(0.6609%)
County's proportionate share of the net pension liability (asset) \$	\$ (142,552)	\$ (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%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%	189.65%

*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 Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,112	\$ 5,956	\$ 5,357	\$ 5,273	\$ 5,653	\$ 5,452	\$ 5,276	\$ 5,142
Contributions in relation to the contractually required contribution	8,112	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>	\$ <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, 2021

	Final Budget	Actual	Variance
REVENUES:			
Taxes - ad valorem:			
Current year		\$ 38,072,704	
Prior years		425,137	
Advertising and interest		179,875	
Total Taxes - ad valorem	\$ 36,911,375	38,677,716	\$ 1,766,341
Taxes - other:			
Local option sales taxes		17,179,832	
Real estate transfer tax		1,089,246	
ABC Bottle tax		25,151	
Heavy equipment rental tax		7,934	
Gross receipts tax		54,551	
Video programming tax		297,963	
Total Taxes - other	10,693,081	18,654,677	7,961,596
Unrestricted Intergovernmental:			
Miscellaneous revenues from Towns		2,190,976	
Medicaid hold harmless		2,705,497	
Tax collection fees		110,954	
Occupancy tax administrative fee		46,333	
Payments in lieu of taxes		28,569	
Total Unrestricted Intergovernmental	2,890,500	5,082,329	2,191,829
Restricted Intergovernmental:			
Grants-Federal and State		5,799,420	
Public School Building Capital Fund - Lottery		299,623	
Court facilities fees		75,336	
Total Restricted Intergovernmental	7,849,329	6,174,379	(1,674,950)
Permits and Fees:			
Sheriff's office permits and fees		150,366	
Planning and inspection fees		404,447	
Register of deeds fees		448,648	
Fire inspection fees		11,038	
Child Support fees		80,083	
Total Permits and Fees	730,617	1,094,582	363,965
Sales and Services:			
POA services		9,152	
TDA Financial and other services		12,000	
Recreation fees		368,433	
Reimbursement for Inmates		32,877	
Rent		325,107	
DMV notary/passport processing fees		189,374	
Blowing Rock communication services		-	
Election revenues		45	
Total Sales and Service	1,222,468	936,988	(285,480)
Investment earnings:	38,500	104,650	66,150
Miscellaneous:			
Other		590,088	
Donations		156,679	
Total Miscellaneous	1,223,662	746,767	(476,895)
TOTAL REVENUES	61,559,532	71,472,088	9,912,556

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
EXPENDITURES:			
General Government			
Governing Body:			
Salaries and benefits		\$ 54,441	
Operating expenses		2,496	
Total Governing Body	\$ 62,085	56,937	\$ 5,148
Administration:			
Salaries and benefits		433,793	
Operating expenses		8,705	
Total Administration	462,905	442,498	20,407
Finance:			
Salaries and benefits		339,207	
Operating expenses		50,042	
Total Finance	416,467	389,249	27,218
Tax Administration:			
Salaries and benefits		882,920	
Operating expenses		178,348	
Total Tax Administration	1,201,179	1,061,268	139,911
Tax Revaluation:			
Operating expenses		157,844	
Total Tax Revaluation	368,847	157,844	211,003
Tag Office:			
Salaries and benefits		229,944	
Operating expenses		2,945	
Total Tag Office	250,473	232,889	17,584
Legal Services:			
Operating expenses	81,000	60,087	20,913
Court facilities:			
Operating expenses	2,000	-	2,000
Board of Elections:			
Salaries and benefits		409,770	
Operating expenses		210,635	
Total Board of Elections	665,781	620,405	45,376
Register of Deeds:			
Salaries and benefits		490,294	
Operating expenses		59,195	
Capital outlay		2,801	
Total Register of Deeds	573,180	552,290	20,890
General Administration:			
Operating expenses		700,911	
Capital outlay		120,103	
Total General Administration	2,589,306	821,014	1,768,292
Information Technologies:			
Salaries and benefits		494,723	
Operating expenses		399,800	
Capital outlay		75,254	
Total Information Technologies	1,082,926	969,777	113,149

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
Maintenance:			
Salaries and benefits		\$ 1,299,348	
Operating expenses		32,202	
Total Maintenance	\$ 1,502,015	1,331,550	\$ 170,465
Public Buildings:			
Operating expenses		1,264,429	
Capital outlay		1,353,539	
Total Public Buildings	5,859,532	2,617,968	3,241,564
Total General Government	15,117,696	9,313,776	5,803,920
Public Safety			
Sheriff's Office:			
Salaries and benefits		3,903,133	
Operating expenses		527,028	
Capital outlay		248,526	
Total Sheriff's Office	5,156,992	4,678,687	478,305
Detention Center:			
Salaries and benefits		1,733,419	
Operating expenses		642,556	
Capital outlay		-	
Total Detention Center	2,452,681	2,375,975	76,706
Emergency Services:			
Salaries and benefits		902,596	
Operating expenses		62,832	
Capital outlay		248,905	
Total Emergency Services	1,395,461	1,214,333	181,128
Emergency Management:			
Salaries and benefits		289,895	
Operating expenses		2,513,063	
Capital outlay		28,000	
Total Emergency Management	2,877,662	2,830,958	46,704
Planning and Inspections:			
Salaries and benefits		594,116	
Operating expenses		20,750	
Capital outlay		25,678	
Total Planning and Inspections	718,365	640,544	77,821
Other Emergency Services:	1,835,728	1,659,404	176,324
Animal Control:			
Salaries and benefits		133,533	
Operating expenses		7,759	
Total Animal Control	174,504	141,292	33,212
Total Public Safety	14,611,393	13,541,193	1,070,200
Transportation			
Transportation:	87,956	87,956	-
Economic and Physical Development			
Special Appropriations:	531,443	531,443	-
Economic Development:	145,417	96,550	48,867
Total Economic and Physical Development	676,860	627,993	48,867

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance
Environmental Protection			
Cooperative Extension:			
Salaries and benefits		\$ 262,910	
Operating expenses		15,559	
Total Cooperative Extension	\$ 291,594	278,469	\$ 13,125
Soil and Water Conservation:			
Salaries and benefits		117,549	
Operating expenses		(22,427)	
Total Soil and Water Conservation	221,978	95,122	126,856
Total Environmental Protection	513,572	373,591	139,981
Human Services			
Public Health:	813,129	813,129	-
Mental Health:	171,194	171,194	-
Social Services:			
Salaries and benefits		3,265,664	
Operating expenses		265,608	
Capital outlay		2,041	
Beneficiary payments		1,715,544	
Total Social Services	5,751,826	5,248,857	502,969
Project on Aging:			
Salaries and benefits		1,073,035	
Operating expenses		180,017	
Capital outlay		-	
Total Project on Aging	1,639,043	1,253,052	385,991
Veterans Services:			
Salaries and benefits		126,473	
Operating expenses		1,283	
Total Veterans Services	134,217	127,756	6,461
Total Human Services	8,509,409	7,613,988	895,421
Education			
Public Schools - current		13,864,547	
Public Schools - capital outlay		1,854,115	
Community College - current		950,279	
Community College - capital outlay		50,000	
Total Education	16,814,362	16,718,941	95,421
Cultural and Recreational			
Library:	652,360	652,360	-
Recreation:			
Salaries and benefits		763,518	
Operating expenses		115,574	
Total Recreation	1,533,256	879,092	654,164
Total Cultural and Recreational	2,185,616	1,531,452	654,164
Debt Service			
Principal retirement		4,980,000	
Interest and fees		1,696,631	
Total Debt Service	6,676,631	6,676,631	-
TOTAL EXPENDITURES	65,193,495	56,485,521	8,707,974
Revenues over (under) expenditures	(3,633,963)	14,986,567	18,620,530

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	\$ 10,000	\$ 32,330	\$ 22,330
Transfers to Capital Projects Fund	(6,174,808)	(6,174,808)	-
Transfers from Capital Projects Fund	1,617,000	1,617,000	-
Fund balance appropriated	<u>8,181,771</u>	<u>-</u>	<u>(8,181,771)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,633,963</u>	<u>(4,525,478)</u>	<u>(8,159,441)</u>
Net change in fund balance	\$ <u>-</u>	10,461,089	\$ <u>10,461,089</u>
Fund balance, beginning of year		35,186,904	
Prior period adjustment		<u>(10,926)</u>	
Fund balance, beginning, restated		35,175,978	
Fund balance, end of year		\$ <u>45,637,067</u>	

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Investment earnings	\$ <u> -</u>	\$ <u> 34,382</u>	\$ <u> 34,382</u>
Expenditures:			
General government	<u> 6,174,808</u>	<u> -</u>	<u> 6,174,808</u>
Revenues over (under) expenditures	<u> (6,174,808)</u>	<u> 34,382</u>	<u> 6,209,190</u>
Other financing sources (uses):			
Transfer from other funds	6,174,808	6,174,808	-
Transfer to other funds	(4,281,000)	(4,281,000)	-
Appropriated fund balance	<u> 4,281,000</u>	<u> -</u>	<u> (4,281,000)</u>
Total other financing sources (uses)	<u> 6,174,808</u>	<u> 1,893,808</u>	<u> (4,281,000)</u>
Net change in fund balance	\$ <u> -</u>	1,928,190	\$ <u> 1,928,190</u>
Fund balance, beginning of year		<u> 13,655,257</u>	
Fund balance, end of year		\$ <u> 15,583,447</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, 2021

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total-to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Donations	\$ -	40,550	\$ -	\$ 40,550	\$ 40,550
Investment earnings	-	1,175,579	7,484	1,183,063	1,183,063
Total revenues	<u>-</u>	<u>1,216,129</u>	<u>7,484</u>	<u>1,223,613</u>	<u>1,223,613</u>
Expenditures:					
Land Improvements	15,445	15,445	-	15,445	-
Building and furniture, fixtures and equipment	35,404,447	34,793,547	60,672	34,854,219	550,228
Professional services/architect	4,390,000	3,039,258	-	3,039,258	1,350,742
Total expenditures	<u>39,809,892</u>	<u>37,848,250</u>	<u>60,672</u>	<u>37,908,922</u>	<u>(1,900,970)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(36,632,121)</u>	<u>(53,188)</u>	<u>(36,685,309)</u>	<u>3,124,583</u>
Other financing sources:					
Proceeds from installment obligations issued	18,490,000	18,490,000	-	18,490,000	-
Premium on installment obligations	1,723,277	1,723,277	-	1,723,277	-
Transfer from other Funds	19,596,615	19,596,615	-	19,596,615	-
Total other financing sources	<u>39,809,892</u>	<u>39,809,892</u>	<u>-</u>	<u>39,809,892</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>3,177,771</u>	<u>(53,188)</u>	<u>\$ 3,124,583</u>	<u>\$ 3,124,583</u>
Fund balance at beginning of year			<u>3,177,771</u>		
Fund balance at end of year			<u>\$ 3,124,583</u>		

Schedule 4

Watauga County, North Carolina
 American Rescue Plan Funds
 Schedule of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total-to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Restricted intergovernmental:					
ARP Funds	\$ 10,911,724	\$ -	\$ 34,773	\$ 34,773	\$ (10,876,951)
Investment earnings	<u>-</u>	<u>-</u>	<u>1,772</u>	<u>1,772</u>	<u>1,772</u>
Total revenues	<u>10,911,724</u>	<u>-</u>	<u>36,545</u>	<u>36,545</u>	<u>(10,875,179)</u>
Expenditures:					
ARP Expenditures	<u>10,911,724</u>	<u>-</u>	<u>36,545</u>	<u>36,545</u>	<u>10,875,179</u>
Total expenditures	<u>10,911,724</u>	<u>-</u>	<u>36,545</u>	<u>36,545</u>	<u>(10,875,179)</u>
Revenues over (under) expenditures	<u>10,911,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 10,911,724</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance at beginning of year			<u>-</u>		
Fund balance at end of year			<u>\$ -</u>		

Watauga County, North Carolina
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2021

	Nonmajor Special Revenue Funds							Capital Project Fund	Total Nonmajor Governmental Funds	
	Federal Equitable Sharing Fund	State Substance Abuse Tax Fund	Emergency Telephone System Fund	Fire Districts Funds	Occupancy Tax Fund	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund		Valle Crucis School Project Fund
ASSETS:										
Restricted cash and cash equivalents	\$ 118,643	\$ 32,106	\$ 373,477	\$ 4,931	\$ 269,532	\$ -	\$ -	\$ -	\$ -	798,689
Cash and cash equivalents	-	-	-	-	-	\$33,477	\$5,438	\$10,368	\$2,578,772	2,628,055
Due from other governments	-	-	28,621	20,050	-	-	-	-	-	48,671
Taxes receivable, net	-	-	-	90,137	342,749	-	-	-	-	432,886
Total assets	<u>\$ 118,643</u>	<u>\$ 32,106</u>	<u>\$ 402,098</u>	<u>\$ 115,118</u>	<u>\$ 612,281</u>	<u>\$ 33,477</u>	<u>\$ 5,438</u>	<u>\$ 10,368</u>	<u>\$ 2,578,772</u>	<u>\$ 3,908,301</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:										
Liabilities:										
Accounts payable and accrued liabilities	-	114	10,701	24,981	-	4,029	-	-	120,750	160,575
Due to other governments	-	-	-	-	612,281	-	5,438	10,368	-	628,087
Total Liabilities	<u>-</u>	<u>114</u>	<u>10,701</u>	<u>24,981</u>	<u>612,281</u>	<u>4,029</u>	<u>5,438</u>	<u>10,368</u>	<u>120,750</u>	<u>788,662</u>
Deferred Inflows of Resources:										
Taxes receivable	-	-	-	90,137	-	-	-	-	-	90,137
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,137</u>
Fund Balances:										
Restricted for:										
Stabilization by State Statute	-	-	28,621	-	-	-	-	-	-	28,621
Health services	-	-	-	-	-	29,448	-	-	-	29,448
Education	-	-	-	-	-	-	-	-	2,458,022	\$2,458,022
Public Safety	118,643	31,992	362,776	-	-	-	-	-	-	513,411
Total fund balances	<u>118,643</u>	<u>31,992</u>	<u>391,397</u>	<u>-</u>	<u>-</u>	<u>29,448</u>	<u>-</u>	<u>-</u>	<u>2,458,022</u>	<u>3,029,502</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 118,643</u>	<u>\$ 32,106</u>	<u>\$ 402,098</u>	<u>\$ 115,118</u>	<u>\$ 612,281</u>	<u>\$ 33,477</u>	<u>\$ 5,438</u>	<u>\$ 10,368</u>	<u>\$ 2,578,772</u>	<u>\$ 3,908,301</u>

Schedule 6

Watauga County, North Carolina
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2021

Nonmajor Special Revenue Funds

**Capital
Project Fund**

	<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>Representative Payee Fund</u>	<u>Deed of Trust Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Valle Crucis School Project Fund</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,472,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,472,535
Other taxes and licenses	-	-	-	-	3,976,078	214,580	-	-	-	4,190,658
Permits and fees	-	-	-	-	-	-	70,699	-	-	70,699
Sales and services	-	-	-	-	-	-	-	204,328	-	204,328
Restricted intergovernmental	-	9,688	343,448	-	-	-	-	-	-	353,136
Investment earnings	307	93	745	-	-	-	-	-	272	1,417
Total revenues	307	9,781	344,193	3,472,535	3,976,078	214,580	70,699	204,328	272	8,292,773
EXPENDITURES										
General government	-	-	-	-	-	-	70,699	204,328	-	275,027
Economic development	-	-	-	-	3,976,078	-	-	-	-	3,976,078
Public safety	27,226	22,158	249,645	3,472,535	-	-	-	-	-	3,771,564
Human services	-	-	-	-	-	213,170	-	-	-	213,170
Education	-	-	-	-	-	-	-	-	206,250	206,250
Total expenditures	27,226	22,158	249,645	3,472,535	3,976,078	213,170	70,699	204,328	206,250	8,442,089
Excess (deficiency) of revenues over expenditures	(26,919)	(12,377)	94,548	-	-	1,410	-	-	(205,978)	(149,316)
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	-	-	-	-	-	-	-	-	2,664,000	2,664,000
Total other financing sources and uses	-	-	-	-	-	-	-	-	2,664,000	2,664,000
Net change in fund balances	(26,919)	(12,377)	94,548	-	-	1,410	-	-	2,458,022	2,514,684
Fund balances, beginning of year	145,562	44,369	285,923	-	-	-	-	-	-	475,854
Prior period restatement - change in accounting principle	-	-	-	-	-	28,038	-	-	-	28,038
Prior period adjustment	-	-	10,926	-	-	-	-	-	-	10,926
Fund balance, beginning of year, restated	145,562	44,369	296,849	-	-	28,038	-	-	-	514,818
Fund balances, end of year	\$ 118,643	\$ 31,992	\$ 391,397	\$ -	\$ -	29,448	-	-	2,458,022	\$ 3,029,502

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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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Restricted intergovernmental - Federal	\$ 7,000	\$ -	\$ (7,000)
Investment earnings	<u>-</u>	<u>307</u>	<u>307</u>
Total revenues	<u>7,000</u>	<u>307</u>	<u>(6,693)</u>
Expenditures:			
Public safety	<u>33,143</u>	<u>27,226</u>	<u>5,917</u>
Revenues over (under) expenditures	<u>(26,143)</u>	<u>(26,919)</u>	<u>(776)</u>
Other financing sources (uses):			
Appropriated fund balance	<u>26,143</u>	<u>-</u>	<u>(26,143)</u>
Net change in fund balance	<u>\$ -</u>	<u>(26,919)</u>	<u>\$ (26,919)</u>
Fund balance, beginning of year		<u>145,562</u>	
Fund balance, end of year		<u>\$ 118,643</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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Restricted intergovernmental - State	\$ 36,650	\$ 9,688	\$ (26,962)
Investment earnings	<u>100</u>	<u>93</u>	<u>(7)</u>
Total revenues	<u>36,750</u>	<u>9,781</u>	<u>(26,969)</u>
Expenditures:			
Public safety	36,750	22,158	14,592
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>36,750</u>	<u>22,158</u>	<u>14,592</u>
Revenues over (under) expenditures	<u>-</u>	<u>(12,377)</u>	<u>(12,377)</u>
Other financing sources (uses):			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,377)</u>	<u>\$ (12,377)</u>
Fund balance, beginning of year		<u>44,369</u>	
Fund balance, end of year		<u>\$ 31,992</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental:			
Emergency Telephone Surcharge funds	\$ 343,577	\$ 343,448	\$ (129)
Investment earnings	<u>-</u>	<u>745</u>	<u>745</u>
Total revenues	<u>343,577</u>	<u>344,193</u>	<u>616</u>
Expenditures:			
Public safety:			
Implementation services	48,718	41,326	7,392
Software	82,407	27,548	54,859
Training	6,625	6,681	(56)
Telephones	143,426	149,775	(6,349)
Hardware	62,401	24,315	38,086
Furniture	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>343,577</u>	<u>249,645</u>	<u>93,932</u>
Other financing sources (uses):			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u><u>-</u></u>	94,548	\$ <u><u>94,548</u></u>
Fund balance, beginning of year		285,923	
Prior period adjustment		10,926	
Fund balance, beginning, restated		<u>296,849</u>	
Fund balance, end of year		\$ <u><u>391,397</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ <u>3,540,690</u>	\$ <u>3,472,535</u>	\$ <u>(68,155)</u>
Total revenues	<u>3,540,690</u>	<u>3,472,535</u>	<u>(68,155)</u>
Expenditures:			
Public safety:			
Beaver Dam Fire Department	119,700	119,354	
Beech Mountain Fire Department	2,350	1,832	
Blowing Rock Fire Department	527,700	519,133	
Boone Fire Department	989,440	973,134	
Cove Creek Fire Department	273,600	266,600	
Creston Fire Department	7,050	6,131	
Deep Gap Fire Department	209,400	206,293	
Fall Creek Fire Department	10,025	9,790	
Foscoe Fire Department	586,400	572,761	
Meat Camp Fire Department	237,700	232,771	
Shawneehaw Fire Department	114,275	113,575	
Stewart Simmons Fire Department	266,700	257,049	
Todd Fire Department	67,200	66,816	
Zionville Fire Department	<u>129,150</u>	<u>127,296</u>	
Total expenditures	<u>3,540,690</u>	<u>3,472,535</u>	<u>68,155</u>
Net change in fund balance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Occupancy tax	\$ <u>4,219,500</u>	\$ <u>3,976,078</u>	\$ <u>(243,422)</u>
Total revenues	<u>4,219,500</u>	<u>3,976,078</u>	<u>(243,422)</u>
Expenditures:			
Tourism development	4,169,000	3,926,317	242,683
Administrative fee	<u>50,500</u>	<u>49,761</u>	<u>739</u>
Total expenditures	<u>4,219,500</u>	<u>3,976,078</u>	<u>243,422</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

Schedule 12

Watauga County, North Carolina
 Representative Payee Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental	\$ <u>218,017</u>	\$ <u>214,580</u>	\$ <u>(3,437)</u>
Total revenues	<u>218,017</u>	<u>214,580</u>	<u>(3,437)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>218,017</u>	<u>213,170</u>	<u>4,847</u>
Total expenditures	<u>218,017</u>	<u>213,170</u>	<u>4,847</u>
Net change in fund balance	\$ <u><u>-</u></u>	1,410	\$ <u><u>1,410</u></u>
Fund balance, beginning of year		-	
Prior period restatement - change in accounting principle		<u>28,038</u>	
Fund balance, beginning of year, restated		<u>28,038</u>	
Fund balance, end of year		\$ <u><u>29,448</u></u>	

Schedule 13

Watauga County, North Carolina
 Deed of Trust Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees			
Register of deeds	\$ <u>72,000</u>	\$ <u>70,699</u>	\$ <u>(1,301)</u>
Total revenues	<u>72,000</u>	<u>70,699</u>	<u>(1,301)</u>
Expenditures:			
General government			
Payments of fees collected to the State of N.C.	<u>72,000</u>	<u>70,699</u>	<u>1,301</u>
Total expenditures	<u>72,000</u>	<u>70,699</u>	<u>1,301</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning of year		-	
Prior period restatement - change in accounting principle		-	
Fund balance, beginning of year, restated		-	
Fund balance, end of year		\$ <u><u>-</u></u>	

Schedule 14

Watauga County, North Carolina
 Fines and Forfeitures Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees			
Register of deeds	\$ <u>210,000</u>	\$ <u>204,328</u>	\$ <u>(5,672)</u>
Total revenues	<u>210,000</u>	<u>204,328</u>	<u>(5,672)</u>
Expenditures:			
General government			
Payments of penalties, fines and forfeitures to the Watauga County Board of Education	<u>210,000</u>	<u>204,328</u>	<u>5,672</u>
Total expenditures	<u>210,000</u>	<u>204,328</u>	<u>5,672</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning of year		-	
Prior period restatement - change in accounting principle		-	
Fund balance, beginning of year, restated		-	
Fund balance, end of year		\$ <u><u>-</u></u>	

Schedule 15

Watauga County, North Carolina
 Valle Crucis School Project Fund
 Schedule of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total-to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Investment earnings	\$ -	\$ -	\$ 272	\$ 272	\$ 272
Total revenues	<u>-</u>	<u>-</u>	<u>272</u>	<u>272</u>	<u>272</u>
Expenditures:					
Professional services/architect	<u>2,664,000</u>	<u>-</u>	<u>206,250</u>	<u>206,250</u>	<u>2,457,750</u>
Total expenditures	<u>2,664,000</u>	<u>-</u>	<u>206,250</u>	<u>206,250</u>	<u>(2,457,750)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(205,978)</u>	<u>(205,978)</u>	<u>2,458,022</u>
Other financing sources:					
Transfer from other Funds	<u>2,664,000</u>	<u>-</u>	<u>2,664,000</u>	<u>2,664,000</u>	<u>-</u>
Total other financing sources	<u>2,664,000</u>	<u>-</u>	<u>2,664,000</u>	<u>2,664,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>2,458,022</u>	<u>\$ 2,458,022</u>	<u>\$ 2,458,022</u>
Fund balance at beginning of year			<u>-</u>		
Fund balance at end of year			<u>\$ 2,458,022</u>		

Watauga County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)
For the Year Ended June 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating revenues:			
Charges for services	\$ 5,049,024	\$ 5,689,417	\$ 640,393
Sale of recycled materials	150,000	270,077	120,077
Total	<u>5,199,024</u>	<u>5,959,494</u>	<u>760,470</u>
Non-operating revenues:			
Miscellaneous revenue	32,549	1,400	(31,149)
Investment earnings	5,348	19,501	14,153
Restricted intergovernmental revenues	140,470	148,684	8,214
Total	<u>178,367</u>	<u>169,585</u>	<u>(8,782)</u>
Total revenues	<u>5,377,391</u>	<u>6,129,079</u>	<u>751,688</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits		1,414,018	
Other operating expenditures		3,262,510	
Total landfill operations	<u>5,108,844</u>	<u>4,676,528</u>	<u>432,316</u>
Recycling operations:			
Salaries and employee benefits		59,206	
Other operating expenses		57,053	
Total recycling operations	<u>121,814</u>	<u>116,259</u>	<u>5,555</u>
Capital outlay:			
Capital outlay	<u>1,900,936</u>	<u>152,037</u>	<u>1,748,899</u>
Total expenditures	<u>7,131,594</u>	<u>4,944,824</u>	<u>2,186,770</u>
Revenues under/(over) expenditures	<u>(1,754,203)</u>	<u>1,184,255</u>	<u>2,938,458</u>
Other financing sources:			
Sale of fixed assets	-	32,819	32,819
Appropriated fund balance	1,754,203	-	(1,754,203)
Total other financing sources	<u>1,754,203</u>	<u>32,819</u>	<u>(1,721,384)</u>
Revenues over expenditures and other sources	<u>\$ -</u>	<u>1,217,074</u>	<u>\$ 1,217,074</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Increase in deferred outflow of resources - pensions		41,556	
Increase in net pension liability		(100,558)	
Decrease in deferred inflow of resources - pensions		468	
Increase in deferred outflow of resources - OPEB		49,568	
Increase in deferred inflow of resources - OPEB		(11,858)	
Increase in net OPEB liability		(47,087)	
Decrease in accrued landfill post closure and closure costs		100,727	
Capital outlay		152,037	
Depreciation		(413,153)	
Decrease in accrued compensated absences		(22,249)	
Total reconciling items		<u>(250,549)</u>	
Change in net position		<u>\$ 966,525</u>	

Watauga County, North Carolina
 Combining Schedule of Fiduciary Net Position
 Irrevocable Trust Funds
 For the Year Ended June 30, 2021

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 750,688	\$ 2,219,361	\$ 2,970,049
	<u>\$ 750,688</u>	<u>\$ 2,219,361</u>	<u>\$ 2,970,049</u>
Net position:			
Assets held in trust for retirement benefits	\$ 750,688	\$ 2,219,361	\$ 2,970,049
	<u>\$ 750,688</u>	<u>\$ 2,219,361</u>	<u>\$ 2,970,049</u>

Schedule 18

Watauga County, North Carolina
Combining Schedule of Changes in Fiduciary Net Position
Irrevocable Trust Funds
For the Year Ended June 30, 2021

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
Additions:			
Employer contributions	\$ 137,936	\$ 293,500	\$ 431,436
Interest	<u>163</u>	<u>6,607</u>	<u>6,770</u>
Total additions	<u>138,099</u>	<u>300,107</u>	<u>438,206</u>
Deductions:			
Benefits	43,436	126,500	169,936
Administrative expense	<u>10,000</u>	<u>13,000</u>	<u>23,000</u>
Total deductions	<u>53,436</u>	<u>139,500</u>	<u>192,936</u>
Change in net position	84,663	160,607	245,270
Net position, beginning	666,025	2,058,754	2,724,779
Net position, ending	<u>\$ 750,688</u>	<u>\$ 2,219,361</u>	<u>\$ 2,970,049</u>

Schedule 19

Watauga County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	<u>Municipal Tax Fund</u>	<u>Inmate Commissary Fund</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 107	\$ 68,853	\$ 68,960
Total assets	<u>\$ 107</u>	<u>\$ 68,853</u>	<u>\$ 68,960</u>
Net position:			
Restricted for:			
Individuals, organizations and other governments	107	68,853	68,960
Total net position	<u>\$ 107</u>	<u>\$ 68,853</u>	<u>\$ 68,960</u>

Schedule 20

Watauga County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	<u>Municipal Tax Fund</u>	<u>Inmate Commissary Fund</u>	<u>Totals</u>
Additions:			
Ad valorem taxes for other governments	\$ 6,752,810	\$ -	\$ 6,752,810
Collections on behalf of inmates	-	246,593	246,593
Total additions	<u>6,752,810</u>	<u>\$ 246,593</u>	<u>\$ 6,999,403</u>
Deductions:			
Tax distributions to other governments	6,772,701	-	6,772,701
Payments on behalf of inmates	-	191,108	191,108
Total deductions	<u>6,772,701</u>	<u>191,108</u>	<u>6,963,809</u>
Change in net position	(19,891)	55,485	35,594
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	19,998	13,368	33,366
Net position, restated	<u>19,998</u>	<u>13,368</u>	<u>33,366</u>
Net position, ending	<u>\$ 107</u>	<u>\$ 68,853</u>	<u>\$ 68,960</u>

Watauga County, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 For the Year Ended June 30, 2021

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020 - 2021	\$ -	\$ 38,503,645	\$ 38,072,704	\$ 430,941
2019 - 2020	529,836	-	302,971	226,865
2018 - 2019	146,195	-	55,007	91,188
2017 - 2018	117,107	-	49,400	67,707
2016 - 2017	68,286	-	17,460	50,826
2015 - 2016	44,002	-	11,745	32,257
2014 - 2015	41,237	-	12,255	28,982
2013 - 2014	31,355	-	5,137	26,218
2012 - 2013	28,652	-	5,933	22,719
2011 - 2012	21,423	-	18,848	2,575
2010 - 2011	14,746	-	14,746	-
	<u>\$ 1,042,839</u>	<u>\$ 38,503,645</u>	<u>\$ 38,566,206</u>	<u>980,278</u>
Plus: 2021 - 2022 receivable				2,385
Less: Allowance for uncollectible accounts General Fund				<u>(129,918)</u>
Ad valorem taxes receivable - net General Fund				<u>\$ 852,745</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund		\$ 38,677,716
Reconciling items:		
Advertising and interest collected	(179,875)	
Taxes written off	14,204	
Prior year releases and refunds	54,161	
Total reconciling items	<u>(111,510)</u>	
Total collections and credits		<u>\$ 38,566,206</u>

Watauga County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Year Ended June 30, 2021

	Property Valuation	Rate	Amount of Levy	Total Levy	
				Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,932,612,718	\$ 0.00403	\$ 36,069,135	\$ 36,069,135	\$ -
Motor vehicles	546,439,950	0.00403	2,202,153	-	2,202,153
Penalties	-		7,672	7,672	-
Total	<u>9,479,052,668</u>		<u>38,278,960</u>	<u>36,076,807</u>	<u>2,202,153</u>
Discoveries:					
Property taxed at current year's rate	130,413,340	0.00403	555,835	555,835	-
Penalties	-		54	54	-
Total	<u>130,413,340</u>		<u>555,889</u>	<u>555,889</u>	<u>-</u>
Abatements:					
	<u>(82,184,615)</u>		<u>(331,204)</u>	<u>(331,204)</u>	<u>-</u>
Total property valuation	\$ <u>9,527,281,393</u>				
			Net levy	38,503,645	36,301,492
					2,202,153
			Uncollected taxes at June 30, 2021	430,941	4,610
			Current year's taxes collected	\$ <u>38,072,704</u>	\$ <u>2,197,543</u>
			Current levy collection percentage	<u>98.88%</u>	<u>99.79%</u>

Schedule 23-A

Watauga County, North Carolina
 Analysis of Current Tax Levy
 County-wide Levy
 For the Year Ended June 30, 2021

Secondary Market Disclosures:

Assessed Valuation:		
Assessment Ratio		100%
Real Property	\$	8,702,888,763
Personal Property		719,474,340
Public Service Companies		<u>104,918,290</u>
Total Assessed Valuation	\$	<u>9,527,281,393</u>
Tax Rate per \$100		0.403
Net Levy (Includes penalties, discoveries, releases and abatements)	\$	<u><u>38,503,645</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, 2021:

Fire Protection District	Tax Rate per \$100	Net Levy
Beech Mountain Rural	\$ 0.05	\$ 1,666
Blowing Rock	0.05	513,463
Boone Rural	0.06	968,814
Cove Creek	0.05	258,310
Cove Creek Rural	0.05	324
Deep Gap	0.05	205,953
Foscoe	0.05	488,342
Foscoe Rural	0.05	76,844
Meat Camp	0.05	233,304
Northwest Watauga	0.05	123,674
Shawneehaw	0.05	106,228
Shawneehaw Rural	0.05	6,590
Stewart Simmons	0.085	257,427
Todd	0.07	67,041
Zionville	0.05	<u>125,976</u>
Total Net Fire Protection District Levies		\$ <u><u>3,433,956</u></u>

Watauga County, North Carolina
 Ten Largest Taxpayers
 For the Year Ended June 30, 2021

Taxpayer	Type of Business	2020 Assessed Valuation	Percentage of Total Assessed Valuation	
Blue Ridge Electric Membership Coop	Electric Utility	\$ 80,614,340	0.85	%
Wallace Loft LLC	Rental Properties	46,504,000	0.49	
BR Development Group LLC	Real Estate Development	25,229,900	0.26	
The Standard at Boone LLC	Commercial Rental Properties	23,994,400	0.25	
MV of Boone LLC	Rental Properties	23,480,200	0.25	
Blue Ridge Preservation Inc	Real Estate Development	17,716,000	0.19	
Meadowview at Boone LLC	Rental Properties	17,906,700	0.19	
Skyline Terrace Apartments LLC	Commercial Rental Properties	23,670,900	0.25	
Templeton Properties LP	Commercial Rental Properties	15,739,530	0.17	
Highland Crossing-B, LLC	Real Estate Development	15,743,220	0.17	
		<u>\$ 290,599,190</u>	<u>3.06</u>	<u>%</u>

Watauga County, North Carolina
Analysis of Current Tax Levy
Fire Districts
For the Year Ended June 30, 2021

	Northwest Watauga Fire District	Beech Mtn. Rural Fire Service District	Blowing Rock Rural Fire District	Boone Rural Fire District	Cove Creek Fire District
Tax rate per \$100	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.06</u>	\$ <u>0.05</u>
Net levy	\$ 123,674	\$ 1,666	\$ 513,463	\$ 968,814	\$ 258,310
Uncollected taxes at June 30, 2021	<u>1,746</u>	<u>1</u>	<u>1,407</u>	<u>11,167</u>	<u>4,630</u>
Current year's taxes collected	\$ <u>121,928</u>	\$ <u>1,665</u>	\$ <u>512,056</u>	\$ <u>957,647</u>	\$ <u>253,680</u>
Current levy collection percentage	<u>98.59%</u>	<u>99.94%</u>	<u>99.73%</u>	<u>98.85%</u>	<u>98.21%</u>

	Cove Creek Rural Fire Service District	Deep Gap Fire District	Foscoe Fire District	Foscoe Rural Fire Service District	Meat Camp Fire District
Tax rate per \$100	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.05</u>
Net levy	\$ 324	\$ 205,953	\$ 488,342	\$ 76,844	\$ 233,304
Uncollected taxes at June 30, 2021	<u>-</u>	<u>3,557</u>	<u>4,403</u>	<u>1,005</u>	<u>4,287</u>
Current year's taxes collected	\$ <u>324</u>	\$ <u>202,396</u>	\$ <u>483,939</u>	\$ <u>75,839</u>	\$ <u>229,017</u>
Current levy collection percentage	<u>100.00%</u>	<u>98.27%</u>	<u>99.10%</u>	<u>98.69%</u>	<u>98.16%</u>

	Shawnheehaw Fire District	Shawnheehaw Rural Fire Service District	Stewart Simmons Fire District	Todd Fire District	Zionville Fire District
Tax rate per \$100	\$ <u>0.05</u>	\$ <u>0.05</u>	\$ <u>0.085</u>	\$ <u>0.07</u>	\$ <u>0.05</u>
Net levy	\$ 106,228	\$ 6,590	\$ 257,427	\$ 67,041	\$ 125,976
Uncollected taxes at June 30, 2021	<u>1,329</u>	<u>179</u>	<u>3,032</u>	<u>699</u>	<u>2,958</u>
Current year's taxes collected	\$ <u>104,899</u>	\$ <u>6,411</u>	\$ <u>254,395</u>	\$ <u>66,342</u>	\$ <u>123,018</u>
Current levy collection percentage	<u>98.75%</u>	<u>97.28%</u>	<u>98.82%</u>	<u>98.96%</u>	<u>97.65%</u>

COMPLIANCE SECTION

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

To the Board of 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, 2021, and the related notes to the financial statements, which collectively comprises Watauga County, North Carolina's basic financial statements, and have issued our report thereon dated November 29, 2021. Our report includes a reference to other auditors who audited the financial statements of AppalCART, as described in our report on Watauga 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 determination of 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

November 29, 2021

C. Randolph CPA, PLLC

Certified Public Accountant

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

Independent Auditors Report

To the Board of County 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, 2021. 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 and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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, 2021.

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

November 29, 2021

C. Randolph CPA, PLLC

Certified Public Accountant

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Independent Auditor's Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance with OMB Uniform Guidance; and State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County 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, 2021. 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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether 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 State 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, 2021.

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 our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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

November 29, 2021

WATAUGA COUNTY, NORTH CAROLINA
**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

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? 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

Identification of major federal programs:

<u>Program Name or Cluster</u>	<u>CFDA #</u>
Medicaid Cluster	93.778
Coronavirus Relief Fund	21.019

Dollar threshold used to distinguish between Type A and Type B programs is \$750,000.

Auditee qualified as low-risk auditee? yes no



WATAUGA COUNTY

FINANCE OFFICE

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Corrective Action Plan For the Year Ended June 30, 2021

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, 2021**

None noted.

