

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

**TUESDAY, FEBRUARY 20, 2024
5:30 P.M.**

**WATAUGA COUNTY COMMUNITY RECREATION CENTER
COMMUNITY ROOM
231 Complex Drive, Boone, North Carolina**

TIME	#	TOPIC	PRESENTER	PAGE
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: February 6, 2024, Regular Meeting February 6, 2024, Closed Session		1
	3	APPROVAL OF THE FEBRUARY 20, 2024, AGENDA		13
5:35	4	PUBLIC COMMENT – Will last up to 1-hour dependent on number of speakers	CHAIRMAN TURNBOW	15
5:40	5	FY 2023 AUDIT PRESENTATION	MS. CINDY RANDOLPH	17
5:45	6	REQUEST TO RENEW LICENSE AGREEMENT FOR USE OF COUNTY SPACE FOR WEEKDAY FARMERS’ MARKET	MS. LIZ WHITEMAN	145
5:50	7	BLUE RIDGE CONSERVANCY’S REQUEST TO APPLY FOR A PARKS AND RECREATION TRUST FUND (PARTF) GRANT	MS. WENDY PATOPRSTY	151
5:55	8	WATAUGA COUNTY PUBLIC LIBRARY ANNUAL REPORT	MS. MONICA CARUSO	155
6:00	9	PROJECT ON AGING MATTERS	MS. ANGIE BOITNOTTE	
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6:05	10	TAX MATTERS	MR. LARRY WARREN	
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6:10	11	PROPOSED DSS ATTORNEY AGREEMENT	MR. TOM HUGHES	195
6:15	12	PROPOSED PARKS & RECREATION MASTER PLAN	MS. KERON POTEAT	219
6:20	13	MISCELLANEOUS ADMINISTRATIVE MATTERS	MR. DERON GEOUQUE	
		A. Draft Agenda for the Annual Pre-Budget Retreat		335
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6:30	15	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3)		338
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AGENDA ITEM 2:

APPROVAL OF MINUTES:

February 6, 2024, Regular Meeting

February 6, 2024, Closed Session

DRAFT**MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS
TUESDAY, FEBRUARY 6, 2024**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, February 6, 2024, at 5:30 P.M. in the Commissioners' Board Room located in the Watauga County Administration Building, Boone, North Carolina.

Vice-Chairman Wallin called the meeting to order at 5:33 P.M. The following were present:

PRESENT: Charlie Wallin, Vice-Chairman
 Todd Castle, Commissioner
 Braxton Eggers, Commissioner
 Ray Russell, Commissioner
 Andrea Capua, County Attorney
 Deron Geouque, County Manager
 Anita J. Fogle, Clerk to the Board

Vice-Chairman Wallin stated that Chairman Turnbow was not in attendance due to being under the weather.

Commissioner Russell opened with a prayer and Commissioner Castle led the Pledge of Allegiance.

APPROVAL OF MINUTES

Vice-Chairman Wallin called for additions and/or corrections to the January 16, 2024, regular minutes and closed session minutes.

Commissioner Eggers requested the following corrections:

Commissioner Russell, seconded by Vice-Chairman Wallin, moved to accept the contract with The Car Park as negotiated at a rate of \$3,000 for one (1) year with for parking enforcement at County facilities.

VOTE: Aye-~~5~~ 3(Turnbow, Wallin, Russell)
 Nay-~~0~~ 2(Castle, Eggers)

Vice-Chairman Wallin, seconded by Commissioner Russell, moved to approve the contracts with Modulus, PLLC and Tise-Kiester Architects for preliminary geotechnical evaluation and architectural services in the amounts of \$9,840 and \$16,400, respectively.

VOTE: Aye-~~5~~ 3(Turnbow, Wallin, Russell)
 Nay-~~0~~ 2(Castle, Eggers)

Commissioner Eggers, seconded by Commissioner Castle, moved to approve the January 16, 2024, regular meeting minutes as amended.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Commissioner Eggers, seconded by Commissioner Castle, moved to approve the January 16, 2024, closed session minutes as presented.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

APPROVAL OF AGENDA

Vice-Chairman Wallin called for additions and/or corrections to the February 6, 2024, agenda.

Commissioner Russell, seconded by Commissioner Castle, moved to approve the February 6, 2024, agenda as presented.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

PUBLIC COMMENT

The following spoke:

Mr. Joel Whitworth shared concerns on climate changes and possible connections with the use of catalytic converters beginning in 1975.

Mr. Joe Salamone encouraged the Board to rescind the recently approved contract with Waste Management and partnering with Republic Services.

Ms. Donna McNeil, with the Daniel Boone Chapter of Daughters of the American Revolution, shared support of the America250NC Resolution to be considered during the meeting. With the Country's Semiquincentennial (250th anniversary of the 1776 United States Declaration of Independence on July 4, 1776) coming up in 2026, many events will be planned.

PUBLIC HEARING TO ALLOW CITIZEN COMMENT ON THE PROPOSED COMBINATION OF THE SOLID WASTE ORDINANCE AND THE SOLID WASTE OPERATIONS ORDINANCE AND THE CHANGES ASSOCIATED WITH THE COMBINATION OF THE ORDINANCES

Vice-Chairman Wallin stated that a public hearing was scheduled to allow public comment on the proposed combination of the Solid Waste Ordinance and the Solid Waste Operations Ordinance and the Changes associated with the combination of the ordinances.

Commissioner Eggers, seconded by Commissioner Russell, moved to open the public hearing at 5:44 P.M.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Commissioner Russell, seconded by Commissioner Castle, moved to close the public hearing at 5:44 P.M.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Mr. Rex Buck reviewed amendments and changes including the following:

Per Commissioner direction, staff has consolidated the Solid Waste and Operations Ordinances into one document. Changes/additions are marked in red. Major changes are the addition of the following definitions:

- 33. Multiple Family Residential
- 36. Municipal Solid Waste Collector
- 48. Residential Waste
- 49. Resident
- 55. Transfer Station
- 57. Solid Waste Collector

Further changes include the addition of:

- 4) The landfill tipping user fee shall be assessed, to all remaining users at a rate established by the Budget Ordinance as measured by weight, at the County disposal facility.
- 5) The landfill tipping user fee waiver will be established through the Budget Ordinance, for all private single-family detached homes and duplex residential users, as measured by weight at the County disposal facility.

6) The landfill tipping user fee waiver applies to residents possessing a valid North Carolina Division of Motor Vehicles Driver's License or Real Identification Card as verified, by County staff, at the County disposal facility.

7) Within 60 days of moving within Watauga County, residents must update their physical address with the North Carolina Division of Motor Vehicles and obtain a duplicate North Carolina Division of Motor Vehicles Driver's License or Real Identification Card.

7) TIPPING FEE WAIVER POLICY

8) The County Manager may waive the tipping user fee for debris created by not-for-profit organizations and as a result of fire to a primary homeowner's residence. A not-for-profit organization or property owner who has created debris or experienced a fire loss may apply directly to the County Manager.

Eligibility is based on:

- a) Memorandum of purpose by the not-for-profit entity and proof of not-for-profit status.
- b) Statement by property owner of no insurance coverage for debris removal and income below the current County median as established by the US Department of Housing and Urban Development.
- c) Documentation in the form of the prior year's tax return is required. In the absence of a tax return, a notarized statement, by the not-for-profit or property owner that no tax return was required the previous year, is acceptable.

Tipping user fee may be waived by the County Manager on a case-by-case basis for a period not to exceed one-week and debris volumes not exceed a total amount of 20 tons.

Mr. Buck stated that the ability for residents with a valid North Carolina Division of Motor Vehicles Driver's License or Real Identification Card, as verified by County staff, will be reinstated to utilize the 2,000 pounds tonnage waiver Monday through Saturday.

County Manager Geouque stated that the Ordinance would go into effect July 1, 2024, which would allow time for the installation of the second inbound scale at the Transfer Station to be completed.

Commissioner Eggers, seconded by Commissioner Castle, moved to adopt the Solid Waste Ordinance as presented.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

PROPOSED AMERICA250NC RESOLUTION AND GRANT PRESENTATION

Vice-Chairman Wallin presented a proposed resolution establishing the Official America250NC Committee. The purpose would be to assist in acquiring or obtaining funds potentially for a historical museum. The Vice-Chairman stated that Watauga County would be the 5th County to adopt the resolution as Watauga County will begin to make plans to celebrate the Country's Semiquincentennial (250th anniversary of the 1776 United States Declaration of Independence) coming up on July 4, 2026. Commissioner Eggers stated that the creation of a Watauga Heritage Museum was in its infancy and the resolution would create avenues for funding.

Commissioner Eggers, seconded by Commissioner Russell, moved to adopt the resolution as presented.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

WAMY'S RENTAL REPAIR PROGRAM UPDATE

Ms. Sarah Freer, Grant Writer with WAMY Community Action, Inc., presented an update on the Rental Repair Program created through a recent grant from the Board of Commissioners. Total cost of the program is \$86,250 with \$75,000 for repairs and \$11,250 for WAMY administrative fees. The program is in Phase I which is promotion and reaching out for applicants. Thus far, two completed applications have been received and the home visit has been completed for one of the applicants. The first project will impact four people who are very thankful. No funds have been spent yet, however, the first project was anticipated to cost \$4,000. Ms. Freer stated that WAMY was working on getting the word out about the program to encourage more applicants. Vice-Chairman Wallin encouraged everyone, including the press in attendance, to campaign the cause and get the word out. The report was for information only; therefore, no action was required at this time.

PROPOSED AMENDMENTS TO THE RECENTLY ADOPTED HIGH COUNTRY TEMPLE RESTORATION PROJECT RESOLUTION AND THE WATAUGA COUNTY CONFLICT OF INTEREST POLICY

Ms. Katie Krogmeier, New River Conservancy, requested approval of changes to the High Country Temple Restoration Project Resolution and the Watauga County Conflict of Interest Policy. The changes in the resolution clearly define that the County and New River Conservancy were partners on the project and the changes in the policy include state funding.

Commissioner Russell, seconded by Commissioner Castle, moved to approve the amendments to the recently adopted High Country Temple Restoration Project Resolution and the Watauga County Conflict of Interest Policy as presented by Ms. Krogmeier.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

REQUEST FOR ACCEPTANCE OF FY 2024 MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS ACT (MIPPA) GRANT/CONTRACT

Ms. Angie Boitnotte, Project on Aging Director, requested acceptance of a Medicare Improvements for Patients and Providers Act (MIPPA) Grant from the Seniors' Health Insurance Information Program (SHIIP). The grant was in the amount of \$3,796 with no local match required.

Commissioner Eggers, seconded by Commissioner Castle, moved to accept the MIPPA Grant in the amount of \$3,796 to expand low income subsidy outreach and supplies.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

BID AWARD REQUEST FOR HUMAN SERVICES BUILDING RENOVATIONS

Mr. Robert Marsh, Maintenance Director, stated that bids were recently solicited for renovations to the Human Services Building. Last year, the replacement of the roof and all of the HVAC units were completed. Now that the exterior was updated, the next phase was interior renovations, including replacement of the carpet and ceiling tiles and repainting the interior as well as replacing the wallpaper.

The following bids were received:

Human Services Carpet Bid 2024	
Bid Opening, January 18, 2024, 2:00 P.M.	
Vendor	Base Bid
PBI Asheville, NC	\$309,060
HA Carpet Hildebran, NC	\$199,500
Bonitz Winston Salem, NC	\$180,500

Human Services Ceiling Tile Bid 2024	
Bid Opening, January 18, 2024	
Vendor	Bid
Mullins Company Kingsport, TN	\$139,900
Northwest Drywall Company Hickory, NC	\$139,000
Bonitz Winston Salem, NC	\$121,250
Greene Construction Co. Inc. Boone, NC	No Bid
Houck Contracting Hickory, NC	No Bid

Human Services Paint and Wallpaper Bid Bid Opening, January 18, 2024	
Vendor	Bid
Doomy Painting Winston Salem, NC	\$262,244
Custom Coatings Hickory, NC	\$214,650
Southend Painting, Inc. Charlotte, NC	No Bid

Mr. Marsh's recommendations for awarding contracts for the renovations were as follows:

Flooring

Bonitz of Winston Salem, NC, in the amount of \$180,500. Bonitz recently completed the carpet at the Western Watauga Community Center. Their work was excellent and they completed the job ahead of schedule without any change orders.

Ceiling Updates

Bonitz of Winston Salem, NC, in the amount of \$121,250.

Painting and Wallpaper

Custom Coatings, Inc. of Hickory, NC, in the amount of \$214,650. Custom Coatings was the original painting contractor for the building when it was renovated in 1997.

Adequate funding was available and budgeted to cover these expenditures.

Commissioner Russell, seconded by Commissioner Eggers, moved to award the bids for flooring to Bonitz in the amount of \$180,500.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Commissioner Eggers, seconded by Commissioner Russell, moved to award the bids for ceiling updates to Bonitz in the amount of \$121,250.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Commissioner Russell, seconded by Commissioner Castle, moved to award the bid for painting and wallpaper to Custom Coatings in the amount of \$214,650.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

SHERIFF'S OFFICE OUT-OF-STATE TRAVEL REQUEST

Captain Preston Russell, Watauga Sheriff's Office, requested approval for out-of-state travel for the K-9 Division to travel to Myrtle Beach South Carolina from April 9-11, 2024 for training. Funds were available and approved in the Sheriff's K-9 training budget.

Commissioner Russell, seconded by Commissioner Eggers, moved to approve the out-of-state travel as presented by Captain Russell.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

EMERGENCY SERVICES MATTERS

A. Proposed Blowing Rock Fire and Rescue Contract

Mr. Will Holt, Emergency Services Director, requested approval of the contract for fire protection with Blowing Rock Fire and Rescue. The contract has a slight change from the standard contract recognizing the Town of Blowing Rock-specific request should the department cease to operate.

Commissioner Eggers, seconded by Commissioner Castle, moved to approve the contract with Blowing Rock Fire and Rescue as presented by Mr. Holt.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

B. Proposed PSAP Radio Grant Agreement

Mr. Holt requested approval of a grant agreement with the North Carolina 911 Board in the amount of \$49,985.31 to purchase 6 back-up portable radios for the Communications Center. No County match was required. County Attorney Capua stated that the information under "WITNESSETH" should be located prior to the signatures.

Commissioner Castle, seconded by Commissioner Russell, moved to accept the grant from the North Carolina 911 Board in the amount of \$49,985.31 with the wording order being changed if acceptable from the 911 Board.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

C. Request to Surplus MCC5500 Console Positions

Mr. Holt requested the surplus of seven (7) MCC5500 console positions. The equipment has reached its end of life cycle. Mr. Holt stated that the equipment would be scrapped and parted out.

Commissioner Russell, seconded by Commissioner Eggers, moved to surplus the seven (7) MCC5500 console positions as requested by Mr. Holt.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

D. 911 Surcharge Fund Budget Amendment Request

Mr. Holt requested approval to move \$10,000 from the Emergency Telephone Surcharge Fund (ETSF) fund balance to the Fiscal Year 2024 911 budget. This move was necessary due to an increased cost in software licensing at the current back-up Public Safety Answering Point.

Commissioner Castle, seconded by Commissioner Russell, moved to approve the transfer from the Emergency Telephone Surcharge Fund (ETSF) fund balance to the operational costs budget line.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

E. Fire District Change Request

Mr. Holt requested to schedule a public hearing to allow for citizen comment on a proposed adjustment of the fire protection district for 1166 Old East Ridge Rd from Stewart Simmons to Deep Gap. The two departments agree on the change as it provides the best access and response for the citizens in this area. To allow for advertisement of the public hearing, it is requested to be set on March 5, 2024.

Commissioner Eggers, seconded by Commissioner Russell, moved to schedule a public hearing on Tuesday, March 5, 2024, at 5:30 P.M. to allow for citizen comment on a proposed adjustment of the fire protection district for 1166 Old East Ridge Rd from Stewart Simmons to Deep Gap.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

PARKS AND RECREATION OUT-OF-STATE TRAVEL REQUEST

Ms. Keron Poteat, Parks and Recreation Director, requested retroactive approval for out-of-state travel to Tampa, FL to present at the Professional Tennis Registry International Tennis Symposium. All expenses were paid for by the Special Olympics North America. Staff approved the request as the travel date was prior to the Commissioners Board meeting and all expenses were paid by the requesting organization.

Ms. Poteat stated that Special Olympics would be ongoing at Appalachian Ski Mountain Sunday through Tuesday with the Banquet and Opening Ceremony to be on Monday, February 12, 2024. Ms. Poteat also announced that Watauga County would be represented by a local snowboarder in the International Special Olympics in Italy.

Commissioner Russell, seconded by Commissioner Eggers, moved to approve the out-of-state travel request as presented by Ms. Poteat.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Proposed Dates for Annual Pre-Budget Retreat

County Manager Geouque stated that the proposed dates for the Annual Pre-Budget Retreat were February 22nd and 23rd or February 29th and March 1st, with times proposed from 12–7 P.M. for Thursday and 9 A.M.–1 P.M. for Friday. Two days were required for the Retreat and should the Board wish, times and dates may be adjusted accordingly.

By consensus, the Board agreed to schedule the Annual Pre-Budget Retreat for Thursday, February 29, 2024, beginning at 12:00 P.M. and reconvening on Friday, March 1, 2024, at 9:00 A.M.

B. Proposed Dates for Budget Work Sessions

County Manager Geouque stated that the Board holds two budget work sessions each year. The work sessions were scheduled after the Manager’s proposed budget was presented at the first meeting in May. The proposed dates for the budget work sessions were May 9th and 10th or the 13th and 14th, with times proposed from 12–8 P.M. for the first day and 9 A.M.–1 P.M. for the second day. Should the Board wish, times and dates may be adjusted accordingly.

By consensus, the Board agreed to schedule two Budget Work Sessions with the first to be on Monday, May 13, 2024, beginning at 12:00 P.M. and the second to be on Tuesday, May 14, 2024, beginning at 9:00 A.M.

C. Appointment of Finance Director

County Manager Geouque stated that per North Carolina General Statute 159-24 the County is required to appoint a Finance Director. Staff requests the Board appoint Mr. Deron Geouque as the County’s Finance Director.

Commissioner Eggers, seconded by Commissioner Russell, moved to appoint Mr. Deron Geouque as the Watauga County Finance Director effective February 6, 2024.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

D. Proposed Amendments to the FY 2022-2023 Audit Contract

County Manager Geouque request approval of an extension to the Fiscal Year 2022-23 audit contract with C. Randolph CPA, PLLC. The contract amount will remain the same with no additional cost and the audit has already been submitted.

Commissioner Castle, seconded by Commissioner Eggers, moved to amend the Fiscal Year 2022-23 audit contract with C. Randolph CPA, PLLC. to reflect the extension at no additional cost.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

E. Announcements

County Manager Geouque shared a letter from ECRS stating opposition to Appalachian State University's 911 initiative.

CLOSED SESSION

At 6:37 P.M., Commissioner Eggers, seconded by Commissioner Russell, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3).

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Commissioner Castle, seconded by Commissioner Eggers, moved to resume the open meeting at 7:40 P.M.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

ADJOURN

Commissioner Russell, seconded by Commissioner Eggers, moved to adjourn the meeting at 7:41 P.M.

VOTE: Aye-4(Wallin, Castle, Eggers, Russell)
Nay-0
Absent-1(Turnbow)

Charlie Wallin, Vice-Chairman

ATTEST: Anita J. Fogle, Clerk to the Board

AGENDA ITEM 3:

APPROVAL OF THE FEBRUARY 20, 2024, AGENDA

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AGENDA ITEM 4:

PUBLIC COMMENT

MANAGER'S COMMENTS:

Public Comment will last up to 1-hour dependent upon the number of speakers.

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AGENDA ITEM 5:

FY 2023 AUDIT PRESENTATION

MANAGER'S COMMENTS:

Ms. Cindy Randolph with C. Randolph, CPA, PLLC will present the Fiscal Year 2023 County audit. The County's financial position remains strong due to 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 \$242,607,149 primarily due to an increase in cash assets from revenues, particularly sales tax, investment income and property tax.
- ❖ The County's unassigned fund balance for the general fund was \$48,714,690 at the end of the year, representing 61% of total General Fund expenditures. This is an increase of \$8,340,715 in the unassigned fund balance from the previous year.
- ❖ The current year collection rate for property taxes was 98.95% which was an increase from last year's 98.70%.
- ❖ Outstanding debt principal increased by \$25,795,000 due to construction of the Valle Crucis School. Total outstanding debt principal at June 30, 2023 is \$62,005,000. Watauga County's legal debt limit is \$1,061,247,856 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. However, due to strong fiscal management and the increase in the unassigned fund balance, staff is recommending to transfer to the Capital Projects Fund \$8,340,715 for Future County Buildings. The transfer would allow the new 911/Medic/Emergency Operations Facility to be constructed with no financing required.

Board action is required to authorize the transfer of the \$8,340,715 increase from unassigned balance to the Capital Reserve Account.



WATAUGA COUNTY, NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

WATAUGA COUNTY, NORTH CAROLINA

BOARD OF COUNTY COMMISSIONERS

Larry Turnbow, Chair

Charlie Wallin, Vice Chair

Todd Castle

Braxton Eggers

Ray Russell

COUNTY OFFICIALS

Deron T. Geouque

County Manager

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Independent Auditor's Report

To the Board of Commissioners
Watauga County, North Carolina

Report on the Audit of Financial Statements

Opinions

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 the Watauga County, North Carolina as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Watauga County's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the report of the other auditors, the accompanying 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 Watauga County as of June 30, 2023, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and major, annually budgeted special revenue fund, if applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of AppalCART, which represent 59.5 percent, 59.4 percent, and 53.6 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Watauga County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Watauga County District U Tourism Development Authority were not audited in accordance with *Governmental Auditing Standards*.

Responsibilities of Management for the Audit of 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Watauga County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions on pages 69 through 70, the Local Government Employees' Retirement System Schedules of the Watauga County District U Tourism Development Authority's Proportionate Share of Net Pension Liability and County Authority's Contributions on pages 73 through 74, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 71 through 72, the Law Enforcement Officers' Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 63 through 65, the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns on pages 66 through 68, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Watauga County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and component unit 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* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors⁶ the combining and individual fund financial statements, budgetary schedules, other schedules, component unit 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 January 31, 2024, on our consideration of Watauga County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Watauga County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Watauga County's internal control over financial reporting and compliance.

C. Randolph CPA, PLLC

West Jefferson, North Carolina

January 31, 2024

Watauga County

Year Ended June 30, 2023

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, 2023. 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 \$242,607,149.
- The County’s total net position increased by \$25,572,806 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 \$48,714,690 at the end of the year, representing 61% of total General Fund expenditures. This is an increase of \$8,340,715 in unassigned fund balance over the previous year.
- Total County incurred a limited obligation bond in the amount \$31,800,000 for the financing of the Valle Crucis School. Total principal payments for the fiscal year totaled \$6,005,000 decreased outstanding debt.
- The County:
 - Continued design of a new Valle Crucis school
 - Completed construction of new sports complex including pickleball, basketball and tennis courts.
 - Continued a Tower project to enhance emergency communications
 - Continued improvements at the County Landfill
 - Began construction of a new parking deck
 - Began construction of a new 911 emergency facility
 - Continued broadband
- S&P Global Ratings reaffirmed the County’s credit rating at AA and the County’s financial stability.
- For the eighth year, the County was able to allocate funds to the Capital Projects Fund as part of the original budget ordinance denoting a continued rebound from the recession.

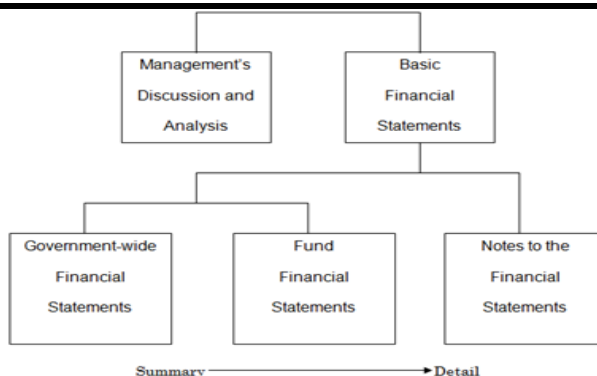
Overview of the Financial Statements

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

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

Required Components of Annual Financial Report

Figure 1



MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board

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 24 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 65 of this report.

Government-Wide Financial Analysis

Watauga County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$164,624,580	\$116,483,621	\$ 9,289,124	\$9,416,671	173,913,704	125,900,292
Capital assets, net	150,806,389	143,542,029	5,589,372	5,115,469	156,395,761	148,657,498
Total Assets	<u>315,430,969</u>	<u>260,025,650</u>	<u>14,878,496</u>	<u>14,532,140</u>	<u>330,309,465</u>	<u>274,557,790</u>
Total Deferred Outflows	<u>6,989,777</u>	<u>6,454,588</u>	<u>594,266</u>	<u>487,609</u>	<u>7,584,043</u>	<u>6,942,197</u>
Liabilities:						
Current liabilities	19,392,129	17,087,026	591,619	737,943	19,983,748	17,824,969
Other liabilities	71,992,347	39,581	1,688,692	1,240,012	73,681,039	1,279,593
Total Liabilities	<u>91,384,476</u>	<u>17,126,607</u>	<u>2,280,311</u>	<u>1,977,955</u>	<u>93,664,787</u>	<u>19,104,562</u>
Total Deferred Inflows	<u>1,565,301</u>	<u>5,430,279</u>	<u>56,271</u>	<u>389,349</u>	<u>1,621,572</u>	<u>5,819,628</u>
Net Position:						
Net investments in capital assets	84,645,098	106,042,522	5,589,372	5,115,469	90,234,470	111,157,991
Restricted	61,736,541	13,075,064	-	-	61,736,541	13,075,064
Unrestricted	83,089,330	85,264,312	7,546,808	7,536,976	90,636,138	92,801,288
Total Net Position	<u>\$229,470,969</u>	<u>\$204,381,898</u>	<u>\$13,136,180</u>	<u>\$12,652,445</u>	<u>\$242,607,149</u>	<u>\$217,034,343</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$242,607,149 at June 30, 2023. The County's net position increased by a total of \$25,572,806 for the fiscal year. Net position is reported in three categories: Net investment in capital assets of \$90,234,470 restricted net position of \$61,736,541; and unrestricted net position of \$90,636,138.

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, 2023, 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, 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Watauga County Changes in Net Position Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 5,331,355	\$ 4,361,245	\$ 5,968,781	\$ 5,842,974	\$ 11,300,136	\$ 10,204,219
Operating grants and contributions	4,756,016	9,023,742	164,725	163,047	4,920,741	9,186,789
Capital grants and contributions	5,445,391	3,704,460	-	-	5,445,391	3,704,460
General Revenues:						
Property taxes	49,856,209	42,855,265	-	-	49,856,209	42,855,265
Other taxes	25,813,486	25,770,704	-	-	25,813,486	25,770,704
Grants and contributions not restricted	6,042,481	5,534,392	-	-	6,042,481	5,534,392
Miscellaneous	734,331	399,248	2,750	2,625	737,081	401,873
Investment earnings	3,950,844	110,030	223,337	11,688	3,950,844	121,718
Sale of capital assets	(2,177)	59,081	23,905	-	21,728	59,081
Total Revenues	101,927,936	91,818,167	6,383,498	6,020,334	108,311,434	97,838,501
Expenses:						
General government	18,872,285	12,813,483	-	-	18,872,285	12,813,483
Public safety	20,424,016	17,468,662	-	-	20,424,016	17,468,662
Transportation	272,107	235,062	-	-	272,107	235,062
Economic and physical development	4,908,563	5,003,066	-	-	4,908,563	5,003,066
Environmental protection	476,511	526,336	-	-	476,511	526,336
Human services	8,754,478	8,579,197	-	-	8,754,478	8,579,197
Cultural and recreation	3,862,383	3,340,112	-	-	3,862,383	3,340,112
Education	17,039,724	16,605,388	-	-	17,039,724	16,605,388
Interest on long-term debt	2,228,798	1,482,080	-	-	2,228,798	1,482,080
Solid waste	-	-	5,899,763	5,548,874	5,899,763	5,548,874
Total Expenses	76,838,865	66,053,386	5,899,763	5,548,874	82,738,628	71,602,260
Increase in net position	25,089,071	25,764,781	483,735	471,460	25,572,806	26,236,241
Net position, beginning	204,381,898	178,617,117	12,652,445	12,340,493	217,034,343	190,957,610
Prior period adjustment - change in accounting principle	-	-	-	(159,508)	-	(159,508)
Net Position, beginning, restated	204,381,898	178,617,117	12,652,445	12,180,985	217,034,343	190,798,102
Net position, ending	\$ 229,470,969	\$ 204,381,898	\$ 13,136,180	\$ 12,652,445	\$ 242,607,149	\$ 217,034,343

Governmental activities: Governmental activities increased the County's net position by \$25,089,071, thereby accounting for 98.2 % of the total growth in the net position of Watauga County. Key elements of this increase are as follows:

- Sales tax increases due to the improved economic factors particularly in the tourism industry, resulted in revenues above projection;
- Continued high property tax collections at a rate of 98.95% 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 \$483,735, 1.8%. Key elements of this increase are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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 \$48,714,690 while total fund balance increased to \$65,187,285. 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 percent of total General Fund expenditures, while total fund balance represents 80.2 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 \$12,585,607.

The actual operating revenues for the General Fund were \$11,131,681 more than the budgeted amount. Actual operating expenses were less than budgeted by \$12,255,163.

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 \$7,546,808. The total increase in proprietary net position was \$483,735.

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, 2023, totals \$156,395,761 (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;
- Continued design of new Valle Crucis school;
- Completed construction of new sports complex;
- Continued a Tower project to enhance emergency communications;
- Continued improvements at the Landfill;
- Continued construction of a parking deck
- Begin construction of a new 911 Emergency Building

Watauga County's Capital Assets, Net of Depreciation
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 27,235,033	\$ 24,190,205	\$ 1,100,815	\$ 1,100,816	\$ 28,335,848	\$ 25,291,021
Buildings	103,878,594	106,654,697	2,435,000	2,520,898	106,313,594	109,175,595
Other improvements	3,422,187	1,263,633	15,009	26,629	3,437,196	1,290,262
Leasehold improvements	4,737,656	5,012,312	5,059	5,307	4,742,715	5,017,619
Equipment	788,141	999,969	518,628	422,660	1,306,769	1,422,629
Vehicles	718,619	913,220	127,085	244,377	845,704	1,157,597
Construction in progress	9,973,328	4,492,393	1,387,776	794,782	11,361,104	5,287,175
Intangible assets	52,830	15,600	-	-	52,830	15,600
Total	<u>\$ 150,806,388</u>	<u>\$ 143,542,029</u>	<u>\$ 5,589,372</u>	<u>\$ 5,115,469</u>	<u>\$ 156,395,760</u>	<u>\$ 148,657,498</u>

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, 2023, Watauga County had no bonded debt outstanding or authorized.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Watauga County's Outstanding Debt Figure 5

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Net pension liability (LGERs)	\$ 8,795,721	\$ 2,331,009	\$ 838,146	\$ 222,122	\$9,633,867	\$2,553,131
Total pension liability (LEOSSA)	380,128	534,489	-	-	380,128	534,489
Total OPEB liability (RIAP)	2,005,840	2,698,146	191,137	257,107	2,196,977	2,955,253
Compensated absences	1,228,818	1,116,968	120,100	125,980	1,348,918	1,242,948
Accrued landfill closure and post closure costs	-	-	555,993	649,999	555,993	649,999
Leases	-	-	122,498	133,442	122,498	133,442
Premium on lobs	3,996,005	1,263,737	-	-	3,996,005	1,263,737
Premium on direct refunding	715,525	858,630	-	-	715,525	858,630
Direct placement installment	62,005,000	36,210,000	-	-	62,005,000	36,210,000
Total	\$ 79,127,037	\$ 45,012,979	\$1,827,874	\$1,388,650	\$80,954,911	\$46,401,629

Watauga County's total General Fund debt increased by \$25,795,000 or (71%) during the past fiscal year due to scheduled debt service payments and a new limited obligation bond for the construction of the Valle Crucis School. 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, 2023 is \$1,061,247,856. 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's unemployment rate has decreased from 3.6 percent at the end of June 2022 to 3.2 percent at the end of June 2023;
- 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 2023 due to an increase in tourism.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental activities – The County's property tax rate has been set at 31.8 cents per \$100 in property valuation. Sales tax revenue is projected with a 8.6 percent increase from fiscal year 2023 budget based on actual results in the previous fiscal year.

Budgeted expenditures in the General Fund have increased 2 percent. Capital purchases are allocated mainly for vehicles, a new Valle Crucis School, a parking deck, 911 Emergency Building 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 \$5,517,050 and \$3,372,500 for county projects-mainly funding \$1,300,000 for emergency communications, \$500,000 for future maintenance and repairs, \$50,000 for economic development, \$50,000 for community recreation facilities, \$22,500 for potential flood mitigation, \$1,200,000 for future county facilities, \$100,000 for law enforcement expansion, \$50,000 for library expansion, \$50,000 for workforce expansion and \$50,000 to Caldwell Community College.

Businesses-type activities – Budgeted revenues for solid waste service revenues are projected an increase in solid waste fees.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Watauga County, North Carolina
Statement of Net Position
June 30, 2023

	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	\$ 132,433,064	\$ 8,653,706	\$ 141,086,770	\$ 4,429,346	\$ 11,217,101
Restricted cash and cash equivalents	7,630,411	-	7,630,411	-	-
Receivables (net)	1,710,143	429,207	2,139,350	47,304	-
Due from other governments	6,852,853	41,199	6,894,052	299,100	621,201
Lease receivable - current	268,048	-	268,048	-	-
Notes receivable - current	831,632	-	831,632	-	-
Prepaid expenses	30,363	46,725	77,088	42,428	1,364
Inventory	-	-	-	306,235	-
Total current assets	<u>149,756,514</u>	<u>9,170,837</u>	<u>158,927,351</u>	<u>5,124,413</u>	<u>11,839,666</u>
Non-current assets					
Net pension asset - ROD	82,713	-	82,713	-	-
Lease receivable - noncurrent	656,480	-	656,480	-	-
Notes receivable	14,128,873	-	14,128,873	-	-
Right to use leased asset, net of amortization	-	118,287	118,287	340,125	-
Capital assets:					
Land, intangible, and construction in progress	37,261,191	2,488,591	39,749,782	1,129,282	35,000
Other capital assets, net of depreciation	113,545,198	3,100,781	116,645,979	10,974,432	-
Total capital assets	<u>150,806,389</u>	<u>5,589,372</u>	<u>156,395,761</u>	<u>12,103,714</u>	<u>35,000</u>
Total non-current assets	<u>165,674,455</u>	<u>5,707,659</u>	<u>171,382,114</u>	<u>12,443,839</u>	<u>35,000</u>
Total assets	<u>315,430,969</u>	<u>14,878,496</u>	<u>330,309,465</u>	<u>17,568,252</u>	<u>11,874,666</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	6,259,442	577,581	6,837,023	-	96,791
Deferred charge on refunding of debt	555,240	-	555,240	-	-
OPEB deferrals	175,095	16,685	191,780	-	-
Total deferred outflows of resources	<u>6,989,777</u>	<u>594,266</u>	<u>7,584,043</u>	<u>-</u>	<u>96,791</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	6,380,683	303,835	6,684,518	267,002	292,247
Accrued interest payable	219,467	-	219,467	2,157	-
Due to other governments	1,065,581	-	1,065,581	-	-
Insurance proceeds	-	148,602	148,602	-	-
Liabilities payable from restricted assets	721,442	-	721,442	-	-
Unearned revenue	3,870,266	-	3,870,266	-	-
Debt service due within one year	7,134,690	139,182	7,273,872	122,289	16,760
Total current liabilities	<u>19,392,129</u>	<u>591,619</u>	<u>19,983,748</u>	<u>391,448</u>	<u>309,007</u>
Long-term liabilities					
Due in more than one year	71,992,347	1,688,692	73,681,039	311,739	136,523
Total liabilities	<u>91,384,476</u>	<u>2,280,311</u>	<u>93,664,787</u>	<u>703,187</u>	<u>445,530</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	109,881	3,541	113,422	-	2,119
OPEB deferrals	553,363	52,730	606,093	-	-
Leases	897,279	-	897,279	-	-
Prepaid taxes	4,778	-	4,778	-	-
Total deferred inflows of resources	<u>1,565,301</u>	<u>56,271</u>	<u>1,621,572</u>	<u>-</u>	<u>2,119</u>
NET POSITION					
Net investment in capital assets	84,645,098	5,589,372	90,234,470	12,443,839	35,000
Restricted for:					
Stabilization by State Statute	15,657,355	-	15,657,355	-	621,201
Register of Deeds' pension plan	133,072	-	133,072	-	-
Education	45,139,875	-	45,139,875	-	-
Public safety	688,074	-	688,074	-	-
Health services	18,978	-	18,978	-	-
Register of Deeds Automation/Enhancement	99,187	-	99,187	-	-
Transportation	-	-	-	200,000	-
Unrestricted	83,089,330	7,546,808	90,636,138	4,221,226	10,867,607
Total net position	<u>\$ 229,470,969</u>	<u>\$ 13,136,180</u>	<u>\$ 242,607,149</u>	<u>\$ 16,865,065</u>	<u>\$ 11,523,808</u>

Watauga County, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

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
Primary government:								
Governmental Activities:								
General government	\$ 18,872,285	\$ 1,460,938	\$ 92,166	\$ 4,576,533	\$ (12,742,648)	\$ -	\$ (12,742,648)	
Public safety	20,424,016	1,829,605	346,417	590,655	(17,657,339)	-	(17,657,339)	
Transportation	272,107	-	194,612	-	(77,495)	-	(77,495)	
Economic and physical development	4,908,563	3,947	236,009	-	(4,668,607)	-	(4,668,607)	
Environmental protection	476,511	-	48,088	-	(428,423)	-	(428,423)	
Human services	8,754,478	69,262	3,838,279	-	(4,846,937)	-	(4,846,937)	
Cultural and recreational	3,862,383	1,967,603	-	-	(1,894,780)	-	(1,894,780)	
Education	17,039,724	-	445	278,203	(16,761,076)	-	(16,761,076)	
Interest and fees on long-term debt	2,228,798	-	-	-	(2,228,798)	-	(2,228,798)	
Total governmental activities	<u>76,838,865</u>	<u>5,331,355</u>	<u>4,756,016</u>	<u>5,445,391</u>	<u>(61,306,103)</u>	<u>-</u>	<u>(61,306,103)</u>	
Business-type activities:								
Solid waste	5,899,763	5,968,781	164,725	-	-	233,743	233,743	
Total	<u>\$ 5,899,763</u>	<u>\$ 5,968,781</u>	<u>\$ 164,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,743</u>	<u>\$ 233,743</u>	
Total	<u>\$ 82,738,628</u>	<u>\$ 11,300,136</u>	<u>\$ 4,920,741</u>	<u>\$ 5,445,391</u>	<u>(61,306,103)</u>	<u>233,743</u>	<u>(61,072,360)</u>	
Component units:								
AppalCART	<u>\$ 6,363,649</u>	<u>\$ 2,589,623</u>	<u>\$ 2,834,586</u>	<u>\$ 1,184,241</u>			<u>\$ 244,801</u>	
Watauga County District U Tourism Development Authority	<u>\$ 2,501,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (2,501,122)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					49,856,209	-	49,856,209	-
Local option sales tax					20,149,869	-	20,149,869	-
Other taxes and licenses					5,663,617	-	5,663,617	4,104,191
Grants and contributions not restricted to specific programs					6,042,481	-	6,042,481	-
Investment earnings, unrestricted					3,950,844	223,337	4,174,181	71,488
Gain (loss) sale of fixed assets					(2,177)	23,905	21,728	30,577
Miscellaneous, unrestricted					734,331	2,750	737,081	-
Total general revenues					<u>86,395,174</u>	<u>249,992</u>	<u>86,645,166</u>	<u>102,065</u>
Change in net position					25,089,071	483,735	25,572,806	346,866
Total net position, beginning					204,381,898	12,652,445	217,034,343	16,518,199
Net position, ending					<u>\$ 229,470,969</u>	<u>\$ 13,136,180</u>	<u>\$ 242,607,149</u>	<u>\$ 16,865,065</u>

Watauga County, North Carolina
Governmental Funds
Balance Sheet
June 30, 2023

	Major Funds				Non-Major Funds	Total Governmental Funds
	General	Capital Projects Fund	Valle Crucis Project Fund	ARP Project Fund	Other Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 60,681,894	\$ 24,032,699	\$ 47,665,211	-	\$ 53,260	\$ 132,433,064
Restricted cash and cash equivalents	614,935	-	-	5,145,575	1,869,901	7,630,411
Taxes receivable, net	957,160	-	-	-	465,301	1,422,461
Lease receivable	924,528	-	-	-	-	924,528
Due from other governments	6,702,484	-	27,285	-	123,084	6,852,853
Prepaid expenses	30,363	-	-	-	-	30,363
Accounts receivable, net	116,539	-	-	-	-	116,539
Notes receivable	14,960,505	-	-	-	-	14,960,505
Total assets	<u>\$ 84,988,408</u>	<u>\$ 24,032,699</u>	<u>\$ 47,692,496</u>	<u>5,145,575</u>	<u>2,511,546</u>	<u>\$ 164,370,724</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,428,088	\$ -	\$ 2,552,621	2,399,974	\$ -	\$ 6,380,683
Due to other governments	429,937	-	-	-	635,644	1,065,581
Unearned revenue	607,628	-	-	2,586,699	675,939	3,870,266
Liabilities to be paid from restricted assets	515,748	-	-	-	205,694	721,442
Total liabilities	<u>2,981,401</u>	<u>-</u>	<u>2,552,621</u>	<u>4,986,673</u>	<u>1,517,277</u>	<u>12,037,972</u>
DEFERRED INFLOWS OF RESOURCES						
Taxes receivable	957,160	-	-	-	116,032	1,073,192
Prepaid taxes	429,937	-	-	-	-	4,778
Lease receivable	897,279	-	-	-	-	897,279
Notes receivable	14,960,505	-	-	-	-	14,960,505
Total deferred inflows of resources	<u>16,819,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,032</u>	<u>16,935,754</u>
FUND BALANCES						
Restricted for:						
Stabilization by State Statute	15,486,170	-	-	-	171,185	15,657,355
Public safety	-	-	-	-	688,074	688,074
Register of Deeds	99,187	-	-	-	-	99,187
Education	-	-	45,139,875	-	-	45,139,875
Health services	-	-	-	-	18,978	18,978
American Rescue Plan	-	-	-	158,902	-	158,902
Committed for:						
Capital projects	-	24,032,699	-	-	-	24,032,699
Assigned for:						
Future years' appropriation	829,626	-	-	-	-	829,626
Nonspendable for:						
Prepaid expenses	30,363	-	-	-	-	30,363
Leases	27,249	-	-	-	-	27,249
Unassigned	48,714,690	-	-	-	-	48,714,690
Total fund balances	<u>65,187,285</u>	<u>24,032,699</u>	<u>45,139,875</u>	<u>158,902</u>	<u>878,237</u>	<u>135,396,998</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 84,988,408</u>	<u>\$ 24,032,699</u>	<u>\$ 47,692,496</u>	<u>5,145,575</u>	<u>\$ 2,511,546</u>	<u>\$ 164,370,724</u>

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

Total Fund Balance, Governmental Funds	\$ 135,396,998
Net pension asset - ROD	82,713
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	150,806,389
Deferred charge on refunding of debt	555,240
Other assets are not available to pay for current period expenditures and therefore are unavailable in the funds - accrued interest taxes receivable	171,143
Deferred inflows for notes receivable	14,960,505
Deferred inflows of resources for taxes receivable	1,073,192
Contributions to the pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,753,587
Contributions and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	100,704
OPEB related deferrals, net	(478,972)
Pension related deferrals-all plans, net	4,395,974
Net OPEB liability	(2,005,840)
Net pension liability - LEOSSA	(380,128)
Net pension liability - LGERS	(8,795,721)
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.	(68,164,815)
Net position of governmental activities	<u>\$ 229,470,969</u>

Watauga County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds				Non-Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Valle Crucis Project Fund	ARP Project Fund	Other Governmental Funds	
REVENUES						
Ad valorem taxes	\$ 44,989,124	\$ -	\$ -	\$ -	\$ 4,938,957	\$ 49,928,081
Other taxes and licenses	21,537,921	-	-	-	4,275,565	25,813,486
Unrestricted intergovernmental	6,042,481	-	-	-	-	6,042,481
Restricted intergovernmental	4,864,773	-	115,000	4,232,480	1,172,027	10,384,280
Permits and fees	979,468	-	-	-	49,425	1,028,893
Sales and services	3,474,521	-	-	-	209,021	3,683,542
Investment earnings	1,999,639	891,052	894,890	151,832	13,431	3,950,844
Donations	120,493	-	-	-	-	120,493
Miscellaneous	1,580,512	3,946	-	-	298,874	1,883,332
Total revenues	<u>85,588,932</u>	<u>894,998</u>	<u>1,009,890</u>	<u>4,384,312</u>	<u>10,957,300</u>	<u>102,835,432</u>
EXPENDITURES						
Current:						
General government	11,263,469	-	-	4,232,480	881,432	16,377,381
Public safety	15,008,367	-	-	-	9,170,574	24,178,941
Transportation	272,107	-	-	-	-	272,107
Economic and physical development	752,815	-	-	-	4,155,748	4,908,563
Environmental protection	467,705	-	-	-	-	467,705
Human services	8,143,118	-	-	-	121,710	8,264,828
Cultural and recreational	2,531,732	-	-	-	-	2,531,732
Education	17,201,618	-	6,315,186	-	-	23,516,804
Debt service:						
Principal	6,005,000	-	-	-	-	6,005,000
Interest	2,190,030	-	-	-	-	2,190,030
Total expenditures	<u>63,835,961</u>	<u>-</u>	<u>6,315,186</u>	<u>4,232,480</u>	<u>14,329,464</u>	<u>88,713,091</u>
Revenues over (under) expenditures	<u>21,752,971</u>	<u>894,998</u>	<u>(5,305,296)</u>	<u>151,832</u>	<u>(3,372,164)</u>	<u>14,122,341</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	11,068	-	-	-	-	11,068
Proceeds from installment obligations issued	-	-	31,800,000	-	-	-
Premium on installment obligations	-	-	2,997,002	-	-	-
Transfers from other funds	9,203,557	17,472,571	14,763,998	-	3,500,000	44,940,126
Transfers to other funds	(17,472,571)	(27,467,555)	-	-	-	(44,940,126)
Total other financing sources and uses	<u>(8,257,946)</u>	<u>(9,994,984)</u>	<u>49,561,000</u>	<u>-</u>	<u>3,500,000</u>	<u>34,808,070</u>
Net change in fund balance	13,495,025	(9,099,986)	44,255,704	151,832	127,836	48,930,411
Fund balance, beginning of year	51,692,442	33,132,685	884,171	7,070	750,219	86,466,587
Prior period adjustment	(182)	-	-	-	182	-
Fund balance, beginning, restated	<u>51,692,260</u>	<u>33,132,685</u>	<u>884,171</u>	<u>7,070</u>	<u>750,401</u>	<u>86,466,587</u>
Fund balance, end of year	<u>\$ 65,187,285</u>	<u>\$ 24,032,699</u>	<u>\$ 45,139,875</u>	<u>\$ 158,902</u>	<u>\$ 878,237</u>	<u>\$ 135,396,998</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, 2023

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

Net changes in fund balances - total governmental funds \$ 48,930,411

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	\$ 11,439,480	
Sale of assets not fully depreciated	(13,244)	
Depreciation expense for governmental assets	<u>(4,161,875)</u>	7,264,361

Contributions to the pension plans in the current fiscal year are not included on the Statement of Activities. 1,712,714

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities. 100,704

Benefit payments paid and administrative expense for the LEOSSA in the current fiscal year are not included on the Statement of Activities. 40,873

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 (833,448) (833,448)

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 (71,872) (71,872)

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	(370,884)	
Pension expense-LGERS and ROD	(2,605,303)	
Compensated absences	(111,850)	
Pension expense-LEOSSA	(135,865)	
Amortization of bond premiums	<u>407,840</u>	(2,816,062)
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	6,005,000	
Issuance of long-term debt	(31,800,000)	
Premium on LOBS	(2,997,002)	
Change in accrued interest payable	<u>(168,988)</u>	<u>(28,960,990)</u>

Total changes in net position of governmental activities \$ 25,089,071

Watauga County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

	General Fund			
	Budget		Actual Amounts	Variance with Final Budget-
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 42,719,702	\$ 42,719,702	\$ 44,989,124	\$ 2,269,422
Other taxes and licenses	16,554,529	16,814,730	21,537,921	4,723,191
Unrestricted intergovernmental	4,377,000	4,377,000	6,042,481	1,665,481
Restricted intergovernmental	6,533,093	6,287,246	4,864,773	(1,422,473)
Permits and fees	788,400	820,847	979,468	158,621
Sales and services	2,368,250	2,796,250	3,474,521	678,271
Investment earnings	56,000	56,000	1,999,639	1,943,639
Donations	30,500	30,500	120,493	89,993
Miscellaneous	560,364	554,976	1,580,512	1,025,536
Total revenues	<u>73,987,838</u>	<u>74,457,251</u>	<u>85,588,932</u>	<u>11,131,681</u>
Expenditures:				
General government	15,274,943	18,221,360	11,263,469	6,957,891
Public safety	16,653,571	17,865,583	15,008,367	2,857,216
Transportation	77,495	272,107	272,107	-
Economic and physical development	715,424	762,674	752,815	9,859
Environmental protection	464,048	484,997	467,705	17,292
Human services	9,880,239	9,897,645	8,143,118	1,754,527
Cultural and recreation	2,791,145	2,798,738	2,531,732	267,006
Education	16,878,390	17,593,390	17,201,618	391,772
Debt service:				
Principal retirement	5,039,600	6,004,600	6,005,000	(400)
Interest and other charges	1,230,733	2,190,030	2,190,030	-
Total expenditures	<u>69,005,588</u>	<u>76,091,124</u>	<u>63,835,961</u>	<u>12,255,163</u>
Revenues over (under) expenditures	<u>4,982,250</u>	<u>(1,633,873)</u>	<u>21,752,971</u>	<u>23,386,844</u>
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	11,068	1,068
Transfers from other funds	6,564,260	9,203,557	9,203,557	-
Transfers to other funds	(11,972,500)	(17,472,571)	(17,472,571)	-
Fund balance appropriated	415,990	9,892,887	-	(9,892,887)
Total other financing sources (uses)	<u>(4,982,250)</u>	<u>1,633,873</u>	<u>(8,257,946)</u>	<u>(9,891,819)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ 13,495,025	\$ <u>13,495,025</u>
Fund balance, beginning of year			51,692,442	
Prior period adjustment			<u>(182)</u>	
Fund balance, beginning, restated			<u>51,692,260</u>	
Fund balance, end of year			<u>\$ 65,187,285</u>	

Watauga County, North Carolina
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Enterprise Fund</u>
	<u>Solid Waste Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 8,653,706
Receivables, net	429,207
Prepaid expense	46,725
Due from other governments	41,199
Total current assets	<u>9,170,837</u>
Non-current assets:	
Capital assets:	
Land and construction in progress	2,488,591
Other capital assets, net of depreciation	3,100,781
Total capital assets	<u>5,589,372</u>
Right to use leased asset, net of amortization	118,287
Total assets	<u>14,878,496</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB deferrals	16,685
Pension deferrals	577,581
Total deferred outflows of resources	<u>594,266</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	303,835
Accrued compensated absences - current	5,881
Insurance proceeds	148,602
Leases - current	11,556
Accrued landfill post closure and closure costs - current	121,745
Total current liabilities	<u>591,619</u>
Non-current liabilities:	
Net pension liability	838,146
Net OPEB liability	191,137
Accrued landfill post closure and closure costs - noncurrent	434,248
Leases	110,942
Accrued compensated absences	114,219
Total non-current liabilities	<u>1,688,692</u>
Total liabilities	<u>2,280,311</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	52,730
Pension deferrals	3,541
Total deferred inflows of resources	<u>56,271</u>
NET POSITION	
Net investment in capital assets	5,589,372
Unrestricted	7,546,808
Total net position	<u>\$ 13,136,180</u>

Watauga County, North Carolina
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2023

	Enterprise Fund
	Solid Waste Fund
OPERATING REVENUES:	
Charges for services	\$ 5,820,254
Sale of recycled materials	148,527
	5,968,781
Total operating revenues	5,968,781
 OPERATING EXPENSES:	
Landfill operations	5,460,720
Recycling operations	125,439
Depreciation and amortization	313,604
	5,899,763
Total operating expenses	5,899,763
Operating income	69,018
 NONOPERATING REVENUES:	
Interest and investment revenue	223,337
Miscellaneous revenues	2,750
Gain on disposal of assets	23,905
Restricted intergovernmental revenues	164,725
	414,717
Total nonoperating revenues	414,717
Change in net position	483,735
Total net position, beginning	12,652,445
Total net position, ending	\$ 13,136,180

Watauga County, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
	<u>Solid Waste Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 5,974,805
Cash paid for goods and services	(3,849,541)
Cash paid to employees for services	(1,863,053)
Net cash provided by operating activities	<u>262,211</u>
Cash flows from noncapital financing activities:	
Restricted intergovernmental revenues	183,615
Principal paid on long-term debt	(10,944)
Miscellaneous revenues	2,750
Net cash provided by noncapital financing activities	<u>175,421</u>
Cash flows from capital and related financing activities:	
Proceeds received from sale of fixed assets	86,000
Acquisition and construction of capital assets	(836,555)
Net cash used by capital and related financing activities	<u>(750,555)</u>
Cash flows from investing activities:	
Interest on investments	<u>223,337</u>
Net cash provided by investing activities	<u>223,337</u>
Net increase in cash and cash equivalents	(89,586)
Cash and cash equivalents, July 1	<u>8,743,292</u>
Cash and cash equivalents, June 30	<u>\$ 8,653,706</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 69,018</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	313,604
Changes in assets, liabilities, deferred outflows and inflows of resources:	
Change in deferred outflow of resources - pensions	(217,645)
Change in deferred inflow of resources - OPEB	(19,273)
Change in deferred outflows of resources - OPEB	110,988
Change in net pension liability	616,024
Change in net OPEB liability	(65,970)
Change in deferred inflow of resources - pensions	(313,805)
Change in accrued landfill post closure and closure costs	(94,365)
Change in accounts receivable	6,024
Change in prepaid expense	-
Change in accounts payable	(49,508)
Change in insurance proceeds	(87,000)
Change in accrued compensated absences	(5,881)
Total adjustments	<u>193,193</u>
Net cash provided by operating activities	<u>\$ 262,211</u>

Watauga County, North Carolina
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	Irrevocable Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 3,439,640	\$ 25,102
Accounts receivable	-	-
	<u>3,439,640</u>	<u>25,102</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	2,578,662	-
Assets held in trust for law enforcement officers' special separation allowance benefits	860,978	-
Individuals, organizations and other governments	-	25,102
Total fiduciary net position	<u>\$ 3,439,640</u>	<u>\$ 25,102</u>

Watauga County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Irrevocable Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Additions:		
Employer contributions	\$ 151,173	\$ -
Interest earned	146,152	-
Ad valorem taxes collected for other governments	-	9,919,350
Collections on behalf of inmates	-	166,611
	<u> </u>	<u> </u>
Total additions	<u>297,325</u>	<u>10,085,961</u>
Deductions:		
Benefits	151,173	-
Administrative expense	-	-
Tax distributions to other governments	-	9,914,689
Payment on behalf of inmates	-	181,448
	<u> </u>	<u> </u>
Total deductions	<u>151,173</u>	<u>10,096,137</u>
Net increase (decrease) in fiduciary net position	146,152	(10,176)
Net position - beginning	<u>3,293,488</u>	<u>35,278</u>
Net position - ending	<u>\$ 3,439,640</u>	<u>\$ 25,102</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Valle Crucis School Project Fund – This is a project fund to account for the new Valle Crucis School project.