**WATAUGA COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021**

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
Federal Awards:						
<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		225,378	-	-	225,378
Total SNAP Cluster			225,378	-	-	225,378
Total U.S. Department of Agriculture			225,378	-	-	225,378
<u>U.S. Department of Homeland Security</u>						
Passed-through the N.C. Department of Public Safety:						
Emergency Management Performance Grant	97.042		39,378	-	-	39,378
		EMW-2020-SS-00023-				
		2040036	25,350	-	-	-
Homeland Security Grant	97.067		25,350	-	-	-
Total U.S. Department of Homeland Security			64,728	-	-	39,378
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607		3,632	-	-	3,632
State Criminal Alien Assistance Program	16.606		-	-	-	1,021
Total U.S. Department of Justice			3,632	-	-	4,653
<u>U.S. Department of Treasury</u>						
Passed-through NC State Board of Elections						
COVID-19 Coronavirus Relief Fund	21.019		25,056	-	-	-
		Subgrant 2020 CARES Act				
		Supplemental Funds				
Office of State Budget and Management/NC Pandemic Office:						
NC Pandemic Recovery Fund						
Coronavirus Relief Funds	21.019		996,937	-	826,437	-
Coronavirus State and Local Fiscal Recovery Funds	21.027		34,773	-	-	-
			1,031,710	-	826,437	-
<u>U.S. Department of Housing and Urban Development</u>						
Community Development Block Grant - CV	14.228		116,741	-	106,302	-
<u>U.S. Election Assistance Commission</u>						
COVID-19 2020 Help America Vote Act Election Security Grants - CARES Act						
Funds	90.404		70,585	-	-	-
2020 Help America Vote Act Election Security Grant (HAVA)	90.404	03-25-95	72,029	-	-	-
		NC20101001-95				
Total U.S. Election Assistance Commission			142,614	-	-	-
<u>U.S. Department of Health & 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)						
CARES Act	93.045		83,195	-	-	-
Families First Coronavirus Response Act	93.045		16,122	-	-	-
Special Programs for the Aging - Title III B - Access Services	93.044		4,876	150,803	-	17,275
Special Programs for the Aging - Title III C - Congregate Meals	93.045		2,966	175	-	340
Special Programs for the Aging - Title III C - Home Delivered Meals	93.045		140,759	8,279	-	16,557
Nutrition Services Incentive Program (NSIP)	93.053		16,041	-	-	-
Total Aging Cluster			263,959	159,257	-	34,172
Passed-through N.C. Department of Insurance:						
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779		9,099	-	-	-
<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		16,735	-	-	-
<u>Temporary Assistance for Needy Families Cluster:</u>						
WorkFirst administrative	93.558		20,327	-	-	12,871
WorkFirst services	93.558		97,086	-	-	66,734
Total Temporary Assistance for Needy Families Cluster			117,413	-	-	79,605
Child Support Enforcement	93.563		210,293	122	-	108,212
<u>Low-Income Home Energy Assistance Block Grant:</u>						
Administration	93.568		163,083	-	-	-
Crisis Intervention Payments	93.568		191,546	-	-	-
LIEAP COV. 19	93.568		68,701	-	-	-
Permanency Planning	93.645		10,398	-	-	3,466
Social Services Block Grant	93.667		38,055	-	-	2,396
Total Low-Income Home Energy Assistance Block Grant:			471,783	-	-	5,862
Total Division of Social Services			816,224	122	-	193,679
<u>Medicaid Cluster:</u>						
Medical Assistance Program:						
Administration	93.778		1,319,049	328	-	692,721
Total Medical Assistance Program			1,319,049	328	-	692,721

Division of Social Services:					
Administration					
Health choice	93.767	46,537	28	-	8,696
Total N.C. Health Choice		46,537	28	-	8,696
Foster Care and Adoption Cluster (Note 3)					
Adoption Assistance	93.659	3,889	-	-	2,969
Title IV-E Foster Care	93.658	145,715	5,077	-	130,056
Foster Care - Direct Benefit Payments	93.658	455,558	89,261	-	87,096
Adoption/Foster Care Special Provision	93.658	(6,911)	-	-	-
Total Foster Care and Adoption Cluster (Note 3)		598,251	94,338	-	220,121
Subsidized Child Care (Note 3)					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Development Fund - Administration	93.596	225	-	-	-
Total Child Care Development Fund Cluster		225	-	-	-
Total Subsidized Child Care (Note 3)		225	-	-	-
<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	17,280	1,104	-	-
Total Division of Medical Assistance		17,280	1,104	-	-
Total U.S. Department of Health & Human Services		3,070,624	255,177	-	1,149,389
Total Federal Awards		4,680,483	255,177	932,739	1,418,798
State Awards:					
<u>N.C. Department of Health and Human Services:</u>					
Passed-through Region D Council of Governments:					
Senior center general purchases	20/21 AANCT3GP	-	14,019	-	-
<u>Division of Social Services</u>					
State Foster Care Benefits Program	State Foster Care 21	-	225,981	-	163,629
APS/CPS Assessments		-	1,949	-	-
Total N.C. Department of Health and Human Services		-	241,949	-	163,629
<u>N.C. Department of Public Safety:</u>					
Division of Administration, Community Programs					
2020 Corona Virus Protection	PROJ014515	-	4,704	-	-
Juvenile Crime Prevention Council Programs		-	139,176	139,176	41,678
Tier II grant - 2020	T2-2020 - 2070062	-	933	-	-
Total N.C. Department of Public Safety		-	144,813	139,176	41,678
<u>N.C. Department of Public Instruction:</u>					
NC Public School Building Capital-Lottery Proceeds					
Public School National Forest Service		-	299,623	299,623	-
Total N.C. Department of Public Instruction		-	448	448	-
		-	300,071	300,071	-
<u>N.C. Department of Agriculture and Consumer Services:</u>					
Soil Conservation Assistance	G4010029601SSWC	-	3,600	-	69,904
Soil Conservation Technician Cost Sharing	G4010029601SSWC	-	25,217	-	25,217
Total N.C. Department of Agriculture		-	28,817	-	95,121
<u>N.C. Department of Natural and Cultural Resources:</u>					
Ward's Mill Dam Removal	Contract # 7964	-	36,797	-	-
Total N.C. Department of Natural and Cultural Resources		-	36,797	-	-
<u>N.C. Division of Veteran's Affairs</u>					
Veteran's Service Program	143B-1211C4	-	2,182	-	127,756
Total N.C. Division of Veteran's Affairs		-	2,182	-	127,756
<u>N.C. Department of Environmental Quality</u>					
Middlefork Greenway Section 4	Contract # 7397	-	103,714	-	103,714
Total N.C. Department of Environment Quality		-	103,714	-	103,714
Total State Awards		-	858,343	439,247	531,898
Total Federal and State Awards		\$ 4,680,483	\$ 1,113,520	\$ 1,371,986	\$ 1,950,696

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, 2021. 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. Indirect Cost Rate

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

4. Cluster of Programs:

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

- Subsidized Child Care
- Foster Care and Adoption

5. 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	\$ -	\$ 314,148
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 6,037,287	\$ -
Temporary Assistance for Needy Families	93.558	35,381	-
Adoption Assistance	93.659	253,902	45,668
Medical Assistance Program	93.778	30,299,813	11,700,613
Children's Health Insurance Program	93.767	728,388	146,179
Child Welfare Services Adoption	N/A	-	137,925
State/County Special Assistance Program	N/A	-	211,430
		<u>\$ 37,354,771</u>	<u>\$ 12,555,963</u>

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AGENDA ITEM 7:

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.

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AGENDA ITEM 8:

SOIL AND WATER CONSERVATION FUNDING ACCEPTANCE AGREEMENT

MANAGER'S COMMENTS:

Watauga Soil and Water, will present the 2021-2023 technical assistance grant which funds a portion of the Soil and Water Conservation Tech position. The grant is for \$31,311 and is budgeted in the Fiscal Year 2021-2022 budget.

Board approval is requested to accept the grant.



<i>For Internal DSWC use only</i>	
Tracking #	0
Contract #	18-024-4114

DIVISION OF SOIL AND WATER CONSERVATION
 North Carolina Department of Agriculture & Consumer Services
 1614 Mail Service Center • Raleigh, NC 27699-1614
 919.707.3770 • www.ncagr.gov/swc/

APPLICATION FOR MATCHING FUNDS FOR SOIL & WATER CONSERVATION DISTRICTS

Complete and send 1 notarized original and 1 copy to the address above; keep a copy for your file

SWCD Name: Watauga
 Federal ID Number for entity that will receive payment: 56-6001816
 Address for entity that will receive payment: 814 West King St. Boone, NC 28607

I. APPLICATION:

Watauga Soil and Water Conservation District, **Watauga** County
 Within the limits of appropriations by the N.C. General Assembly, the **Watauga** Soil and
 Water Conservation District requests \$3,600.00 to match funds provided to the District by the County.

I certify that the matching funds received in the previous fiscal year (July 1st, 2020 to June 30th, 2021) were used according to NC Soil and Water Conservation Commission (SWCC) policy. I also certify that funds requested for the current fiscal year will be used in keeping with SWCC policy.

 Date SWCD Board Chairman Signature

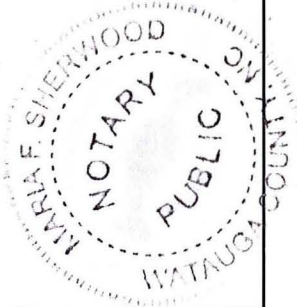
II. CERTIFICATION:

I hereby certify that the **Watauga** County Board of Commissioners has approved an appropriation of \$116,657 to the **Watauga** SWCD for soil and water conservation work during the current fiscal year, July 1st, 2021 to June 30th, 2022. This figure only includes the local County investment in the Soil and Water Conservation District program (takes into account the full appropriation for the District, minus an anticipated state matching funds and Technical Assistance dollars), and does not include local funds that will be used as a match for other state dollars (any local funds that will be used to match state Technical Assistance dollars have also been subtracted).

11/24/2021
 Date *[Signature]*
 County Finance Officer Signature

Sworn to and subscribed before me *Maria J. Sherwood*
 Notary Public Signature

This the 24th day of November, 2021



My Commission Expires: My Commission Expires May 5, 2023

III. APPROVAL:

The above application is APPROVED for thirty six hundred and no/100 dollars (\$3,600.00).
 The above application is DISAPPROVED.

 Date DSWC Director Signature



Steve Troxler
Commissioner

North Carolina Department of Agriculture
and Consumer Services

N. David Smith
Chief Deputy Commissioner

November 17, 2021

Ms. Michelle Kasey
Watauga Soil & Water Conservation District
971 West King Street
Boone, NC 28607

CONTRACT NUMBER: 21-035-4074
AMENDMENT NUMBER: 01-2022

Dear Ms. Kasey:

On behalf of Commissioner Steve Troxler and the North Carolina Department of Agriculture and Consumer Services – Division of Soil & Water Conservation, I offer to amend your existing agreement for district matching and cost share technical assistance funds for the Watauga Soil and Water Conservation District operations. The amendment is necessary to add district matching and technical assistance funds for fiscal year 2021-22. Your project end date remains June 30, 2023.

Two original amendment packets must be printed, completed and returned to the NCDA&CS, making sure that the amendments and certain forms have been signed in blue ink, dated, and witnessed. Signing these documents represents your understanding and acknowledgement that all other terms and conditions of the original contract are still in effect. Please return the two packets to:

Helen Wiklund, Administrative Secretary
N.C. Division of Soil & Water Conservation
1614 Mail Service Center
Raleigh, NC 27699-1614

One fully-executed, original amendment will be returned to you for your records. If you have any questions about your amendment or any of the forms contained in your offer packet, please contact Helen Wiklund at (919) 707-3773, or Helen.Wiklund@ncagr.gov.

I would like to take this opportunity to thank you for all you do to support conservation of our valuable natural resources.

Sincerely,

N. David Smith
Chief Deputy Commissioner

Enclosure

cc: Heather Bruce, Grants Manager



NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
Steven W. Troxler, Commissioner

Division of Soil & Water Conservation

CONTRACT AMENDMENT "CHECK OFF LIST" for Grantee

This form must be returned with your completed contract amendment package.

INSTRUCTIONS: Check the YES boxes in the left column for the document titles that are being returned with the two signed, dated and witnessed (for government entities) or notarized (for non-government entities) copies of the contract amendment with signatures in blue ink. Be sure to include all the other documents specified in your contract amendment package. If NO has been checked off for you, that document is not required for this grant program or project.

GRANTEE ORGANIZATION NAME: Watauga Soil & Water Conservation District

PROJECT TITLE/NAME: DSWC-District Matching and Technical Assistance Agreement

CONTRACT #: 21-035-4074 **AMENDMENT #:** 01-2022

Check one Box	DOCUMENT TITLE <i>ALL SIGNATURES MUST BE IN BLUE INK</i>	DEPARTMENTAL USE - DOCUMENTS ATTACHED OR ON FILE	GRANTS & CONTRACTS USE - DOCUMENTS ATTACHED
<input type="checkbox"/> Yes <input type="checkbox"/> No	Contract Amendment "Check Off List" for Grantee	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> No	Contract Amendment Cover	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> No	Attachment A - Signature Card	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> No	Attachment B - Contract Scope of Work and Payment Provisions	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**



Departmental Use Only	
CENTER:	1611-3701
ACCOUNT:	536967
AMOUNT:	\$7,200.00
CENTER:	2710
ACCOUNT:	536502
AMOUNT:	\$52,928.00

North Carolina Department of Agriculture and Consumer Services

Division of Soil and Water Conservation

**DSWC-District Matching and Technical Assistance Agreement -
Governmental**

**Amendment Number: 01-2022
Contract Number: 21-035-4074**

This document amends the Contract bearing the effective date of July 1, 2020, between the North Carolina Department of Agriculture and Consumer Services, hereinafter referred to as the "Agency" and the **Watauga** Soil and Water Conservation District, hereinafter referred to as the "Grantee."

The Grantee's tax ID number is **56-6001816**. The Congressional District Number is **5th**. The Grantee's DUNS number is **089988216**

As provided for under the terms of the original Contract, the Agency and the Grantee agree to amend the contract provisions as outlined below.

1. Section IV. DSWC Duties:

The previous Section IV is hereby deleted and replaced with the following:

The DSWC hereby agrees to pay the Grantee in the manner and in the amounts specified in the Contract Documents. The total amount paid by the DSWC to the Grantee shall not exceed **\$60,128.00**.

This amount consists of: \$0.00 in federal funds.

This amount consists of: \$60,128.00 in State funds

The Grantee's matching requirement is **\$60,128.00**, which consists of:

In Kind	\$
Cash	\$
Cash and In-kind	\$
Cash and/or In-kind	\$60,128.00
Other/Specify	\$

The total Contract amount is **\$120,256.00**.

2. Contract Scope of Work and Payment Provisions:

The previous Attachment B: Scope of Work and Payment Provisions is hereby deleted and replaced with the attached Attachment A: Scope of Work and Payment Provisions. The revision is necessary to add funding for the 2021-22 fiscal year. In cases where the grantee did not invoice for the full amount of budgeted funds for Activities 1 or 2 in FY2020-21, the funds budgeted for 2020-21 have been reduced to reflect the actual amount invoiced for 2020-21.

Also, this amendment shall serve as notification to the Grantee that it shall submit to the Agency the documents outlined below:

1. Signature Card (Attachment A)

All other terms and conditions as set forth in the original Contract document shall remain in effect for the duration of this Amendment.

This Amendment is continued on the next page.

Signature Warranty:

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this Contract.

IN WITNESS WHEREOF, the Grantee and the Agency execute this Contract Amendment in two (2) originals, one (1) of which is retained by the Grantee and one (1) which is retained by the Agency.

Grantee: **Watauga Soil and Water Conservation District**

Signature of Authorized Representative Date

Printed Name Title

Witness:

Signature Date

Printed Name Title



North Carolina Department of Agriculture and Consumer Services

Signature of Authorized Representative Date

N. David Smith, Chief Deputy Commissioner

Signature Card



CONTRACT & FINANCIAL DOCUMENTS

INSTRUCTIONS: Please read and fill in the required information to the right of each field where applicable. Signatures must match the Contract signatures. In the event the affixed signature(s) are no longer valid, a revised form must be submitted prior to processing any contractual documents or submitting "Request for Payments" or any other financial documents. If more than two people will sign for the organization, this form may be duplicated.

SECTION I.	
Date:	
Legal Applicant Organization/Agency Name:	
Federal Tax Identification Number:	
SECTION II.	
<p>Certification: By affixing my signature below, I certify that person(s) identified are designated having legal authorization to sign on behalf of the organization named in Section I., above, for purposes of executing contractual documents and preparing, approving and executing all financial documents; including "Requests for Payments." I understand the legal implications of any and all misrepresentation, which include but are not limited to defrauding the State of North Carolina, and certify that the person signing below has full authority to execute this Agreement on behalf of the named organization.</p>	
NON-GOVERNMENTAL ORGANIZATIONS ONLY (Must match Contract Signature)	
Board Chair, Executive Director, etc.	Financial Representative, Treasurer, etc.
Print Name & Title:	Print Name & Title:
Signature:	Signature:
GOVERNMENTAL ENTITIES (Must match Contract Signature)	
Authorized Governmental Official	Chief Fiscal Officer
Print Name & Title:	Print Name & Title: <i>Francine Director</i>
Signature:	Signature: <i>Francine Director</i>

ATTACHMENT B

Scope of Work and Payment Provisions

The Watauga Soil & Water Conservation District will complete the following activities and supply the following deliverables:

1. District Matching Funds – Funds for district operating support are allocated to each county equally, subject to that District's documentation that matching funds equal to or exceeding the allocated amount are available for match. To be eligible to receive matching funds the Grantee shall:
 - a. Submit by March 31 of each fiscal year an 'Application for Matching Funds for Soil & Water Conservation Districts' showing the amount of matching funds requested by the Grantee and documenting the source and amount of matching funds provided by the Grantee. The Grantee shall not count as match the funds that were allocated by the Commission for technical assistance cost share nor those local funds pledged to match technical assistance cost share. **Matching Funds not requested by March 31 shall be unencumbered from this Contract.**
 - b. Upload to the Agency's SharePoint site:
 - i. The approved minutes of all district board meetings held during the period of the Contract.
 - ii. Term of office documentation for each board supervisor for their current term
 1. Oath of Office
 2. Employment Certification Form for District Supervisors (Form 201)
 - iii. Supervisor Disclosure Form (NC-CSPs-SD) – Due annually for each board supervisor by February 28
2. Cost Share Technical Assistance – cost share funds for technical assistance positions are allocated to districts by the Commission and through the Agency in accordance with its rules and procedure, 02 NCAC 59D .0108. To be eligible to receive technical assistance cost share, the Grantee shall:
 - a. Submit by June 1 of each fiscal year, the District Strategy Plan for cost share programs for the upcoming fiscal year, including a request for technical assistance funds. The request for technical assistance funds should include the name of each employee who does technical work to support Commission Cost Share Programs and an upload of those employees' Job Approval Authority.
 - b. Implement cost share program activities in the District, pursuant to Commission rules and policies.
 - c. Submit a PY 2022 Quarterly Cost Share Technical Assistance Request for Payment on the Division's Formsite Page at least annually and no more frequently than quarterly documenting actual expenditures and match expenditures by the Grantee in support of technical assistance for Commission cost share programs. Any technical assistance funds encumbered for the current fiscal year that are not requested by the

Grantee on or before June 30 of that fiscal year shall be unencumbered from this Contract.

- d. Work with the technical supervisor to upload an updated Individual Development Plan in AgLearn by June 30, 2022 for each for each employee performing work on Commission cost share program contracts.
- e. Have in place a secondary employment policy consistent with the Commission's Guidelines on Secondary Employment and shall upload to the Agency's SharePoint site an annual Secondary Employment Form for each employee performing work on Commission cost share program contracts. The initial Secondary Employment Form shall be submitted annually on or before October 15 of each year. The Grantee shall submit an updated form along with its quarterly Request for Payment of Technical Assistance if the secondary employment changes or other potential conflicts of interest of a subject employee arise after the initial submission.

CONTRACT BUDGET

The following budget reflects the maximum authorized payment for each activity described in the scope of work.

Activity 1: District Matching Funds

Fiscal Year	Maximum Amount Awarded	District Match Requirement
2020-21	\$3,600.00	\$3,600.00
2021-22	\$3,600.00	\$3,600.00
2022-23		

Activity 2: Cost Share Technical Assistance

Fiscal Year	Maximum Allocation	District Match Requirement
2020-21	\$25,217.00	\$25,217.00
2021-22	\$27,711.00	\$27,711.00
2022-23	\$0.00	\$0.00

AGENDA ITEM 9:

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Potential Opioid Settlement

MANAGER'S COMMENTS:

The Board may wish to consult with the County Attorney prior to any decision on the opioid settlement.

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AGENDA ITEM 9:**MISCELLANEOUS ADMINISTRATIVE MATTERS*****B. Proposed Updates to Local Government Agencies Records Retention and Disposition Schedules***

- 1. General Records Schedule***
- 2. Program Records Schedule***

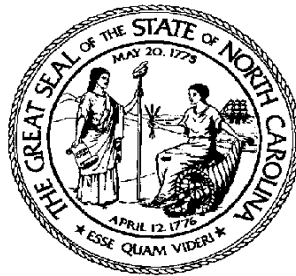
MANAGER'S COMMENTS:

The 2021 Program Records Schedule for Local Government Agencies is a new retention schedule created from the former County Management (last updated in 2013) and Municipal (last updated in 2012) retention schedules. This schedule contains specific functions of government at the county and municipal level. If the Board chooses to not adopt the new retention schedule the County would be required to create their own schedule.

Board action is required to adopt the General Records Retention and Disposition Schedule for Local Government Agencies as presented.

RECORDS RETENTION AND DISPOSITION SCHEDULE

GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



Issued By:



North Carolina Department of Natural and Cultural Resources
Division of Archives and Records
Government Records Section

October 1, 2021

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2021 General Records Schedule: Local Government Agencies

The records retention and disposition schedules and retention periods governing the records series listed herein are hereby approved. This approval extends to and includes the following standards in the **2021 General Records Schedule: Local Government Agencies**:

1. Administration and Management Records
2. Budget, Fiscal, and Payroll Records
3. Geographic Information System Records
4. Human Resources Records
5. Information Technology Records
6. Legal Records
7. Public Relations Records
8. Risk Management Records
9. Workforce Development Records

In accordance with the provisions of Chapters 121 and 132 of the *General Statutes of North Carolina*, it is agreed that the records do not and will not have further use or value for official business, research, or reference purposes after the respective retention periods specified herein and are authorized to be destroyed or otherwise disposed of by the agency or official having custody of them without further reference to or approval of either party to this agreement.

Destructions

G.S. § 121-5 authorizes the Department of Natural and Cultural Resources to regulate the destruction of public records. Furthermore, the local government agency agrees to comply with 07 NCAC 04M .0510 when deciding on a method of destruction. The North Carolina Administrative Code states:

“(a) Paper records which have met their required retention requirements and are not subject to legal or other audit holds should be destroyed in one of the following ways:

1. burned, unless prohibited by local ordinance;
2. shredded, or torn up so as to destroy the record content of the documents or material concerned;
3. placed in acid vats so as to reduce the paper to pulp and to terminate the existence of the documents or materials concerned; or
4. sold as waste paper, provided that the purchaser agrees in writing that the documents or materials concerned will not be resold without pulverizing or shredding the documents so that the information contained within cannot be practicably read or reconstructed.

(b) When used in an approved records retention and disposition schedule, the provision that electronic records are to be destroyed means that the data and metadata are to be overwritten, deleted, and unlinked so the data and metadata may not be practicably reconstructed.

(c) When used in an approved records retention and disposition schedule, the provision that confidential records of any format are to be destroyed means the data, metadata, and physical media are to be destroyed in such a manner that the information cannot be read or reconstructed under any means.”

All local government agencies should maintain logs of their destructions either in the minutes of their governing board or in their Records Management file. Confidential records will be destroyed in such a manner that the records cannot be practicably read or reconstructed.

Public records, including electronic records, not listed in this schedule are not authorized to be destroyed.

Audits and Litigation Actions

Records subject to audit or those legally required for ongoing official proceedings must be retained until released from such audits or official proceedings, notwithstanding the instructions of this schedule.

Electronic Records

All local government agencies and the Department of Natural and Cultural Resources concur that the long-term and/or permanent preservation of electronic records requires additional commitment and active management by the agency. Agencies agree to comply with all policies, standards, and best practices published by the Department of Natural and Cultural Resources regarding the creation and management of electronic records.

Local government agencies should consider retention requirements and disposition authorities when designing and implementing electronic records management systems. Any type of electronically-created or electronically-stored information falls under the North Carolina General Assembly's definition of public records cited above. For example, e-mail, text messages, blog posts, voicemails, websites, word processing documents, spreadsheets, databases, and PDFs all fall within this definition of public records. In addition, G.S. § 132-6.1(a) specifies:

“Databases purchased, leased, created, or otherwise acquired by every public agency containing public records shall be designed and maintained in a manner that does not impair or impede the public agency's ability to permit the public inspection and examination of public records and provides a means of obtaining copies of such records. Nothing in this subsection shall be construed to require the retention by the public agency of obsolete hardware or software.”

Local government agencies may scan any paper record and retain it electronically for ease of retrieval. If an agency wishes to destroy the original paper records before their assigned retention periods have been met, the agency must establish an electronic records policy, including putting into place procedures for quality assurance and documentation of authorization for records destructions approved by the Government Records Section. This electronic records policy and releases for destruction of records must be approved by the Government Records Section. Agencies should be aware that for the purpose of any audit, litigation, or public records request, they are considered the records custodian obligated to produce requested records, even if said records are being maintained electronically by an outside vendor. Therefore, contracts regarding electronically stored information should be carefully negotiated to specify how records can be exported in case a vendor goes out of business or the agency decides to award the contract to a different vendor.

Reference Copies

All local government agencies and the Department of Natural and Cultural Resources agree that certain records series possess only brief administrative, fiscal, legal, research, and reference value. These records series have been designated by retention periods that allow these records to be destroyed when “*reference value ends.*” All local government agencies hereby agree that they will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “*destroy when reference value ends.*” If a local government agency does not establish internal policies and retention periods, the local government agency is not complying with the provisions of this retention schedule and is not authorized by the Department of Natural and Cultural Resources to destroy the records with the disposition instruction “*destroy when reference value ends.*”

Record Copy

A record copy is defined as “The single copy of a document, often the original, that is designated as the official copy for reference and preservation.”¹ The record copy is the one whose retention and disposition is mandated by this schedule; all additional copies are considered reference or access copies and can be destroyed when their usefulness expires. In some cases, postings to social media may be unofficial copies of information that is captured elsewhere as a record copy (e.g., a press release about an upcoming agency event that is copied to various social media platforms). Appropriately retaining record copies and disposing of reference copies requires agencies to

¹ Society of American Archivists, *Dictionary of Archives Terminology*.

designate clearly what position or office is required to maintain an official record for the duration of its designated retention period.

Transitory Records

Transitory records are defined as “record[s] that [have] little or no documentary or evidential value and that need not be set aside for future use.”²

North Carolina has a broad definition of public records. However, the Department of Natural and Cultural Resources recognizes that some records may have little or no long-term documentary or evidential value to the creating agency. These records are often called transitory records. They may be disposed of according to the guidance below. However, all public employees should be familiar with their appropriate retention schedule and any other applicable guidelines for their office. If there is a required retention period for these records, that requirement must be followed. When in doubt about whether a record is transitory or whether it has special significance or importance, retain the record in question and seek guidance from a DNCR records analyst.

Routing slips and transmittal sheets adding no information to that contained in the transmitted material have minimal value after the material has been successfully transmitted. These records may be destroyed or otherwise disposed of after receipt of the material has been confirmed. Similarly, “while you were out” slips, memory aids, and other records requesting follow-up actions (including voicemails and calendar invites) have minimal value once the official action these records are supporting has been completed and documented. These records may be destroyed or otherwise disposed of once the action has been resolved.

Drafts and working papers, including notes and calculations, are materials gathered or created to assist in the creation of another record. All drafts and working papers are public records subject to all provisions of Chapter 132 of the General Statutes, but many of them have minimal value after the final version of the record has been approved, and may be destroyed after final approval, if they are no longer necessary to support the analysis or conclusions of the official record. Drafts and working documents that may be destroyed after final approval include:

- Drafts and working papers for internal and external policies
- Drafts and working papers for internal administrative reports, such as daily and monthly activity reports;
- Drafts and working papers for internal, non-policy-level documents, such as informal workflows and manuals; and
- Drafts and working papers for presentations, workshops, and other explanations of agency policy that is already formally documented.

Forms used solely to create, update, or modify records in an electronic medium may be destroyed in office after completion of data entry and after all verification and quality control procedures, so long as these records are not required for audit or legal purposes. However, if the forms contain any analog components that are necessary to validate the information contained on them (e.g., a signature or notary’s seal), they must be retained according to the disposition instructions for the records series encompassing the forms’ function.

² Ibid.

It is further agreed that these records may not be destroyed prior to the time periods stated; however, for sufficient reason they may be retained for longer periods. This schedule supersedes previous versions of this schedule and any localized amendments; it is to remain in effect from the date of approval until it is reviewed and updated.

APPROVAL RECOMMENDED

Municipal/County Clerk or Manager
Title: _____

Sarah E. Koonts
Sarah E. Koonts, Director
Division of Archives and Records

APPROVED

Head of Governing Body
Title: _____

D. Reid Wilson
D. Reid Wilson, Secretary
Department of Natural and Cultural
Resources

Municipality/County: _____

Effective: October 1, 2021

EXECUTIVE SUMMARY

- ✓ Some records are covered by the Local Agency Program Retention and Disposition Schedules. See the appendix for Related Records Series Found in Local Agency Program Schedules.
- ✓ According to N.C. Gen. Stat. § 121-5(b) and N.C. Gen. Stat. § 132-3, you may destroy public records only with the consent of the Department of Natural and Cultural Resources (DNCR). The State Archives of North Carolina is the division of DNCR charged with administering a records management program. This schedule is the primary way the State Archives of North Carolina gives its consent. Without approving this schedule, your agency is obligated to obtain the State Archives of North Carolina's permission to destroy *any* record, no matter how insignificant.
- ✓ Each records series listed on this schedule has specific disposition instructions that will indicate how long the series must be kept in your office. In some cases, the disposition instructions are simply "retain in office permanently," which means that those records must be kept in your office forever. In other cases, the retention period may be "destroy in office when reference value ends." An agency may have reference copies of materials, meaning "a copy of a record distributed to make recipients aware of the content but not directing the recipient to take any action on the matter" (from Society of American Archivists, *Dictionary of Archives Terminology*). Your agency must establish and enforce internal policies by setting minimum retention periods for the records that the State Archives of North Carolina has scheduled with the disposition instructions, "destroy when reference value ends."
- ✓ E-mail is a record as defined by N.C. Gen. Stat. § 121-5 and N.C. Gen. Stat. § 132. It is the content of the e-mail that is critical when determining the retention period of a particular e-mail, including attachments, not the media in which the record was created. It is important for all agency employees and officials to determine the appropriate records series for specific e-mails and retain them according to the disposition instructions listed with the identified record series.
- ✓ The State Archives of North Carolina recommends that all agency employees and officials view the tutorials that are available online through the State Archives website in order to familiarize themselves with records management principles and practices. The State Archives of North Carolina's online tutorials include topics such as records management and scanning guidelines.
- ✓ The State Archives of North Carolina creates security preservation record copies for minutes and selected other records of governing bodies and commissions, adoption records, and maps and plats. Agencies can request copies of the digital images made during this process. Contact the appropriate Records Management Analyst to begin this process.

- ✓ If you have records that are not listed in this schedule, contact a Records Management Analyst. An analyst will discuss the nature of the records with you to determine if the records have historical value. If the records do not have historical value, we will ask you to complete a Request for Disposal of Unscheduled Records (page A-20) for records that are no longer being created.

LEGEND FOR RECORDS SCHEDULE

This records retention and disposition schedule applies to records in all media, unless otherwise specified.



– symbol designating that one or more records in this series may be confidential or may include confidential information.

Item # – an identifying number assigned to each records series for ease of reference.

Series – “a group of similar records that are . . . related as the result of being created, received, or used in the same activity.” (From Society of American Archivists, *Dictionary of Archives Terminology*). Series in this schedule are based on common functions in government offices.

Records Series Title – a short identification of the records in a series, based on their common function.

Series Description – a longer description of the records in a series, often including the types of records that can frequently be found in that series. This information is included underneath the Records Series Title.

Disposition Instructions – instructions dictating the length of time a series must be retained and how the office should dispose of those records after that time.

Citation – a listing of references to statutes, laws, and codes related to the records series. Citations can include:

- Authority: governing the creation of records
- Confidentiality: limiting access to public records
- Retention: setting a retention period

Throughout this schedule, items that cross-reference other items within this schedule are indicated with a SEE ALSO reference. If you hover your cursor over one of these items, you will see the hand tool that will enable you to click on the item to follow the link to that location.

AUDITS: PERFORMANCE

Records concerning internal and external audits conducted to assess the function of government programs. Includes reports, working papers, corrective measures, and other related records.

SEE ALSO: Audits: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).

Sample records series title and description with cross-reference included


No destruction of records may take place if litigation or audits are pending or reasonably anticipated. See also AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS
 Official records pertaining to the authority, operating philosophy, methods, primary functions, and routine office administration of local agencies.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.01	ABSTRACTS OF MUNICIPAL ELECTIONS Copies of abstracts prepared by the County Board of Elections and forwarded to the municipal clerk.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____ <i>Retention Note: Official record maintained permanently by the County Board of Elections.</i>	Authority: G.S. 163-300
1.02	ACCREDITATION RECORDS Records documenting accreditations and certifications received by the agency. Includes applications, final reports, and other related records. Also includes evaluations of the agency by outside entities.	Destroy in office 5 years after superseded or obsolete.	Authority: 10A NCAC 48B
1.03	ADMINISTRATIVE DIRECTIVES, REGULATIONS, AND RULES @ Records documenting requirements or directives promulgated by the agency for the conduct of a business or activity on agency premises or under agency authority.	Destroy in office when superseded or obsolete.	

1: Administration and Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.
 ± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.
 @ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.04	<p>AUDITS: PERFORMANCE @</p> <p>Records concerning internal and external audits conducted to assess the function of government programs. Includes reports, working papers, corrective measures, and other related records.</p> <p>SEE ALSO: Audits: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).</p>	<ul style="list-style-type: none"> a) Retain in office permanently reports related to internal compliance or operational audits, hazardous material, or those that document a significant change in agency practices. b) Destroy in office PCI attestation reports after 3 years. c) Destroy in office remaining audit reports after 10 years. d) Destroy in office documentation of corrective measures 2 years after their implementation. e) Destroy in office working papers and remaining records when superseded or obsolete. 	
<p>1.05</p> 	<p>BLUEPRINTS AND SPECIFICATIONS @</p> <p>Blueprints and specifications of agency owned buildings and facilities. Includes as-built plans and related records concerning approved changes.</p>	<ul style="list-style-type: none"> a) Transfer as-built drawings to new owner when agency relinquishes ownership of building or facility. b) Retain in office as-built drawings for life of structure and then destroy. c) Destroy in office blueprints, floorplans, and other preliminary design and construction documents when superseded or obsolete. 	Confidentiality: G.S. 132-1.7

1 : Administration and Management

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.06	<p>BONDS Records documenting written guarantees from a third party, including bid bonds, payment bonds, performance bonds, and surety bonds.</p> <p>SEE ALSO: Bids for Purchase (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), and Projects (below).</p>	Destroy in office 5 years after expiration or cancellation.	
1.07	<p>BULLETINS Internal information sharing materials that circulate information within the agency. Also includes memoranda and newsletters.</p>	Destroy in office when superseded or obsolete.	
1.08	<p>BUSINESS CERTIFICATION RECORDS Applications and supporting documentation submitted by businesses to be certified as a Small Business Enterprise (SBE) or other classification.</p>	a) Destroy in office all documentation 3 years after most recent recertification. b) If certification was never issued, destroy in office all documentation when reference value ends.± Agency Policy: Destroy in office after _____	
1.09	BUSINESS DEVELOPMENT SUBJECT FILE	Destroy in office after 3 years.	
1.10	CALENDARS OF EVENTS AND APPOINTMENTS	Destroy in office when superseded or obsolete.	
1.11	<p>CENSUS PROJECT RECORDS Records created to assist the U.S. Census Bureau with the decennial census.</p>	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	

1 : Administration and Management

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.12	CHARTER RECORDS Charter and charter proceedings related to adoption, amendment and/or repeal.	Retain in office permanently.	
1.13	COLLECTED DATA Information and statistics compiled and analyzed for research purposes or to support the functions of the agency. SEE ALSO: Data Warehouses (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).	Destroy in office when superseded or obsolete.	If data contains confidential information, abide by relevant restrictions.

1 : Administration and Management

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± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.14	<p>CONSTITUENT COMMENTS, COMPLAINTS, PETITIONS, AND SERVICE REQUESTS @</p> <p>Records concerning objections, dissatisfaction, or disagreements with actions or positions taken or not taken by the agency. Includes comments and petitions submitted by constituents requesting action as well as routine requests for service. Also includes requests for reasonable accommodation to the general public under Title II of the Americans with Disabilities Act, Housing and Urban Development Act, 1973 Rehabilitation Act, and Title VII of the Civil Rights Act of 1964; including constituent requests, survey of agency buildings to determine accessibility to the physically handicapped, proposals for implementation, correspondence (including e-mail), and resolutions.</p> <p>SEE ALSO: Civil Rights Records (STANDARD 6: LEGAL RECORDS).</p>	<p>a) Transfer records as applicable to Litigation Case Records (STANDARD 6: LEGAL RECORDS).</p> <p>b) Destroy in office comments, complaints, petitions, and requests 1 year after resolution.*</p> <p>c) Destroy in office accommodation requests 2 years after resolution.*</p>	<p>Authority: 42 USC 12132</p>
1.15	<p>CONSTITUENT SURVEYS</p> <p>Surveys and related records addressing agency services, policies, and other concerns.</p>	<p>Destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	

1 : Administration and Management

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.16	<p>CORRESPONDENCE AND MEMORANDA Administrative and management correspondence/memoranda (including e-mail) written or received by the office concerning agency authority, operating philosophy, purpose, methods, and any other function.</p> <p>For information on handling e-mail and text or instant messages, see ELECTRONIC RECORDS, page A-11. SEE ALSO: Public Bodies: Correspondence (below) and Legal Correspondence (STANDARD 6: LEGAL RECORDS).</p>	<p>a) Transfer correspondence (including e-mail) with historical value to History Records (below), after 3 years.</p> <p>b) Destroy routine administrative correspondence and memoranda after 1 year.</p> <p>c) Destroy in office remaining records after 3 years.</p> <p><i>Retention Note: The correspondence (including e-mail) of the most senior administrator has historical value and should be retained permanently.</i></p>	
1.17	<p>CUSTOMER CALL CENTER RECORDINGS @ Recordings of calls to customer service centers made for quality assurance and training purposes.</p>	<p>Destroy in office after 30 days.</p>	
1.18	<p>EQUIPMENT AND VEHICLE MAINTENANCE, REPAIR, AND INSPECTION RECORDS @ Records concerning the maintenance, repair, routine testing, and inspection of agency owned equipment and vehicles. Also includes warranties.</p> <p>SEE ALSO: Grants (below), and System Maintenance Records: Hardware Repair or Service (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).</p>	<p>a) Destroy in office records documenting routine inspections, janitorial cleaning, and routine maintenance of equipment and vehicles after 1 year.*</p> <p>b) Destroy in office records documenting all other maintenance and repairs after 3 years.*</p> <p>c) Destroy in office warranties 1 year after expiration.</p>	

1 : Administration and Management

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± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.19	EQUIPMENT AND VEHICLE REFERENCE RECORDS Includes operation, specification, and technical manuals. Also includes brochures, bulletins, and related documentation.	Destroy in office when superseded or obsolete.	
1.20	EQUIPMENT, FACILITY, AND VEHICLE USAGE RECORDS Records documenting the assignment, request, and usage of agency assets. Also includes mileage and checkout logs, fuel consumption reports, reservation requests, authorizations, utility usage logs, and similar records.	a) Destroy in office after 3 years if records are used for allocating costs or determining payment under rental or lease agreements.* b) Destroy in office remaining records after 1 year.	
1.21	FACILITY MAINTENANCE, REPAIR, AND INSPECTION RECORDS Records documenting maintenance, repair, and inspection of agency-owned facilities, including warranties on said repairs. Also includes any real property owned by the agency. SEE ALSO: Contracts, Leases, and Agreements (STANDARD 6: LEGAL RECORDS), Property Management Records (below).	a) Destroy in office records documenting system repair and improvement (including plumbing, electrical, fire, and other systems) after 3 years. b) Destroy in office records documenting routine inspections, janitorial cleaning, environmental monitoring, and routine maintenance of facilities after 1 year. c) Destroy in office warranties 1 year after expiration.	
1.22	FORMS AND TEMPLATES Blank forms, templates, and letterhead used to create agency records.	Destroy in office when superseded or obsolete.	

1 : Administration and Management

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± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.23	<p>GRANT PROPOSALS Proposals submitted for grants, including applications, correspondence (including e-mail), and other related records.</p>	<p>a) Transfer records concerning approved grants to Grants (below). b) Destroy in office rejected or withdrawn grant proposals when reference value ends.± Agency Policy: Destroy in office after _____</p>	
1.24	<p>GRANTS @ Records concerning approved federal, state, and private grants. File includes applications, reports, records of equipment purchased with grant funds, and all relevant programmatic records. Also includes any required certifications and disclosures, documentation about grants issued by the agency, and research records generated as part of a grant project.</p> <p>SEE ALSO: Grants: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).</p>	<p>a) Destroy records supporting the expenditure of federal funds passed through NC DHHS on a fiscal year basis when the DHHS Office of the Controller provides written guidance that records are released from all audits and other official actions. b) Destroy in office records of state and private grants 5 years after final financial report is filed.* c) Destroy in office records of grants funded by local appropriations and other federal grants 3 years after final financial report is filed. d) Destroy in office records not relating to a specific grant after 1 year.</p> <p><i>Retention Note: According to 2 CFR 200.333(c), records for real property and equipment acquired with Federal funds must be retained for 3 years after disposition of the property/equipment.</i></p>	<p>Retention: 09 NCAC 03M .0703 2 CFR 200.333</p>

1 : Administration and Management

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± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.


ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.25	HISTORICAL DESIGNATIONS RECORDS Records concerning the awarding of historical markers by the agency. Includes applications, review materials, and list of markers.	a) Retain in office permanently the list of historical markers along with the accepted applications. b) Destroy in office after 1 year rejected applications. c) Destroy in office remaining materials after 3 years.	
1.26	HISTORY RECORDS (AGENCY AND EMPLOYEES) Records concerning the history of the agency and its employees. Includes published and unpublished histories, biographical data, photographs, newspaper clippings, and other related records.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____	
1.27	IMPROPER CONDUCT INVESTIGATIONS Records concerning investigations triggered by questions about ethics or conduct within an agency, such as whistleblower reports or allegations of fraud. Includes complaints, reports, investigations, and other related records. Also includes records from an ombuds office.	Destroy in office 3 years after resolution.*	
1.28	INDICES @ Listings of where specific information can be found.	Destroy in office when superseded or obsolete.	
1.29	INTERAGENCY PROGRAMS Records of programs involving more than one government agency. Includes resource materials, program information, and other related records.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	

1 : Administration and Management

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.


ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.30	INVENTORIES @ Inventories describing the type of property (including equipment and facilities other and fixed assets), its location, and related information. Also includes inventory control and usage records, such as requisitions/draw tickets, mileage logs, request forms, and other related records.	a) Destroy in office lists of properties, facilities, fixed assets, supplies, and surplus property when superseded or obsolete. b) Destroy in office inventory control and usage records after 3 years.	
1.31	LEGISLATION AND REGULATORY RECORDS Notices and copies of proposed or adopted state or federal legislation or regulations affecting the agency.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
1.32	LOGISTICS MATERIALS Records concerning scheduled plans of agency personnel and activities. Includes routine notices, task lists, and arrangements.	Destroy in office when superseded or obsolete.	
1.33	MAIL: UNDELIVERABLE/RETURNED Outgoing agency mail returned by the post office for any reason, including insufficient postage, incorrect address, forwarding order expired, etc. Also includes outgoing e-mail returned for any reason.	Destroy in office after 30 days. <i>Retention Note: If notification is necessary for a particular process, reference the relevant case file for disposition instructions (e.g., tax notifications).</i>	
1.34	 MAILING AND DISTRIBUTION RECORDS Includes mailing and meeting notification lists, e-mail distribution lists, Sunshine Lists, and related documentation of transactions with the U.S. Postal Service, state courier, or private carriers.	a) Destroy in office Sunshine Lists when superseded or obsolete. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.12 G.S. 132-1.13

1: Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.35	MEMBERSHIP RECORDS Records concerning associations, organizations, groups, etc., with which the agency is involved. Includes records concerning memberships or registrations on behalf of the agency or agency personnel.	Destroy in office when superseded or obsolete.	
1.36	MISCELLANEOUS (NON-BUILDING) APPLICATIONS, LICENSES, AND PERMITS Includes, but not limited to, applications and permits regarding free government-issued business permits, burning, special events, and landscape establishment.	a) Destroy in office 1 year after expiration of license/permit. b) Destroy in office applications for which a license/permit was never issued when reference value ends.± Agency Policy: Destroy in office after _____	
1.37	 OFFICE AND PROPERTY SECURITY RECORDS Records concerning the security of agency offices, facilities, vehicles, equipment, property, and personnel. Includes visitors' register; security, employee, or contractor access to facilities or resources; and surveillance system reports and recordings. SEE ALSO: Employee Security Records (STANDARD 8: RISK MANAGEMENT).	a) If the recording necessitates law enforcement action, transfer to the appropriate agency. b) If the recording becomes evidence in a personnel investigation or lawsuit, transfer to Disciplinary Actions (STANDARD 4: HUMAN RESOURCES RECORDS), or Litigation Case Records (STANDARD 6: LEGAL RECORDS). c) Destroy in office recordings not required to support known investigations or litigation after 30 days. d) Destroy in office remaining records after 1 year.	Confidentiality: G.S. 132-1.7

1 : Administration and Management

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.38	<p>ORDINANCES Includes code of ordinances.</p> <p>See the SECURITY PRESERVATION COPIES OF RECORDS section on page A-15 for instructions on imaging.</p>	<p>a) Retain in office official copy permanently.</p> <p>b) Destroy in office ordinance development records when ordinance is no longer in effect.</p> <p>c) Destroy in office additional copies (including tabled or failed ordinances) when reference value ends.± Agency Policy: Destroy in office after _____</p>	
1.39	<p>PEST CONTROL Records concerning pest abatement or eradication programs overseen by the agency.</p> <p>SEE ALSO: Facility Maintenance, Repair, and Inspection Records (above).</p>	<p>Destroy in office after 3 years.*</p>	
1.40	<p>PHONE LOGS Records documenting calls placed and received in the course of conducting agency business.</p> <p>SEE ALSO: Accounts Payable (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), Voice over Internet Protocol (VoIP) Records (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).</p>	<p>Destroy in office after 1 year.</p>	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.41	<p>POLICIES AND PROCEDURES @</p> <p>Records documenting the formulation, planning, and adoption of policies, procedures, and functions of the agency and its departments. File also includes organizational charts, reorganization studies, and similar records describing the arrangement and administrative structure of the agency.</p> <p>SEE ALSO: Civil Rights Records (STANDARD 6: LEGAL RECORDS), Policies and Procedures (Personnel) (STANDARD 4: HUMAN RESOURCES RECORDS), Electronic Records Policies and Procedures (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).</p>	<p>a) Retain in office records with historical value permanently.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	
1.42	<p>POLL LIST/REGISTRATION LIST/ROSTER/ AUTHORIZATION TO VOTE (ATV) @</p> <p>Lists documenting registered electors and votes cast prior to County Board of Elections taking over municipal elections. Includes electronic or paper ATV related records such as ATV books, forms, unused stickers, lists, registers, indexes, or similar records used to verify persons are registered voters at each polling location.</p>	Contact State Archives of North Carolina prior to destroying old poll books and voter registration books.	<p>Authority: G.S. 163 Art. 15A G.S. 163-166.7 08 NCAC 10B .0103 52 USC Chap. 205</p>
1.43	PRICE QUOTATIONS	<p>Destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____.</p>	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.44	PROCLAMATIONS AND ORDERS Proclamations and orders issued by the governing board.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____	
1.45	PROJECTS @ Includes project correspondence (including e-mail), feasibility studies, final reports, specifications, assessments, notices to proceed, cost estimates, change orders, statements of work, and similar documentation. SEE ALSO: Project Documentation (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).	a) Retain in office records with historical value permanently. b) Destroy in office remaining records 3 years after completion of project.	
1.46	PROPERTY MANAGEMENT RECORDS Includes appraisals of the financial valuation of agency-owned property as well as surveys, plats, and maps. SEE ALSO: Facility Maintenance, Repair, and Inspection Records (above).	Destroy in office when superseded or obsolete.	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.47	<p>PUBLIC BODIES: AGENDA AND MEETING PACKETS Includes agendas and copies of supporting documentation and exhibits submitted and discussed during meetings of public bodies. Also includes documentation of outside meetings attended by agency personnel.</p> <p>SEE ALSO: Public Bodies: Minutes (below).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	
1.48	<p>PUBLIC BODIES: APPLICATIONS FOR APPOINTMENT Applications and related records received from individuals applying for appointments to serve on public boards, commissions, councils, and committees.</p>	<p>a) Destroy in office records concerning appointed individuals 1 year after expiration of term. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	
1.49	<p>PUBLIC BODIES: APPOINTMENT REPORTS Includes annual appointment reports filed with the NC Department of the Secretary of State.</p>	<p>Destroy in office after 2 years.</p>	<p>Authority: G.S. 143-157.1</p>
1.50	<p>PUBLIC BODIES: AUDIO AND VIDEO RECORDINGS OF MEETINGS</p> <p>SEE ALSO: Public Bodies: Minutes (below).</p>	<p>Destroy in office after approval of official written minutes.</p> <p><i>NOTE: If these serve as the official minutes, as allowed by G.S. 143-318.10(e), their retention should be permanent. These disposition instructions apply to recordings produced solely for the purpose of generating official written minutes.</i></p>	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.51	<p>PUBLIC BODIES: CORRESPONDENCE Records documenting internal and external communications of governing and advisory board members. Includes correspondence (including e-mail) related to decision-making, policy development, and other high-level planning as well as logistical communications.</p>	<p>a) Transfer correspondence (including e-mail) with historical value to History Records (above), after 3 years. b) Destroy in office remaining records after 3 years.</p>	
1.52	<p>PUBLIC BODIES: MEETING NOTICES Includes notices and regular meeting schedules.</p> <p>SEE ALSO: Affidavits of Publication (STANDARD 6: LEGAL RECORDS), Publicity Records (STANDARD 7: PUBLIC RELATIONS RECORDS).</p>	<p>Destroy in office after 1 year.</p>	
1.53	<p>PUBLIC BODIES: MEMBER FILES Records concerning members of public boards, commissions, councils, and committees. Includes codes of conduct, ethics statements, agreements, notices of resignation, and other related records. Also includes biographical information and waivers.</p> <p>SEE ALSO: Oaths of Office (STANDARD 6: LEGAL RECORDS), Public Bodies: Applications for Appointment (above).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office 1 year after superseded or obsolete waivers from board members choosing not to receive stipend/per diem payments. c) Destroy in office remaining records 1 year after service ends.</p>	

1 : Administration and Management

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 @ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.54	<p>PUBLIC BODIES: MINUTES Includes minutes of the governing board and all subsidiary and advisory boards. Subsidiary boards are defined as boards that exercise or are authorized to exercise legislative, policy-making, quasi-judicial, or administrative functions. Also includes minutes of subcommittees of the governing board and its subsidiary and advisory boards.</p> <p>See the SECURITY PRESERVATION COPIES OF RECORDS section on page A-15 for instructions on imaging.</p> <p>SEE ALSO: Ordinances (above), Public Bodies: Agenda and Meeting Packets (above), Public Bodies: Audio and Video Recordings of Meetings (above), Resolutions (below).</p>	<p>a) Retain in office permanently official minutes of the governing board and its subsidiary boards as well as all attachments necessary to understand the body’s actions.</p> <p>b) The official minutes of advisory boards may be destroyed only upon approval by the State Archives of North Carolina. The State Archives reserves the right to designate the minutes of any advisory board as permanent.</p> <p>c) Destroy in office minutes of committees or subcommittees when reference value ends, if the minutes or actions and decisions of the committee are entered as part of the minutes of the parent board. If minutes or actions and decisions of the committee or subcommittee in question are not entered as part of the minutes of the parent board, the State Archives reserves the right to designate the minutes as permanent.±</p> <p>Agency Policy: Destroy in office after _____</p>	<p>Authority: G.S. 143-318.10</p>
1.55	<p>RATE AND FEE SCHEDULES @ Records relating to rates, fees, and regulations concerning agency services.</p>	<p>Destroy in office when superseded or obsolete.</p>	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.56	<p>REBATE PROGRAM RECORDS</p> <p>Applications, receipts, and related records concerning rebate programs sponsored by the agency. These records document programs and incentivized actions that residents may opt into.</p>	<p>a) Destroy in office financial records 3 years after approval.*</p> <p>b) Destroy in office applications 1 year after approval.</p> <p>c) Destroy in office denied applications when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	
1.57	<p>RECORDS MANAGEMENT</p> <p>Includes correspondence (including e-mail) with state and/or federal agencies with regards to records retention. Also includes records disposition documentation, file plans, and copies of records retention and disposition schedules.</p>	<p>a) Retain in office documentation concerning the final disposition of records permanently.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	
1.58	<p>REFERENCE (READING) FILE</p> <p>Subject files containing informational copies of records organized by areas of interest. Also includes materials that have no regulatory authority for the recipient and are received from outside the agency or from other units within the agency as well as reference copies of documents where another individual or agency is responsible for maintaining the record copy.</p>	<p>Destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	

1: Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.59	<p>REPORTS AND STUDIES @ Records concerning the performance of a department, program, or project, as well as those created for planning purposes. Includes all annual, sub-annual, or irregularly prepared research studies, reports, and studies generated by an agency or prepared by consultants hired by the agency. Also includes reports required to be submitted to the agency.</p> <p>SEE ALSO: Accident/Incident Reports (STANDARD 8: RISK MANAGEMENT RECORDS), Audits: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), Audits: Performance (above), Budget Reports (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), Civil Rights Records (STANDARD 6: LEGAL RECORDS), Financial Reports (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), Grants (above), Lost, Stolen, or Damaged Property Reports (STANDARD 8: RISK MANAGEMENT RECORDS), Projects (above), Public Bodies: Appointment Reports (above), Strategic Plan (below), and Unemployment Compensation Reports (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>a) Retain in office permanently 1 copy of all annual and biennial reports written by the agency.</p> <p>b) Retain in office permanently reports and studies prepared by request of an agency’s governing body or a court.</p> <p>c) Destroy in office after 3 years reports prepared monthly, bimonthly, or semi-annually.</p> <p>d) Destroy in office after 1 year activity reports concerning workload measurements, time studies, number of jobs completed, etc., prepared on a daily or other periodic basis.</p> <p>e) Destroy in office when superseded or obsolete reports required to be submitted to the agency.</p> <p>f) Destroy in office remaining reports and studies when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____.</p> <p><i>Retention Note: Reports and studies listed elsewhere in this schedule should be retained the specified period of time.</i></p>	

1: Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.60	<p>REQUESTS FOR INFORMATION Requests received and responses issued by the agency.</p> <p>SEE ALSO: Public Records Requests (STANDARD 7: PUBLIC RELATIONS RECORDS).</p>	<p>Destroy in office after 1 year after resolution.</p>	
1.61	<p>REQUESTS FOR PROPOSALS (RFP) Proposals submitted by vendors in response to requests from agency. Also includes notices and evaluations produced by the agency.</p> <p>SEE ALSO: Bids for Purchase (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS), Price Quotations (above).</p>	<p>Destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	
1.62	<p>RESOLUTIONS File consists of resolutions indicating date, issues or policy involved, and appropriate signatures.</p> <p>See the SECURITY PRESERVATION COPIES OF RECORDS section on page A-15 for instructions on imaging.</p>	<p>a) Retain in office permanently one copy of final resolution.</p> <p>b) Retain in office permanently resolution development records with historical value.</p> <p>c) Destroy in office additional copies of resolutions (including those tabled or failed) along with all remaining development records when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.63	STAFF MEETINGS FILE Records concerning meetings of internal committees, groups, or task forces along with external meetings attended by agency personnel. Includes minutes, agendas, meeting packets, visual aids, presentations, notes, recordings, and other related records.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records after 1 year.	
1.64	STRATEGIC PLAN @ Long-range plan outlining policies, guidelines, and plans for future development of the agency. Includes official copy of strategic plan and all background surveys, studies, and reports. Also includes business plans as well as mission statements, goals, and objectives.	a) Retain in office strategic plans permanently. b) Destroy in office background surveys, studies, and reports 5 years after adoption of plan. c) Destroy in office business plans 2 years after execution of plan. d) Destroy in office remaining records when superseded or obsolete.	
1.65	SURPLUS PROPERTY Inventories and reports of agency property to be surplus.	Destroy in office 3 years after disposition of property.*	
1.66	TRACKING MATERIALS Records intended to verify the receipt of information, such as certified mail receipts.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	

1 : Administration and Management

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ITEM #	STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
1.67	<p>TRAVEL REQUESTS Requests and authorizations for travel. Includes forms and itineraries.</p> <p>SEE ALSO: Price Quotations (above), Travel Reimbursements (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).</p>	Destroy in office after 1 year.*	
1.68	<p>VEHICLE REGISTRATION CARDS North Carolina registration cards for vehicles in the agency fleet.</p> <p>SEE ALSO: Vehicle Titles (STANDARD 6: LEGAL RECORDS).</p>	Destroy in office when superseded.	
1.69	<p>WORK ORDERS Includes date and location of work, cost of materials used and labor, type of work performed, and other related records regarding the repairs of equipment, facilities, and vehicles.</p>	<p>a) If this is the only record documenting completed work, follow disposition instructions for Facility Maintenance, Repair, and Inspection Records (above), or Equipment and Vehicle Maintenance, Repair, and Inspection Records (above).</p> <p>b) Destroy in office remaining records 1 year after work is completed.*</p>	

1 : Administration and Management

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STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS
 Records created and accumulated concerning the managerial control, budgeting, disbursement, collection, and accounting of the agency.

Note: Per 26 CFR 1.148-5(d)(6)(iii)(E), all records necessary to support the tax-exempt status of an agency debt issue must be retained for the life of the debt plus 3 years.

ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.01	ACCOUNTS PAYABLE Records concerning the status of accounts in which the agency owes money to firms or individuals. Includes invoices, reimbursements, receipts or bills of sale, check registers, and subsidiary registers. Also includes stop payment notices.	a) Destroy in office 5 years after payment documentation of reimbursement for business expenses to employees. b) Destroy in office all remaining records 3 years after payment.*	Retention: 04 NCAC 24D .0501(a)(3)(I)
2.02	ACCOUNTS RECEIVABLE @ Records concerning receivables owed and collected. Includes billing statements, records of payment received, remittances, subsidiary registers, overpayment or refund records, deposits, fines and fees assessed, and collection of past due accounts. Also includes records concerning accounts sent to NC Debt Setoff Program for collection.	Destroy in office 3 years after collection.*	G.S. 105A

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.03	ACCOUNTS UNCOLLECTABLE Records of accounts deemed uncollectable, including returned checks, write-off authorizations, and other related records.	Destroy in office 3 years after account is determined to be uncollectable.*	
2.04	ANNUAL BUDGET Annual budget and budget message submitted to governing board for approval. SEE ALSO: Budget Reports (below).	a) Retain in office records with historical value permanently. b) Destroy in office remaining records after 3 years. <i>Retention Note: Annual budgets should be entered into the minutes of the governing board.</i>	Authority: G.S. 159-11
2.05	ARBITRAGE RECORDS Records concerning arbitrage rebate calculations and funds rebated.	Destroy in office 3 years after final redemption date of the bonds and after all related debts and obligations have been satisfied.*	Authority: 26 CFR 1.148-3
2.06	AUDITS: FINANCIAL @ Records concerning internal and external audits. Includes reports, working papers, and related records. SEE ALSO: Audits: Performance (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) Retain in office permanently final reports related to internal compliance or operational audits or those that document a significant change in agency practices or have significant administrative value. b) Destroy in office after 10 years final reports related to internal accounting systems and controls and those with limited administrative value. c) Destroy in office working papers and remaining records when superseded or obsolete.*	Authority: G.S. 159-34
2.07	AUTHORIZATION FORMS Authorization to purchase materials.	Destroy in office after 3 years.*	

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.08	BANK STATEMENTS AND RECONCILIATIONS Includes bank statements, canceled checks, deposit slips, and reconciliation reports.	Destroy in office after 3 years.*	
2.09	BIDS FOR DISPOSAL OF PROPERTY Records concerning the disposal of surplus property. Includes information about various disposition procedures used, such as sealed bids and public auction. SEE ALSO: Accounts Receivable (above).	Destroy in office all records after the disposition of property has been recorded in governing board's minutes.*	Authority: G.S. 153A-176
2.10	BIDS FOR PURCHASE Records documenting quotes to supply products and services. Includes advertisements, tabulations, awards letters, records of bids, good faith effort documentation, and related records concerning accepted and rejected bids.	a) Transfer records to Contracts, Leases, and Agreements (STANDARD 6: LEGAL RECORDS) when bid is approved. b) Destroy in office bid records not awarded or opened after 1 year.*	Authority: G.S. 143 Article 8
2.11	BOND CLOSING RECORDS Includes applications, agreements, tax records, contracts, official statements, legal opinions, rating letters, public hearing bonds, title insurance, deeds of trust, and other related records concerning bonds issued by the agency. Also includes records concerning expenditure and/or investment of bond proceeds.	Destroy in office 6 years after final maturity.*	Authority: G.S. 159 Article 7

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.12	BOND REGISTER Records of all bonds, notes, and coupons issued by the agency detailing the purpose of issuance, the date of issue, serial numbers (if any), denomination, maturity date, and total principal amount.	Retain in office permanently.	Authority: G.S. 159-130
2.13	BONDS, NOTES, AND COUPONS	Destroy in office 1 year from date of payment.	Authority: G.S. 159-139
2.14	BUDGET ADMINISTRATION RECORDS Records of budget administration. Includes research, correspondence (including e-mail), and other related records.	Destroy in office after 2 years.*	
2.15	BUDGET EXECUTION RECORDS Records of authorizations to move funds between budget codes.	Destroy in office when released from audits.	
2.16	BUDGET REPORTS Includes daily detail reports and monthly budget reports. Also includes contract budget and expenditure reports and summaries of tax allocations. SEE ALSO: Annual Budget (above).	a) Destroy in office daily detail reports after 1 year.* b) Destroy in office remaining reports after 3 years.*	
2.17	BUDGET REQUESTS AND WORKING PAPERS Includes budget requests, cost estimates, expenditures, program requests, salary and wage lists, correspondence (including e-mail), and related records.	Destroy in office after 3 years.*	Authority: G.S. 159-10

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.18	<p>BUDGET RESOLUTIONS AND ORDINANCES Includes project ordinances, budget resolutions, and amendments.</p> <p>SEE ALSO: Public Bodies: Minutes (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain official copies in the minutes of the governing board.</p> <p>b) Destroy in office remaining copies when reference value ends.± Agency Policy: Destroy in office after _____</p>	<p>Authority: G.S. 159-8 G.S. 159-13 G.S. 159-13.2 G.S. 159-15</p>
2.19	<p>COST ALLOCATION PLANS Accounting report that calculates and spreads agency-wide indirect costs to departments and funds that receive a service from other departments.</p>	<p>Destroy in office after 3 years.*</p>	
2.20	<p> CREDIT/DEBIT/PROCUREMENT CARD RECORDS Records of assignation of agency credit cards and purchasing cards along with authorization logs.</p>	<p>Destroy in office when superseded or obsolete.*</p>	<p>Confidentiality: G.S. 132-1.2(2)</p>
2.21	<p>DONATIONS AND SOLICITATIONS Records concerning requests made to agency by outside organizations. Includes applications and other related records.</p> <p>SEE ALSO: Fund Drive and Event Records (STANDARD 7: PUBLIC RELATIONS RECORDS).</p>	<p>a) Destroy in office records supporting approved donations 1 year after payment.</p> <p>b) Destroy in office rejected applications after 30 days.</p>	
2.22	<p> ELECTRONIC FUNDS TRANSFERS (EFT) Includes forms authorizing electronic transfer of monies via wire transfer or automated clearing house (ACH) as well as ACH bank reports.</p>	<p>Destroy in office when superseded or obsolete.</p>	<p>Confidentiality: G.S. 14-113.20</p>

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.23	ESCHEATS AND UNCLAIMED PROPERTY Records containing information required to be included in holder reports submitted to the State Treasurer’s office.	a) Destroy in office after 10 years if report was filed prior to July 16, 2012.* b) Destroy in office after 5 years if report was filed on or after July 16, 2012.*	Authority: G.S. 116B-60 Retention: G.S. 116B-73
2.24	FINANCIAL JOURNALS AND LEDGERS	a) Destroy in office year-end summaries of receipts and disbursements after 3 years.* b) Destroy in office daily, monthly, or quarterly transaction detail journals and ledgers after 1 year.*	
2.25	FINANCIAL REPORTS	a) Destroy in office annual financial reports or other reports generated to inform decision-making after 3 years.* b) Destroy monthly or quarterly reports generated for operational purposes after 1 year. c) Destroy logs and distribution reports generated to track transactions when released from audits.	
2.26	GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MONTHLY REPORTS Reports produced by the North Carolina Department of State Treasurer regarding the Teachers’ and State Employees’ Retirement System (TSERS) and the Local Governmental Employees’ Retirement System (LGERS).	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.27	<p>GRANTS: FINANCIAL @</p> <p>Records concerning approved federal, state, and private grants received or issued by the agency. Includes all relevant accounting, purchasing, payroll, and other financial records.</p> <p>SEE ALSO: Grants (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Destroy records supporting the expenditure of federal funds passed through NC Dept. of Health and Human Services on a fiscal year basis when the DHHS Office of the Controller provides written guidance that records are released from all audits and other official actions.</p> <p>b) Destroy in office records of state and private grants 5 years after final financial report is filed.*</p> <p>c) Destroy in office records of grants funded by local appropriations and other federal grants 3 years after final financial report is filed.</p> <p>d) Destroy in office records not relating to a specific grant or to grants not funded after 1 year.</p> <p><i>Retention Note: According to 2 CFR 200.333(c), records for real property and equipment acquired with Federal funds must be retained for 3 years after disposition of the property/equipment.</i></p>	<p>Retention: 09 NCAC 03M .0703 2 CFR 200.333</p>
2.28	<p>INVESTMENTS</p> <p>Includes fund information, portfolio listings and reports, balance sheets, exchange or consent instructions, broker confirmations, notices, and other documentation related to agency investments. Also includes transaction schedules for projecting revenue on investments as well as performance investment reports issued by broker or investment firm.</p>	<p>a) Destroy in office transaction schedules after 2 years.*</p> <p>b) Destroy in office performance investment reports when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p> <p>c) Destroy in office all remaining records after 3 years.*</p>	<p>Authority: G.S. 159-30</p>

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.29	LOAN RECORDS Records concerning loans received by the agency. Includes documentation of intent to proceed, loan agreements, promissory notes, letters of credit, statements, notices of principal and interest due, and other related records.	Destroy in office 5 years after satisfaction or cancellation of loan.*	
2.30	LOCAL GOVERNMENT COMMISSION FINANCIAL STATEMENTS	Destroy in office after 3 years.*	Authority: G.S. 159-33
2.31	LONGEVITY PAY	Destroy in office after 5 years.*	Retention: 04 NCAC 24D .0501(a)
2.32	 PAYMENT CARD DATA Records created in association with payment card transactions entered by third parties for the purchase of goods or services from the agency.	Destroy in office after processed.*	Confidentiality: G.S. 132-1.2(2) G.S. 132-1.10(b)(5)

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.33 	<p>PAYROLL AND EARNINGS RECORDS</p> <p>Records containing information such as the name, Social Security number, number of hours worked, compensation rate, deductions, and total wages paid each employee per payroll period. Also includes employer contributions (e.g., retirement, healthcare) along with individual and group employee earnings records and payroll registers showing earnings and deductions for each pay period.</p> <p>SEE ALSO: Payroll Deduction Records (below), Time Sheets, Cards, and Attendance Records (below); for 401(k) and other retirement plan payouts, see Retirement Records (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>a) Destroy in office 30 years from date of separation records necessary for retirement or similar benefits verification.</p> <p>b) Destroy in office remaining records after 5 years.*</p>	<p>Authority: 29 CFR 516.30(a)</p> <p>Confidentiality: G.S. 132-1.10 G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1</p> <p>Retention: 04 NCAC 24D .0501(a) 29 CFR 516.5(a) 29 CFR 1627.3(a)</p>

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.34 	PAYROLL DEDUCTION RECORDS Records used to start, modify, or stop all voluntary or required deductions from payroll. Includes tax withholding (NC-4, W-4), retirement and deferred compensation, savings plans, insurance, association dues, orders of garnishment, etc. Used as proof the employee approved of the deduction(s). SEE ALSO: Payroll and Earnings Records (above), Retirement Records (STANDARD 4: HUMAN RESOURCES RECORDS).	a) Destroy in office tax withholding forms 4 years after termination of deduction.* b) Destroy in office authorizations for deductions for retirement contributions, bank payments, savings plans, insurance, and dues 2 years after termination of deduction. c) Destroy in office remaining records 3 years after termination of deduction.*	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: IRS Publication 15 29 CFR 516.6(c)(1)
2.35	POWELL BILL RECORDS Records include certified statements, expenditures reports, information sheets, financial statements submitted to the North Carolina Department of Transportation, and all other related records.	Destroy in office after 3 years.	
2.36	PURCHASE ORDERS Records, forms, packing slips, and attached documents concerning purchased supplies, equipment, and services. SEE ALSO: Grants: Financial (above).	Destroy in office after 3 years.* <i>Retention Note: Packing slips may be destroyed upon verification of items received if they are not the only record of the purchase of the item.</i>	
2.37	QUALIFIED PRODUCTS LISTS (QPL) Records identifying products approved for purchase by the agency.	Destroy in office 3 years after superseded or obsolete.*	

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.38	<p>REQUISITIONS Requests for payment or to acquire goods or services.</p> <p>SEE ALSO: Inventories (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	Destroy in office after 1 year.*	
2.39	<p>SCHOLARSHIP RECORDS Records concerning scholarships awarded by the agency. Includes applications, award letters, conditions and stipulations, agreements and contracts, disbursement statements, progress reports, and other related records.</p>	a) Destroy in office after 3 years records documenting the awarding of scholarships. b) Destroy in office 1 year after notification of applicant records concerning applications that are denied by the agency or awards that are declined by the recipient.	
2.40	<p>SHIFT PREMIUM PAY Authorizations and other related records concerning employees receiving shift premium pay.</p>	Destroy in office after 5 years.*	Retention: 04 NCAC 24D .0501(a)
2.41	<p>STATEMENTS OF BACK PAY Forms used to determine the gross pay an employee would have earned during a specified period for back pay in a grievance decision, settlement agreement, or other order.</p>	Destroy in office 3 years after payment.*	

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.42 	TAX FORMS Tax information returns generated by the agency (e.g., 1098, 1099, W-2, W-3) to be reported to the Internal Revenue Service and furnished to the other party to the transaction.	Destroy in office 5 years after submitted to taxpayer and/or IRS.*	Confidentiality: G.S. 132-1.10 G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 04 NCAC 24D .0501(a) IRS Publication 15
2.43	TAX RETURNS Tax returns filed by the agency.	Destroy in office 6 years after filed.*	
2.44	TIME SHEETS, CARDS, AND ATTENDANCE RECORDS Records documenting the work hours and attendance of employees. SEE ALSO: Payroll and Earnings Records (above).	Destroy in office after 5 years.*	Retention: 04 NCAC 24D .0501(a) 29 CFR 516.6(a)(1)

2: Budget, Fiscal, and Payroll

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ITEM #	STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
2.45	<p>TRAVEL REIMBURSEMENTS Includes requests and authorizations for reimbursement for travel and related expenses.</p> <p>SEE ALSO: Grants: Financial (above), Travel Requests (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	Destroy in office after 5 years.*	Retention: 04 NCAC 24D .0501(a)
 2.46	<p>VENDORS Files maintained on specific vendors authorized or debarred from doing business with the agency. Includes name and address, correspondence (including e-mail), and other related records.</p>	Destroy in office when superseded or obsolete.	

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STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS
 Official records received and created by agency geographic information system programs. See G.S. 132-10 for information about providing public access to GIS databases.

ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.01	<p>GEOGRAPHIC INFORMATION SYSTEM (GIS) CORE DATA</p> <p>Geo-referenced data and metadata to facilitate the management, manipulation, analysis, modeling, representation, and spatial analysis of complex problems regarding planning and management of resources.</p>	<p>Retain in office parcel, boundary, zoning, and orthoimagery layers (with accompanying data sets) permanently.</p> <p><i>Retention Note: Other datasets should be kept according to standards and procedures set by the North Carolina Geographic Information Coordinating Council. See also GEOSPATIAL RECORDS, page A-13.</i></p>	
3.02	<p>GEOGRAPHIC INFORMATION SYSTEM (GIS) DATA DOCUMENTATION (METADATA)</p> <p>Records created during development or modification of an automated system which are necessary to access, retrieve, manipulate, and interpret data in that system; and records that explain the meaning, purpose, structure, local relationships, and origin of the data elements. Includes data element dictionaries, file layout, codebooks and tables, and definition files.</p>	<p>Destroy in office when the system is discontinued or when system data has been transferred to a new operating environment (platform).</p>	

3: GIS

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.03	GEOGRAPHIC INFORMATION SYSTEM (GIS) INTERNAL STANDARDS AND PROCEDURES Includes requirements that are intended to make hardware, software, and data compatible and that cover data capture, accuracy, sources, base categories, output, and data element dictionaries.	Retain in office permanently.	
3.04	GEOGRAPHIC INFORMATION SYSTEM (GIS) MONITORING RECORDS Includes system security, quality assurance, transaction tracking, and other related activity monitoring records.	Destroy in office after 1 year.	
3.05	GEOGRAPHIC INFORMATION SYSTEM (GIS) OPERATIONAL RECORDS Includes user guides, system flowcharts, job or workflow records, system specifications, and similar documentation.	Destroy in office when the system is discontinued or when system data has been transferred to a new operating environment (platform).	
3.06	GEOGRAPHIC INFORMATION SYSTEM (GIS) PROJECT RECORDS	a) Retain in office GIS datasets and accompanying documentation (metadata) with historical and/or legal value permanently. b) Destroy in office remaining items when reference value ends.± Agency Policy: Destroy in office after _____	

3: GIS

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.07	<p>LAYERS: ADDRESS POINTS</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	
3.08	<p>LAYERS: CORPORATE LIMITS</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.09	<p>LAYERS: EXTRATERRITORIAL JURISDICTIONS</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	
3.10	<p>LAYERS: ORTHOIMAGERY</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Create a snapshot of dataset when created. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	

3: GIS

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.11	<p>LAYERS: STREET CENTERLINE</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	
3.12	<p>MAPPING PROJECT RECORDS</p> <p>Includes contract maps and all deliverable products for aerial photography, orthophotography, cartographic, cadastral, and digital mapping projects.</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	

3: GIS

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.13	<p>MAPS: PARCEL</p> <p>Maps, including cadastral maps, and surveys of boundaries and measurements of each parcel, and information about encroachments, right-of-ways, and structures.</p> <p>See also GEOSPATIAL RECORDS, page A-13, and Property Management Records (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>Paper: Destroy in office upon State Archives approval.</p> <p>GIS dataset: Create a snapshot of dataset quarterly. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	
3.14	<p>MAPS: PARKS</p> <p>Includes park boundaries, facilities, landscaping, topography, and other pertinent information. Also includes maps and drawings stored and generated by Geographic Information System (GIS) and computer-aided design (CAD) systems.</p> <p>See also GEOSPATIAL RECORDS, page A-13.</p>	<p>Paper: Retain in office permanently.</p> <p>GIS dataset: Create a snapshot of dataset annually. To maintain permanently,</p> <p><i>Either:</i> Transfer snapshot to NCOneMap according to established procedures, complying with standards and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p> <p><i>Or:</i> If retained in office permanently, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.</p>	

3: GIS

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ITEM #	STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
3.15	<p>MAPS: ALL OTHER @</p> <p>Includes field maps, soil, topographic, sales, subdivision plats, right-of-way, sectional, highway, etc. Also includes paper maps.</p>	<p>a) Retain in office maps, including GIS datasets and accompanying documentation (metadata), with historical and/or legal value permanently.</p> <p>b) Destroy in office remaining items when reference value ends.±</p> <p><i>Retention note: Contact the State Archives of North Carolina before destroying any tax maps, watershed maps, or zoning maps.</i></p> <p>Agency Policy: Destroy in office after _____</p>	


3: GIS

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STANDARD 4: HUMAN RESOURCES RECORDS
 Official records and materials created and accumulated incidental to the employment, qualifications, training, and pay status of agency employees. Comply with applicable provisions of G.S. 115C Article 21A (LPSUs), G.S. 122C-158 (area authorities), G.S. 130A-45.9 (public health authorities), G.S. 153A-98 (county), G.S. 160A-168 (municipal), G.S. 161E-257.2 (public hospitals), and G.S. 162A-6.1 (water and sewer authorities) regarding confidentiality of personnel records.

ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.01	ABOLISHED POSITIONS Records concerning positions that have been abolished.	Destroy in office after 1 year.	
4.02 	ADMINISTRATIVE INVESTIGATIONS Records concerning the investigation of conduct problems among agency personnel. SEE ALSO: Disciplinary Actions (below).	a) Destroy in office after 3 years records concerning complaints against agency personnel that are resolved without an internal investigation. b) Destroy in office after 5 years records concerning complaints lodged against agency personnel that are exonerated. c) Destroy in office 5 years after final disposition or expiration of relevant statute of limitations complaints lodged against agency personnel that are settled out-of-court. d) Transfer investigation reports, disciplinary actions, and other related internal affairs case records to Personnel Records (Official Copy) (below).	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1

4: HR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.
 ± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.
 @ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.


ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.03 	APPLICATIONS FOR EMPLOYMENT Records submitted by job applicants for vacant positions or by current employees for promotion, transfer, or training opportunities. Includes applications, transcripts, resumes, letters of reference, and other related records.	a) Transfer applications, resumes, transcripts, and similar records as applicable to Personnel Records (Official Copy) (below) or Seasonal and Contract Worker Records (below). b) Destroy in office after 2 years unsolicited application materials from individuals hired. c) Destroy in office records concerning individuals not hired 2 years after date of receipt, if no charge of discrimination has been filed. If charge has been filed, destroy in office 1 year after resolution of charge.* d) Destroy in office 2 years after receipt unsolicited applications/resumes and those received after posted closing dates.	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 29 CFR 1602.31
4.04	APPRENTICESHIP PROGRAM RECORDS Records concerning registered apprenticeship programs. Includes applications and selection materials as well as aggregated data. Also includes apprenticeship affirmative action plans.	Destroy in office 5 years after the making of the record or the personnel action involved, whichever occurs later.	Authority: 29 CFR 30.4(a) 29 CFR 1602.20 Retention: 29 CFR 30.12(d) 29 CFR 1602.21

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.05 	<p>APTITUDE AND SKILLS TESTING RECORDS Records concerning aptitude and skills tests required of job applicants or of current employees to qualify for promotion or transfer. Includes civil service examinations.</p> <p>SEE ALSO: Employment Selection Records (below).</p>	<p>Destroy in office after 2 years.</p>	<p>Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1</p> <p>Retention: 29 CFR 1602.31 29 CFR 1627.3(b)(1)(iv)</p>
4.06	<p>ASBESTOS TRAINING Records concerning training programs about the proper management of asbestos.</p> <p>SEE ALSO: Bloodborne Pathogen Training (below), Hazardous Materials Training Records (below).</p>	<p>a) Destroy in office employee-specific records 1 year after separation.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	<p>Retention: 29 CFR 1910.1001(m)(4)</p>

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.07	<p>BENEFITS RECORDS Records concerning life, health, accident, and disability insurance plans as well as seniority and merit systems. Includes records concerning systems in which employees can select fringe benefits from a cafeteria plan, including flexible spending plans. File also includes notifications, election and claim forms, rejection letters, and other records related to COBRA (Consolidated Omnibus Budget Reconciliation Act).</p>	<p>a) Destroy in office approved claims forms after 2 years.* b) Destroy in office rejected requests 6 months after decision. c) Destroy in office 3 years after employee returns or eligibility expires notifications to employees or dependents informing them of their rights to continue insurance coverage after termination or during disability or family leave. d) Destroy in office remaining records 1 year after plan is terminated.</p>	<p>Retention: 29 CFR 1627.3(b)(2)</p>
4.08	<p>BLOODBORNE PATHOGEN TRAINING Includes records showing date of training, sessions, contents or summaries of sessions, names of employees attending, and names and qualifications of instructors.</p> <p>SEE ALSO: Asbestos Training (above), Hazardous Materials Training Records (below).</p>	<p>Destroy in office after 3 years.</p>	<p>Retention: 29 CFR 1910.1030(h)(2)(ii)</p>
4.09	<p>DIRECTORIES, ROSTERS, OR INDICES Includes records listing employees, their job titles, work locations, phone numbers, e-mail addresses, and similar information.</p>	<p>Destroy in office when superseded or obsolete.</p>	

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.10	<p>DISABILITY SALARY CONTINUATION CLAIMS Forms used by disabled employees to apply for salary continuation benefits. Also include short-term disability claims forms and other related records.</p>	<p>a) Transfer original forms to Local Government Employees' Retirement System (LGERS) or Teachers' and State Employees' Retirement System (TSERS) for action when received.</p> <p>b) Destroy in office remaining records after 3 years.</p>	
4.11	<p>DISCIPLINARY ACTIONS Correspondence (including e-mail) and other records concerning disciplinary actions taken against employees by personnel or supervisory staff, including records documenting terminations. Includes records created by civil service boards when considering, or reconsidering on appeal, an adverse action against an employee.</p>	<p>a) Transfer records as applicable to Personnel Records (Official Copy) (below).</p> <p>b) Destroy in office all remaining records 2 years after resolution of all actions.</p>	<p>Authority: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1</p> <p>Retention: 29 CFR 1602.31</p> <p>Subject to the public information provision delineated in the above authorities.</p>

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.12	DUAL EMPLOYMENT Records concerning employees' requests and authorizations to accept employment with another local government agency. SEE ALSO: Secondary Employment (below).	a) Destroy in office approved requests and related records 1 year after employee terminates additional employment. b) Destroy in office denied requests and related records after 6 months.	
4.13	 EDUCATIONAL LEAVE AND REIMBURSEMENT Includes records requesting educational leave and tuition assistance, reimbursements, and other related records. SEE ALSO: Leave Records (below).	a) Transfer records documenting approved leave requests to Personnel Records (Official Copy) (below). b) Destroy in office records concerning denied requests 6 months after denial.* c) Destroy in office records concerning approved tuition reimbursements 3 years after reimbursement.*	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1
4.14	 EMPLOYEE ASSISTANCE PROGRAMS Records documenting assistance and counseling opportunities. Includes requests for information, referrals, forms, releases, correspondence, and other related records.	Destroy in office after 3 years.	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.15 	EMPLOYMENT ELIGIBILITY RECORDS Includes the I-9 forms, employment authorization documents filed with the U.S. Department of Labor, petitions filed by the agency, E-Verify documentation, and Selective Service Registration compliance forms.	a) I-9 forms have mandatory retention throughout the duration of an individual’s employment. After separation, destroy records in office 3 years from date of hire or 1 year from separation, whichever occurs later. b) Destroy in office after 5 years employment authorization documents filed with the U.S. Department of Labor. c) Destroy in office immigrant or nonimmigrant petitions filed by the agency 3 years after employee separation. d) Destroy in office remaining records 1 year after employee separation.	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 8 USC 1324a(b)(3)
4.16 	EMPLOYMENT SELECTION RECORDS Records concerning the selection of applicants for vacant positions or of current employees for promotion, transfer, or training opportunities. Includes interview documentation, rosters, eligibility lists, test ranking sheets, justification statements, background and criminal history checks, and similar records. SEE ALSO: Applications for Employment (above), Aptitude and Skills Testing Records (above).	a) Destroy in office background and criminal history checks after 5 years. b) Destroy in office remaining records 2 years after hiring decision.*	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 29 CFR 1602.31 29 CFR 1627.3(b)(1)

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.17 	EXIT INTERVIEW RECORDS Includes feedback from employees planning to separate from the agency.	Destroy in office after 1 year.	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1
4.18 	FAMILY MEDICAL LEAVE ACT (FMLA) RECORDS Records concerning leave taken, premium payments, employer notice, medical examinations considered in connection with personnel action, disputes with employees over FMLA, and other related records. SEE ALSO: Leave Records (below).	Destroy in office 3 years after leave ends.*	Authority: 29 CFR 825.110 Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 29 CFR 825.500(b)

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.19 	<p>GRIEVANCES Includes initial complaint by employee, investigation, action, summary, and disposition.</p> <p>SEE ALSO: Disciplinary Actions (above), Personnel Records (Official Copy) (below).</p>	Destroy in office after 2 years.*	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1
4.20	<p>HAZARDOUS MATERIALS TRAINING RECORDS Includes records showing date of training, sessions, contents or summaries of sessions, names of employees attending, and names and qualifications of instructors. May also include documentation of loans of radioactive materials for the purpose of training exercises.</p> <p>SEE ALSO: Asbestos Training (above), Bloodborne Pathogen Training (above).</p>	Destroy in office after 5 years.	Authority: 29 CFR 1910.120(p)(8)(iii) 10A NCAC 15
4.21	<p>INTERNSHIP PROGRAM Records concerning interns and students who work for the agency.</p>	Destroy in office after 2 years.	
4.22	<p>LAW ENFORCEMENT TRAINING Records concerning internal training for law enforcement personnel.</p>	Retain in office permanently.	