American Rescue Plan Project Fund – This is a project fund to account for the American Rescue Plan expenditures.

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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

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, Emergency 911 Building Project Fund, the Representative Payee Fund, the Fines and Forfeitures Fund, the Deed of Trust Fund, the Opioid Settlement Fund and the SCIF 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 connecting 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

revenues, and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Capital Project Funds, the Federal Equitable Sharing, the State Substance Abuse Tax, the Emergency Telephone System, Fire Districts, Occupancy Tax, Representative Payee, Fines, Opioid Funds 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 911 Emergency Building Project fund, the Valle Crucis School Project, the SCIF 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

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2023

County, AppalCART and the Authority consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash or cash equivalents.

2. Restricted Cash

Money for 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 County District U Tourism Development Authority. Taxes collected on behalf of the fire districts are restricted as payable to the districts. The SCIF Project Fund is restricted to eligible projects. Opioid Settlement Funds are restricted to approved eligible expenditures. The ARP Project Fund is restricted to approved expenditures as defined by the U.S. Treasury Department.

Watauga County Restricted Cash

Governmental Activities		
General Fund	Customer deposits	\$ 515,748
	Register of Deeds	99,187
ARP Project Fund	Governmental activities	5,145,575
Federal Equitable Sharing Fund	Law enforcement	118,250
State Substance Abuse Tax Fund	Law enforcement	25,481
Emergency Telephone Fund	911 eligible expenditures	348,272
Occupancy Tax Fund	Tourism	253,977
911 Emergency Project fund	911 building	275,955
SCIF Project Fund	Maintenance of buildings and parking decks/lots	348,586
Opioid Settlement Fund	Opioid eligible expenses	392,147
Fire District Funds	Unexpended collections	107,233
Total Governmental Activities		<u>\$7,630,411</u>

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, 2022.

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. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. 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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

7. Prepaid Expenses

The prepaid expenses of the County are for expenses prepaid for FY 2024.

8. 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 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>
Furniture and equipment	5 to 12
Communications equipment	6
Security and surveillance equipment	7
Maintenance equipment and fixtures	12
Vehicles	8 to 14
Land improvements	10
Buildings	40-50

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

9. Right to use assets

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

AppalCART's capital assets also include certain right-to-use assets. These right-to-use assets arise in association with agreements where AppalCART reports a lease (only applies when AppalCART is the lessee) and agreements where AppalCART reports an Information Technology (IT) subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

AppalCART's right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

AppalCART's right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the lease subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the 18 subscription asset. The right-to-use subscription assets should be amortized on a straight-line basis over the subscription term.

10. 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, leases, OPEB deferrals and pension related deferrals.

11. 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.

12. 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

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

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.

13. Subscriptions

For the year ended June 30, 2023 AppalCART implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

During the current year AppalCART entered into a new subscription for accounting software. The term of the agreement is five years. The Subscription does not have a stated interest rate. Accordingly, AppalCART's estimated incremental borrowing rate of 4.90% was used to discount the subscription payments. The initial liability for the subscription was \$68,350. The liability balance remaining at June 30, 2023 was \$53,350.

During the current year AppalCART entered into a new subscription for transit software that aids in real time passenger information and route planning. The term of the agreement is five years. The Subscription does not have a stated interest rate. Accordingly, AppalCART's estimated incremental borrowing rate of 4.90% was used to discount the subscription payments. The initial liability for the subscription was \$251,711. The liability balance remaining at June 30, 2023 was \$251,711.

During the current year AppalCART entered into a new subscription for a human resources software. The term of the agreement is three years. The Subscription does not have a stated interest rate. Accordingly, AppalCART's estimated incremental borrowing rate of 4.87% was used to discount the subscription payments. The initial liability for the subscription was \$14,859. The liability balance remaining at June 30, 2023 was \$14,859.

Accrued interest related to all IT subscription-based agreements was \$2,157 at June 30, 2023.

The future minimum subscription obligations and the net present value of the minimum payments at June 30, 2023, were as follows:

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2023

The future minimum lease obligations and the net present value of these minimum lease

<u>Years Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 71,912	\$ 3,237	\$ 75,149
2025	63,627	11,968	75,595
2026	66,730	8,865	75,595
2027	64,976	5,710	70,686
2028	52,675	2,565	55,240
Total	<u>\$ 319,920</u>	<u>\$ 32,345</u>	<u>\$ 352,265</u>

14. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows: • 15% directly to the State ("State Abatement Fund") • 80% to abatement funds established by Local Governments ("Local Abatement Funds") • 5% to a County Incentive Fund. The County received \$275,936 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. \$40,000 in funds have been expended as of June 30th, 2023. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

15. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$10,911,724 of fiscal recovery funds to be paid in two equal installments. The first installment of \$5,455,862 was received in July 2021. The second installment will be received in July 2022. County staff and the Board of Commissioners elected to use \$7,750,000 for Broadband and \$3,125,179 for revenue replacement. Revenue replacement funds were transferred to the General Fund.

16. 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.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

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

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

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

Restricted for 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.

Restricted for American Rescue Plan – portion of fund balance that is restricted for expenditures as defined by the U.S. Treasury.

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.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

17. 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, 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, 2023, the County's deposits had a carrying amount of \$63,256,755 and a bank balance of \$64,142,458. Of the bank balance, \$1,000,000 was covered by federal depository insurance and the remainder is covered by collateral held under the Pooling Method. At June 30, 2023, Watauga County had \$3,750 cash on hand.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

At June 30, 2023, AppalCART's deposits had a carrying amount of \$2,342,556 and a bank balance of \$2,421,040. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$2,171,040 in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2023, the Authority's deposits had a carrying amount of \$11,104,012 and a bank balance of \$11,143,501. 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, 2023, 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	14,394,599	14,394,599	-	-
Certificates of deposit	Cost	10,120,693	10,120,693	-	-
Government Agencies	Fair Value Level 2	16,966,609	9,044,269	6,497,835	1,424,505
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	47,439,517	47,439,517	N/A	N/A
Total:		<u>\$88,921,418</u>	<u>\$80,999,078</u>	<u>\$6,497,835</u>	<u>\$1,424,505</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.

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, 2023, 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, 2023. The County's investments in US Agencies with Federal Home Loan

WATAUGA COUNTY, NORTH CAROLINANotes to the Financial Statements
For the Year Ended June 30, 2023

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, 2023, AppalCART's investment stated at fair value, consisted of \$2,086,790 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, 2023, the Authority's investments consisted of the following:

Investment Type	Fair Value	Maturity	Rating
NC Capital Management Trust – Government Portfolio	\$ 113,089	N/A	AAAm
	\$ 113,089		

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, 2023.

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.

<u>Tax Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 873,126	\$ 246,658	\$ 1,119,784
2020	867,521	166,998	1,034,518
2021	854,116	87,547	941,663
2022	906,826	-	906,826
Total	<u>\$ 3,501,589</u>	<u>\$ 501,203</u>	<u>\$ 4,002,791</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Accounts	Taxes Receivable	Interest Receivable	Lease Receivable	Total
Governmental Activities:					
General	\$ 116,539	\$1,073,689	\$ 152,366	\$924,528	\$ 2,267,122
Other Governmental	-	476,846	18,777	-	495,623
Total receivables	116,539	1,550,535	171,143	924,528	2,762,745
Allowance for doubtful accounts	-	(128,074)	-	-	(128,074)
Total-governmental activities	<u>\$ 116,539</u>	<u>\$1,422,461</u>	<u>\$ 171,143</u>	<u>\$924,528</u>	<u>\$ 2,634,671</u>
Business-type Activities					
Solid Waste	\$ 466,147	\$ -	\$ -	\$ -	\$ 466,147
Allowance for doubtful accounts	(36,940)	-	-	-	(36,940)
Total-business-type activities	<u>\$ 429,207</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,207</u>

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

Governmental activities:	
NC DOR	\$ 5,352,620
Town of Boone ABC Board	1,590
Town of Blowing Rock	297,003
Town of Beech Mountain	389,072
Town of Seven Devils	24,742
Watauga County Clerk of Court	19,206
Caldwell Community College and Tech Inst.	18,707
NC Dept of Public Safety	80,385
Blowing Rock ABC Board	525
Avery County	6,000
Watauga County District U TDA	6,032
NC DHHS	643,914
Emergency Telephone System	13,057
Total-governmental activities	<u>\$ 6,852,853</u>
Business-type activities:	
NCDOR	<u>\$ 41,199</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

5. Capital Assets Primary Government:

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 24,190,205	\$ 3,044,828	\$ -	\$ 27,235,033
Intangible	15,600	37,230	-	52,830
Construction in Progress	4,492,391	11,139,019	5,658,082	9,973,328
Total capital assets not being depreciated	<u>28,698,196</u>	<u>14,221,077</u>	<u>5,658,082</u>	<u>37,261,191</u>
Depreciable Assets:				
Buildings	139,214,995	19,556	-	139,234,551
Other improvements	6,273,119	2,599,698	-	8,872,817
Leasehold improvements	7,663,470	-	-	7,663,470
Equipment	7,233,581	123,653	46,702	7,310,532
Vehicles and motorized equipment	3,027,712	133,578	98,109	3,063,181
Total depreciable assets	<u>163,412,877</u>	<u>2,876,485</u>	<u>144,811</u>	<u>166,144,551</u>
Less Accumulated Depreciation:				
Buildings	32,560,298	2,795,659	-	35,355,957
Other improvements	5,009,486	441,144	-	5,450,630
Leasehold improvements	2,651,158	274,656	-	2,925,814
Equipment	6,233,612	335,481	46,702	6,522,391
Vehicles and motorized equipment	2,114,492	314,935	84,865	2,344,562
Total accumulated depreciation	<u>48,569,046</u>	<u>4,161,875</u>	<u>131,567</u>	<u>52,599,354</u>
Governmental activities capital assets, net	<u>\$ 143,542,027</u>	<u>\$ 1,759,438</u>	<u>\$ 13,244</u>	<u>\$ 150,806,388</u>

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

Governmental Activities:	
General government	\$ 2,069,340
Public safety	539,889
Economic development	5,529
Environmental protection	380
Human services	237,296
Cultural and recreational	1,309,441
Total	<u>\$ 4,161,875</u>

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

Business-type activities:	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	\$ 1,100,815	\$ -	\$ -	\$ 1,100,815
Construction in progress	794,782	592,994	-	1,387,776
Total non-depreciable assets	1,895,597	592,994	-	2,488,591
Depreciable and Amortizable Assets:				
Improvements	462,279	-	-	462,279
Leasehold improvements	319,959	-	-	319,959
Buildings	4,152,793	-	-	4,152,793
Equipment	2,151,444	229,135	138,945	2,241,634
Vehicles	1,779,153	14,426	-	1,793,579
Total depreciable and amortizable assets	8,865,628	243,561	138,945	8,970,244
Less Accumulated Depreciation:				
Improvements	435,650	11,620	-	447,270
Leasehold improvements	314,652	248	-	314,900
Buildings	1,631,895	85,898	-	1,717,793
Equipment	1,728,784	71,074	76,852	1,723,006
Vehicles	1,534,776	131,718	-	1,666,494
Total accumulated depreciation	5,645,757	300,558	76,852	5,869,463
Total capital assets being depreciated, net				
Business-type capital assets, net	\$ 5,115,468	\$ 535,997	\$ 62,093	\$ 5,589,372

Construction commitments

The County has three active construction projects as of June 30, 2023. The governmental projects include the Valle Crucis School, a parking deck, and the 911 Emergency Building. At June 30, 2023 the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Valle Crucis School	\$ 6,885,621	\$ 43,374,493
911 Emergency Building	111,082	989,946
Parking deck	108,000	4,884,202
Total	\$ 7,104,703	\$ 49,248,641

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

Discretely presented component units

Capital asset activity for the AppalCART for the year ended June 30, 2023, 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	8,190	-	15,040
Total capital assets not being depreciated	<u>1,121,092</u>	<u>8,190</u>	<u>-</u>	<u>1,129,282</u>
Capital assets being depreciated:				
Buildings	6,713,329	-	-	6,713,329
Land improvements	11,156	-	-	11,156
Office furniture and equipment	711,656	3,430	5,778	709,308
Shop equipment	343,045	6,512	-	349,557
Vehicles	11,757,598	1,060,013	63,596	12,754,015
Total capital assets being depreciated	<u>19,536,784</u>	<u>1,069,955</u>	<u>69,374</u>	<u>20,537,365</u>
Less accumulated depreciation for:				
Buildings	1,222,728	135,789	-	1,385,517
Land improvements	12,764	536	-	13,300
Office furniture and equipment	483,678	63,264	5,778	541,164
Shop equipment	294,421	10,042	-	304,463
Vehicles	6,352,338	1,038,577	45,426	7,345,489
Total accumulated depreciation	<u>8,365,929</u>	<u>1,248,208</u>	<u>51,204</u>	<u>9,562,933</u>
Total capital assets being depreciated, net	<u>11,170,855</u>			<u>10,974,432</u>
Business-type activities capital assets, net	<u><u>\$12,291,947</u></u>			<u><u>\$12,103,714</u></u>

6. Right to Use Leased Assets

The County has recorded right to use leased assets. The assets are right to use assets for leased land. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the for the County for the year ended June 30, 2023, was as follows:

Enterprise Fund	Beginning Balance	Additions	Decreases	Ending Balance
Right to use assets				
Leased land	\$ 144,380	\$ -	\$ -	\$ 144,380
Total right to use assets	<u>144,380</u>	<u>-</u>	<u>-</u>	<u>144,380</u>
Less accumulated amortization for:				
Leased land	13,046	13,047	-	26,093
Total accumulated amortization	<u>13,046</u>	<u>13,047</u>	<u>-</u>	<u>26,093</u>
Right to use assets, net	<u><u>131,334</u></u>	<u><u>(13,047)</u></u>	<u><u>-</u></u>	<u><u>118,287</u></u>

AppalCART has recorded right to use leased assets. The assets are right to use assets for leased land. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

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Right to use asset activity for the for AppalCART for the year ended June 30, 2023, was as follows:

AppalCART	Beginning Balance	Additions	Decreases	Ending Balance
Right to use assets				
IT subscriptions	\$ -	\$ 357,195	\$ -	\$ 357,195
Total right to use assets	-	357,195	-	357,195
Less accumulated amortization for:				
Leased land	-	17,070	-	17,070
Total accumulated amortization	-	17,070	-	17,070
Right to use assets, net	-	340,125	-	340,125

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2023, were as follows:

	Vendors	Salaries and benefits	Due to other governments	Total
Governmental activities:				
General	\$ 1,158,033	\$ 270,055	\$ 429,937	\$ 1,858,025
Valle Crucis Project	2,552,621	-	-	2,552,621
ARP Project	2,399,974	-	-	2,399,974
Other governmental funds	-	-	635,644	635,644
Total-governmental activities	\$ 6,110,628	\$ 270,055	\$ 1,065,581	\$ 7,446,264
Business-type activities:				
Solid Waste	\$ 285,290	\$ 18,545	\$ -	\$ 303,835

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

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Notes to the Financial Statements For the Year Ended June 30, 2023

beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers and 12.17% 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 \$1,865,907 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$9,633,867 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was 0.17077% (measured as of June 30, 2022), which was an increase of 0.00429% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$2,838,025. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 415,115	\$ 40,700
Changes of assumptions	961,244	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	3,184,094	-
County contributions subsequent to the measurement date	<u>1,865,907</u>	<u>-</u>
Total	\$ <u><u>6,638,862</u></u>	\$ <u><u>40,700</u></u>

\$1,865,907 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 1,521,733
2025	1,292,543
2026	401,017
2027	1,516,963
2028	-
Thereafter	-
Total	\$ <u><u>4,732,255</u></u>

At June 30, 2023, the Authority reported a liability of \$136,523 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the Authority's proportion was 0.00242% (measured as of June 30, 2022), which was an increase of 0.00025% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Authority recognized pension expense of \$39,324. At June 30, 2023, 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	\$ 5,883	\$ 577
Changes of assumptions	13,622	-
Net difference between projected and actual earnings on pension plan investments	45,122	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6,554	1,542
Authority contributions subsequent to the measurement date	<u>25,610</u>	<u>-</u>
Total	\$ <u><u>96,791</u></u>	\$ <u><u>2,119</u></u>

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\$96,791 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	21,214
2025		19,848
2026		6,503
2027		21,497
2028		-
Thereafter		-
Total	\$	<u>69,062</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The plan currently uses the Pub-2010 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 are projected from 2010 using generational improvement with Scale MP-2019.

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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100%</u>	

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

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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 2.5%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. 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 6.5 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 (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
County's proportionate share of the net pension liability (asset)	\$ 17,387,881	\$ 9,633,867	\$ 3,244,102
	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Authority's proportionate share of the net pension liability (asset)	\$ 246,406	\$ 136,523	\$ 45,973

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.

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

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System. The following table summarizes the membership of the Plan as of June 30, 2021, the valuation date:

Retirees receiving benefits	2
Inactive members entitled to but not receiving benefits	0
Active plan members	<u>47</u>
Total	<u>49</u>

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, 2023, the County contributed \$40,873, or 1.5% 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, 2022 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	3.54 percent, net of pension plan investment expense, including inflation
Mortality	Pre-retirement mortality rates bases 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 3.54%. 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, 2022.

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 2.16% 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, 2022.

Sensitivity of the net pension asset to changes in the discount rate. The following presents the net pension liability calculated using the discount rate of 3.54 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 (2.54 percent) or one percentage point higher (4.54 percent) than the current rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net pension liability	\$491,786	\$380,128	\$278,427

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

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) – (b)
Balance as of June 30, 2021; measurement date	\$ 1,285,177	\$ 750,688	\$ 534,489
Changes for the year:			
Service cost	103,956	-	103,956
Interest	29,684	-	29,684
Benefit changes	-	-	-
Difference between expected and actual experience	(11,373)	-	(11,373)
Changes of assumptions or other inputs	(156,813)	-	(156,813)
Contributions – employer	-	129,790	(129,790)
Contributions – employee	-	-	-
Net investment income	-	525	(525)
Benefits paid	(29,790)	(29,790)	-
Plan administrative expenses	-	(10,500)	10,500
Net changes	(64,336)	90,025	(154,361)
Balance as of June 30, 2022; measurement date	\$ 1,220,841	\$ 840,713	\$ 380,128

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 2.16% to 3.54% 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, 2023, the County recognized pension expense of \$135,865. 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, 2023 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of the June 30, 2022 measurement date:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 67,542
Changes of assumptions	74,370	-
Net difference between projected and actual earnings on pension plan investments	27,379	-
County benefit payments and admin expenditures subsequent to the measurement date	40,873	-
Total	<u>\$ 142,622</u>	<u>\$ 67,542</u>

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The County paid \$40,873 in benefit payments and \$0 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:	
2024	\$ 6,985
2025	5,290
2026	3,757
2027	659
2028	-2,672
Thereafter	20,188
Total	<u>\$ 34,207</u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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, 2023 were \$199,609, which consisted of \$139,429 from the County and \$60,180 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, 2023 to these plans were \$854,380 which consisted of \$566,705 from the County and \$287,675 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

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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 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 \$9,141 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$82,713 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was .62472%, which was a decrease of .05118% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$14,184. At June 30, 2023, 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	\$ 637	\$ 1,499
Changes of assumptions	4,379	-
Net difference between projected and actual earnings on pension plan investments	34,378	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,004	3,681
County contributions subsequent to the measurement date	9,141	-
Total	\$ 55,539	\$ 5,180

\$9,141 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2024	\$ 10,010
2025	11,117
2026	11,445
2027	8,645
2028	-
Total	<u>\$ 41,218</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.0 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, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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, 2022 is 3.2%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2023 asset liability and investment policy study for the North Carolina Retirement Systems, including 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 2.5%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension asset was 3.0%. 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 3.0 percent, as well as what the County's proportionate share of the net

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pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current rate:

	1% Decrease (2.0%)	Discount Rate (3.0%)	1% Increase (4.0%)
County's proportionate share of the net pension liability (asset)	\$95,339	\$(82,713)	\$140,774

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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The net pension liability (asset) for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. 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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 9,633,867	\$ (82,713)	\$ -	\$ 9,551,154
Proportion of the Net Pension Liability (Asset)	0.17077%	0.62472%	n/a	n/a
Net Pension Liability	-	-	\$ 380,128	\$ 380,128
Pension Expense	\$ 2,838,025	\$ 14,184	\$ 135,865	\$ 2,988,074

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At June 30, 2023, 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	\$ 415,115	\$ 637	\$ -	\$ 415,752
Changes of assumptions	961,244	4,379	74,370	1,039,993
Net difference between projected and actual earnings on pension plan investments	3,184,094	34,378	27,379	3,245,851
Changes in proportion and differences between County contributions and proportionate share of contributions	212,502	7,004	-	219,506
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,865,907	9,141	40,873	1,915,921
Total	<u>\$ 6,638,862</u>	<u>\$ 55,539</u>	<u>\$ 142,622</u>	<u>\$ 6,837,023</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 40,700	\$ 1,499	\$ -	\$ 42,199
Changes of assumptions	-	-	67,542	67,542
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,681	-	3,681
Total	<u>\$ 40,700</u>	<u>\$ 5,180</u>	<u>\$ 67,542</u>	<u>\$ 113,422</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, 2022, the HCB Plan membership consisted of the following:

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Inactive plan members or beneficiaries currently receiving benefit payments	21
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>247</u>
Total	<u>268</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 \$110,300.

County contributions to HCB Plan based on creditable years of service

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

Investments

Investment policy. The HCB Plan's policy in regards to the allocation of invested assets is established by the County Financial Policy used by management. It is the policy of the County to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio and staggered maturities. Investments are valued at fair value. The current asset allocation policy is in 100% fixed income investments with an expected long term rate of return of 3.54 percent.

Rate of return. For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was 3.54 percent.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2023 were as follows:

Total OPEB Liability	\$ 4,649,752
Plan fiduciary net position	<u>2,452,775</u>
County's net OPEB liability	<u>\$ 2,196,977</u>

Plan fiduciary net position as a percentage of Total OPEB Liability is 52.75%.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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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	3.54 percent
Healthcare cost trend rates	6.25 percent, then 7.25 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, 2022 and June 30, 2021 for the employer and the plan, respectively, utilizing updated procedures incorporating the actuarial assumptions.

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

Discount rate. The discount rate used to measure the total OPEB liability was 3.54 percent. The discount rate incorporates a municipal bond rate which is 3.54 percent as reported in the Bond Buyer for the 20 Year general obligation bonds as of June 30, 2022.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54 percent)	Discount Rate (3.54 percent)	1% Increase (4.54 percent)
Net OPEB liability (asset)	\$ 2,608,343	\$ 2,196,977	\$ 1,826,920

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

	1% Decrease in Trend Rates	Healthcare Cost Trend Rate	1% Increase in Trend Rates
Net OPEB liability (asset)	\$ 1,885,283	\$ 2,196,977	\$ 2,564,760

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2023, the County reported a net OPEB liability of

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\$2,196,977. The total OPEB liability used to calculate the net OPEB liability was measured by an actuarial valuation as of June 30, 2022.

At June 30, 2023, the components of the net OPEB liability of the County, as measured at June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2022	\$ 5,174,614	\$ 2,219,361	\$ 2,955,253
Changes for the Year:			-
Service Cost	350,496	-	350,496
Interest	118,227	-	118,227
Differences between Expected and Actual experience	116,866	-	116,866
Changes of assumptions	(1,006,651)	-	(1,006,651)
Contributions	-	349,000	(349,000)
Net Investment Income	-	1,714	(1,714)
Administrative expense	-	(13,500)	13,500
Benefit Payments	(103,800)	(103,800)	-
Net Changes	(524,862)	233,414	(758,277)
Balances at June 30, 2023	<u>\$ 4,649,752</u>	<u>\$ 2,452,775</u>	<u>\$ 2,196,977</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

For the year ended June 30, 2023, the County recognized OPEB expense of \$406,2261. At June 30, 2023, 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	\$ -	\$ 43,495
Changes of assumptions	-	562,598
Net Difference between projected and actual earnings on plan investments	81,480	-
County contributions subsequent to the measurement date	110,300	-
Total	<u>\$ 191,780</u>	<u>\$ 606,093</u>

\$110,300 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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2024	\$	(33,178)
2025		(73,867)
2026		(32,178)
2027		(67,027)
2028		(77,915)
Thereafter		(240,448)
	<u>\$</u>	<u>(524,613)</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. The County considers the contributions to be immaterial.

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

i. Retirement Plan - AppalCART

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

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

Solid Waste Landfill - On April 8, 1994, the County stopped accepting municipal solid waste at the County's landfill, and closure procedures were initiated. State and federal laws and regulations required the County to place a final cover on its landfill facility and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Groundwater testing continues, as required by NCDENR. Due to a NCDENR directive, in fiscal year 2004-2005, a methane collection system was installed to prevent the potential for offsite migration. Further remedial actions are not anticipated unless groundwater conditions change. The County has reported accrued landfill post closure costs of \$121,745. The County will recognize the postclosure costs over the remaining 1 year.

(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 \$434,248 reported as landfill closure and postclosure care liability at June 30, 2023 represents a cumulative amount reported to

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date based on the use of 30% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2023.

4. Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources as of June 30, 2023 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources Statement of Net Position	Governmental Funds Balance Sheet
Deferred Outflows of Resources:			
Changes in assumptions, pension and OPEB	\$ 956,365	\$ 581,194	\$ -
Pensions and OPEB - difference between expected and actual experience	379,637	78,369	-
Pensions and OPEB - difference between projected and actual investment earnings	3,043,226	-	-
Pensions and OPEB - change in proportion and difference between employer contributions and proportionate share of contributions	201,018	3,681	-
Contributions to pension and OPEB plans in the current year	1,854,291	-	-
Deferred charge on refunding of debt	555,240	-	-
Note Receivable (General)	-	-	14,960,505
Prepaid taxes not yet earned (General)	-	4,778	4,778
Taxes receivable, net (General)	-	-	957,160
Lease receivable (General)	-	897,279	897,279
Taxes receivable, net (Special Revenue)	-	-	116,032
Total deferred outflows of resources	<u>\$6,989,777</u>	<u>\$ 1,565,301</u>	<u>\$ 16,935,754</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 \$137,442,301 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 \$250,000 up to a \$2 million limit for liability coverage, \$6,000,000 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

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of \$500,000 per structure through the NFIP. Under this program, the County has purchased commercial flood insurance for \$824,000 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 is bonded for \$1,000,000. The 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 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. Leases

Serviced by the Enterprise Fund

The County has entered into agreements to lease parcels of land. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of future minimum payments as of the date of their inception.

The first agreement was executed in September 2013 to lease land and requires 240 monthly payments varying between \$300 to \$375. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.39%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use asset with a net book value of \$35,649 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of this note.

\$ 37,403

The second agreement was executed in September 2006 to lease land and requires 240 monthly payments varying between \$175 to \$250. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.39%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use asset with a net book value of \$8,696 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of this note.

8,996

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The third agreement was executed in May 2013 to lease land and requires 240 monthly payments of \$100. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.39%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use asset with a net book value of \$9,806 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of this note.

10,095

The fourth agreement was executed in February 2015 to lease land and requires 240 monthly payments of \$300. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.39%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use asset with a net book value of \$33,476 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of this note.

34,447

The fifth agreement was executed in November 2013 to lease land and requires 240 monthly payments varying between \$300 to \$399. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.39%, which is the stated rate in the lease agreement. As a result of the lease, the County has recorded a right to use asset with a net book value of \$30,660 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of this note.

31,557

Total Enterprise Fund leases

\$ 122,498

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Years Ending June 30,	Principal	Interest	Total
2024	\$ 11,556	\$ 3,854	\$ 15,410
2025	12,024	3,456	15,480
2026	12,438	3,038	15,476
2027	10,335	2,636	12,971
2028	10,177	2,292	12,469
2028-2032	57,826	5,709	63,535
2033-2038	8,142	169	8,311
Total	<u>\$ 122,498</u>	<u>\$ 21,154</u>	<u>\$ 143,652</u>

b. 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, 2023 of \$17,960,000. Series B was for

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

The 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, 2023 is \$13,210,000. 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.

The fourth direct placement installment purchase agreement was for limited obligations bonds and was executed in the amount \$31,800,000 for the construction of the Valle Crucis School on October 27, 2022. The installment purchase calls for annual payments of principal and semi-annual payments of interest for a period of 20 years. The annual principal payments range from \$965,000 to \$1,625,000. The outstanding balance as of June 30, 2023 is \$30,835,000. Proceeds from the LOBs included a premium of \$2,997,003 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, 2023, including \$20,275,224 of interest, are:

<u>Years Ending June 30,</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,615,000	\$ 2,635,607	\$ 9,250,607
2025	6,570,000	2,402,112	8,972,112
2026	6,545,000	2,138,015	8,683,015
2027	6,500,000	1,899,685	8,399,685
2028	6,465,000	1,660,005	8,125,005
2029-2033	14,705,000	5,769,550	20,474,550
2034-2038	8,125,000	2,919,750	11,044,750
2039-2043	6,480,000	850,500	7,330,500
Total	<u>\$ 62,005,000</u>	<u>\$ 20,275,224</u>	<u>\$ 82,280,224</u>

b. General Obligation Indebtedness

The County has no general obligation debt outstanding or authorized as of June 30, 2023. At June 30, 2023, Watauga County had a legal debt margin of \$1,061,247,856.

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 \$715,525 and the annual amortization of interest expense is in the government-wide statements.

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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, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Governmental Activities:					
Direct placement installment purchases	\$ 36,210,000	31,800,000	\$ 6,005,000	\$62,005,000	6,615,000
Net pension liability (LGERS)	2,331,009	6,464,712	-	8,795,721	-
Total pension liability (LEOSSA)	534,489	-	154,361.00	380,128	-
Net OPEB liability	2,698,146	-	692,306.00	2,005,840	-
Premium on LOBS	1,263,737	2,997,003	264,735	3,996,005	264,735
Premium on advance refunding	858,630	-	143,105	715,525	143,105
Compensated absences	1,116,968	1,952,201	1,840,351	1,228,818	111,850
Total	<u>\$ 45,012,979</u>	<u>\$ 43,213,916</u>	<u>\$ 9,099,858</u>	<u>\$79,127,037</u>	<u>7,134,690</u>
Business-Type Activities:					
Net pension liability (LGERS)	\$ 222,122	\$ 616,024	\$ -	\$ 838,146	\$ -
Net OPEB liability	257,107	-	65,970	191,137	-
Accrued landfill closure and post closure costs	649,999	-	94,006	555,993	121,745
Leases	133,442	-	10,944	122,498	11,556
Compensated absences	125,980	180,739	186,619	120,100	5,881
Total	<u>\$ 1,388,650</u>	<u>\$ 796,763</u>	<u>\$ 357,539</u>	<u>\$ 1,827,874</u>	<u>\$ 139,182</u>
Discretely presented component units:					
AppalCART					
Lease liabilities	\$ -	\$ 334,920	\$ 15,000	\$ 319,920	\$ 71,912
Compensated absences	104,660	59,825	50,377	114,108	50,377
Total	<u>\$ 104,660</u>	<u>\$ 394,745</u>	<u>\$ 65,377</u>	<u>\$ 434,028</u>	<u>\$ 122,289</u>
Watauga County TDA					
Net pension liability (LGERS)	\$ 33,279	\$ 103,244	\$ -	\$ 136,523	\$ -
Compensated absences	11,755	5,005	-	16,760	16,760
Total	<u>\$ 45,034</u>	<u>\$ 108,249</u>	<u>\$ -</u>	<u>\$ 153,283</u>	<u>\$ 16,760</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.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2023, consist of the following:

From the General Fund to the Capital Projects Fund to accumulate resources for future capital acquisitions	\$ 17,472,571
From the Capital Projects Fund to the Valle Crucis School Capital Project Fund	14,763,998
From the Capital Projects Fund to the 911 Building Capital Project Fund	3,500,000
From the Community Recreation Center Fund to the Capital Projects Fund to	
From the Capital Projects Fund to the General Fund	9,203,557
Total	<u>\$ 44,940,126</u>

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 150,806,389	\$ 5,589,372
Less long-term debt	62,005,000	-
Less LOBs premium	3,996,005	-
Add Deferred charge on refunding	555,240	-
Less Advance refunding premium	715,525	-
Net investment in capital assets	<u>\$ 84,645,098</u>	<u>\$ 5,589,372</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. 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	\$65,187,285
Less:	
Stabilization by State Statute	15,486,170
Prepaid expense	30,363
Leases	27,249
Appropriated in future years ¹	829,626
Register of Deeds Automation/Enhancement	99,187
Remaining fund balance	<u>\$48,714,690</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 - \$8,667,147
	Emergency 911 Fund - \$77,743
	Enterprise Fund - \$1,383,012

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, 2023. In

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2023

accordance with the intergovernmental agreement between the participating governments, the County appropriated \$741,660 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$945,555 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 \$1,047,793 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 paid membership fees of \$48,342 and purchased services in the amount of \$14,830 with the Council during the fiscal year ended June 30, 2023. The County was the sub recipient of four grants totaling \$350,170. The first grant is for \$314,025 in Home and Community Care Block Grant funds and the second is for \$21,570 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 \$14,575 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 - Prior Period Adjustment/Correction of Error

The NC Department of Public Safety disallowed \$182 in Emergency Telephone System expenditures for the fiscal year ended June 30, 2023, resulting in a prior period adjustment. The prior period adjustment is reflected in the nonmajor special revenue fund, Emergency Telephone System Fund.

WATAUGA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Year Ended June 30, 2023

Note 7 -

Subsequent Events

For the year ended June 30, 2023, the County has evaluated subsequent events for potential recognition and disclosure through January 31, 2024 – the date the financial statements were available to be issued.

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

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

	2023**	2022**	2021**	2020**	2019**	2018**	2017**	2016*
Total pension liability								
Service cost	\$ 103,956	100,463	\$ 65,966	\$ 59,759	\$ 57,398	\$ 57,127	\$ 24,305	\$ 49,129
Interest	29,684	28,211	30,823	30,735	26,308	25,578	14,474	26,460
Benefit changes	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(11,373)	-	37,151	-	25,317	(173,460)	(33,229)	-
Changes of assumptions and other inputs	(156,813)	2,166	271,350	29,530	(21,390)	(50,285)	60,466	11,037
Benefit payments, including refunds of member contributions	(29,790)	(43,436)	(44,433)	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
Net change in total pension liability	<u>(64,336)</u>	<u>87,404</u>	<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>1,285,177</u>	<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>	<u>726,794</u>
Total pension liability-ending (a)	<u>\$ 1,220,841</u>	<u>1,285,177</u>	<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	\$ 129,790	137,936	\$ 139,433	\$ 130,091	\$ 109,744	\$ 143,399	\$ 7,101	\$ 71,302
Contributions-member	-	-	-	-	-	-	-	-
Net investment income	525	163	13,682	11,387	5,867	752	428	706
Benefit payments, including refunds of member contributions	(29,790)	(43,436)	(44,433)	(35,091)	(26,244)	(17,399)	(7,101)	(23,302)
Administrative expense	(10,500)	(10,000)	(10,000)	(9,519)	(18,500)	(457)	-	(236)
Refund of contributions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net change in plan net position	<u>90,025</u>	<u>84,663</u>	<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>750,688</u>	<u>666,025</u>	<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>\$ 840,713</u>	<u>750,688</u>	<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>\$ 380,128</u>	<u>534,489</u>	<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 June 30, 2022.

**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 increased from 2.16% to 3.54% based on the change in the 20-year exempt municipal bond index 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 Eight Fiscal Years

	2023**	2022**	2021**	2020**	2019**	2018**	2017**	2016*
Total pension liability (TPL)	\$ 1,220,841	\$ 1,285,177	\$ 1,197,773	\$ 836,916	\$ 751,983	\$ 690,594	\$ 849,033	\$ 790,118
Plan net position	840,713	750,688	666,025	567,343	470,475	399,608	273,313	272,885
Net pension liability	<u>\$ 380,128</u>	<u>\$ 534,489</u>	<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	68.86%	58.41%	55.61%	67.79%	62.56%	57.86%	32.19%	34.54%
Covered payroll	2,722,736	2,307,552	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	13.96%	23.16%	23.04%	13.44%	14.04%	15.84%	30.57%	28.15%

*Information is as of the Measurement date of June 30, 2022.

**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, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Based on service, ranging from 3.25 - 7.75%, including inflation
Investment Rate of Return	3.54%, net of pension plan investment expense, including inflation

Mortality Pre-retirement mortality rates are based on Pub-2010 Safety Employees tables, projected forward generationally using Scale MP-2019. Mortality rates for the period after retirement based on Pub-2010 Safety Retirees tables, set forward one year and multiplied by .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 Eight Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer contribution	\$ 182,840	\$ 172,076	\$ 109,031	\$ 103,230	\$ 88,544	\$ 109,308	\$ 95,479	\$ 60,285
Contributions in relation to the contractually required contribution	40,873	129,790	137,936	139,433	130,091	109,744	143,399	39,727
Contribution deficiency (excess)	<u>\$ 141,967</u>	<u>\$ 42,286</u>	<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	\$ 2,722,736	\$ 2,307,552	\$ 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	1.50%	5.62%	5.98%	6.95%	6.49%	5.97%	7.86%	2.11%

Notes to schedule:

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for the year ended June 30, 2022:

Actuarial cost method	Entry Age
Amortization method	Closed 30 year level dollar as of June 30, 2020
Remaining amortization period	28 years from June 30, 2022
Asset valuation method	Market value of assets
Investment Rate of Return	3.54%, including inflation, net of pension plan investment expense
Inflation	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
Mortality	Pre-retirement mortality rates are based on Pub-2010 Safety Employees tables, projected forward 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 Seven Fiscal Years

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 350,496	\$ 336,542	\$ 273,893	\$ 248,114	\$ 204,963	\$ 245,616	\$ 196,127
Interest	118,227	116,375	157,322	162,144	133,400	104,379	128,565
Benefit changes	-	-	-	-	-	-	-
Difference between expected and actual experience	116,866	(164,860)	(299,908)	(114,921)	705,179	(166,570)	-
Changes of assumptions and other inputs	(1,006,651)	20,845	710,395	124,063	(491,388)	(209,201)	264,995
Benefit payments, including refunds of member contributions	(103,800)	(126,500)	(139,800)	(141,500)	(122,100)	(107,800)	(120,700)
Net change in total OPEB liability	(524,862)	182,402	701,902	277,900	430,054	(133,576)	468,987
Total OPEB liability-beginning	5,174,614	4,992,212	4,290,310	4,012,410	3,582,356	3,715,932	3,246,945
Total OPEB liability-ending (a)	4,649,752	5,174,614	4,992,212	4,290,310	4,012,410	3,582,356	3,715,932
Plan fiduciary net position							
Contributions-employer	\$ 349,000	\$ 293,500	\$ 257,800	\$ 264,000	\$ 264,800	\$ 872,800	\$ 207,436
Contributions-member	-	-	-	-	-	-	-
Net investment income	1,714	6,607	42,295	32,752	22,310	10,714	7,889
Benefit payments, including refunds of member contributions	(103,800)	(126,500)	(139,800)	(141,500)	(122,100)	(107,800)	(120,700)
Administrative expense	(13,500)	(13,000)	(13,000)	(12,538)	(25,000)	-	(4,800)
Net change in plan fiduciary net position	233,414	160,607	147,295	142,714	140,010	775,714	89,825
Plan fiduciary net position-beginning	2,219,361	2,058,754	1,911,459	1,768,745	1,628,735	853,021	763,196
Plan fiduciary net position-ending (b)	2,452,775	2,219,361	2,058,754	1,911,459	1,768,745	1,628,735	853,021
Net OPEB liability-ending (a) - (b)	\$ 2,196,977	\$ 2,955,253	\$ 2,933,458	\$ 2,378,851	\$ 2,243,665	\$ 1,953,621	\$ 2,862,911
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	52.75%	42.89%	41.24%	44.55%	44.08%	45.47%	22.96%
Covered employee payroll	\$ 15,361,543	\$ 14,077,047	\$ 11,825,259	\$ 11,825,259	\$ 11,480,834	\$ 10,715,512	\$ 10,160,128
Plan Net OPEB Liability as percentage of covered employee pa	14.30%	20.99%	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 2022 the discount rate changed from 2.16% to 3.54%

Watauga County, North Carolina
Other Post Employment Benefits Irrevocable Trust

Schedule of County Contributions
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 474,735	\$ 468,418	\$ 282,753	\$ 272,198	\$ 227,672	\$ 253,925	\$ 179,656	\$ 171,685	\$ 171,685	\$ 177,098
Contributions in relation to the actuarially determined contribution	110,300	349,000	293,500	257,800	264,000	256,000	872,800	207,436	230,450	205,575
Contribution deficiency (excess)	<u>\$ 364,435</u>	<u>\$ 119,418</u>	<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>
Covered payroll	\$ 15,361,543	\$ 14,077,047	\$ 13,633,944	\$ 11,825,259	\$ 11,480,834	\$ 10,745,512	\$ 10,160,128	\$ 10,512,790	\$ 10,028,405	\$ 10,387,368
Contributions as a percentage of covered payroll	0.72%	2.48%	2.15%	2.18%	2.30%	2.38%	8.59%	1.97%	2.30%	1.98%

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, 2022

Discount rate 3.54% as of June 30, 2022 and 2.16% as of June 30, 2021 measurement

Actuarial cost method Entry age actuarial cost method

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

Remaining amortization period 28-years from June 30, 2021

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.

Healthcare trend costs 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.

6.25%, then 7.25% decreasing by .25% per year, 4.50% ultimate rate

Watauga County, North Carolina
Other Post Employment Benefits Irrevocable Trust

Schedule of Investment Returns
Last Seven Fiscal Years

	<u>2023</u>	<u>2022</u>	<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	0.07%	0.31%	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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<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) %	0.17077%	0.16648%	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) \$	\$ 9,633,867	\$ 2,553,131	\$ 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	\$ 13,638,044	\$ 12,397,522	\$ 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	70.64%	20.59%	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 **	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Watauga County, North Carolina
County's Contributions

Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,865,907	1,575,748	\$ 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	1,865,907	1,575,748	1,284,035	1,113,164	937,359	861,878	798,115	732,167	761,648	738,196
Contribution deficiency (excess)	\$ -	-	\$ -	-	\$ -	-	-	-	-	-
County's covered payroll	15,121,526	13,638,044	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	12.34%	11.55%	10.36%	9.17%	7.96%	7.61%	7.38%	6.85%	7.23%	7.11%

This schedule will build to become a ten year schedule as information becomes available. Information was not available prior to the implementation of GASB Statement No. 68 in 2014.