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.23 	LEAVE RECORDS Records concerning employee leave, including requests for and approval of sick, vacation, overtime, buy-back, shared, donated, etc. Also includes records documenting leave without pay. SEE ALSO: Educational Leave and Reimbursement (above), Family Medical Leave Act (FMLA) Records (above), Military Leave (below).	a) Destroy in office approved requests 3 years after return or separation of employee.* b) Destroy in office denied requests after 6 months.	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1
4.24 	MEDICAL RECORDS Records for employees, contractors, and volunteers concerning asbestos, toxic substances, and bloodborne pathogen exposure; physical examinations required by the employer in connection with any personnel action, including health or physical examination reports, or certificates created in accordance with the Americans with Disabilities Act (ADA); and records of injury or illness. (Does not include worker's compensation or health insurance claim records.) SEE ALSO: Benefits Records (above), Workers' Compensation Program Claims (below).	a) Destroy in office exposure records 30 years after date of exposure.* b) Destroy in office records pertaining to first-aid job-related illness and injury after 5 years. c) Provide medical records to employees who have worked for less than 1 year at time of separation. d) Destroy in office after 1 year records concerning physical examinations or health certificates. e) Destroy in office remaining records 30 years after employee separation. <i>Retention Note: Records must be maintained separately from an employee's personnel jacket. If part of a worker's compensation claim, follow disposition for Workers' Compensation Program Claims (below).</i>	Authority: 29 CFR 1910.1020(e) Confidentiality: 29 CFR 1630.14(c)(1) 29 CFR 1910.1030(h)(1)(iii) Retention: 29 CFR 1627.3(b)(1)(v) 29 CFR 1910.1020(d) 42 USC 12112(d)(3)

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.25	<p>MILITARY LEAVE Records concerning military leave, as established by the Uniformed Services Employment and Reemployment Rights Act (USERRA).</p> <p>SEE ALSO: Leave Records (above).</p>	<p>Destroy in office 3 years after leave ends or employee separates from agency.*</p>	<p>Authority: 5 CFR 1208</p>
4.26	<p> PERFORMANCE REVIEWS Information used to establish employees' goals and primary tasks. Records used to evaluate each employee's work performance.</p> <p>SEE ALSO: Personnel Records (Official Copy) (below).</p>	<p>Destroy in office after 3 years.</p>	<p>Confidentiality (applies only to performance evaluations): G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 60A-168 G.S. 161E-257.2 G.S. 162A-6.1</p>
4.27	<p>PERSONNEL ACTION NOTICES Records used to create or change information in the personnel records of individual employees concerning such issues as hiring, termination, transfer, pay grade, and position or job title.</p>	<p>Transfer records to Personnel Records (Official Copy) (below).</p>	<p>Subject to the public information provision delineated in relevant General Statutes.</p>

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.28 	<p>PERSONNEL RECORDS (OFFICIAL COPY) Official copy of personnel file maintained on each permanent and temporary agency employee that is eligible for benefits. Includes basic employee information and records and forms relating to the selection or non-selection, promotion, transfer, leave, salary, suspension, and termination of employment.</p> <p>Note: For agencies responsible for maintaining personnel files for criminal justice officers, please consult 12 NCAC 09C .0307 for the mandatory records of certification that must be housed in the personnel file.</p> <p>SEE ALSO: Medical Records (above), Seasonal and Contract Worker Records (below).</p>	<p>a) Destroy in office after 30 years from date of separation information needed to document: date and amount of each increase or decrease in salary with that agency; date and type of each promotion, demotion, transfer, suspension, separation, or other change in position classification with that agency; date and general description of the reasons for each promotion with that agency; date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the agency; and, if the disciplinary action was a dismissal, a copy of the written notice of the final decision of the agency setting forth the specific acts or omissions that are the basis of the dismissal.</p> <p>b) Destroy in office information necessary to verify benefits 30 years after date of separation.</p> <p>c) Destroy in office remaining records when individual retention periods are reached as noted in individual items in this Records Retention and Disposition Schedule.</p>	Authority/ Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1
4.29 	<p>PERSONNEL RECORDS (SUPERVISOR COPY) Personnel jacket that is often maintained by supervisors.</p>	<p>a) Transfer records as applicable to Personnel Records (Official Copy) (above).</p> <p>b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.30	<p>POLICIES AND PROCEDURES (PERSONNEL) Official internal agency personnel policies and procedures. Also includes agreements and authorizations required of employees, orientation materials, and informational data.</p> <p>SEE ALSO: Civil Rights Records (STANDARD 6: LEGAL RECORDS), and Workers' Compensation Program Administration (below).</p>	<p>a) Retain in office internal agency personnel policies and procedures permanently.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	
4.31	<p> POLYGRAPH RECORDS Includes statements informing employee of the time, place, and reasons for the test; copy of notice sent to examiner identifying employee to be tested; and copies of opinions, reports, or similar records generated by the examiner and provided to the agency.</p>	<p>Destroy in office 3 years from the date the test was given, or from the date the test was requested if no examination was given.</p>	<p>Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1</p> <p>Retention: 29 CFR 801.30</p>

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.32	<p>POSITION CLASSIFICATION, CONTROL, AND HISTORY Records concerning personnel actions and position control, status of each established permanent, temporary full-time, or part-time position, and other related topics. Also includes listings providing classification, titles, and position numbers.</p> <p>SEE ALSO: Position Descriptions (below).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.</p>	
4.33	<p>POSITION DESCRIPTIONS Includes information on job title, grade, duties, agency assigned, and responsibilities.</p>	Destroy in office 2 years after superseded.	Retention: 29 CFR 1620.32
4.34	<p>POSITION EVALUATIONS Forms used to evaluate the primary purpose of a position.</p>	Destroy in office after 1 year.	
4.35	<p>RECRUITMENT RECORDS Includes ads and notices of overtime, promotion, and training. Also includes employment listings.</p>	Destroy in office 1 year from date of record.	Retention: 29 CFR 1627.3(b)

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.36	<p>RETIREMENT RECORDS Includes descriptive information about retirement systems along with plans and related records outlining the terms of employee pension and other deferred compensation plans, including 401(k).</p> <p>SEE ALSO: Payroll and Earnings Records; Payroll Deduction Records (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).</p>	<p>a) Destroy in office descriptive information about retirement plans 1 year after plan is terminated.</p> <p>b) Destroy in office records concerning employer-sponsored retirement plans 7 years after payment.*</p> <p>c) Transfer Local Governmental Employees' Retirement System (LGRS) forms to Department of State Treasurer.</p> <p>d) Transfer applicable records to Personnel Records (Official Copy) (above).</p>	<p>Retention: 29 CFR 1627.3(b)(2)</p>
4.37	<p> SEASONAL AND CONTRACT WORKER RECORDS Records concerning seasonal or contractual employees who are not provided with or eligible for benefits.</p> <p>SEE ALSO: Personnel Records (Official Copy) (above).</p>	<p>Destroy in office 5 years after date of separation.</p>	<p>Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1</p>
4.38	<p>SECONDARY EMPLOYMENT Records concerning employees' requests and authorizations to accept employment with a private entity.</p> <p>SEE ALSO: Dual Employment (above.)</p>	<p>a) Destroy in office approved requests and related records 1 year after employee terminates outside employment.</p> <p>b) Destroy in office denied requests and related records after 6 months.</p>	

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.39	<p>SERVICE AWARDS AND COMMENDATIONS Includes award and selection committee reports, nominations, selection criteria, and similar administrative records relating to employee recognition or incentive programs.</p> <p>SEE ALSO: Personnel Records (Official Copy) (above).</p>	<p>Destroy in office 2 years from date of record creation or the personnel action involved.</p>	
4.40	<p>SUGGESTIONS AND SURVEYS Recommendations and feedback submitted by agency employees.</p>	<p>Destroy in office after 1 year.</p>	
4.41	<p>TRAINING AND EDUCATIONAL RECORDS Records concerning the delivery of training to agency personnel. Includes training manuals, syllabi and course outlines, and other related records. Also includes employee-specific records (certificates, transcripts, test scores, etc.) relating to the training, testing, or continuing education of employees.</p> <p>SEE ALSO: Conferences and Workshops (STANDARD 7: PUBLIC RELATIONS RECORDS), Educational Leave and Reimbursement (above). Other required trainings are handled in Asbestos Training (above), Bloodborne Pathogen Training (above), Hazardous Materials Training Records (above), Law Enforcement Training (above).</p>	<p>a) Transfer records as applicable to Personnel Records (Official Copy) (above), if such training and testing is required for the position held or could affect career advancement.</p> <p>b) Destroy in office certifications and other qualifications 5 years after expiration or employee separation.</p> <p>c) Destroy in office general training materials when superseded or obsolete.</p> <p>d) Destroy in office remaining employee-specific records after 1 year.</p>	<p>Retention: 29 CFR 1627.3(b)(1)(iv)</p>

4: HR

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.


ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.42 	UNEMPLOYMENT COMPENSATION CLAIMS Claim forms and other related records concerning unemployment compensation cases.	Destroy in office after 5 years.*	Confidentiality: G.S. 115C Art. 21A G.S. 122C-158 G.S. 130A-45.9 G.S. 153A-98 G.S. 160A-168 G.S. 161E-257.2 G.S. 162A-6.1 Retention: 04 NCAC 24D .0501(a)
4.43	UNEMPLOYMENT COMPENSATION REPORTS Quarterly reports showing month-to-date wages, month-to-date compensation, year-to-date wages, and year-to-date compensation for each employee. May be filed with NC Division of Employment Security.	Destroy in office after 5 years.*	Retention: 04 NCAC 24D .0501(a)
4.44	UNEMPLOYMENT INSURANCE Forms submitted to the Department of Commerce to report wage records of terminated employees.	Transfer to the N.C. Department of Commerce, Division of Employment Security.	
4.45	VERIFICATION OF EMPLOYMENT RECORDS Inquiries and responses concerning verification of an employee’s prior or current employment with the agency.	Destroy in office after 1 year.	
4.46	VOLUNTEER RECORDS Records concerning individuals who volunteer to assist with various agency activities.	Destroy in office 2 years after completion of assignment.	

4: HR

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ITEM #	STANDARD 4: HUMAN RESOURCES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
4.47	WORK SCHEDULES AND ASSIGNMENTS Records concerning work, duty, shift, crew, or case schedules, rosters, or assignments.	Destroy in office after 1 year.	
4.48	WORKERS' COMPENSATION PROGRAM ADMINISTRATION Includes program policies, guidelines, and related administrative documentation.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.	
4.49	 WORKERS' COMPENSATION PROGRAM CLAIMS Records concerning workers' compensation claims filed by employees' supervisors concerning accidental injuries or illnesses suffered on the job. Includes Employer's Report of Injury to Employee (Form 19), accident investigation reports, medical reports, claim cost reports, reference copies of medical invoices, and other related records. <i>Note: All official copies of claims records should be transferred to the North Carolina Industrial Commission in compliance with G.S. 97-92(a).</i>	Destroy in office agency's working file for workers' compensation claims by its employees 5 years after employee returns to work or separates from agency.*	Confidentiality: G.S. 8-53 G.S. 97-92(b)

4: HR

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STANDARD 5: INFORMATION TECHNOLOGY (IT) RECORDS

Information technology encompasses all activities undertaken by agency to design, develop, and operate electronic information systems. This section covers records for which Information Technology personnel are responsible, including administrative records and those used to process data and monitor and control operations.


Note: Administration, use, and retention of records concerning computer and information security should comply with applicable provisions of G.S. 132-6.1 on the confidentiality of records regarding "hardware or software security, passwords, or security standards, procedures, processes, configurations, software, and codes." (G.S. 132-6.1 (c))

ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.01 	AUDITS: IT SYSTEMS Records documenting user actions affecting the contents of monitored systems. Also includes fixity checks and other periodic tests of data validity.	a) Destroy in office 1 year after superseded or obsolete fixity check documentation. b) Destroy in office remaining records after disposition of record.*	Confidentiality: G.S. 132-6.1(c)
5.02	COMPUTER AND NETWORK USAGE RECORDS Records documenting usage of electronic devices and networks. Includes login files, system usage files, individual program usage files, and records of use of the Internet by employees.	Destroy in office after 1 year.	
5.03	DATA DOCUMENTATION RECORDS Records concerning data in automated systems. Includes data element dictionary, file layout, code book or table, entity relationships tables, and other records related to the structure, management, and organization of data.	Destroy in office 3 years after system is discontinued and/or replaced.	

5: IT

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ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.04	<p>DATA MIGRATION RECORDS Technical records documenting data migrations.</p> <p><i>Note: The data itself is subject to the disposition instructions indicated for its relevant records series; these are merely records about migrating said data.</i></p>	<p>Destroy in office 1 year after completion of data migration.</p>	
5.05	<p>DATA WAREHOUSES Federated data gathered by the agency from other sources for the purposes of comparison and distribution.</p> <p>SEE ALSO: Collected Data (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>Destroy in office when superseded or obsolete.</p>	<p>Maintain confidentiality consistent with any restrictions placed on the data provider.</p>
5.06	<p>DIGITIZATION AND SCANNING RECORDS Records concerning data entry and imaging operations. Includes quality control records.</p> <p>See also REQUEST FOR DISPOSAL OF ORIGINAL RECORDS DUPLICATED BY ELECTRONIC MEANS, page A-21.</p>	<p>Destroy in office 10 days after digitization.</p> <p><i>Note: The digital surrogate becomes the record copy and must be retained according to the disposition instructions for that record type.</i></p>	
5.07	<p> ELECTRONIC RECORDS POLICIES AND PROCEDURES Includes procedural manuals as well as an Electronic Records and Imaging Policy and a Security Backup Policy.</p>	<p>Destroy in office 3 years after superseded or obsolete.</p>	<p>Confidentiality: G.S. 132-1.7(b) G.S. 132-6.1(c)</p>

5:11

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ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.08	INFORMATION TECHNOLOGY ASSISTANCE RECORDS Records documenting troubleshooting and problem-solving assistance provided by agency information systems personnel to users of the systems. Includes help desk assistance requests, resolution records, and related documentation.	Destroy in office 1 year after work is completed.	
5.09 	NETWORK AND SYSTEM SECURITY RECORDS Records documenting cybersecurity efforts. Includes records concerning firewalls, anti-virus programs, intruder scanning logs, and other related records.	a) Destroy in office finalized cyber incident reports 5 years after resolution. b) Destroy in office after 2 years records documenting incidents involving unauthorized attempted entry or probes on data processing systems, IT systems, telecommunications networks, and electronic security systems. c) Destroy in office after 1 year records concerning firewalls, anti-virus programs, and other related records.	Confidentiality: G.S. 132-6.1(c)
5.10 	NETWORK DIAGRAMS Records documenting the logical and physical relationships of network components for purposes of organization, deployment, troubleshooting, monitoring of access, and management of day-to-day operations.	Destroy in office when superseded or obsolete.	Confidentiality: G.S. 132-6.1(c)

5:11

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ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.11	<p>PROJECT DOCUMENTATION Records created to design, develop, control, or monitor a specific project or group of IT projects. Includes statements of work, assessments, maintenance agreements, and testing records.</p> <p>SEE ALSO: Projects (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain in office permanently records with historical value.</p> <p>b) Destroy in office remaining records 3 years after completion of project.</p>	
5.12	<p>SOFTWARE LICENSE AND COPYRIGHT PROVISIONS RECORDS Records documenting compliance with agency software license and copyright provisions. Includes software licenses, correspondence (including e-mail), and related documentation.</p>	<p>Destroy in office 1 year after software is superseded or obsolete.</p>	
5.13	<p>SYSTEM ACCESS RECORDS Records documenting access requests and authorizations, system access logs, and other related records.</p>	<p>Destroy in office 1 year after superseded or obsolete.</p>	
5.14	<p> SYSTEM DOCUMENTATION RECORDS Records documenting operating systems, application programs, structure and form of datasets, system structure, and system-to-system communication. Includes system overviews, dataset inventories, server name, IP address, purpose of the system, vendor-supplied documentation, installed software, and current source code.</p>	<p>Destroy in office 3 years after superseded or obsolete.</p>	<p>Confidentiality: G.S. 132-1.1(g) G.S. 132-6.1(c)</p>

5: IT

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ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.15	<p>SYSTEM MAINTENANCE RECORDS: HARDWARE REPAIR OR SERVICE</p> <p>Records documenting inspections, maintenance, and repairs of agency computer systems that are owned or leased. Includes computer equipment inventories and service records.</p> <p>SEE ALSO: Equipment and Vehicle Maintenance, Repair, and Inspection Records (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Destroy in office records documenting routine inspections and maintenance of equipment after 1 year.</p> <p>b) Destroy records documenting all other equipment maintenance and repairs upon the final disposition of the equipment.</p>	
5.16	<p>SYSTEM MAINTENANCE RECORDS: RECORDS BACKUPS</p> <p>Records documenting regular or essential system backups. Includes backup tape inventories, relevant correspondence (including e-mail), and related documentation.</p> <p>See also Security Backup Files as Public Records in North Carolina: Guidelines for the Recycling, Destruction, Erasure, and Re-use of Security Backup Files, available on the State Archives of North Carolina website.</p>	<p>Destroy in office in accordance with your office’s established, regular backup plan and procedures.±</p> <p>Agency Policy: Destroy in office after _____</p>	
5.17	<p>TECHNICAL PROGRAM DOCUMENTATION</p> <p>Records concerning program code, program flowcharts, program maintenance logs, systems change notices, and other related records that document modifications to computer programs.</p>	<p>Destroy in office 1 year after superseded or obsolete.</p>	

5: IT

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ITEM #	STANDARD 5: INFORMATION TECHNOLOGY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
5.18	<p>VOICE OVER INTERNET PROTOCOL (VoIP) RECORDS Records concerning line registrations, calls logs, and voicemail records.</p>	<p>a) Destroy in office records concerning line registration when superseded or obsolete. b) Destroy in office call logs after 1 year. c) Destroy in office voicemail records after 30 days.</p>	
5.19	<p>WEB MANAGEMENT AND OPERATIONS RECORDS: STRUCTURE Site maps that show the directory structure into which content pages are organized, and commercial, off-the-shelf software configuration or content management system files used to operate the site and establish its look and feel. Includes server environment configuration specifications.</p> <p>SEE ALSO: Website (Electronic) (STANDARD 7: PUBLIC RELATIONS RECORDS).</p>	<p>Destroy in office when superseded or obsolete.</p>	

5:17

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STANDARD 6: LEGAL RECORDS
 Official documentation created or accumulated to substantiate the rights, obligations, or interests of the agency or their individual employees or clients. Please note the confidentiality that G.S. 132-1.1(a) confers to communications by legal counsel expires three years after receipt of such communication.

ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.01	<p>AFFIDAVITS OF PUBLICATION Proof of publication provided by newspapers regarding publication of ordinances, public hearings, bid solicitations, payment of bills, public sales, etc.</p> <p>SEE ALSO: Public Bodies: Meeting Notices (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain in office permanently if record provides sole evidence of publication. b) Destroy in office remaining records after 3 years.*</p>	<p>Authority: G.S. 1-600</p>
6.02	<p>ANNEXATION RECORDS Records concerning annexation of property into the city. Includes petitions, reports, correspondence (including e-mail), maps, ordinances, and public hearings.</p>	<p>a) Destroy in office withdrawn petitions after 1 year. b) Retain remaining records in office permanently.</p> <p><i>Retention Note: Annexation maps and ordinances must be filed with the County Register of Deeds office and the office of the Secretary of State (G.S. 160A-29, G.S. 160A-58.61 and G.S. 160A-58.90). A map must also be filed with the county board of elections (G.S. 163-288.1).</i></p>	
6.03	<p>AUTHENTICATIONS Certificates of authentication issued by the agency.</p>	<p>Retain in office permanently.</p>	

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.04	<p>CIVIL RIGHTS CASE RECORDS Records concerning discrimination complaints by employees or former employees and employee requests for reasonable accommodation. Includes equal opportunity (EO) complaints.</p> <p>SEE ALSO: Constituent Comments, Complaints, Petitions, and Service Requests (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS), Personnel Records (Official Copy) (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>a) Destroy in office requests for reasonable accommodation 2 years after they become obsolete.</p> <p>b) Destroy in office discrimination complaints 1 year after final disposition of the charge or the action.*</p> <p><i>Retention Note: 29 CFR 1602.14 defines final disposition of the charge or the action as "the date of expiration of the statutory period within which the aggrieved person may bring an action in a U.S. District Court or, where an action is brought against an employer either by the aggrieved person, the Commission, or by the Attorney General, the date on which such litigation is terminated."</i></p>	<p>Retention: 29 CFR 1602.14 29 CFR 1602.31</p>

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.05	<p>CIVIL RIGHTS RECORDS</p> <p>Records concerning documentation of personnel policies and procedures to comply with the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), the Equal Pay Act, the Genetic Information Nondiscrimination Act (GINA), Section 504 of the 1973 Rehabilitation Act, and the 1964 Civil Rights Act. Includes reports required by the Equal Employment Opportunity (EEO) Commission and affirmative action plans.</p> <p>SEE ALSO: Civil Rights Case Records (above), Constituent Comments, Complaints, Petitions, and Service Requests (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS), Policies and Procedures (Personnel) (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>Destroy in office 3 years after superseded or obsolete.</p>	<p>Authority: 29 CFR 1602.1 29 CFR 1602.7 29 CFR 1608.4</p> <p>Retention: 29 CFR 1602.30 29 CFR 1602.32 34 CFR 104.6(c)(2)</p>
6.06	<p>CONDEMNATION RECORDS</p> <p>Settled and pending condemnation cases.</p> <p>SEE ALSO: Accounts Payable (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS) for disposition of financial records.</p>	<p>Retain in office permanently.</p>	

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.07	<p>CONFLICT OF INTEREST AND CONFLICT OF COMMITMENT DISCLOSURE STATEMENTS</p> <p>Completed by the elected agency officials as well as designated staff members in order to disclose an official’s status or ownership interests.</p>	Destroy in office 1 year after completion of term or separation.	
6.08	<p>CONTRACTS, LEASES, AND AGREEMENTS @</p> <p>Contracts and agreements for construction, equipment, property, supplies, special programs, and projects. Includes franchise agreements, hold harmless agreements, good faith effort documentation, contractor compliance monitoring, leases, and memoranda of understanding.</p> <p>SEE ALSO: Software License and Copyright Provisions Records (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).</p>	<p>a) Retain in office contracts and agreements with historical value permanently.</p> <p>b) Destroy in office sealed contract records 10 years after expiration of contract.*</p> <p>c) Destroy in office all records related to capital improvement contracts and business associate agreements 6 years after completion, termination, or expiration.*</p> <p>d) Destroy in office records documenting restrictions and compliance with license and copyright provisions for products and services purchased by the agency 1 year after superseded or obsolete.*</p> <p>e) Destroy in office all other contracts and agreements 3 years after completion, termination, or expiration.*</p>	<p>Retention: G.S. 1-47(2) G.S. 1-50(a)(5) 45 CFR 164.316 G.S. 1-52</p>
6.09	<p>DECLARATORY RULINGS</p> <p>Records concerning declaratory rulings issued by the agency to interpret statutes or rules as applied to a specified set of facts.</p>	Retain in office permanently.	

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.10	DELEGATION OF AUTHORITY RECORDS Records documenting delegations of power to authorize agency business. Includes signature authorities and powers of attorney.	Destroy in office 1 year after superseded or obsolete.	
6.11	EASEMENTS AND RIGHT-OF-WAY AGREEMENTS Granted to the agency. SEE ALSO: Accounts Payable (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS) for disposition of financial records; LOCAL PROGRAM SCHEDULE, Excavation Permits and Right-of-Way Acquisition Working Records (STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS).	Destroy in office 10 years after expiration of agreement.	
6.12	ENCROACHMENTS Records concerning agreements granted by or to the agency. Also includes maps or drawings detailing construction plans attached to agreements.	a) Retain in office permanently records concerning agreements granted by outside entities to the agency. b) Destroy in office when superseded or obsolete records concerning agreements granted to utilities, businesses, and private residents to encroach upon agency property.	
6.13	EXPUNCTIONS Expunction orders received by local agencies.	Destroy in office when record is expunged.	

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.14	INVESTIGATION AND HEARING RECORDS Records concerning complaints, fraud allegations, contestments, grievances, and inquiries against individuals and other entities. Includes summaries, charges, reports, assessments and findings, hearing transcripts and evidence, decisions and sanctions, referrals, correspondence, and other related records.	Destroy in office 3 years after completion.*	
6.15	LAND OWNERSHIP RECORDS Includes deeds and titles.	Destroy in office 1 year after agency relinquishes ownership of land.*	
6.16	 LEGAL CORRESPONDENCE Correspondence (including e-mail) and related records concerning legal matters not related to specific legal cases or official opinions.	Destroy in office after 5 years. For information on handling e-mail, see ELECTRONIC RECORDS , page A-11.	Confidentiality: G.S. 132-1.1(a)
6.17	LEGAL OPINIONS Formal legal opinions written by counsel in response to requests concerning the governance and administration of the agency.	Retain in office permanently.	
6.18	 LEGAL REVIEW RECORDS Includes legal reviews of by-laws and charges to boards and commissions, conflicts of interest, and all other agency matters as requested. SEE ALSO: Legal Opinions (above).	a) Retain in office records with historical value permanently. b) Destroy in office remaining records after expiration of relevant statute of limitations.	Confidentiality: G.S. 132-1.1(a)

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.19 	LITIGATION CASE RECORDS Civil suits to which the agency is a party. Includes affidavits, agreements, appeals, bills, briefs, citations, commitments, complaints, discharges, motions, notices, pleas, releases, statements, testimony, verdicts, waivers, warrants, and writs.	a) Retain in office cases having precedential or historical value permanently. b) Destroy in office adjudicated cases 6 years after final disposition. c) Destroy in office non-adjudicated cases (out-of-court claims) 6 years after final disposition or expiration of relevant statute of limitations.	Confidentiality: G.S. 132-1.1(a) G.S. 132-1.9
6.20	OATHS OF OFFICE SEE ALSO: Public Bodies: Member Files (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	Transfer official copy of oath of office to the municipal clerk or the county clerk to the board of commissioners or the clerk of the governing board for permanent retention. <i>Retention Note: The Clerk should present a copy of the oaths of elected officials to the Clerk of Superior Court for recording.</i>	Authority: G.S. 105-349 G.S. 153A-26 G.S. 160A-61 G.S. 160A-68 G.S. 160A-284 Retention: G.S. 7A-103(2)
6.21	PERMISSIONS Records conferring legal permission. Includes copyright permission requests and requests for permission to publish intellectual property or holdings of the agency. Also includes copyrights, patents, and trademarks held by the agency.	a) Retain in office permanently records conferring perpetual legal permission as well as records documenting copyrights, patents, and trademarks held by the agency. b) Destroy in office 3 years after expiration records concerning one-time copyright permissions granted by the agency.	

6: Legal

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ITEM #	STANDARD 6: LEGAL RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
6.22	PRE-TRIAL RELEASE PROGRAM RECORDS Records documenting supervision for defendants who do not pose a risk to the community as they await trial.	Destroy in office 3 years after trial.	
6.23	RELEASE FORMS Records documenting consent and waiving the individual's right to hold the agency responsible for injuries or damages occurring while voluntarily participating in events or activities.	Destroy in office 5 years after termination of release/waiver.	
6.24	SETTLEMENTS Records concerning pre-litigation or informal settlements.	Destroy in office 10 years after expiration.	Authority: G.S. 132-1.3
6.25	VEHICLE TITLES Titles of agency owned vehicles.	Dispose of in accordance with Division of Motor Vehicles procedures for title transfer upon disposition of vehicle.	Authority: G.S. 20-72

6: Legal

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction "destroy when reference value ends." Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

STANDARD 7: PUBLIC RELATIONS RECORDS
 Official records and materials created and accumulated by internal public relations programs operated by the agency.

ITEM #	STANDARD 7: PUBLIC RELATIONS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
7.01	<p>AGENCY PUBLICATIONS Publications created at agency expense. Also includes correspondence and other related records regarding the design and creation of agency publications.</p>	<p>a) Retain in office records with historical value permanently. b) Destroy publications management records after 5 years. c) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	
7.02	<p>AUDIO-VISUAL RECORDINGS @ Recordings (including digital) and films produced by or for the agency. This does not include recordings of public meetings or security videos. SEE ALSO: Public Bodies: Audio and Video Recordings of Meetings (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS), Office and Property Security Records (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	
7.03	<p>COMMUNITY AWARDS @ Records concerning awards by the agency recognizing community contributions.</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____</p>	

7: PR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 7: PUBLIC RELATIONS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
7.04	<p>CONFERENCES AND WORKSHOPS @ Records concerning conferences and workshops conducted by agency employees. Includes slides, charts, transparencies, handouts, and other related records used in presentations.</p> <p>SEE ALSO: Training and Educational Records (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.</p>	
7.05	<p>EDUCATIONAL MATERIALS Materials produced for usage by teachers or tour groups. Includes lesson plans, activities, and other related records.</p>	<p>Destroy in office when superseded or obsolete.</p>	
7.06	<p>FUND DRIVE AND EVENT RECORDS Records documenting the promotion and organization of fund drives and other special events in which the agency participated. Includes records concerning solicitations requesting and donations providing money or in-kind donations for agency programs. Also includes invitations, registration materials, agendas, handouts, presentations, and programs.</p> <p>SEE ALSO: Donations and Solicitations (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).</p>	<p>a) Retain in office records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.</p>	

7: PR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 7: PUBLIC RELATIONS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
7.07	INVITATIONS Invitations sent and received concerning agency and external functions.	Destroy in office after event occurs.	
7.08	MEDIA FILE Reference copies of newspaper, magazine, and other media clippings concerning the agency, agency officials, and other topics of interest.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
7.09	POPULAR ANNUAL FINANCE REPORT Comprehensive annual financial report (CAFR)	a) Retain records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.	
7.10	PUBLIC HEARINGS Includes agendas, minutes, notices, speaker sign-up sheets, and similar documentation. SEE ALSO: Public Bodies: Minutes (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) Retain in office minutes permanently. b) Destroy in office remaining records after 1 year.	

7: PR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 7: PUBLIC RELATIONS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
7.11	PUBLIC RECORDS REQUESTS Formal requests submitted by persons seeking access to agency records along with documentation of agency response.	Destroy in office 2 years after resolution.* <i>Note: These disposition instructions apply only to the request, internal agency records related to searching for and preparing responsive records, and communication of response; the documents that are responsive to public records requests should be handled according to their respective disposition instructions. However, if the agency also retains separate copies of the documents that are responsive to public records requests, they may also be destroyed 2 years after completion of the request.</i>	
7.12	PUBLICITY RECORDS @ Records concerning overall public relations of agency. Includes advertisements, announcements, correspondence (including e-mail), photographic materials, news and press releases, and other related records.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records when superseded or obsolete.*	
7.13	SOCIAL MEDIA SEE ALSO: Website (Electronic) (below).	See APPENDIX (page A-12) for guidance in handling social media.	
7.14	SPEECHES Speeches made by agency officials.	a) Retain in office records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____	

7: PR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 7: PUBLIC RELATIONS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
7.15	<p>WEBSITE (ELECTRONIC) Records created and maintained in paper and electronic formats concerning the creation and maintenance of the agency’s presence on the World Wide Web. Includes correspondence (including e-mail), procedures, instructions, website designs, HTML/XHTML, or other web-based file formats, and other related records.</p> <p>SEE ALSO: Web Management and Operations Records: Structure (STANDARD 5: INFORMATION TECHNOLOGY RECORDS).</p>	<p>a) Capture website annually or whenever a major revision in design and/or content has taken place, whichever occurs first. Retain captured content in office permanently. Can be maintained as website snapshots or via Web crawler.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	

7: PR

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

STANDARD 8: RISK MANAGEMENT RECORDS
 Official records created and accumulated to manage risks in the agency.


ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.01	<p>ACCIDENT/INCIDENT REPORTS (CUSTOMER AND EMPLOYEE)</p> <p>SEE ALSO: Workers' Compensation Program Claims (STANDARD 4: HUMAN RESOURCES RECORDS).</p>	<p>a) Transfer records resulting in workers' compensation to Workers' Compensation Program Claims (STANDARD 4: HUMAN RESOURCES RECORDS).</p> <p>b) Destroy in office remaining employee claims 3 years after settlement or denial of claim.*</p> <p>c) Destroy in office adult non-employee reports 3 years after settlement or denial of claim.*</p> <p>d) Destroy in office reports that do not result in claims or official action after 3 years.</p> <p>e) Destroy in office reports of minors after minor has reached age of 21.</p>	
8.02	DECLARATIONS AND TERMINATIONS OF STATES OF EMERGENCY	Retain in office permanently.	Authority: G.S. 166A-19.22

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

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@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.03 	DISASTER AND EMERGENCY MANAGEMENT PLANS @ Records concerning preparedness, evacuations, and operations in the event of a disaster (natural, accidental, or malicious). Includes background surveys, studies, reports, and records concerning the process of notifying personnel in the event of an emergency. Also includes Continuity of Operations Plans (COOP) and Business Continuity Plans (BCP).	Destroy in office when superseded or obsolete.	Confidentiality: G.S. 132-1.7
8.04	DISASTER RECOVERY Administrative records documenting and recovery efforts for emergencies of a short duration as well as disasters inflicting widespread destruction and having long-term consequences for the agency. Includes documents coordinating activities with federal, state, and local emergency management, incident reports, inventories, and disaster relief allocations.	a) Retain in office permanently records documenting major agency disaster recovery efforts and records evaluating emergency response and efficacy. b) Destroy in office after 3 years records concerning minor or routine agency recovery operations that are managed with minimal disruption to normal operations.	
8.05	EMERGENCY DRILLS AND EQUIPMENT RECORDS Includes test records for fire suppression, defibrillator, respirator fit, and other emergency equipment. Also includes records concerning agency emergency and fire drills.	Destroy in office when superseded or obsolete.	
8.06	EMERGENCY NOTIFICATIONS Notifications and alerts sent to residents by Emergency Management or other agency staff regarding a current emergency.	Destroy in office after 1 year.	

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.07	<p>EMPLOYEE SECURITY RECORDS Records concerning the issuance of keys, identification cards, parking assignments, passes, etc., to employees.</p> <p>SEE ALSO: Office and Property Security Records (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	Destroy in office when superseded or obsolete.	
8.08	<p>FIRE, HEALTH, AND ENVIRONMENTAL SAFETY RECORDS Records concerning agency safety measures. Includes reports, logs, and other related records documenting inspections of agency facilities.</p>	a) Destroy in office inspection reports after 7 years. b) Destroy in office safety audits after 3 years. c) Destroy in office remaining records when superseded or obsolete.	
8.09	<p>FIXED NUCLEAR FACILITIES PLANS FILE Records concerning emergency plans for county fixed nuclear facilities.</p>	Destroy in office when superseded or obsolete.	
8.10	<p>FUEL OIL STORAGE TANK RECORDS</p>	Destroy in office closure records 3 years after completion of permanent closure.	Authority: 40 CFR 280.34 Retention: 40 CFR 280.74

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.11	<p>HAZARDOUS MATERIALS MANAGEMENT</p> <p>Records documenting agency efforts to prevent and mitigate exposure to hazardous materials. Includes risk assessments, management plans, and abatement/removal records.</p> <p>SEE ALSO: Safety Data Sheets (below).</p> <p><i>Note: Title 10A of the NC Administrative Code provides guidelines about the records requirements for persons who receive, possess, use, transfer, own or acquire any sources of radiation within the State of North Carolina.</i></p>	<p>a) Retain in office permanently records documenting hazardous waste disposal sites on agency property and documenting the use of pathogens and biological toxins (select agents) at the agency.</p> <p>b) Destroy in office asbestos records 1 year after building is demolished. <i>(Note: If building is sold, transfer records to new owner.)</i></p> <p>c) Destroy in office after 5 years records concerning the receipt, maintenance, and disposal of radioactive materials.</p> <p>d) Destroy in office 3 years after superseded or obsolete records concerning hazard mitigation plans.</p> <p>e) Destroy in office records documenting environmental and hazardous waste remediation projects 5 years after project completion.</p> <p>f) Destroy in office remaining records after 30 years.</p>	<p>Retention: 29 CFR 1910.1001(j)(3)(ii)</p>

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.12	INSURANCE POLICIES Records concerning automobile, theft, fire, and all other insurance policies purchased by agency. Also includes insurance audits, claims reports, surveys, endorsements, certificates of insurance, and waivers.	a) Destroy in office records concerning automobile and other liability insurance policies 10 years after superseded or obsolete.* b) Destroy in office certificates of insurance after 1 year. c) Destroy in office self-insurer certifications 6 years from date of termination of policy or settlement of all claims. d) Destroy in office remaining records after 1 year after superseded or obsolete.	
8.13	LOSS CONTROL INSPECTION REPORTS Self-inspections to identify potential liabilities or hazards that may exist in agency owned buildings or property.	Destroy in office when superseded or obsolete.	
8.14	LOST, STOLEN, OR DAMAGED PROPERTY REPORTS Includes reports of property lost or stolen at agency. Also includes reports and employee narratives of vandalism to agency property.	Destroy in office after 2 years.*	
8.15	NATIONAL FLOOD INSURANCE PROGRAM RECORDS Records concerning the participation of a local government agency in FEMA's National Flood Insurance Program (NFIP). Includes floodplain management ordinances, maps, and other related records.	a) Retain in office permanently floodplain management ordinances. b) Destroy in office copies of flood insurance rate maps, elevation certificates, and elevation information when superseded or obsolete.	

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction "destroy when reference value ends." Please use the space provided.

@ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

ITEM #	STANDARD 8: RISK MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
8.16	<p>OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) Records concerning injury or illness, extent and outcomes, summary totals for calendar year, and OSHA forms. Includes ergonomic assessments for employees.</p>	<p>Destroy in office after 5 years.</p>	<p>Retention: 29 CFR 1904.33 29 CFR 1904.44</p>
8.17	<p>SAFETY DATA SHEETS Forms supplied to agencies from manufacturers and distributors of hazardous materials for materials held by the agency.</p>	<p>Destroy in office 30 years after materials have been disposed of according to manufacturer's instructions.</p> <p><i>Retention Note: A data sheet for a mixture may be discarded if the new data sheet includes the same hazardous chemicals as the original formulation. If the formulation is different, both data sheets must be retained for 30 years. Data sheets may also be discarded if some other record identifying the substances used, where they were used, and when they were used is retained the required 30-year period.</i></p>	<p>Retention: 29 CFR 1910.1020(d)(1)(ii)(B)</p>

8: Risk Management

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.
 ± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction "destroy when reference value ends." Please use the space provided.
 @ In some cases, more specific record retention and disposition requirements can be found in the relevant program schedule. See the appendix for pointers to such records series.

STANDARD 9: WORKFORCE DEVELOPMENT RECORDS
 Official records created and accumulated by the agency to manage workforce development programs. Relevant legislation includes the Comprehensive Employment and Training Act, the Job Training and Partnership Act, the Workforce Investment Act, and the Workforce Innovation and Opportunity Act.