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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<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) %	-0.6247%	-0.6759%	(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) \$	\$ (82,713)	\$ (129,861)	\$ (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 **	139.04%	156.53%	173.62%	164.44%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

**Watauga County, North Carolina
 County's Contributions**

Register of Deeds' Supplemental Pension Fund (RODSPF)
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<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	\$ 9,141	\$ 7,891	\$ 8,112	\$ 5,956	\$ 5,357	\$ 5,273	\$ 5,653	\$ 5,452	\$ 5,276	\$ 5,142
Contributions in relation to the contractually required contribution	9,141	7,891	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>	<u>\$ -</u>	<u>\$ -</u>

Schedule 11

**WATAUGA COUNTY DISTRICT U TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF WATAUGA COUNTY)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

**Required Supplementary Information
Local Governmental Employees' Retirement System
Last Ten Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) %	0.00242%	0.00217%	0.00207%	0.00252%	0.00262%	0.00276%	0.00289%	0.00287%	0.00285%	0.00400%
Authority's proportionate share of the net pension liability (asset) \$	\$ 136,523	\$ 33,279	\$ 73,970	\$ 68,819	\$ 62,155	\$ 42,165	\$ 61,334	\$ 12,880	\$ (16,808)	\$ 48,215
Authority's covered payroll	\$ 194,005	\$ 175,870	\$ 173,791	\$ 175,557	\$ 155,123	\$ 153,328	\$ 142,786	\$ 125,271	\$ 148,550	\$ 176,103
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.37%	18.92%	42.56%	39.20%	40.07%	27.50%	42.96%	10.28%	-13.42%	27.38%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	92.00%	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.

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

Schedule 12

**WATAUGA COUNTY DISTRICT U TOURISM DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF WATAUGA COUNTY)
WATAUGA COUNTY DISTRICT U TDA'S CONTRIBUTIONS**

**Required Supplementary Information
Last Ten Fiscal Years**

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<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	\$ 25,610	\$ 21,226	\$ 17,897	\$ 15,619	\$ 13,761	\$ 12,227	\$ 11,247	\$ 10,241	\$ 10,075	\$ 9,281
Contributions in relation to the contractually required contribution	25,610	21,226	17,897	15,619	13,761	12,227	11,247	10,241	10,075	9,281
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 213,162	\$ 194,005	\$ 175,870	\$ 173,791	\$ 175,557	\$ 155,123	\$ 153,328	\$ 142,786	\$ 125,271	\$ 148,550
Contributions as a percentage of covered payroll	12.01%	10.94%	10.18%	8.99%	7.84%	7.88%	7.34%	7.17%	8.04%	6.25%

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance
REVENUES:			
Taxes - ad valorem:			
Current year		\$ 44,230,190	
Prior years		535,952	
Advertising and interest		222,982	
Total Taxes - ad valorem	\$ 42,719,702	44,989,124	\$ 2,269,422
Taxes - other:			
Local option sales taxes		20,149,869	
Real estate transfer tax		1,032,197	
ABC Bottle tax		26,389	
Heavy equipment rental tax		11,174	
Gross receipts tax		70,392	
Video programming tax		247,900	
Total Taxes - other	16,814,730	21,537,921	4,723,191
Unrestricted Intergovernmental:			
Miscellaneous revenues from Towns		2,660,902	
Medicaid hold harmless		3,130,541	
Tax collection fees		170,959	
Occupancy tax administrative fee		48,065	
Payments in lieu of taxes		32,014	
Total Unrestricted Intergovernmental	4,377,000	6,042,481	1,665,481
Restricted Intergovernmental:			
Grants-Federal and State		4,518,697	
Public School Building Capital Fund - Lottery		278,203	
Court facilities fees		67,873	
Total Restricted Intergovernmental	6,287,246	4,864,773	(1,422,473)
Permits and Fees:			
Sheriff's office permits and fees		135,006	
Planning and inspection fees		448,729	
Register of deeds fees		307,459	
Fire inspection fees		29,011	
Child Support fees		59,263	
Total Permits and Fees	820,847	979,468	158,621
Sales and Services:			
POA services		9,999	
TDA Financial and other services		24,000	
Recreation fees		1,967,603	
Reimbursement for Inmates		16,895	
Rent		142,039	
Lease revenue		270,463	
DMV notary/passport processing fees		199,330	
Town of Boone consolidated 911		415,940	
Town of Beech Mountain medic services		428,206	
Election revenues		46	
Total Sales and Service	2,796,250	3,474,521	678,271
Investment earnings:	56,000	1,999,639	1,943,639
Miscellaneous:			
Other		1,580,512	
Donations		120,493	
Total Miscellaneous	585,476	1,701,005	1,115,529
TOTAL REVENUES	74,457,251	85,588,932	11,131,681

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance
EXPENDITURES:			
General Government			
Governing Body:			
Salaries and benefits		\$ 49,909	
Operating expenses		9,434	
Total Governing Body	\$ 65,121	59,343	\$ 5,778
Administration:			
Salaries and benefits		554,047	
Operating expenses		11,554	
Total Administration	568,887	565,601	3,286
Finance:			
Salaries and benefits		357,770	
Operating expenses		69,676	
Total Finance	469,047	427,446	41,601
Tax Administration:			
Salaries and benefits		734,462	
Operating expenses		249,389	
Total Tax Administration	1,059,815	983,851	75,964
Tax Revaluation:			
Operating expenses		378,364	
Total Tax Revaluation	382,150	378,364	3,786
Tag Office:			
Salaries and benefits		260,366	
Operating expenses		4,336	
Total Tag Office	288,935	264,702	24,233
Legal Services:			
Operating expenses	101,000	74,451	26,549
Court facilities:			
Operating expenses	2,000	395	1,605
Board of Elections:			
Salaries and benefits		276,164	
Operating expenses		115,302	
Total Board of Elections	413,076	391,466	21,610
Register of Deeds:			
Salaries and benefits		521,677	
Operating expenses		99,745	
Capital outlay		2,644	
Total Register of Deeds	677,532	624,066	53,466
General Administration:			
Operating expenses		679,442	
Capital outlay		51,048	
Total General Administration	1,471,663	730,490	741,173
Information Technologies:			
Salaries and benefits		551,624	
Operating expenses		502,945	
Capital outlay		76,767	
Total Information Technologies	1,132,700	1,131,336	1,364

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance
Maintenance:			
Salaries and benefits		\$ 1,625,159	
Operating expenses		34,229	
Capital outlay		35,693	
Total Maintenance	\$ 1,856,113	1,695,081	\$ 161,032
Public Buildings:			
Operating expenses		3,923,811	
Capital outlay		13,066	
Total Public Buildings	9,733,321	3,936,877	5,796,444
Total General Government	18,221,360	11,263,469	6,957,891
Public Safety			
Sheriff's Office:			
Salaries and benefits		4,550,577	
Operating expenses		453,550	
Capital outlay		473,550	
Total Sheriff's Office	5,892,466	5,477,677	414,789
Detention Center:			
Salaries and benefits		1,885,708	
Operating expenses		654,422	
Capital outlay		4,233	
Total Detention Center	3,080,687	2,544,363	536,324
Emergency Services:			
Salaries and benefits		1,291,062	
Operating expenses		62,444	
Capital outlay		67,117	
Total Emergency Services	3,184,886	1,420,623	1,764,263
Emergency Management:			
Salaries and benefits		337,099	
Operating expenses		1,777,321	
Capital outlay		33,550	
Total Emergency Management	2,191,193	2,147,970	43,223
Planning and Inspections:			
Salaries and benefits		734,233	
Operating expenses		26,247	
Total Planning and Inspections	794,924	760,480	34,444
Other Emergency Services:	2,475,195	2,448,967	26,228
Animal Control:			
Salaries and benefits		162,750	
Operating expenses		8,906	
Capital outlay		36,631	
Total Animal Control	246,232	208,287	37,945
Total Public Safety	17,865,583	15,008,367	2,857,216
Transportation			
Transportation:	272,107	272,107	-
Economic and Physical Development			
Special Appropriations:	597,424	595,813	1,611
Economic Development:	165,250	157,002	8,248
Total Economic and Physical Development	762,674	752,815	9,859

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance
Environmental Protection			
Cooperative Extension:			
Salaries and benefits		\$ 285,225	
Operating expenses		17,558	
Total Cooperative Extension	\$ 305,119	302,783	\$ 2,336
Soil and Water Conservation:			
Salaries and benefits		139,993	
Operating expenses		24,929	
Total Soil and Water Conservation	179,878	164,922	14,956
Total Environmental Protection	484,997	467,705	17,292
Human Services			
Public Health:	945,555	945,555	-
Mental Health:	171,194	171,194	-
Social Services:			
Salaries and benefits		3,680,851	
Operating expenses		366,288	
Capital outlay		6,985	
Beneficiary payments		1,375,045	
Total Social Services	6,929,234	5,429,169	1,500,065
Project on Aging:			
Salaries and benefits		1,242,938	
Operating expenses		206,874	
Total Project on Aging	1,699,906	1,449,812	250,094
Veterans Services:			
Salaries and benefits		144,324	
Operating expenses		3,064	
Total Veterans Services	151,756	147,388	4,368
Total Human Services	9,897,645	8,143,118	1,754,527
Education			
Public Schools - current		14,780,467	
Public Schools - capital outlay		1,373,358	
Community College - current		997,793	
Community College - capital outlay		50,000	
Total Education	17,593,390	17,201,618	391,772
Cultural and Recreational			
Library:	741,660	741,660	-
Recreation:			
Salaries and benefits		1,563,361	
Operating expenses		226,711	
Total Recreation	2,057,078	1,790,072	267,006
Total Cultural and Recreational	2,798,738	2,531,732	267,006
Debt Service			
Principal retirement		6,005,000	
Interest and fees		2,190,030	
Total Debt Service	8,194,630	8,195,030	(400)
TOTAL EXPENDITURES	76,091,124	63,835,961	12,255,163
Revenues over (under) expenditures	(1,633,873)	21,752,971	23,386,844

Watauga County, North Carolina

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	\$ 10,000	\$ 11,068	\$ 1,068
Transfers to Capital Projects Fund	(17,472,571)	(17,472,571)	-
Transfers from Capital Projects Fund	9,203,557	9,203,557	-
Fund balance appropriated	<u>9,892,887</u>	<u>-</u>	<u>(9,892,887)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,633,873</u>	<u>(8,257,946)</u>	<u>(9,891,819)</u>
Net change in fund balance	\$ <u>-</u>	13,495,025	\$ <u>13,495,025</u>
Fund balance, beginning of year		51,692,442	
Prior period adjustment		<u>(182)</u>	
Fund balance, beginning, restated		51,692,260	
Fund balance, end of year		\$ <u>65,187,285</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Investment earnings	\$ -	\$ 891,052	\$ 891,052
Reenergize Watauga	-	3,946	3,946
	<u>-</u>	<u>894,998</u>	<u>894,998</u>
Expenditures:			
General government	<u>17,472,571</u>	<u>-</u>	<u>17,472,571</u>
Revenues over (under) expenditures	<u>(17,472,571)</u>	<u>894,998</u>	<u>18,367,569</u>
Other financing sources (uses):			
Transfer from other funds	17,472,571	17,472,571	-
Transfer to other funds	(27,467,555)	(27,467,555)	-
Appropriated fund balance	<u>27,467,555</u>	<u>-</u>	<u>(27,467,555)</u>
Total other financing sources (uses)	<u>17,472,571</u>	<u>(9,994,984)</u>	<u>(27,467,555)</u>
Net change in fund balance	<u>\$ -</u>	<u>(9,099,986)</u>	<u>\$ (9,099,986)</u>
Fund balance, beginning of year		<u>33,132,685</u>	
Fund balance, end of year		<u>\$ 24,032,699</u>	

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, 2023

	Budget	Prior Years	Actual Current Year	Total-to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental					
Donation of land - Watauga County Schools	\$ 1,105,000	\$ 1,105,000	\$ -	\$ 1,105,000	\$ -
Donations	-	-	115,000	115,000	115,000
Total intergovernmental	<u>1,105,000</u>	<u>1,105,000</u>	<u>115,000</u>	<u>1,220,000</u>	<u>115,000</u>
Investment earnings	-	2,060	894,890	896,950	896,950
Total revenues	<u>1,105,000</u>	<u>1,107,060</u>	<u>1,009,890</u>	<u>2,116,950</u>	<u>1,011,950</u>
Expenditures:					
Capital outlay - land	1,305,000	1,285,608	534	1,286,142	18,858
Building and improvements	49,131,000	-	5,335,874	5,335,874	43,795,126
Professional services	3,094,000	1,801,281	978,778	2,780,059	313,941
Total expenditures	<u>53,530,000</u>	<u>3,086,889</u>	<u>6,315,186</u>	<u>9,402,075</u>	<u>(44,127,925)</u>
Revenues over (under) expenditures	<u>(52,425,000)</u>	<u>(1,979,829)</u>	<u>(5,305,296)</u>	<u>(7,285,125)</u>	<u>45,139,875</u>
Other financing sources:					
Proceeds from installment obligations issued	31,800,000	-	31,800,000	31,800,000	-
Premium on installment obligations	2,997,002	-	2,997,002	2,997,002	-
Transfer from other Funds	17,627,998	2,864,000	14,763,998	17,627,998	-
Total other financing sources	<u>52,425,000</u>	<u>2,864,000</u>	<u>49,561,000</u>	<u>52,425,000</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	<u>884,171</u>	44,255,704	\$ <u>45,139,875</u>	\$ <u>45,139,875</u>
Fund balance at beginning of year			<u>884,171</u>		
Fund balance at end of year			\$ <u>45,139,875</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, 2023

	<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	\$ 4,092,545	\$ 4,232,480	\$ 8,325,025	\$ (2,586,699)
Investment earnings	-	8,842	151,832	160,674	160,674
Total revenues	<u>10,911,724</u>	<u>4,101,387</u>	<u>4,384,312</u>	<u>8,485,699</u>	<u>(2,426,025)</u>
Expenditures:					
ARP Expenditures	<u>7,750,000</u>	<u>932,593</u>	<u>4,232,480</u>	<u>5,165,073</u>	<u>2,584,927</u>
Total expenditures	<u>7,750,000</u>	<u>932,593</u>	<u>4,232,480</u>	<u>5,165,073</u>	<u>(2,584,927)</u>
Revenues over (under) expenditures	<u>7,750,000</u>	<u>(932,593)</u>	<u>151,832</u>	<u>3,320,626</u>	<u>158,902</u>
Transfers to General Fund	3,161,724	3,161,724	-	3,161,724	-
Net change in fund balance	\$ <u>-</u>	<u>7,070</u>	151,832	\$ <u>158,902</u>	\$ <u>158,902</u>
Fund balance at beginning of year			<u>7,070</u>		
Fund balance at end of year			<u>\$ 158,902</u>		

Schedule 5

Watauga County, North Carolina
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	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	Opioid Settlement Fund	Emergency 911 Building Project Fund	SCIF Project Fund	
ASSETS:												
Restricted cash and cash equivalents	\$ 118,250	\$ 25,481	\$ 348,272	\$ 107,233	\$ 253,977	\$ -	\$ -	\$ -	\$ 392,147	\$ 275,955	348,586	1,869,901
Cash and cash equivalents	-	-	-	-	-	20,862	\$28,052	\$4,346	-	-	-	53,260
Due from other governments	-	-	13,057	21,672	-	-	-	-	-	80,385	7,970	123,084
Taxes receivable, net	-	-	-	116,032	349,269	-	-	-	-	-	-	465,301
Total assets	<u>\$ 118,250</u>	<u>\$ 25,481</u>	<u>\$ 361,329</u>	<u>\$ 244,937</u>	<u>\$ 603,246</u>	<u>\$ 20,862</u>	<u>\$ 28,052</u>	<u>\$ 4,346</u>	<u>392,147</u>	<u>356,340</u>	<u>356,556</u>	<u>2,511,546</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:												
Liabilities:												
Accounts payable and accrued liabilities	-	264	1,877	128,905	-	1,884	-	-	40,000	-	32,764	205,694
Unearned revenue	-	-	-	-	-	-	-	-	352,147	-	323,792	675,939
Due to other governments	-	-	-	-	603,246	-	28,052	4,346	-	-	-	635,644
Total Liabilities	<u>-</u>	<u>264</u>	<u>1,877</u>	<u>128,905</u>	<u>603,246</u>	<u>1,884</u>	<u>28,052</u>	<u>4,346</u>	<u>392,147</u>	<u>-</u>	<u>356,556</u>	<u>1,517,277</u>
Deferred Inflows of Resources:												
Taxes receivable	-	-	-	116,032	-	-	-	-	-	-	-	116,032
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,032</u>
Fund Balances:												
Restricted for:												
Stabilization by State Statute	-	-	90,800	-	-	-	-	-	-	80,385	-	171,185
Health services	-	-	-	-	-	18,978	-	-	-	-	-	18,978
Public Safety	118,250	25,217	268,652	-	-	-	-	-	-	275,955	-	688,074
Total fund balances	<u>118,250</u>	<u>25,217</u>	<u>359,452</u>	<u>-</u>	<u>-</u>	<u>18,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,340</u>	<u>-</u>	<u>878,237</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 118,250</u>	<u>\$ 25,481</u>	<u>\$ 361,329</u>	<u>\$ 244,937</u>	<u>\$ 603,246</u>	<u>\$ 20,862</u>	<u>\$ 28,052</u>	<u>\$ 4,346</u>	<u>392,147</u>	<u>\$ 356,340</u>	<u>356,556</u>	<u>\$ 2,511,546</u>

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Watauga County, North Carolina
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2023

	Nonmajor Special Revenue Funds								Capital Project Fund			
	Federal Equitable Sharing Fund	State Substance Abuse Tax Fund	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Opioid Fund	Emergency 911 Building Project Fund	SCIF Project Fund	Total Nonmajor Governmental Funds
REVENUES												
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 4,938,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,938,957
Other taxes and licenses	-	-	-	-	4,155,748	119,817	-	-	-	-	-	4,275,565
Permits and fees	-	-	-	-	-	-	49,425	-	-	-	-	49,425
Sales and services	-	-	-	-	-	-	-	209,021	-	-	-	209,021
Restricted intergovernmental	-	14,379	202,940	-	-	-	-	-	40,000	590,655	324,053	1,172,027
Other miscellaneous revenues	-	-	-	-	-	-	-	-	-	-	298,874	298,874
Investment earnings	2,845	649	9,878	-	-	-	-	-	-	-	59	13,431
Total revenues	2,845	15,028	212,818	4,938,957	4,155,748	119,817	49,425	209,021	40,000	590,655	622,986	10,957,300
EXPENDITURES												
General government	-	-	-	-	-	-	49,425	209,021	-	-	622,986	881,432
Economic development	-	-	-	-	4,155,748	-	-	-	-	-	-	4,155,748
Public safety	0	18,435	438,867	4,938,957	-	-	-	-	40,000	3,734,315	-	9,170,574
Human services	-	-	-	-	-	121,710	-	-	-	-	-	121,710
Education	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	18,435	438,867	4,938,957	4,155,748	121,710	49,425	209,021	40,000	3,734,315	622,986	14,329,464
Excess (deficiency) of revenues over expenditures	2,845	(3,407)	(226,049)	-	-	(1,893)	-	-	-	(3,143,660)	-	(3,372,164)
OTHER FINANCING SOURCES (USES)												
Transfer to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	-	3,500,000	-	3,500,000
Total other financing sources and uses	-	-	-	-	-	-	-	-	-	3,500,000	-	3,500,000
Net change in fund balances	2,845	(3,407)	(226,049)	-	-	(1,893)	-	-	-	356,340	-	127,836
Fund balances, beginning of year	115,405	28,624	585,319	-	-	20,871	-	-	-	-	-	750,219
Prior period restatement - change in accounting principle	-	-	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	182	-	-	-	-	-	-	-	-	182
Fund balance, beginning of year, restated	115,405	28,624	585,501	-	-	20,871	-	-	-	-	-	750,401
Fund balances, end of year	\$ 118,250	\$ 25,217	\$ 359,452	\$ -	\$ -	18,978	-	-	-	356,340	-	878,237

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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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Restricted intergovernmental - Federal	\$ 11,900	\$ -	\$ (11,900)
Investment earnings	<u>-</u>	<u>2,845</u>	<u>2,845</u>
Total revenues	<u>11,900</u>	<u>2,845</u>	<u>(9,055)</u>
Expenditures:			
Public safety	<u>11,900</u>	<u>-</u>	<u>11,900</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,845</u>	<u>2,845</u>
Other financing sources (uses):			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,845</u>	<u>\$ 2,845</u>
Fund balance, beginning of year		<u>115,405</u>	
Fund balance, end of year		<u>\$ 118,250</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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Restricted intergovernmental - State	\$ 24,650	\$ 14,379	\$ (10,271)
Investment earnings	<u>100</u>	<u>649</u>	<u>549</u>
Total revenues	<u>24,750</u>	<u>15,028</u>	<u>(9,722)</u>
Expenditures:			
Public safety	24,750	18,435	6,315
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>24,750</u>	<u>18,435</u>	<u>6,315</u>
Revenues over (under) expenditures	<u>-</u>	<u>(3,407)</u>	<u>(3,407)</u>
Other financing sources (uses):			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,407)</u>	<u>\$ (3,407)</u>
Fund balance, beginning of year		<u>28,624</u>	
Fund balance, end of year		<u>\$ 25,217</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental:			
Emergency Telephone Surcharge funds	\$ 471,606	\$ 202,940	\$ (268,666)
Investment earnings	<u>-</u>	<u>9,878</u>	<u>9,878</u>
Total revenues	<u>471,606</u>	<u>212,818</u>	<u>(258,788)</u>
Expenditures:			
Public safety:			
Implementation services	10,000	9,992	8
Software	52,505	41,453	11,052
Training	13,864	4,747	9,117
Telephones	340,900	60,302	280,598
Hardware	49,337	319,830	(270,493)
Furniture	<u>5,000</u>	<u>2,543</u>	<u>2,457</u>
Total expenditures	<u>471,606</u>	<u>438,867</u>	<u>32,739</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>	(226,049)	\$ <u><u>(226,049)</u></u>
Fund balance, beginning of year		585,319	
Prior period adjustment		<u>182</u>	
Fund balance, beginning, restated		<u>585,501</u>	
Fund balance, end of year		\$ <u><u>359,452</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes	\$ 4,941,191	\$ 4,938,957	\$ (2,234)
Total revenues	<u>4,941,191</u>	<u>4,938,957</u>	<u>(2,234)</u>
Expenditures:			
Public safety:			
Beaver Dam Fire Department	158,386	153,679	
Beech Mountain Fire Department	2,671	2,236	
Blowing Rock Fire Department	719,212	719,138	
Boone Fire Department	1,406,543	1,405,748	
Cove Creek Fire Department	376,846	379,696	
Creston Fire Department	8,119	8,055	
Deep Gap Fire Department	293,866	293,944	
Fall Creek Fire Department	13,144	13,644	
Foscoe Fire Department	797,244	808,470	
Meat Camp Fire Department	341,279	341,270	
Shawneehaw Fire Department	172,425	172,334	
Stewart Simmons Fire Department	393,016	381,811	
Todd Fire Department	82,654	83,159	
Zionville Fire Department	175,786	175,773	
Total expenditures	<u>4,941,191</u>	<u>4,938,957</u>	<u>2,234</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>	

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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Occupancy tax	\$ <u>4,155,800</u>	\$ <u>4,155,748</u>	\$ <u>(52)</u>
Total revenues	<u>4,155,800</u>	<u>4,155,748</u>	<u>(52)</u>
Expenditures:			
Tourism development	4,104,200	4,104,191	9
Administrative fee	<u>51,600</u>	<u>51,557</u>	<u>43</u>
Total expenditures	<u>4,155,800</u>	<u>4,155,748</u>	<u>52</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Restricted intergovernmental	\$ <u>149,209</u>	\$ <u>119,817</u>	\$ <u>(29,392)</u>
Total revenues	<u>149,209</u>	<u>119,817</u>	<u>(29,392)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>149,209</u>	<u>121,710</u>	<u>27,499</u>
Total expenditures	<u>149,209</u>	<u>121,710</u>	<u>27,499</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,893)</u>	<u>\$ (1,893)</u>
Fund balance, beginning of year		<u>20,871</u>	
Fund balance, end of year		<u>\$ <u>18,978</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees			
Register of deeds	\$ <u>100,000</u>	\$ <u>49,425</u>	\$ <u>(50,575)</u>
Total revenues	<u>100,000</u>	<u>49,425</u>	<u>(50,575)</u>
Expenditures:			
General government			
Payments of fees collected to the State of N.C.	<u>100,000</u>	<u>49,425</u>	<u>50,575</u>
Total expenditures	<u>100,000</u>	<u>49,425</u>	<u>50,575</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Prior period restatement - change in accounting principle		-	
Fund balance, beginning of year, restated		<u>-</u>	
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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees			
Register of deeds	\$ <u>280,000</u>	\$ <u>209,021</u>	\$ <u>(70,979)</u>
Total revenues	<u>280,000</u>	<u>209,021</u>	<u>(70,979)</u>
Expenditures:			
General government			
Payments of penalties, fines and forfeitures to the Watauga County Board of Education	<u>280,000</u>	<u>209,021</u>	<u>70,979</u>
Total expenditures	<u>280,000</u>	<u>209,021</u>	<u>70,979</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
Opioid Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Permits and fees			
Register of deeds	\$ <u>392,147</u>	\$ <u>40,000</u>	\$ <u>(352,147)</u>
Total revenues	<u>392,147</u>	<u>40,000</u>	<u>(352,147)</u>
Expenditures:			
General government			
Payments of penalties, fines	<u>392,147</u>	<u>40,000</u>	<u>352,147</u>
Total expenditures	<u>392,147</u>	<u>40,000</u>	<u>352,147</u>
Net change in fund balance	\$ <u><u>-</u></u>	-	\$ <u><u>-</u></u>
Fund balance, beginning of year		<u>-</u>	
Prior period restatement - change in accounting principle		-	
Fund balance, beginning of year, restated		<u>-</u>	
Fund balance, end of year		\$ <u><u>-</u></u>	

Schedule 16

Watauga County, North Carolina
 SCIF Project fund
 Schedule of Revenues and Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2023

	Budget	Prior Years	Actual Current Year	Total-to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
OSBM SCIF funds	\$ 662,500	\$ 14,655	\$ 324,053	\$ 338,708	\$ (323,792)
Other miscellaneous revenues	263,925		298,874	298,874	\$ 34,949
Investment earnings	-	20	59	79	79
Total revenues	<u>926,425</u>	<u>14,675</u>	<u>622,986</u>	<u>637,661</u>	<u>(288,764)</u>
Expenditures:					
Hannah building roof	363,925	6,134	382,897	389,031	(25,106)
County parking deck	362,500	-	233,744	233,744	128,756
Hannah building road	200,000	8,541	6,345	14,886	185,114
Total expenditures	<u>926,425</u>	<u>14,675</u>	<u>622,986</u>	<u>637,661</u>	<u>(288,764)</u>
Net change in fund balance	\$ <u>-</u>	<u>-</u>	-	\$ <u>-</u>	\$ <u>-</u>
Fund balance at beginning of year			<u>-</u>		
Fund balance at end of year			<u>\$ -</u>		

Schedule 17

Watauga County, North Carolina
Emergency 911 building Project Fund
Schedule of Revenues and Expenditures and Changes in
Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budget	Prior Years	Actual Current Year	Total-to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
911 Priority grant	\$ 2,797,013	\$ -	\$ 590,655	\$ 590,655	\$ (2,206,358)
Investment earnings	-	-	-	-	-
Total revenues	<u>2,797,013</u>	<u>-</u>	<u>590,655</u>	<u>590,655</u>	<u>(2,206,358)</u>
Expenditures:					
Equipment	2,797,013	-	590,655	590,655	2,206,358
Land and building	3,500,000	-	3,143,660	3,143,660	356,340
Buildings and improvement	-	-	-	-	-
Total expenditures	<u>6,297,013</u>	<u>-</u>	<u>3,734,315</u>	<u>3,734,315</u>	<u>(2,562,698)</u>
Revenues over (under) expenditures	-	-	(3,143,660)	(3,143,660)	356,340
Other financing sources (uses):					
Proceeds from installment obligations issued	-	-	-	-	-
Premium on installment obligations	-	-	-	-	-
Transfer to other funds	-	-	-	-	-
Appropriated fund balance	-	-	-	-	-
Transfer from other funds	3,500,000	-	3,500,000	3,500,000	-
Total other financing sources	<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	356,340	<u>\$ 356,340</u>	<u>\$ 356,340</u>
Fund balance at beginning of year			<u>-</u>		
Fund balance at end of year			<u>\$ 356,340</u>		

Watauga County, North Carolina
 Solid Waste Fund
 Schedule of Revenues and Expenditures Budget and Actual (NON-GAAP)
 For the Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 5,435,130	\$ 5,820,254	\$ 385,124
Sale of recycled materials	248,750	148,527	(100,223)
Total	<u>5,683,880</u>	<u>5,968,781</u>	<u>284,901</u>
Non-operating revenues:			
Miscellaneous revenue	3,975	2,750	(1,225)
Investment earnings	8,000	223,337	215,337
Restricted intergovernmental revenues	138,025	164,725	26,700
Total	<u>150,000</u>	<u>390,812</u>	<u>240,812</u>
 Total revenues	 <u>5,833,880</u>	 <u>6,359,593</u>	 <u>525,713</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits		1,793,275	
Other operating expenditures		3,657,374	
Lease payments		10,944	
Total landfill operations	<u>5,774,825</u>	<u>5,461,593</u>	<u>313,232</u>
Recycling operations:			
Salaries and employee benefits		69,780	
Other operating expenses		55,657	
Total recycling operations	<u>126,362</u>	<u>125,437</u>	<u>925</u>
Capital outlay:			
Right to use asset		-	
Capital outlay		836,555	
Total capital outlay	<u>1,732,680</u>	<u>836,555</u>	<u>896,125</u>
 Total expenditures	 <u>7,633,867</u>	 <u>6,423,585</u>	 <u>1,210,282</u>
Revenues under/(over) expenditures	<u>(1,799,987)</u>	<u>(63,992)</u>	<u>1,735,995</u>
Other financing sources:			
Sale of fixed assets	35,000	23,905	(11,095)
Lease liabilities issued	-	-	-
Appropriated fund balance	1,764,987	-	(1,764,987)
Total other financing sources	<u>1,799,987</u>	<u>23,905</u>	<u>(1,776,082)</u>
Revenues over expenditures and other sources	<u>\$ -</u>	<u>(40,087)</u>	<u>\$ (40,087)</u>
 Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Change in deferred outflow of resources - pensions		217,645	
Change in net pension liability		(616,024)	
Change in deferred inflow of resources - pensions		313,805	
Change in deferred outflow of resources - OPEB		(110,988)	
Change in deferred inflow of resources - OPEB		19,273	
Change in net OPEB liability		65,970	
Change in accrued landfill post closure and closure costs		94,365	
Capital outlay		836,555	
Principal retirement		10,944	
Depreciation and amortizaation		(313,604)	
Change in accrued compensated absences		5,881	
Total reconciling items		<u>523,822</u>	
Change in net position		<u>\$ 483,735</u>	

Schedule 19

Watauga County, North Carolina
Combining Schedule of Fiduciary Net Position
Irrevocable Trust Funds
For the Year Ended June 30, 2023

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 860,978	\$ 2,578,662	\$ 3,439,640
	<u>\$ 860,978</u>	<u>\$ 2,578,662</u>	<u>\$ 3,439,640</u>
Net position:			
Assets held in trust for retirement benefits	<u>\$ 860,978</u>	<u>\$ 2,578,662</u>	<u>\$ 3,439,640</u>

Schedule 20

Watauga County, North Carolina
Combining Schedule of Changes in Fiduciary Net Position
Irrevocable Trust Funds
For the Year Ended June 30, 2023

	<u>LEO Special Separation Allowance</u>	<u>Other Post Employment Benefits</u>	<u>Totals</u>
Additions:			
Employer contributions	\$ 40,873	\$ 110,300	\$ 151,173
Interest	<u>20,265</u>	<u>125,887</u>	<u>146,152</u>
Total additions	<u>61,138</u>	<u>236,187</u>	<u>297,325</u>
Deductions:			
Benefits	40,873	110,300	151,173
Administrative expense	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>40,873</u>	<u>110,300</u>	<u>151,173</u>
Change in net position	20,265	125,887	146,152
Net position, beginning	840,713	2,452,775	3,293,488
Net position, ending	<u>\$ 860,978</u>	<u>\$ 2,578,662</u>	<u>\$ 3,439,640</u>

Schedule 21

Watauga County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	<u>Municipal Tax Fund</u>	<u>Inmate Commissary Fund</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 10,259	\$ 14,843	\$ 25,102
Total assets	<u>\$ 10,259</u>	<u>\$ 14,843</u>	<u>\$ 25,102</u>
Net position:			
Restricted for:			
Individuals, organizations and other governments	10,259	14,843	25,102
Total net position	<u>\$ 10,259</u>	<u>\$ 14,843</u>	<u>\$ 25,102</u>

Schedule 22

Watauga County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2023

	<u>Municipal Tax Fund</u>	<u>Inmate Commissary Fund</u>	<u>Totals</u>
Additions:			
Ad valorem taxes for other governments	\$ 9,919,350	\$ -	\$ 9,919,350
Collections on behalf of inmates	-	166,611	166,611
Total additions	<u>9,919,350</u>	<u>\$ 166,611</u>	<u>\$ 10,085,961</u>
Deductions:			
Tax distributions to other governments	9,914,689	-	9,914,689
Payments on behalf of inmates	-	181,448	181,448
Total deductions	<u>9,914,689</u>	<u>181,448</u>	<u>10,096,137</u>
Change in net position	4,661	(14,837)	(10,176)
Net position, beginning	5,598	29,680	35,278
Net position, ending	<u>\$ 10,259</u>	<u>\$ 14,843</u>	<u>\$ 25,102</u>

Watauga County, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 For the Year Ended June 30, 2023

<u>Fiscal year:</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022 - 2023	\$ -	\$ 44,697,864	\$ 44,230,190	\$ 467,674
2021 - 2022	511,218	-	319,001	192,217
2020 - 2021	232,019	-	101,454	130,565
2019 - 2020	147,904	-	56,563	91,341
2018 - 2019	64,423	-	21,748	42,675
2017 - 2018	63,465	-	17,080	46,385
2016 - 2017	34,797	-	8,228	26,569
2015 - 2016	26,478	-	3,709	22,769
2014 - 2015	24,129	-	8,169	15,960
2013 - 2014	22,904	-	22,904	-
2012 - 2013	20,678	-	20,678	-
	<u>\$ 1,148,015</u>	<u>\$ 44,697,864</u>	<u>\$ 44,809,724</u>	<u>1,036,155</u>
Plus: 2023 - 2024 receivable				37,534
Less: Allowance for uncollectible accounts General Fund				<u>(116,529)</u>
Ad valorem taxes receivable - net General Fund				<u>\$ 957,160</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund		\$ 44,989,124
Reconciling items:		
Advertising and interest collected	(222,982)	
Taxes written off	21,204	
Prior year releases and refunds	22,378	
Total reconciling items	<u>(179,400)</u>	
Total collections and credits		<u>\$ 44,809,724</u>

Watauga County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Year Ended June 30, 2023

	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	\$ 13,314,011,269	\$ 0.00318	\$ 42,367,444	\$ 42,367,444	\$ -
Motor vehicles	631,187,421	0.00318	2,007,176	-	2,007,176
Penalties	-		5,341	5,341	-
Total	<u>13,945,198,690</u>		<u>44,379,961</u>	<u>42,372,785</u>	<u>2,007,176</u>
Discoveries:					
Property taxed at current year's rate	124,619,552	0.00318	410,312	410,312	-
Penalties	-		312	312	-
Total	<u>124,619,552</u>		<u>410,624</u>	<u>410,624</u>	<u>-</u>
Abatements:					
	<u>(29,157,547)</u>		<u>(92,721)</u>	<u>(92,721)</u>	<u>-</u>
Total property valuation	\$ <u>14,040,660,695</u>				
			Net levy	44,697,864	42,690,688
					2,007,176
			Uncollected taxes at June 30, 2023	467,674	467,674
					-
			Current year's taxes collected	\$ <u>44,230,190</u>	\$ <u>42,223,014</u>
					\$ <u>2,007,176</u>
			Current levy collection percentage	<u>98.95%</u>	<u>98.90%</u>
					<u>100.00%</u>

Schedule 25-A

Watauga County, North Carolina
 Analysis of Current Tax Levy
 County-wide Levy
 For the Year Ended June 30, 2023

Secondary Market Disclosures:

Assessed Valuation:		
Assessment Ratio		100%
Real Property	\$ 13,006,195,764	
Personal Property		922,335,111
Public Service Companies		112,129,820
Total Assessed Valuation	\$ 14,040,660,695	
Tax Rate per \$100		0.00318
Net Levy (Includes penalties, discoveries, releases and abatements)	\$ 44,697,864	

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, 2023:

Fire Protection District	Tax Rate per \$100	Net Levy
Beech Mountain Rural	\$ 0.05	\$ 2,355
Blowing Rock	0.05	719,390
Boone Rural	0.06	1,401,397
Cove Creek	0.05	376,864
Cove Creek Rural	0.05	337
Deep Gap	0.05	293,714
Foscoe	0.05	692,244
Foscoe Rural	0.05	113,015
Meat Camp	0.05	349,132
Northwest Watauga	0.05	164,775
Shawneehaw	0.05	162,103
Shawneehaw Rural	0.05	8,751
Stewart Simmons	0.085	379,810
Todd	0.07	81,742
Zionville	0.05	172,899
Total Net Fire Protection District Levies		\$ 4,918,528

Watauga County, North Carolina
 Ten Largest Taxpayers
 For the Year Ended June 30, 2023

Taxpayer	Type of Business	2022 Assessed Valuation	Percentage of Total Assessed Valuation	
Blue Ridge Electric Membership Coop	Electric Utility	\$ 87,051,700	0.62	%
Wallace Loft LLC	Rental Properties	72,249,380	0.51	
850 Blowing Rock Road (NC) Owner LP	Rental Properties	61,517,061	0.44	
Residence at Peak of Boone LLC	Rental Properties	22,648,990	0.16	
MV of Boone LLC	Rental Properties	39,437,070	0.28	
BVSHF III Boone I, LLC	Rental Properties	25,224,960	0.18	
Meadowview at Boone LLC	Rental Properties	38,400,770	0.27	
Skyline Terrace Apartments LLC	Commercial Rental Properties	32,067,400	0.23	
Bavarian Village LLC	Rental Properties	18,773,740	0.13	
Shadowline Student Property LLC	Rental Properties	77,662,400	0.55	
		<u>\$ 475,033,471</u>	<u>3.39</u>	<u>%</u>

Watauga County, North Carolina
 Analysis of Current Tax Levy
 Fire Districts
 For the Year Ended June 30, 2023

	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	\$ 164,775	\$ 2,355	\$ 719,390	\$ 1,401,397	\$ 376,864
Uncollected taxes at June 30, 2023	<u>4,281</u>	<u>35</u>	<u>6,989</u>	<u>15,070</u>	<u>5,856</u>
Current year's taxes collected	\$ <u>160,494</u>	\$ <u>2,320</u>	\$ <u>712,401</u>	\$ <u>1,386,327</u>	\$ <u>371,008</u>
Current levy collection percentage	<u>97.40%</u>	<u>98.51%</u>	<u>99.03%</u>	<u>98.92%</u>	<u>98.45%</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	\$ 337	\$ 293,714	\$ 692,244	\$ 113,015	\$ 349,132
Uncollected taxes at June 30, 2023	<u>-</u>	<u>5,243</u>	<u>6,169</u>	<u>1,484</u>	<u>7,669</u>
Current year's taxes collected	\$ <u>337</u>	\$ <u>288,471</u>	\$ <u>686,075</u>	\$ <u>111,531</u>	\$ <u>341,463</u>
Current levy collection percentage	<u>100.00%</u>	<u>98.21%</u>	<u>99.11%</u>	<u>98.69%</u>	<u>97.80%</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	\$ 162,103	\$ 8,751	\$ 379,810	\$ 81,742	\$ 172,899
Uncollected taxes at June 30, 2023	<u>1,039</u>	<u>38</u>	<u>2,312</u>	<u>264</u>	<u>3,081</u>
Current year's taxes collected	\$ <u>161,064</u>	\$ <u>8,713</u>	\$ <u>377,498</u>	\$ <u>81,478</u>	\$ <u>169,818</u>
Current levy collection percentage	<u>99.36%</u>	<u>99.57%</u>	<u>99.39%</u>	<u>99.68%</u>	<u>98.22%</u>

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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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2023, and the related notes to the financial statements, which collectively comprises Watauga County's basic financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Watauga County'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's internal control. Accordingly, we do not express an opinion on the effectiveness of Watauga County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-1 and 2023-2 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Watauga County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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*.

Watauga County, North Carolina's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Watauga County's, North Carolina's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Watauga County, North Carolina's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

January 31, 2024

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**Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance;
 With OMB Uniform Guidance and the 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

Opinion on Each Major State Program

We have audited Watauga County, North Carolina, 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's major State programs for the year ended June 30, 2023. Watauga County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Watauga County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Watauga County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Watauga County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Watauga County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*,

and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Watauga County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

C. Randolph CPA, PLLC

West Jefferson, North Carolina

January 31, 2024

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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 Auditor's Report

To the Board of County Commissioners
 Watauga County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Watauga County, North Carolina, 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's major federal programs for the year ended June 30, 2023. Watauga County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Watauga County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Watauga County's

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

C. Randolph CPA, PLLC

West Jefferson, North Carolina

January 31, 2024

WATAUGA COUNTY, NORTH CAROLINA
**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

I. Summary of Auditor's Results**Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

The following were audited as major federal program for Watauga County for the fiscal year ended June 30, 2022:

<u>Program Name or Cluster</u>	<u>Assistance Listing No.</u>
Medicaid Cluster	93.778, 93.777, 93.775
Coronavirus State and Local Fiscal Recovery Funds	21.027

The threshold for determining Federal Type A programs for Watauga County is \$750,000

Auditee qualified as low-risk auditee? yes no

WATAUGA COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

State Awards

Internal control over major state programs:

- Material weakness(es) identified? ___yes x_no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___yes x_none reported

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

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

Major State programs for Watauga County for the fiscal year ended June 30, 2023 are:

State Program

Public School Building Capital Fund – Lottery Funds
Priority One 911 Grant

Federal Program – State Match

Medicaid Cluster

II. Financial Statement Findings**Finding 2023-1: Significant Deficiency – Timeliness of Bank Reconciliations**

Criteria: Monthly bank reconciliations are an essential tool in internal control in order to balance general ledger accounts, appropriately record activity and identify accounting errors in a timely manner.

Condition and context: County failed to perform the bank reconciliations on a timely basis.

Effect: Accurate financial information was not available to management or the Board of Commissioners in a reasonable period of time to provide effective oversight and stewardship of public funds.

WATAUGA COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Cause: Turnover in the Finance Department and lack of individuals on staff with the skills, knowledge and experience to perform the bank reconciliations timely and accurately.

Recommendation: We recommend that the County adheres to policies regarding the completion of the bank reconciliations and hire staff to both prepare and review the bank reconciliations with the appropriate skills.

Management's Response: The County agrees with this finding and has already taken action.

Finding 2023-2: Significant Deficiency – Timeliness of Audited Financial Statements Submission

Criteria: North Carolina General Statute 159-34 (NC G.S. 159-34) requires the submission of the annual audit 4 months past the end of the fiscal year, with an extended due date 5 months past the end of the fiscal year.

Condition and context: The June 30, 2023, financial statements were not submitted to the Local Government Commission until over 3 months past the original due date or 2 months past the extended due date.

Effect: The County has not complied with NC Statute G.S. 159-34.

Cause: High staff turnover, difficulty on locating the required support by the client, lack of staff with skills, knowledge, and experience in local government accounting, GASB reporting requirements, and N.C. General Statutes to accurately close the accounting period to prepare for audit.

Recommendation: We recommend the County hire sufficient staff in the Finance Department with the skills, knowledge, and experience in local government accounting, GASB reporting requirements, and N.C. General Statutes to meet the financial reporting deadline outlined in NC G.S. 156-34

Management's response: The County agrees with this finding and has already taken action.

III. Federal Award Findings and Questioned Costs

None noted.

IV. State Award Findings and Questioned Costs

None noted.



WATAUGA COUNTY

FINANCE OFFICE

814 West King St., Suite 216 - Boone, NC 28607 - Phone (828) 265-8007
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Corrective Action Plan For the Year Ended June 30, 2023

II. Financial Statement Findings

2023-1: Significant deficiency – Timeliness of Bank Reconciliations

Responsible Individuals: County Manager

Corrective Action to be taken: The County manager and management will interview for a finance officer that will possess the skills, knowledge, and experience to perform bank reconciliations timely and accurately. In addition, the County manager and management will develop written procedures for the timely reconciliation of the County's bank accounts (e.g. monthly) that will include strong internal controls, ensure bank reconciliations tie to the general ledger, and will have a supervisor review by signing off on the reconciliations.

Expected date of completion: Immediately.

2023-2: Significant deficiency – Timeliness of Audit Report Submission

Responsible Individuals: County Manager

Corrective Action: The County manager and management faced many challenges with the abrupt departure of several finance officers. The County and management will interview for a finance officer that will possess the skills, knowledge, and experience to prepare for the annual audit each year.

Expected date of completion: Immediately.

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, 2022**

Finding 2022-1:

Corrected.

**WATAUGA COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023**

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		313,473	-	-	281,524
Total SNAP Cluster			<u>313,473</u>	<u>-</u>	<u>-</u>	<u>281,524</u>
Total U.S. Department of Agriculture			<u>313,473</u>	<u>-</u>	<u>-</u>	<u>281,524</u>
<u>U.S. Department of Homeland Security</u>						
Passed-through the N.C. Department of Public Safety:						
Emergency Management Performance Grant	97.042		39,032	-	-	39,032
Homeland Security Grant						
Disaster Grant - Public Assistance	97.067	EMW-2021-SS-00023- 2040036	27,842	-	-	-
97.036			-	-	-	-
Total U.S. Department of Homeland Security			<u>66,874</u>	<u>-</u>	<u>-</u>	<u>39,032</u>
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Program	16.607		4,386	-	-	4,386
Total U.S. Department of Justice			<u>4,386</u>	<u>-</u>	<u>-</u>	<u>4,386</u>
<u>U.S. Department of Treasury</u>						
Office of State Budget and Management/NC Pandemic Office:						
NC Pandemic Recovery Fund						
Local Assistance and Tribal Consistency	21.032		50,000	-	-	-
Coronavirus State and Local Fiscal Recovery Funds	21.027		4,232,480	-	-	-
			<u>4,282,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>						
Community Development Block Grant - CV	14.228		96,833	-	83,033	-
<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)						
Special Programs for the Aging - Title III B - Access Services	93.044		5,667	162,092	-	18,641
Special Programs for the Aging - Title III C - Congregate Meals	93.045		37,777	2,222	-	4,445
Special Programs for the Aging - Title III C - Home Delivered Meals	93.045		100,129	5,890	-	11,780
Nutrition Services Incentive Program (NSIP)	93.053		21,570	-	-	-
Total Aging Cluster			<u>165,143</u>	<u>170,204</u>	<u>-</u>	<u>34,866</u>
Passed-through N.C. Department of Insurance:						
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779		2,976	-	-	-
<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		17,148	-	-	-
<u>Temporary Assistance for Needy Families Cluster:</u>						
Workfirst administrative	93.558		37,341	-	-	53,477
WorkFirst services	93.558		165,476	-	-	198,410
Total Temporary Assistance for Needy Families Cluster			<u>202,817</u>	<u>-</u>	<u>-</u>	<u>251,887</u>
Child Support Enforcement	93.563		181,966	(110)	-	93,851
<u>Low-Income Home Energy Assistance Block Grant:</u>						
Administration	93.568		152,948	-	-	-
Crisis Intervention Payments	93.568		135,546	-	-	-
LIEAP ARPA	93.568		44,823	-	-	-
LHWAP	93.568		9,240	-	-	-
Permanency Planning	93.645		15,022	(159)	(159)	4,901
Social Services Block Grant	93.667		222,416	-	-	58,253
Total Low-Income Home Energy Assistance Block Grant:			<u>579,995</u>	<u>(159)</u>	<u>(159)</u>	<u>63,154</u>
Total Division of Social Services			<u>981,926</u>	<u>(269)</u>	<u>(159)</u>	<u>408,892</u>
<u>Medicaid Cluster:</u>						
Medical Assistance Program:						
Administration	93.778		1,077,571	187,043	-	367,369
Total Medical Assistance Program			<u>1,077,571</u>	<u>187,043</u>	<u>-</u>	<u>367,369</u>

Division of Social Services:					
Administration					
Health choice	93.767	44,435	2,498	-	7,764
Total N.C. Health Choice		44,435	2,498	-	7,764
Foster Care and Adoption Cluster (Note 3)					
Adoption Assistance	93.659	4,550	-	-	3,187
Title IV-E Foster Care	93.658	134,555	8,827	-	107,798
Foster Care - Direct Benefit Payments	96.658	101,938	28,807	-	-
Adoption/Foster Care Special Provision	93.658	60,592	-	-	10,045
Total Foster Care and Adoption Cluster (Note 3)		301,635	37,634	-	121,030
Subsidized Child Care (Note 3)					
Child Care Development Fund Cluster					
Division of Social Services					
Child Care Development Fund - Administration	93.596	83,246	-	-	-
Total Child Care Development Fund Cluster		83,246	-	-	-
Total Subsidized Child Care (Note 3)		83,246	-	-	-
<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	7,532	1,883	-	-
Total Division of Medical Assistance		7,532	1,883	-	-
Total U.S. Department of Health & Human Services		2,664,464	398,993	(159)	939,921
Total Federal Awards		7,428,510	398,993	82,874	1,264,863
State Awards:					
<u>N.C. Department of Health and Human Services:</u>					
Passed-through Region D Council of Governments:					
Senior center general purchases			14,575	-	-
POA ARPA			63,613	-	-
<u>Division of Social Services</u>					
State Foster Care Benefits Program	State Foster Care 23	-	301,385	-	184,363
Total N.C. Department of Health and Human Services		-	379,573	-	184,363
<u>N.C. Department of Public Safety:</u>					
Division of Administration, Community Programs					
2020 Corona Virus Protection	PROJ014515	-	2,601	-	-
Juvenile Crime Prevention Council Programs		-	139,176	139,176	40,603
Total N.C. Department of Public Safety		-	141,777	139,176	40,603
<u>N.C. Department of Information Technology</u>					
Priority One 911 Grant	G2022P1	-	590,655	-	-
Total N.C. Department of Information Technology		-	590,655	-	-
<u>N.C. Department of Public Instruction:</u>					
NC Public School Building Capital-Lottery Proceeds		-	278,203	278,203	-
Public School National Forest Service		-	445	445	-
Total N.C. Department of Public Instruction		-	278,648	278,648	-
<u>N.C. Department of Transportation:</u>					
Employment Transportation Operating Assistance		-	16,414	-	-
Elderly and Disabled Transportation Assistance		-	75,348	-	-
Rural General Public Program		-	102,850	-	-
Total N.C. Department of Transportation		-	194,612	-	-
<u>N.C. Department of Agriculture and Consumer Services:</u>					
Soil Conservation Assistance	G40100296015SWC	-	3,600	-	211,723
Streamflow Rehabilitation Assistance Program - Government	Contract # 22-080-4050	-	14,600	-	-
Soil Conservation Technician Cost Sharing	G40100296015SWC	-	26,888	-	26,888
Total N.C. Department of Agriculture		-	45,088	-	238,611
<u>N.C. Division of Veteran's Affairs</u>					
Veteran's Service Program	143B-1211C4	-	2,083	-	144,324
Total N.C. Division of Veteran's Affairs		-	2,083	-	144,324
<u>N.C. Department of Environmental Quality</u>					
Middlefork Greenway Section 4	Contract # 7397	-	20,000	-	-
Total N.C. Department of Environment Quality		-	20,000	-	-
<u>N.C. Office of State and Budget Management</u>					
State Capital and Infrastructure Fund		-	324,053	-	-
Register of Deeds	2065RD1	-	2,166	-	-
Total N.C. Office of State and Budget Management		-	326,219	-	-
Total State Awards		-	1,388,000	417,824	607,901
Other Financial Assistance:					
Opioid Settlement (See Note 4)		-	40,000	-	-
Total Federal and State Awards		\$ 7,428,510	\$ 1,826,993	\$ 500,698	\$ 1,872,764

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, 2023. 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. Opioid Settlement

The North Carolina Department of Justice does not consider Opioid Settlement Funds either Federal or State financial assistance since they are from a settlement with major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as Other Financial Assistance on the SEFSA and considered State awards for State single audit requirements.

5. 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

6. 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	\$ -	\$ 524,740
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 7,438,697	\$ -
Temporary Assistance for Needy Families	93.558	24,332	-
Adoption Assistance	93.659	391,175	70,051
Independent Living Transitional	93.674	25,477	-
Medical Assistance Program	93.778	34,851,535	13,456,146
Children's Health Insurance Program	93.767	251,520	56,250
Child Welfare Services Adoption	N/A	-	225,331
State/County Special Assistance Program	N/A	-	127,543
		<u>\$ 42,982,736</u>	<u>\$ 14,460,061</u>

AGENDA ITEM 6:**REQUEST TO RENEW LICENSE AGREEMENT FOR USE OF COUNTY SPACE FOR WEEKDAY FARMER'S MARKET****MANAGER'S COMMENTS:**

Ms. Liz Whiteman, Executive Director, Blue Ridge Women in Agriculture, will request the Board renew the license agreement allowing the weekday Farmers Market at the Human Service parking lot. The request is for the same conditions and with a three-year term. The only requested change is an adjustment to the operating hours from 4:00 PM to 3:30 PM. A continued point of consideration would be to ensure that the market does not impact County operations as the request will be for the market to start around 3:30 PM. An additional consideration is APP Builds A Home requires six (6) parking spaces during the build process.

Board direction is required.



Blue Ridge Women in Agriculture
PO Box 67
Boone, NC 28607

February 7, 2024

To the Watauga County Board of Commissioners,

On behalf of Blue Ridge Women in Agriculture, which operates the King Street Farmers Market on Tuesdays from May through October on the grassy area in front of the Watauga County Department of Social Services, I would like to thank the county for allowing us use of this space since 2018.

We request a renewal of the lease, with its current terms and conditions, through 2027. The only requested change is an adjustment to the operating hours of the King Street Farmers Market. Beginning in May 2024, the market will operate on Tuesdays from 3:30-6:30pm, therefore market set up will begin at 2:30pm and breakdown will be complete by 7:30pm.

Again, thank you for generously supporting Blue Ridge Women in Agriculture's mission to support producers and consumers while building a resilient and sustainable local food system here in the High Country.

Thank you,

Liz Whiteman
Executive Director
Blue Ridge Women in Agriculture

Blue Ridge Women in Agriculture builds an equitable, sustainable High Country local food system by supporting producers and cultivating connections that educate, inspire, and increase the demand for local food.

(828) 386-1537 | www.brwia.org

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

FARMER’S MARKET LICENSE AGREEMENT

This Farmers Market License Agreement (“Agreement”) is made and entered into as of this 3rd day of April, 2018 (the “Effective Date”) between Licensor, Watauga County (the “County”), a Corporation Politic, and Licensee, Blue Ridge Women in Agriculture (“BRWIA”), a Non Profit Corporation incorporated under the laws of the State of North Carolina.

- A. BRWIA desires to operate a Farmers Market that will benefit the Community by offering quality, local food and products, and help promote local farmers in our area.
- B. The parties are entering into this Agreement in order for BRWIA to operate a Farmers Market on the County’s property.

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Grant of Permission. In consideration of BRWIA's promises contained in this Agreement, The County gives permission, revocable and terminable except as provided below, to BRWIA to enter on the real property of The County described below (the “Premises”) for the purpose of using it for operating a local farmer’s market, all on the terms and conditions set forth in this Agreement, all of which BRWIA promises to comply and abide with. BRWIA acknowledges the County has fee simple title to the Premises and, during the term of this Agreement, shall not take any action or assert any position inconsistent with said ownership rights.

2. Description of Property. The following is a description of the Premises, which BRWIA is permitted to enter:

Leased Premises:	The grassy area in front of the Watauga County Department of Social Services and the parking lot at the Watauga County complex housing the Department of Social Services and the Department of Health. The Leased Premises are bordered by King Street and Poplar Grove Road Extension.
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Site:	132 Poplar Grove Connector, Boone, NC 28607
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3. Fees. For the license rights granted to BRWIA under this Agreement, BRWIA shall pay the County a fee of \$1.00 per year, for a total of \$3.00, which shall be non-refundable and paid upon the execution of this Agreement.

4. Term. The term of this License shall be from May 1, 2018 through midnight on April 30, 2021. Any extensions of said term must be mutually agreed to in writing by both parties.

5. Use. Use of the Premises shall be limited to the operation of a Farmers Market and subject to the following terms and conditions:

- The setup time for the Farmers Market will run from 3:00-4:00 P.M., and the breakdown time for the Farmers Market will run from 7:00-8:00 P.M.
- Operation of the Farmer's Market shall be on Tuesdays from 4:00 P.M. until 7:00 P.M.
- The Farmer's Market shall be open to the public
- BRWIA shall have non-exclusive use of the parking lot adjacent to the grassy area
- No vehicles shall be permitted on the grassy areas
- The entrance to the Businesses on the adjacent County property shall not be blocked
- During all times of operation, BRWIA shall provide at least one individual who will serve as a parking attendant and who shall direct and limit parking such that there shall always be available approximately twenty (20) open parking spaces between the hours of 4:00-5:00 P.M. for use of those conducting business on the County property.
- BRWIA shall not use the Premises, and shall not perform or permit any of BRWIA's guests, invitees, or BRWIAs to perform any disorderly conduct or commit any nuisance on such property or to use such property in any way so as to interfere with the exercise by other BRWIAs of the privileges set forth in this Agreement

6. No Buildings or Structures. BRWIA shall not erect any permanent buildings or other structures on the Premises, or erect, or having erected or installed, permit to remain on the Premises any temporary structures, fixtures, shelters, attachments or other things attached to or being on such Premises and placed on the Premises by BRWIA or the guests or invitees of BRWIA.

7. Protection of Vegetation. BRWIA shall not cut, mutilate, or injure, or permit any of BRWIA's guests, invitees, or BRWIAs to cut, mutilate, or injure any growing trees or shrubbery on the Premises.

8. Fire Protection and Sanitation. BRWIA shall comply with all rules and regulations, whether federal, state, county, or municipal, relating to the occupancy and use of the Premises, and shall take all reasonable precautions to prevent or suppress fires on such property, and, so far as may be required, shall install and maintain at BRWIA's sole expense suitable and adequate sanitary facilities acceptable to the County.

9. Indemnification. BRWIA shall exercise its privileges under and pursuant to this Agreement at its own risk, and, irrespective of any negligence of the County, BRWIA shall

indemnify and hold the County harmless from and against any and all liability for damages, costs, losses, and expenses resulting from, arising out of, or in any way connected with, the occupation or use of the Premises by BRWIA, or the BRWIAs, invitees, or guests of BRWIA, or the failure on the part of BRWIA to perform fully all and singular BRWIA's promises contained in this Agreement. The County shall not be liable to BRWIA if for any reason whatsoever BRWIA's occupation or use of the Premises under and pursuant to this Agreement shall be hindered or disturbed.

10. Taxes; Liens.

A. BRWIA shall pay all taxes and assessments that may be imposed or levied on the Premises of BRWIA or anyone claiming under BRWIA on such Premises and shall keep such property free and clear of any and all liens for labor performed or materials furnished at the instance or request of BRWIA or anyone claiming under BRWIA.

B. BRWIA shall pay for all utility and other services furnished to or for BRWIA on the Premises.

11. License not Assignable. BRWIA's privileges under this Agreement shall not be assignable by BRWIA in whole or in part.

12. Termination. BRWIA shall have the right to terminate this Agreement by giving the County thirty (30) days written notice. In the event BRWIA shall fail to comply with or abide by each and all of the provisions of this Agreement or to keep all and singular BRWIA's promises contained in this Agreement, the County shall give BRWIA ten (10) days written notice to cure said default. In the event BRWIA has not effectively cured the default within said ten (10) day period, the County shall thereafter have the right to terminate this Agreement immediately upon written notice at any time.

13. Removal of Property. On revocation, surrender, or other termination of the permission granted by this Agreement, BRWIA shall quietly and peaceably surrender the Premises occupied by BRWIA in as good condition as such property was at the time of BRWIA's entry on such property under this Agreement and shall remove any and all fixtures, equipment, and other things placed by BRWIA on such property, and if BRWIA shall fail to do so, the County shall have the right to make such removal at BRWIA's expense, the amount of which expense BRWIA shall pay to the County on demand, and, if the County shall so elect, it shall have the right to take possession of and appropriate to itself without payment any property of BRWIA, or anyone claiming under BRWIA, then remaining on the above-described property.

14. No Waiver. The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

15. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Carolina.

16. Notices. Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

17. Entire Agreement. This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

18. Modification of Agreement. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.


19. Assignment of Rights. The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

WITNESS the signatures of the parties, this the 20th day of April, 2018.

LICENSOR:

WATAUGA COUNTY, A BODY POLITIC
OF THE STATE OF NORTH CAROLINA

By: 
Deron Geouque, Manager

LICENSEE:

BLUE RIDGE WOMEN IN AGRICULTURE

By: 
Courtney Baines, Executive Director

AGENDA ITEM 7:

BLUE RIDGE CONSERVANCY'S REQUEST TO APPLY FOR A PARKS AND RECREATION TRUST FUND (PARTF) GRANT

MANAGER'S COMMENTS:

Ms. Wendy Patoprsty, Blue Ridge Conservancy, will request permission to apply for a \$500,000 Parks and Recreation Trust Fund (PARTF) Grant for construction of a park on the Middle Fork Greenway corridor. High Country Council of Governments will administer the grant and Blue Ridge Conservancy (BRC) will donate the land for the park to the County. The value of the land will account for more than the required local match for the grant. No funding from the County is requested.

Board action is required to authorize the application for the PARTF Grant as presented.



**BLUE RIDGE
CONSERVANCY**
SAVING THE PLACES YOU LOVE

PO Box 568
Boone, NC 28607
(828) 264-2511
www.blueridgeconservancy.org

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Leila Jackson
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Ben Lucas
Director of Stewardship

Wendy Patoprsty
*Middle Fork Greenway
Project Director*

Sydney Phillips
Administrative Assistant

Jordan Sellers
*Northern Peaks State Trail
Coordinator*

Maria Whaley
*Director of Finance and
Operations*

Memorandum

Date: January 30, 2024
To: Board of Commissioners, County Manager
From: Wendy Patoprsty
RE: Request to apply for Parks and Recreation Trust Fund Grant

I would like to request permission at their February 20th meeting from the Board of Commissioners to apply in May for a \$500,000 Parks and Recreation Trust Fund (PARTF) grant for construction of a park on the Middle Fork Greenway corridor. This park is considered Section 3, which we will call Angler Park and will extend the Sterling Creek Park segment south toward Blowing Rock. As in the past, High Country Council of Governments has agreed to administer the grant for the County (applicant) and Blue Ridge Conservancy (BRC) will donate the land for the park to the County. The value of the land will account for more than the required local match for the grant. No funding from the County is requested. BRC will provide the funds needed for construction in addition to the PARTF grant from various sources including Watauga TDA, donations, other grants, etc. Angler Park is currently under contract for design, engineering and permitting and the budget is preliminary. We will clarify this with NC Division of Parks and Recreation, but it is possible the County will need to schedule a public hearing for the PARTF application. BRC may also ask the County to be the applicant for other grant programs under these same conditions in the near future. Thank you.



February 20, 2024

Section 3A – Angler Park on the Middle Fork Greenway

The Middle Fork Greenway (Blue Ridge Conservancy (BRC) requests Watauga County to apply for NC Parks and Recreation Trust Fund (PARTF) in May 2024 for the development of Angler Park on the Middle Fork Greenway. Once developed this segment will extend Sterling Creek Park south toward Blowing Rock to a parking area with bridge and river access, adding another ½ mile to the greenway trail. This segment has two tracts of land currently owned by Blue Ridge Conservancy and one tract owned by Watauga County. Part of this project includes stabilizing the streambank on the Middle Fork New River which will be done prior to greenway development.

These tracts were purchased in 2018-19 with the intention to be developed as Middle Fork Greenway. This segment is currently under contract for design, engineering, and permitting and is expected to be completed by the end of 2024. Fundraising for construction will begin in 2024 with the NC PARTF being the first grant submitted through Watauga County. Greenway construction will only begin once all the funding has been raised. This segment was part of the NCDOT Feasibility Study conducted in 2022 which showcased the best route and costs associated with construction.

Project Budget: \$3.3 million

Potential Revenue Sources: NC PARTF, NC Land and Water Fund, NC Division of Water Resources, NC Recreational Trails Program, Watauga Tourism Development Authority, Cannon Foundation, Round Up for the Greenway, MFG Capital Account. None of these funding sources have been applied for on this segment of greenway.

Already completed: Land acquisition (3 tracts), NCDOT Feasibility Study, Contract for Design Engineering and Permitting underway through Interface Environmental Consulting.

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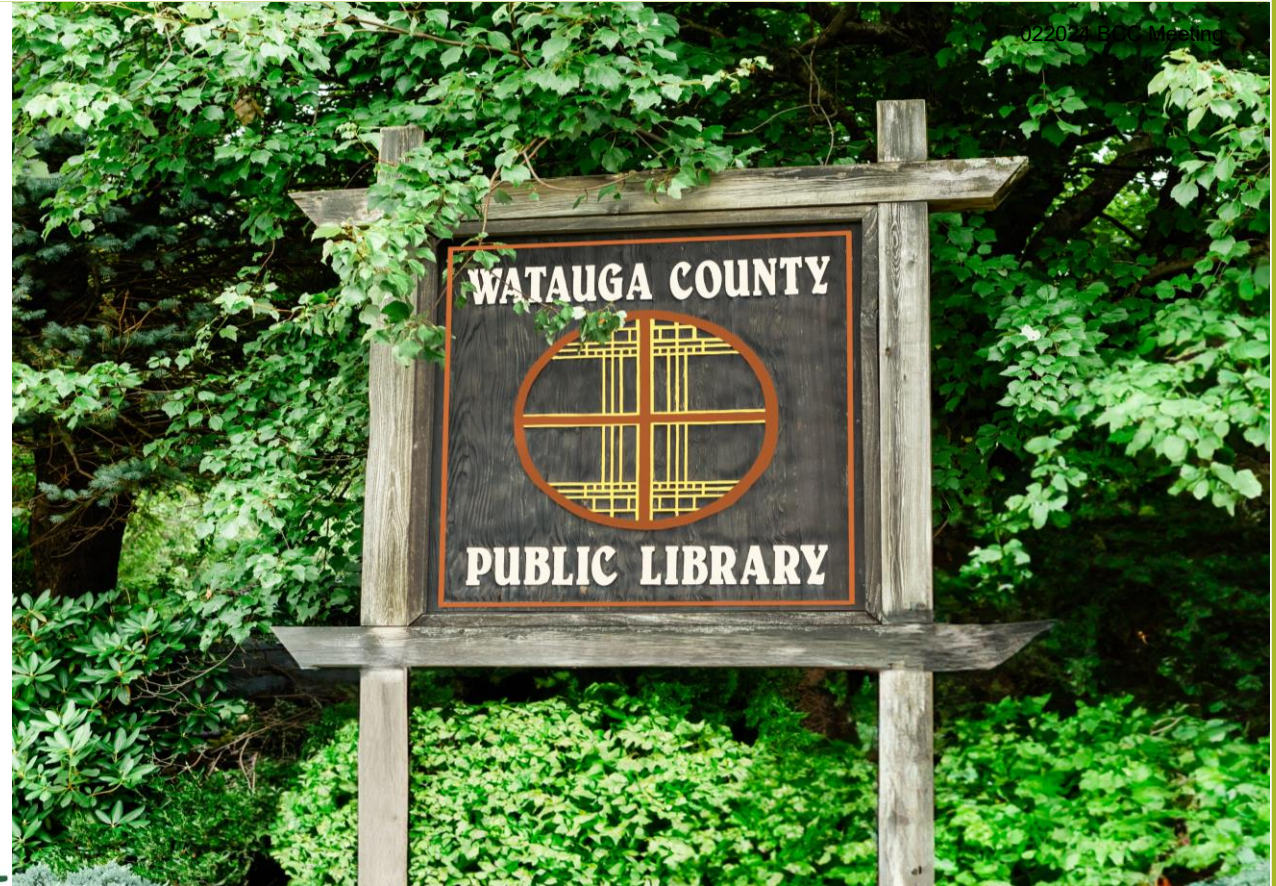
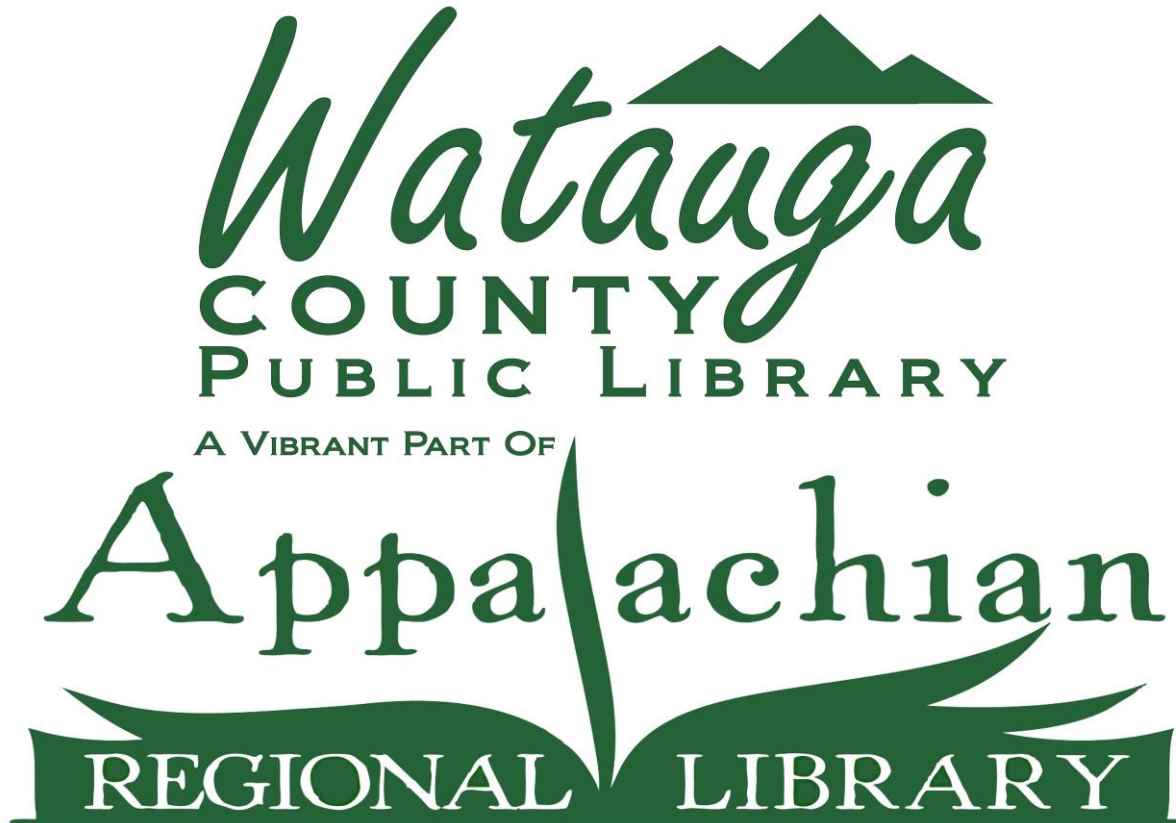
AGENDA ITEM 8:

WATAUGA COUNTY PUBLIC LIBRARY ANNUAL REPORT

MANAGER'S COMMENTS:

Ms. Monica Caruso, County Librarian, will present the Watauga County Public Library Annual Report.

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



WATAUGA COUNTY PUBLIC LIBRARY

2023 Highlights

Ray Russell's weather story time



Monthly Lego Club



Regular story time



Lees MCRae Wildlife Rehab



Crochet Club



Climate Change Exhibit



Youth Services

Bilingual - English/Spanish
INTRODUCTION TO HOMEOWNERSHIP
 SERIES
INTRODUCCIÓN A LA SERIE DE COMPRA DE
VIVIENDA

SECU
 State Employees' Credit Union

Watauga
 COUNTY
 PUBLIC LIBRARY
 Appalachian

allen
tate
 Realtors

this bilingual homeownership series will take place on Thursdays at 5:30 pm in the library



Ray Russell Talk on Weather/Climate

Device Diagnostic Days
Bring Your Computer in for a Free Check Up!
Monday May 22 & 23, 9:00 am to 4:00 pm

*No sales pitch!
 Just advice.*

**PC/ MAC,
 Software, Hardware,
 Viruses,
 Reformatting**

*No
 Appointment
 Needed.*

Brought to you by:
 High Country Council of Governments
 Appalachian State University Technology Support
 Watauga County Public Library

this Saturday:
Get it Fixed at the Library!

VITA
 Volunteer Income
 Tax Assistance

Repair Hub
 Don't toss it

*clothes mending, small appliance repair,
 knife sharpening, wood & jewelry repair.*

**Summer Wreath
 Workshop with Donna
 Breitenstein**

**Make a wreath to celebrate summer
 or the 4th of July!**

**Supplies and wreath form will be provided.
 June 10 at 10AM**

**Watauga County Public Library
 Class limited to 12 participants
 Call (828) 264-8784 ext. 2 to register,
 or sign up the Adult Services desk.**

**YOGA FOR
 Every Body**

The first four Wednesdays in May
 from 10:00 AM to 11:00 AM*
 Watauga County Public Library

Class is designed for adults &
 young adults age 11 and above.

Call us to register!
 (828)264-8784, ext. 2

*The first class in the series will be longer

Adult Services

New Outreach Vehicle



Farmer Minor and Pig



Western Watauga Branch

Holiday Drive-Through



Cove Creek Elem Trunk or Treat



Headstart 4 County Fieldtrip 02/2024 BCC Meeting



Students making dulcimers

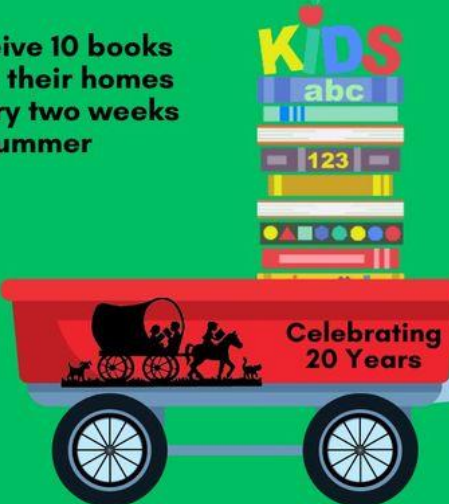


A whopping 5,218 hours !



Reading & Rolling Celebrating 20 Years

60 rural kids receive 10 books each delivered to their homes by volunteers every two weeks during the summer



A collaboration among 4 rural schools, Watauga County & Western Watauga Branch Libraries & the Friends of the Library



Volunteers, 2023

LSTA Federal Grant - Outreach vehicle



Aging Adults and Caregivers collection - AARP - Mountain Region



Digital Inclusion - HCCOG

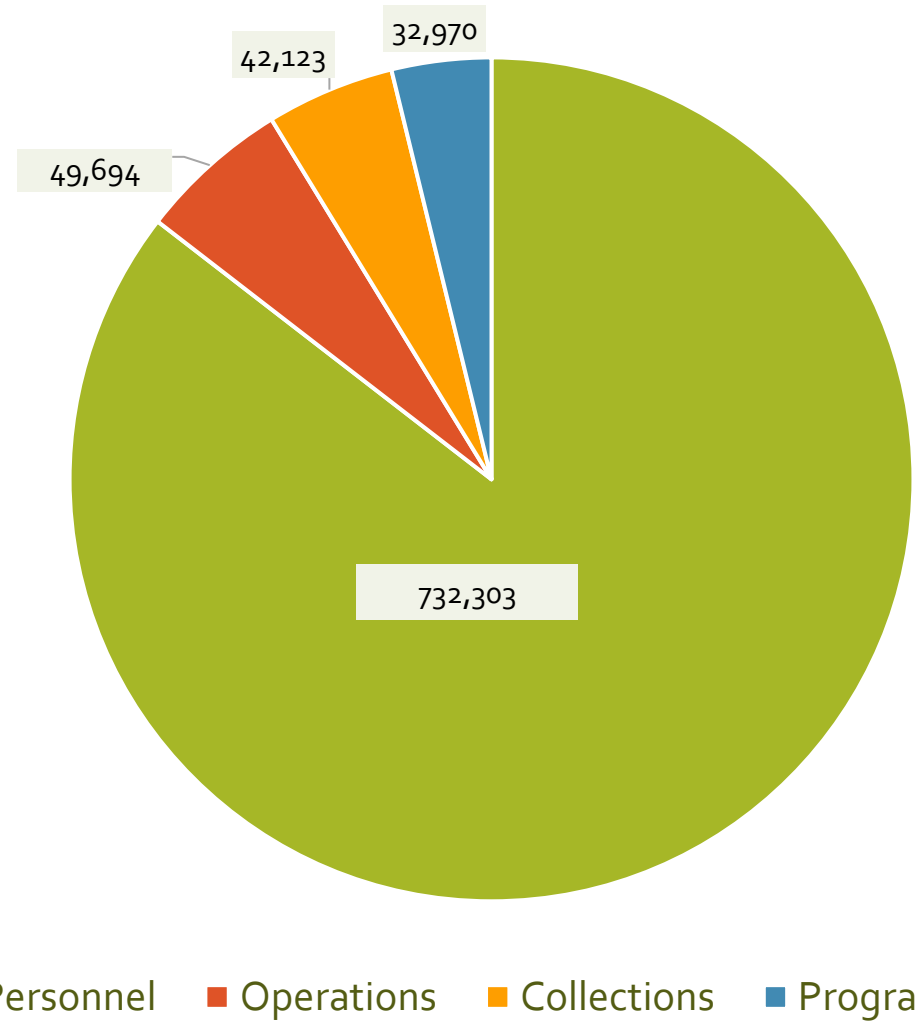
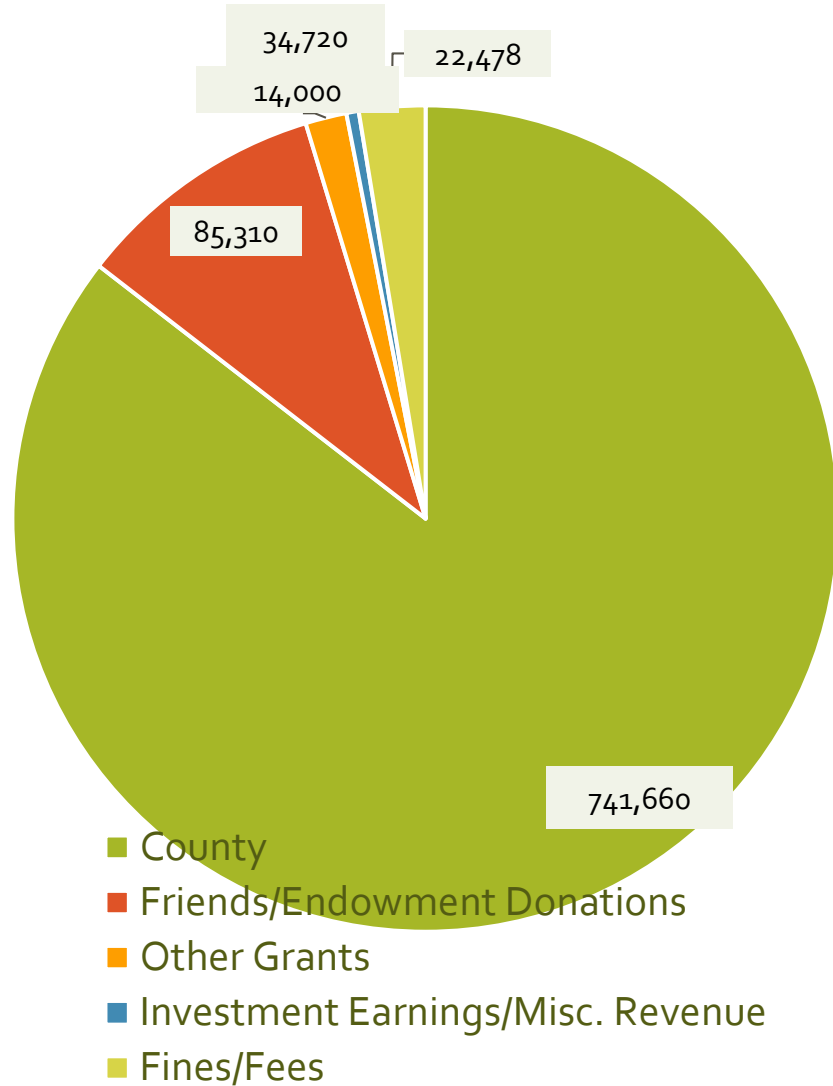


VITA
Volunteer Income Tax Assistance
Grants, 2023

Revenue = \$867,637

FY 2023

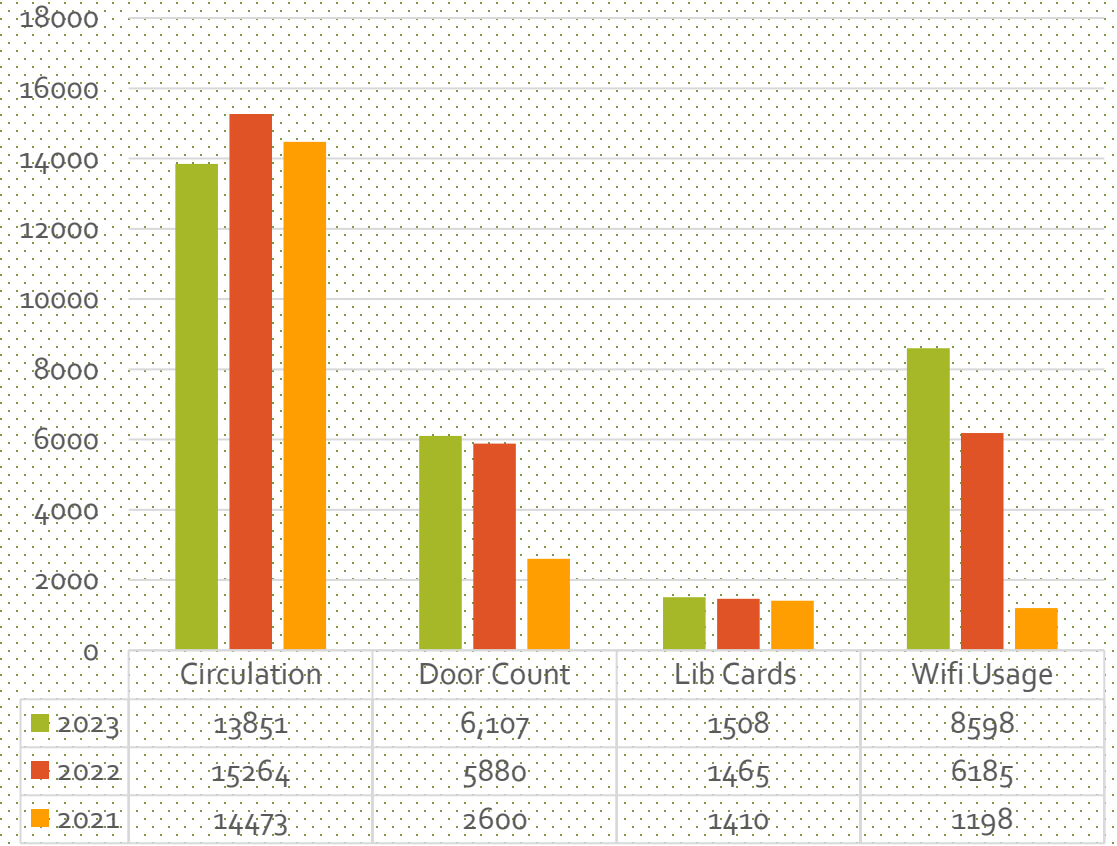
Expenditures = \$856,816



Main Library



WW Branch



Circulation, Door Count, Library Cards, & WIFI

STRATEGIC PLAN GOALS, 2022-2026

- Organizational Excellence
- Robust Services to Underserved Communities
- Increased Access and Innovative Programming
 - Build High Quality Print, Digital, and Technology Collections

GRANTS BEING WRITTEN, 2024

- Digital Champion Grant
- LSTA Literacy Grant
- Clabough Grant

EXPANSION NEWS

Looking Ahead

Thank you to Watauga County and
the Maintenance Department for
your partnership and support!

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AGENDA ITEM 9:

PROJECT ON AGING MATTERS

A. Proposed Appropriation of State Funds for Senior Centers

MANAGER’S COMMENTS:

Ms. Boitnotte will request the Board accept Senior Center General Purpose funding in the amount of \$14,812. Both Senior Centers are eligible; with \$11,093 for the L. E. Harrill Center and \$3,719 for the Western Watauga Community Center. The funds require a 25% match totaling \$4,938 that is included in the agency’s current budget.

Board action is required to accept the Senior Center General Purpose funding in the amount of \$14,812 with the required 25% match.



Watauga County Project on Aging

132 Poplar Grove Connector, Suite A • Boone, North Carolina 28607

Website: www.wataugacounty.org/aging angie.boitnotte@watgov.org

Telephone 828-265-8090 Fax 828-264-2060 TTY 1-800-735-2962 Voice 1-800-735-8262 or 711

MEMORANDUM

TO: Deron Geouque, County Manager

FROM: Angie Boitnotte, Director

DATE: February 12, 2024

SUBJ: Appropriation of State Funds for Senior Centers

The Project on Aging received notification that each of the County's two senior centers are eligible to receive Senior Center General Purpose funding in the amount of \$14,812 on a reimbursement basis through an appropriation from the NC General Assembly and the Division of Aging. The L. E. Harrill Senior Center, as a Center of Excellence, is eligible to receive \$11,093 which requires a 25% local match of \$3,698. The Western Watauga Community Center is eligible to receive \$3,719, which requires a 25% local match of \$1,240. The required match is present in the agency's FY24 budget.

These funds can be used to support and develop programming and general operations including salaries, supplies, equipment, capital outlay, and other operating costs. We plan to use the funds to purchase equipment and supplies, and to cover other various ongoing expenses.

I recommend acceptance of these funds. I will plan to be present for discussion and questions.

Thank you for your consideration.

**CONTRACT Between
HIGH COUNTRY COUNCIL OF GOVERNMENTS
AREA AGENCY ON AGING
and**

Watauga County Project on Aging

Federal Tax ID# 56-6001816

Lois E. Harrill Senior Center
Name of Senior Center Being Funded

I. Parties to the Contract:

This Contract, made and entered into this 21st day of November by and between Watauga County Project on Aging, hereinafter referred to as "Contractor" and the High Country Council of Governments, Area Agency on Aging hereinafter referred to as the "Agency". This Contract shall insure to the benefit of and be binding upon the parties hereto, their successors and legal representatives.

II. Effective Period:

This Contract period is effective July 1, 2023 and terminates on June 30, 2024, with the option to extend if mutually agreed, through a written amendment as provided for in Part XI.

III. Independent Status:

The parties hereto acknowledge that they are independent entities. Neither party shall represent itself as agent or employee of the other, nor shall either party bind or represent that it has the ability to bind the other to any monetary or legal obligation. The parties hereto acknowledge that neither this nor any provision hereof shall be deemed to create a partnership or joint venture between the parties.

IV. Liabilities and Legal Obligations:

Each party hereto agrees to be responsible for its own liabilities and that of its officers, employees, agents, or representatives arising out of this Contract including fiscal responsibility for deviations from this Contract.

V. Administrators for the Contract:

The persons named below shall be administrators for the respective parties and shall be the persons to whom notices provided for in this Contract shall be given and to whom matters relating to administration or interpretation of this Contract shall be addressed. Either party may change its administrator or his address or his telephone number by written notice to the other party.

For the Agency:

**Zack Green, Director
High Country Area Agency on Aging
468 New Market Boulevard
Boone, N.C. 28607
(828) 265-5434 Ext. 122**

For the Contractor:

**Angie Boitnotte, Director
Watauga Project on Aging
132 Poplar Grove Connector, Suite A
Boone, NC 28607
(828) 265-8090**

VI. General Provisions:

- A. The place of this Contract, controlling its status and form, shall be Watauga County, North Carolina, and all matters relating to the validity, construction, interpretation, and enforcement of this Contract shall be determined in the courts of Watauga County. Any Suit in federal district court relating to this Contract shall be brought in the United States District Court, Western District of North Carolina.
- B. This Contract supersedes all prior agreements between the parties and expresses their entire understanding with respect to the transactions contemplated herein. Any prior agreements, verbal understandings or otherwise, shall be deemed merged herein. In witness whereof, the Contractor and the Agency have executed this Agreement in duplicate originals, one of which is retained by each of the parties.

VII. Responsibilities of the Agency:

Make payment to the Contractor as described in Section IX of this Contract.

VIII. Responsibilities of the Contractor:

- A. The Contractor shall expend the award in keeping with the attached description indicating how funding will be utilized. Funding will not be disbursed until this description is received by the Agency.
- B. The Contractor is to use or expend state funds only for the purposes for which they were appropriated by the General Assembly. If the Contractor is a governmental entity, such entity is subject to the provisions of the requirements of OMB Circular A-133 and the NC Single Audit Implementations Act of 1987. Furthermore, contractor will comply with reporting requirements as defined by the G.S. 146-6.2.
- C. Submitting any other plans, reports, documents or other products that the Agency may specify.
- D. Complying with Title VI and VIII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (ADA) and all requirements imposed by Federal regulations, rules and guidelines issued pursuant to these Titles for both personnel employed and clients served.
- E. None of the work to be performed under this contract which involves the specialized skill or expertise of the Contractor shall be subcontracted without prior approval of the Agency's contract administrator.
- F. The disclosure of information concerning services, applicants or recipients obtained in connection with the performance of this contract is prohibited. The use of such information is restricted to the performance of the Contractor's responsibilities specified in this contract.

- G. The Contractor expressly states that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract. The Contractor shall not employ any person having such interest during the performance of this contract. The Contractor further agrees to notify the Agency in writing of any instance that might have the appearance of a conflict of interest. Upon execution of this contract and prior to disbursement of funds, the Contractor shall submit to the Agency a notarized copy of the Contractor's policy addressing conflict of interest in accordance with G.S. 143-6.1 Section 13.

IX. Payment for Services:

Payment to the contractor will be conducted in the following manner:

- A. The High Country Council of Governments will pay the contractor \$11,093. State funds will not exceed 75% of total expenditures. The total match requirement is \$3,698. Total funding, including minimum local match is \$14,791.
- B. The High Country Council of Governments will reimburse the contractor for expenditures. Reimbursement will be made when the senior center expenditure information is entered into the ARMS. As with all other non-unit reimbursement funding, the contractor is to send invoices or other backup documentation to the AAA monthly or as expenditures are incurred and entered into ARMS. This funding is to be coded as Senior Center general purpose funds, service code 176, fund source code 7.
- C. Because funding is provided on a reimbursement basis, all requests for reimbursement must be submitted to the AAA by May 31, 2024.
- D. It is understood and agreed between the Contractor and the Agency that the payment of compensation specified in this agreement, its continuation or any renewal or extension thereof, is dependent upon and subject to the allocation or appropriation of funds to the Agency for the purpose set forth in this agreement.

X. Copyrights and Distribution of Materials:

The Contractor may copyright materials originated in the performance of this contract. These copyrights notwithstanding, the Agency may use, disclose, duplicate and distribute all materials delivered under this Contract. The Contractor hereby grants to the Agency a royalty-free, non-exclusive and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data, reports, publications, studies, curricula or other materials originated in the performance of this Contract. Such license shall be only to the extent that the Contractor has the right to grant such license. The Contractor may not market the products of this Contract for profit.

XI. Amendment:

This Contract may be modified by written amendment at any time. From time to time, changes in the scope of the services of the Contractor to be performed under this agreement are required. Such changes, including but not limited to any renewal of extension, that increase or decrease the amount of the Contractor's compensation, which are mutually agreed upon by and between the Contractor and the Agency shall be incorporated in written amendments to this contract and signed by both parties.

XII. Termination:

This Contract may be canceled in whole or in part at any time:

- A. By either party, immediately for cause, upon written notice to the other party delivered by registered mail with return receipt requested, or in person;
- B. By either party, upon at least thirty days notice in writing to the other party delivered by registered mail with return receipt requested, or in person; or
- C. By mutual consent of both parties. After receipt of a notice of termination, and except as otherwise directed by the Agency, the Contractor shall cease work under the Contract on the date, and to the extent specified, in the notice of termination. In the event of termination in part, both parties shall continue the performance of this Contract to the extent not terminated. If the Contract is terminated as provided herein, the Contractor will be paid for services actually delivered through the termination date.

XIII. Default:

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other subsequent breach and shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing , signed by an authorized representative of the Agency and attached to this Contract.

In witness whereof, the Agency and the Contractor have executed this contract as of the day first written above.


Watauga County

Attest:

_____ By: _____
Contractor

High Country Area Agency on Aging

Attest:

 1/22/24

Zack Green, Area Agency on Aging
High Country Council of Governments

By:  _____
Julie Wiggins, Executive Director
High Country Council of Governments

Provision for payment of the monies to fall due under this Agreement within the current fiscal year have been made by appropriation duly authorized as required by the Local Government Budget and Fiscal Control Act. This instrument has been pre-audited and approved in the manner required by the Local Government Finance Control Act.

By:  _____
Julie Page, Finance Officer
High Country Council of Governments

**CONTRACT Between
HIGH COUNTRY COUNCIL OF GOVERNMENTS
AREA AGENCY ON AGING
and**

Watauga County Project on Aging

Federal Tax ID# 56-6001816

Western Watauga Community Center
Name of Senior Center Being Funded

I. Parties to the Contract:

This Contract, made and entered into this 21st day of November by and between Watauga County Project on Aging, hereinafter referred to as "Contractor" and the High Country Council of Governments, Area Agency on Aging hereinafter referred to as the "Agency". This Contract shall insure to the benefit of and be binding upon the parties hereto, their successors and legal representatives.

II. Effective Period:

This Contract period is effective July 1, 2023 and terminates on June 30, 2024, with the option to extend if mutually agreed, through a written amendment as provided for in Part XI.

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Each party hereto agrees to be responsible for its own liabilities and that of its officers, employees, agents, or representatives arising out of this Contract including fiscal responsibility for deviations from this Contract.

V. Administrators for the Contract:

The persons named below shall be administrators for the respective parties and shall be the persons to whom notices provided for in this Contract shall be given and to whom matters relating to administration or interpretation of this Contract shall be addressed. Either party may change its administrator or his address or his telephone number by written notice to the other party.

For the Agency:

**Zack Green, Director
High Country Area Agency on Aging
468 New Market Boulevard
Boone, N.C. 28607
(828) 265-5434 Ext. 122**

For the Contractor:

**Angie Boitnotte, Director
Watauga Project on Aging
132 Poplar Grove Connector, Suite A
Boone, NC 28607
(828) 265-8090**

VI. General Provisions:

- A. The place of this Contract, controlling its status and form, shall be Watauga County, North Carolina, and all matters relating to the validity, construction, interpretation, and enforcement of this Contract shall be determined in the courts of Watauga County. Any Suit in federal district court relating to this Contract shall be brought in the United States District Court, Western District of North Carolina.
- B. This Contract supersedes all prior agreements between the parties and expresses their entire understanding with respect to the transactions contemplated herein. Any prior agreements, verbal understandings or otherwise, shall be deemed merged herein. In witness whereof, the Contractor and the Agency have executed this Agreement in duplicate originals, one of which is retained by each of the parties.

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Make payment to the Contractor as described in Section IX of this Contract.

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- C. Submitting any other plans, reports, documents or other products that the Agency may specify.
- D. Complying with Title VI and VIII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (ADA) and all requirements imposed by Federal regulations, rules and guidelines issued pursuant to these Titles for both personnel employed and clients served.
- E. None of the work to be performed under this contract which involves the specialized skill or expertise of the Contractor shall be subcontracted without prior approval of the Agency's contract administrator.
- F. The disclosure of information concerning services, applicants or recipients obtained in connection with the performance of this contract is prohibited. The use of such information is restricted to the performance of the Contractor's responsibilities specified in this contract.

- G. The Contractor expressly states that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract. The Contractor shall not employ any person having such interest during the performance of this contract. The Contractor further agrees to notify the Agency in writing of any instance that might have the appearance of a conflict of interest. Upon execution of this contract and prior to disbursement of funds, the Contractor shall submit to the Agency a notarized copy of the Contractor's policy addressing conflict of interest in accordance with G.S. 143-6.1 Section 13.

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- B. The High Country Council of Governments will reimburse the contractor for expenditures. Reimbursement will be made when the senior center expenditure information is entered into the ARMS. As with all other non-unit reimbursement funding, the contractor is to send invoices or other backup documentation to the AAA monthly or as expenditures are incurred and entered into ARMS. This funding is to be coded as Senior Center general purpose funds, service code 176, fund source code 7.
- C. Because funding is provided on a reimbursement basis, all requests for reimbursement must be submitted to the AAA by May 31, 2024.
- D. It is understood and agreed between the Contractor and the Agency that the payment of compensation specified in this agreement, its continuation or any renewal or extension thereof, is dependent upon and subject to the allocation or appropriation of funds to the Agency for the purpose set forth in this agreement.