ITEM #	STANDARD 9: WORKFORCE DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
9.01	AUDIT/AUDIT RESOLUTIONS Records concerning reports from financial and compliance audits conducted on Workforce Investment Act programs in accordance with OMB Circular A-133. Includes audit reports and correspondence concerning audits and audit resolutions for the local area. Also includes federal and state audits.	Destroy in office after 3 years.	Authority: OMB Circular A-133 29 CFR 97.26
9.02	LOCAL AREA JOB TRAINING PLAN RECORDS Records concerning the local board’s bid process for contracting workforce development programs.	Destroy in office when superseded or obsolete.	Authority: 20 CFR 652.8
9.03	PARTICIPANT RECORDS Records concerning applicants, registrants, eligible applicants/registrants, participants, terminees, and employees who submit requests for services of the Dislocated Workers Program and Workforce Investment Act programs. Includes applications, client history, Employability Development Plans, program referral, monitoring notes, pay authorizations, release forms, and Workforce Investment Act follow-up questionnaires.	Destroy in office 3 years after close of audit/final year expenditure.*	Authority: 20 CFR 652.8

9: Workforce Development

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See **AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION**, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

MANAGING PUBLIC RECORDS IN NORTH CAROLINA

Q. What is this “records retention and disposition schedule”?

- A.** This document is a tool for the employees of local government agencies across North Carolina to use when managing the records in their offices. It lists records commonly found in agency offices and gives an assessment of their value by indicating how long those records should be retained. This schedule is also an agreement between your agency and the State Archives of North Carolina.

This schedule serves as the inventory and schedule that the State Archives of North Carolina is directed by N.C. Gen. Stat. § 121-5(c) and N.C. Gen. Stat. § 132-8 to provide. It supersedes all previous editions, including all amendments.

Q. How do I get this schedule approved?

- A.** This schedule must be approved by your governing body for use in your agency. That approval should be made in a regular meeting and recorded as an action in the minutes. It may be done as part of the consent agenda, by resolution, or other action.
-

Q. Am I required to have all the records listed on this schedule?

- A.** No, this is not a list of records you must have in your office.
-

Q. What is “reference value”?

- A.** Items containing “reference value” in the disposition instructions are generally records that hold limited value, which is typically restricted to those documenting routine operations within the office. A minimum retention period should be established by the office for any items containing the phrase “destroy in office when reference value ends” in the disposition instructions.
-

Q. Do the standards correspond to the organizational structure of my agency?

- A.** Records series are grouped into standards to make it easier for users to locate records and their disposition instructions. You may find that the groupings reflect the organizational structure of your agency, or you may find that records are located in various standards depending on the content of the record. The intent of the schedule’s organization is to provide an easy reference guide for the records created in your agency.
-

Q. What if I cannot find some of my records on this schedule?

- A.** Sometimes the records are listed in a different standard than how you organize them in your office. Be sure to check the Index and utilize the search function on the PDF version of the schedule to facilitate the location of records series. If you still cannot locate your records on the schedule, contact a Records Management Analyst. We will work with you to amend this records schedule so that you may destroy records appropriately. The Request for Change in Records Schedule form (see page A-19) can be used for such requests.
-

Q. What are public records?

- A.** The *General Statutes of North Carolina*, Chapter 132, provides this definition of public records:
- “Public record” or “public records” shall mean all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or characteristics, made or received pursuant to law or ordinance in connection with the

transaction of public business by any agency of North Carolina government or its subdivisions. Agency of North Carolina government or its subdivisions shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subdivision of government.

Q. Is any person allowed to see my records?

- A.** Yes, except as restricted by specific provisions in state or federal law. N.C. Gen. Stat. § 132-6 instructs:

“Every custodian of public records shall permit any record in the custodian’s custody to be inspected and examined at ± times and under reasonable supervision by any person, and shall, as promptly as possible, furnish copies thereof upon payment of any fees as may be prescribed by law. ... No person requesting to inspect and examine public records, or to obtain copies thereof, shall be required to disclose the purpose or motive for the request.”

Q. What about my confidential records?

- A.** Not all government records are open to public inspection. Exceptions to the access requirements in N.C. Gen. Stat. § 132-6 and the definition of public records in N.C. Gen. Stat. § 132-1 are found throughout the General Statutes. You must be able to cite a specific provision in the General Statutes or federal law when you restrict or deny access to a particular record.

Q. Am I required to make available to the public copies of drafts that have not been approved?

- A.** Yes, even if a report, permit, or other record has not been finalized, it is still a public record subject to request. Any record that is not confidential by law must be provided when a request is received, whether it is “finished” or not.

Q. What do I do with permanent records?

- A.** Permanent records should be maintained in the office that created the records, forever.

The Department of Natural and Cultural Resources (DNCR) is charged by the General Assembly with the administration of a records management program (N.C. Gen. Stat. § 121-4 (2) and § 132-8.1) and the maintenance of “a program for the selection and preservation of public records considered **essential** to the operation of government and to the **protection of the rights and interests of persons**” (§ 132-8.2). Permanent records with these characteristics require preservation duplicates that are human-readable (paper or microfilm). Some examples of these characteristics include:

- Affect multiple people, without regard to relation
- Have significance over a long span of time
- Document governance
- Document citizenship

Examples of records with these characteristics:

- Minutes of governing bodies at the state and local levels are the basic evidence of our system of governance, and are routinely provided for the public to read.
- Records, such as deeds and tax scrolls, about land document changes in ownership and condition. Counties maintain offices expressly for the purpose of making those records

available to the public. Other records in local and state governments document potential public health hazards, such as hazardous materials spills.

- Adoptions, marriages, and divorces document changes in familial relationships. Though adoptions are confidential (not available for public inspection), they document changes in inheritance and familial succession.
- Court records, such as wills, estates, and capital cases, affect people within and across family groups, are made available for public inspection, and often involve transactions related to the examples above.

See the Human-Readable Preservation Duplicates policy issued by the North Carolina Department of Natural and Cultural Resources (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines/human-readable-preservation>) and check with a records analyst to determine whether your permanent records require a preservation duplicate.

Q. What is historical value?

- A.** Historical records document significant events, actions, decisions, conditions, relationships, and similar developments. These records have administrative, legal, fiscal, or evidential importance for the government or its constituents. Two criteria for determining historical value are inherent interest and extraordinary documentation:
- Inherent interest is created by non-routine events, by the involvement of famous parties, and by compelling contexts. For instance, foreclosure proceedings from the 1930s have high historical value because they date from the era of the Great Depression.
 - Extraordinary documentation is found in records that shed light on political, public, or social history. For instance, the records from the replevin case that returned the Bill of Rights to North Carolina hold more historical value than most property case files because of the political history intertwined with this case.

SANC has further elaborated selection criteria that help distinguish records with historical value:

- Do they protect the rights and property of residents and organizations?
- Do they have a long-term impact on residents and organizations?
- Do they document the core functions of an agency?
- Do they document high-level decision-making that shapes an agency's policies or initiatives?
- Do they summarize an agency's activities?

Call a Records Management Analyst for further assistance in assessing historical value.

Q. What if I do not have any records?

- A.** Nearly every position in government generates, receives, or uses records. Computer files of any kind, including drafts and e-mail, are public records. Even if your records are not the official or final version, your records are public records. Not all records have high historical, legal, or fiscal value, but they all must be destroyed in accordance with the provisions of the appropriate records schedule.

Q. I have a lot of unsorted records. What's a good first step for getting a handle on these records?

- A.** We encourage you to create a file plan of what records you have. When you create this plan, you can match each record to its placement on this schedule or on the appropriate retention schedule. A sample file plan is available on page A-22. Having a file plan can help you strategize how to best organize your physical or digital records. A file plan is also useful in disaster planning and scheduling destructions.

Q. *May I store our unused records in the basement, attic, shed, etc.?*

- A.** Public records are public property. Though we encourage agencies to find places to store records that do not take up too much valuable office space, the selected space should be dry, secure, and free from pests and mold. Your office must ensure that records stored away from your main office area are well protected from natural and man-made problems while remaining readily available to your staff and the public.

Q. *Our old records are stored in the attic, basement, or off-site building, etc. Are we required to provide public access to these records?*

- A.** Yes, as long as the records are not confidential by law. You should also be aware that confidentiality can expire.

Q. *Aren't all our old records at the State Archives of North Carolina?*

- A.** Probably not. The State Archives of North Carolina collects only very specific types of records from local government offices. Contact a Records Management Analyst for more information about which records are held or can be transferred to the State Archives of North Carolina for permanent preservation.

Q. *I found some really old records. What should I do with them?*

- A.** Call a Records Management Analyst. We will help you examine the records and assess their historical value.

Q. *Can I give my old records to the historical society or public library?*

- A.** Before you offer any record to a historical society, public library, or any other entity, you must contact a Records Management Analyst. Permanent records must be kept either in your offices or at the State Archives of North Carolina.

Q. *Whom can I call with questions?*

- A.** If you are located west of Statesville, call our Western Office in Asheville at (828) 250-3103. If you are east of Statesville, all the way to the coast, call our Raleigh office at (919) 814-6900.

AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION

Q. Why is there an asterisk in the disposition instructions of so many items on this schedule?

A. No record involved in a pending or ongoing audit, legal, or other official action may be destroyed before that audit or action is resolved.

A legal hold or litigation hold means that records that are the subject of the legal hold or litigation hold must be preserved and thus must not be destroyed until officially released from the hold. A legal hold or litigation hold is placed when either an official discovery order is served on the agency requesting the production of the records in question (for a litigation, regulatory investigation, audit, open records request, etc.) or litigation is pending and the agency is thus on notice to preserve all potentially relevant records. You must also ensure that for a claim or litigation that appears to be reasonably foreseeable or anticipated but not yet initiated, any records (in paper or electronic formats) relevant to such a claim or litigation are preserved and not destroyed until released by your General Counsel. The records in question must not be destroyed until the completion of the action and the resolution of all issues that arise from it regardless of the retention period set forth in this schedule.

We have used an asterisk (*) in the disposition instructions to mark records series that are commonly audited, litigated, or may be subject to other official actions. However, any record has this potential. Records custodians are responsible for being aware of potential actions, and for preventing the destruction of any record that is, or may be reasonably expected to become, involved in an audit, legal, or other official action.

Records used during routine audits may be destroyed when the governing body accepts the audit, if the records have completed the retention period listed in this schedule. If time remains in the retention period, the records must be maintained for the remainder of the period. The auditor's working papers must be kept according to the schedule. (See Audits: Performance (STANDARD 1: ADMINISTRATIVE AND MANAGEMENT RECORDS) and Audits: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).) Should a dispute arise over an audit, the records that were audited should be retained until that dispute is resolved.

The attorney representing the agency should inform records custodians when legal matters are concluded and records will no longer be needed. Following the conclusion of any legal action, the records may be destroyed if they have met the retention period in the schedule. Otherwise, they should be kept for the remaining time period.

TRANSITORY RECORDS

Transitory records are defined as “record[s] that [have] little or no documentary or evidential value and that need not be set aside for future use.”³

According to North Carolina General Statutes § 121 and § 132, every document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data processing record, artifact, or other documentary material, regardless of physical form or characteristics, made or received in connection with the transaction of public business by any state, county, municipal agency, or other political subdivision of government is considered a public record and may not be disposed of, erased, or destroyed without specific approval from the Department of Natural and Cultural Resources.

The Department of Natural and Cultural Resources recognizes that some records may have little or no long-term documentary or evidential value to the creating agency. These records are often called “transitory records.” The following questions and answers discuss types of transitory records commonly created in state government. They may be disposed of according to the guidance below. However, all public employees should be familiar with the *General Records Schedule: Local Government Agencies*, their office’s Program Records Retention and Disposition Schedule, and any other applicable guidelines for their office. If any of these documents require a different retention period for these records, follow the longer of the two retention periods. When in doubt about whether a record is transitory, or whether it has special significance or importance, retain the record in question and seek guidance from the analyst assigned to your agency.

Q. What do I do with routing slips, fax cover sheets, “while you were out” slips, memory aids, etc.?

- A.** Routing slips and transmittal sheets adding no information to that contained in the transmitted material have minimal value after the material has been successfully transmitted. These records may be destroyed or otherwise disposed of after receipt of the material has been confirmed.

Similarly, “while you were out” slips, memory aids, and other records requesting follow-up actions (including voicemails) have minimal value once the official action these records are supporting has been completed and documented. Unless they are listed on the *General Records Schedule: Local Government Agencies* or your office’s Program Records Retention and Disposition Schedule, these records may be destroyed or otherwise disposed of once the action has been resolved.

Q. What about research materials, drafts, and other working papers used to create a final, official record?

- A.** Drafts and working papers are materials, including notes and calculations, gathered or created to assist in the creation of another record. All drafts and working papers are public records subject to all provisions of General Statute § 132, but many of them have minimal value after the final version of the record has been approved, and may be destroyed after final approval, if they are no longer necessary to support the analysis or conclusions of the official record. Drafts and working documents which may be destroyed after final approval include:

- Drafts and working papers for internal and external policies

³ Society of American Archivists, *Dictionary of Archives Terminology*.

- Drafts and working papers for internal administrative reports, such as daily and monthly activity reports
- Drafts and working papers for internal, non-policy-level documents, such as informal workflows and manuals; and
- Drafts and working papers for presentations, workshops, and other explanations of agency policy that are already formally documented.

Q. What if I have forms designed and used solely to create, update, or modify records in an electronic medium?

- A.** If these records are not required for audit or legal purposes, they may be destroyed in office after completion of data entry and after all verification and quality control procedures. However, if the forms contain any analog components that are necessary to validate the information contained on them (e.g., a signature or notary's seal), they should be retained according to the disposition instructions for the records series encompassing the forms' function.

See also the State Archives of North Carolina's guidance on digital signatures found at: <https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines#digital-signatures>

DESTRUCTION OF PUBLIC RECORDS

Q. When can I destroy records?

- A.** Each records series listed on this schedule has specific disposition instructions that indicate how long the series must be kept in your office. In some cases, the disposition instructions are “Retain in office permanently,” which means that those records must be kept in your offices forever.
-

Q. How do I destroy records?

- A.** After your agency has approved this records retention and disposition schedule, records should be destroyed in one of the following ways:
- 1) burned, unless prohibited by local ordinance;
 - 2) shredded, or torn so as to destroy the record content of the documents or material concerned;
 - 3) placed in acid vats so as to reduce the paper to pulp and to terminate the existence of the documents or materials concerned;
 - 4) sold as waste paper, provided that the purchaser agrees in writing that the documents or materials concerned will not be resold without pulverizing or shredding the documents so that the information contained within cannot be practicably read or reconstructed.

The provision that electronic records are to be destroyed means that the data, metadata, and physical media are to be overwritten, deleted, and unlinked so that the data and metadata may not be practicably reconstructed.

The data, metadata, and physical media containing confidential records of any format are to be destroyed in such a manner that the information cannot be read or reconstructed under any means.

— N.C. Administrative Code, Title 7, Chapter 4, Subchapter M, Section .0510

Without your agency’s approval of this records schedule, no records may legally be destroyed.

Q. How can I destroy records if they are not listed on this schedule?

- A.** Contact a Records Management Analyst. An analyst will discuss the nature of the records with you to determine if the records have historical value. If the records do have historical value, we will discuss the possibility of transferring the records to the State Archives of North Carolina to be preserved permanently.

If the records do not have historical value, we will ask you to complete a Request for Disposal of Unscheduled Records (page A-20) if the records are no longer being created. If the records are an active records series, an analyst will help you develop an amendment to this schedule so that you can destroy the records appropriately from this point forward.

Q. Am I required to tell anyone about the destructions?

- A.** We recommend that you report on your records retention activities to your governing board on an annual basis. This report does not need to be detailed, but it is important that significant destructions be entered into the minutes of the Board. See a sample destructions log that follows (and is available online at the State Archives of North Carolina website, <https://archives.ncdcr.gov/government/rm-tools>).

ELECTRONIC RECORDS: E-MAIL, BORN-DIGITAL RECORDS, AND DIGITAL IMAGING

Q. When can I delete my e-mail?

A. E-mail is a public record as defined by N.C. Gen. Stat. § 121-5 and § 132. Electronic mail is as much a record as any paper record and must be treated in the same manner. **It is the content of each message that is important.** If a particular message would have been filed as a paper memo, it should still be filed (either in your e-mail program or in your regular directory structure), and it should be retained the same length of time as its paper counterparts. **It is inappropriate to destroy e-mail simply because storage limits have been reached.** Some examples of e-mail messages that are public records and therefore covered by this policy include:

- Policies or directives;
- Final drafts of reports and recommendations;
- Correspondence and memoranda related to official business;
- Work schedules and assignments;
- Meeting agendas or minutes
- Any document or message that initiates, facilitates, authorizes, or completes a business transaction; and
- Messages that create a precedent, such as issuing instructions and advice.

*From the Department of Cultural Resources E-Mail Policy (Revised July 2009),
available at the State Archives of North Carolina website*

Other publications (available online at the [State Archives of North Carolina website](#)) that will be particularly helpful in managing your e-mail include tutorials on managing e-mail as a public record and on using Microsoft Exchange.

Q. May I print my e-mail to file it?

A. We do not recommend printing e-mail for preservation purposes. Important metadata is lost when e-mail is printed.

Q. I use my personal e-mail account for work. No one can see my personal e-mail, right?

A. The best practice is to avoid using personal resources, including private e-mail accounts, for public business. N.C. Gen. Stat. § 132-1 states that records “made or received pursuant to law or ordinance *in connection with the transaction of public business* by any agency of North Carolina government or its subdivisions” are public records (emphasis added). The fact that public records reside in a personal e-mail account is irrelevant.

Q. *We have an imaging system. Are we required to keep the paper?*

- A.** You may scan any record, but you will need to receive approval from the Government Records Section in order to destroy paper originals that have been digitized. Your agency must develop an electronic records policy and then submit a Request for Disposal of Original Records Duplicated by Electronic Means. You can find these templates in the Digital Imaging section of the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines#digital-imaging>). Contact a Records Management Analyst for further instructions on how to develop a compliant electronic records policy.

Permanent records must have a security preservation copy as defined by State Archives of North Carolina's [Human-Readable Preservation Duplicate Policy](#) (N.C. Gen. Stat. § 132-8.2):

Preservation duplicates shall be durable, accurate, complete and clear, and such duplicates made by a photographic, photo static, microfilm, micro card, miniature photographic, or other process which accurately reproduces and forms a durable medium for so reproducing the original shall have the same force and effect for all purposes as the original record whether the original record is in existence or not. ... Such preservation duplicates shall be preserved in the place and manner of safekeeping prescribed by the Department of Natural and Cultural Resources.

The preservation duplicate of permanent records must be either on paper or microfilm.

Non-permanent records may be retained in any format. You will need to take precautions with electronic records that you must keep more than about 5 years. Computer systems do not have long life cycles. Each time you change computer systems, you must convert all records to the new system so that you can assure their preservation and provide access.

Q. *Computer storage is cheap. Can I just keep my computer records permanently?*

- A.** The best practice is to destroy all records that have met their retention requirements, regardless of format.

Q. *What are the guidelines regarding the creation and handling of electronic public records, including text messages and social media?*

- A.** There are numerous documents available on the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines>). Topics covered include shared storage, cloud computing, e-discovery, trustworthy digital public records, digital signatures, e-mail, social media, text messages, websites, digital imaging, metadata, file formats, database indexing, and security backups.

Note that e-mail, text messages, and social media should be handled according to their content. Therefore, this schedule does not include a records series that instructs you on how to handle one of these born-digital records by format; instead of focusing on how the information is disseminated, consider what content is contained in the e-mail, text message, or social media post. For instance, an e-mail requesting leave that is sent to a supervisor should be kept for 3 years (see Leave Records, STANDARD 4: HUMAN RESOURCES RECORDS).

GEOSPATIAL RECORDS

Q. Why should geographic information system (GIS) datasets be retained and preserved?

- A.** Geospatial records are public records and need to be retained and preserved based on their legal, fiscal, evidential and/or historical value according to an established retention schedule. Local agencies involved in GIS operations should work with the State Archives of North Carolina in order to appraise, inventory, and preserve their geospatial records according to established best practices and standards to insure both their short- and long-term accessibility.

Due to the complexity and transitory nature of these records, geospatial records retention and long-term preservation is a community-wide challenge. GIS files have become essential to the function of many local agencies and will continue to frequently be utilized in agency decision-making processes in the near and far future. Accessibility of GIS records over time has legal, fiscal, practical, and historical implications. The availability of GIS records can help safeguard the local government's legal and fiscal accountability and aid agencies in conducting retrospective and prospective studies. These studies are only possible when essential data from the past are still available.

Q. What GIS datasets should be preserved by local governments?

- A.** The following types of geospatial records have been designated as having archival value:

- Parcel data
- Street centerline data
- Corporate limits data
- Extraterritorial jurisdiction data
- Zoning data, address points
- Orthophotography (imagery)
- Utilities
- Emergency/E-911 themes

For more information, see **STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS.**

Q. How often should we capture the datasets retained for their legal, fiscal, evidential or historical value?

- A.** Consult the retention schedule for frequency of capture. The frequency of capture is based on the significance of the record as well as its alterability.
-

Q. What data formats, compression formats, and media should be used to preserve the data?

- A.** Archiving practices should be consistent with North Carolina Geographic Information Coordinating Council (GICC) approved standards and recommendations. (Examples: Content Standards for Metadata; Data Sharing Recommendations). Consult the GICC website at <https://it.nc.gov/about/boards-commissions/gicc>.

Q. *Who should be responsible for creation and long-term storage of archived data?*

- A.** The creating agency, NCOneMap, and the State Archives of North Carolina may all have responsibility for archiving data. If you choose to upload your data to NCOneMap, consult with your county's GIS department to determine whether data will be uploaded by your agency or by the whole county. If you choose not to upload your data to NCOneMap, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.

SECURITY PRESERVATION COPIES OF RECORDS

Q. What is the advantage to having security preservation copies of records stored with the State Archives?

- A.** Having duplicate copies of essential records in a separate location mitigates the risk that you may lose the only physical copy of a given record in a disaster or other records loss event. Maintaining offsite duplicates of records, regardless of format, is a good practice to adopt.

The State Archives creates duplicate copies on microfilm because of the durability of the medium. Silver negative microfilm does not decay for hundreds of years, ensuring that your records maintain their integrity over time.

Q. What records will the State Archives back up for us?

- A.** The State Archives provides security imaging services for minutes of major decision-making boards and commissions. We will also image records of adoptions for Social Services agencies as well as maps and plats from Registers of Deeds offices. Once those records are imaged, they are converted to security microfilm. We will store the silver negative (original) microfilm in our security vault. Contact the Records Management Analyst in charge of imaging coordination for the most current information.
-

Q. How do I start the process of backing up the above listed records?

- A.** We have three processes for creating backup film copies of these records. First, you can send photocopies of your approved minutes to us in the mail. Simply include a copy of the **Certification of the Preparation of Records for Security Preservation Copy** form (available online at the [State Archives of North Carolina website](#)) with each shipment. For more detailed instructions, contact a Records Management Analyst.

Secondly, you can bring us your original books. We will film them and return them to you. This process is most useful when you have more minutes to film than you are willing to photocopy. It is important to remember that a representative of your office or ours must transport the original books in person so that the custody of the records is maintained. You should not mail or ship your original minutes. Contact the Records Management Analyst in charge of imaging coordination to schedule an appointment for your books to be imaged. We will make every effort to expedite the filming so that your books will be returned to you as quickly as possible.

Finally, you can submit these records to the State Archives electronically. Please see our procedures in "[Transfer of Minutes in Digital Formats for Microfilming](#)" or contact the Records Management Analyst in charge of imaging coordination for more information.

Q. In the event of a records loss, how do I obtain copies of the security preservation copies stored at the State Archives?

- A.** Contact the Records Management Analyst in charge of imaging coordination who will help you purchase copies of the microfilm from our office. You can then send those reels to a vendor who can either make new printed books or scan the film to create a digital copy.

Q. Can I obtain digital copies of the security preservation records?

- A.** Yes, you can request digital copies of records when you submit them to the State Archives for initial reproduction. Contact the Records Management Analyst in charge of imaging coordination to initiate a request for digital duplicates.

DISASTER ASSISTANCE

Q. What should I do in case of fire or flood?

- A.** Secure the area, and keep everyone out until fire or other safety professionals allow entry. Then, call our Raleigh office at (919) 814-6903 for the Head of the Government Records Section or (919) 814-6849 for the Head of the Collections Management Branch. If you're in the western part of the state, call our Asheville Office at (828) 250-3103. On nights and weekends, call your local emergency management office.

DO NOT ATTEMPT TO MOVE OR CLEAN ANY RECORDS.

Damaged records are extremely fragile and require careful handling. Our staff are trained in preliminary recovery techniques, documenting damage to your records, and authorizing destruction of damaged records. Professional vendors can handle larger disasters.

Q. What help do you give in case of an emergency?

- A.** We will do everything we can to visit you at the earliest opportunity in order to provide hands-on assistance. We can assist you in appraising the records that have been damaged so that precious resources (and especially time) are not spent on records with lesser value. We can provide lists of professional recovery vendors that you can contact to preserve your essential and permanent records.
-

Q. What can I do to prepare for an emergency?

- A.** We provide training on disaster preparation that includes a discussion of the roles of proper inventories, staff training, and advance contracts with recovery vendors. If you would like to have this workshop presented, call a Records Management Analyst.
-

Q. What are essential records?

- A.** Essential records are records that are necessary for continuity of operations in the event of a disaster. There are two common categories of records that are considered essential:
- **Emergency operating records** – including emergency plans and directives, orders of succession, delegations of authority, staffing assignments, selected program records needed to continue the most critical agency operations, as well as related policy or procedural records.
 - **Legal and financial rights records** – these protect the legal and financial rights of the Government and of the individuals directly affected by its activities. Examples include accounts receivable records, Social Security records, payroll records, retirement records, and insurance records. These records were formerly defined as “rights-and-interests” records.

Essential records should be stored in safe, secure locations as well as duplicated and stored off-site, if possible.

STAFF TRAINING

Q. What types of workshops or training do you offer?

A. We have a group of prepared workshops that we can offer at any time at various locations throughout the state. Contact a Records Management Analyst if you are interested in having one of the workshops presented to your agency. We will work with you directly to develop training suited to your specific needs. Our basic workshops are:

- Managing public records in North Carolina
- Disaster preparedness and recovery
- Confidentiality
- Organizing paper and digital files
- Digital communications

Q. Will you design a workshop especially for our office?

A. Yes, we will. Let a Records Management Analyst know what type of training you need.

Q. Are workshops offered only in Raleigh?

A. No, we will come to your offices to present the workshops you need. We have no minimum audience requirement. We will also do presentations for professional associations, regional consortiums, and the public. To arrange a workshop, please call the State Records Center at 919-814-6900 or contact a Records Management Analyst (<https://archives.ncdcr.gov/government/local/analysts>).

Q. Is there a fee for workshops?

A. Not at this time.

Q. Are the workshops available in an online format?

A. We can offer a virtual workshop for your agency upon request. For descriptions of available webinars, see <https://archives.ncdcr.gov/government/training/webinars>. You can also find several online tutorials available on the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/training/online-tutorials-and-resources>).



Request for Change in Local Government Records Schedule

Use this form to request a change in the records retention and disposition schedule governing the records of your agency. Submit the signed original and keep a copy for your file. A proposed amendment will be prepared and submitted to the appropriate state and local officials for their approval and signature. Copies of the signed amendment will be sent to you for insertion in your copy of the schedule.

AGENCY INFORMATION

Requestor name

Location and Agency [e.g., County/Municipality + Department of Social Services]

Phone and email

Mailing Address

CHANGE REQUESTED

Specify title and edition of records retention schedule being used: _____

Add a new item

Delete an existing item

Change a retention period

Standard Number _____ Page _____ Item Number _____

Standard Number _____ Page _____ Item Number _____

Title of Records Series in Schedule or Proposed Title:

Inclusive Dates of Records:

Proposed Retention Period:

Description of Records:

Justification for Change:

Requested by:

Signature

Title

Date

Approved by:

Signature

Requestor's Supervisor

Date



Request for Disposal of Unscheduled Records

AGENCY INFORMATION

Requestor name

Location and Agency [e.g., County/Municipality + Department of Social Services]

Phone and email

Mailing Address

In accordance with the provisions of N.C. Gen. Stat. § 121 and § 132, approval is requested for the destruction of records listed below. These records have no further use or value for official administrative, fiscal, historical, or legal purposes.

RECORDS TITLE AND DESCRIPTION	INCLUSIVE DATES	QUANTITY	RELEVANT STATUTORY REGULATIONS	PROPOSED RETENTION PERIOD

Requested by:

Signature Title Date

Approved by:

Signature Requestor's Supervisor Date

Concurred by:

Signature Assistant Records Administrator State Archives of North Carolina Date



Request for Disposal of Original Records Duplicated by Electronic Means

If you have questions, call (919) 814-6900 and ask for a Records Management Analyst.

This form is used to request approval from the Department of Natural and Cultural Resources to dispose of non-permanent paper records that have been scanned, entered into databases, or otherwise duplicated through digital imaging or other conversion to a digital environment. This form does not apply to records that have been microfilmed or photocopied or to records with a permanent retention.

Agency Contact Name:		Date (MM-DD-YYYY):
Phone (area code):	Email:	
County/Municipality:	Office:	
Mailing address:		

Records Series Title A group of records as listed in records retention schedule	Description of Records Specific records as referred to in-office	Inclusive Dates (1987-1989; 2005-present)	Approx. Volume of Records (e.g. "1 file cabinet," "5 boxes")	Retention Period As listed in records retention schedule

Requested by: _____
 Signature Title Date

Approved by: _____
 Signature Requestor's Supervisor Date

Concurred by: _____
 Signature Assistant Records Administrator State Archives of North Carolina Date

Related Records Series Found in Local Agency Program Schedules

In some limited cases, records series with similar names and/or functions that are created and maintained by local government entities have not been superseded by the *General Records Schedule: Local Government Agencies*. These records series are described as unique records series in one of the local program retention schedules issued separately by DNCR for use by specific local agencies. This duplication occurs when records with similar names and/or functions have different retention guidance due to statutory, legal, evidentiary, or fiscal requirements. An example of this is the accounts receivable records series. In the *General Records Schedule*, the Accounts Receivable records series has a disposition instruction of “Destroy in office 3 years after collection.” In the *Local Health Departments Schedule*, the Accounts Receivable: Clinical Services records series also includes the disposition instruction, “Destroy records supporting the expenditure of federal funds passed through NC DHHS on a fiscal year basis when the DHHS Office of the Controller provides written guidance that records are released from all audits and other official actions.” In both cases, the records series documents the money received by the local agency, however, the retention requirements for the Accounts Receivable: Clinical Services differ due to specific retention requirements concerning the management and dispersal of grant funds.

The purpose of this table is to provide a source for determining if the general records series item listed in the *General Records Schedule: Local Government Agencies* covers the function and/or retention requirements associated with the records created by your agency or if a specific program schedule applies. This table provides pointers to the relevant records series that can be found in one or more of the local agency program schedules.

Here’s how to use the table:

- The records series found in the left-most column are listed and described in the *General Records Schedule: Local Government Agencies* and appear in this schedule with a @ beside them.

ACCOUNTS RECEIVABLE @
 Records concerning receivables owed and collected. Includes billing statements, records of payment received, remittances, subsidiary registers, overpayment or refund records, deposits, fines and fees assessed, and collection of past due accounts. Also includes records concerning accounts sent to NC Debt Setoff Program for collection.

- The middle column lists similar records series from one or more of the schedules that have been issued separately for use by specific local agencies.
- The right-hand column lists the local agency program schedule that includes the records series listed in the middle column. The agencies represented in the right column include, but are not limited to, local health departments, Registers of Deeds, Sheriff’s offices, local social services agencies, and tax offices.

If you need further information, please contact a Records Management Analyst.

Local General Schedule Records Series	Related Records Series	Local Program Schedule
Accounts Receivable	Accounts Receivable: Clinical Services	Local Health Departments Schedule

Local General Schedule Records Series	Related Records Series	Local Program Schedule
Accounts Receivable (cont.)	Accounts Receivable – Client Services	LME Schedule LME-MCO Schedule
Administrative Directives, Regulations, and Rules	State Board of Elections Numbered Memos	County Board of Elections Schedule
Audits: Financial	Clinical Record Audits	Local Health Departments Schedule
	Clinical Record Audits	LME Schedule
	Clinical Record Audits	LME-MCO Schedule
Audits: Performance	Pharmacy Audit Records	Local Health Departments Schedule
Blueprints and Specifications	Blueprints and Specifications	Local Government Agencies Program Schedule
	Project Records – Core	
Community Awards	Student Awards and Honors Records	Local Public School Unit Schedule
Conferences and Workshops	Health Promotion Training Records	Local Health Departments Schedule
Constituent Comments, Complaints, Petitions, and Service Requests	Animal Complaint Records	Local Government Agencies Program Schedule
	Illegal Dumping File	
	Violations: Building and Housing	
	Violations: Solid Waste Management	
	Complaints (Law Enforcement)	County Sheriff's Office
	Complaints	
	Complaints: All Service Areas	
	Animal Complaints	
Complaints File	LME Schedule	
Complaints File	LME-MCO Schedule	
Contracts, Leases, and Agreements	School Health Provider Contracts	Local Health Departments Schedule
	Petroleum Leases Register	Register of Deeds Schedule
Disaster and Emergency Management Plans	Public Health Emergency Preparedness and Response Records	Local Health Departments Schedule
Equipment and Vehicle Maintenance, Repair, and Inspection Records	Equipment and Instrument Maintenance and Repair File	Local Health Departments Schedule
	Autopsy and Surgical Pathology: Instrument Maintenance Records	Public Hospitals Schedule
	Clinical Laboratory Records: Instrument Maintenance Records	
	Cytology Records: Instrument Maintenance Records File	
	Instrument Maintenance File	

Local General Schedule Records Series	Related Records Series	Local Program Schedule	
Grants Grants: Financial	CDBG Records CDBG Outstanding Loan Balances CDBG Subject to Reversion of Assets Provisions or Change of Use of Real Property Continuum of Care Records Emergency Solutions Grants Records Home Investment Partnerships Program Records Housing Assistance for Persons with Disabilities Housing Opportunities for Persons with AIDS Records	Local Government Agencies Program Schedule	
Indices	Board of Adjustment Case Files and Indexes Conditional Use Permit Records and Index Rezoning Records and Indexes	Local Government Agencies Program Schedule	
	Master Client Identification File (Master Client Index)	LME Schedule LME-MCO Schedule	
	Master Patient Index	Public Hospital Schedule	
	Armed Forces Discharges and Index Chattel Mortgages and Index Corporations (Incorporations) Records and Index Deeds, Record of and Index Deeds of Trust (Mortgages), Record of and Index Highway Right-of-Way Maps and Index Land Sold for Taxes and Index Merchant Returns and Index Mineral Rights Records and Index Notaries Public Records and Index Official Record Book and Index Partnerships and Assumed Names Records and Index Plats, Maps, and Index Registration of Titles (Torrens Act) and Index Surveys, Record of and Index Timber Marks and Index Vital Records: Births and Index Vital Records: Deaths and Index Vital Records: Delayed Births and Index	Register of Deeds Schedule	
	Inventories	Drug Inventories	Local Health Departments Schedule

Local General Schedule Records Series	Related Records Series	Local Program Schedule
Inventories (cont.)	Drugs Inventories	Public Hospitals Schedule
Maps: All Other	Utilities: Maps (Utility Installations & Distributions)	Local Government Agencies Program Schedule
	Plats, Maps, and Index	Register of Deeds Schedule
	Maps (Utility Installations and Distributions)	Water and Sewer Authorities and Sanitary Districts Schedule
Policies and Procedures	Clinical Policies and Procedures Laboratory Procedures Manual Behavioral Health Program Policy and Procedure Records	Local Health Departments Schedule
	Laboratory Procedures/Protocol File	Public Hospitals Schedule
Poll List/Registration List/Roster/Authorization to Vote (ATV)	Poll List/Registration List/Roster/Authorization to Vote (ATV)	County Board of Elections Schedule
Projects	Appraisal Project File Project Records – Cancelled Project Records – Core Project Records – Engineering & Compliance	Local Government Agencies Program Schedule
	State Board of Elections Correspondence and Reports	County Board of Elections Schedule
	Water and Wastewater System Project Records	Waste and Sewer Authorities and Sanitary Districts Schedule
Publicity Records	Student Publicity Records	Local Public School Unit Schedule
Rate and Fee Schedules	Fee Schedules	Local Health Departments Schedule
	Fee Schedules	LME Schedule
	Fee Schedules	LME-MCO Schedule
Recordings: Customer Call Center Recordings Audio-Visual Recordings	Traffic Video Recordings and Data Law Enforcement Audio and Video Recordings Communication Records Electronic Recordings of Interrogations	Local Government Agencies Program Schedule
	Audio and Video Recordings Communication Records Electronic Recordings of Interrogations (Juvenile and Homicide)	County Sheriff's Office

Local General Schedule Records Series	Related Records Series	Local Program Schedule
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Local General Schedule Records Series	Related Records Series	Local Program Schedule
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RECORDS RETENTION AND DISPOSITION SCHEDULE

PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



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Division of Archives and Records
Government Records Section

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Program Records Schedule: Local Government Agencies

The records retention and disposition schedules and retention periods governing the records series listed herein are hereby approved. This approval extends to and includes the following standards in the **2021 Program Records Schedule: Local Government Agencies**:

10. Airport Authority Records
11. Animal Services Records
12. Code Enforcement and Inspection Records
13. Emergency Medical Services and Fire Department Records
14. Parks and Recreation Records
15. Planning and Regulation of Development Records
16. Public Housing Authorities, Redevelopment Commissions, and Entitlement Communities Records
17. Public Transportation Systems Records
18. Public Utilities and Environmental/Waste Management Records
19. Street Maintenance, Public Works, and Engineering Records
20. Law Enforcement Records (excluding Sheriff's Offices)
21. Tax Records (for municipalities)

In accordance with the provisions of Chapters 121 and 132 of the *General Statutes of North Carolina*, it is agreed that the records do not and will not have further use or value for official business, research, or reference purposes after the respective retention periods specified herein and are authorized to be destroyed or otherwise disposed of by the agency or official having custody of them without further reference to or approval of either party to this agreement.

Destructions

N.C. Gen. Stat. § 121-5 authorizes the Department of Natural and Cultural Resources to regulate the destruction of public records. Furthermore, the local government agency agrees to comply with 07 NCAC 04M .0510 when deciding on a method of destruction. The North Carolina Administrative Code states:

“(a) Paper records which have met their required retention requirements and are not subject to legal or other audit holds should be destroyed in one of the following ways:

1. burned, unless prohibited by local ordinance;
2. shredded, or torn up so as to destroy the record content of the documents or material concerned;
3. placed in acid vats so as to reduce the paper to pulp and to terminate the existence of the documents or materials concerned; or
4. sold as waste paper, provided that the purchaser agrees in writing that the documents or materials concerned will not be resold without pulverizing or shredding the documents so that the information contained within cannot be practicably read or reconstructed.

(b) When used in an approved records retention and disposition schedule, the provision that electronic records are to be destroyed means that the data and metadata are to be overwritten, deleted, and unlinked so the data and metadata may not be practicably reconstructed.

(c) When used in an approved records retention and disposition schedule, the provision that confidential records of any format are to be destroyed means the data, metadata, and physical media are to be destroyed in such a manner that the information cannot be read or reconstructed under any means.”

All local government agencies should maintain logs of their destructions either in the minutes of their governing board or in their Records Management file. Confidential records will be destroyed in such a manner that the records cannot be practicably read or reconstructed.

Public records, including electronic records, not listed in this schedule are not authorized to be destroyed.

Audits and Litigation Actions

Records subject to audit or those legally required for ongoing official proceedings must be retained until released from such audits or official proceedings, notwithstanding the instructions of this schedule.

Electronic Records

All local government agencies and the Department of Natural and Cultural Resources concur that the long-term and/or permanent preservation of electronic records requires additional commitment and active management by the agency. Agencies agree to comply with all policies, standards, and best practices published by the Department of Natural and Cultural Resources regarding the creation and management of electronic records.

Local government agencies should consider retention requirements and disposition authorities when designing and implementing electronic records management systems. Any type of electronically-created or electronically-stored information falls under the North Carolina General Assembly's definition of public records cited above. For example, e-mail, text messages, blog posts, voicemails, websites, word processing documents, spreadsheets, databases, and PDFs all fall within this definition of public records. In addition, N.C. Gen. Stat. § 132-6.1(a) specifies:

“Databases purchased, leased, created, or otherwise acquired by every public agency containing public records shall be designed and maintained in a manner that does not impair or impede the public agency's ability to permit the public inspection and examination of public records and provides a means of obtaining copies of such records. Nothing in this subsection shall be construed to require the retention by the public agency of obsolete hardware or software.”

Local government agencies may scan any paper record and retain it electronically for ease of retrieval. If an agency wishes to destroy the original paper records before their assigned retention periods have been met, the agency must establish an electronic records policy, including putting into place procedures for quality assurance and documentation of authorization for records destructions approved by the Government Records Section. This electronic records policy and releases for destruction of records must be approved by the Government Records Section. Agencies should be aware that for the purpose of any audit, litigation, or public records request, they are considered the records custodian obligated to produce requested records, even if said records are being maintained electronically by an outside vendor. Therefore, contracts regarding electronically stored information should be carefully negotiated to specify how records can be exported in case a vendor goes out of business or the agency decides to award the contract to a different vendor.

Reference Copies

All local government agencies and the Department of Natural and Cultural Resources agree that certain records series possess only brief administrative, fiscal, legal, research, and reference value. These records series have been designated by retention periods that allow these records to be destroyed when “*reference value ends.*” All local government agencies hereby agree that they will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “*destroy when reference value ends.*” If a local government agency does not establish internal policies and retention periods, the local government agency is not complying with the provisions of this retention schedule and is not authorized by the Department of Natural and Cultural Resources to destroy the records with the disposition instruction “*destroy when reference value ends.*”

Record Copy

A record copy is defined as “The single copy of a document, often the original, that is designated as the official copy for reference and preservation.”¹ The record copy is the one whose retention and disposition is mandated by these schedules; all additional copies are considered reference or access copies and can be destroyed when their usefulness expires. In some cases, postings to social media may be unofficial copies of information that is captured elsewhere as a record copy (e.g., a press release about an upcoming agency event that is copied to various social

¹ Society of American Archivists, *Dictionary of Archives Terminology*.

media platforms). Appropriately retaining record copies and disposing of reference copies requires agencies to designate clearly what position or office is required to maintain an official record for the duration of its designated retention period.

Transitory Records

Transitory records are defined as “record[s] that [have] little or no documentary or evidential value and that need not be set aside for future use.”²

North Carolina has a broad definition of public records. However, the Department of Natural and Cultural Resources recognizes that some records may have little or no long-term documentary or evidential value to the creating agency. These records are often called transitory records. They may be disposed of according to the guidance below. However, all public employees should be familiar with their appropriate retention schedule and any other applicable guidelines for their office. If there is a required retention period for these records, that requirement must be followed. When in doubt about whether a record is transitory or whether it has special significance or importance, retain the record in question and seek guidance from a DNCR records analyst.

Routing slips and transmittal sheets adding no information to that contained in the transmitted material have minimal value after the material has been successfully transmitted. These records may be destroyed or otherwise disposed of after receipt of the material has been confirmed. Similarly, “while you were out” slips, memory aids, and other records requesting follow-up actions (including voicemails and calendar invites) have minimal value once the official action these records are supporting has been completed and documented. These records may be destroyed or otherwise disposed of once the action has been resolved.

Drafts and working papers, including notes and calculations, are materials gathered or created to assist in the creation of another record. All drafts and working papers are public records subject to all provisions of Chapter 132 of the General Statutes, but many of them have minimal value after the final version of the record has been approved, and may be destroyed after final approval, if they are no longer necessary to support the analysis or conclusions of the official record. Drafts and working documents that may be destroyed after final approval include:

- Drafts and working papers for internal and external policies
- Drafts and working papers for internal administrative reports, such as daily and monthly activity reports;
- Drafts and working papers for internal, non-policy-level documents, such as informal workflows and manuals; and
- Drafts and working papers for presentations, workshops, and other explanations of agency policy that is already formally documented.


Forms used solely to create, update, or modify records in an electronic medium may be destroyed in office after completion of data entry and after all verification and quality control procedures, so long as these records are not required for audit or legal purposes. However, if the forms contain any analog components that are necessary to validate the information contained on them (e.g., a signature or notary’s seal), they must be retained according to the disposition instructions for the records series encompassing the forms’ function.

It is further agreed that these records may not be destroyed prior to the time periods stated; however, for sufficient reason they may be retained for longer periods. These schedules supersede previous versions of these schedules and any localized amendments; they are to remain in effect from the date of approval until they are reviewed and updated.

² Ibid.

APPROVAL RECOMMENDED


Municipal/County Clerk or Manager
Title: _____



Sarah E. Koonts, Director
Division of Archives and Records

APPROVED

Head of Governing Body
Title: _____



D. Reid Wilson, Secretary
Department of Natural and Cultural
Resources

County/Municipality: _____

Effective: October 1, 2021

EXECUTIVE SUMMARY

- ✓ Some records are covered by the *General Records Schedule: Local Government Agencies* and, therefore, are not listed separately here.
- ✓ According to N.C. Gen. Stat. § 121-5(b) and N.C. Gen. Stat. § 132-3, you may destroy public records only with the consent of the Department of Natural and Cultural Resources (DNCR). The State Archives of North Carolina is the division of DNCR charged with administering a records management program. This schedule is the primary way the State Archives of North Carolina gives its consent. Without approving this schedule, your agency is obligated to obtain the State Archives of North Carolina's permission to destroy *any* record, no matter how insignificant.
- ✓ Each records series listed on this schedule has specific disposition instructions that will indicate how long the series must be kept in your office. In some cases, the disposition instructions are simply "retain in office permanently," which means that those records must be kept in your office forever. In other cases, the retention period may be "destroy in office when reference value ends." An agency may have reference copies of materials, meaning "a copy of a record distributed to make recipients aware of the content but not directing the recipient to take any action on the matter" (from Society of American Archivists, *Dictionary of Archives Terminology*). Your agency must establish and enforce internal policies by setting minimum retention periods for the records that the State Archives of North Carolina has scheduled with the disposition instructions, "destroy when reference value ends."
- ✓ E-mail is a record as defined by N.C. Gen. Stat. § 121-5 and N.C. Gen. Stat. § 132. It is the content of the e-mail that is critical when determining the retention period of a particular e-mail, including attachments, not the media in which the record was created. It is important for all agency employees and officials to determine the appropriate records series for specific e-mails and retain them according to the disposition instructions listed with the identified record series.
- ✓ The State Archives of North Carolina recommends that all agency employees and officials view the tutorials that are available online through the State Archives website in order to familiarize themselves with records management principles and practices. The State Archives of North Carolina's online tutorials include topics such as records management and scanning guidelines.
- ✓ The State Archives of North Carolina creates security preservation record copies for minutes and selected other records of governing bodies and commissions, adoption records, and maps and plats. Agencies can request copies of the digital images made during this process. Contact the appropriate Records Management Analyst to begin this process.
- ✓ If you have records that are not listed in this schedule, contact a Records Management Analyst. An analyst will discuss the nature of the records with you to determine if the records have historical value. If the records do not have historical value, we will ask you to complete a [Request for Disposal of Unscheduled Records](#) (page A-19) for records that are no longer being created.

LEGEND FOR RECORDS SCHEDULE

This records retention and disposition schedule applies to records in all media, unless otherwise specified.



– symbol designating that one or more records in this series may be confidential or Includes confidential information.

Item # – an identifying number assigned to each records series for ease of reference.

Series – “a group of similar records that are . . . related as the result of being created, received, or used in the same activity.” (From Society of American Archivists, *Dictionary of Archives Terminology*). Series in this schedule are based on common functions in government offices.

Records Series Title – a short identification of the records in a series, based on their common function.

Series Description – a longer description of the records in a series, often including the types of records that can frequently be found in that series. This information is included underneath the Records Series Title.

Disposition Instructions – instructions dictating the length of time a series must be retained and how the office should dispose of those records after that time.

Citation – a listing of references to statutes, laws, and codes related to the records series. Citations can include:

- Authority: governing the creation of records
- Confidentiality: limiting access to public records
- Retention: setting a retention period

Throughout this schedule, items that cross-reference other items within this schedule are indicated with a SEE ALSO reference. If you hover your cursor over one of these items, you will see the hand tool that will enable you to click on the item to follow the link to that location.

AUDITS: PERFORMANCE

Records concerning internal and external audits conducted to assess the function of government programs. Includes reports, working papers, corrective measures, and other related records.

SEE ALSO: Audits: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS).

Sample records series title and description with cross-reference included

No destruction of records may take place if litigation or audits are pending or reasonably anticipated. See also AUDITS, LITIGATION, AND OTHER OFFICIAL ACTIONS, page A-5.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 10: PROGRAM OPERATIONAL RECORDS – AIRPORT AUTHORITY RECORDS

Official records and materials created and accumulated incidental to the operation of a county or municipal airport.

ITEM #	STANDARD 10: AIRPORT AUTHORITY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
10.01	ACCESS CONTROL RECORDS Records concerning employee or contractor access to facilities or resources.	Destroy in office 1 year after expiration.	
10.02	AIR SPACE CONSTRUCTION Applications to construct structures which may obstruct flight space. Includes correspondence and related records.	Destroy in office after 5 years.	
10.03	AIRFIELD INSPECTION Records concerning airfield inspections on runway conditions, fueling agents, fire and rescue facilities, ground vehicle control and other airport condition information.	Destroy in office after 1 year.	Authority/Retention: 14 CFR 139.301
10.04	AIRPORT MASTER RECORD Federal Aviation Administration (FAA) form 5010 documenting basic information concerning airports.	Destroy in office when superseded or obsolete.	

10: Airport Authority

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 10: AIRPORT AUTHORITY RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
10.05	LAND DEVELOPMENT AND PLANNING STUDIES AND REPORTS Records documenting local government and airport authority land use and development planning.	Retain in office permanently.	
10.06	RADIO LOGS Records of radio calls received and placed.	Destroy in office after 1 year.	

10: Airport Authority

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



11: Animal Services

STANDARD 11: PROGRAM OPERATIONAL RECORDS – ANIMAL SERVICES RECORDS

Records created and received during the conduct of animal services programs.

NOTE: Some records are covered by General Records Schedule: Local Government Agencies and, therefore, are not listed separately here. See Reference (Reading) File and Reports and Studies (Administration and Management Records).



ITEM #	STANDARD 11: ANIMAL SERVICES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
11.01	ANIMAL ABUSE AND CRUELTY RECORDS Includes complaints, citations and/or compliance orders, and other related records.	Destroy in office after 5 years.*	See G.S. 14-360 for definition of animal cruelty.
11.02	ANIMAL COMPLAINT RECORDS Includes complaints of animal nuisances.	Destroy in office after 3 years.*	
11.03	ANIMAL CONTROL RECORDS Records of animal control calls. Includes information regarding animal bites, animals received from residents, strays caught, animals taken to shelter or returned to owner, use of tranquilizer guns, and other related records. Also includes citations and/or compliance orders issued to animal owners for violations of government ordinances.	a) Destroy in office records concerning dangerous animals when known dead or after 10 years. b) Destroy in office animal control citations and compliance orders after 3 years.* c) Destroy in office remaining records after 1 year.	

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 11: ANIMAL SERVICES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
11.04 	ANIMAL LICENSING RECORDS Records concerning the licensing of dogs, cats, and other animals. Includes owner and animal information and record of fees paid.	Destroy in office after 3 years.*	Confidentiality: G.S. 132-1.2 (2)
11.05 	ANIMAL SHELTER RECORDS Records of animals impounded at the shelter, including date of impoundment, length of impoundment, disposition of animal, and any other information required by rules adopted by the State Board of Agriculture. Also includes certificates of animal release (e.g., adoption, reclaim, transfer, return to field) and owner contact records.	Destroy in office 3 years after date of impoundment.	Authority/Retention: G.S. 19A-32.1(j) Confidentiality (for specific counties): G.S. 132-1.15
11.06	CONTROLLED SUBSTANCE EUTHANASIA LOG Includes amount of controlled substances used.	Destroy in office after 2 years.	Retention: 21 CFR 1304.04
11.07	HISTORIES OF PET OWNERS Records concerning information for each animal owner who violates government ordinances. Includes complaint forms and other related records.	Destroy in office after 3 years.*	
11.08	RABIES VACCINATION RECORDS Includes rabies vaccination certificates submitted to agency by area veterinarians.	Destroy in office after 3 years.	Authority: G.S. 130A-189

11: Animal Services

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.


2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 12: PROGRAM OPERATIONAL RECORDS – CODE ENFORCEMENT AND INSPECTION RECORDS

Official records and materials created and accumulated during the conduct of local government code enforcement and inspection programs.

NOTE: Some records are covered by the General Records Schedule: Local Government Agencies and, therefore, are not listed separately here.

ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.01	AIR POLLUTION SOURCE INFORMATION Includes records for facilities which are no longer operational.	Destroy in office after 2 years.*	
12.02	 BLUEPRINTS AND SPECIFICATIONS Records concerning blueprints and specifications of local government owned buildings and facilities, or drawings submitted when applying for a building permit for new construction. Includes as-built plans and related records concerning approved changes or used in determining code compliance and enforcement of building code. SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Blueprints and Specifications (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) Retain agency blueprints and specifications for life of structure. b) Destroy in office commercial blueprints and specifications 1 year after completion of project. c) Destroy in office residential blueprints and specifications when reference value ends.± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.7

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.03	<p>BUILDING AND ROAD PERMITTING AND INSPECTION RECORDS Records documenting applications for permits from property owners to erect new structures or manufactured homes, or to make structural modifications, demolition, fire permits, or the installation of plumbing, electrical, or mechanical systems. Includes permits, inspection reports, inspector’s worksheets, inspection requests, denial reports, sketches, correspondence (including e-mail), and contractor change forms.</p>	<p>a) Destroy in office permits, applications, and inspection reports (or worksheets) 6 years after Certificate of Occupancy is issued or project is complete (inactive).</p> <p>b) Destroy in office Certificate of Occupancy 6 years after permit is expired.</p> <p>c) Destroy in office remaining records, including applications for which a permit was never issued, when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	
12.04	<p>CONTROLLED SUBSTANCE LABS DECONTAMINATION RECORDS Records concerning decontamination compliance.</p>	<p>Destroy in office 3 years after documented decontamination is complete.</p>	
12.05	<p>DROUGHT CONTINGENCY PLANS Includes water conservation plans in the event of a drought.</p>	<p>Destroy in office when superseded or obsolete.</p>	
12.06	<p>EROSION AND SEDIMENT CONTROL ENFORCEMENT CASES Includes settled legal matters and penalties.</p> <p>SEE ALSO: Violations: Building and Housing, below.</p>	<p>Destroy in office 6 years after settlement.*</p>	

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.07	EROSION AND SEDIMENT CONTROL PLANS Includes approved and disapproved plans as well as revisions and addenda.	a) Destroy in office approved plans 6 years after approval or last revision and/or addendum. b) Destroy in office non-approved plans after 3 years.	
12.08	EXEMPTION (VARIANCE) RECORDS Records concerning exemptions and variances concerned with the installation of water, sewer, gas, or electric lines.	a) Destroy in office 5 years after expiration.* b) Destroy in office records for which an exemption or variance was not issued after 3 years.	Retention: 40 CFR 141.33 15A NCAC 18C .1526
12.09	GOING-OUT-OF-BUSINESS LICENSES Records concerning licenses granted to business to hold going out of business, water and smoke damage, and distress sales.	Destroy in office 1 year expiration.	
12.10	GROUNDWATER MONITORING RECORDS Includes all groundwater monitoring wells and associated groundwater surface elevations.	Destroy in office after 5 years.*	Authority: 15 NCAC 2C .0100
12.11	ILLEGAL DUMPING FILE Records concerning illegal dumping complaints received. SEE ALSO: Violations: Solid Waste Management, below.	Destroy in office after 5 years.*	
12.12	INSPECTIONS Inspections conducted by local government agencies concerning enforcement of state and local laws, codes, and ordinances.	Destroy in office after 6 years.*	


12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction "destroy when reference value ends." Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.13	LEAD AND COPPER COMPLIANCE RECORDS Includes all monitoring records required by federal, state, and local regulations.	Destroy in office after 12 years.*	Retention: 40 CFR 141.91
12.14	LANDFILL TONNAGE AND COST FILE	Destroy in office after the 5 year reporting period is complete.	
12.15	PERMITS: CONSTRUCTION Records documenting applications and permits regarding sign installation, fencing, swimming pools, driveways, or similar activity required by local ordinance. SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Miscellaneous (Non-Building) Applications, Licenses, and Permits (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) Destroy in office 3 years after completion of project. b) Destroy in office applications for which a permit was never issued when reference value ends.± Agency Policy: Destroy in office after _____	
12.16	 PERMITS: PUBLIC UTILITIES PROJECTS Records documenting permits, approval letters, and other related documentation required by local, state, or federal ordinance, regulation, or statute. Includes records regarding National Pollutant Discharge Elimination System (NPDES) permits.	a) Retain in office approval letters and supporting documentation permanently. b) Destroy in office permits 6 years after expiration, cancellation, revocation, or denial.*	Authority: 40 CFR 122.28 15A NCAC 18C .0300 Confidentiality: 15A NCAC 02H .0115

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.17	<p>RECREATIONAL VEHICLE REGISTRATION RECORDS Records concerning issuance of registrations/decals for recreational vehicles. Includes, but is not limited to, golf carts, canoes, and mopeds as well as proof of insurance and renewals.</p>	Destroy in office 1 year after expiration.*	
12.18	<p>UNSAFE BUILDINGS FILE Records documenting inspections and notifications to owners of unsafe conditions relative to a particular structure.</p> <p>SEE ALSO: Violations: Building and Housing, below.</p>	Destroy in office after 6 years provided all issues have been resolved.*	
12.19	<p>VALVE OPERATION FILE</p>	<p>Destroy in office when reference value ends. ±</p> <p>Agency Policy: Destroy in office after _____</p>	
12.20	<p>VIOLATIONS: BUILDING AND HOUSING Records documenting violations of building and fire code, minimum housing, and erosion and sediment control. Includes complaints, summons, notices, appeals, and other information created or compiled during the course of investigation and resolution of each alleged violation.</p> <p>SEE ALSO: Water Analysis, below.</p>	<p>a) Destroy building code violations in office 6 years after verification of correction.</p> <p>b) Destroy remaining records in office 3 years after verification of correction.*</p>	

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.21	VIOLATIONS: SOLID WASTE MANAGEMENT Includes complaints, notices of violations, citations, investigation records, court documents, and other related records issued by solid waste environmental enforcement programs.	Destroy in office 7 years after resolution of case.*	
12.22	VIOLATIONS: WATER CONSERVATION Records concerning notices of water conservation violations.	Destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____	
12.23	WASTEWATER POLLUTION CONTROL AND ABATEMENT RECORDS	Destroy in office after 5 years.*	Authority: 15A NCAC 2B .0505
12.24	WASTEWATER QUALITY ANALYSIS RECORDS	a) Destroy in office analysis reports after 3 years.* b) Destroy in office monitoring and calculation sheets after 1 year.*	Authority: 15A NCAC 2B .0505

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 12: CODE ENFORCEMENT AND INSPECTION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
12.25	<p>WATER ANALYSIS Records concerning bacteriological, chemical, radiological, and physical analyses and climatological observations as well as records of actions taken to correct violations.</p> <p>SEE ALSO: Violations: Building and Housing and Violations: Water Conservations, above.</p>	<p>a) Destroy in office records of chemical and radiological analysis after 10 years.</p> <p>b) Destroy in office records of bacteriological and turbidity analysis after 5 years.</p> <p>c) Destroy in office records of actions taken to correct violations 3 years after last corrective action taken.</p> <p>d) Destroy in office remaining records after 5 years.</p>	<p>Retention: 40 CFR 141.33 15A NCAC 18C .1526</p>
12.26	<p>WATER SYSTEM OPERATIONS RECORDS Records concerning the operations of water supply, treatment, distribution, and collection. Includes backflow prevention reports, flow reports, capacity studies, pump station reports, and similar records that summarize</p>	<p>Destroy in office after 10 years.</p>	<p>Retention: 40 CFR 141.33 15A NCAC 18C .1526</p>
12.27	<p>WATER TANKS, SPECIFICATIONS, AND BOOSTER STATIONS FILE</p>	<p>Destroy in office after 5 years.*</p>	

12: Codes & Inspections

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES





13: EMS & Fire Department

STANDARD 13: PROGRAM OPERATIONAL RECORDS – EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT RECORDS

Official records documenting the primary functions of emergency services programs and fire departments.

Footage from body-worn cameras is scheduled by the content captured or the purpose of the footage rather than by its format. Recordings may fit under FIRE INVESTIGATION CASE FILES, DISPATCH RECORDS AND RECORDINGS, PUBLICITY RECORDS (General Schedule), TRAINING AND EDUCATIONAL RECORDS (General Schedule), and other items as appropriate. Footage is only confidential if it fits within an item where confidentiality is conferred by state or federal statute.


ITEM #	STANDARD 13: EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
13.01 	<p>911 COMMUNICATION RECORDS AND RECORDINGS Records documenting any communications made by the public with 911. Includes transcripts and recordings of 911 calls received, transcripts of text messages received by 911, and computer-aided dispatch (CAD) reports.</p> <p>SEE ALSO: Dispatch Records and Recordings, below AND PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Communication Records (STANDARD 20: LAW ENFORCEMENT RECORDS)</p>	Destroy in office after 30 days, if not made part of a case file.*	Confidentiality: G.S. 132-1.5 G.S. 132-1.4(c)(4) Retention: G.S. 132-1.4(i)
13.02 	<p>AMBULANCE CALL REPORTS (ACR)/PATIENT CARE REPORTS (PCR) Records concerning equipment used, patient location, nature of call, vital signs and other physical signs, care rendered, medicine ordered, etc.</p>	a) Transfer copy of report to the admitting hospital for inclusion into patient's medical record. b) Destroy original in office after 3 years.*	Confidentiality: G.S. 130A-12

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction "destroy when reference value ends." Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 13: EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
13.03	BUILDING AND FIRE SAFETY SYSTEM PLANS Records concerning plans and fire safety systems of commercial, industrial, and government-owned properties.	Destroy in office when superseded or obsolete.	
13.04	 DISPATCH RECORDS AND RECORDINGS Records and recordings concerning activities during an emergency services dispatch. Includes company run reports and fire journals as well as ambulance dispatch and service run records. Also includes footage from body-worn cameras of EMS and Fire Department personnel when responding to an emergency if not otherwise included in a separate item. SEE ALSO: 911 Communication Records and Recordings, above AND PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Communication Records (STANDARD 20: LAW ENFORCEMENT RECORDS).	Destroy in office after 30 days, if not made part of a case file.*	Confidentiality: G.S. 132-1.4 G.S. 143-518 45 CFR 164.501 42 U.S.C. 1395x
13.05	FIRE ALARM AND AUTOMATIC EXTINGUISHER FILE Records documenting licenses and insurance certificates of companies that perform installations of fire alarm and automatic extinguishing systems.	Destroy in office when superseded or obsolete.	
13.06	FIRE DISPATCH FILE Records concerning fire dispatch zones. Includes maps of fire dispatch zones, census tract information, annexation research, street closings, and other related material.	Destroy in office when superseded or obsolete.	


13: EMS & Fire Department

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 13: EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
13.07	<p>FIRE INVESTIGATION CASE FILES Records concerning investigations of fire. Includes reports, photographs, evidence, and other related records.</p> <p> SEE ALSO: PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Case File: Felonies AND Case File: Misdemeanors (STANDARD 20: LAW ENFORCEMENT RECORDS).</p>	<p>a) Retain in office permanently when loss of life occurs or if a publicly-owned building is involved.*</p> <p>b) Destroy in office after 10 years when arson is involved.*</p> <p>c) Destroy in office after 5 years when cause of fire is determined to be accidental and no loss of life occurs.*</p>	Confidentiality: G.S. 132-1.4
13.08	<p>FIRE SAFETY INSPECTIONS AND PERMITS Records documenting inspections of and permits issued for fire protection measures and procedures for systems and buildings.</p>	<p>a) Destroy in office inspections with no defects after 3 years.</p> <p>b) Destroy in office inspections with noted defects 3 years after defects are corrected.*</p> <p>c) Destroy in office permits 3 years after expiration.</p>	
13.09	<p>NORTH CAROLINA FIRE INCIDENT REPORT Includes report required by state statute to document certain fire incidents.</p> <p><i>For retention of copies of fire incident reports filed with other agencies, see: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Reports (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</i></p>	Retain original report permanently.	Authority/Retention: G.S. 58-79-45


13: EMS & Fire Department

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 13: EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
13.10 	PHARMACEUTICAL AND NARCOTICS RECORDS Records documenting the administration of pharmaceuticals and narcotics to patients as required by the Drug Enforcement Agency.	Destroy in office after 3 years.*	Authority: 21 CFR 1310.03 Confidentiality: G.S. 130A-12 Retention: 21 CFR 1310.04

13: EMS & Fire Department

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 14: PROGRAM OPERATIONAL RECORDS – PARKS AND RECREATION RECORDS

Records created and received by Parks and Recreation departments.

ITEM #	STANDARD 14: PARKS AND RECREATION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
14.01	ADMISSION RECORDS Records of admissions to parks or recreation facilities.	Destroy in office after 3 years.*	
14.02	CITATIONS RECORDS Citations issued by park personnel to persons who violate park rules and regulations.	Destroy in office after 2 years.	
14.03	OFFICIALS FILE Records concerning individuals who officiate games. Includes schedule and correspondence (including e-mail). SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Payroll and Earnings Records (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS) or Seasonal and Contract Worker Records (STANDARD 4: HUMAN RESOURCES RECORDS) for disposition of payment records.	Destroy in office after 3 years.	


14: Parks and Recreation

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 14: PARKS AND RECREATION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
14.04	<p>PARKS PLANNING FILE Records concerning master plans and working plans for each park property and recreational facility which show layout, topography, and proposed developments and improvements. Includes drainage and resource maps, aerial maps, site analysis drawings, construction plans, and as-built drawings.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Strategic Plan (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS) AND GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Maps: Parks (STANDARD 3: GEOGRAPHIC INFORMATION SYSTEMS (GIS) RECORDS).</p>	<p>a) If an element of the Strategic Plan, destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p> <p>b) If not an element of the Strategic Plan, destroy in office when superseded or obsolete.</p>	
14.05	<p>POOL RECORDS Records concerning monthly reports indicating operational data, chemicals used, chlorination levels and other information relating to pool construction, maintenance, and health and safety.</p>	Destroy in office after 1 year.	
14.06	<p>RECREATION PROGRAMS Records concerning athletic and recreation programs. Includes staff notes, lesson plans, course descriptions, instruction manuals, schedules, team rosters, reservation records, copies of receipts for fees paid, age verification records, and concession operators list.</p> 	<p>a) Destroy in office program records after 3 years.</p> <p>b) Destroy age verification records when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	Confidentiality: G.S. 132-1.12

14: Parks and Recreation

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 14: PARKS AND RECREATION RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
14.07	TICKET STUBS	Destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____	

14: Parks and Recreation

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 15: PROGRAM OPERATIONAL RECORDS – PLANNING AND REGULATION OF DEVELOPMENT RECORDS

Official records and materials created and accumulated during the conduct of local government planning, regulation of development, and zoning programs.

Community Development Block Grants (CDBG) records are found in Standard 16: Public Housing Authorities, Redevelopment Commissions, and Entitlement Communities Records.

NOTE: Some records are covered by the Local Government Agencies General Records Retention and Disposition Schedule and, therefore, are not listed separately here.

15: Planning and Regulation of Development

ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.01	BOARD OF ADJUSTMENT CASE FILES AND INDEXES Cases submitted to the board requesting variances from current zoning ordinances. Includes indexes to cases reviewed by the board.	a) Retain indices in office permanently. b) Destroy in office case files after 6 years.*	Retention: G.S. 1-50(5)

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.02	<p>CERTIFICATES OF APPROPRIATENESS Certificates submitted by the Historic Preservation Commission allowing alterations to exterior portions of building and structures on or within historic landmarks and districts. Includes applications and other related records.</p>	<p>a) Retain in office certificates for life of structure and then destroy.</p> <p>b) Destroy in office denied applications when reference value ends. ± Agency Policy: Destroy in office after _____</p> <p>c) Destroy in office remaining records when reference value ends. ± Agency Policy: Destroy in office after _____</p>	<p>Authority: G.S. 160A-400.9</p>
15.03	<p>COMPREHENSIVE PLAN AND AMENDMENTS Official copies of comprehensive plan and all background surveys, studies, reports, draft versions of plans, and supporting documentation.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Strategic Plan (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain in office permanently adopted plan and amendments.</p> <p>b) Destroy in office remaining records 3 years after adoption of plan.</p>	

15: Planning and Regulation of Development

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.04	CONDITIONAL USE PERMIT RECORDS AND INDEX Records concerning applications for conditional use permits. Permits allow for the construction of buildings, on the condition that impacts on neighborhoods are mitigated. Includes original application, blueprint drawings, investigative reports, planning commission recommendations, cash receipts, and related correspondence (including e-mail). Also includes reference copies of variances or exceptions from zoning regulations granted by the Board of Adjustment.	a) Destroy in office 3 years after discontinuance of use. b) Destroy in office applications for which a permit was never issued when reference value ends. ± Agency Policy: Destroy in office after _____	
15.05	DECLARATIONS AND BY-LAWS FROM TOWNHOUSES, CONDOMINIUMS, PLANNED RESIDENTIAL DEVELOPMENTS, COMMON AREAS, ETC.	a) If not filed in Register of Deeds or similar agency, retain in office permanently. b) If filed in Register of Deeds or similar agency, destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____	Authority: G.S. 47C-2-103
15.06	ENVIRONMENTAL IMPACT STUDIES Records and reports concerning the environmental impact of major projects proposed by localities and reviewed by local officials.	Retain in office permanently.	
15.07	OPEN SPACE CLASSIFICATION CASE FILE	Retain in office permanently.	

15: Planning and Regulation of Development

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.08	PERMITS: TEMPORARY MANUFACTURED HOME Records created to temporarily authorize the location of a manufactured home on the same lot as a single family residence.	Destroy in office 6 years after permit expires.	Retention: G.S. 1-50(5)
15.09	PERMITS: ZONING COMPLIANCE For residential uses, non-residential uses, and accessory structures.	a) Retain in office permits concerning subdivision, historical structure, major commercial or industrial development, or capital construction, where county or municipality is lead agency, permanently. b) Destroy in office permits concerning subdivision, historic structures, major commercial or industrial development, or capital construction, where county or municipality is not lead agency, 6 years after last entry. c) Destroy in office any other permits and related records 6 years after last entry.	Retention: G.S. 1-50(5)
15.10	PETITION & REGULATION RECORDS	Destroy in office after 5 years.*	

15: Planning and Regulation of Development

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.11	<p>PLANNING REVIEW CASE FILE For required review of site plan, zoning variance, special permit, change of zoning, subdivision creation or enlargement, municipal or county planning action, or other required review; including, but not limited to, maps, plans, sketches, photographs, engineering reports, environmental impact statement and studies, copies of zoning records, project narrative, correspondence (including e-mail), and record of final determination.</p>	<p>a) Retain plan reviews and related records containing subdivision, historical structure, major commercial or industrial development, or capital construction, where county or municipality is lead agency, permanently.</p> <p>b) Destroy in office plan reviews and related records containing subdivision, historic structures, major commercial or industrial development, or capital construction, where county or municipality is not lead agency, 6 years after last entry.</p> <p>c) Destroy in office any other mandatory reviews and related records 6 years after last entry.</p>	Retention: G.S. 1-50(c)
15.12	<p>REZONING RECORDS AND INDEXES Records concerning applications to rezone property within the county or municipality. Includes original applications, review forms, maps of areas involved, copies of investigative reports, copies of relevant planning board minutes, notices of hearings, and development agreements.</p>	Retain in office permanently.	

15: Planning and Regulation of Development

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
15.13	<p>SUBDIVISION RECORDS Includes maps, plats, topographical data, names of streets, records of public utilities, action by council, etc. Also includes preliminary subdivision and group development site plans.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Maps: Plats (STANDARD 3: GEOGRAPHIC INFORMATION SYSTEMS RECORDS).</p>	<p>a) If not filed in Register of Deeds or similar agency, retain in office permanently.</p> <p>b) If filed in Register of Deeds or similar agency, destroy in office when reference value ends. ±</p> <p>Agency Policy: Destroy in office after _____</p>	
15.14	<p>VARIANCES Includes zoning variances, watershed variances, and subdivision variances.</p>	Retain official copies permanently in the minutes of the Board of Adjustment or other governing body.	
15.15	<p>VIOLATIONS: ZONING Records concerning notices of zoning violations.</p>	Destroy in office after 6 years.*	Retention: G.S. 1-50(5)

15: Planning and Regulation of Development

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16: Public Housing

STANDARD 16: PROGRAM OPERATIONAL RECORDS – PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS

Official records and materials created and received by public housing authorities, redevelopment commissions, and entitlement communities operated by local government agencies. Where there is a local funding match required to qualify for grant programs, all records should be retained according to the grant requirements listed below.

NOTES: Some records, such as those for Section 8 assistance, are covered by the Local Government Agencies General Records Retention and Disposition Schedule and, therefore, are not listed separately here. See Bond Closing Records (Budget, Fiscal, and Payroll Records), Grants (Administration and Management Records), and Grants: Financial (Budget, Fiscal, and Payroll Records). 24 CFR Parts 50-58 lay out the environmental review responsibilities of entities but do not establish specific retention requirements, so these records should be handled in accordance with the requirements of the funding source.

ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.01	<p>APPRAISAL PROJECT FILE Evaluations of properties and structures within proposed projects. File includes financial assessments of the worth of real estate and building within proposed project areas. File may also include assessments of architectural and historical significance and condition of the involved structures and real estate.</p>	<p>a) Retain records with historical value permanently. b) Destroy in office remaining records 5 years after completion of abandonment of project.*</p>	

* No destruction of records may take place if audits or litigation are pending or reasonably anticipated. See AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION, page A-5.

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.02	<p>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RECORDS Records concerning the administration of projects funded under the Community Development Block Grant (CDBG) program, including both direct grants and regrants. Includes applications, reports, audits, certificates, maps, and other related records.</p>	<p>a) Retain records with historical value permanently. b) Destroy in office rejected applications after 1 year. c) Destroy in office remaining records 4 years after execution of the closeout agreement for the grant.</p>	Retention: 24 CFR 570
16.03	<p>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RECORDS: OUTSTANDING LOAN BALANCES Records concerning individual activities under the Community Development Block Grant (CDBG) program for which there are outstanding loan balances, other receivables, or contingent liabilities. Includes reports, audits, and other related records.</p>	<p>a) For recipients, destroy in office 3 years after the receivables or liabilities have been satisfied. b) For subrecipients, destroy in office after such receivables or liabilities have been satisfied.</p>	Retention: 24 CFR 570.502(a)(7)(i)(B)
16.04	<p>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RECORDS: SUBJECT TO REVERSION OF ASSETS PROVISIONS OR CHANGE OF USE OF REAL PROPERTY Records concerning real property which was acquired or improved in whole or in part using Community Development Block Grant (CDBG) funds. Includes reports, audits, and other related records.</p>	<p>a) For recipients, destroy in office 3 years after these provisions no longer apply to the activity. b) For subrecipients, destroy in office when these provisions no longer apply to the activity.</p>	Authority: 24 CFR 570.503(b)(7) 24 CFR 570.505 Retention: 24 CFR 570.502(a)(7)(i)(B)


16: Public Housing

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.05	<p>CONTINUUM OF CARE RECORDS Records documenting the participation of the agency in funding by the Department of Housing and Urban Development. Includes required Federal compliance records, program records, financial records, and other related records.</p>	<p>a) Destroy in office records documenting the acquisition, new construction, or rehabilitation of a project site 15 years after the date site is first occupied/used.</p> <p>b) Destroy in office program participant records 5 years after the expenditure of all funds from the grant under which the program participant was served.</p> <p>c) Destroy in office all remaining records after 5 years.</p>	Retention: 24 CFR 578.103(c)
16.06	<p> CRIMINAL RECORDS CHECKS Records received by the local agency to screen applicants for admission to covered housing programs and for lease enforcement or eviction.</p>	Destroy in office once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation.	Confidentiality/ Retention: 24 CFR 5.903(g) 24 CFR 5.905(c)

16: Public Housing

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.07	EMERGENCY SOLUTIONS GRANTS (ESG) RECORDS Records documenting the participation of the agency in funding by the Department of Housing and Urban Development. Includes case management records for program participants, required federal compliance records, program records, financial records, and other related records.	a) Destroy records supporting the expenditure of federal funds passed through NC Department of Health and Human Services (DHHS) on a fiscal year basis when the DHHS Office of the Controller provides written guidance that records are released from all audits and other official actions. b) Destroy in office records documenting renovation of an emergency shelter 10 years after the date that ESG funds are first obligated for the renovation. c) Destroy in office participant records 5 years after the expenditure of all funds from the grant under which the program participant was served. d) Destroy in office all remaining records after 5 years.	Confidentiality: 24 CFR 576.500(x) Retention: 24 CFR 576.500(y)
16.08	FAÇADE PROJECT FILES Records documenting the re-granting of funds received by the agency to restore exteriors of architecturally important structures in project areas. Includes contracts, photographs, and correspondence.	Retain in office permanently.	



16: Public Housing

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.09	<p>HOME INVESTMENT PARTNERSHIPS PROGRAM RECORDS Records documenting the participation of the agency in funding by the Department of Housing and Urban Development. Includes records concerning designation as a participating jurisdiction, program records, project records, Community Housing Development Organizations records, financial records, program administration records, records concerning other federal requirements, and other related records.</p>	<p>a) Destroy in office rental assistance records 5 years after termination of assistance.* b) Destroy in office written agreements 5 years after termination.* c) Destroy in office 5 years after the affordability period terminates records of individual tenant income verifications, projects rents and inspections, and documents imposing recapture/resale restrictions. d) Destroy in office records covering displacements and acquisition 5 years after final payment.* e) Destroy in office remaining records after 5 years.*</p>	<p>Authority/Retention: 24 CFR 92.508</p>
16.10	<p>HOUSING ASSISTANCE FOR PERSONS WITH DISABILITIES Records documenting the participation of the agency in funding by the Department of Housing and Urban Development. Includes verifications of disability, grant agreements, performance reports, and other related records.</p>	<p>Destroy in office 5 years after the end of the grant term.</p>	<p>Retention: 24 CFR 582.301(c) 24 CFR 583.305(c)</p>

16: Public Housing

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 16: PUBLIC HOUSING AUTHORITIES, REDEVELOPMENT COMMISSIONS, AND ENTITLEMENT COMMUNITIES RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
16.11	<p>HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) RECORDS Records documenting the participation of the agency in funding by the Department of Housing and Urban Development. Includes grant agreements, performance reports, and other related records.</p>	Destroy in office after 5 years.	Authority/Retention: 24 CFR 574 24 CFR 5.106(d)
16.12	<p>LANDLORD MONITORING RECORDS Records documenting monitoring of landlords of properties used in affordable or subsidized housing programs. Includes certifications and forms and other compliance-related records.</p>	Destroy in office after 5 years.	
16.13	<p>REDEVELOPMENT PLANS Records concerning redevelopment projects. Includes documentation of the review and certification process.</p>	a) Retain in office permanently records concerning approved redevelopment projects. b) Destroy in office remaining records 2 years after rejection.	

16: Public Housing

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 17: PROGRAM OPERATIONAL RECORDS – PUBLIC TRANSPORTATION SYSTEMS RECORDS

Records received and created by area transit systems and authorities necessary to meet all statutory requirements.

NOTE: Some records are covered by the Local Government Agencies General Records Retention and Disposition Schedule and, therefore, are not listed separately here.

Comply with requirements of the Federal Transit Administration’s **Best Practice Procurement Manual**, Master Agreement MA(11) Section 8 manual.

17: Public Transportation

ITEM #	STANDARD 17: PUBLIC TRANSPORTATION SYSTEMS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
17.01	AMERICANS WITH DISABILITIES ACT (ADA) PARATRANSIT RECORDS Includes driver’s daily assignments, dispatch records, logs of passenger pick-ups and drop-offs, manifests, trip requests, and appeal forms.	Destroy in office after 5 years.*	Authority: 2 CFR 200.333
17.02	AMERICANS WITH DISABILITIES ACT (ADA) PARATRANSIT VOUCHERS Vouchers submitted by private transportation companies for reimbursement for alternative transportation of public transit clients.	Destroy in office after 5 years.*	Authority: 2 CFR 200.333
17.03	AMERICANS WITH DISABILITIES ACT (ADA) PRE-TRIP INSPECTION FORMS	Destroy in office after 1 year.	Authority: 2 CFR 200.333

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 17: PUBLIC TRANSPORTATION SYSTEMS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
17.04	APPLICATIONS FOR ART-IN-TRANSIT Applications and supporting documentation submitted by regional and national artists for exhibit on agency property.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
17.05	APPLICATIONS FOR DISCOUNT PASSES Applications, certificates of disability, and supporting documentation used to apply for discount passes.	Destroy in office 3 years after service is terminated or denied.	
17.06	APPLICATIONS FOR TRANSIT SERVICE Includes customer applications, eligibility assessment records, correspondence (including e-mail), health information, riders' guides, and related records.	Destroy in office 3 years after service is terminated or denied.	
17.07	CUSTOMER (RIDER) IDENTIFICATION RECORDS Records concerning customer identification, approvals, denials, and related information.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
17.08	DISADVANTAGED BUSINESS ENTERPRISE (DBE) RECORDS Includes company's articles of incorporation, financial statements, signed affidavits, letters of reference, declarations, Federal Schedule A or B, and related correspondence (including e-mail).	a) Destroy in office company-specific records 5 years after company is removed from certified list. b) Destroy in office related DBE program records, including Federal Transit Administration reports, 5 years from date record was created.	Authority: 2 CFR 200.333
17.09	OPERATOR SHIFT INSPECTION RECORDS Reports and similar records of operator's inspections of vehicle at the beginning and end of shift.	Destroy in office after 5 years.	Authority: 2 CFR 200.333

17: Public Transportation

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 17: PUBLIC TRANSPORTATION SYSTEMS RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
17.10	ROUTE HISTORY RECORDS Includes descriptions of routes, bus stops, passenger lists, and other related records.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
17.11	SEAT BELT AND RESTRAINT SYSTEM RECORDS Records concerning the use and installation of seat belts and other restraint systems in vehicles.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
17.12	TRANSIT SCHEDULES Printed route schedules and related information used to generate schedules.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
17.13	VANPOOL DRIVER APPLICATIONS Applications and supporting records submitted by persons operating vanpool vehicles.	a) Destroy in office accepted applications 3 years after person leaves program. b) Destroy in office applications for persons not accepted for program after 1 year.	