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XI. Amendment:

This Contract may be modified by written amendment at any time. From time to time, changes in the scope of the services of the Contractor to be performed under this agreement are required. Such changes, including but not limited to any renewal of extension, that increase or decrease the amount of the Contractor's compensation, which are mutually agreed upon by and between the Contractor and the Agency shall be incorporated in written amendments to this contract and signed by both parties.

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- B. By either party, upon at least thirty days notice in writing to the other party delivered by registered mail with return receipt requested, or in person; or
- C. By mutual consent of both parties. After receipt of a notice of termination, and except as otherwise directed by the Agency, the Contractor shall cease work under the Contract on the date, and to the extent specified, in the notice of termination. In the event of termination in part, both parties shall continue the performance of this Contract to the extent not terminated. If the Contract is terminated as provided herein, the Contractor will be paid for services actually delivered through the termination date.

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Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of this Contract shall not be deemed to be a waiver of any other subsequent breach and shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing , signed by an authorized representative of the Agency and attached to this Contract.

In witness whereof, the Agency and the Contractor have executed this contract as of the day first written above.

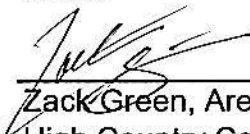

Watauga County

Attest:

_____ By: _____
Contractor

High Country Area Agency on Aging

Attest:

 _____ By:  _____
Zack Green, Area Agency on Aging Julie Wiggins, Executive Director
High Country Council of Governments High Country Council of Governments

Provision for payment of the monies to fall due under this Agreement within the current fiscal year have been made by appropriation duly authorized as required by the Local Government Budget and Fiscal Control Act. This instrument has been pre-audited and approved in the manner required by the Local Government Finance Control Act.

By:  _____
Julie Page, Finance Officer
High Country Council of Governments

AGENDA ITEM 9:

PROJECT ON AGING MATTERS

B. Requested Appointment of Home & Community Care Block Grant (H&CCBG) Advisory Committee and Lead Agency

MANAGER’S COMMENTS:

Each year the Board is required to appoint a lead agency and advisory committee to make recommendations on how to best expend the County’s allocation from the Home and Community Care Block Grant (H&CCBG) funds. These funds were previously established by the Older American’s Act and are administered by the North Carolina Division of Aging.

Board action is requested to approve the Watauga County Project on Aging as the Lead Agency and the list of nominations for the Community Care Block Grant Advisory Committee for FY 2025. In that this is the first reading, you may delay action or waive your policy and appoint the members to the Advisory Board as presented.

Direction from the Board is requested.



Watauga County Project on Aging

132 Poplar Grove Connector, Suite A • Boone, North Carolina 28607

Website: www.wataugacounty.org/aging angie.boitnotte@watgov.org

Telephone 828-265-8090 Fax 828-264-2060 TTY 1-800-735-2962 Voice 1-800-735-8262 or 711

MEMORANDUM

TO: Deron Geouque, County Manager

FROM: Angie Boitnotte, Director

DATE: February 12, 2024

SUBJ: Appointment of the Home and Community Care Block Grant (HCCBG) Advisory Committee and Lead Agency

Each year the Board of County Commissioners is required to appoint a Home and Community Care Block Grant Advisory Committee and Lead Agency. The primary function of this committee is to assist the County in determining the best plan for the use of HCCBG funds.

Please accept the attached list as nominations for the Home and Community Care Block Grant Advisory Committee for FY 2025. I also recommend that the Watauga County Project on Aging be appointed as the Lead Agency.

**HOME AND COMMUNITY CARE BLOCK GRANT
ADVISORY COMMITTEE FY 2025**

LEAD AGENCY

Angie Boitnotte, Director
132 Poplar Grove Connector, Suite A
Boone, NC 28607

Watauga County Project on Aging
265-8090
angie.boitnotte@watgov.org

ADVISORY COMMITTEE

NAME

REPRESENTING

Braxton Eggers
814 W. King St., Suite 205
Boone, NC 28607

Watauga County Board of Commissioners
265-8000
Braxton.Eggers@watgov.org

Zack Green
Area Agency on Aging
468 New Market Blvd.
Boone, NC 28607

High Country Council of Governments
265-5434 ext. 122
zgreen@hccog.org

Dustin Burleson, Community Relations Regional Director
200 Ridgefield Ct
Asheville, NC 28806

Vaya Health
(828)225-2785, ext. 3316; (828)467-1532
Dustin.burleson@vayahealth.com

Austin Combs, Watauga Center Director
132 Poplar Grove Connector, Suite B
Boone, NC 28607

Daymark Recovery Services
264-8759
acombs@daymarkrecovery.org

Karina Romero, Health Promotion Program Manager
126 Poplar Grove Connector
Boone, NC 28607

Appalachian District Health Department
264-4995
karina.romero@apphealth.com

Tom Hughes, Director
132 Poplar Grove Connector, Suite C
Boone, NC 28607

Watauga County Department of Social Services
265-8100
tom.hughes@watgov.org

Skylar Taracido, Patient Resource Specialist
935 State Farm Rd
Boone, NC 28607

High Country Community Health
(828)262-3886, ext. 124
skylertaracido@hcchmail.org

Kat Danner
280 Foster Circle
Boone, NC 28607

Senior Citizen
264-7985 or 773-0682
dannerk@charter.net

Mary Moretz
1419 Deerfield Rd.
Boone, NC 28607

Senior Citizen (STHL Alternate)
(828)264-2281

Dr. Ed Rosenberg
278 Rushing Creek Dr., Unit D
Boone, NC 28607-5835

Senior Citizen
262-6146 (w)
RosenbergE@appstate.edu

Updated: 2/12/24

AGENDA ITEM 10:

TAX MATTERS

A. Monthly Collections Report

MANAGER’S COMMENTS:

Mr. Larry Warren, Tax Administrator, will present the Monthly Collections Report and be available for questions and discussion.

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


Monthly Collections Report

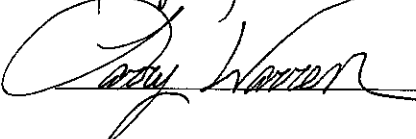
Watauga County

Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report January 2024

	<u>Current Month</u> <u>Collections</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
<u>General County</u>				
Taxes 2023	6,264,712.08	40,945,019.56	94.46%	94.27%
Prior Year Taxes	37,328.01	312,948.87		
Solid Waste User Fees	454,093.75	3,182,440.62	93.07%	92.80%
Total County Funds	\$6,756,133.84	\$44,440,409.05		
<u>Fire Districts</u>				
Foscoe Fire	104,466.58	639,998.68	93.83%	94.81%
Boone Fire	165,977.39	1,263,757.35	94.45%	94.47%
Fall Creek Service Dist.	2,442.51	12,759.03	93.55%	90.32%
Beaver Dam Fire	20,148.54	129,723.31	91.68%	89.43%
Stewart Simmons Fire	60,775.13	373,744.50	91.72%	93.33%
Zionville Fire	23,725.77	145,467.65	90.95%	90.41%
Cove Creek Fire	56,564.72	334,720.47	93.36%	92.89%
Shawneehaw Fire	16,728.69	147,747.98	92.39%	93.84%
Meat Camp Fire	42,278.09	300,440.67	92.12%	91.34%
Deep Gap Fire	34,178.03	255,449.03	93.59%	93.61%
Todd Fire	12,597.41	72,590.32	92.08%	94.10%
Blowing Rock Fire	98,622.03	659,283.99	94.35%	95.23%
M.C. Creston Fire	838.25	7,194.50	88.56%	86.87%
Foscoe Service District	18,547.54	105,561.62	94.97%	94.53%
Beech Mtn. Service Dist.	2,309.02	2,726.42	98.54%	85.75%
Cove Creek Service Dist.	0.00	336.65	100.00%	100.00%
Shawneehaw Service Dist	1,125.32	7,553.11	88.84%	92.80%
Total Fire District Fund	661,325.02	4,459,055.28		
<u>Towns</u>				
Boone	1,246,221.65	8,474,847.59	96.78%	96.13%
Municipal Services	44,310.25	226,936.82	97.42%	95.79%
Total Town Taxes	\$1,290,531.90	\$8,474,848.56		
Total Amount Collected	\$8,707,990.76	\$57,601,248.74		


 _____ Tax Collections Director


 _____ Tax Administrator

AGENDA ITEM 10:

TAX MATTERS

B. Refunds and Releases

MANAGER'S COMMENTS:

Mr. Larry Warren will present the Refunds and Releases Reports. Board action is required to accept the Refunds and Releases Reports.

RELEASES - 01/01/2024 TO 01/31/2024

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1579963 CHERWATY, JOE H 595 E FOX BRIAR DR GREENSBORO, NC 27455	RE 2013	1098				0 F02	18.00
	1878-36-3971-028					G01	112.68
	TAX RELEASES From CAMA Integration				201098		----- 130.68
1852236 GRAGG, HAROLD L 60 EMERALD POINT DR TAYLORSVILLE, NC 28681	RE 2023	1040	01/02/2024			0 SWF	102.87
	1878-33-3653-000			F01			
	REFUND RELEASE SHACK HOUSE SHOULD NOT GET SWF				11850		
1630472 IDOL, JOSEPH J JR IDOL, SHERRIE W 825 APPALACHIAN DR BOONE, NC 28607	PP 2023	1767	01/03/2024			0 G01	19.53
	157978000			F10		F10	3.07
	TAX RELEASES DUPLICATE BILL				11854	SWF	102.87
							----- 125.47
1552065 IDOL, JOSEPH JERRY JR IDOL, SHERRIE WINEBARGER 825 APPALACHIAN DR BOONE, NC 286074372	PP 2023	2662	01/03/2024			0 G01	6.26
	552065999			C02		C02	7.39
	TAX RELEASES DUPLICATE BILL				11856		----- 13.65
1574105 IDOL, JOSHUA NATHANIEL IDOL, JOSEPH JERRY JR 825 APPALACHIAN DR BOONE, NC 286074372	PP 2023	2795	01/03/2024			0 G01	1.49
	574105999			C02		C02	1.76
	TAX RELEASES DUPLICATE BILL				11855		----- 3.25
1737254 KELLER, BRITTNI C/O DONNA KELLER 169 WILL PERRY RD VILAS, NC 28692	PP 2023	239	01/03/2024			0 F07	3.15
	973			F07		G01	20.00
	TAX RELEASES listed under account 1737254				11853	SWF	102.87
							----- 126.02
1600137 MCBARRON, REGINA ZACKHEIM, NATHAN 4512 GREY OAKS CT WILMINGTON, NC 28412	PP 2023	3002	01/26/2024			0 SWF	102.87
	600137999			F09		G01	8.78
	TAX RELEASES MOVED CAMPER OUT OF CAMPGROUND				11864	F09	1.38
						G01L	.88
						F09L	.14
							----- 114.05

RELEASES - 01/01/2024 TO 01/31/2024

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1768274 MCCURRY, JEFFERY 700 CHURCH RD BOONE, NC 28607	PP 2023 2997 TAX RELEASES LISTED UNDER ACCOUNT	914	01/26/2024	F01	11865	0 F01 G01 SWF F01L G01L	1.29 8.20 102.87 .13 .82 113.31
1853913 MOUNT LAWN CEMETERY ASSOCIATION, INC 147 RIVERSIDE PARK CT JEFFERSON, NC 28640	RE 2023 2910-79-7730-000 TAX RELEASES CEMETERY EXEMPT	40127	01/24/2024	C02	11862	0 C02 G01	870.38 738.08 ----- 1,608.46
1220607 MOUNT LAWN MEMORIAL PARK C/O KLEE LILES 351 PINNACLE DRIVE BOONE, NC 28607	PP 2023 220607999 TAX RELEASES CEMETERY EXEMPT	1853	01/24/2024	C02	11863	0 G01 C02	135.63 159.94 ----- 295.57
1135243 REID, JOSEPHINE (LIFE ESTATE) REID, DON (LIFE ESTATE) C/O ANDREA LEE MEADOR 1842 EGAN RD BIG STONE GAP, VA 24219-4224	RE 2023 1000113 1982-90-5105-000 TAX RELEASES OWNER PROVIDED PROOF OF INCOME	1000113	01/31/2024	F07	11869	0 F07 G01	86.35 549.19 ----- 635.54
1135243 REID, JOSEPHINE (LIFE ESTATE) REID, DON (LIFE ESTATE) C/O ANDREA LEE MEADOR 1842 EGAN RD BIG STONE GAP, VA 24219-4224	RE 2023 1000114 1982-90-5105-000 TAX RELEASES OWNER PROVIDED PROOF OF INCOME	1000114	01/31/2024	F07	11870	0 F07 G01	89.30 719.76 ----- 809.06
1135243 REID, JOSEPHINE (LIFE ESTATE) REID, DON (LIFE ESTATE) C/O ANDREA LEE MEADOR 1842 EGAN RD BIG STONE GAP, VA 24219-4224	RE 2023 1000115 1982-90-5105-000 TAX RELEASES OWNER PROVIDED PROOF OF INCOME	1000115	01/31/2024	F07	11871	0 F07 G01	89.30 719.76 ----- 809.06
1791233 SUDDRETH, MELANIE DAVIS 10207 BENS WAY MANASSAS, VA 20110	RE 2023 1000116 1982-81-0584-000 TAX RELEASES SCHOOL OF GOVT AND NCDOR APPROVED ALTERNATIVE FORM FOR INCOME VERIFICATION	1000116	01/30/2024	F07	11866	0 F07 G01	79.45 505.30 ----- 584.75
1791233 SUDDRETH, MELANIE DAVIS 10207 BENS WAY MANASSAS, VA 20110	RE 2023 1000117 1982-81-0584-000 TAX RELEASES SCHOOL OF GOVT AND NCDOR APPROVED ALTERNATIVE FORM FOR INCOME VERIFICATION	1000117	01/30/2024	F07	11867	0 F07 G01	99.80 804.39 ----- 904.19

RELEASES - 01/01/2024 TO 01/31/2024

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1791233 SUDDRETH, MELANIE DAVIS 10207 BENS WAY MANASSAS, VA 20110	RE 2023 1982-81-0584-000 TAX RELEASES SCHOOL OF GOVT AND NCDOR APPROVED ALTERNATIVE FORM FOR INCOME VERIFICATION	1000118	01/30/2024	F07	11868	0 F07 G01	99.80 804.39 ----- 904.19
1157478 TAYLOR, LAWRENCE ALTON 379 GREEN BRIAR RD BOONE, NC 28607-8759	RE 2014 2920-47-0723-000 TAX RELEASES From CAMA Integration	42203			2042203	2,900 F02 G01	1.45 9.08 ----- 10.53
1786550 WETMORE, WARREN 112 LAKEVIEW DRIVE WHISPERING PINES, NC 28327	PP 2023 2831 TAX RELEASES MOTOR HOME HAS A CURRENT TAG ON IT	818	01/03/2024	F09	11851	0 F09 G01 F09L G01L	51.35 326.55 5.14 32.66 ----- 415.70
1639878 WILCOX AND WRIGHT 178 HOWARD PO BOX 2675 BOONE, NC 28607	RE 2019 2900-79-7027-000 REFUND RELEASE RELEASE BUILDING VALUE, NO BUILDING LOCATED ON THIS PARCEL	35364	01/08/2024	MS1	11861	19,600 MS1 C02 G01	41.16 80.36 78.99 ----- 200.51
1639878 WILCOX AND WRIGHT 178 HOWARD PO BOX 2675 BOONE, NC 28607	RE 2020 2900-79-7027-000 REFUND RELEASE RELEASE BUILDING VALUE, NO BUILDING LOCATED ON THIS PARCEL	49401	01/08/2024	MS1	11860	19,600 MS1 C02 G01	41.16 80.36 78.99 ----- 200.51
1639878 WILCOX AND WRIGHT 178 HOWARD PO BOX 2675 BOONE, NC 28607	RE 2021 2900-79-7027-000 REFUND RELEASE RELEASE BUILDING VALUE, NO BUILDING LOCATED ON THIS PARCEL	35138	01/08/2024	MS1	11859	19,600 MS1 C02 G01	41.16 86.24 78.99 ----- 206.39
1639878 WILCOX AND WRIGHT 178 HOWARD PO BOX 2675 BOONE, NC 28607	RE 2022 2900-79-7027-000 REFUND RELEASE RELEASE BUILDING VALUE, NO BUILDING LOCATED ON THIS PARCEL	35115	01/08/2024	MS1	11858	26,900 MS1 C02 G01	32.28 96.84 85.54 ----- 214.66
1639878 WILCOX AND WRIGHT 178 HOWARD PO BOX 2675 BOONE, NC 28607	RE 2023 2900-79-7027-000 REFUND RELEASE RELEASE BUILDING VALUE, NO BUILDING LOCATED ON THIS PARCEL	35047	01/08/2024	MS1	11857	26,900 MS1 C02 G01	42.37 100.87 85.54 ----- 228.78

RELEASES - 01/01/2024 TO 01/31/2024

OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1183185 WOODRING, HOWARD R C/O LARRY WOODRING 135 HOWARD WOODRING FAMILY ROA TODD, NC 28684	PP 2023 492694000 TAX RELEASES gave to nephews boats/cars	2205	01/03/2024	F09	11852	7,810	F09 G01 F09L G01L	3.91 24.84 .39 2.48 ----- 31.62
DETAIL SUMMARY	COUNT: 24	RELEASES - TOTAL				123,310		8,788.82

RELEASES - 01/01/2024 TO 01/31/2024

RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2013	RE	F02	BOONE FIRE RE	234.00
2013	RE	G01	WATAUGA COUNTY RE	1,464.84
			2013 TOTAL	1,698.84
2014	RE	F02	BOONE FIRE RE	18.85
2014	RE	G01	WATAUGA COUNTY RE	118.04
			2014 TOTAL	136.89
2019	RE	C02	BOONE RE	80.36
2019	RE	G01	WATAUGA COUNTY RE	78.99
2019	RE	MS1	BOONE MUNICIPAL SERV DIST RE	41.16
			2019 TOTAL	200.51
2020	RE	C02	BOONE RE	80.36
2020	RE	G01	WATAUGA COUNTY RE	78.99
2020	RE	MS1	BOONE MUNICIPAL SERV DIST RE	41.16
			2020 TOTAL	200.51
2021	RE	C02	BOONE RE	86.24
2021	RE	G01	WATAUGA COUNTY RE	78.99
2021	RE	MS1	BOONE MUNICIPAL SERV DIST RE	41.16
			2021 TOTAL	206.39
2022	RE	C02	BOONE RE	96.84
2022	RE	G01	WATAUGA COUNTY RE	85.54
2022	RE	MS1	BOONE MUNICIPAL SERV DIST RE	32.28
			2022 TOTAL	214.66
2023	RE	C02	BOONE RE	971.25
2023	RE	F07	COVE CREEK FIRE RE	544.00
2023	RE	G01	WATAUGA COUNTY RE	4,926.41
2023	RE	MS1	BOONE MUNICIPAL SERV DIST RE	42.37
2023	RE	SWF	SANITATION USER FEE	102.87
2023	PP	C02	BOONE PP	169.09
2023	PP	F01	FOSCOE FIRE PP	1.29
2023	PP	F01L	FOSCOE FIRE LATE LIST	.13
2023	PP	F07	COVE CREEK FIRE PP	3.15
2023	PP	F09	MEAT CAMP FIRE PP	56.64
2023	PP	F09L	MEAT CAMP FIRE LATE LIST	5.67
2023	PP	F10	DEEP GAP FIRE PP	3.07
2023	PP	G01	WATAUGA COUNTY PP	551.28
2023	PP	G01L	WATAUGA COUNTY LATE LIST	36.84
2023	PP	SWF	SANITATION USER FEE	411.48
			2023 TOTAL	7,825.54
			SUMMARY TOTAL	10,483.34

RELEASES - 01/01/2024 TO 01/31/2024

RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT	
	2013	F02	BOONE FIRE RE	216.00
	2013	G01	WATAUGA COUNTY RE	1,352.16
	2014	F02	BOONE FIRE RE	17.40
	2014	G01	WATAUGA COUNTY RE	108.96
		TOTAL		1,694.52
C02	2023	C02	BOONE RE	1,039.47
C02	2023	G01	WATAUGA COUNTY RE	881.46
		C02 TOTAL		1,920.93
F01	2023	F01	FOSCOE FIRE PP	1.29
F01	2023	F01L	FOSCOE FIRE LATE LIST	.13
F01	2023	G01	WATAUGA COUNTY PP	8.20
F01	2023	G01L	WATAUGA COUNTY LATE LIST	.82
F01	2023	SWF	SANITATION USER FEE	205.74
		F01 TOTAL		216.18
F02	2013	F02	BOONE FIRE RE	18.00
F02	2013	G01	WATAUGA COUNTY RE	112.68
F02	2014	F02	BOONE FIRE RE	1.45
F02	2014	G01	WATAUGA COUNTY RE	9.08
		F02 TOTAL		141.21
F07	2023	F07	COVE CREEK FIRE RE	547.15
F07	2023	G01	WATAUGA COUNTY RE	4,122.79
F07	2023	SWF	SANITATION USER FEE	102.87
		F07 TOTAL		4,772.81
F09	2023	F09	MEAT CAMP FIRE PP	56.64
F09	2023	F09L	MEAT CAMP FIRE LATE LIST	5.67
F09	2023	G01	WATAUGA COUNTY PP	360.17
F09	2023	G01L	WATAUGA COUNTY LATE LIST	36.02
F09	2023	SWF	SANITATION USER FEE	102.87
		F09 TOTAL		561.37
F10	2023	F10	DEEP GAP FIRE PP	3.07
F10	2023	G01	WATAUGA COUNTY PP	19.53
F10	2023	SWF	SANITATION USER FEE	102.87
		F10 TOTAL		125.47
MS1	2019	C02	BOONE RE	80.36
MS1	2019	G01	WATAUGA COUNTY RE	78.99
MS1	2019	MS1	BOONE MUNICIPAL SERV DIST RE	41.16
MS1	2020	C02	BOONE RE	80.36
MS1	2020	G01	WATAUGA COUNTY RE	78.99
MS1	2020	MS1	BOONE MUNICIPAL SERV DIST RE	41.16
MS1	2021	C02	BOONE RE	86.24
MS1	2021	G01	WATAUGA COUNTY RE	78.99
MS1	2021	MS1	BOONE MUNICIPAL SERV DIST RE	41.16

RELEASES - 01/01/2024 TO 01/31/2024

RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT	
MS1	2022	C02	BOONE RE	96.84
MS1	2022	G01	WATAUGA COUNTY RE	85.54
MS1	2022	MS1	BOONE MUNICIPAL SERV DIST RE	32.28
MS1	2023	C02	BOONE RE	100.87
MS1	2023	G01	WATAUGA COUNTY RE	85.54
MS1	2023	MS1	BOONE MUNICIPAL SERV DIST RE	42.37
		MS1	TOTAL	1,050.85
		SUMMARY	TOTAL	10,483.34

AGENDA ITEM 11:

PROPOSED DSS ATTORNEY AGREEMENT

MANAGER'S COMMENTS:

Tom Hughes, Social Services Director, will request the Board adopt the contract for attorney services for the department with Reeves DiVenere Wright at a rate of \$150 per hour.

Board action is required to accept the contract with Reeves DiVenere Wright at a rate of \$150 per hour.

Contract

This contract is hereby entered into by and between the Watauga County Department of Social Services (the "County") and REEVES DIVENERE WRIGHT (the "Contractor") (referred to collectively as the "Parties"). The Contractor's federal tax identification number is 26-3936586.

1. Contract Documents: This Contract consists of the following documents:

- (a) This contract
- (b) The General Terms and Conditions
- (c) The Scope of Work, description of services, and rate
- (d) Federal Certifications
- (e) Conflict of Interest
- (f) No Overdue Taxes
- (g) HIPAA Business Associate Addendum
- (h) State Certifications
- (i) Certification Regarding Non-Discrimination, Clean Air Act, Clean Water Act

These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements.

2. Precedence among Contract Documents: In the event of a conflict between or among the terms of the Contract Documents, the terms in the Contract Document with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

3. Effective Period: This contract shall be effective on [January 29, 2024](#) and shall terminate on [January 29, 2027](#).

4. Contractor's Duties: The Contractor shall provide the services and in accordance with the approved rate as described in Attachment C, Scope of Work.

5. County's Duties: The County shall pay the Contractor in the manner and in the amounts specified in the Contract Documents. The total amount paid by the County to the Contractor under this contract shall be at the service rate of \$150 per hour for contract services. The parties acknowledge the current total available funding is \$145,000. If the services exceed allocated budget, the County agrees to make a good faith effort to secure additional funding based on provided services. **Both parties agree to act in good faith and fair dealing in regard to this term and provision.**

a. There are no matching requirements from the Contractor.

b. The Contractor's matching requirement is \$ _____, which shall consist of:

- | | |
|---|--|
| <input type="checkbox"/> In-kind | <input type="checkbox"/> Cash |
| <input type="checkbox"/> Cash and In-kind | <input type="checkbox"/> Cash and/or In-kind |

The contributions from the Contractor shall be sourced from non-federal funds.

The total contract amount including any Contractor match shall not exceed N/A .

6. Reversion of Funds:

Any unexpended grant funds shall revert to the County Department of Social Services/Human Services upon termination of this contract.

7. Reporting Requirements:

Contractor shall comply with audit requirements as described in N.C.G.S. § 143C-6-22 & 23 and OMB Circular- CFR Title 2 Grants and Agreements, Part 200, and shall disclose all information required by 42 USC 455.104, or 42 USC 455.105, or 42 USC 455.106.

8. Payment Provisions:

Payment shall be made in accordance with the Contract Documents as described in the Scope of Work, Attachment C.

9. Contract Administrators: All notices permitted or required to be given by one Party to the other and all questions about the contract from one Party to the other shall be addressed and delivered to the other Party's Contract Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Contract Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Contract Administrator by giving timely written notice to the other Party.

For the County:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name & Title Tom Hughes, Director County Watauga Mailing Address 132 Poplar Grove Connector, Suite C City, State, Zip Boone, NC 28607 Telephone 828-265-8100 Fax Email <Tom.Hughes@watgov.org>	Name & Title County Street Address City, State, Zip

For the Contractor:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name & Title John Benjamin "Jak" Reeves, Esq. Tamara C. DiVenere, Esq. Company Name Reeves DiVenere Wright Mailing Address 280 Queen Street City State Zip Boone, NC 28607 Telephone 828-268-9640 Fax 828-262-3699 Email jreeves@rdwlegal.com tdivenere@rdwlegal.com	Name & Title Company Name Street Address City State Zip

10. Supplementation of Expenditure of Public Funds:

The Contractor assures that funds received pursuant to this contract shall be used only to supplement, not to supplant, the total amount of federal, state and local public funds that the Contractor otherwise expends for contract services and related programs. Funds received under this contract shall be used to provide additional public funding for such services; the funds shall not be used to reduce the Contractor's total expenditure of other public funds for such services.

11. Disbursements:

As a condition of this contract, the Contractor acknowledges and agrees to make disbursements in accordance with the following requirements:

- (a) Implement adequate internal controls over disbursements;
- (b) Pre-audit all vouchers presented for payment to determine:
 - Validity and accuracy of payment
 - Payment due date
 - Adequacy of documentation supporting payment
 - Legality of disbursement
- (c) Assure adequate control of signature stamps/plates;
- (d) Assure adequate control of negotiable instruments; and
- (e) Implement procedures to insure that account balance is solvent and reconcile the account monthly.

12. Outsourcing to Other Countries:

The Contractor certifies that it has identified to the County all jobs related to the contract that have been outsourced to other countries, if any. The Contractor further agrees that it will not outsource any such jobs during the term of this contract without providing notice to the County.

13. Federal Certifications:

Individuals and Organizations receiving federal funds must ensure compliance with certain certifications required by federal laws and regulations. The contractor is hereby complying with Certifications regarding Nondiscrimination, Drug-Free Workplace Requirements, Environmental Tobacco Smoke, Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions, and Lobbying. These assurances and certifications are to be signed by the contractor's authorized representative.

14. Signature Warranty: The undersigned represent and warrant that they are authorized to bind their principals to the terms of this agreement.

The Contractor and the County have executed this contract in duplicate originals, with one original being retained by each party.

Signature Date

Printed Name Title

COUNTY

Signature *(must be legally authorized to sign contracts for County DSS)* Date

Printed Name Title

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Signature of County Finance Officer Date

This instrument has been approved as to its form and legal sufficiency.

Signature of County Attorney Date

Attachment B General Terms and Conditions

Relationships of the Parties

Independent Contractor: The Contractor is and shall be deemed to be an independent contractor in the performance of this contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the County.

Subcontracting: The Contractor shall not subcontract any of the work contemplated under this contract without prior written approval from the County. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contract documents are to be considered approved upon award of the contract. The County shall not be obligated to pay for any work performed by any unapproved subcontractor. The Contractor shall be responsible for the performance of all of its subcontractors.

Assignment: No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the County may:

- (a) Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or
- (b) Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s).

In no event shall such approval and action obligate the County to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this contract, and all rights of action relating to such enforcement, shall be strictly reserved to the County and the named Contractor. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the County and Contractor that any such person or entity, other than the County or the Contractor, receiving services or benefits under this contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Contractor agrees to indemnify and hold harmless the County and any of their officers, agents and employees, from any claims of third parties arising out or any act or omission of the Contractor in connection with the performance of this contract.

Insurance: During the term of the contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:

- (a) **Worker's Compensation** - The contractor shall provide and maintain Worker's Compensation Insurance as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the contract. If any work is sublet, the Contractor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the contract.
- (b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$1,000,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)
- (c) **Automobile Liability Insurance:** The Contractor shall provide automobile liability insurance with a combined single limit of \$500,000.00 for bodily injury and property damage; a limit of \$500,000.00 for uninsured/under insured motorist coverage; and a limit of \$2,000.00 for medical payment coverage. The Contractor shall provide this insurance for all automobiles that are:
 - (a) owned by the Contractor and used in the performance of this contract;
 - (b) hired by the Contractor and used in the performance of this contract; and
 - (c) Owned by Contractor's employees and used in performance of this contract ("non-owned vehicle insurance"). Non-owned vehicle insurance protects employers when employees use their personal vehicles for work purposes. Non-owned vehicle insurance supplements, but does not replace, the car-owner's liability insurance.

The Contractor is not required to provide and maintain automobile liability insurance on any vehicle – owned, hired, or non-

owned -- unless the vehicle is used in the performance of this contract.

- (d) The insurance coverage minimums specified in subparagraph (a) are exclusive of defense costs.
- (e) The Contractor understands and agrees that the insurance coverage minimums specified in subparagraph (a) are not limits, or caps, on the Contractor's liability or obligations under this contract.
- (f) The Contractor may obtain a waiver of any one or more of the requirements in subparagraph (a) by demonstrating that it has insurance that provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (g) The Contractor may obtain a waiver of any one or more of the requirements in paragraph (a) by demonstrating that it is self-insured and that its self-insurance provides protection that is equal to or greater than the coverage and limits specified in subparagraph (a). The County shall be the sole judge of whether such a waiver should be granted.
- (h) Providing and maintaining the types and amounts of insurance or self-insurance specified in this paragraph is a material obligation of the Contractor and is of the essence of this contract.
 - (i) The Contractor shall only obtain insurance from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in the State of North Carolina. All such insurance shall meet all laws of the State of North Carolina.
 - (j) The Contractor shall comply at all times with all lawful terms and conditions of its insurance policies and all lawful requirements of its insurer.
 - (k) The Contractor shall require its subcontractors to comply with the requirements of this paragraph.
 - (l) The Contractor shall demonstrate its compliance with the requirements of this paragraph by submitting certificates of insurance to the County before the Contractor begins work under this contract.

Transportation of Clients by Contractor:

The contractor will maintain Insurance requirements if required as noted under Article 7 Rule R2-36 of the North Carolina Utilities Commission.

Default and Termination

Termination Without Cause: The County may terminate this contract without cause by giving 30 days written notice to the Contractor.

Termination for Cause: If, through any cause, the Contractor shall fail to fulfill its obligations under this contract in a timely and proper manner, the County shall have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable

items prepared by the Contractor under this contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of the Contractor's breach of this agreement, and the County may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the County from such breach can be determined. In case of default by the Contractor, without limiting any other remedies for breach available to it, the County may procure the contract services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The filing of a petition for bankruptcy by the Contractor shall be an act of default under this contract.

Waiver of Default: Waiver by the County of any default or breach in compliance with the terms of this contract by the Provider shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the County and the Contractor and attached to the contract.

Availability of Funds: The parties to this contract agree and understand that the payment of the sums specified in this contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the County.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this contract are the exclusive property of the County. The Contractor shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection

Act: The Parties agree that the County shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Title VI, Civil Rights Compliance: In accordance with Federal law and U.S. Department of Agriculture (USDA) and U.S. Department of Health and Human Services (HHS) policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. Under the Food Stamp Act and USDA policy, discrimination is prohibited also on the basis of religion or political beliefs.

Equal Employment Opportunity: The Contractor shall comply with all federal and State laws relating to equal employment opportunity.

Health Insurance Portability and Accountability Act (HIPAA): The Contractor agrees that, if the County determines that some or all of the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended ("HIPAA"), or its implementing regulations, it will comply with the HIPAA requirements and will execute such agreements and practices as the County may require to ensure compliance.

- (a) **Data Security:** The Contractor shall adopt and apply data security standards and procedures that comply with all applicable federal, state, and local laws, regulations, and rules.
- (b) **Duty to Report:** The Contractor shall report a suspected or confirmed security breach to the local Department of Social Services/Human Services Contract Administrator within twenty-four (24) hours after the breach is first discovered, provided that the Contractor shall report a breach involving Social Security Administration data or Internal Revenue Service data within one (1) hour after the breach is first discovered.
- (c) **Cost Borne by Contractor:** If any applicable federal, state, or local law, regulation, or rule requires the Contractor to give written notice of a security breach to affected persons, the Contractor shall bear the cost of the notice.

Trafficking Victims Protection Act of 2000 :

The Contractor will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104)

Executive Order # 24: It is unlawful for any vendor, contractor, subcontractor or supplier of the state to make gifts or to give favors to any state employee. For additional information regarding the specific requirements and exemptions, contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the County. The Contractor acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this contract.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. Additionally, as the State funding authority, the Department of Health and Human Services shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Division. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs must be retained for a minimum of ten years.

Warranties and Certifications

Date and Time Warranty: The Contractor warrants that the product(s) and service(s) furnished pursuant to this contract ("product" includes, without limitation, any piece of equipment, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interfaces therein) that perform any date and/or time data recognition function, calculation, or sequencing will support a four digit year format and will provide accurate date/time data and leap year calculations. This warranty shall survive the termination or expiration of this contract.

Certification Regarding Collection of Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Contractor certifies that it and all of its affiliates (if any) collect all required taxes.

E-Verify

Pursuant to G.S. 143-48.5 and G.S. 147-33.95(g), the undersigned hereby certifies that the Contractor named below, and the Contractor's subcontractors, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system." E-Verify System Link: www.uscis.gov

Miscellaneous

Choice of Law: The validity of this contract and any of its terms or provisions, as well as the rights and duties of the parties to this contract, are governed by the laws of North Carolina. The Contractor, by signing this contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be the county in which the contract originated. The place of this contract and all transactions and agreements relating to it, and their situs and forum, shall be the county where the contract originated, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the County and the Contractor.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this contract.

Key Personnel: The Contractor shall not replace any of the key personnel assigned to the performance of this contract without the prior written approval of the County. The term "key personnel" includes any and all persons identified as such in the contract documents and any other persons subsequently identified as key personnel by the written agreement of the parties.

Care of Property: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this contract and will reimburse the County for loss of, or damage to, such property. At the termination of this contract, the Contractor shall contact the County for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Contractor for travel mileage, meals, lodging and other travel expenses incurred in the performance of this contract shall not exceed the rates established in County policy.

Sales/Use Tax Refunds: If eligible, the Contractor and all subcontractors shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Contractor shall not use the award of this contract as a part of any news release or commercial advertising.

ATTACHMENT B – Scope of Work Federal Tax Id. 26-3936586
Contract #

A. CONTRACTOR INFORMATION

1. Contractor Agency Name: Reeves Law Firm, PLLC d/b/a Reeves DiVenere Wright
2. *If different* from Contract Administrator Information in General Contract:
Address

Telephone Number: Fax Number: Email:

3. Name of Program (s): Attorney Services
4. Status: Public Private, Not for Profit Private, For Profit
5. Contractor's Financial Reporting Years 7/1/24 – 6/30/25, 7/1/25 – 6/30/26,
7/1/26 – 6/30/27

B. Explanation of Services to be provided and to whom (include SIS Service Code): Child Support Enforcement (IVD), Protective Services for Children (210), In Home Services for Children (215), Child and Family Team Meetings (219), Other Child Welfare Court Related activities (228), Foster Care for Children (109), Protective Services for Adults (202 & 204), Guardianship for Adults (107), as well legal Representation under service codes 200, 211, 100, and 010. Provider agrees to provide legal services to the Watauga County Department of Social Services (DSS). The legal services may be provided as “in court” representation or as consultation to DSS staff. DSS agrees to reimburse the Provider as the rate of \$150/hour for legal services. On the direction and request of the Child Welfare staff, the attorney will prepare for and conduct courtroom and administrative litigation, negotiate settlements of cases, prepare legal opinions on rules and operations of the agency, and handle state and federal appellate issues.

C. Rate per unit of Service (define the unit):

1. If Standard Fixed Rate, Maximum Allowable, (See Rates for Services Chart)
2. Negotiated County Rate.

\$150 per hour of legal representation

D. Number of units to be provided: (varies)

E. Details of Billing process and Time Frames: Provider will submit an invoice to the Department monthly following the month of service. The Department will send payment promptly and in accordance with normal invoice procedure.

F. Area to be served/Delivery site(s): Watauga County

(Signature of County Authorized Person)

(Signature of Contractor)

(Date Submitted)

(Date Submitted)

**ATTACHMENT D
FEDERAL CERTIFICATIONS**

The undersigned states that:

- 1. He or she is the duly authorized representative of the Contractor named below;
- 2. He or she is authorized to make, and does hereby make, the following certifications on behalf of the Contractor, as set out herein:
 - a. The Certification Regarding Nondiscrimination;
 - b. The Certification Regarding Drug-Free Workplace Requirements;
 - c. The Certification Regarding Environmental Tobacco Smoke;
 - d. The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions; and
 - e. The Certification Regarding Lobbying;
- 3. He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;
- 4. [Check the applicable statement]
 - [] He or she **has completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has made, or has an agreement to make**, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;

OR

 - [] He or she **has not completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has not made, and has no agreement to make**, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.
- 5. The Contractor shall require its subcontractors, if any, to make the same certifications and disclosure.

Signature	Title
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Contractor Name	Date
------------------------	-------------

[This Certification Must be Signed by the Same Individual Who Signed the Proposal Execution Page]

I. Certification Regarding Nondiscrimination

The Contractor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

II. Certification Regarding Drug-Free Workplace Requirements

1. The Contractor certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor’s workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing a drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Contractor’s policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (a);
 - d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - e. Notifying the Department within ten days after receiving notice under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;
 - f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Address

Street

City, State, Zip Code

Street

City, State, Zip Code

3. Contractor will inform the Department of any additional sites for performance of work under this agreement.
4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. 82.510.

III. Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards that contain provisions for children's services and that all subgrantees shall certify accordingly.

IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Instructions

[The phrase "prospective lower tier participant" means the Contractor.]

1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification

1. **The prospective lower tier participant certifies**, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

V. Certification Regarding Lobbying

The Contractor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) who receive federal funds of \$100,000.00 or more and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

VI. Disclosure Of Lobbying Activities

Instructions

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

1. Identify the status of the covered Federal action.
2. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
3. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
4. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
5. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
6. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
7. Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
8. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
9. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
10. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
11. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
12. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
13. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
14. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
15. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

**Disclosure Of Lobbying Activities
(Approved by OMB 0344-0046)**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

<p>1. Type of Federal Action:</p> <p><input type="checkbox"/> a. contract</p> <p><input type="checkbox"/> b. grant</p> <p><input type="checkbox"/> c. cooperative agreement</p> <p><input type="checkbox"/> d. loan</p> <p><input type="checkbox"/> e. loan guarantee</p> <p><input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action:</p> <p><input type="checkbox"/> a. Bid/offer/application</p> <p><input type="checkbox"/> b. Initial Award</p> <p><input type="checkbox"/> c. Post-Award</p>	<p>3. Report Type:</p> <p><input type="checkbox"/> a. initial filing</p> <p><input type="checkbox"/> b. material change</p> <p>For Material Change Only:</p> <p>Year _____ Quarter _____</p> <p>Date Of Last Report: _____</p>
<p>4. Name and Address of Reporting Entity:</p> <p><input type="checkbox"/> Prime</p> <p><input type="checkbox"/> Subawardee Tier (if known) _____</p> <p>Congressional District (if known) _____</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District (if known) _____</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number (if applicable) _____</p>	
<p>8. Federal Action Number (if known)</p>	<p>9. Award Amount (if known) \$</p>	
<p>10. a. Name and Address of Lobbying Entity (if individual, last name, first name, MI):</p> <p align="center"><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i></p>	<p>b. Individuals Performing Services (including address if different from No. 10a.) (last name, first name, MI):</p> <p align="center"><i>(attach Continuation Sheet(s) SF-LLL-A, if necessary)</i></p>	
<p>11. Amount of Payment (check all that apply):</p> <p>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned</p>	<p>13. Type of Payment (check all that apply):</p> <p><input type="checkbox"/> a. retainer</p> <p><input type="checkbox"/> b. one-time fee</p> <p><input type="checkbox"/> c. commission</p> <p><input type="checkbox"/> d. contingent fee</p> <p><input type="checkbox"/> e. deferred</p> <p><input type="checkbox"/> f. other; specify: _____</p>	
<p>12. Form of Payment (check all that apply):</p> <p><input type="checkbox"/> a. cash</p> <p><input type="checkbox"/> b. In-kind; specify: Nature _____</p> <p style="padding-left: 100px;">Value _____</p>		
<p>14. Brief Description of Services Performed or to be Performed and Date(s) of Services, including officer(s), employee(s), or Member(s) contacted, for Payment Indicated in Item 11 (attach Continuation Sheet(s) SF-LLL-A, if necessary):</p>		
<p>15. Continuation Sheet(s) SF-LLL-A attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>16. Information requested through this form is authorized by title 31 U. S. C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U. S. C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No: _____ Date: _____</p>	
<p>Federal Use Only</p>		<p>Authorized for Local Reproduction Standard Form - LLL</p>

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ATTACHMENT E

Conflict of Interest Policy

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. **Violations of the Conflicts of Interest Policy** -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other

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governing body determines the member, officer, employee or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. **Record of Conflict** -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Reeves DiVenere Wright. Attys at Law, PLLC
Name of Organization

Signature of Organization Official

Date

NOTARIZED CONFLICT OF INTEREST POLICY

State of North Carolina

County of _____

I, _____, Notary Public for said County and State, certify that

_____ personally appeared before me this day and acknowledged

that he/she is _____ of _____ [enter name of entity]

and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of Interest Policy was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the _____ day of _____, _____.

Sworn to and subscribed before me this _____ day of _____, _____.

(Official Seal)

Notary Public

My Commission expires _____, 20 ____

Attachment F – No Overdue Tax Debts

Instructions: Grantee/Provider should complete this certification for all funds received. Entity should enter appropriate data in the yellow highlighted areas. The completed and signed form must be provided to the County Department of Social Services/Human Services.

Note: If you have a contract that extends more than one state fiscal year, you will need to obtain an updated certification for each year of the contract.

Reeves DiVenere Wright Attorneys at Law

Date

To: Watauga County Department of Social Services/Human Services

Certification:

We certify that Reeves DiVenere Wright Attorneys at Law does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

John Benjamin “Jak” Reeves, Attorney at Law; and Tom Hughes, DSS Director being duly sworn, say that we are the Contractor, and DSS Director, respectively, of RDW Law Firm, Watauga County Department of Social Services in the State of North Carolina; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

John Benjamin “Jak” Reeves, by
Reeves DiVenere Wright

DSS Director, Tom Hughes

Sworn to and subscribed before me on the day of the date of said certification.

(Notary Signature and Seal)

My Commission Expires: _____

¹ G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.”

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WATAUGA County Department of Social Services/Human Services
**DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUSINESS ASSOCIATE ADDENDUM**

This Agreement is made effective the 29th day of January, 2024, by and between The Watauga County Department of Social Services (County Department of Social Services) (“Covered Entity”) and Reeves DiVenere Wright (name of contractor) (“Business Associate”) (collectively the “Parties”).

1. BACKGROUND

- a. Covered Entity and Business Associate are parties to a contract entitled (identify contract) DSS Contract (the “Contract”), whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. Covered Entity is an organizational unit of Watauga County as the Watauga County Department of Social Services (DSS) as a health care component for purposes of the HIPAA Privacy Rule.
- c. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a “business associate” within the meaning of the HIPAA Privacy Rule.
- d. The Parties enter into this Business Associate Addendum to the Contract with the intention of complying with the HIPAA Privacy Rule provision that a covered entity may disclose protected health information to a business associate, and may allow a business associate to create or receive protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS

Unless some other meaning is clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. “HIPAA” means the Administrative Simplification Provisions, Sections 261 through 264, of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- b. “Individual” shall have the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- c. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- d. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- e. “Required By Law” shall have the same meaning as the term “required by law” in 45 CFR 164.103.

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- f. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his designee.
- g. Unless otherwise defined in this Agreement, terms used herein shall have the same meaning as those terms have in the Privacy Rule.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required By Law.
- b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- d. Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
- e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- f. Business Associate agrees to provide access, at the request of Covered Entity, to Protected Health Information in a Designated Record Set to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.
- g. Business Associate agrees, at the request of the Covered Entity, to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526.
- h. Unless otherwise prohibited by law, Business Associate agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Watauga County Department of Social Services, in a time and manner designated by the Secretary, for purposes of the Watauga County Department of Social Services determining Covered Entity's compliance with the Privacy Rule.
- i. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528, and to provide this information to Covered Entity or an Individual to permit such a response.

4. PERMITTED USES AND DISCLOSURES

- a. Except as otherwise limited in this Agreement or by other applicable law or agreement, if the Contract permits, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract, provided that such use or disclosure:
 - 1) would not violate the Privacy Rule if done by Covered Entity; or
 - 2) would not violate the minimum necessary policies and procedures of the Covered Entity.
- b. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use Protected Health Information as necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- c. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that:
 - 1) disclosures are Required By Law; or
 - 2) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- d. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the Contract permits, Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).
- e. Notwithstanding the foregoing provisions, Business Associate may not use or disclose Protected Health Information if the use or disclosure would violate any term of the Contract or other applicable law or agreements.

5. TERM AND TERMINATION

- a. **Term.** This Agreement shall be effective as of the effective date stated above and shall terminate when the Contract terminates.
- b. **Termination for Cause.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:
 - 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement and services provided by Business Associate, to the extent permissible by law, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

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- 2) Immediately terminate this Agreement and services provided by Business Associate, to the extent permissible by law; or
- 3) If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy Rule.

c. **Effect of Termination.**

- 1) Except as provided in paragraph (2) of this section or in the Contract or by other applicable law or agreements, upon termination of this Agreement and services provided by Business Associate, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- 2) In the event that Business Associate determines that returning or destroying the Protected Health Information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. GENERAL TERMS AND CONDITIONS

- a. This Agreement amends and is part of the Contract.
- b. Except as provided in this Agreement, all terms and conditions of the Contract shall remain in force and shall apply to this Agreement as if set forth fully herein.
- c. In the event of a conflict in terms between this Agreement and the Contract, the interpretation that is in accordance with the Privacy Rule shall prevail. In the event that a conflict then remains, the Contract terms shall prevail so long as they are in accordance with the Privacy Rule.
- d. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the Contract for cause.

SIGNATURES: _____

Date: _____ -

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AGENDA ITEM 12:

PROPOSED PARKS & RECREATION MASTER PLAN

MANAGER'S COMMENTS:

Ms. Keron Poteat, Parks and Recreation Director, will present the new Parks and Recreation Ten-Year Master Plan. At the conclusion of the presentation, you may adopt the plan.

Historically, a public hearing would be scheduled prior to adoption; however, having a master plan adds rating points which determines awards of Parks and Recreation Trust Fund (PARTF) Grants. The Master Plan update could assist Ms. Patoprsty's request for the Middle Fork Park.

Direction from the Board is requested.



WATAUGA COUNTY PARKS & RECREATION PLAN



2024-2034

Comprehensive Systemwide Plan

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Watauga County Parks & Recreation Department

Keron Poteat, *Director*
Craig Lands, *Assistant Director*

231 Complex Drive
Boone, North Carolina 28607
828-264-9511

Produced with assistance from High Country Council of Governments

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The purpose of this document is to help Watauga County government make informed decisions regarding recreation. The same information will be available to other recreation providers in the county, which they may find useful for their recreation planning. This comprehensive plan will enable the County and others to achieve the following objectives:

- ensure that decisions regarding future facilities are based on wants and needs of citizens, and that new facilities will be used
- ensure that future facilities will be available, accessible, and convenient to as much of the county's population as possible
- consider the need for recreation facilities in the context of Watauga County's climate, topography, population patterns & trends, other recreation providers, and other factors
- maximize the impact of each dollar spent on recreation
- plan with existing resources in mind, maximize the use of existing facilities, and consider recreation offered by other entities
- ensure that the recreational concerns of all citizens and groups are addressed
- avoid duplication of facilities and services where duplication is unnecessary and undesired
- help justify the need for facilities when applying for grant funds

Introduction & Purpose

Numerous other recreation providers are active in our jurisdiction: towns, state government, federal government, Appalachian State University, community organizations, churches, and schools. Local recreation opportunities exist that are not targeted specifically to county residents, but yet are accessible in some way to Watauga citizens. Despite the large number of recreation opportunities in the county, significant gaps do exist. The purpose of this plan is to identify those recreational gaps and plan the process of filling them.