17: Public Transportation

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

**STANDARD 18: PROGRAM OPERATIONAL RECORDS – PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS**

Official records and materials created and accumulated for use by municipal and county sanitation, water, sewage, electrical, and gas operations. Also contains environmental management records accumulated for use by erosion and sediment control, flood control, and monitoring of pollution. Comply with applicable provisions of G.S. §132-1.7 regarding confidentiality of public infrastructure detailed plans and drawings.

ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.01	ENVIRONMENTAL: COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN AND AMENDMENTS SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Strategic Plan (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) If an element of the Strategic Plan, destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____ b) If not an element of the Strategic Plan, destroy in office when superseded or obsolete.	Authority: G.S. 130A-309.09A
18.02	ENVIRONMENTAL: CUSTOMER USAGE RECORDS Includes reports, plans or similar records submitted by industrial users or publicly-owned treatment works concerning intended or actual use of the wastewater treatment system.	Destroy in office after 3 years.*	Retention: 40 CFR 403.12(o)(3)
18.03	ENVIRONMENTAL: DAILY DISPOSAL TICKETS Record and/or receipts concerning the disposal of materials at the landfill.	Destroy in office after 3 years.*	

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.04	<p>ENVIRONMENTAL: DISCHARGE MONITORING REPORTS Includes discharge and non-discharge monitoring reports submitted to state and/or federal regulatory agencies. Also includes copies of monthly reports required by National Pollution Discharge Elimination System (NPDES) permits.</p>	<p>a) Destroy in office NPDES reports 5 years from date of submission.* b) Destroy in office annual reports 5 years from date of submission.* c) Destroy in office daily reports after 3 years.</p>	<p>Retention: 40 CFR 122.41(3)(j)(2) 15A NCAC 2B .0506</p>
18.05	<p>ENVIRONMENTAL: LANDFILL MONITORING REPORTS Gas and groundwater monitoring records and reports.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Audits: Performance (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Retain official reports permanently. b) Destroy in office remaining records after 3 years.</p>	<p>Retention: 15A NCAC 13B .1626(10)</p>
18.06	<p>ENVIRONMENTAL: LANDFILL OPERATIONAL PLAN Describes the intended schedule of construction, description of on-site waste handling procedures during active life of the facility, contingency plans, description of maintenance of installed equipment, and any other information pertaining to the operation, maintenance, monitoring, or inspections as may be required by federal and state law.</p>	<p>Destroy when superseded or obsolete.*</p>	<p>Authority: G.S. 130A-309.09D</p>

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.07	ENVIRONMENTAL: LANDFILL PERMITS Permits and related records of landfills owned or operated by agency. Includes amendments and hazardous waste management permits.	a) Retain construction and operation permit for life of system and then destroy. b) Destroy in office all other permits and related records after the 5-year reporting period is complete.	Retention: G.S. 130A-294 (b1) (4)
18.08	ENVIRONMENTAL: NOTICE OF VIOLATIONS FOR IMPROPER DISCHARGE OR DISPOSAL FILE Notices issued by agency concerning improper non-stormwater discharge or disposal. Includes improper disposal of waste or products, chlorinated pool discharge, vehicle maintenance facility runoff, food service waste, and other unregulated commercial and industrial discharges.	Destroy in office one year after resolution.	
18.09	ENVIRONMENTAL: OUTSIDE WASTE CLEARANCE RECORDS Records allowing parties outside the operator's jurisdiction to dispose of waste at landfill.	Destroy in office 3 years after expiration of agreement.	
18.10	ENVIRONMENTAL: REPORTS SUBMITTED TO U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)	Destroy in office after 2 years.*	
18.11	EROSION CONTROL: EROSION AND SEDIMENT AFFIDAVITS Forestry and agricultural affidavits clarifying land use exempt from land-disturbing activity standards.	Destroy in office after 6 years.	

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.12	EROSION CONTROL: EROSION AND SEDIMENT CONTROL EXHIBIT RECORDS	Destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____	
18.13	EROSION CONTROL: EROSION AND SEDIMENT CONTROL INSPECTIONS Inspections conducted by agency. Includes inspection requests, notices of violations, denial reports, sketches, plans, correspondence (including e-mail), and similar records concerning the construction, modification or demolition of existing and new roads and construction sites.	Destroy in office 6 years after final site inspection.*	
18.14	EROSION CONTROL: EROSION AND SEDIMENT CONTROL PERMITS Records concerning permits, including permit logs, issued for site construction.	a) Destroy in office records concerning approved permits 3 years after expiration of permit. b) Destroy in office non-approved permits after 3 years.	
18.15	EROSION CONTROL: EROSION AND SEDIMENT CONTROL PLANS Includes approved and disapproved plans submitted to agency. Includes revisions, addendums, and records delineating who is financially responsible for the project.	a) Destroy approved plans in office 3 years after expiration. b) Destroy non-approved plans after 3 years.	Authority: 15A NCAC 04B .0118

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES





ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.16	<p>EROSION CONTROL: TROUT BUFFER VARIANCES Includes denials and waivers.</p> <p>SEE ALSO: PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Variances (STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS).</p>	<p>a) Destroy in office 6 years after approval of permit.</p> <p>b) Destroy in office after 3 years plans for which a permit was not issued.</p>	<p>Authority: 15A NCAC 04B .0125</p>
18.17	<p>FLOOD CONTROL: FLOOD CERTIFICATIONS Records concerning lot reviews for construction projects submitted to agency.</p> <p>SEE ALSO: PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Permits: Zoning Compliance (STANDARD 15: PLANNING AND REGULATION OF DEVELOPMENT RECORDS).</p>	<p>Destroy in office when superseded or obsolete.</p>	
18.18	<p>FLOOD CONTROL: FLOOD STUDIES Reviews of stream crossings for construction projects submitted to agency.</p>	<p>Retain in office for life of structure and then destroy.*</p>	
18.19	<p>UTILITIES: DAILY WATER AND WASTEWATER FACILITY OPERATORS LOGS Records concerning water distribution and treatment.</p>	<p>a) Destroy in office records concerning the operation of wastewater treatment facilities after 5 years.*</p> <p>b) Destroy in office records concerning the operation of water treatment facilities after 3 years.*</p>	<p>Authority: 15A NCAC 18C .1301</p>

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES


ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.20 	UTILITIES: ELECTRIC POWER AND NATURAL GAS FACILITY ENGINEERING AND SYSTEM PLANS Includes authorizations to construct, building plans, and specifications of privately owned utilities. SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Strategic Plan (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	a) If an element of the Strategic Plan, destroy in office when reference value ends. ± Agency Policy: Destroy in office after _____ b) If not an element of the Strategic Plan, destroy in office when superseded or obsolete.	Confidentiality: G.S. 132-1.7
18.21	UTILITIES: ELECTRIC POWER AND NATURAL GAS PERMITS AND APPROVAL RECORDS Permits, approval letters, and other related documentation required by local, state, or federal ordinance, regulation, or statute and issued by agency.	a) Destroy in office permits 5 years after expiration, cancellation, revocation or denial.* b) Retain approval letters and supporting documentation permanently.	
18.22	UTILITIES: ELECTRIC POWER AND NATURAL GAS SYSTEM MAINTENANCE AND REPAIR RECORDS Records documenting installation, location, specifications, and maintenance history of meters, lines, pipes, pumps, and similar system equipment.	Destroy in office 3 years after equipment is no longer owned and/or operational.	
18.23 	UTILITIES: ELECTRIC POWER AND NATURAL GAS SYSTEM MANAGEMENT PLANS SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Strategic Plan (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).	Retain in office for life of system and then destroy.	Confidentiality: G.S. 132-1.7

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.24	UTILITIES: ELECTRIC POWER AND NATURAL GAS SYSTEM PROJECT RECORDS	a) Retain project pre-approval and final approval letters for life of system and then destroy. b) Destroy in office remaining records 5 years after project is completed.	
18.25	UTILITIES: LANDLORD AGREEMENTS Agreements to automatically transfer utility accounts to landlords when their tenant vacates a property.	Destroy in office 3 years after expiration of agreement.	
18.26	 UTILITIES: MAPS (UTILITY INSTALLATIONS & DISTRIBUTIONS) Includes maps, plats, charts, and similar records showing the location of water mains, valves, hydrants, meters, etc., throughout the system. SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Maps, All Other (STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS).	Retain for life of system and then destroy.	Authority: 15A NCAC 18C .0300 Confidentiality: G.S. 132-1.7

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.27	<p>UTILITIES: METER INSTALLATION, TESTING AND CALIBRATION RECORDS (ELECTRIC, WATER, GAS) Includes records concerning the installation or planned installation of meters and connecting any facility to utility system owned or operated by the agency.</p>	<p>a) Destroy in office records verifying installation of meter 3 years after equipment is no longer owned and/or operational.</p> <p>b) Destroy in office notice to property owners of approval of utility installation after 2 years.</p> <p>c) Destroy in office remaining records after reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	
18.28	<p>UTILITIES: PUBLIC UTILITIES INSPECTION FORMS Records relating to the inspection of sanitation, electric, water, gas and sewer utilities submitted to or conducted by agency.</p>	<p>Destroy in office when superseded or obsolete.</p>	


18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.29	 UTILITIES: PUBLIC UTILITIES SYSTEM ENGINEERING, MAINTENANCE, AND REPAIR RECORDS Includes records documenting installation, authorizations to construct, building plans, location, specifications, and maintenance history, for hydrants, pipes, pumps, valves, and similar system equipment. Includes drainage system maintenance and repair records.	a) Retain in office as built plans and specifications for life of system and then destroy. b) Destroy in office 5 years after equipment is no longer owned and/or operational if unlike replacement occurred. c) Destroy in office 3 years after equipment is no longer owned and/or operational if like replacement occurred. d) Destroy in office background surveys, studies, reports, drafts, and other records when superseded or obsolete.	Authority: 15A NCAC 18C .0300 15A NCAC 2H .0115 Confidentiality: G.S. 132-1.7
18.30	UTILITIES: RECYCLING WATER RECORDS Backwash recycling groundwater records.	Destroy in office when superseded or obsolete.	Authority: 40 CFR 141.76(d)
18.31	UTILITIES: SERVICE INTERRUPTION RECORDS Includes reports, logs, or similar records documenting service interruptions.	Destroy in office after 3 years.*	

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.32	UTILITIES: TAP AND HOOK UP RECORDS Applications, permits, contracts, logs, or similar records documenting location and installation of water and wastewater hookup and taps.	a) Destroy in office permits and contracts 3 years after termination or cancellation.* b) Destroy in office denied applications and remaining records when reference value ends. ± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.1(c)
18.33	UTILITIES: WATER AND WASTEWATER PERMITS AND APPROVAL RECORDS Permits, approval letters, and other related documentation required by local, state, or federal ordinance, regulation, or statute for systems owned or operated by agency. Includes records regarding National Pollutant Discharge Elimination System (NPDES) permits.	a) Retain approval letters and supporting documentation permanently. b) Destroy in office permits and other records 5 years after expiration, cancellation, revocation or denial.*	Retention: 15A NCAC 18C .0300 15A NCAC 2H .0115 40 CFR 122.28
18.34	UTILITIES: WASTEWATER MAINTENANCE OPERATION REPORTS	Destroy in office after 3 years.	

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.35	<p>WATER QUALITY: LABORATORY OPERATIONS RECORDS Includes documentation of all analytical quality control practices, reporting units, forms, test methods, and related procedures pertaining to certification obtained by agency.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Audits: Performance (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Destroy in office samples, raw data, analysis reports and related documentation after 5 years.*</p> <p>b) Destroy in office records concerning certification 2 years after expiration, cancellation, revocation, or denial.*</p>	<p>Authority: 15A NCAC 02H .0805(7)(G) 15A NCAC 02H .1100</p>
18.36	<p>WATER QUALITY: PRETREATMENT PROGRAM RECORDS Includes annual pretreatment reports, records of monitoring activities and results, water quality records and other related documentation.</p>	<p>a) Destroy in office permits and supporting documentation 5 years after expiration, cancellation, revocation, or denial.*</p> <p>b) Destroy in office remaining records after 3 years.*</p>	<p>Retention: 15A NCAC 02H .0908(f)(1) 40 CFR 503.17</p>
18.37	<p>WATER QUALITY: PUBLIC WATER SANITARY SURVEY RECORDS Includes reports, summaries, studies, correspondence (including e-mail), and other related records documenting the sanitary condition of system.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Audits: Performance (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	<p>a) Destroy in office 10 years after completion of survey.*</p> <p>b) Destroy in office documentation of corrective measures 2 years after their implementation.</p>	<p>Retention: 40 CFR 141.33 15A NCAC 18C .1526</p>

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 18: PUBLIC UTILITIES AND ENVIRONMENTAL/WASTE MANAGEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
18.38	WATER QUALITY: SEWER JETTING AND VECTORING RECORDS Records documenting the routine cleaning of wastewater lines.	Destroy in office after 3 years.	
18.39	WATER QUALITY: SLUDGE TREATMENT RECORDS Includes analyses, certification statements, site restrictions, monitoring records, vector attraction reduction requirements, trip tickets, residual records, control plans and other related documentation conducted by or for agency.	Destroy in office after 5 years.*	Retention: 40 CFR 503.17
18.40	WATER QUALITY: STORMWATER DEVIATION PERMITS Permits issued to single lots. Includes applications, certifications of installations, and related records.	a) Destroy in office permits and contracts 3 years after termination or cancellation.* b) Destroy in office inspections submitted by owner when superseded or obsolete.	
18.41	WATER QUALITY: VIOLATION RECORDS Includes all documentation of actions taken to correct federal, state or local violations of water and wastewater management standards by agency.	Destroy in office after 5 years.*	Retention: 40 CFR 141.33 15A NCAC 18C .1526
18.42	WATER QUALITY: WATER AND WASTEWATER SYSTEM INSPECTIONS AND TESTS Includes non-compliance inspections and test records conducted by a facility.	Destroy in office after 5 years.	

18: Public Utilities and Environmental/Waste

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



STANDARD 19: PROGRAM OPERATIONAL RECORDS – STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS

Official records and materials created and accumulated for constructing and maintaining municipal and county-maintained streets and other public works projects, and engineering records.

ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.01	<p>APPRAISAL REPORTS Records appraising privately owned land for compensation in eminent domain projects.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Easements and Right-of-Way Agreements (STANDARD 6: LEGAL RECORDS).</p>	Destroy in office after 10 years.	
19.02	<p>CEMETERY DEEDS Copies of deeds for the purchase of agency-owned cemetery plots. Includes applications or deed slips.</p>	<p>a) Retain 1 copy of deed in office permanently.</p> <p>b) Destroy in office remaining records when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	
19.03	<p>CEMETERY INTERMENT RECORDS Includes name of deceased, date of interment, and location of plot.</p>	<p>Retain in office permanently.</p> <p><i>Retention Note: If these records are maintained as an electronic database, a copy should be maintained on paper or microfilm and updated regularly.</i></p>	


19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.04	EXCAVATION PERMITS Applications, permits, and billing information for individuals and contractors requesting to work in the county or municipal right-of-way for demolitions or excavations.	a) Destroy in office billing records after 3 years.* b) Destroy in office applications and permits 1 year after expiration. c) Destroy in office applications for which a permit was never issued when reference value ends.± Agency Policy: Destroy in office after _____	
19.05	GRAVE OPENING ORDERS Authorizations to dig graves in agency-owned cemeteries.	Destroy in office after 1 year.	
19.06	INFRASTRUCTURE MAINTENANCE RECORDS Records documenting the general maintenance and upkeep of infrastructure, including roads, traffic lights, and other public works.	Destroy in office after 3 years.	
19.07	PLANNING FILE Includes long-range and immediate plans for paving streets and other projects.	Destroy in office 5 years after superseded or obsolete.	
19.08	 PROJECT RECORDS - CANCELLED Background information for public works and engineering projects explored but not undertaken. Records are used as a reference file and include maps, project information, and the reason that the project failed.	a) Retain records with historical value permanently. b) Destroy in office remaining records when reference value ends.± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.7


19: Streets, Public Works, and Engineering

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± The agency hereby agrees that it will establish and enforce internal policies setting minimum retention periods for the records that Natural and Cultural Resources has scheduled with the disposition instruction “destroy when reference value ends.” Please use the space provided.

2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.09 	<p>PROJECT RECORDS – CORE Records used to document the design and construction of public works and engineering projects. Includes final as-built plans and specifications; certificate of completion/closure; policy correspondence (including e-mail), covenants; final estimates and budgetary summaries; geo-technical reports; environmental mitigation agreements; permits for right-of-way use, photographs documenting key aspects of construction as-built; final specifications; and as-built structural calculations.</p>	<p>Destroy originals after life of structure ends.</p>	<p>Confidentiality: G.S. 132-1.7</p>


19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.10	<p> PROJECT RECORDS – ENGINEERING & COMPLIANCE Records used to document the engineering and technical areas of a public works and engineering project, as well as compliance with regulatory requirements. Includes superseded plans and specifications, agreements for construction and finance, billing information, change orders, force orders, work orders, construction claims, contract documentation, contracts, reports, diaries and narratives, EEO information, material certifications, material testing reports, notice to proceed, permit of entry, postings, pre-construction conference records, final progress payments, punch lists, regulations, shop drawings, and subcontractor information. File also includes environmental review records and proof of compliance with any mitigation measures required as a condition of project authorization.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Grants (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS); GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Grants: Financial (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS); GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Payroll and Earnings Records (STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS.)</p>	<p>Destroy in office 6 years after completion or termination of project.*</p>	<p>Confidentiality: G.S. 132-1.7</p>

19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.11	<p>PROJECT SHEETS FILE Local forms listing property owners, lot or tract size, right-of-way data, tax value, and compensation.</p>	Destroy in office after 5 years.	
19.12	<p>RIGHT-OF-WAY ACQUISITION WORKING RECORDS Includes records of negotiations on acquisition of rights-of-way related to public works and engineering projects, such as 10-day letter of notification, notification of intent to acquire, notice of condemnation action, and other correspondence (including e-mail) relating to right-of-way acquisitions.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Easements and Right-of-Way Agreements (STANDARD 6: LEGAL RECORDS).</p>	Destroy in office after 3 years.*	
19.13	<p>STREET NAME AND HOUSE NUMBER FILES Records relating to the assignment of street names and house numbers. May also include records documenting street name changes, and non-temporary street openings and closings.</p>	Retain in office permanently.	


19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.14 	<p>STRUCTURAL MAINTENANCE AND ANALYSIS RECORDS Records used for maintenance, review, and analysis of permanent and temporary structures owned by third parties that extend, cross or abut the public right-of-way.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Blueprints and Specifications (STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS).</p>	Destroy records pertaining to structure 3 years after the end of life of the structure.	Confidentiality: G.S. 132-1.7
19.15	<p>SURVEY FIELD RECORDS Records used to document and establish easements and rights-of-way, and to locate reference points used during street and utility projects. Records include traverse information, tie sheets, sketches, field notes, plats, interpretation of field notes, alignments, profiles of projects, plans, grade sheets, estimates, databank ties, and other miscellaneous documents used to establish grades, rights-of-way and easements.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Easements and Right-of-Way Agreements (STANDARD 6: LEGAL RECORDS).</p>	<p>a) Retain records with historical value permanently.</p> <p>b) Destroy in office remaining records when superseded or obsolete.</p>	
19.16	<p>TRAFFIC ANALYSIS Analysis of vehicle traffic within agency jurisdiction.</p>	Destroy in office after 5 years.	

19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 19: STREET MAINTENANCE, PUBLIC WORKS, AND ENGINEERING RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
19.17	TRAFFIC VIDEO RECORDINGS AND DATA Recordings and other data used to monitor traffic levels.	Destroy in office after 30 days.*	

19: Streets, Public Works, and Engineering

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

STANDARD 20: PROGRAM OPERATIONAL RECORDS - LAW ENFORCEMENT RECORDS (EXCLUDING SHERIFF'S OFFICES)

Records received and created by any local government law enforcement agency (excluding sheriff's offices) necessary to meet all statutory requirements. Comply with applicable provisions of G.S. §132-1.4 regarding confidentiality of law enforcement records and G.S. §153A-98 and G.S. §160A-168 regarding confidentiality of personal information of law enforcement officers.

Please note: Records created by county sheriff's offices fall under the purview of the Records Retention Schedule of County Sheriff's Offices.



ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.01	<p>ALARM CALL REPORTS Reports completed by officers responding to alarm calls. Includes listings of alarm type, time received, time arrived, reason for activation, and other related information. Includes forms completed by businesses and residences naming emergency contacts, location of safe, or other related information.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office after 30 days if not made part of a case file.</p>	
20.02	<p>ALTERNATIVE SENTENCING PROGRAMS Records documenting alternative sentencing programs. Includes work release and weekender service.</p>	Destroy in office 3 years after individual leaves program.	
20.03	<p>ARREST PROCESSING RECORDS Records used to track a defendant's time and activities while in arrest processing. Includes time of arrival and time to and from each workstation.</p> 	Destroy in office 1 year after date of arrest.*	Confidentiality: G.S. 132-1.4

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20. Law Enforcement Records



2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.04 	ARREST REPORTS Reports concerning arrests made by officers.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office 5 years from date of arrest if report is not made part of a case file.	Confidentiality: G.S. 132-1.4
20.05	AUCTION RECORDS Records concerning abandoned and unclaimed articles or found property in possession of law enforcement sold at public auction. May include auction receipts of monies received for items sold.	Destroy in office after 3 years.*	
20.06 	CASE FILE: FELONIES Includes investigative reports, complaint reports, fingerprint cards, original arrest reports, copies of warrants, special expenditure report, statements of seized and returned property, interview sheets; case status reports, photographs, court orders, correspondence; officer's notes, court dispositions, audio or video recordings, and other related records. SEE ALSO: Electronic Recordings of Interrogations, below.	a) Destroy in office records concerning solved cases 20 years after disposition of case and exhaustion of any appeals.* b) Retain in office records concerning unsolved cases until solved, and then follow disposition instructions in part (a).	Confidentiality: G.S. 132-1.4

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.07 	<p>CASE FILE: MISDEMEANORS Includes investigative reports, complaint reports, fingerprint cards, original arrest reports, copies of warrants, special expenditure reports, statements of seized and returned property, interview sheets, case status reports, photographs, court orders, correspondence, officer’s notes, court dispositions, audio or video recordings, and other related records.</p>	<ul style="list-style-type: none"> a) Destroy in office records concerning solved malicious misdemeanor cases 3 years after disposition of case and exhaustion of any appeals.* b) Retain in office records concerning unsolved malicious misdemeanor cases until solved, and then follow disposition instructions in part (a). c) Destroy in office records concerning all misdemeanor cases not covered in (a) or (b) after 3 years.* 	Confidentiality: G.S. 132-1.4
20.08 	<p>COMMUNICATION RECORDS Recordings, printouts, and logs of telephone, radio, dispatch, 911 emergency calls or texts, and computer aided dispatch (CAD) systems incoming and/or outgoing communications. Includes time and date of call, contents of call, location of call, name of unit sent to scene, and other related information.</p> <p>SEE ALSO: PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, 911 Communication Records and Recordings AND Dispatch Records and Recordings.</p>	<ul style="list-style-type: none"> a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office after 30 days if not made part of a case file. 	Confidentiality: G.S. 132-1.4

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.09 	COMPLAINTS Records concerning complaints to which a unit responded. Includes logs listing name and address of victim, time, date, nature of complaint, responding officer's name, action taken, and other related information.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office 3 years after resolution if not made part of a case file.	Confidentiality: G.S. 132-1.1(a)
20.10	COMPOSITE INTERVIEWS Summaries of interviews used to determine the physical description of suspects.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____	
20.11 	CRIME ANALYSIS RECORDS Records used to anticipate, prevent, or monitor possible criminal activity. Includes crime reports, photographs, complaints, copies of citations, criminal profile information, and interoffice memoranda generated or accumulated in connection with investigations or directed patrols.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.4 G.S. 132-1.7(a2) Authority/ Confidentiality/ Retention 28 CFR 23.20

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.12 	<p>DETENTION FACILITY INCIDENT REPORTS Detention facility incident reports. Include narratives of incidents, lists of those involved, statements and interview reports, inmates’ refusal of medical treatment, inmates’ refusal to press charges, and other related records.</p> <p>SEE ALSO: GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Litigation Case Records (STANDARD 6: LEGAL RECORDS).</p>	<p>c) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>d) Destroy in office after 3 years if not made part of a case file.*</p>	Confidentiality: G.S. 132-1.1(a)
20.13	<p>DETENTION FACILITY OPERATIONAL RECORDS Records concerning all activities occurring during shifts at detention facilities. Includes end of duty (shift change reports, key and radio control lists, equipment and inmate/non-inmate housing check lists, cell inspection reports, laundry exchange and controlled property lists, tour reports, etc.) and inmate accountability (rosters, commitment and release reports, cell locations, etc.) records.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____</p>	
20.14	<p>DETENTION FACILITY PHYSICAL FORCE RECORDS Reports made by any officer or employee of a detention facility who applies physical force to an inmate or arrestee.</p>	Destroy in office after 3 years.*	

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.15	<p>DIVISION OF CRIMINAL INFORMATION AND NATIONAL CRIME INFORMATION CENTER (DCI-NCIC) ENTRIES</p> <p>Records and logs listing entries and inquiries made against DCI-NCIC networks and concerning missing persons, wanted persons, stolen vehicles or other property, and other related topics.</p>	Destroy in office 1 year after period covered by audit.*	Authority: 28 USC 534
20.16	<p>DIVISION OF CRIMINAL INFORMATION AND NATIONAL CRIME INFORMATION CENTER (DCI-NCIC) VALIDATION RECORDS</p> <p>Requests and proofs of verification for DCI-NCIC or other law enforcement information networks.</p>	Destroy in office after 1 year.*	Authority: 28 USC 534
20.17	<p>DNA SAMPLING RECORDS</p> <p>Records documenting the collection of DNA samples from persons for qualifying offenses. Includes copies of judgments. Original samples are forwarded to the State Crime Lab.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office 1 year from date sample was obtained if not made part of a case file.</p>	Authority: G.S. 15A-266.8

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.18 	DOMESTIC VIOLENCE RECORDS Restraining orders and related records.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office after expiration of restraining order if not made part of a case file.	Confidentiality: G.S. 132-1.4
20.19	DRUG AND ALCOHOL TESTING RECORDS Records and reports generated when individuals suspected of being under the influence of or impaired by illegal drugs or alcohol are chemically tested. Includes reports used for persons arrested for driving while impaired by alcohol and/or drugs and breathalyzer analysis reports. SEE ALSO: Laboratory Case Records, below.	a) Transfer original Driving While Impaired (DWI) reports to county Clerk of Superior Court’s office. b) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors c) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____	

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES


ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.20 	ELECTRONIC RECORDINGS OF INTERROGATIONS Electronic recordings generated by audio and/or video recording devices of custodial interrogations in an investigation of a juvenile or any person in a criminal investigation.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____	Authority: G.S. 15A-211 Confidentiality: G.S. 7B-3001(b) G.S. 132-1.4A
20.21 	FIELD OBSERVATIONS Records concerning field observations of suspicious persons or vehicles. Includes subject’s name, address, and physical description; date, time, and location of occurrence; reason for stop; name of officer conducting interview; and other related information.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office when reference value ends if not made part of case file.± Agency Policy: Destroy in office after _____	Confidentiality: G.S. 132-1.4

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.22	<p> FINGERPRINT CARDS Records used to verify a subject's identity. Includes fingerprints and all necessary information required to identify an individual. Also includes records of latent finger and palm prints that were found at the scene of a crime without identification of suspects</p> <p><i>Original fingerprint records are forwarded to the State Bureau of Investigation.</i></p> <p>SEE ALSO: Juvenile Case History Identification Records, below.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office after 3 years if not made part of case file.</p>	<p>Confidentiality: G.S. 132-1.4</p> <p>Authority: G.S. 15A-502</p>
20.23	<p>FORCIBLE ENTRY RECORDS Records concerning forcible entries made by law enforcement personnel.</p>	Destroy in office after 1 year.	
20.24	<p>FUGITIVE WARRANTS CASE RECORDS Records concerning fugitive warrants sent to a department from another jurisdiction requesting assistance in finding an individual. Includes fugitive profile and warrant.</p>	<p>Destroy in office when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.25 	<p>IDENTIFICATION PHOTOGRAPHS Photographs (mugshots) of persons arrested in association with formal investigations. Also includes driver's license photos or negatives.</p> <p>SEE ALSO: Juvenile Case History Identification Records, below.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office after 3 years if not made part of a case file.</p>	Confidentiality: G.S. 132-1.4
20.26	<p>INCIDENT RESPONSE REPORTS Reports completed by officers responding to incidents. Includes victim, suspect, and witness information; damaged and stolen property reports; statement sheets; Miranda waiver forms; and other related records.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office when reference value ends if not made part of case file.±</p> <p>Agency Policy: Destroy in office after _____</p>	Confidentiality: G.S. 132-1.4
20.27	<p>INMATE CLASSIFICATION RECORDS Records concerning classification information gathered by the detention facility while inmates are incarcerated. Also includes incident reports, behavioral or disciplinary reports, interviews, classification level assigned, requested housing moves, and other related records.</p>	Destroy in office 3 years after inmate is released or transferred from the facility.*	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.28	INMATE COMMITMENT RECORDS Copies of judgment and commitment papers received from the Clerk of Superior Court's office used to validate time spent incarcerated.	Destroy in office when reference value ends.± Agency Policy: Destroy in office after _____	
20.29	INMATE DEATH REPORTS Reports filed by office upon the death of an inmate. A report must be sent to the county health director and N.C. Department of Health and Human Services, within five days of the death.	Destroy in office after 3 years.*	Authority: G.S. 153A-224(b)
20.30	INMATE FINANCIAL RECORDS Records concerning individual inmate funds maintained by a detention facility for use by the inmate while incarcerated. Includes balance sheets listing inmate's name and number, amount of funds, dates of deposits and withdrawals, and other related information.	Destroy in office 3 years after inmate is released or transferred from the facility.*	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.31 	INMATE GRIEVANCE RECORDS Records concerning grievances filed by inmates and actions taken.	a) If legal action is taken and case adjudicated, destroy in office 5 years after final disposition. b) If legal action is taken and case non-adjudicated (out-of-court claims), destroy in office 5 years after final disposition or expiration of relevant statute of limitations. c) Destroy remaining records in office 3 years after inmate is released or transferred from the facility.*	Confidentiality: G.S. 132-1.1(a)
20.32	INMATE MAIL, TELEPHONE, OR VISITOR RECORDS Records concerning telephone calls and mail sent and received by inmates and individuals visiting inmates confined in county or municipal detention facilities. Includes logs listing inmate's name, date and time of call or mail, visitor's signature and address, and other related information.	Destroy in office after 1 year.*	
20.33	INMATE MEAL RECORDS Records concerning the planning and scheduling of inmate meals. Includes food service daily shift reports, daily meal sheets, food order forms, kitchen checklists, lists of inmates receiving meals and other related records. File also includes records concerning requests for special diets made by inmates.	Destroy in office after 3 years.*	Retention: 10A NCAC 14J .1723

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES




ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.34	 <p>INMATE MEDICAL RECORDS Records concerning medical examinations, diagnoses, and treatments of inmates. Includes medical information sheets and screening forms, medical histories as provided by inmate, receipt and/or release forms for medications and medical articles, laboratory and x-ray reports, blood pressure records, sick bay transfer forms, special diet authorizations, psychological evaluation forms, suicide watch sheets, progress notes, health assessment forms, dental forms, doctors' orders, transportation records to outside clinics or hospitals, and other related records. May also include authorization records for release of medical information to detention facility staff, informed consent forms, refusal of treatment forms, and release of financial responsibility forms.</p> <p>SEE ALSO: Juvenile Detention Records, below.</p>	Destroy in office 10 years after inmate's release or parole.	Confidentiality: G.S. 8-53 45 CFR 164.502
20.35	<p>INMATE PERSONAL IDENTIFICATION RECORDS Records concerning changes to be made to an inmate's incarceration file. Includes personal identification changes, superior court calendar, long form dismissals and other related records.</p>	Destroy in office 30 days after receipt.*	

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES



ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.36	INMATE RESEARCH REQUESTS Requests filed by inmates seeking use of a facility’s law library or similar collection containing research materials.	Destroy in office 1 year from date of request.	
20.37 	JUVENILE CASE FILES Includes incident and arrest reports, detention orders, disposition instructions, name and address of person having legal and/or physical custody of child, correspondence with county, municipal, or state juvenile services, and other related records.	a) Destroy in office records when juvenile reaches 21 years of age if adjudicated for an offense that would have been a Class A, B1, B2, C, D, or E felony if committed by an adult. b) Destroy in office records related to all other cases when juvenile reaches 18 years of age.	Confidentiality: G.S. 7B-3001(b) Retention:
20.38 	JUVENILE CASE HISTORY IDENTIFICATION RECORDS Includes fingerprints and photographs.	a) Transfer to the State Bureau of Investigation and Federal Bureau of Investigation. b) Destroy in office agency copies when reference value ends.*± Agency Policy: Destroy in office after _____	Confidentiality/ Retention: G.S. 7B-2102
20.39 	JUVENILE DETENTION RECORDS Records concerning medical and non-medical information gathered on juvenile inmates held in county or municipal detention facilities.	a) Destroy in office medical records when juvenile reaches 30 years of age. b) Destroy in office non-medical records when juvenile reaches 18 years of age.	Confidentiality: G.S. 7B-3001(b)

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.40 	LABORATORY CASE RECORDS Records concerning cases examined in a crime laboratory; includes reports, notes, charts, and other related records	Retain in office permanently.	Confidentiality: G.S. 132-1.4
20.41 	LAW ENFORCEMENT AUDIO AND VIDEO RECORDINGS Tapes and digital recordings generated by mobile and fixed audio and video recording devices. Does not include Electronic Recordings of Interrogations, above.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office after 30 days if not made part of a case file.	Confidentiality: G.S. 132-1.4A G.S. 153A-98
20.42	MULTIPLE FIREARMS SALES REPORTS Reports received from dealers reporting the sale of multiple firearms.	Destroy in office when reference value ends, but within 20 days after receipt.± Agency Policy: Destroy in office after _____	Retention: 18 USC 923(g)(3)(b)
20.43	MULTIPLE FIREARMS SALES REPORTS DESTRUCTION RECORDS Records submitted after 6 months to the U.S. Attorney General's Office certifying that all multiple firearm sales reports received from dealers have been destroyed.	Destroy in office after 1 year.	Authority: 18 USC 923(g)(3)(b)

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.44	ORDINANCE VIOLATIONS CITATIONS Citations issued for violations of municipal and county ordinances.	Destroy in office after 3 years.*	
20.45	PAWNSHOP RECORDS Pawnshop cards and property records submitted to municipal and county law enforcement offices.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office after 1 year if not made part of a case file.	Authority: G.S. 66-391
20.46	PERMISSION TO SEARCH RECORDS Authorizations for officers to search property, and if necessary, confiscate property deemed pertinent to an investigation.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office when reference value ends if not made part of a case file.± Agency Policy: Destroy in office after _____	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.47 	PERMITS: CONCEALED WEAPONS AND HANDGUNS Applications and supporting documentation filed to carry concealed weapons or purchase handguns. Includes background checks and other related records.	a) Destroy in office all approved applications after 5 years. b) Destroy in office denied applications and related records 5 years from date of denial or resolution of petition filed with district court, whichever is longer. c) Destroy in office background checks and related records concerning approved applications when permit is issued.	Authority/ Confidentiality: G.S. 14-415.17 G.S. 132-1.4 G.S. 132-1.7
20.48	PRISON RAPE ELIMINATION ACT (PREA) FILE Allegation, investigation, and incident review records documenting investigations into allegations of sexual abuse or sexual harassment.	Destroy in office 6 years after inmate's release.* <i>Retention Note: If a minor is involved in the incident, records should be retained until the minor reaches age 30.</i>	Authority: 28 CFR Part 115
20.49	PRISON RAPE ELIMINATION ACT (PREA) DATA FILE Aggregated data for every allegation of sexual abuse at county or municipal lockups.	Destroy in office after 10 years.	Authority/Retention: 28 CFR Part 115.187 28 CFR 115.189(d)
20.50	PRISONER TRANSPORT RECORD Verification forms completed by receiving party of prisoner patient.	Destroy in office after 1 year.	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.51	PROPERTY RECORDS Records concerning confiscated property, evidence, stolen or recovered property, and unclaimed property. Includes descriptions of property and its value, serial numbers, and other related records. Records may also be filed with original incident report.	Destroy in office 3 years after final disposition of property.	
20.52	PURSUIT LOGS Logs concerning pursuits by law enforcement personnel.	a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors b) Destroy in office after 3 years if not made part of a case file.	
20.53	RIDE-ALONG PROGRAM RECORDS Records concerning a law enforcement ride-along program.	Destroy in office after 3 years.*	
20.54	SEXUAL OFFENDER RECORDS Records concerning sexual offenders living within jurisdiction.	a) Destroy in office records of persons registered in the "Sexually Violent Predator Program" when individual is known dead or after 90 years. b) Destroy in office records of persons registered in the "Sex Offender and Public Protection Program" after court petition and review by the state; or after 30 years or length of court order, whichever is greater; or when individual is known dead.	Authority: G.S. 14-208 Retention: G.S. 14-208.6A

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.55	<p>TRAFFIC ACCIDENT REPORTS Records concerning traffic accidents. Includes general correspondence, property receipts, collision reports, waivers signed by involved parties agreeing to settle damages among themselves, and other related records.</p>	<p>a) Transfer original collision report to the N.C. Division of Motor Vehicles within 10 days of accident.</p> <p>b) Destroy in office after 3 years records concerning accidents not meeting N.C. Division of Motor Vehicles reporting requirements, but for which a report was made.</p> <p>c) Destroy in office duplicate reports when reference value ends.±</p> <p>Agency Policy: Destroy in office after _____</p>	Confidentiality: 18 USC 2721
<p>20.56</p> 	<p>TRAFFIC CITATIONS AND WARNINGS Citations issued to drivers violating motor vehicle and traffic laws. Includes voided citations and warnings that do not require a fine or court appearance.</p>	<p>a) Transfer original citations to county Clerk of Superior Court's office.</p> <p>b) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>c) Destroy remaining records in office after 1 year.</p>	

20. Law Enforcement Records

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 20: LAW ENFORCEMENT RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
20.57	<p>TRESPASS RECORDS Authorizations by property owners, lessees, or managers for law enforcement officers to take action deemed appropriate to remove unauthorized persons and issue trespass warnings.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office 1 year after expiration if not made part of a case file.</p>	<p>Authority: G.S. 14-159.12-13</p>
20.58	<p>VEHICLE TOWING RECORDS Includes recovery authorizations and consent forms completed by owners to have vehicle towed, removed, stored, or left at the scene.</p>	<p>a) If records are made part of a case file, follow disposition instructions for: Case File: Felonies Case File: Misdemeanors</p> <p>b) Destroy in office after 1 year if not made part of a case file.</p>	

20. Law Enforcement Records



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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

21. Tax Records (Municipal)

STANDARD 21: PROGRAM OPERATIONAL RECORDS - TAX RECORDS (FOR MUNICIPALITIES)
 Records received and created by a municipality for the purposes of collecting taxes. For County Tax Administration records, please refer to the separate County Tax Administration Program Schedule.