This comprehensive plan identifies recreational needs of the county's citizens using various methods: household surveys, stakeholder interviews, and day-to-day interactions of recreation staff with citizens. The benefits of recreation in general are listed, along with an explanation of the role of recreation in successful communities and the need for local government support. Current programs are analyzed, especially in relation to their use of facilities. Existing recreation facilities are listed and described in order to identify resources that presently might not be fully recognized and utilized, but have significant potential. Transportation routes, population patterns & projections, and natural features are considered in relation to existing and future recreation facilities. All of this information is analyzed to produce recommendations for future facilities.

Limitations & Revisions

This document is a guide for recreation planning, but not a prescription. Adoption of the plan should not be interpreted as a rigid, step-by-step directive for facility construction. All recommendations are dependent on funding availability, meaning that even the most highly desired and needed facilities might remain unrealized for several years before they can be adequately financed. A separate financial plan with progress dates (typically referred to as a Capital Improvement Plan) can be created, but such a document is not within the bounds of this broad plan.

Priorities can change rapidly due to cultural trends, fluctuating costs, and activities of private businesses and organizations. Other variables include unexpected donations and unique opportunities tied to a particular form of recreation, occurrences in neighboring counties, and numerous other factors. Various efforts have been made to accurately forecast the recreation needs and wants of the Watauga County citizenry, and the feasibility of achieving these objectives. This plan, however, reflects situations and outlooks at a particular point in time, and may be amended as necessary to remain current and relevant.

THE NEED FOR PARKS AND RECREATION

The need for recreation facilities and programs in a rural county located in a rural region may not be obvious. The seeming abundance of open space and natural landscapes offers an impression of numerous opportunities to recreate, enjoy nature, and relax. The fact that Watauga is a resort area and tourist destination reinforces the perception that recreation is close at hand, with little need for deliberate provision.

When examined closely, however, these perceptions are misleading. While many Watauga citizens are rural residents, most live an urban or suburban lifestyle on single-family lots and commute to typical 40-hour/week jobs. The availability of recreation in Watauga County (and elsewhere) is usually an issue of access, facilities development, and organization. While open space might be abundant, access to it is not universal. Even where access is available, barriers might be present and/or facilities might not exist to make recreation possible. In addition, much meaningful recreation is a communal activity; requiring planning, organization, and structure.

The State of North Carolina's Recreation Enabling Law (G.S. 160A Article 18) declares "the lack of adequate recreational programs and facilities is a menace to the morals, happiness, and welfare of the people of this State." Recreation is a basic human physical and mental need, widely recognized as essential to the proper functioning of society, and as important as other local government services such as waste disposal, law enforcement, or education. Recreation as a government service ensures that all citizens- regardless of income level- have access to parks and recreation. Because government is not motivated by profit, it is able to provide parks and natural areas that might not produce income directly, but do have a value to society. Local governments offer stability and permanency to parks and basic recreation facilities that might otherwise be subject to changing economic conditions or fads.



Resource-Based and User-Oriented Facilities

Recreation facilities can be categorized as resource-based or user-oriented. Resource-based facilities are focused on natural or semi-natural *features* such as rivers, lakes, geologic features, scenic settings, etc. They usually encompass many acres and are significant to a broad constituency; i.e. having regional or national significance. Examples in Watauga County include Elk Knob and the Blue Ridge Parkway. Typical providers of resource-based recreation are state and federal agencies.

User-oriented facilities focus on a particular *activity*, such as ball games and picnicking. These activities usually require a relatively small land area, and typically are not dependent on a natural feature; hence they can be established most anywhere. Municipalities typically focus on providing user-oriented facilities- such as ball fields, tennis courts, and playgrounds- because of space limitations.

Counties customarily fit in the middle of this recreation spectrum; i.e. many counties provide both resource-based *and* user-oriented facilities. Some natural features in a given county are attractive, but have little, if any, regional or national significance. Small towns cannot reasonably serve a large rural population beyond their municipal boundaries with user-oriented facilities. Therefore counties fill the gap.

Many resource-based recreation facilities in Watauga County are along the Blue Ridge Parkway. North Carolina has established state parks at Elk Knob and Grandfather Mountain. Because of these state and federal facilities, and others in neighboring counties, Watauga County has focused more on user-oriented facilities.

The provision of recreation is a common service offered by most local governments, but the benefits of recreation to a locality are not always fully recognized and appreciated. Various studies and research show how recreation has a significant positive impact on everything from mental health to economic development. These benefits are far-reaching and widespread. A national survey of perceptions of local recreation and park services, for example, revealed that 71% of *non-users* said they received some benefit from their communities' parks and recreational services (e.g. preventing juvenile delinquency, et al).

BENEFITS of PARKS & RECREATION

Social Capital: Social capital is “the collective value of all social networks and the inclination that arise from these networks to do things for each other.” Recreation enables social interactions that benefit endeavors where collective efforts are essential for success; e.g. government, charitable undertakings, business, and other aspects of the social order.

Health: Beyond the obvious health benefits of exercise associated with active recreation, passive recreation and parks have important health implications as well. One study states, “In terms of overall health, local park and recreation users reported fewer visits to a physician for purposes other than check-ups than did non-park users, even when controlling for the effects of age, income, education level, health status, and other possibly influencing factors.” At a time when increasing health care costs is a major societal concern, the provision of recreation and exercise opportunities could have positive economic implications magnified beyond the immediate cost of the facilities.

Mental Health: Though more difficult to measure and quantify, recreation can definitely have a significant positive impact on a person’s mental health. Exercise is widely recognized as a significant factor in the prevention and treatment of depression. Research has revealed “that just the act of driving by parks and green spaces is related to stress relief.” Community recreation alleviates loneliness and strengthens social ties that are critical to a balanced lifestyle.

Personal Development: Meaningful recreation enhances self-esteem, encourages maturity, and aids in other positive character developments.

Water Quality: The collective effect of parks and other natural areas (even grassy ballfields) helps filter-out pollutants that potentially could contaminate drinking water sources, both surface and ground water. Improved water quality reduces water treatment costs, lessens health threats, and benefits fish and other wildlife that might also have economic value.

Flood Prevention & Stormwater Management: Parks and ballfields absorb rainfall, reducing runoff which lessens the likelihood of flooding.

Crime Prevention: North Carolina’s recreation enabling law frankly states that lack of recreation “is a menace to the morals” of its citizens. Several studies support the notion that recreation gives people (especially youths) “something to do” thus “keeping them out of trouble.” Beyond this obvious influence though, the cumulative impact of recreational benefits such as social capital, economic development, mental health benefits, and personal development would seemingly help create a community environment that is not conducive to criminal activity.

Economic Value: Parks usually increase the value of nearby properties, which in turn increases property tax revenue. The need for clothing and equipment associated with recreation programs stimulates retail sales.

Economic Development: “Corporate CEOs say quality of life for employees is the third-most important factor in locating a business, behind only access to domestic markets and availability of skilled labor. Owners of small companies ranked recreation/parks/open space as the highest priority in choosing a new location for their business.”



CHARACTERISTICS OF WATAUGA COUNTY

Watauga County is located in the northwestern mountains of North Carolina. With a land area of 313 square miles, it ranks 83rd in geographic size among the state's 100 counties. Its 54,086 citizens make it 50th in population size. Most of the population is rural (59%). Appalachian State University's 20,000 students constitute a sizable percentage (37%) of the county's population. The county contains four towns— Boone (pop. 19,878), Blowing Rock (pop. 1,288), Beech Mountain (pop. 616), and Seven Devils (pop. 275). Boone, the county seat, is centrally located and serves as the county's hub for commerce, services, work, and recreation. Watauga County is a vacation destination that attracts numerous tourists and seasonal residents. Following are statistics describing Watauga County's population compared to the state as a whole:

	<u>Watauga County</u>	<u>North Carolina</u>
Median age	32.7	39.1
Poverty rate	24.5%	14.7%
Median household income	\$46,453	\$57,341
Males	50%	48.9%
Females	50%	51.1%
<u>Race & Ethnicity</u>		
White (non-Hispanic)	91.1%	62.5%
Black	2.0%	21.1%
Hispanic	4.1%	8.79%
All other	2.8%	7.61%
<u>Educational attainment (population 25 years & over)</u>		
Less than 12th grade	9.3%	13.1%
High school graduate	21%	26.1%
Some college, no degree	18.4%	21.7%
Associate's degree	8.6%	9.3%
Bachelor's degree	23.3%	19.2%
Graduate or professional degree	19.4%	10.6%
<u>Total households</u>		
Average household size	2.32	
Persons under 18 years	12.5%	
Persons 65 years & over	17.4%	



Watauga County's largest employer is Appalachian State University (over 1,000), followed by Appalachian Regional Healthcare System, the school system, and Samaritan's Purse. Also among the top employers are ski resorts, local governments, and retail stores. Agriculture is a significant economic sector with beef cattle and Christmas trees being the major commodities.

NATURAL FEATURES

SURFACE WATER

The headwater streams for several river basins begin in Watauga County: the New River in the east, the Yadkin River in the southeast, the Watauga River in the west, and a small area with headwater streams of the Johns River (Catawba River basin) in the south near Blowing Rock. The wide variation in streamflow- from seeps & bogs to small rivers- offers a variety of scenic settings, wildlife observation opportunities, and recreation. Waterfalls, for example, are common, and several streams are large enough for canoeing and rafting.

TOPOGRAPHIC REGIONS

Watauga County is located in the North Carolina mountains. Elevation ranges from 1,339 feet near the base of the Blue Ridge escarpment to 5,964 feet on Grandfather Mountain. Watauga County's mean elevation of 3,631 feet is among the highest of all counties in the eastern United States. Most of the county lies west of the Blue Ridge escarpment, with about 20% of the land area situated on the escarpment itself (i.e. the Triplett community and surrounding areas). Watauga's topography can be described generally as a mountainous spine running north-south through the center of the county, with two significant river valleys (the Watauga and New) on either side. The spine consists of Flattop, Rich, and Snake Mountains, among others. The town of Boone is situated at the geographic center of the county, at the center of the mountainous spine, and also at the convergence of the New and Watauga River Valleys.

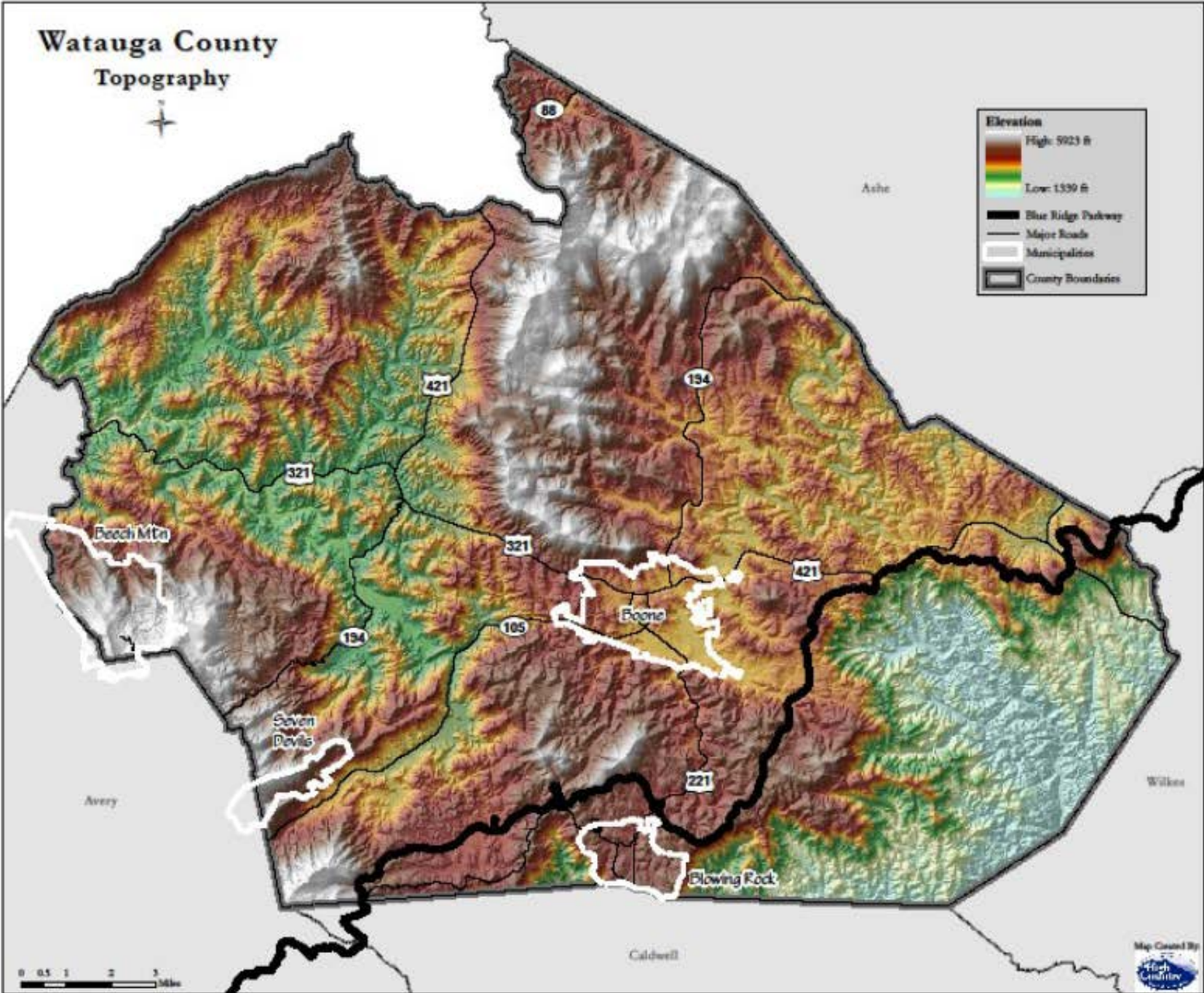
A secondary topographic feature is a highland area in southwestern Watauga that includes portions of Hanging Rock, Grandfather, and Beech Mountains. This high elevation area is mirrored in the southeast by the low elevation area along the Blue Ridge escarpment (the Triplett area). Even though it contains the lowest elevations in the county, the area is generally steep and rugged due to the precipitous drop in elevation.

A major topographic feature of the county is the Watauga River valley, which includes the Cove Creek tributary, the Beaverdam Creek tributary, and the communities in this watershed: Valle Crucis, Bethel, Sugar Grove, Zionville, etc. The New River valley somewhat mirrors the Watauga in the east, but its floodplain is less pronounced, and generally lies at a higher elevation. This area includes the communities of Todd, Deep Gap, Meat Camp, Rutherford, and others. The Blue Ridge includes communities in southern Watauga that are located on the crest of or near the Blue Ridge escarpment: Boone, Blowing Rock, Aho, Triplett, Stony Fork, and Bamboo. Foscoe, Seven Devils, Grandfather community, and Beech Mountain in southwestern Watauga form a distinct section characterized by higher elevations.



The New River valley somewhat mirrors the Watauga in the east, but its floodplain is less pronounced, and generally lies at a higher elevation. This area includes the communities of Todd, Deep Gap, Meat Camp, Rutherford, and others. The Blue Ridge includes communities in southern Watauga that are located on the crest of or near the Blue Ridge escarpment: Boone, Blowing Rock, Aho, Triplett, Stony Fork, and Bamboo. Foscoe, Seven Devils, Grandfather community, and Beech Mountain in southwestern Watauga form a distinct section characterized by higher elevations.

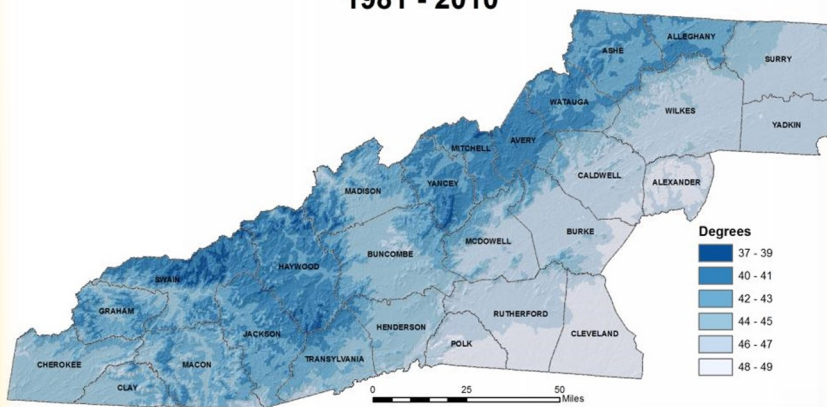
Boone's central location makes it reasonably accessible from almost all areas of the county. Beech Mountain, Triplett, and the North Fork community -located at extreme ends of the county- are somewhat disconnected from these overall patterns due to topography and road patterns.



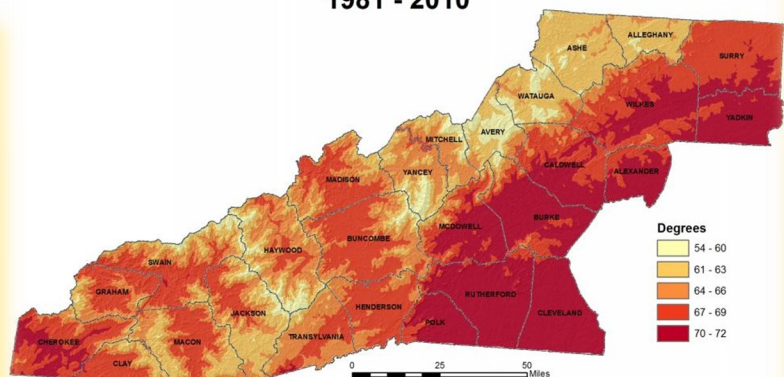
CLIMATE & RECREATION

Watauga County's climate is characterized by four distinct seasons, with cold winters and moderately warm summers. Temperatures also vary considerably according to elevation. Seasonal transition times in the fall and spring often result in unpredictably wide temperature fluctuations over a short period of time. The average date of the last spring freeze is around mid May, and the average date of the first fall freeze is late September, resulting in a growing season of a little over three months (varying with elevation). These dates very roughly correspond to the time period when games and other recreation activities can be comfortably scheduled outdoors. Though many pleasant days occur before and after this timeframe, the weather becomes more unpredictable for any given day the farther way from the growing season. As shown below, Watauga ranks at or near the top among the coldest counties in the state, and also receives a great deal of rainfall and snow, compared to other counties. As the maps show, there is marked variation in temperature and precipitation within the county as well. Watauga's frequently wet and chilly climate affects opportunities for outdoor recreation and makes planning games and other activities difficult.

**Average Annual Minimum Temperature
1981 - 2010**

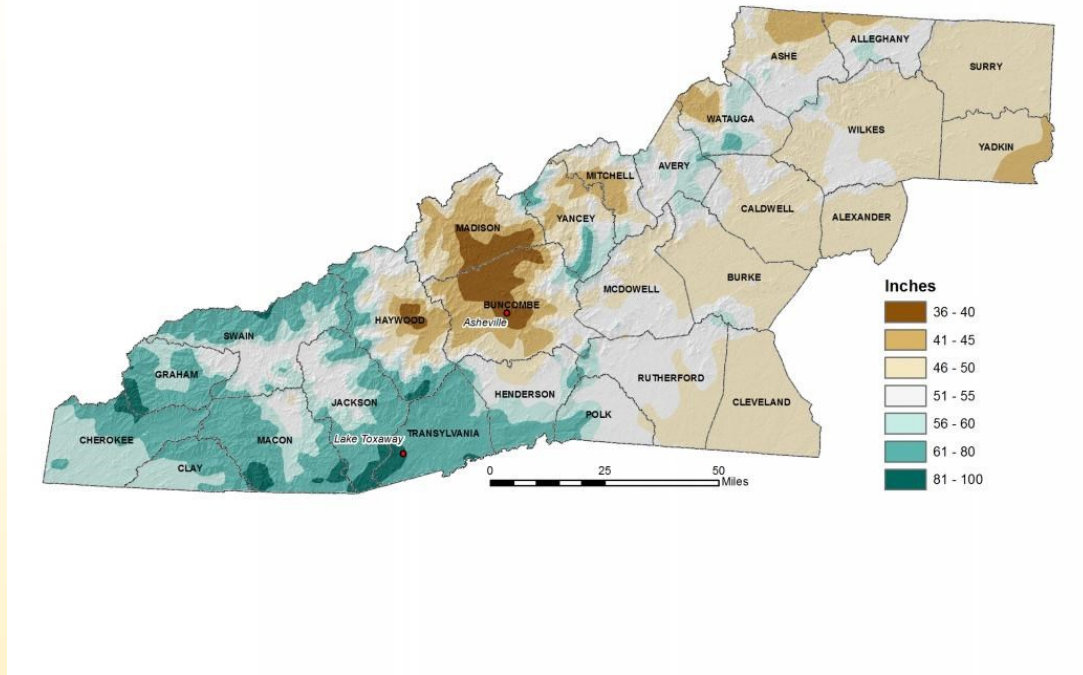


**Average Annual Maximum Temperature
1981 - 2010**



CLIMATE & RECREATION

Average Annual Precipitation (1981 - 2010)

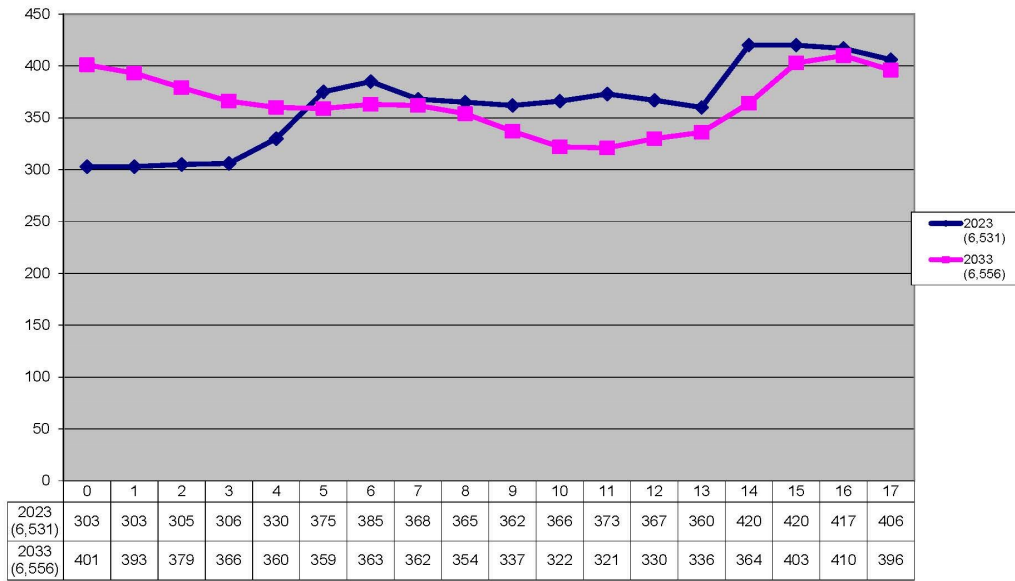


Average Annual Snowfall



POPULATION PATTERNS

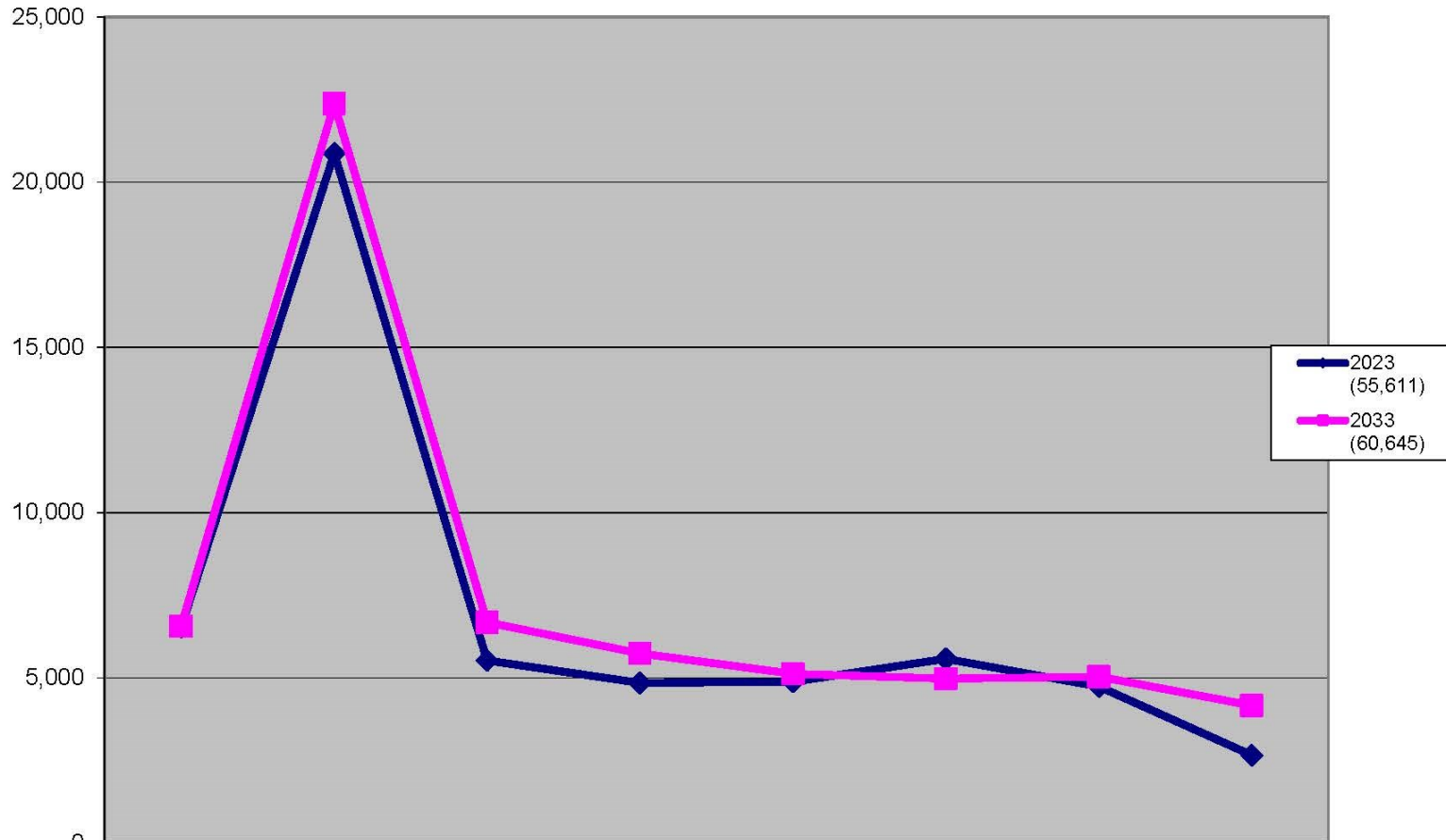
Watauga County Children Population Projections



Demographic trends in Watauga County indicate a fairly stable population. The total population is expected to grow by 5,034 persons between 2023 and 2033, a significant increase but not a population boom. There is little variation in age cohorts between the beginning and end of the decade, with the exception of a higher number of persons 80+ years old by 2033. The number of children (ages 0-17) is expected to increase by only 25 in ten years. The graph shows some variation at specific ages but the overall trendline is fairly level. The implication for recreation is that while additional facilities might be needed to meet current recreational deficiencies, population projections alone do not justify more recreation features beyond maintenance, replacement, and new *types* of recreation to add variety. The only exception might be features that appeal to a senior population, as this demographic group is expected to expand slightly over the next ten years.

A factor not reflected in the population numbers alone is that people are more likely to be healthy at all ages. According to the North Carolina State Comprehensive Outdoor Recreation Plan, even with millions more people reaching retirement age, the number of people in nursing homes declined nationwide during the 1990s, and have remained fairly stable since then. People are remaining active in their chosen activities longer in life, creating additional demand for recreation areas and facilities.

Watauga County Population Projections



	0-17	18-29	30-39	40-49	50-59	60-69	70-79	80+
2023 (55,611)	6,531	20,867	5,522	4,845	4,877	5,578	4,734	2,657
2033 (60,645)	6,556	22,374	6,678	5,738	5,121	4,978	5,039	4,161

WATAUGA COUNTY-OWNED & OPERATED PARKS & RECREATION FACILITIES

Watauga County Parks and Recreation Department owns and manages a wide variety of recreation facilities, from river access points to athletic fields to indoor recreation and more. Most, though not all, are centrally located in Boone or just beyond the town limits. The growth in the number and variety of County-owned facilities since the last plan was developed in 2010 has been remarkable.

Watauga Community Recreation Center (indoor facility) off State Farm Road
 Various facilities at the outdoor Recreation Complex off State Farm Road
 Brookshire Park and the Ted Mackorell Soccer Complex off Hwy 421 east of Boone
 Old Cove Creek School park and gym
 Health Department field on West King Street
 Howard's Knob Park
 Rocky Knob Mountain Bike Park
 Completed sections of the Middle Fork Greenway along US Hwy 321
 Watauga Gorge River Access – 2514 Old Watauga River Road, Sugar Grove
 Watauga River Access at Guy Ford Road
 New River Access at Pine Run Road

The County leases the following facilities and manages them for County recreation programs:

- Anne Marie fields off State Farm Road (leased from Town of Boone)
- Industrial Fields off State Farm Road (leased from Town of Boone)

Watauga Community Recreation Center

This indoor facility in a new building opened in 2021. It offers the following recreation opportunities:

- four gym courts for pickleball, basketball, and volleyball
- an indoor walking track
- a wide array of fitness equipment
- two indoor pools- a competitive lap pool and a recreational pool. The recreational pool has water features and, the lap pool has a climbing wall.
- a multi-purpose room for meetings, classes, & events



Recreation Complex

Off State Farm Road

The recreation complex consists of a variety of outdoor recreation opportunities beside the indoor recreation center. This area has restrooms and a picnic shelter with six tables. The Recreation Complex merges seamlessly with facilities in the same locality managed by other recreation providers: Clawson-Burnley Park, Boone Greenway, and university fields.

- Playground with a picnic shelter and tables
- Two lighted pickleball courts
- Four lighted tennis courts
- Three picnic shelters with 16 tables
- Restrooms
- Lighted basketball court
- Walking path
- Baseball/softball field (Field 1), lighted
- Two lighted baseball/softball fields (Fields 2 & 3), also known as the Anne Marie fields, which are leased from the Town of Boone. Four picnic tables are available in this area.
- Two lighted baseball/softball fields (Fields 4 & 5), also known as the Industrial fields, which are leased from the Town of Boone. This area has restrooms and a picnic shelter with six tables.



Brookshire Park

250 Brookshire Road, off Hwy 421

- Multipurpose field
- 2.8 mile walking trail
- Picnic shelter with five tables
- Two grills
- Access to New River
- Lighting
- Restrooms



Ted Mackorell Soccer Complex

Adjacent to Brookshire Park on Brookshire Road

- Soccer field
- Lighting
- Concessions
- Restrooms

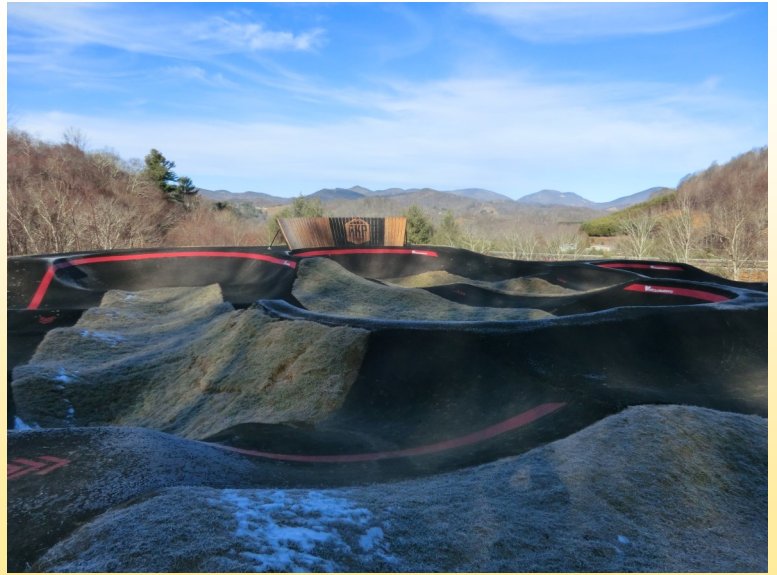


Rocky Knob Mountain Bike Park

Off of Hwy 421 between Boone & Deep Gap

- Eight miles of mountain bike trails (can also be hiked)
- Pump track (pictured)
- Picnic shelter with seating for 48
- Playground
- Restrooms

Most of these facilities are fairly new and in good to excellent condition.



Middle Fork Greenway

Blue Ridge Conservancy is establishing a greenway along the Middle Fork of the New River between Boone and Blowing Rock, for a total length of 6.5 miles. Ownership of completed sections has been transferred to Watauga County for management and maintenance. When finished, all 6.5 miles will be a County recreation facility. The project has a full-time executive director responsible for planning, fundraising, acquisition, and construction. The following sections are complete or on track to be constructed in the near future:

- | | |
|--|---|
| • Blowing Rock trailhead | |
| • Blowing Rock to Foley Rehabilitation Center | 1.1 miles |
| • Tweetsie/Sterling Creek Park section | 0.95 mile |
| • Highway 321 trailhead | |
| • Goldmine Branch Park to Quality Plus gas section | 0.90 mile |
| • Payne Branch Park | 500 feet |
| • Boone Gorge section | 1.0 mile greenway; additional hiking trails in progress |
| • Hospital section | 0.75 mile |

River Access Points

The County Recreation Department owns and manages three river access points that provide parking and stream entry ramps for canoeing, tubing, kayaking, etc.

- Watauga River Access at Guy Ford Road
- Watauga River Gorge Access at 2514 Old Watauga River Road
- New River Access at Pine Run Road (pictured)



Howard's Knob Park

604 Howard's Knob Road

This park provides impressive views of Boone and the surrounding area. Park amenities, however, are aging and in disrepair. In response, the County has recently produced a redevelopment plan that will guide rehabilitation. Current facilities are:

- Picnic shelter
- Picnic tables distributed throughout the park
- Two overlook areas
- Trails



Old Cove Creek School Park

207 Dale Adams Road, Sugar Grove

- Meeting room/community center
- Gymnasium
- Multipurpose field with bleacher
- Two tennis courts
- Outdoor basketball court
- Paved walking trail 0.25 mile
- Playground
- Picnic shelter
- Ten picnic tables
- Four other picnic tables
- Two grills
- Fishing
- Restrooms in gym (not open all the time)



The park, an open field with few trees, is on the grounds of the former Cove Creek school, a historic rock structure whose preservation is the objective of the nonprofit Cove Creek Preservation & Development, Inc. The site also offers indoor recreation facilities, parking, access to Cove Creek, and a rural location near community thoroughfares but away from traffic. The Western Watauga Community Center is located nearby.

Health Department Field

West King Street, Boone

Multipurpose field located between the NCWorks/Project on Aging building and the health department.



OTHER PARKS & RECREATION FACILITIES IN WATAUGA COUNTY

OVERVIEW

Watauga County citizens are fortunate to have many recreation opportunities offered by a wide range of providers, not just the county government. Being a tourist destination, the county has recreational features targeted to visitors, but accessible to local residents just the same. These providers are the state and federal governments, and private businesses. Other recreation providers are schools, towns, and community organizations.

Public school facilities

Watauga County's eight public elementary schools (geographically distributed throughout the county) and one high school have recreation facilities typical of most schools: gym, playground, ballfield, etc.

The North Carolina Community Schools Act (G.S. 115C Art 13) was passed to allow "greater community use of public school facilities." The Watauga County Board of Education policy allows public use of outdoor facilities such as walking paths and playgrounds. Indoor facilities, such as gyms, require reservations. See the full policy at <https://www.wataugaschools.org/cms/lib/NC01810403/Centricity/Domain/312/5030%20Community%20Use%20of%20Facilities%20Updated%206.28.21.pdf> for details, including fees.

Community Parks

Watauga County contains four community-owned and operated parks: Green Valley, Valle Crucis, Foscoe/Grandfather, and the Mountaineer Ruritan athletic field. These community organizations are significant recreation providers, with most parks offering many recreation opportunities.

Towns

Boone, Blowing Rock, Seven Devils, and Beech Mountain own and operate major parks and recreation facilities. All, except Boone, have recreation programs and dedicated staff.

Town of Boone

The Town of Boone operates parks and a greenway trail. These facilities are maintained by the Town's public works department (the Town does not have a separate recreation department or staff).

Town of Blowing Rock

Blowing Rock's Davant, Broyhill, Cannon, Glen Burney, and Memorial parks offer a wide variety of recreation opportunities, from team sports to a quiet nature walk. The Town employs a full-time recreation director and other staff.

Town of Seven Devils

The Town has established Otter Falls Park in the last decade. Seven Devils recently developed a recreation plan in order to enhance existing facilities, revitalize dormant recreation facilities, and develop new opportunities.

Town of Beech Mountain

The Town of Beech Mountain has an active recreation department and numerous recreation facilities, including: Buckeye Indoor Recreation Center, parks, and 25 miles of hiking, biking, and cross country skiing trails.

PARKS & RECREATION FACILITIES (CONT.)

Appalachian State University

Most App State facilities are not open to the public, but staff, faculty, and their families (in addition to students) have access to numerous recreation and fitness facilities for a relatively low fee. Alumni and “university affiliates” also have access. Considering the fact that Appalachian State employs over 3,000 persons (all of whom have access to the facilities along with their families) and the number of alumni who live in the county, the university is, in effect, a significant recreation provider in Watauga County and should be factored into any analysis of available recreation.

State & National Parks

Elk Knob State Park, a fairly new state park, has continued to develop recreation facilities over the past decade. Grandfather Mountain State Park’s trail system, accessible from Watauga County, offers numerous hiking opportunities.

Though the Blue Ridge Parkway’s primary recreational opportunity is scenic driving, Watauga County contains a large number of non-road related Parkway recreation facilities such as trails and picnic areas. The roadway itself offers several natural open spaces for picnicking and passive recreation.

Commercial Recreation Facilities

Commercial recreation providers are common in Watauga County, due in part to the county being a tourist destination. Such providers offer unique experiences, such as ziplines and skiing, usually not found in most other counties.

Churches

Many churches have picnic shelters and some provide playgrounds. Mt. Vernon Baptist has two baseball/softball fields. Some churches allow public use/rent of their facilities. While most church facilities are for members only and not open to the public like a county park, they collectively serve a large constituency of county residents and thus should be considered significant in an inventory analysis of recreation facilities in the county.

Town Facilities

Boone

Boone Greenway Trail

4.4 miles total (7.5 miles total including App State’s trails)

The 4.4 mile greenway trail currently extends from the Town’s wastewater treatment plant to Leola Street near Wal-Mart. With only a few exceptions, it parallels the South Fork New River and Winkler’s Creek. A spur extends to the high school, and a loop spur is located off Deerfield Road. Because the trail runs through areas that are mostly undeveloped or developed for recreation, the greenway also offers opportunities for passive recreation such as enjoying the natural setting of the river. The paved Boone trail connects to App State’s system of grass and gravel trails- known as the Kennedy Course- for a total of 7.5 miles of trails.

Jaycee’s Park

728 Horn in the West Drive

- ADA Accessible
- Grill
- Pavilion
- Picnic Areas
- Picnic Shelters
- Picnic Tables
- Playground
- Restrooms

Boone

Strawberry Hill Arboretum

668 Horn In The West Drive

"The Strawberry Hill Arboretum began as one of fifteen sites across North Carolina chosen to be part of the North Carolina Urban Tree Evaluation Program in the 1990's. The purpose of the program was to develop an information data base on the survival, performance, and limitations (disease, insect, and cultural problems) of a wide assortment of tree species and cultivars in North Carolina. Appalachian State University has created an interactive map which labels every tree and provides valuable information regarding the trees located in the Strawberry Hill Arboretum." (from Town of Boone website)

Junaluska Park

135 Bear Trail

- Basketball Court
- Picnic Areas
- Picnic Shelters
- Playground
- Restrooms
- Multi-purpose field
- Walking Track

Clawson Burnley Park

355 Martin Luther King Jr Street

This park is situated around a constructed wetland and is located adjacent to the Boone Greenway.

- 24 picnic tables
- Two picnic shelters
- Gazebo
- Benches
- Wetland educational signage
- Walking path
- Portable toilet

Jones House & Grounds

604 West King Street

Historic house with an art gallery. Events and concerts are held inside the house and



Clawson Burnley Park

North Street Park

567 North Street

- Playground
- Benches
- Community garden



Rivers House Park

150 Clay House Drive

The Daniel Boone monument in this park was originally located about ¾ mile south on Rivers Street, where it marked the location of the cabin Boone used on his hunting and exploring trips through the area. Stones from the original fireplace were used in the construction of the monument. Also on the grounds of this park is a sugar maple thought to be one of the largest in the state. It has been designated a Champion Tree by the North Carolina Forest Service.

Daniel Boone Native Gardens

651 Horn in the West Drive

A collection of native trees, shrubs, and wildflowers.

Blowing Rock

Blowing Rock's Davant, Broyhill, Cannon, and Glen Burney parks are contiguous and therefore function to some degree as a single large park. Yet each is distinctive and their boundaries are perceptible. Collectively, they offer a wide variety of recreation opportunities in a small area, from team sports to a quiet nature walk. Parking is available near all three. The Town's Memorial Park, though not immediately adjacent, is a short walk from the others and has active recreation facilities such as play equipment and tennis courts.

Memorial Park

- Two tennis courts
- Two basketball courts
- Volleyball court
- Pickleball court
- Two horseshoe pits
- Playground
- Children's climbing wall
- Gazebo
- Picnic tables
- Benches

Broyhill Park

- Mayview Lake
- Walking trail
- Benches
- Gazebo
- Space for small concerts or other events

Davant Field

- Multi-purpose athletic field
- Walking trail
- Restrooms
- Picnic pavilion

Robbin's Pool

- Heated outdoor pool
- Picnic pavilion
- Playground

Annie L. Cannon Memorial Garden

Passive recreation garden with a walking path and a small amphitheater.

Glen Burney Trail

With the trailhead in the middle of town, the Glen Burney Trail offers a unique opportunity for a rugged, remote hiking experience that is easily accessible. The trail parallels New Years Creek for 1.6 miles down the Blue Ridge escarpment, beginning at the Annie Cannon Garden. Other than the overall forested setting, numerous cascades and waterfalls are the primary attraction of this trail.

Koerschner Memorial Garden

Passive recreation area with a short walking path and seating.

American Legion Building

Available to rent for large gatherings. Includes a full service kitchen.

Blowing Rock Clubhouse

Available to rent for small gatherings. Includes a full service kitchen.

Blowing Rock Recreation Center

Indoor facility for youth activities and gatherings.



Glen Burney Falls at the end of the Glen Burney Trail

Beech Mountain

Buckeye Recreation Center

- indoor
 - basketball
 - walking track
 - badminton
 - fitness center
- outdoor
 - tennis
 - playground
 - walking track
 - boating
- volleyball
- group fitness classes
- children’s play area
- pickleball
- softball field
- fishing
- soccer field
- hiking & biking trails
- tennis
- loung area (w/WIFI)
- meeting rooms
- picnic shelter & restrooms
- campfire area
- basketball
- pickleball w/ portable nets

Lake Coffey

- walking trails
- picnic facilities
- basketball court
- fishing

Hayden’s Park

- picnic facilities

Perry Park

- trailhead
- lighted waterfall
- picnic facilities

Sunset Park

- picnic facilities

Hiking trails

- 25 miles including sections for mountain biking and cross country skiing

Sledding Hill

Seven Devils

Otter Falls Trail

10-acre park with a waterfall and 1.2 miles of trail. Includes a picnic table and benches.

Old Town Hall

Repurposed as a community center

Black Bear Family Park

0.6 acre park

- Picnic shelter with tables
- Playground
- Two tennis/pickleball courts
- Basketball goal

Alpine Meadows Mini Park

Passive recreation park with a bench and landscaping

Town roads (13 miles) and a state road (3 miles)

According to the Town recreation plan “are used by residents and visitors for walking & biking.

Signs are in place advising motorists to respect these uses.”

Schools

Green Valley Elementary School

189 Big Hill Rd (just off Hwy 194)

- New playground
- Four basketball goals
- New picnic shelter with eight tables
- Multipurpose field
- Walking trail with fitness stations
- Gymnasium
- Portable toilet

Parkway Elementary School

160 Parkway School Drive (borders Old Hwy 421)

- Four basketball goals
- Multipurpose field
- Two playgrounds
- Picnic shelter with 12 tables
- Volleyball court
- Walking trail
- Nature trail
- Gymnasium

Watauga High School

300 Go Pioneers Drive (off Old East King Street)

- Two lighted baseball fields
- Six tennis courts
- Picnic shelter with eight tables
- Football field and track
- 13 picnic tables in the courtyard
- Gymnasium

Mabel Elementary School

404 Mabel School Road, Zionville

- Three multipurpose fields
- Walking trail
- Two basketball goals
- Picnic shelter with eight tables
- Play structure (aging)
- Playground for small children
- Gymnasium

Blowing Rock Elementary School

165 Morris Street, Blowing Rock

- Walking path
- Multipurpose field
- Playground
- Gymnasium

Hardin Park Elementary School

361 Jefferson Road, Boone

- Walking trail
- Picnic shelter with five tables
- Playground
- Amphitheater
- Grassy play area
- Football field with track
- Gymnasium

Cove Creek Elementary School

930 Vanderpool Road, Vilas

- Walking trail
- Multipurpose field
- Picnic shelter with seven tables
- Five basketball goals
- Playground
- Gymnasium

Bethel Elementary School

138 Bethel School Road (off Bethel Road)

- Two playgrounds
- Four horseshoe pits
- Walking trail
- Picnic shelter with eight tables
- Baseball field
- Tennis court
- Two basketball goals
- Gymnasium

Valle Crucis Elementary School

2998 Broadstone Road, Valle Crucis

- Meeting room/community center
- Gymnasium
- Multi-purpose field
- Playground
- Picnic shelter
- Picnic tables

Public schools are required, by law, to make their facilities available to the community. The North Carolina Community Schools Act (G.S. Article 13 115C-203-209.1) states in part, "The purpose of this Article is to encourage greater community involvement in the public schools and greater community use of public school facilities. To this end it is declared to be the policy of this State...to assure maximum use of public school facilities by the citizens of each community in this State." The Article sets forth procedures to accomplish this goal. The Watauga County Schools official Community Use of Facilities policy is located in the appendix. Public use of some recreation facilities require prior approval, but walking tracks and playgrounds can be used without permission. In many communities these facilities are underutilized. Promoting their use might be the equivalent of adding new facilities at no cost. The county has nine public schools that are well-distributed geographically.

Community-Owned Parks

Four parks in Watauga County were created by the communities they serve and are operated by nonprofit organizations formed for that purpose.

Valle Crucis Community Park

2892 Broadstone Rd Governed/operated by a Board of Directors, 28 acres

www.vallecrucispark.org

- Two picnic shelters
- 21 picnic tables in shelters
- Seven grills
- Nine picnic tables elsewhere in park
- Performance stage
- Walking trail, paved & natural surface
- Two playgrounds
- Basketball court (outdoor)
- Gazebo
- Volleyball court
- Large, multi-purpose fields
- Fishing
- Wetlands
- Restrooms



- Watauga River access
- Benches
- Two disc golf goals

Green Valley Community Park

Owned/managed by Green Valley Community Park, Inc., a nonprofit organization. www.greenvalleypark.org

This 19-acre park is an expansive, multi-purpose facility bordering the New River off Big Hill Road. It consists of the river floodplain and a higher-elevation level connected by trails. The park has the following features:

- Picnic shelter with nine tables
- Paved walking trail
- Natural surface hiking trails
- Playground
- River access ramp for canoes, kayaks, tubes
- River access for fishing
- Very large multipurpose field
- Open space/natural area near river



Mountaineer Ruritan Club Field

This baseball field, located on Hwy 321 in Sugar Grove, is utilized in the parks & recreation department programming.

Foscoe/Grandfather Community Center & Park

233 Park Rd Owned/operated by: Foscoe/Grandfather Community Center, Inc. 7.8 acres

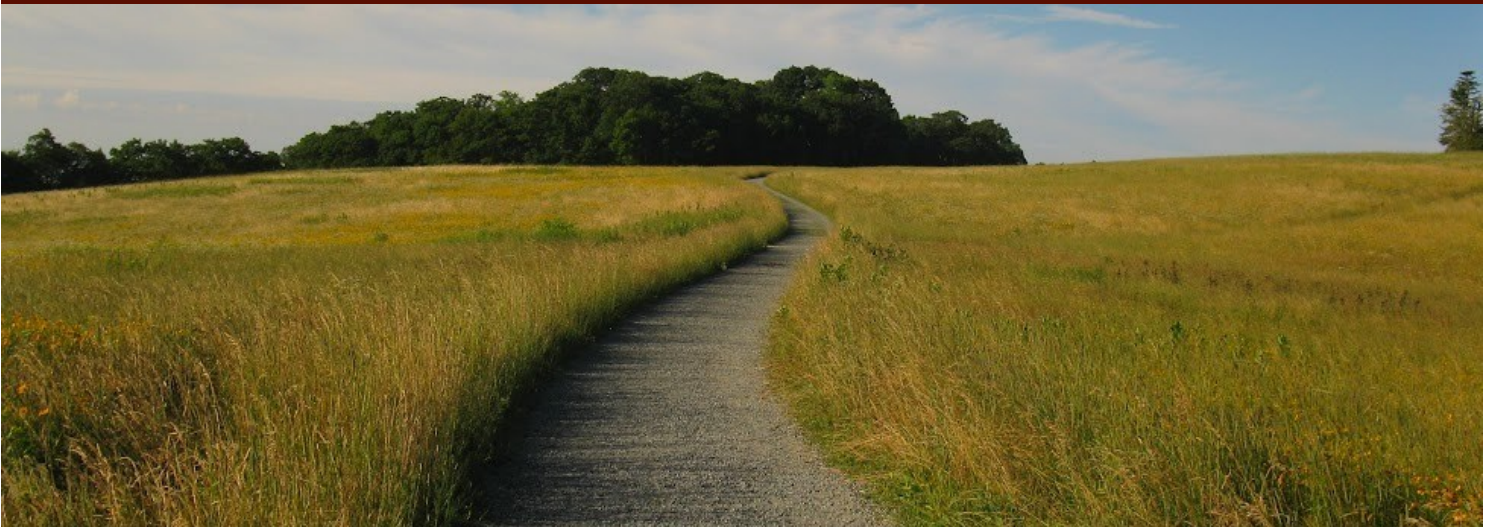
www.foscoecommunitycenter.com

- Multi-use lighted field
- Five picnic tables
- Indoor community center (2,500 sq ft with a kitchen, banquet tables, and 110 chairs)
- Playground
- Outdoor basketball court
- Restrooms
- Grill
- Fishing in Watauga River
- Covered performance stage

Blue Ridge Parkway

The Blue Ridge Parkway traverses the southern and southeastern sections of the county. Various overlooks and open spaces are scattered along the entire route, with some having picnic tables. Watauga County contains an exceptional number of Parkway recreation facilities (in addition to the road itself). Most of these facilities are located in Moses Cone Park (3,500 acres) and Julian Price Park (4,200 acres); two contiguous areas in the southern part of the county near Blowing Rock. The two parks contain many miles of walking/jogging and horseback riding trails. The trails can also be used for cross-country skiing. The trails pass through varied landscapes- from open pastures to deep woods- offering a variety of opportunities for passive recreation. A developed picnic area exists in Price Park. These federal facilities are significant local assets that don't require management and maintenance by the local governments. They are accessible to and used by many residents.

- North Carolina Mountains-to-Sea Trail- The Watauga County section of the trail is complete and runs parallel to the Parkway, overlapping with Parkway trails in some locations. While the trail is intended for long-distance hiking, it passes through several Watauga communities and thus is accessible for many residents to use as a local walking trail.
- Cone Park carriage trails (25 miles)- for hiking, jogging, horseback riding, and cross-country skiing. Short and easily accessible loop trails are located at Bass and Trout Lakes. Parking and access are available at the Cone Manor House, Bass Lake (via Hwy 221), and Trout Lake (via Shulls Mill Road). Open spaces along the trails offer picnicking and passive recreation opportunities, with some areas located close to parking.
- Price Park picnic area- developed recreation area offering 100 picnic sites. Multi-purpose fields are available. The picnic area includes restrooms, access to trails, and streamside natural areas.
- Price Park trails (10.5 miles)- These hiking trails vary in difficulty.
- Tanawha Trail (13.5 miles total; a portion is in Avery County)- This trail parallels the Parkway from Price Park, around the southeastern side of Grandfather Mountain, to the Beacon Heights Parking Area. Parking and access are available at Price Park and the Boone Fork Parking Area. Tanawha intersects and offers access to Grandfather Mountain State Park Trails, specifically, the Nuwati Trail and the Daniel Boone Scout Trail.



The trails at Moses Cone Park on the Blue Ridge Parkway traverse a variety of natural areas, from deep woodlands to open fields.

State Parks

Elk Knob

5564 Meat Camp Road

- 5.5 miles hiking trails
- Summit with panoramic views
- In the winter, about 1 mile of ungroomed trail is open to cross-country skiing and snowshoeing.
- Tent sites
(backpacking and zone backpacking only)
- Group tent sites
(backpacking only)
- Picnic facilities
- Amphitheater

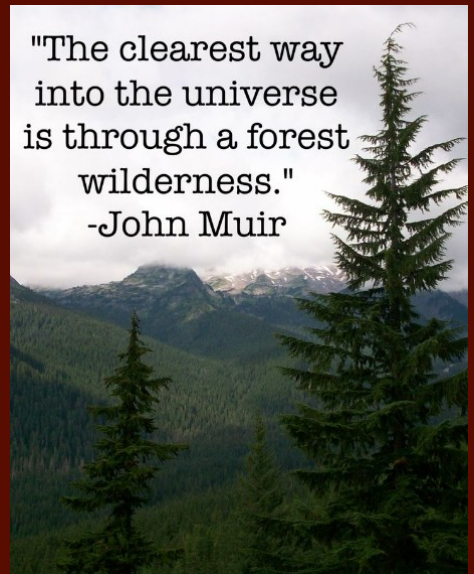


Grandfather Mountain

Grandfather Mountain's trail system totals 13 miles in Watauga, Caldwell, and Avery Counties. This trail system can be accessed in Watauga County via the Blue Ridge Parkway's 13-mile Tanawha Trail, which generally parallels the road, extending from Julian Price Park to the Beacon Heights parking area. Parkway overlooks at Cold Prong Pond, Calloway Peak, and Boone Fork parking area offer parking and access to the trail. From the Tanawha Trail, hikers can access Grandfather's Nuwati and Daniel Boone Scout Trails.



"The clearest way
into the universe
is through a forest
wilderness."
-John Muir



Commercial Recreation Providers

Watauga County has numerous and varied commercial recreation providers who offer activities and experiences at affordable rates. While many are tourist-oriented, they are available to county residents just the same.

Skiing

Appalachian Ski Mountain
Beech Mountain Ski Resort

Ziplines

Hawksnest Snow Tubing & Ziplines
High Gravity Adventures Zipline & Aerial Park
Sky Valley Zip Tours

Climbing

Center 45 Climbing & Fitness
Climbing Wall at Footsloggers

Golf

Boone Golf Club
Willow Creek Golf Course
Mountaineer Golf Center & Driving Range

Fitness

Anytime Fitness
Deer Valley Athletic Club
-tennis, pickleball, swimming pool, fitness
Yonahlossee Racquet Club
-seven outdoor clay tennis courts, three indoor tennis courts, a 75-foot heated indoor pool, two pickleball courts, a fitness center, hiking trails

Axe Throwing

Elwood's Hatchet House
- Eight axe throwing targets, two corn hole lanes, a giant connect four, pool table, air hockey, pinball
Tomahawk Hill at Mystery Hill

Horseback Riding

Broyhill Equestrian Preserve
Dutch Creek Trails

Outdoor Adventures

Guides for canoeing, caving, rafting, hiking, tubing, kayaking, fishing
River and Earth Adventures
Wahoo's Adventures
River Girl Fishing
Due South Outfitters
Appalachian Outdoor Adventures
-UTV rentals and tours

Miscellaneous

Country Billiards
The Blowing Rock
High Country Lanes (bowling)
Skate World
Beech Mountain Bike Park
Beech Mountain Disc Golf
Mountaineer Performance (indoor turf field)
The Summit (indoor pickleball)

Evaluation of Existing Parks & Recreation Facilities

The preceding inventory of existing parks and recreation facilities reveals that the county has an abundance of recreation opportunities, with most being in good to excellent condition. Most recreation providers strive to maintain and improve their facilities, and create new opportunities as needed (see following section on other plans). Nevertheless, deficiencies exist. These needs are identified in the following sections: recommendations, program descriptions, citizen survey, stakeholders, and community meetings.

OTHER PARKS & RECREATION PLANS

Each of the four towns in Watauga County has developed a plan for parks and recreation, either as a standalone document or as part of a larger comprehensive plan. In addition, specialized plans have been developed for specific trails, parks, activities, etc. in Watauga County. The contents of these plans are summarized below.

Blowing Rock

The Town of Blowing Rock developed a comprehensive recreation master plan in 2018, and revised it in March 2021. The plan contains a number of general recommendations related to accessibility, maintenance, encouraging a walkable community, and wayfinding. The plan stresses greenways/multi-use trails in general, and references the 2014 High Country Bike Plan for recommended projects. Completion of the Middle Fork Greenway is emphasized. While no new parks are recommended, the plan states that “all reasonable efforts should be made to acquire” property that is contiguous to existing parks, and that such action should be a high priority.



In a separate section, specific recommendations are made for 10 town parks and recreation facilities. Most are various maintenance, repair, and upgrade issues, though a common theme is sidewalk/trail improvements and connections to other facilities.

Beech Mountain

The Town of Beech Mountain has been somewhat of an anomaly in Watauga County in that while most of the town is within the boundaries of Watauga, paved access to the town was only through Avery County near Banner Elk. However, Buckeye Creek Road has recently been paved and improved, resulting in paved access to Hwy 321 in Watauga County.

The Town’s comprehensive plan (2020-2035) contains a lengthy section on parks and recreation. One recommendation is to “market activities and programs to out-of-town residents,” specifically “residents of areas such as Vilas, Bethel, Cove Creek, and Boone would use Buckeye Recreation Center if they were aware of what was offered.”

Other recommendations in the plan are for the following facilities:

- A picnic shelter at the Lake Coffey recreation area
- A sheltered outdoor cooking facility at Buckeye Recreation Center
- Camping facilities
- An amphitheater
- A ropes course, climbing wall, or zipline

Boone

The Town of Boone's 2006 Comprehensive Plan was updated in 2018 and contains a section on parks, recreation, and open space. Expansion of the greenway is emphasized. A past greenway study noted that "Boone's topography and multiple streams offer good opportunities for an even distribution of greenways throughout the urban area." The plan envisions a system of greenways rather than a simple extension of the existing one. However, it makes only a general recommendation and doesn't identify any specific sites where greenways might be established.



The plan notes that Boone has 30 neighborhoods, but very few neighborhood parks. It recommends "long term development of neighborhood mini parks, pocket parks, and other, more sizable neighborhood facilities." Again, this is a general recommendation with no specific sites identified other than the need for "public green spaces and parks in the downtown business district."

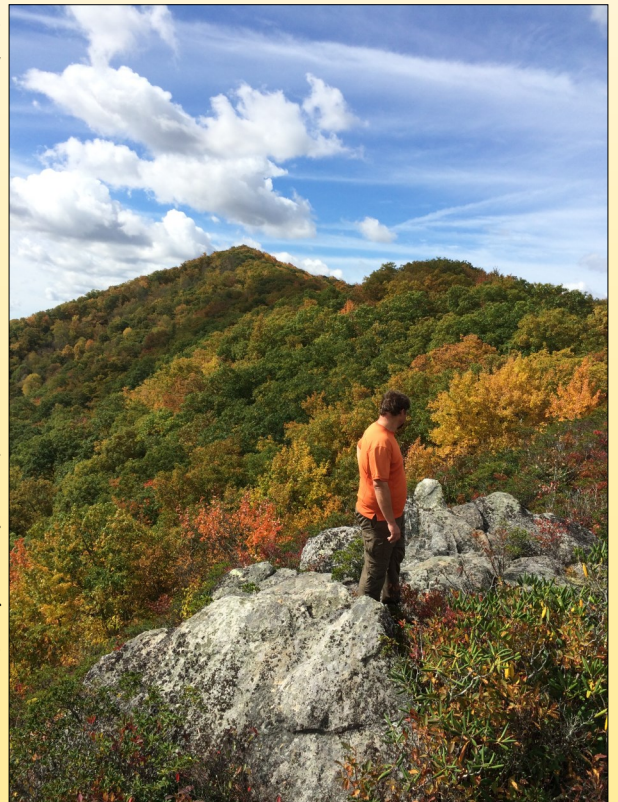
The plan generally recommends "land acquisition for new recreation sites in advance of need".

Seven Devils

Recommendations in Seven Devils' plan focus on trail and greenway construction, with many routes specifically identified. Notable is the recommendation to establish trail access to Bear Paw State Natural Area. Other proposals include repurposing the old town hall building as a community center with fitness equipment and meeting rooms, and establishing a sledding hill. Blue Ridge Conservancy owns a large tract of land on Peak Mountain and plans to construct a trail there in the near future. The new town hall sits on a 6.5 acre tract that is proposed to be developed into a park.

Conclusions regarding town plans

The most obvious planning overlap between the towns and the county is Boone and Blowing Rock's support of the Middle Fork Greenway, though specific details are not to be found. Trails and greenways are a common theme in all four plans, though not surprisingly much of the focus is internal (i.e. within town limits). Beech Mountain's invitation for western Watauga residents to use their facilities should inform Watauga County's recreation planning.



A trail is planned along the ridge of Peak Mountain in Seven Devils.

Northern Peaks Trail Master Plan

In 2011, the Watauga County Tourism Development Authority produced the *Boone Area Outdoor Recreation Plan* which included a recommendation for a 40-mile trail linking Boone to West Jefferson along a series of mountain peaks. Called the Northern Peaks Trail, the concept received much public support and interest from local governments and private organizations, who sponsored production of the Northern Peaks Trail Master Plan, completed in 2017 (https://issuu.com/dbdplanning/docs/npt_final_plan).



The North Carolina Division of Parks & Recreation subsequently recommended, and the General Assembly approved, designation of the Northern Peaks Trail as an official state trail. State trails must meet the following criteria:

1. Statewide significant natural, cultural, scenic, and recreation value;
2. Sufficient potential length and beauty to attract varied and significant use from regions outside the local area; and
3. Minimal and surmountable incompatible features, such as roads, intrusive development or large water bodies.

State trails are units of the North Carolina state parks system, but they are not wholly owned and managed by the state. Sections of a state trail might be owned and managed by a variety of entities- local governments, federal government, state parks, private conservation organizations, etc.

The southern terminus of the proposed trail is Rivers Park in downtown Boone. The planning area in Watauga County encompasses Rich Mountain, Snake Mountain, and Elk Knob. The master plan identifies Watauga County-owned Howard's Knob Park "as a major destination for the Northern Peaks Trail" with "significant potential as a destination trailhead." The plan envisions linking the NPT to the Mountains-To-Sea State Trail via the Boone Greenway and the Middle Fork Greenway.

The Watauga County Board of Commissioners has approved a resolution in support of the trail. Blue Ridge Conservancy has taken the lead in project implementation by hiring a project manager to work exclusively toward the goal.

The trail is relevant to Watauga Parks and Recreation planning because Howard's Knob Park is identified as a major feature along the route. In addition, the possibility exists that one or more segments of the trail would be appropriate for County ownership and management.

For more details and updates, visit the following websites:

<https://npt.dbdplanning.com/> <https://blueridgeconservancy.org/northern-peaks-trail>

Howard's Knob Park Master Plan

The 5.7-acre County-owned park at the peak of Howard's Knob is highly visible from downtown Boone. Conversely, the view from the park of Boone is spectacular (the park's elevation is 4,400 feet). It was previously the site of an experimental wind turbine, owned by the federal government. When the turbine was taken down in 1983, the property was donated to the County, which then developed it into a park with a picnic shelter, viewing area, picnic tables, an open green, and a parking lot. These facilities have deteriorated over the years.

The park is surrounded by a few single family homes and undeveloped private property. Blue Ridge Conservancy owns a 46-acre parcel near the park that contains a 1.5 mile trail. The Conservancy has an interest in conserving additional properties on the Knob if opportunities develop.

Watauga County, the county Tourism Development Authority, and a number of other partners commissioned the plan as a guide for the park's redevelopment. Redevelopment of the park is important for three reasons: 1) as a recreation facility for county residents, much like any other park; 2) as a tourist attraction that contributes to the county's tourist economy; and 3) as an important component of the planned Northern Peaks Trail (see section on Northern Peaks Trail).



The plan was developed with the help of a steering committee, a community survey, public engagement meetings, and stakeholder meetings.

Recommendations call for a thorough upgrade of park facilities, in addition to several new features. The primary attraction of the redesigned park will be an improved, accessible overlook. Three new overlooks are proposed. Infrastructure improvements are included (parking, signage, restrooms, and fencing). Walking trails and restored picnic facilities are recommended. New features in the plan are a tranquility garden, a council ring, and bouldering areas. The plan also recommends that the TDA consider developing a land acquisition strategy for surrounding property that would provide for a larger trail system and aid in the implementation of the Northern Peaks Trail.

Total cost estimate for all recommendations is \$2,581,553 as of Fall 2022.

The complete plan can be found at this link:

https://issuu.com/dbdplanning/docs/new_howards_knob_mp_draft_09_28_2022

The County received a \$350,000 Accessibility for Parks grant in March 2023 for park improvements.

Middle Fork Greenway

The Middle Fork Greenway is a work-in-progress that will eventually connect Boone and Blowing Rock along the Middle Fork of the New River (South Fork). It is a project of Blue Ridge Conservancy in partnership with Watauga County, the Town of Blowing Rock, and the Town of Boone. A full-time greenway director oversees planning, fundraising, land acquisition, and construction. Finished sections are as follows:

- Tweetsie Railroad to a site just south of Mystery Hill
- Niley Cook Road to Quality Plus Gas (across from Tweetsie), including a trailhead on Niley Cook Road and one on Hwy 321
- Blowing Rock trailhead at Shoppes on the Parkway
- Boone Greenway connector on Deerfield Road
- Payne Branch Park section

Blue Ridge Conservancy recently purchased a 33-acre tract along the Middle Fork just outside Boone town limits. Fundraising is currently underway to pay for one mile of trail construction and development of the tract into a trailhead park. Land acquisition, construction preparation, and fundraising continue on other segments.

Watauga County Parks & Recreation owns and manages completed sections of the greenway in its jurisdiction. The County also aids in fundraising by being the fiduciary agent on certain grant applications. When complete, the Greenway will be a major recreation asset for the county. More details can be found on the Greenway website- <https://www.middleforkgreenway.org/>



High Country Bike Plan

The plan was produced in 2014 by High Country Council of Governments with input from a steering committee, local government staff, a survey, and community meetings. The plan is transportation-focused (as opposed to recreation, which is not to say that a route could not be both); intending to identify a network of routes that connect municipalities and other destinations in the region. The purpose is that when road improvements are made on these routes, accommodations will be added for bicycles. Consideration of off-road, unpaved trails is not within the scope of the plan. Off-road paved greenways were considered if they also serve a transportation purpose.



In Watauga County, a total of 93.6 miles of road is recommended for bicycle improvements. These improvements range from a 2-foot paved shoulder to an off-road paved path. Specific recommendations in Watauga County are:

- Hwy 221 between Blowing Rock and Grandfather Mountain
- Hwy 105
- Hwy 194 from Banner Elk to Valle Crucis
- Broadstone Road, Hwy 194, Mast Gap Road, Hwy 321 to Hwy 421
- Hwy 321 from Hwy 421 in Boone to Hwy 221 in Blowing Rock (i.e. Middle Fork Greenway)
- Deerfield Road and Bamboo Road from Deerfield intersection to the Blue Ridge Parkway
- Hwy 421 from Boone to Tennessee; and from Boone to Hwy 221 in Deep Gap
- Old Hwy 421 from Hwy 421 intersection to Deep Gap
- Hwy 194 from Boone to Hwy 221

Notwithstanding a focus on transportation routes, the plan does identify one recreational route in the county. However, such delineation does not come with any proposed road improvements, being for promotional purposes only. The Watauga recreational route begins at Valle Crucis Park, follows Hwy 194 to Mast Gap Road, crosses Hwy 321 to Old Hwy 421 to Emory Greer Road in Zionville to Slabtown Road to Silverstone Road to Joe Shumaker Road to Sherwood Road and ends the loop at Old Hwy 421.

Complete plan available at:

<https://hccog.org/wp-content/uploads/2019/11/Bike-Plan-2014-final-min.pdf>

PROGRAMS

Recreational programs operated by Watauga County Parks & Recreation consist of the following:

Aquatics

Group swim lessons

Season: February- November and occasionally December - January

Number of participants: 21 per week

Ages: 3-12

Needs: more instructors and toys

Parent/infant swim lessons

Season: About every other month

Number of participants: 9 per month

Ages: 6 months- 3 years

Private swim lessons

Season: year round

Number of participants: 130 per month

Ages: 5 months- 81

Needs: more instructors

Lifeguard training class

Season: quarterly or as needed

Facilities used: party rooms, rec and lap pools

Number of participants: 5 per class

Ages: 15+

Water aerobics classes

Season: year-round

Facilities used: Rec pool

Number of participants: average 35 per day (summer-55)

Ages: 20-95

Needs: additional instructor



Deep water aerobics classes**Season:** year-round**Facilities used:** lap pool**Number of participants:** average 20 per day**Ages:** 20-95**Need:** additional instructor**Lap & public swim****Season:** year-round**Facilities used:** rec and lap pools**Number of participants:** 200+ per week (summer-350+)**Ages:** infant-senior**Swim Meets****Season:** year-round**Facilities used:** lap pool**Number of participants:** 121 swimmers per meet on average**Ages:** 6-18**Adaptive Swim****Season:** Aug-May**Facilities used:** rec pool**Number of participants:** average 20 per week**Swim Safe****Season:** Fall and Spring**Facilities used:** rec pool (lap for swim tests only)**Number of participants:** average 65-70 per week**Ages:** 6-8**Needs:** More volunteers to help teach

Fitness

Weight Room/Cardio Space

The weight room and cardio spaces within the facility provide year-round fitness opportunities for members and customers with day passes. The fitness area is one of the most popular attractions of the Recreation Center. The fitness area and equipment are offered for ages 13+ and attracts a wide range of ages from young adults to seniors.

Season: Year-round**Facilities used:** Weight Room, Spin Room, Community Room, Gym, and Pool Party Rooms**Ages:** 13+

Needs/Comments: Fitness is growing and expanding aggressively. A larger maintenance budget to service and clean equipment on a scheduled rotation, and purchase more cardio/weight lifting equipment is needed to serve the large influx of users. Ideally, a full-time fitness director for both the internal fitness programs and potential outdoor fitness expansion is desired.

Group Fitness

Group Fitness (ages 16+) provides year-round fitness training for members and customers with day passes, giving them continuing opportunities to develop physical fitness, be a part of a community, and share in the joy of working out alongside others.

Season: Year 'Round
Facilities used: Weight Room, Spin Room, Community Room, Gym, and Pool Party Rooms
Number of participants: 25 per class
Number of Classes: Average 56 per week
Needs/Comments: More equipment is beneficial to effectively continue these group classes. Group fitness is now an integral part of the recreation center. Expanding to outdoor facilities, and other properties would be a goal moving forward.



Personal Training

Personal Training provides year-round fitness opportunities for members to encourage them to get more involved in their health and fitness. Personal trainers are essential to the fitness community at the recreation center because they offer members the opportunity to understand our equipment and be safe while they use our facility. Trainers help instill confidence, knowledge, and partnership within our gym environment.

Season: Year-Round
Facilities used: WCRC Weight Room, Community Room, and Cardio Area
Number of participants: 45 per week
Ages: 13+
Needs/Comments: Offering personal trainer certifications in-house is a goal.

Aqua Fitness Classes

Aqua fitness provides year-round water aerobics for members and customers with day passes, giving them continuing opportunities to develop physical fitness, be a part of a community, and share in the joy of working out alongside others. Aqua fitness is offered for ages 16+, with a variety of middle-aged to senior people in class.

Season: Year-round
Facilities used: Recreation and Lap Pool
Number of participants: Ave. 15/class
Ages: 16+
Needs/Comments: Because the water has salt, supplies and equipment for classes erode much quicker. New equipment will have to be purchased more regularly than other pools in the area.

Youth Sports— Baseball/Softball

Lil' Hitters T Ball

This first level of baseball is designed to develop a love of the game while teaching basic baseball skills through fun games.

Season: May
Facilities used: Brookshire Park
Number of participants: 40
Ages: 3-5
Needs/Comments: There is demand in the community to offer more sessions, which would require additional staff.

T-Ball

T-Ball is the first level of co-ed baseball for children ages 5 and 6. The program is designed to teach children the fundamentals of baseball/softball including throwing, catching, and batting. Participants bat off a tee the first part of the season and might bat coach pitch late in the season. This program also emphasizes teamwork and sportsmanship. Teams are formed by geographical location.

Season:	April-June
Facilities used:	8 School Fields, Mountaineer Ruritan, Blowing Rock Davant, Complex 2, Brookshire Park, Old Cove Creek Field
Number of participants:	118
Number of teams:	13
Needs:	A dedicated, centrally located field with skinned infield and lights for league games.

Machine-Pitch Baseball

Machine Pitch Baseball is a co-ed league for children ages 7 and 8. The basics and fundamentals of baseball are taught. Teams meet three times per week for practices and games. Teams are formed by geographical location.

Season:	April - June
Facilities used:	8 School Fields, Mountaineer Ruritan, Blowing Rock Davant, Complex 3, Brookshire Park, Old Cove Creek Field
Number of participants:	60
Number of teams:	6
Needs/Comments:	A dedicated, centrally located field with skinned infield and lights for league games.

**12-U Baseball**

Children ages 11 and 12 continue to develop the fundamentals of baseball. The season runs approximately three months. Teams meet four times each week for practices and games. At the end of the season, an all-star team is formed.

Season:	March - June
Facilities used:	Complex 4 Field and Complex 3 Field
Number of participants:	38
Number of teams:	3
Needs:	Additional field space for practices. Indoor space is needed for practices early in the season, during inclement weather, for batting practices, and additional practices throughout the season.

10-U Baseball

Major 2 Baseball is for children ages 9-10. This is the first level of kid pitch. In this league, the fundamentals of baseball are developed. Teams meet four times each week for practices and games. At the end of the season, an all-star team is formed.

Season:	March - June
Facilities used:	Complex 3 and Complex 4 Fields
Number of participants:	60
Number of teams:	5
Needs/Comments:	Additional field space for practices. Some teams practiced only one time each week due to lack of space. Indoor space for placement drills, batting practices, early season practices, practices during inclement weather, and additional practices throughout the season.

Junior League Baseball

Junior League Baseball is for children ages 13-15. In this league, the fundamentals of baseball continue to be developed. The season runs approximately 3 months. Teams meet 4 times each week for practices and games. At the end of the season, an All-Star team is formed.

Season:	April - June
Facilities used:	Complex 3 and Complex 2 Field
Number of participants:	60
Number of teams:	5
Needs/Comments:	Need dedicated field space for both games and practices. In 2022, practices and games were held on the complex 3 field - an adult softball field that is too large for this age group. Teams practiced only one time each week due to lack of space or not at all if a practice was cancelled due to weather. Indoor space is needed for placement drills, batting practices, early season practices, practices during inclement weather, and additional practices throughout the season.

Girls' Machine Pitch Softball

This program is designed to teach girls ages 7 & 8 the fundamentals of fast pitch softball. Teams are formed by geographic location. Girls play approximately 10 games during the season and meet approximately 3 times per week for games, practices, and/or clinics.

Season:	April through early-June
Facilities used:	Eight school fields, Mountaineer Ruritan, Blowing Rock Davant, Complex 1, Complex 3, Brookshire Park, Old Cove Creek Field
Number of participants:	31
Number of teams:	3
Needs/Comments:	A dedicated, centrally located field with skinned infield and lights is needed for league games. Indoor space is needed for placement drills, batting practices, early season practices, practices during inclement weather, and additional practices throughout the season.

Girls' Fast Pitch Softball 10-U & 12-U

This program is designed to teach girls age 9 - 12 the fundamentals of fast pitch softball. With sufficient registrations, two separate leagues are formed - Major 2 for 9 & 10 year old girls and Major 1 for 11 & 12 year old girls. Girls play approximately 12 games during the season. Teams meet approximately four times per week for games, practices, and/or clinics. At the end of the season, an All Star Team is formed.

Season:	March through June
Facilities used:	Complex 1, WHS Softball Field. Some games are played in other counties.
Number of participants:	35
Number of teams:	4
Needs/Comments:	Need indoor space for placement drills, batting practices, early season practices, practices during inclement weather, and additional practices throughout the season. Additional field space is needed for practices.

All-Star Baseball 8-U, 10-U, 12-U, 15-U and Softball 8-U, 10-U, 12-U

All-Star teams are formed at the end of regular season from the regular season teams. These teams compete in the district tournament and have the opportunity to advance to the state tournament in July.

Season:	March through June
Facilities used:	Complex 1, 2, 3, 4, 5, Mountaineer Ruritan, Blowing Rock Davant
Number of participants:	72
Number of teams:	Typically 7
Needs/Comments:	Indoor space is needed for team selection, batting practices, practices during inclement weather, and additional practices throughout the season.

Lil' Kickers Soccer

Lil' Kickers Soccer is the first level of soccer for children ages 3 - 4 years old. This program is designed to develop a love of soccer while teaching basic soccer skills through fun games.

Season:	September-Early October
Facilities used:	Complex 4
Number of participants:	30 with a waitlist
Ages:	3-4
Needs/Comments:	There is a community demand for more sessions, but additional staff is needed in order to offer more.

Youth Soccer Leagues

Open to children ages 5 -15. Six levels of play are offered based on age: U-6, U-8, U-10, U-12, U-15. Whenever possible, teams are formed by geographical location. Separate boys' and girls' leagues are created when sufficient numbers exist in any age group. If numbers do not allow for separate leagues, the leagues are co-ed.

Season:	mid-August - late October or early November
Facilities used:	Eight School Facilities, Brookshire Park, Valle Crucis Park, Ted Mackorell Soccer Complex, Blowing Rock Davant Field
Number of participants:	467
Number of teams:	46
Needs/Comments:	Indoor space needed for placement drills, late season practices, practices during inclement weather, and additional practices throughout the season.

Spring Soccer Clinics

Youth soccer clinics are offered in the spring to promote development of individual soccer skills. Soccer skills are taught through a variety of drills and games. Small sided games are played at the end of each clinic to showcase individuals' growth and development.

Season:	April - May
Facilities used:	Ted Mackorell Soccer Complex
Number of participants:	85
Needs/Comments:	Indoor space is needed for practices during inclement weather. An indoor facility would also allow for indoor, winter soccer clinics and leagues.

Football

Flag Football Clinics

Flag Football Clinics are offered for children in kindergarten through 2nd grade. This program is designed to develop a love of football while teaching basic football skills through fun games. Small sided games are played as the clinic progresses. The clinics are instructed by Watauga middle school football coaches, staff, and players. This clinic consists of five sessions lasting one-hour each. The clinic meets Saturday mornings.

Season:	September - October
Facilities used:	Hardin Park School Field
Number of participants:	11
Ages:	5-8
Needs/Comments:	Indoor facility needed for clinics to limit distractions and weather related elements.



Flag Football League

Watauga County Parks and Recreation offers a youth flag football league to children in 1st through 6th grades. Three levels of play are offered based on grade: 1st/2nd, 3rd/4th, and 5th/6th grade. All leagues are co-ed. Teams meet an average of three times per week, including games and practices.

Season:	Late August - October
Facilities used:	Hardin Park School field, Watauga High School lower field, Watauga High School football field, some travel to surrounding counties for games.
Number of participants:	66
Number of teams:	7
Needs/Comments:	Dedicated field(s) are needed for this program, preferably with lighting. Current reliance is on school facilities that are often unavailable due to their own programming. An indoor facility is needed for practices during inclement weather and for additional practices throughout the season. Extra officiating and field supervising staff will be needed with expected growth of the program.

Basketball

K-1st Basketball League

This basketball league is for youth in kindergarten and first grade. Fundamentals of basketball are taught and developed by volunteer coaches at practices. Teams meet three times each week for games and/or practices.

Season:	Late October - December
Facilities used:	Watauga Community Recreation Center, Old Cove Creek Gym, eight elementary schools
Number of participants:	88
Number of teams:	9
Needs/Comments:	Additional gym space is needed in order to adequately offer a full season of game dates and practice space.

**2nd & 3rd Grade Basketball League**

Fundamentals of basketball are taught and developed at practices by volunteer coaches. Games are played to implement and showcase these skills. Teams meet three times each week for games and/or practices.

Season:	Late October - December
Facilities used:	Watauga Community Recreation Center, Old Cove Creek Gym, eight elementary schools
Number of participants:	139
Number of teams:	15
Needs/Comments:	Additional gym space will be needed in order to adequately offer a full season of game dates and practice space.

4th-5th Grade Basketball League

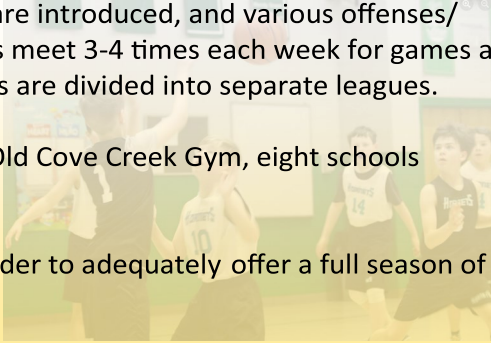
Fundamentals of basketball continue to be taught and developed at this level at practices by volunteer coaches, and strategies are introduced. Teams meet three times each week for games and/or practices. When registration numbers are high enough, boys and girls are divided into separate leagues.

Season:	January - early March
Facilities used:	Watauga Community Recreation Center, Old Cove Creek Gym, eight elementary schools
Number of participants:	165
Number of teams:	17
Needs/Comments:	Additional gym space will be needed in order to adequately offer a full season of game dates and practice space.

6th - 8th Grade Basketball League

Fundamentals of basketball are continued to be developed, strategies are introduced, and various offenses/ defenses are taught. Teams are managed by volunteer coaches. Teams meet 3-4 times each week for games and/ or practices. When registration numbers are high enough, boys and girls are divided into separate leagues.

- Season:** January- early March
- Facilities used:** Watauga Community Recreation Center, Old Cove Creek Gym, eight schools
- Number of participants:** 172
- Number of teams:** 18
- Needs/Comments:** Additional gym space will be needed in order to adequately offer a full season of game dates and practice space.



Youth Volleyball Clinics

Youth Volleyball Clinics are offered to promote development of individual volleyball skills. Modified games are played at the end of the program to showcase individuals' growth and development.

- Season:** February - March
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** Ave. of 30
- Needs/Comments:** Growth of program will require additional gym space.

Tennis

Quick Start Tennis

Quick Start Tennis is offered to children ages 5 - 8. Equipment and courts are tailored to the size of a young child so that participants can develop skills, learn, and succeed at a faster rate and have fun. The standard court size for 5 - 8 year old children is 36' X 18' instead of the traditional full size 78' X 27' court.

- Season:** June - July
- Facilities used:** Watauga Community Recreation Center Tennis Courts
- Number of participants:** 38

Junior Tennis

The Junior Tennis program is for children ages 9 - 15. Three levels of lessons are offered: beginner, intermediate, and advanced. The beginners start with learning and then mastering the basics of tennis. The intermediate and advanced players are taught strokes and strategies. This program allows children to advance at their own pace. Advanced players have the opportunity to play matches against other recreational tennis programs over the course of the summer.

- Season:** June-July
- Facilities used:** Watauga Community Recreation Center tennis courts & WHS tennis courts
- Number of participants:** 59



Youth Pickleball Clinics/Leagues/Tournaments

A variety of youth pickleball clinics are offered over the course of the year. The instructional clinics are for beginner to intermediate players. The goal is to develop year-round clinics, leagues, & tournaments.

- Season:** Year-round
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** 130
- Ages:** 8-15
- Comments:** This is a new program. Growth is expected in numbers and programs offered.

Adult Fall Softball

Two levels of men's softball (recreational and competitive) as well as co-ed leagues are offered in the fall. Team registration is accepted. Games are played Monday- Thursday evenings. Teams are scheduled for 12 games to include an end of season tournament. Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division.

Season: August-September
Facilities used: Complex 2 & 3
Number of participants: 272
Number of teams: 17



Adult Spring Softball

Four divisions of adult softball are offered during the spring season: Men's Open A (competitive league), Men's Open B (recreational), Men's Church League, and Women's Open League. Games are played Monday- Friday evenings. Teams are scheduled for 14 games to include an end of season tournament.

Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division.

Season: April - July
Facilities used: Complex 2 & 3 Fields
Number of participants: 272
Number of teams: 17
Ages: 16 years of age and older



Adult Volleyball

Men's and women's volleyball are offered in the winter. Women's volleyball has two divisions: Division A (Competitive) and Division B (Recreational). Team registration is accepted. Each team is scheduled for 11 matches, to include an end-of-season tournament. Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division.

Season: Mid-January - March
Facilities used: Watauga Community Recreation Center
Number of participants: 190
Number of teams: 19
Ages: 16 years & older



Adult Co-ed Volleyball

Two divisions of co-ed volleyball are offered - Division A (Competitive) and Division B (Recreational). Team registration is accepted. Each team is scheduled for 11 matches, to include an end-of-season tournament. Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division. Matches are played in the fall at the Watauga Community Recreation Center.

Season: Late September - early November
Facilities used: Watauga Community Recreation Center
Number of participants: 120
Number of teams: 12
Ages: 16 and over

Adult Basketball

Three divisions of men's basketball are offered- Competitive, Recreational, and Church League. Teams are scheduled for 10 games, to include an end-of-season tournament. Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division.

Season: November-December
Facilities used: Watauga Community Recreation Center
Number of participants: 168
Number of teams: 14
Ages: 16 years of age & older

Adult 3v3 Basketball

This program is for both men and women. Three divisions are offered- Competitive, Recreational, and 50 & older. Teams are scheduled for 10 games, to include an end-of-season tournament. Awards are given to regular season champions and runners-up as well as tournament champions and runners-up in each division.

- Season:** Early November - late December
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** 60
- Number of teams:** 10
- Ages:** 16 years of age & older

Adult Open Gym Pickleball

Adult Open Gym Pickleball is offered daily at the recreation center for all levels of pickleball players. Morning, afternoon, and evening sessions are available each week.

- Season:** Daily, year-round
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** Estimated 18,000 annually (based on sign in sheets of 40-70 participants daily)
- Ages:** 16 years of age & older

Friends & Family Pickleball

This program is offered several times each week so that groups can play together exclusively (no rotations of partners or opponents). There are no restrictions on age or structure.

- Season:** 3-6 times per week, year round
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** Estimated 4,000 annually (based on sign in sheets of 10-30 participants per session)

Adult Pickleball 101 Clinic for True Beginners

This clinic teaches the basics of pickleball and is offered to true beginners.

- Season:** 1-3 days per week, year-round
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** Estimated 1,600 annually (based on sign in sheets of 12-36 players/clinic)
- Ages:** 16 years of age & older

Adult Pickleball Clinics for Advanced Beginners

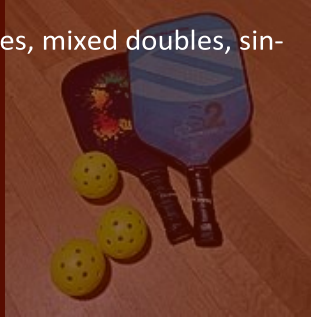
Adult Pickleball Clinics are offered for Advanced Beginners 2-4 times each week. Participants must register in advance for these clinics to ensure a 1:6, instructor to participant ratio. In these clinics, technical skills and strategies are taught and developed.

- Season:** 2-4 days per week, year round
- Facilities used:** Watauga Community Recreation Center
- Number of participants:** Estimated 1,300 annually (based on 12 students per clinic, 2 times each week)
- Ages:** 16 years of age & older

Adult Pickleball Leagues & Tournaments

Adult Pickleball Leagues and Tournaments are available several times each year. Doubles, mixed doubles, singles leagues, & tournaments are offered.

- Season:** Year-round
- Facilities Used:** Watauga Community Recreation Center
- Ages:** 16 years of age & older



OTHER PROGRAMS

Teen Extreme Camp

A 5-week day camp for rising 7th through rising 9th graders, this camp provides activities for teens to engage in field trips, arts, and games. Registration begins the first Monday of May.

Season: Summer
Facilities used: Watauga Community Recreation Center
Number of participants: 30-35/week
Ages: Rising 7th through 9th graders

Summer Adventure Camp

An 8-week day camp program for rising 1st through 7th grade children, the camp is centrally located at WHS. This structured camp provides themed weeks with activities, field trips, arts, and games.

Season: Summer
Facilities used: Watauga High School, Watauga Community Recreation Center
Number of Participants: 100/week
Ages: Rising 1st-7th graders
Needs/Comments: More space to expand numbers, and more staff to work

Over Yonder Camp

A 7-week summer day camp program, this camp provides a needed day camp resource to parents on the western end of Watauga County. This structured camp provides themed weeks with activities, field trips, arts, and games.

Season: Summer
Facilities used: Mabel School, Watauga Community Recreation Center
Number of participants: 50/week
Ages: Rising 1st-7th graders

Fun in the Sun Camp

Summer day camp program centrally located at Hardin Park School. This camp provides activities, field trips, arts, and games.

Season: Summer
Facilities Used: Hardin Park School, Watauga Community Recreation Center
Number of participants: 60/week
Ages: Rising 1st-7th graders
Needs/Comments: More school access/availability needed to offer more weeks of camp

Extreme Dance Camp

A one-week camp focusing on clogging, hip-hop, and cheerleading. Dance showcase at the end of the week.

Season: Summer
Facilities used: Watauga High School, Watauga Community Recreation Center
Number of participants: 80-115
Ages: 5-17
Needs/Comments: More school/space availability to offer the camp to more children

Holiday Break Camps

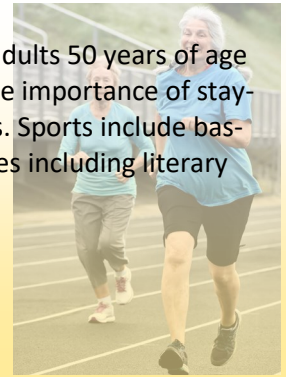
Five days of camp offered during both the winter/spring school break for girls and boys. This structured camp provides activities, field trips, arts, and games.

Season: Spring/Winter
Facilities used: Watauga Community Recreation Center
Number of Participants: 30/day
Ages: Rising 1st-6th graders
Needs/Comments: Additional staff would allow for more participants

Senior Games

With the goal of health promotion and wellness education, the Senior Games is a program for adults 50 years of age and older. Qualifiers from the local games will move on to state finals. The games emphasize the importance of staying active while engaging in friendly competition. This competition is in both sports and the arts. Sports include basketball, racquetball, and swimming. SilverArts showcases the creativity of seniors with categories including literary arts, visual arts, performing arts, heritage arts, and cheerleaders.

Season: year-round with emphasis in spring
Facilities used: multiple venues
Number of participants: 100-200
Needs/Comments: Need to recruit younger participants



Senior Trips & Activities

Focusing on health and social wellness, seniors can embark on journeys and activities within the community and surrounding areas. From hikes, to art, to adventure, the Senior Trips & Activities take participants to places they've never been before.

Season: year-round
Facilities Used: Watauga Community Recreation Center & area venues
Number of Participants: 100-200

Special Populations

Special Olympics

Special Olympics provides year-round athletic training and sports competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in sharing of gifts, skills, and friendship with their families and other Special Olympics athletes and the community.

Season: year-round
Facilities used: Watauga Community Recreation Center & area venues
Number of participants: 100-200 annually
Number of teams: 14
Ages: 6 to 80
Needs/Comments: More volunteers and coaching staff are needed.

Sports Expo

In conjunction with Special Olympics Watauga County, the Sports Expo offers a day for athletes to try out new sports. Each year five different sports are offered. Athletes travel to each sport station to try their hand (or foot) with a new activity.

Season: Fall
Facilities Used: Watauga Community Recreation Center and the Recreation Complex
Number of participants: 100-125
Ages: 6-80
Needs/Comments: Volunteers

Spring Games

The Special Olympics Watauga County Spring Games highlight the athletic competition of local athletes in track & field, aquatics, bocce, softball skills, volleyball, and powerlifting.

Season: Spring
Facilities Used: Watauga Community Recreation Center and the Recreation Complex
Number of Participants: 100-200
Ages: 6-80
Needs/Comments: Volunteers

OTHER PROGRAMS

Teen Activities

From dances, to meetings, to classes, and crafts - Teen Activities are geared to teen boys and girls. With the goal of wellness, health, and social activity, teens can enjoy a variety of events.

Season:	year-round
Facilities Used:	Watauga Community Recreation Center and the Recreation Complex
Number of participants:	Desired 100+ annually
Ages:	13-17
Needs/Comments:	Education & awareness to recruit interest

Trunk-or-Treat

Watauga Community Recreation Center parking lot neighborhood of vehicles, decorated and ready to hand out treats. For children of all ages.

Season:	Fall
Number of participants:	500-1,000
Ages:	All ages
Needs/Comments:	More participating vehicles

Swim with Santa

Holiday event at the featuring a visit and swim with Santa Claus, stories, and photographs.

Season:	Winter
Facilities Used:	Watauga Community Recreation Center's Recreation Pool
Number of participants:	25-50
Ages:	0-16
Needs/Comments:	

Walking in a Winter Wonderland

An all-age holiday affair, this event features arts & craft vendors for holiday shopping as well as festive pop up activities for the kids.

Season:	Winter
Facilities Used:	Watauga Community Recreation Center and the Recreation Complex
Number of participants:	Anticipated 250-2,000
Ages:	0 and up
Needs/Comments:	Staffing, volunteers, vendors, and food trucks needed.

Easter Egg-Stravaganza

Easter event with over 3,000 eggs spread throughout Complex 4 and 5 fields for children ages 0-12. Free event for the community.

Season:	Spring
Number of participants:	200-300
Needs/Comments:	Community donations of prizes and eggs needed



PUBLIC INPUT—CITIZEN SURVEY

Watauga County Parks and Recreation Department commissioned an online survey (implemented by an App State class) to gauge public opinion on desired recreation opportunities. Complete survey results, methodology, and a demographic profile of respondents are located in the appendix. Following is a summary and analysis of the results.

Facilities

Respondents were asked to allocate \$100 toward their desired recreation facility(s). The top five receiving the most dollars were:

Greenway	\$5,062
Disc golf	\$2,160
Pickleball	\$1,808
Recreation center	\$1,676
Outdoor pool	\$1,461

The next highest item, a splash pad, received \$509. Note that the interval between item # 1 and item # 2 is not incremental; i.e. a greenway received almost 3,000 more dollars than the second highest item. Similarly, # 5 received almost three times as many dollars as # 6.

The average of all items was \$548, thus greenway, disc golf, pickle ball, recreation center, and outdoor pool were the only items above average.

The recreation center option was not for a new center, but rather for enhancements to the existing one, such as better weight equipment and more room for fitness classes. These items were grouped into a single recreation center category. Note also that the survey administrator included a catch-all category labeled "Facilities," which received \$4,184 (the second highest item). This category included but was not limited to "year-round restrooms at all parks, a community and multipurpose space, indoor sports facilities, outdoor amphitheater/pavilion, a teen center, rental facilities to hold a camp, and general maintenance."

RESULTS FOR ALL ITEMS

GRAND Totals			
Greenway Total	\$ 5,062	Pool Total	\$ 140
Facilities Total	\$ 4,184	Climbing wall Total	\$ 135
Disc Golf Total	\$ 2,160	Tot Lot Total	\$ 130
Pickle Ball Total	\$ 1,808	Racquetball Total	\$ 125
Rec Center Total	\$ 1,676	Golf Total	\$ 100
Outdoor Pool Total	\$ 1,461	Bike Lane Total	\$ 100
Splash Pad Total	\$ 509	Preservation/ Protection Total	\$ 75
Mountain Biking Total	\$ 425	Roller Rink Total	\$ 60
Tennis Total	\$ 395	Stoplight	\$ 53
Dog Park Total	\$ 391	Basketball Total	\$ 45
Hiking Trails Total	\$ 338	Football Total	\$ 45
Trails Total	\$ 348	Fishing Total	\$ 40
Schedule Total	\$ 283	Softball Total	\$ 40
Batting cages Total	\$ 285	Parking	\$ 34
Skateboard Total	\$ 270	Howards Knob improvements	\$ 33
River Sports Total	\$ 270	Outdoor Bocce	\$ 20
Playground Total	\$ 269	Bouldering Area	\$ 20
Ice Rink Total	\$ 265	E-Sports Total	\$ 20
Biking Total	\$ 265	Roller Rink Total	\$ 20
Volleyball Total	\$ 185	Speed bumps	\$ 5
Soccer Total	\$ 170	Average	\$ 547.52
Baseball Total	\$ 260		

Programs

Respondents were also asked to allocate \$100 to desired programs. The responses that were above average (\$480) were:

Youth sports	\$1,996
Pickleball	\$990
Fitness	\$905
Disc golf	\$690
Adult programs	\$620
After school	\$600
Aquatics	\$570



Note that youth sports received almost \$1,000 more than the next closest program. Specific sports were not identified in this category. Though not as wide, a significant gap is evident between # 3 and # 4.