ITEM #	STANDARD 21: TAX RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
21.01 	ANIMAL LICENSING RECORDS Records concerning the licensing of dogs, cats, and other animals by the municipality. Includes owner and animal information and record of fees paid.	Destroy in office after 3 years.*	Authority: G.S. 160A-212 Confidentiality: G.S. 105-259 G.S. 132-1.1(b) G.S. 132-1.2 G.S. 160A-208.1
21.02	BEER AND WINE TAXES AND RECORDS Records concerning the levy of privilege taxes on beer and wine.	Destroy in office after 3 years.*	Authority: G.S. 105-133.77-79
21.03 	BICYCLE LICENSE PLATE RECORDS Records concerning issuance of license plates for bicycles.	Destroy in office after 1 year.*	Confidentiality: G.S. 105-259 G.S. 132-1.1(b) G.S. 132-1.2 G.S. 160A-208.1

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 21: TAX RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
21.04	<p>DELINQUENT TAXPAYER RECORDS Records concerning taxpayers who have not paid real and personal property taxes due, including unpaid notices.</p> <p>SEE ALSO: Delinquent Taxpayer Records: Advertisement of Tax Liens Against Real Property, below.</p>	Destroy in office after 10 years or 3 years after final settlement or 1 year after released by governing board, whichever comes first.*	
21.05	<p>DELINQUENT TAXPAYER RECORDS: ADVERTISEMENT OF TAX LIENS AGAINST REAL PROPERTY Records concerning the municipal taxation officer's publication in the newspaper of delinquent taxpayer and tax sales notices.</p> <p>SEE ALSO: Delinquent Taxpayer Records, above.</p>	Destroy in office after 10 years.*	Authority: G.S. 105-369
21.06	<p>MOTOR VEHICLE RENTAL TAX RECORDS Records concerning motor vehicle rental tax assessments.</p>	Destroy in office after 3 years.*	
21.07	<p>MUNICIPAL VEHICLE TAX RECORDS Records concerning municipal vehicle taxes levied annually.</p>	Destroy in office after 3 years.*	Authority: G.S. 20-97(b)
21.08	<p>PREPARED FOOD AND BEVERAGE TAX RECORDS Records concerning prepared food and beverage tax assessments.</p>	Destroy in office after 3 years.*	

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES


ITEM #	STANDARD 21: TAX RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
21.09	<p>PRIVILEGE LICENSES, TAXES, AND FEE RECORDS Records concerning the licensing of occupations, businesses, trades, professions, and forms of amusement or entertainment and associated fees and taxes.</p> <p>SEE ALSO: Animal Licensing Records (above), Beer and Wine Taxes and Records (above), Municipal Vehicle Tax Records (above), Taxicab and Limousine Tax Records (below).</p>	Destroy in office after 3 years.*	Authority: G.S. 160A-194
21.10	<p>ROOM OCCUPANCY TAX RECORDS Records concerning the administration of room occupancy tax records for those municipalities who have adopted room occupancy taxes.</p> 	Destroy in office after 3 years.*	Authority: G.S. 160A-215 Confidentiality: G.S. 105-259 G.S. 132-1.1(b) G.S. 132-1.2 G.S. 160A-208.1

21. Tax Records (Municipal)

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 21: TAX RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
21.11 	SCHEDULE "B" LICENSES Receipts of licenses issued by municipality in accordance with Article 2, Schedule B of the Revenue Laws of North Carolina. Applies to privilege licenses issued to attorneys-at-law and other professionals, installment paper dealers, and pawnbrokers.	a) Destroy in office 3 years after close of license tax year stubs or detailed settlement records. b) Destroy in office stubs 1 years after audit if settlement records are kept.	Authority: G.S. 105-41 G.S. 105-83 G.S. 105-88 G.S. 153A-152 G.S. 160A-211 Confidentiality: G.S. 105-259 G.S. 132-1.1(b) G.S. 132-1.2 G.S. 160A-208.1
21.12	TAX ABSTRACTS AND LISTS Records concerning real and personal property in the municipality, based on assessment lists. Includes name and address of taxpayer along with descriptions of property owned and estimated value.	Destroy in office after 10 years or two revaluation cycles.	Authority: G.S. 105-309 G.S. 105-296
21.13	TAX EXEMPT PROPERTY FILE Records concerning property that is exempt from taxation.	Destroy in office 5 years after property exemption has expired or at end of life of structure, whichever comes first.	
21.14	TAX LEDGER CARDS OR SHEETS	Destroy in office 5 years after superseded or obsolete.	

21. Tax Records (Municipal)

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2021 PROGRAM RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES

ITEM #	STANDARD 21: TAX RECORDS		
	RECORDS SERIES TITLE	DISPOSITION INSTRUCTIONS	CITATION
21.15	TAX LEVY/SEIZURE RECORDS Inventory of property taken from property owner by the municipal tax collector to pay back taxes.	a) Destroy in office after 3 years execution forms if levy and sale of personal property is made. If levy and sale are conducted by municipal law enforcement agency, execution forms are to be retained by that agency. b) If levy, seizure, and sale are not made, destroy in office forms when reference value ends.± Agency Policy: Destroy in office after _____	Authority: G.S. 105-366 G.S. 105-367
21.16	TAX LIEN SALES Records concerning sales held to satisfy tax liens.	Destroy in office 10 years after sale.	
21.17	TAX REBATES Records concerning tax rebates given or received.	Destroy in office after 10 years.	
21.18	TAX SCROLLS Records indicating property (real estate and personal) valuation and taxes due.	Destroy in office after 10 years.	
21.19	TAXICAB AND LIMOUSINE TAX RECORDS Records concerning the levy of privilege taxes on taxicabs and limousines.	Destroy in office after 3 years.*	Authority: G.S. 20-97(d)

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MANAGING PUBLIC RECORDS IN NORTH CAROLINA

Q. What is this “records retention and disposition schedule”?

- A.** This document is a tool for the employees of local government agencies across North Carolina to use when managing the records in their offices. It lists records commonly found in agency offices and gives an assessment of their value by indicating how long those records should be retained. This schedule is also an agreement between your agency and the State Archives of North Carolina.

This schedule serves as the inventory and schedule that the State Archives of North Carolina is directed by N.C. Gen. Stat. § 121-5(c) and N.C. Gen. Stat. § 132-8 to provide. It supersedes all previous editions, including all amendments.

Q. How do I get this schedule approved?

- A.** This schedule must be approved by your governing body for use in your agency. That approval should be made in a regular meeting and recorded as an action in the minutes. It may be done as part of the consent agenda, by resolution, or other action.

Q. Am I required to have all the records listed on this schedule?

- A.** No, this is not a list of records you must have in your office.

Q. What is “reference value”?

- A.** Items containing “reference value” in the disposition instructions are generally records that hold limited value, which is typically restricted to those documenting routine operations within the office. A minimum retention period should be established by the office for any items containing the phrase “destroy in office when reference value ends” in the disposition instructions.

Q. Do the standards correspond to the organizational structure of my agency?

- A.** Records series are grouped into standards to make it easier for users to locate records and their disposition instructions. You may find that the groupings reflect the organizational structure of your agency, or you may find that records are located in various standards depending on the content of the record. The intent of the schedule’s organization is to provide an easy reference guide for the records created in your agency.

Q. What if I cannot find some of my records on this schedule?

- A.** Sometimes the records are listed in a different standard than how you organize them in your office. Be sure to check the Index and utilize the search function on the PDF version of the schedule to facilitate the location of records series. If you still cannot locate your records on the schedule, contact a Records Management Analyst. We will work with you to amend this records schedule so that you may destroy records appropriately. The Request for Change in Records Schedule form (see page A-17) can be used for such requests.

Q. What are public records?

- A.** The *General Statutes of North Carolina*, Chapter 132, provides this definition of public records:
- “Public record” or “public records” shall mean all documents, papers, letters, maps, books, photographs, films, sound recordings, magnetic or other tapes, electronic data-processing records, artifacts, or other documentary material, regardless of physical form or

characteristics, made or received pursuant to law or ordinance in connection with the transaction of public business by any agency of North Carolina government or its subdivisions. Agency of North Carolina government or its subdivisions shall mean and include every public office, public officer or official (state or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the state or of any county, unit, special district or other political subdivision of government.

Q. Is any person allowed to see my records?

- A.** Yes, except as restricted by specific provisions in state or federal law. N.C. Gen. Stat. § 132-6 instructs:

“Every custodian of public records shall permit any record in the custodian’s custody to be inspected and examined at reasonable times and under reasonable supervision by any person, and shall, as promptly as possible, furnish copies thereof upon payment of any fees as may be prescribed by law. ... No person requesting to inspect and examine public records, or to obtain copies thereof, shall be required to disclose the purpose or motive for the request.”

Q. What about my confidential records?

- A.** Not all government records are open to public inspection. Exceptions to the access requirements in N.C. Gen. Stat. § 132-6 and the definition of public records in N.C. Gen. Stat. § 132-1 are found throughout the General Statutes. You must be able to cite a specific provision in the General Statutes or federal law when you restrict or deny access to a particular record.

Q. Am I required to make available to the public copies of drafts that have not been approved?

- A.** Yes, even if a report, permit, or other record has not been finalized, it is still a public record subject to request. Any record that is not confidential by law must be provided when a request is received, whether it is “finished” or not.

Q. What do I do with permanent records?

- A.** Permanent records should be maintained in the office that created the records, forever.

The Department of Natural and Cultural Resources (DNCR) is charged by the General Assembly with the administration of a records management program (N.C. Gen. Stat. § 121-4 (2) and § 132-8.1) and the maintenance of “a program for the selection and preservation of public records considered **essential** to the operation of government and to the **protection of the rights and interests of persons**” (§ 132-8.2). Permanent records with these characteristics require preservation duplicates that are human-readable (paper or microfilm). Some examples of these characteristics include:

- Affect multiple people, without regard to relation
- Have significance over a long span of time
- Document governance
- Document citizenship

Examples of records with these characteristics:

- Minutes of governing bodies at the state and local levels are the basic evidence of our system of governance, and are routinely provided for the public to read.

- Records, such as deeds and tax scrolls, about land document changes in ownership and condition. Counties maintain offices expressly for the purpose of making those records available to the public. Other records in local and state governments document potential public health hazards, such as hazardous materials spills.
- Adoptions, marriages, and divorces document changes in familial relationships and document citizenship. Though adoptions are confidential (not available for public inspection), they document citizenship and changes in inheritance and familial succession.
- Court records, such as wills, estates, and capital cases, affect people within and across family groups, are made available for public inspection, and often involve transactions related to the examples above.

See the Human-Readable Preservation Duplicates policy issued by the North Carolina Department of Natural and Cultural Resources (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines/human-readable-preservation>) and check with a records analyst to determine whether your permanent records require a preservation duplicate.

Q. What is historical value?

- A.** Historical records document significant events, actions, decisions, conditions, relationships, and similar developments. These records have administrative, legal, fiscal, or evidential importance for the government or its citizens. Two criteria for determining historical value are inherent interest and extraordinary documentation:
- Inherent interest is created by non-routine events, by the involvement of famous parties, and by compelling contexts. For instance, foreclosure proceedings from the 1930s have high historical value because they date from the era of the Great Depression.
 - Extraordinary documentation is found in records that shed light on political, public, or social history. For instance, the records from the replevin case that returned the Bill of Rights to North Carolina hold more historical value than most property case files because of the political history intertwined with this case.

SANC has further elaborated selection criteria that help distinguish records with historical value:

- Do they protect the rights and property of citizens?
- Do they have a long-term impact on citizens?
- Do they document the core functions of an agency?
- Do they document high-level decision-making that shapes an agency's policies or initiatives?
- Do they summarize an agency's activities?

Call a Records Management Analyst for further assistance in assessing historical value.

Q. What if I do not have any records?

- A.** Nearly every position in government generates, receives, or uses records. Computer files of any kind, including drafts and e-mail, are public records. Even if your records are not the official or final version, your records are public records. Not all records have high historical, legal, or fiscal value, but they all must be destroyed in accordance with the provisions of the appropriate records schedule.

Q. I have a lot of unsorted records. What's a good first step for getting a handle on these records?

- A.** We encourage you to create a file plan of what records you have. When you create this plan, you can match each record to its placement on this schedule or on the appropriate retention schedule. A sample file plan is available on Page A-21. Having a file plan can help you strategize how to best organize your physical or digital records. A file plan is also useful in disaster planning and scheduling destructions.

Q. May I store our unused records in the basement, attic, shed, etc.?

- A.** Public records are public property. Though we encourage agencies to find places to store records that do not take up too much valuable office space, the selected space should be dry, secure, and free from pests and mold. Your office must ensure that records stored away from your main office area are well protected from natural and man-made problems while remaining readily available to your staff and the public.

Q. Our old records are stored in the attic, basement, or off-site building, etc. Are we required to provide public access to these records?

- A.** Yes, as long as the records are not confidential by law. You should also be aware that confidentiality can expire.

Q. Aren't all our old records at the State Archives of North Carolina?

- A.** Probably not. The State Archives of North Carolina collects only very specific types of records from local government offices. Contact a Records Management Analyst for more information about which records are held or can be transferred to the State Archives of North Carolina for permanent preservation.

Q. I found some really old records. What should I do with them?

- A.** Call a Records Management Analyst. We will help you examine the records and assess their historical value.

Q. Can I give my old records to the historical society or public library?

- A.** Before you offer any record to a historical society, public library, or any other entity, you must contact a Records Management Analyst. Permanent records must be kept either in your offices or at the State Archives of North Carolina.

Q. Whom can I call with questions?

- A.** If you are located west of Statesville, call our Western Office in Asheville at (828) 250-3103. If you are east of Statesville, all the way to the coast, call our Raleigh office at (919) 814-6900.

AUDITS, LITIGATION, AND OTHER OFFICIAL ACTION

Q. Why is there an asterisk in the disposition instructions of so many items on this schedule?

A. No record involved in a pending or ongoing audit, legal, or other official action may be destroyed before that audit or action is resolved.

A legal hold or litigation hold means that records that are the subject of the legal hold or litigation hold must be preserved and thus must not be destroyed until officially released from the hold. A legal hold or litigation hold is placed when either an official discovery order is served on the agency requesting the production of the records in question (for a litigation, regulatory investigation, audit, open records request, etc.) or litigation is pending and the agency is thus on notice to preserve all potentially relevant records. You must also ensure that for a claim or litigation that appears to be reasonably foreseeable or anticipated but not yet initiated, any records (in paper or electronic formats) relevant to such a claim or litigation are preserved and not destroyed until released by your General Counsel. The records in question must not be destroyed until the completion of the action and the resolution of all issues that arise from it regardless of the retention period set forth in this schedule.

We have used an asterisk (*) in the disposition instructions to mark records series that are commonly audited, litigated, or may be subject to other official actions. However, any record has this potential. Records custodians are responsible for being aware of potential actions, and for preventing the destruction of any record that is, or may be reasonably expected to become, involved in an audit, legal, or other official action.

Records used during routine audits may be destroyed when the governing body accepts the audit, if the records have completed the retention period listed in this schedule. If time remains in the retention period, the records must be maintained for the remainder of the period. The auditor's working papers must be kept according to the schedule. (See also GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, Audits: Performance, STANDARD 1: ADMINISTRATION AND MANAGEMENT RECORDS, Audits: Financial, STANDARD 2: BUDGET, FISCAL, AND PAYROLL RECORDS.) Should a dispute arise over an audit, the records that were audited should be retained until that dispute is resolved.

The attorney representing the agency should inform records custodians when legal matters are concluded and records will no longer be needed. Following the conclusion of any legal action, the records may be destroyed if they have met the retention period in the schedule. Otherwise, they should be kept for the remaining time period.

TRANSITORY RECORDS

Transitory records are defined as “record[s] that [have] little or no documentary or evidential value and that need not be set aside for future use.”³

According to North Carolina General Statutes § 121 and § 132, every document, paper, letter, map, book, photograph, film, sound recording, magnetic or other tape, electronic data processing record, artifact, or other documentary material, regardless of physical form or characteristics, made or received in connection with the transaction of public business by any state, county, municipal agency, or other political subdivision of government is considered a public record and may not be disposed of, erased, or destroyed without specific approval from the Department of Natural and Cultural Resources.

The Department of Natural and Cultural Resources recognizes that some records may have little or no long-term documentary or evidential value to the creating agency. These records are often called “transitory records.” The following questions and answers discuss types of transitory records commonly created in state government. They may be disposed of according to the guidance below. However, all public employees should be familiar with the General Records Schedule for Local Government Agencies, their office’s Program Records Retention and Disposition Schedule, and any other applicable guidelines for their office. If any of these documents require a different retention period for these records, follow the longer of the two retention periods. When in doubt about whether a record is transitory, or whether it has special significance or importance, retain the record in question and seek guidance from the analyst assigned to your agency.

Q. What do I do with routing slips, fax cover sheets, “while you were out” slips, memory aids, etc.?

- A.** Routing slips and transmittal sheets adding no information to that contained in the transmitted material have minimal value after the material has been successfully transmitted. These records may be destroyed or otherwise disposed of after receipt of the material has been confirmed.

Similarly, “while you were out” slips, memory aids, and other records requesting follow-up actions (including voicemails) have minimal value once the official action these records are supporting has been completed and documented. Unless they are listed on the General Records Schedule for Local Government Agencies or your office’s Program Records Retention and Disposition Schedule, these records may be destroyed or otherwise disposed of once the action has been resolved.

Q. What about research materials, drafts, and other working papers used to create a final, official record?

- A.** Drafts and working papers are materials, including notes and calculations, gathered or created to assist in the creation of another record. All drafts and working papers are public records subject to all provisions of General Statute § 132, but many of them have minimal value after the final version of the record has been approved, and may be destroyed after final approval, if they are no longer necessary to support the analysis or conclusions of the official record. Drafts and working documents which may be destroyed after final approval include:

- Drafts and working papers for internal and external policies

³ Society of American Archivists, *Dictionary of Archives Terminology*.

- Drafts and working papers for internal administrative reports, such as daily and monthly activity reports
- Drafts and working papers for internal, non-policy-level documents, such as informal workflows and manuals; and
- Drafts and working papers for presentations, workshops, and other explanations of agency policy that are already formally documented.

Q. What if I have forms designed and used solely to create, update, or modify records in an electronic medium?

- A.** If these records are not required for audit or legal purposes, they may be destroyed in office after completion of data entry and after all verification and quality control procedures. However, if the forms contain any analog components that are necessary to validate the information contained on them (e.g. a signature or notary's seal), they should be retained according to the disposition instructions for the records series encompassing the forms' function.

See also the State Archives of North Carolina's guidance on digital signatures found at: <https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines/digital-signature-policy>

DESTRUCTION OF PUBLIC RECORDS

Q. When can I destroy records?

- A.** Each records series listed on this schedule has specific disposition instructions that indicate how long the series must be kept in your office. In some cases, the disposition instructions are “Retain in office permanently,” which means that those records must be kept in your offices forever.
-

Q. How do I destroy records?

- A.** After your agency has approved this records retention and disposition schedule, records should be destroyed in one of the following ways:
- 1) burned, unless prohibited by local ordinance;
 - 2) shredded, or torn so as to destroy the record content of the documents or material concerned;
 - 3) placed in acid vats so as to reduce the paper to pulp and to terminate the existence of the documents or materials concerned;
 - 4) sold as waste paper, provided that the purchaser agrees in writing that the documents or materials concerned will not be resold without pulverizing or shredding the documents so that the information contained within cannot be practicably read or reconstructed.

The provision that electronic records are to be destroyed means that the data, metadata, and physical media are to be overwritten, deleted, and unlinked so that the data and metadata may not be practicably reconstructed.

The data, metadata, and physical media containing confidential records of any format are to be destroyed in such a manner that the information cannot be read or reconstructed under any means.

— N.C. Administrative Code, Title 7, Chapter 4, Subchapter M, Section .0510

Without your agency’s approval of this records schedule, no records may legally be destroyed.

Q. How can I destroy records if they are not listed on this schedule?

- A.** Contact a Records Management Analyst. An analyst will discuss the nature of the records with you to determine if the records have historical value. If the records do have historical value, we will discuss the possibility of transferring the records to the State Archives of North Carolina to be preserved permanently.

If the records do not have historical value, we will ask you to complete a [Request for Disposal for Unscheduled Records](#) form if the records are no longer being created. If the records are an active records series, an analyst will help you develop an amendment to this schedule so that you can destroy the records appropriately from this point forward.

Q. *Am I required to tell anyone about the destructions?*

- A.** We recommend that you report on your records retention activities to your governing board on an annual basis. This report does not need to be detailed, but it is important that significant destructions be entered into the minutes of the Board. See a sample destructions log that follows (and is available online at the State Archives of North Carolina website, <https://archives.ncdcr.gov/government/rm-tools>).

ELECTRONIC RECORDS: E-MAIL, BORN-DIGITAL RECORDS, AND DIGITAL IMAGING

Q. When can I delete my e-mail?

A. E-mail is a public record as defined by N.C. Gen. Stat. § 121-5 and N.C. Gen. Stat. § 132. Electronic mail is as much a record as any paper record and must be treated in the same manner. **It is the content of each message that is important.** If a particular message would have been filed as a paper memo, it should still be filed (either in your e-mail program or in your regular directory structure), and it should be retained the same length of time as its paper counterparts. **It is inappropriate to destroy e-mail simply because storage limits have been reached.** Some examples of e-mail messages that are public records and therefore covered by this policy include:

- Policies or directives;
- Final drafts of reports and recommendations;
- Correspondence and memoranda related to official business;
- Work schedules and assignments;
- Meeting agendas or minutes
- Any document or message that initiates, facilitates, authorizes, or completes a business transaction; and
- Messages that create a precedent, such as issuing instructions and advice.

*From the Department of Cultural Resources E-Mail Policy (Revised July 2009),
available at the State Archives of North Carolina website*

Other publications (available online at the [State Archives of North Carolina website](#)) that will be particularly helpful in managing your e-mail include tutorials on managing e-mail as a public record and on using Microsoft Exchange.

Q. May I print my e-mail to file it?

A. We do not recommend printing e-mail for preservation purposes. Important metadata are lost when e-mail is printed.

Q. I use my personal e-mail account for work. No one can see my personal e-mail, right?

A. The best practice is to avoid using personal resources, including private e-mail accounts, for public business. N.C. Gen. Stat. § 132-1 states that records “made or received pursuant to law or ordinance *in connection with the transaction of public business* by any agency of North Carolina government or its subdivisions” are public records (emphasis added). The fact that public records reside in a personal e-mail account is irrelevant.

Q. We have an imaging system. Are we required to keep the paper?

- A.** You may scan any record, but you will need to receive approval from the Government Records Section in order to destroy paper originals that have been digitized. Your agency must develop an electronic records policy and then submit a Request for Disposal of Original Records Duplicated by Electronic Means. You can find these templates in the Digital Imaging section of the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines#digital-imaging>). Contact a Records Management Analyst for further instructions on how to develop a compliant electronic records policy.

Permanent records must have a security preservation copy as defined by State Archives of North Carolina's [Human-Readable Preservation Duplicate Policy](#) (N.C. Gen. Stat. § 132-8.2):

Preservation duplicates shall be durable, accurate, complete and clear, and such duplicates made by a photographic, photo static, microfilm, micro card, miniature photographic, or other process which accurately reproduces and forms a durable medium for so reproducing the original shall have the same force and effect for all purposes as the original record whether the original record is in existence or not. ... Such preservation duplicates shall be preserved in the place and manner of safekeeping prescribed by the Department of Natural and Cultural Resources.

The preservation duplicate of permanent records must be either on paper or microfilm.

Non-permanent records may be retained in any format. You will need to take precautions with electronic records that you must keep more than about 5 years. Computer systems do not have long life cycles. Each time you change computer systems, you must convert all records to the new system so that you can assure their preservation and provide access.

Q. Computer storage is cheap. Can I just keep my computer records permanently?

- A.** The best practice is to destroy all records that have met their retention requirements, regardless of format.

Q. What are the guidelines regarding the creation and handling of electronic public records, including text messages and social media?

- A.** There are numerous documents available on the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/digital-records/digital-records-policies-and-guidelines>). Topics covered include shared storage, cloud computing, e-discovery, trustworthy digital public records, digital signatures, e-mail, social media, text messages, websites, digital imaging, metadata, file formats, database indexing, and security backups.

Note that e-mail, text messages, and social media should be handled according to their content. Therefore, this schedule does not include a records series that instructs you on how to handle one of these born-digital records by format; instead of focusing on how the information is disseminated, consider what content is contained in the e-mail, text message, or social media post. For instance, an e-mail requesting leave that is sent to a supervisor should be kept for 3 years. On the General Records Schedule: Local Government Agencies, see Leave Records (Standard 4: HUMAN RESOURCES RECORDS).

GEOSPATIAL RECORDS

Q. Why should geographic information system (GIS) datasets be retained and preserved?

- A.** Geospatial records are public records and need to be retained and preserved based on their legal, fiscal, evidential and/or historical value according to an established retention schedule. Local agencies involved in GIS operations should work with the State Archives of North Carolina in order to appraise, inventory, and preserve their geospatial records according to established best practices and standards to insure both their short- and long-term accessibility.

Due to the complexity and transitory nature of these records, geospatial records retention and long-term preservation is a community-wide challenge. GIS files have become essential to the function of many local agencies and will continue to frequently be utilized in agency decision-making processes in the near and far future. Accessibility of GIS records over time has legal, fiscal, practical, and historical implications. The availability of GIS records can help safeguard the local government's legal and fiscal accountability and aid agencies in conducting retrospective and prospective studies. These studies are only possible when essential data from the past are still available.

Q. What GIS datasets should be preserved by local governments?

- A.** The following types of geospatial records have been designated as having archival value:
- Parcel data
 - Street centerline data
 - Corporate limits data
 - Extraterritorial jurisdiction data
 - Zoning data, address points
 - Orthophotography (imagery)
 - Utilities
 - Emergency/E-911 themes

For more information, see **GENERAL RECORDS SCHEDULE: LOCAL GOVERNMENT AGENCIES, STANDARD 3: GEOGRAPHIC INFORMATION SYSTEM (GIS) RECORDS.**

Q. How often should we capture the datasets retained for their legal, fiscal, evidential or historical value?

- A.** Consult the retention schedule for frequency of capture. The frequency of capture is based on the significance of the record as well as its alterability.

Q. *What data formats, compression formats, and media should be used to preserve the data?*

- A.** Archiving practices should be consistent with North Carolina Geographic Information Coordinating Council (GICC) approved standards and recommendations. (Examples: Content Standards for Metadata; Data Sharing Recommendations). Consult the GICC website at <https://it.nc.gov/about/boards-commissions/gicc>.

You should also comply with guidelines and standards issued by the State Archives of North Carolina, which are available on its website.

Q. *Who should be responsible for creation and long-term storage of archived data?*

- A.** The creating agency, NCOneMap, and the State Archives of North Carolina may all have responsibility for archiving data. If you choose to upload your data to NCOneMap, consult with your county's GIS department to determine whether data will be uploaded by your agency or by the whole county. If you choose not to upload your data to NCOneMap, your agency must comply with standards (for metadata, file naming, data sharing, and long term preservation) and procedures adopted by the North Carolina Geographic Information Coordinating Council.

SECURITY PRESERVATION COPIES OF RECORDS

Q. What is the advantage to having security preservation copies of records stored with the State Archives?

- A.** Having duplicate copies of essential records in a separate location mitigates the risk that you may lose the only physical copy of a given record in a disaster or other records loss event. Maintaining offsite duplicates of records, regardless of format, is a good practice to adopt.

The State Archives creates duplicate copies on microfilm because of the durability of the medium. Silver negative microfilm does not decay for hundreds of years, ensuring that your records maintain their integrity over time.

Q. What records will the State Archives back up for us?

- A.** The State Archives provides security imaging services for minutes of major decision-making boards and commissions. We will also image records of adoptions for Social Services agencies as well as maps and plats from Registers of Deeds offices. Once those records are imaged, they are converted to security microfilm. We will store the silver negative (original) microfilm in our security vault. Contact the Records Management Analyst in charge of imaging coordination for the most current information.
-

Q. How do I start the process of backing up the above listed records?

- A.** We have three processes for creating backup film copies of these records. First, you can send photocopies of your approved minutes to us in the mail. Simply include a copy of the **Certification of the Preparation of Records for Security Preservation Copy** form (available online at the [State Archives of North Carolina website](#)) with each shipment. For more detailed instructions, contact a Records Management Analyst.

Secondly, you can bring us your original books. We will film them and return them to you. This process is most useful when you have more minutes to film than you are willing to photocopy. It is important to remember that a representative of your office or ours must transport the original books in person so that the custody of the records is maintained. You should not mail or ship your original minutes. Contact the Records Management Analyst in charge of imaging coordination to schedule an appointment for your books to be imaged. We will make every effort to expedite the filming so that your books will be returned to you as quickly as possible.

Finally, you can submit these records to the State Archives electronically. Please see our procedures in "[Transfer of Minutes in Digital Formats for Microfilming](#)" or contact the Records Management Analyst in charge of imaging coordination for more information.

Q. In the event of a records loss, how do I obtain copies of the security preservation copies stored at the State Archives?

- A.** Contact the Records Management Analyst in charge of imaging coordination who will help you purchase copies of the microfilm from our office. You can then send those reels to a vendor who can either make new printed books or scan the film to create a digital copy.

Q. Can I obtain digital copies of the security preservation records?

- A.** Yes, you can request digital copies of records when you submit them to the State Archives for initial reproduction. Contact the Records Management Analyst in charge of imaging coordination to initiate a request for digital duplicates.

DISASTER ASSISTANCE

Q. What should I do in case of fire or flood?

- A.** Secure the area, and keep everyone out until fire or other safety professionals allow entry. Then, call our Raleigh office at (919) 814-6903 for the Head of the Government Records Section or (919) 814-6849 for the Head of the Collections Management Branch. If you're in the western part of the state, call our Asheville Office at (828) 250-3103. On nights and weekends, call your local emergency management office.

DO NOT ATTEMPT TO MOVE OR CLEAN ANY RECORDS.

Damaged records are extremely fragile and require careful handling. Our staff are trained in preliminary recovery techniques, documenting damage to your records, and authorizing destruction of damaged records. Professional vendors can handle larger disasters.

Q. What help do you give in case of an emergency?

- A.** We will do everything we can to visit you at the earliest opportunity in order to provide hands-on assistance. We can assist you in appraising the records that have been damaged so that precious resources (and especially time) are not spent on records with lesser value. We can provide lists of professional recovery vendors that you can contact to preserve your essential and permanent records.
-

Q. What can I do to prepare for an emergency?

- A.** We provide training on disaster preparation that includes a discussion of the roles of proper inventories, staff training, and advance contracts with recovery vendors. If you would like to have this workshop presented, call a Records Management Analyst.
-

Q. What are essential records?

- A.** Essential records are records that are necessary for continuity of operations in the event of a disaster. There are two common categories of records that are considered essential:
- **Emergency operating records** – including emergency plans and directives, orders of succession, delegations of authority, staffing assignments, selected program records needed to continue the most critical agency operations, as well as related policy or procedural records.
 - **Legal and financial rights records** – these protect the legal and financial rights of the Government and of the individuals directly affected by its activities. Examples include accounts receivable records, Social Security records, payroll records, retirement records, and insurance records. These records were formerly defined as “rights-and-interests” records.

Essential records should be stored in safe, secure locations as well as duplicated and stored off-site, if possible.

STAFF TRAINING

Q. What types of workshops or training do you offer?

- A.** We have a group of prepared workshops that we can offer at any time at various locations throughout the state. Contact a Records Management Analyst if you are interested in having one of the workshops presented to your agency. We will work with you directly to develop training suited to your specific needs. Our basic workshops are:
- Managing public records in North Carolina
 - Disaster preparedness and recovery
 - Digital communications

Q. Will you design a workshop especially for our office?

- A.** Yes, we will. Let a Records Management Analyst know what type of training you need.

Q. Are workshops offered only in Raleigh?

- A.** No, we will come to your offices to present the workshops you need. We have no minimum audience requirement. We will also do presentations for professional associations, regional consortiums, and the public.

To arrange a workshop, please call the State Records Center at 919-814-6900 or contact a Records Management Analyst (<https://archives.ncdcr.gov/government/local/analysts>).

Q. Is there a fee for workshops?

- A.** Not at this time.

Q. Are the workshops available in an online format?

- A.** We can offer a virtual workshop for your agency upon request. For descriptions of available webinars, see <https://archives.ncdcr.gov/government/training/webinars>. You can also find several online tutorials available on the State Archives of North Carolina website (<https://archives.ncdcr.gov/government/training/online-tutorials-and-resources>).



Request for Change in Local Government Records Schedule

Use this form to request a change in the records retention and disposition schedule governing the records of your agency. Submit the signed original and keep a copy for your file. A proposed amendment will be prepared and submitted to the appropriate state and local officials for their approval and signature. Copies of the signed amendment will be sent to you for insertion in your copy of the schedule.

AGENCY INFORMATION

Requestor name

Location and Agency [e.g., County/Municipality + Department of Social Services]

Phone and e-mail

Mailing Address

CHANGE REQUESTED

Specify title and edition of records retention schedule being used: _____

- Add a new item
- Delete an existing item Standard Number _____ Page _____ Item Number _____
- Change a retention period Standard Number _____ Page _____ Item Number _____

Title of Records Series in Schedule or Proposed Title:

Inclusive Dates of Records:

Proposed Retention Period:

Description of Records:

Justification for Change:

Requested by:

Signature

Title

Date

Approved by:

Signature

Requestor's Supervisor

Date



Request for Disposal of Unscheduled Records

AGENCY INFORMATION

Requestor name

Location and Agency [e.g., County/Municipality + Department of Social Services]

Phone and e-mail

Mailing Address

In accordance with the provisions of N.C. GEN. STAT. § 121 and § 132, approval is requested for the destruction of records listed below. These records have no further use or value for official administrative, fiscal, historical, or legal purposes.

RECORDS TITLE AND DESCRIPTION	INCLUSIVE DATES	QUANTITY	RELEVANT STATUTORY REGULATIONS	PROPOSED RETENTION PERIOD

Requested by:

Signature Title Date

Approved by:

Signature Requestor's Supervisor Date

Concurred by:

Signature Assistant Records Administrator State Archives of North Carolina Date

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AGENDA ITEM 9:

MISCELLANEOUS ADMINISTRATIVE MATTERS

C. American Rescue Plan Act (ARPA)

- 1. Resolution for Accepting ARPA Funds***
- 2. Grant Project Ordinance Establishment & Maintenance of the American Rescue Plan***

MANAGER'S COMMENTS:

The Board previously accepted the ARPA funds, however the enclosed resolution is required to officially adopt the funds.

Board action is required to adopt the resolution as presented.

Additionally, in the Watauga County Grant Project Ordinance Establishment and Maintenance of the American Rescue Plan that was previously adopted the word grant was omitted and is required.

Board action is required to adopt the Watauga County Grant Project Ordinance Establishment and Maintenance of the American Rescue Plan as presented.

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

**WATAUGA COUNTY RESOLUTION FOR ACCEPTING
AMERICAN RESCUE PLAN ACT FUNDS**

WHEREAS, the County of Watauga is eligible for funding from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (CSLRF); and

WHEREAS, the County of Watauga will directly receive funding from the U.S. Department of the Treasury; and

WHEREAS, before receiving a payment, the Board of Commissioners is required to formally accept the CSLRF funds; and

WHEREAS, revenue received under the CSLRF must only be spent for purposes authorized by the CSLRF, and applicable regulations, and by state law; and

WHEREAS, revenue received under the CSLRF must be accounted for in a separate fund and not co-mingled with other revenue for accounting purposes; and

WHEREAS, the County of Watauga must comply with all applicable budgeting, accounting, contracting, reporting, and other compliance requirements for CSLRF funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Watauga County that we do hereby accept and request CSLRF funding to be distributed by the U.S. Department of the Treasury; and

FURTHER RESOLVED that Watauga County affirms that the CSLRF revenue will only be used for the purposes prescribed in the CSLRF, and in US Treasury guidance in 31 CFR, Part 35, and any applicable regulations, and in accordance with state law; and

FUTHER RESOLVED that Watauga County will comply with procedures created by the North Carolina General Assembly and the US Department of the Treasury to receive funds under the act; and

FURTHER RESOLVED that Watauga County will account for CSLRF in a separate fund and not co-mingle it with other revenues for accounting purposes and will comply with all applicable federal and state budgeting, accounting, contracting, reporting, and other compliance requirements for CSLRF funds; and

FURTHER RESOLVED that the Board of Commissioners of Watauga County designates and directs the County Manager, County Attorney, Chairman and County Finance Officer to take all actions necessary on behalf of the Board of Commissioners to receive the CSLRF funds.

ADOPTED this the 7th day of December, 2021.

ATTEST:

Anita J. Fogle, Clerk to the Board

John Welch, Chairman
Watauga County Board of Commissioners

STATE OF NORTH CAROLINA

WATAUGA COUNTY

**Watauga County Grant Project Ordinance
Establishment and Maintenance of the American Rescue Plan**

BE IT ORDAINED by the Watauga County Board of Commissioners, pursuant to Section 13.2 of Chapter 159 of the general statutes of North Carolina, the following Grant Project Ordinance is hereby adopted:

Section 1. The ordinance is to establish a budget for a project to be funded by the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (CSLRF). The Finance Director is hereby directed to account for all American Rescue Plan receipts by means of a grant project fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes. Funds from American Rescue Plan may be expended only for those authorized in the American Rescue Plan Act and in accordance with subsequent guidance from the US Treasury and the NC Local Government Commission.

Section 2. The Grant Project Ordinance expires on December 31, 2016, or when all the CSLRF funds have been obligated and expended by the County, whichever occurs sooner.

Section 3. The following anticipated revenues and appropriations are hereby adopted for the American Rescue Plan Grant Project Fund:

U.S. Treasury	\$10,911,724
Total revenues	\$10,911,724
Reserve for ARP Authorized Expenditures	\$10,911,724
Total expenditures	\$10,911,724

Section 4. The Finance Director is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements.

Section 5. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, to the Budget Officer and to the Finance Director for direction in carrying out this project.

ADOPTED this 7th day of December, 2021.

John Welch, Chairman
Watauga County Board of Commissioners

ATTEST:

Anita J. Fogle
Clerk to the Board

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AGENDA ITEM 9:

MISCELLANEOUS ADMINISTRATIVE MATTERS

D. Boards and Commissions

MANAGER'S COMMENTS:

Nursing Home Community Advisory Committee

Ms. Wanda Branch has resigned from the Nursing Home Community Advisory Committee. This position requires Board approval to officially remove Ms. Branch from the Committee. A replacement has not been recommended at this time.



DEPARTMENT OF HEALTH AND HUMAN SERVICES
 DIVISION OF AGING AND ADULT SERVICES
 OFFICE OF THE STATE LONG-TERM CARE OMBUDSMAN

**NOTIFICATION REQUESTING REMOVAL OF
 COMMUNITY ADVISORY COMMITTEE MEMBER(S)**

TO: Clerk/County Manager: Anita Fogle
FROM: Stevie John, **Regional Ombudsman** **Region: D**
Volunteer Name: Wanda Branch **County Served:** Watauga
Date: November 24, 2021
County Committee Assignment: **Adult Care Home** **Nursing Home** **Joint**
Date of Appointment: 01/2019

Reason for Request Summary: Requested to be removed

COVID-19 Related: YES NO

Volunteers are a vital part of the services that support older adults in your county. However, the volunteer indicated above has been de-designated by the Office of the State Long-Term Care Ombudsman and is no longer eligible for continued service for the following reason:

___ Conflict of Interest

1. G.S. 131 E-128 (f) Nursing Home
2. G.S. 131 D-31 (g) Adult Care Home
3. 45 CFR §1324.21

___ Failure to attend required on-going training or complete required orientation and training.

1. G.S. 131 E- 128 (g) Nursing Home
2. G.S. 131 D- 31 (h) Adult Care Home

Dates offered: _____

__3__ Other (Non-attendance at quarterly meetings and facility visits)

1. As determined by the Long-Term Care Ombudsman Program Policies and Procedures
2. As determined by the committee by-laws
3. As determined by resignation of the member
4. As determined by removal of designation by the Office of the State Long-Term Care Ombudsman
5. Expiration of term
6. Committee member is deceased

This is an official notification to the Board of Commissioners to remove named individual from service on the above-mentioned committee (HB 248, July 2017). Should you have any questions, please contact Stevie John, **Regional Ombudsman**, 828-265-5434 Ext 126. Thank you in advance for your prompt attention to this matter.

468 New Market BLVD, Boone, NC 28607
 Phone: 828-265-5434 Fax: 828-475-1525

AGENDA ITEM 9:

MISCELLANEOUS ADMINISTRATIVE MATTERS

E. Announcements

MANAGER'S COMMENTS:

Due to the ongoing COVID pandemic, the Annual County Christmas Luncheon has been cancelled.

AGENDA ITEM 10:

PUBLIC COMMENT

AGENDA ITEM 11:

BREAK

AGENDA ITEM 12:

CLOSED SESSION

Attorney/Client Matters, per G. S. 143-318.11(a)(3)

AGENDA ITEM 13:

POSSIBLE ACTION AFTER CLOSED SESSION