All desired programs are listed here:

Grand Totals		Running	\$394
Youth Sports	\$1996	Art Programs	\$355
Pickleball	\$990	Hiking	\$330
Fitness	\$905	Summer Camp	\$325
Disc Golf	\$690	Tennis	\$320
Adult Programs	\$620	Volleyball	\$300
After School	\$600	Youth Volleyball	\$263
Aquatics	\$570	Football	\$209
Hockey / Ice Skating	\$450	Gymnastics	\$200
Disability Programming	\$440	Yoga	\$140
Soccer	\$420	Cycling	\$138
Senior Programs	\$403	Skateboarding	\$50
Lacrosse	\$400	Average	\$479.50

Grading existing facilities

Respondents were asked to grade existing County recreation facilities using the following scale:

- A = excellent
- B = good
- C = average
- D = poor
- E = failing

They were also given the options:
 Unaware of
 Never used
 Not applicable



Tennis courts	59%	Never used
Pickle ball courts	58%	“
Baseball/softball fields	46%	“
Old Cove Creek gym	45%	“
River access-Watauga	42%	“
River access- New	41%	“
Howard’s Knob Park	33%	“
Rocky Knob Bike Park	32%	“
Ted Mackorell Soccer	32%	“
Tot Lot	25%	“
Brookshire Park	17%	“
Middle Fork Greenway	14%	“
Recreation Center	12%	“



Much smaller percentages marked “Unaware of” or “Not Applicable” but when coupled with “Never Used,” the satisfaction with existing facilities can be misleading. For example, only 30% expressed average or above satisfaction with the tennis courts, but 59% said they never used the tennis courts, five percent said “not applicable” and one percent were unaware of them. Therefore, to get a true gauging of tennis courts satisfaction, we must measure the satisfaction of those who actually use the tennis courts. This can be done by adding the percentages of grades A through E, which totals 36% of the respondents. Then divide the 30% , A through C, of average and above satisfaction by 36%, revealing that 83% of those who actually use the tennis courts have average or above satisfaction with them.

Below is a table showing the average and above percentages for each facility, using the above calculation method:

Facility/Amenity	Average, Good, and Excellent Responses
Middle Fork Greenway	100%
Rocky Knob Bike Park	98%
Ted Mackorell Soccer Complex	98%
River Access – Watauga River	98%
River Access – New River	98%
Brookshire Park	97%
Pickleball Courts	95%
Recreation Center	94%
Baseball/softball fields	91%
Tot Lot	90%
Howard’s Knob Park	88%
Tennis Courts	83%
Old Cove Creek Gym	73%

In summary, the data above shows that most people using the facilities rate them good to excellent. Even the lowest scoring item- Old Cove Creek Gym – ranked at the average level.

Gauging meeting community's needs

The survey also asked to what degree various facilities and programs “meet your household’s or community’s needs.” As above, satisfaction levels were calculated based on actual use of facilities/programs. Results are below:

Amenity/Program	Average, Good, and Excellent Responses
Natural areas/open space	95%
Community parks	94%
Unpaved hiking/walking trails	92%
Indoor fitness/exercise facilities	92%
Swim lessons	92%
Indoor gyms (basketball, volleyball, pickleball)	91%
Paved walking/biking trails (not including bike lanes/sidewalks)	90%
Public recreation opportunities (require membership)	88%
Summer camps	86%
Fitness classes	85%
Special Olympics	84%
Athletic programs for children	83%
Public recreation opportunities (don't require membership)	83%
Athletic programs for adults	80%
Safe biking paths	78%
Senior center	76%
Land use planning	71%
Senior games	71%
Arts and craft workshops	67%

Satisfaction is good to excellent for most of these facilities/programs. Even the lowest scoring item is within the average range.

Support for various actions

Respondents were asked their level of support for various actions the County could take to improve, expand, or create recreation facilities. Most of these actions would involve a significant capital outlay. “Somewhat Supportive” and “Very Supportive” were combined, as well as “Somewhat Unsupportive” and “Very Unsupportive” in order to comprehend the data at a glance.



Actions	Somewhat Supportive & Very supportive	Unsure	Somewhat Unsupportive & Very Unsupportive	No opinion	N/A
Fix-up/repair older park buildings & facilities.	92%	7%	0%	0%	0%
Develop new walking/biking trails that connect to existing trails.	91%	4%	5%	0%	0%
Purchase land to preserve open space, natural and historic areas.	90%	7%	3%	1%	0%
Purchase land for developing future use.	83%	11%	5%	0%	0%
Develop new walking/biking trails in places that aren't nearby existing trails.	82%	10%	7%	0%	0%
Renovate existing walking/biking trails.	80%	12%	9%	0%	0%
Upgrade existing youth/adult athletic fields, including new lighting.	78%	11%	6%	4%	0%
Expand outdoor fitness facilities.	75%	16%	7%	2%	0%
Develop new nature, history & horticulture facilities.	74%	13%	12%	1%	0%
Build new spray (water) parks with fountains for use by non-swimmers.	64%	16%	17%	3%	0%
Develop dog park facilities (fenced, but no leashes required).	62%	14%	19%	3%	0%
Expand indoor fitness facilities.	62%	22%	11%	4%	0%
Develop new athletic fields.	55%	24%	17%	4%	0%

All actions received over 50% support, with about half 80% or over. Note that the lower scoring items had a significant percentage of “Unsure” (as high as 24%), meaning that the unsupportive percentages were not very high, even though the supportive scored lower. No item had an unsupportive score higher than 19%, with most in the single digits.

Among the higher scoring items were three actions related to trails, which reiterates support for greenways evident in other parts of the survey. Two options for purchasing land ranked high.



Facility use

Approximately how many times have you visited each Watauga County Parks and Recreation facility in the last year?	Average
Middle Fork Greenway	83
Tot Lot	66
Watauga Recreation Center	44
Brookshire Park/ Soccer Field	16
Ted Mackorell Soccer Complex	13
Complex Ballfield	13
Rocky Knob Mountain Bike Park	12
Pickleball court	8
River Access - Watauga	6
River Access - New River	5
Old Cove Creek Gym/Conference Center	4
Howard's Knob Park	2
Tennis court	1



PUBLIC INPUT- COMMUNITY MEETINGS

Two community meetings were held to obtain in-person public input– one in Boone and the other at the Old Cove Creek School Gym. These meetings were attended by 84 citizens. Attendees participated in a “dot exercise” where a list of recreation opportunities was displayed and each person was given four dots to place beside their desired facilities.

The results are as follows:

Dots Awarded	Activity/Amenity
36	splash pad
29	greenway
23	educational nature center
18	inclusive playground
17	picnic shelter with restroom
15	outdoor beach volleyball
13	float dock with ADA paddle access
13	tennis
12	paddle access
12	trail running
11	boardwalk with educational materials
10	nature theme multi-level playground
10	outdoor pickleball
9	single track
9	SUP boarding
8	fishing piers
7	boardwalk over dry area
7	whitewater rafting
7	canoeing
6	adult flag football
5	biking
4	boardwalk over wetlands
4	nature preserve
3	wetland viewing areas
3	youth flag football
2	restrooms
2	adult basketball
2	baseball
261	Total number of dots or “votes”
10.6	Average number of votes per facility

In addition, participants were given individual comment cards. A total of 80 comments were made. Disc golf was by far the most desired facility, with 20 comments related to it. The next closest in number- more facilities outside of Boone, a sauna, and bike trails- received four comments each. The remaining comments were wide-ranging and mostly unique, with no comment repeated more than once. See appendix for all comments.

Comments were solicited from several community groups/agencies that might have an interest in the provision of recreation but are not recreation providers themselves. Those contacted were Boone Area Chamber of Commerce (no response), Blowing Rock Chamber of Commerce (responded), Watauga County Economic Development Commission (EDC) (responded), Appalachian District Health Department (responded), Watauga County Tourism Development Authority (no response), and Blue Ridge Conservancy (responded).

Comments were varied with no overriding theme. Following is a summary, in no particular order:

- The need to locate programming and/or facilities in the rural communities outside Boone was mentioned several times.
- The EDC is prioritizing the outdoor economy and Blue Ridge Conservancy (BRC) “is increasingly focusing on public access recreation projects.” Although the TDA did not respond, the agency is currently in the process of developing a plan called “Imagine Watauga.” Past planning and project funding would indicate that the Imagine Watauga plan will continue to focus on public access recreation projects. BRC said, “A broader cross section of the community prefers non team sport recreation opportunities” leading the organization to recommend the following priorities: completion of the Middle Fork Greenway, additional river access points, and development of the Northern Peaks State Trail with a trailhead at Howard’s Knob Park.
- While new recreation opportunities are encouraged, “maintenance and upkeep of all county owned and managed properties has to be factored in,” says BRC.
- The health department stressed the need to address “barriers to participation” such as unawareness of programs, distance from facilities, and costs that are prohibitive for low-income persons. Programming that aligns with the interests of the Hispanic community was encouraged.
- The EDC has an economic interest in the recreation department hosting tournaments, which brings numerous people into the county spending money on lodging, restaurants, etc.
- Support for recreation department staff was mentioned as a way to ensure adequate and consistent programming. Support would include competitive pay, professional development, and sufficient staffing levels.



RECOMMENDATIONS & COST ESTIMATES

The following recommendations are based on the citizen's survey, community meetings, staff observations, recreation commission comments, facilities inventory, demographic trends, stakeholder comments, the plans of other recreation providers, and participation and interest in existing programming. In short, all the other elements of this document culminated in these recommendations.

Cost estimates are current for 2023, but the plan covers a 10-year period, so inflation should be considered when referencing costs as this plan ages. Some recommendations are general, without precise dimensions, number, features, etc. determined at this time. Consequently, cost estimates for these items are only approximations.

1. Construct outdoor restrooms at Complex 2 & 3 fields.

In the citizen's survey, respondents were asked to allocate \$100 toward their desired recreation facility(ies). The survey included a catch-all category labeled "Facilities," which received \$4,184 (the second highest item). This category included but was not limited to "year-round restrooms at all parks, a community and multipurpose space, indoor sports facilities, outdoor amphitheater/pavilion, a teen center, rental facilities to hold a camp, and general maintenance."

Cost estimate = \$200,000 each, based on recent construction elsewhere in the region.

2. Update/revamp Old Cove Creek School outdoor amenities (playground, tennis, basketball courts).

The need for more recreation opportunities outside Boone was mentioned at the community meetings and by the Recreation Commission. In the citizen's survey, when asked for their level of support for various actions the County could take regarding recreation, 92% of respondents were either somewhat supportive or very supportive of "Fix-up/repair older park buildings & facilities". This action ranked first among the 13 actions listed. Upgrading facilities that already exist outside Boone is a logical place to start.

Cost estimate = \$100,000

3. Construct an indoor practice/playing field for baseball, softball, football, soccer, etc. for year-long programming.

This recreation feature has been mentioned in many contexts as a priority- current and former directors, the recreation commission, and the citizen's survey. Much frustration has been expressed about the difficulty of scheduling programming in the spring and fall when the weather is frequently uncooperative. While expensive, an indoor field can be used for a wide variety of sports, thus maximizing the impact of dollars spent. In the citizen's survey, respondents were asked to allocate \$100 to desired programs. Youth sports, by far, received the most dollars (\$1,996), almost \$1,000 more than the next closest program (average allocation was \$480). The proposed facility would serve youth sports more than any other program. Similarly in another question, respondents were asked to allocate \$100 toward their desired recreation facility(s). The survey included a catch-all category labeled "Facilities," which received \$4,184 (the second highest item) (average allocation was \$548). This category included but was not limited to "year-round restrooms at all parks, a community and multipurpose space, indoor sports facilities, outdoor amphitheater/pavilion, a teen center, rental facilities to hold a camp, and general maintenance."

Cost estimate = Almost impossible to estimate because of so many variables that are undetermined at this time (cost of land, site preparation, number & types of features inside, etc.). Construction alone would probably cost at least \$1.0 million based on information from various websites on the subject. A rule of thumb is at least \$150 per square foot.

4. Add/replace fitness equipment in the recreation center.

62% of survey respondents were somewhat supportive or very supportive of expanding indoor fitness facilities (only 11% were unsupportive).

Cost estimate = Almost impossible to estimate without identifying at this point which pieces of equipment to purchase. Gymstarters.com offers four packages (includes both cardio & strength training) ranging from a low of eight pieces of equipment for \$9,000 to a high of a 35-piece set for \$42,000, not including shipping and installation.

5. Restore/preserve streambanks near armory, Brookshire Park, and old Cove Creek School fields.

In the same way that recreation equipment and infrastructure has to be maintained or eventually replaced, ballfields must be protected from erosion. Loss of land at the three locations listed above threatens the integrity of these parks. Procedures for restoring streambanks and halting erosion are available. Cost share funding through the county's Soil & Water Conservation District might be obtainable.



An example of a once-eroding streambank that has been repaired.

Cost estimate: An approximate price range for stream restoration is \$100 - \$250 per foot. A true estimate would depend on several factors, such as stream size, the severity of bank erosion, the deviation of the stream from its natural channel, etc. Usually an engineer must create a design for stream restoration and then will estimate the cost based on the design. Using a mid-range price of \$200/foot, following are estimates for each location:

- Armory 622 feet = \$124,400
- Cove Creek School 825 feet = \$165,000
- Brookshire Park 1,000 feet = \$200,000

6. Upgrade tot lot playground with inclusive playground features.

This playground at the recreation complex off State Farm Road is a popular feature. Survey respondents each used the facility an average of 66 times annually. Inclusive features are those that can be used by handicapped children, as well as the non-handicapped.

Cost estimate: Inclusive playgrounds are more costly than conventional ones, starting at approximately \$250,000 based on a recent installation in a nearby town.



6. Hire additional full-time staff for the recreation center (facility/fitness director).

Prior to the opening of the Watauga Community Recreation Center, the full-time staff for Watauga County Parks & Recreation included: 1) A Director; 2) An Aquatics Director; 3) An Assistant Aquatics Director; 4) An Athletic Director; 5) A Recreation Specialist 1; 6) A Recreation Specialist 2; 7) A Program Assistant; 8) And, an Administrative Assistant. Post opening, additional staff include: 1) Additional Program Assistant for the front desk; 2) Additional Recreation Specialist 1 in athletics; and 3) A Part-time Regular Personal Trainer for fitness. With very limited additions to assist with the WCRC, this is remarkable because the center represents a major expansion of new recreation opportunities. A dedicated facility director is needed to ensure efficient operation of the center and allow the department director to devote sufficient attention to other facilities and programs.

Attendance for group fitness at the recreation center has increased tremendously, and the fitness classes are driving a sizable portion of new and existing memberships. Group fitness is now an integral part of the recreation center, and it would grow even more if given additional attention. Fitness came in third in the survey as one of the most desired programs.

Cost estimate: The salary for this combined position would be approximately \$45,000 annually.

7. Hire additional full-time staff for the parks & recreation department, specifically a camps/special events coordinator.

The department operates seven camp programs and at least five special events annually. Such an offering justifies an employee dedicated to managing them. Regular programming requires the full attention of current staff, with little time available for camps and special events.

Cost estimate: The salary for this combined position would be approximately \$45,000 annually.



9. Establish a disc golf course.

This recreation feature has been mentioned in many contexts as a priority- current and former directors, the recreation commission, community meetings, and the citizen’s survey. Disc golf is a very popular sport that ranked second as a desired feature in a question from the citizen’s survey. Disc golf, by far, received the most comments at community meetings.

Cost estimate = The following cost estimate discussion comes from the Professional Disc Golf Association, and doesn’t include the cost of land:

A barebones installation with light duty baskets, natural tees, simple wooden signs, and do-it-yourself design can be installed for about \$350 per hole. A full-service community course with heavy duty baskets, dual cement tee pads, nice dual tee signs, and two sleeves for basket placements on each hole could run up to \$1000 per hole which includes a basic design fee on a property with little clearing to be done. The per hole expense can run up to \$2000 with a more deluxe installation and the design fee could be \$2000-\$3000 higher if the course requires lots of fairway clearing through woods and the designer is involved in supervising that process. An added cost might be if the clearing is done by professionals versus park staff and volunteers. A very nice course can be installed for under \$25,000 in most places where not much clearing is required. A professional course designer is a worthy investment to ensure an entertaining, safe, and manageable course. The course design fee can vary quite a bit (an 18-hole design can run anywhere from \$5000 to \$20,000), depending on the complexity of the site, the number and nature of course features, and the services required from the designer.



10. Construct outdoor bocce courts.

This feature is needed to help diversify recreation opportunities offered by the County.

Cost estimate: According to bocceboss.com, a regulation-sized court (91 feet by 13 feet) with high-end materials can cost as much as \$24,000. This appears to be a high estimate; i.e. a less costly court is possible.

11. Integrate Middle Fork Greenway, Howard's Knob Park, and outdoor recreation areas (e.g. river access) into Watauga County Parks and Recreation programming.

These facilities, while under the management of the department, are not currently utilized for programming. However, they could be incorporated into the agendas of camps and special events, for example. Group hikes, canoeing, and picnics are three activities that could be carried out at these recreation points.

Cost estimate: There would be no major direct costs of incorporating these features into programming, though expanding programming will require an additional staff person. See recommendation # 7.

12. Construct a stand-alone building for camps, meetings, and special events.

The department operates seven camp programs and at least five special events annually. They require spacious facilities that can be occupied for an extended period. Competition with other programs and school activities makes scheduling difficult, with activity space that is less than ideal. A building dedicated to only camps, meetings, and special events would resolve this issue and make the programming more effective.

Cost estimate: A 3,461 square foot steel building for a project in Watauga County was recently priced at \$519,000 (\$150/sf).

13. Construct an outdoor sand volleyball court.

The recreation department offers two adult volleyball programs and a youth volleyball clinic. All are scheduled in the fall and winter, with a total of approximately 220 participants. The popularity of the programs points to the need for an outdoor volleyball court to use in the spring and summer.

Cost estimate: Constructing a durable sand volleyball court is more complicated and costly than might be evident at first glance. Properly done, a drainage system should be installed. A particular type of sand is necessary, and the cost per ton varies widely according to the site's geographic location. Consequently, a total cost estimate ranges from a low of \$22,000 to a high of \$119,000, according to the website <https://sand-boarding.com/sand-volleyball-court/>.



14. Enhance the landscaping at the Watauga Community Recreation Center.

Enhancement could be as minimal as planting a few shrubs or as elaborate as creating major landscaped spaces with trees, shrubs, flowers, and sod.

Cost estimate: The retail price of most shrubs ranges from \$25 to \$100. Small tree seedlings can be bought for as little as \$5, but sizable tree saplings range well over \$100. Planting by a professional landscape business would be an additional cost.

15. Construct an additional multipurpose room onto the recreation center.

The center’s existing community room is heavily used and also serves as space for fitness classes. An additional community room is needed to meet the high demand for multipurpose space.

Cost estimate: Building construction costs at least \$150/sq ft., meaning that a 75’ x 50’ addition to the recreation center would cost at least \$562,500. However, the precise dimensions are undetermined at this time.

16. Continue to support the construction of the Middle Fork Greenway.

Citizen support for greenway construction is overwhelming. In the survey, respondents were asked to allocate \$100 toward their desired recreation facilities. Greenway (unspecified) received the highest allocation (\$5,062), which was almost \$3,000 more than the second most desired facility. In addition, respondents were asked to grade existing facilities (excellent, good, average, poor, or failing), including finished sections of the Middle Fork Greenway. 100% of respondents graded the Greenway as either average, good, or excellent, the only facility to score this high.

Cost estimate: The Middle Fork Greenway is a long-term endeavor that will likely exceed the timeframe of this plan. Costs will vary according to negotiations with landowners and fluctuations over time in the cost of materials and site development. Estimates for future segments would be highly speculative and therefore not useful for planning purposes. Fundraising from private donors and grant programs is ongoing and focused on the most immediately feasible section(s). The completion of the Middle Fork Greenway project will require financial support from both state and county governments.

Middle Fork Greenway
"Connecting Blowing Rock to Boone - Naturally"

Welcome to the Middle Fork Greenway

Please help us keep the greenway safe and in good shape by observing the following Greenway Etiquette:

1. Although there is no "locked gate", the trail is open from dawn until dusk.
2. Share the trail. Stay to the right of the trail and pass on the left. People walking have the Right-of-Way.
3. Communicate when you are getting ready to pass someone else on the trail.
4. Bicyclists should pass on the left. "On your left" before passing to alert those in front of them.
5. All pets must be on a leash and please clean up after them. No one likes to encounter dog droppings.
6. Pay attention to signage, especially at crossings and road underpasses. If you are bicycling, you may need to dismount at an underpass.
7. Always wear your crash helmet, especially when you are bicycling, in-line skating or skateboarding.
8. Maintain control and a safe speed.
9. Help keep the trail clean. No paint markings on the trail. Leave the park/trailhead as you find it and remove all trash (pack it in, pack it out).
10. Respect Trail Environment: Do not disturb the wildlife or the many native plants and wildflowers that grow along the Greenway.
11. In an emergency, you know what to do: call 911.

The following are prohibited on the Middle Fork Greenway Trail:

- Motorized vehicles
- Leashes
- Hunting, firearms, fireworks, and fire
- Alcoholic beverages, smoking and illegal drugs

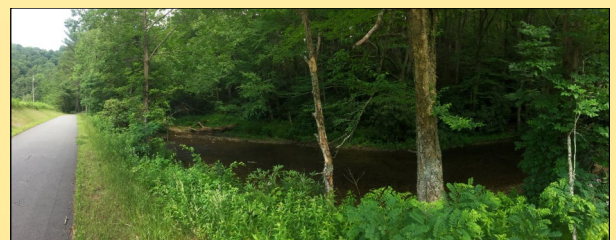
Thank you for helping us keep the Greenway a great place to have fun!

Do you want to help the Greenway? Donate here:

www.middleforkgreenway.org/donate

17. Continue to implement recommendations in the Howard’s Knob Park Master Plan.

In March 2023, the County received a \$350,000 grant for improvements to Howard’s Knob Park. While a significant milestone in the park’s redevelopment, the project will only partially address needs identified in the master plan. Total cost estimate for all recommendations is \$2,581,553 (as of Fall 2022).



APPENDIX

Complete Citizens Survey

School Use Policy

b

Needs Assessment for Watauga Parks and Recreation

Dr. Erik Rabinowitz

Keron Poteat, Director

Craig Lands, Assistant Director

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Introduction

Park/open space needs are directly influenced by the expectations of the residents of Watauga County and related to the 'quality of life' of the area in which they live. In general, this needs assessment addresses active and passive parks and recreation facilities that are available to all residents and aspires to provide quality recreation opportunities. As such, the updated needs assessment uses community input obtained through public forums and surveys to understand current recreational priorities, desires, needs, wants, and potentially underrepresented community members. The last Watauga County Parks and Recreation needs assessment was conducted on February 6th, 2023. Watauga County residents' need for physical activity, awareness to preserve and learn about the environment, beneficial stress relief offered by the outdoor experience, changes in the economy, demographics, and overall 'quality of life' is relevant in recreational expectations. In-depth data gained from the forums and surveys will be presented in this section to better assist the Watauga County and Watauga County Parks and Recreation in its goal to provide quality programming to all community citizens.

Methodology

To gather community input Watauga County Parks and Recreation got assistance from Dr. Erik Rabinowitz, a Full Professor from Appalachian State University in the Department of Recreation Management and Physical Education and owner of Rec8er LLC. In collaboration with the county representatives, a collection of data through an online survey and public input meeting sessions were created. The survey was available starting January 14th, 2022 and was open until April 15th, 2023. Two countywide public hearing sessions were scheduled and conducted, one at the Watauga County Recreation Center on February 1st at 6 pm, and the second at Old Cove Creek School, held on February 6th at 6:00 pm. These locations were picked by the County Parks Recreation Department and were administered by them also. Data from these collections should assist the county in creating the above-mentioned master plan.

For the Watauga County Parks and Recreation survey section, participants were solicited through countywide social media sites, onsite at Watauga County parks and recreation locations with QR code advertisement, and Watauga Democrat advertisement. Emails from Watauga County Parks and Recreation list serve and the county's largest employer, Appalachian State University faculty and staff announcement site were also included.

The needs assessment questionnaire (survey) included open-ended questions asking participants to self-report any facility and any program they would like offered or improved by Watauga County Parks and Recreation. Participants were also asked to assign dollar amounts of up to \$100 for the items. Participants could assign all \$100 to one thing or disperse the \$100 in any way they desired through up to 5 items. (See Appendix 1 for the actual online assessment) and linked here https://appstate.az1.qualtrics.com/jfe/form/SV_etDY2ssQnO7L72C. The questions that followed were created to assess the number of times participants used a particular Watauga

County Parks and Recreation facility; special attention to facilities that are more difficult to count usage was included. Participants were also asked to grade numerous facilities using a traditional grading scale (A=Excellent, B=Good, C=Average, D=Poor, and E=Failing) to assess which facilities were doing better and which were not. To avoid influencing participants, open-ended questions were included, an additional list of items of potential closed-ended needs was offered later, and participants were asked how supportive they would be of each of the items (such as Purchasing land to preserve open space and natural and historic areas). The final components of the needs assessment included extensive demographic information. The survey was pilot tested by Senior students in the Recreation Management course at Appalachian State University and county stakeholders. The mailing survey to the randomly pulled participants from the registered county voter pool was withdrawn due to the electronic response rate being deemed acceptable by the lead investigator and county parks recreation Director. This was based on the 494 responses; unfortunately, those clicks did not constitute fully completed responses.

Respondent's Demographical Information

There were 258 usable completed needs assessments for the Watauga County Parks and Recreation needs assessment. A total of 494 people clicked the assessment, and some partially completed the questionnaire. These responses are retained and are included when appropriate by the lead investigator, but 258 fully completed the questionnaire are the foundation of the results presented. The overall demographic components are presented below of these respondents. A significant majority of responses come from White or Caucasian identified individuals (n=212). This matches the census data of 94.6% White reported in July 2022. Hispanic, Latina/o/x/e, or Chicana/o/x/e, and Native American, American Indian, Alaskan Native, Indigenous or First Nation each had four responses, Asian with 2 and 1 Black or African American responded. Ethnicity/racial self-identified responses are presented in Figure 1 below.

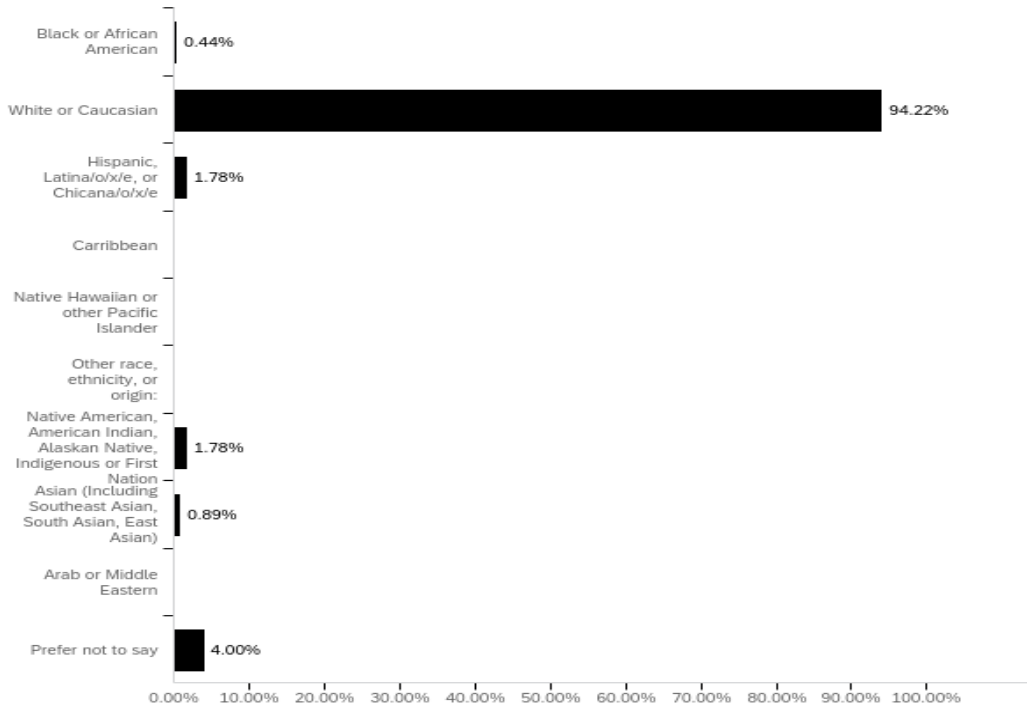


Figure 1: Ethnicity/racial Self-identified Responses

Education level of respondents saw a higher than census data on education level with the largest responses from master’s degree participants at 37.5% (n=84), followed by bachelor’s degrees 32.6% (n=73) Doctorate 9.8% (n=22), Associate’s 8.0% (n=18) and 100% with high school or above degrees (See Figure X below).

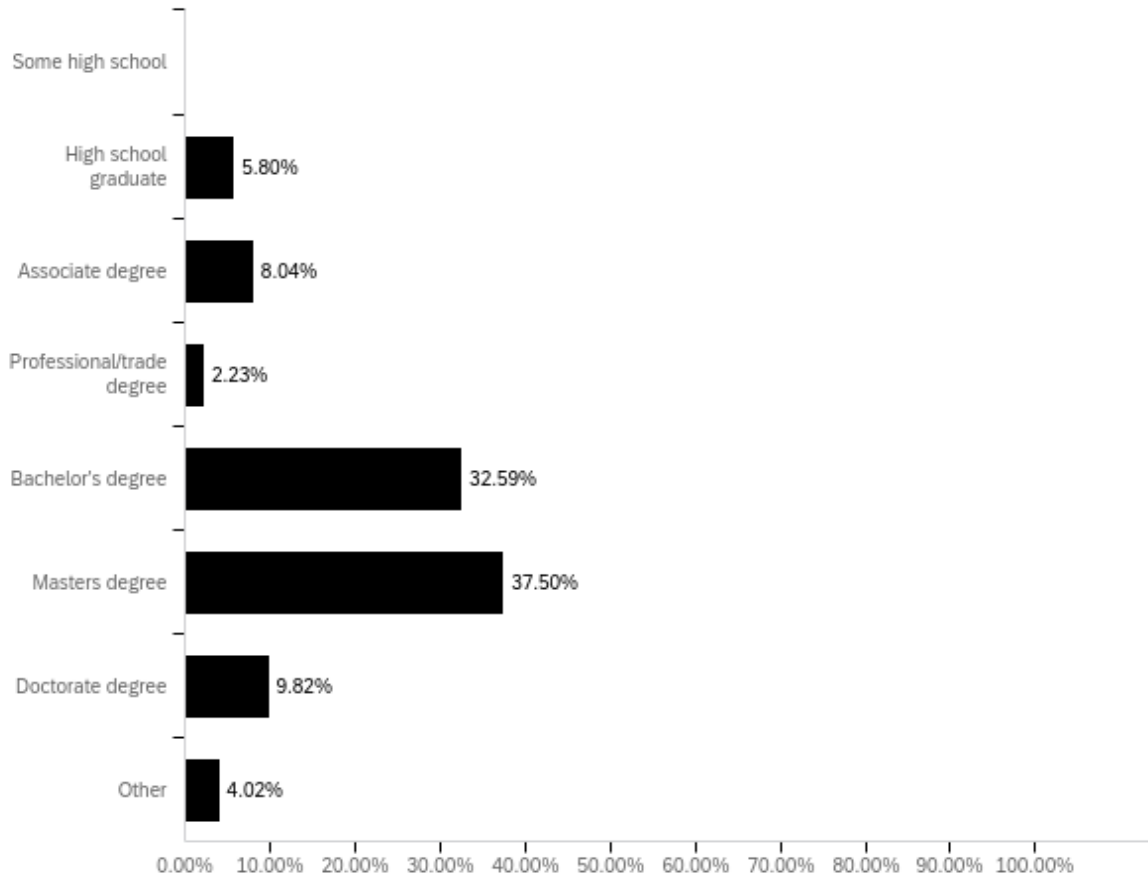


Figure 2: Education Level of Respondents

A significant larger number of respondents live in Watauga County 96% and 63.3% work full-time in the county (n=143), 181 respondents stated their primary home is in the county equaling 80.1%, and 60% have lived here for more than 10 years. Only 1.8% of respondents are second homeowners in the county.

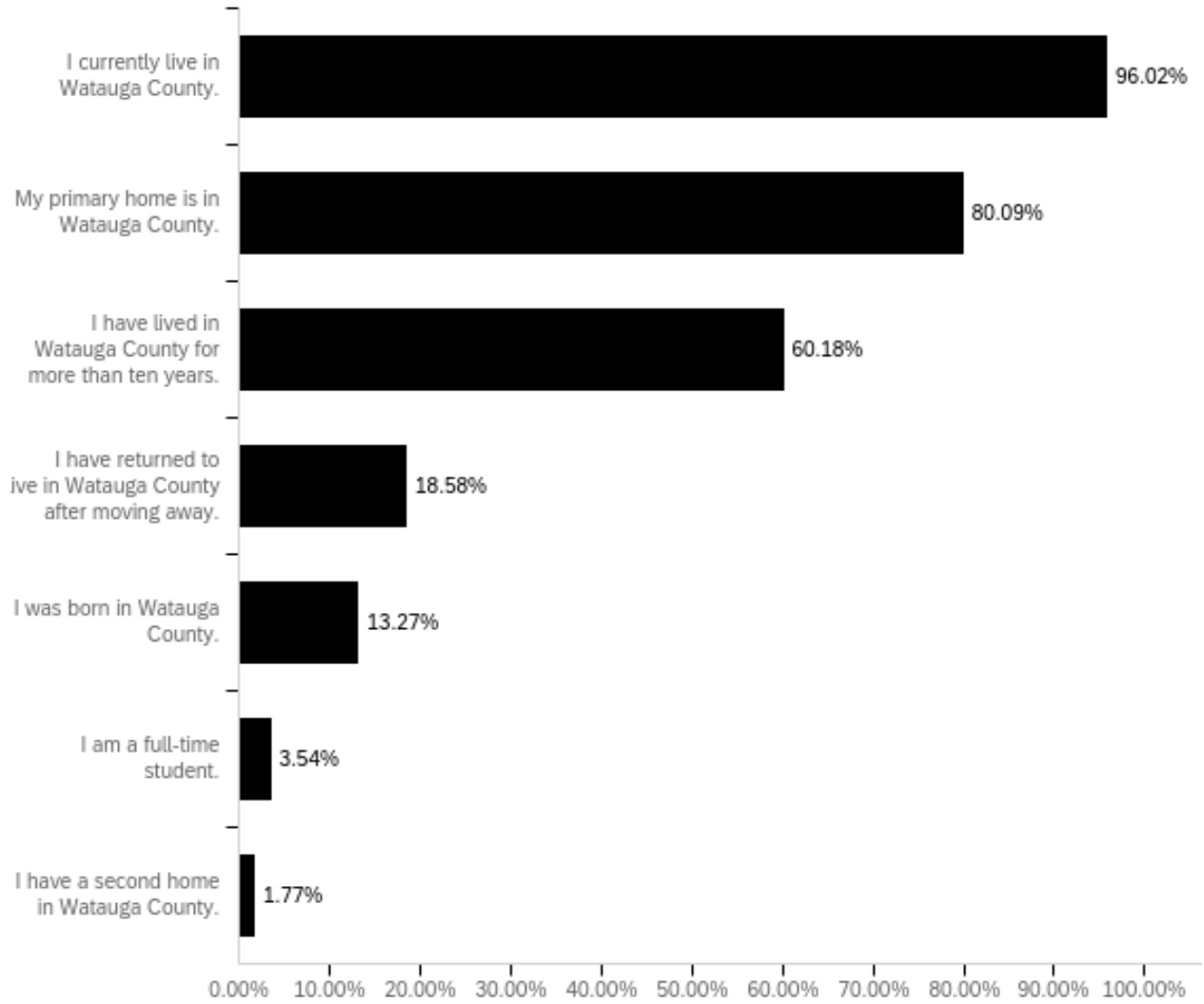


Figure 3: Resident Living Examination of Respondents

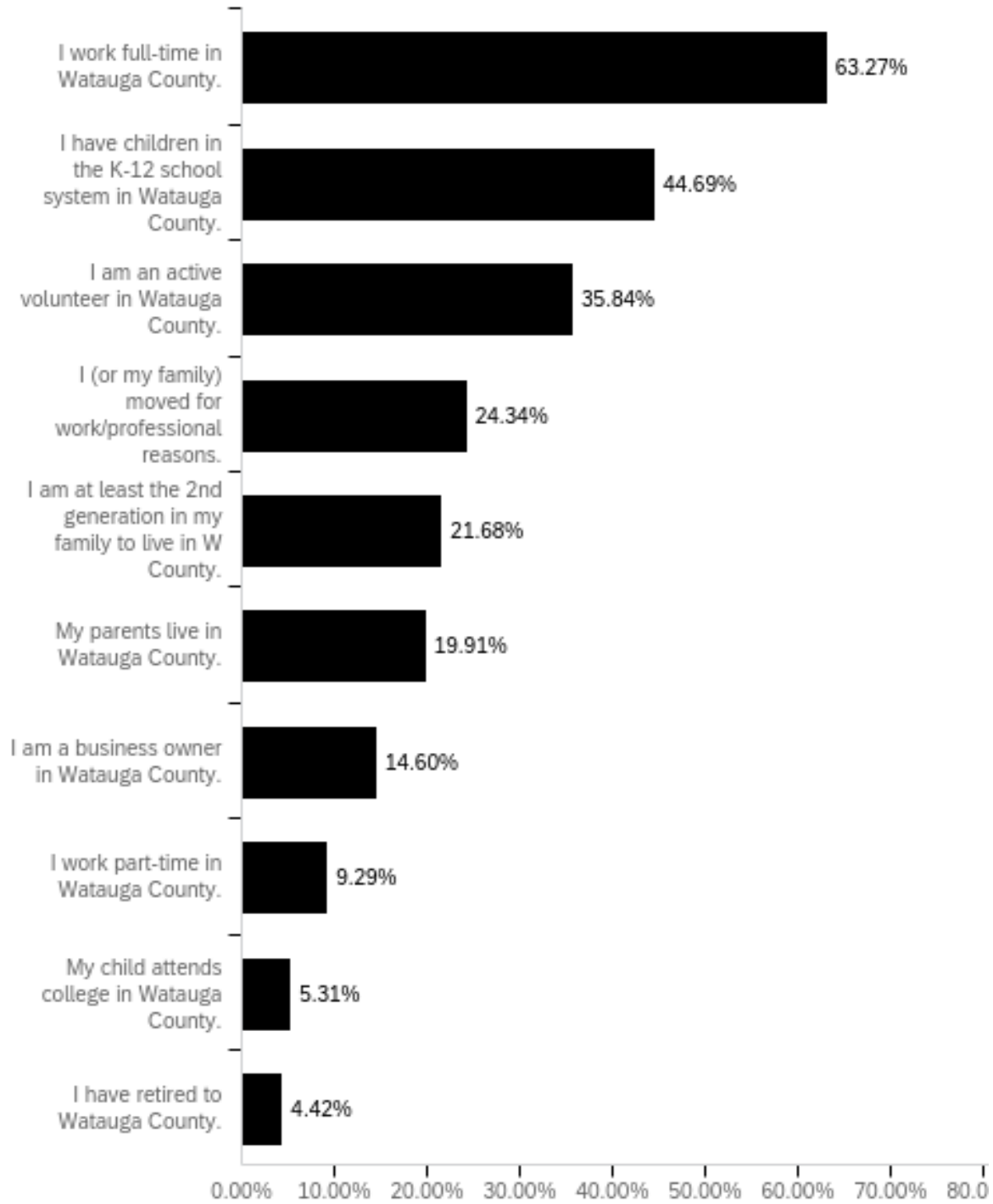


Figure 4: Additional Residential Make-up of Respondents

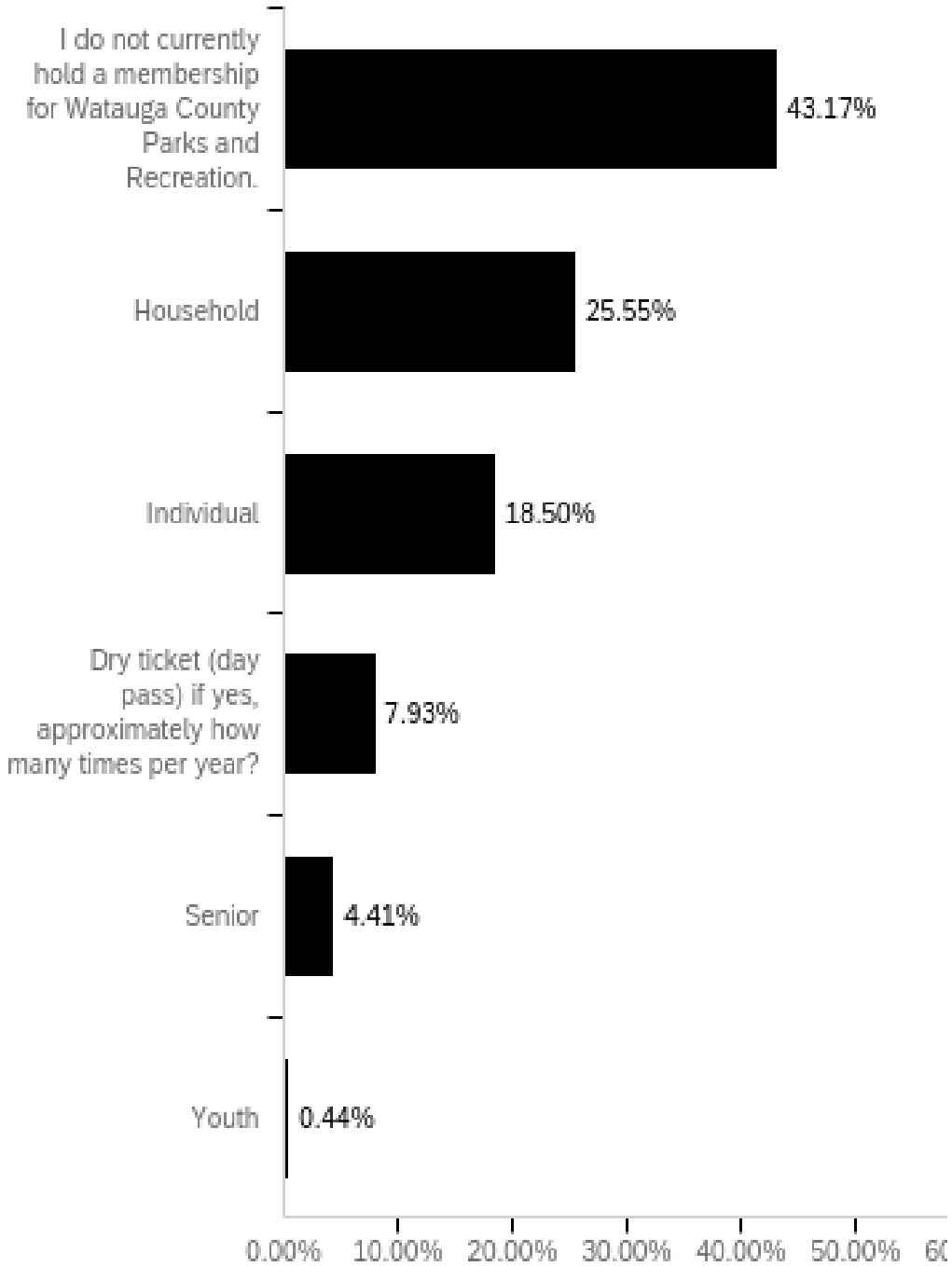


Figure 5: Membership of respondents

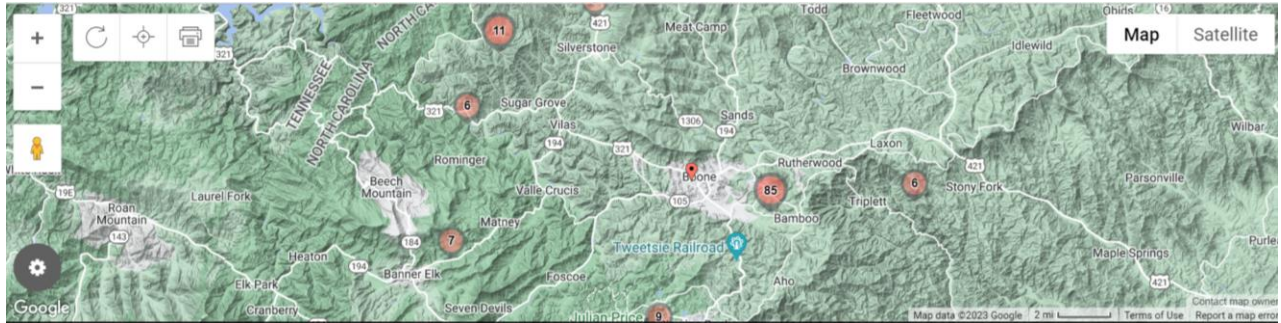


Figure 6: Map of respondents by zip codes

Zip code responses from participants can be seen on the following link.

<https://www.batchgeo.com/map/eb2c35b96517df62f64c99387e2223cb> of those responses 84% reported living in Watauga County zip codes.

Table 1: Percentage make-up of responses by zip code

<u>Watauga County Zip codes</u>	<u>Area of responses</u>	<u>%</u>
28607		50%
28697		9%
28605		6%
28604		4%
28678		4%
28698		4%
28618		4%
28684		2%
<u>28608</u>		<u>0%</u>

Needs Assessment Results

This section is broken down into two significant parts: the facility and the program desired expansion by respondents. Participants in the online data collection were asked to write in the desired facilities they would like to see offered or expanded by Watauga County Parks and Recreation. The following responses are presented. Participants in this survey were given the option to choose up to five open-ended responses they would like to see implemented by the department in the future. They were asked to spend up to \$100 total on their choices, thereby, ranking their priorities and desires. Their results are presented below with the cumulation of dollars spent on each item. The primary investigator sometimes forces agreement on items; the following are presented in 1-5th choices and the total combined options. Overall conclusions and recommendations from the data are made for each subsection of facilities and then programs.

Example of the open-ended question asked:

Part one:
List any **facilities** that you think Watauga County Parks and Recreation needs (i.e. Greenway expansion).

Part two:
You are given \$100 to spend. Assign how much of this \$100 would you spend on each suggested facility.

	Part 1	Part 2
1st item suggested:	<input type="text"/>	<input type="text" value="0"/>
2nd item suggested:	<input type="text"/>	<input type="text" value="0"/>
3rd item suggested:	<input type="text"/>	<input type="text" value="0"/>
4th item suggested:	<input type="text"/>	<input type="text" value="0"/>
5th item suggested:	<input type="text"/>	<input type="text" value="0"/>
Total		<input type="text" value="0"/>

Facility Expansion Needs Assessment Desired by All Respondents

Adding up all the responses the grand totals for the facilities' responses are presented in Table 2 and the top six items are presented in Figure 7. The response with the most money spent overall is a Greenway, with a total of \$5,062 spent by 118 respondents. Next is Facilities, with \$4,184 spent by 106 participants, followed by disc golf, where 40 people paid \$2,160. Pickleball follows, where 41 people spent 1,808. The Recreation Center total was \$1,676 spent by 37 people. The outdoor pool accounted for a total of \$1,461 from 32 people.

Table 2: All Open-Ended Desired Watauga County Parks and Recreation Facility Expansion Items

GRAND Totals			
Greenway Total	\$ 5,062	Pool Total	\$ 140
Facilities Total	\$ 4,184	Climbing wall Total	\$ 135
Disc Golf Total	\$ 2,160	Tot Lot Total	\$ 130
Pickleball Total	\$ 1,808	Racquetball Total	\$ 125
Rec Center Total	\$ 1,676	Golf Total	\$ 100
Outdoor Pool Total	\$ 1,461	Bike Lane Total	\$ 100
Splash Pad Total	\$ 509	Preservation/ Protection Total	\$ 75
Mountain Biking Total	\$ 425	Roller Rink Total	\$ 60
Tennis Total	\$ 395	Stoplight	\$ 53
Dog Park Total	\$ 391	Basketball Total	\$ 45
Hiking Trails Total	\$ 338	Football Total	\$ 45
Trails Total	\$ 348	Fishing Total	\$ 40
Schedule Total	\$ 283	Softball Total	\$ 40
Batting cages Total	\$ 285	Parking	\$ 34
Skateboard Total	\$ 270	Howards Knob improvements	\$ 33
River Sports Total	\$ 270	Outdoor Bocce	\$ 20
Playground Total	\$ 269	Bouldering Area	\$ 20
Ice Rink Total	\$ 265	E-Sports Total	\$ 20
Biking Total	\$ 265	Roller Rink Total	\$ 20
Volleyball Total	\$ 185	Speed bumps	\$ 5
Soccer Total	\$ 170	Average	\$ 547.52
Baseball Total	\$ 260		

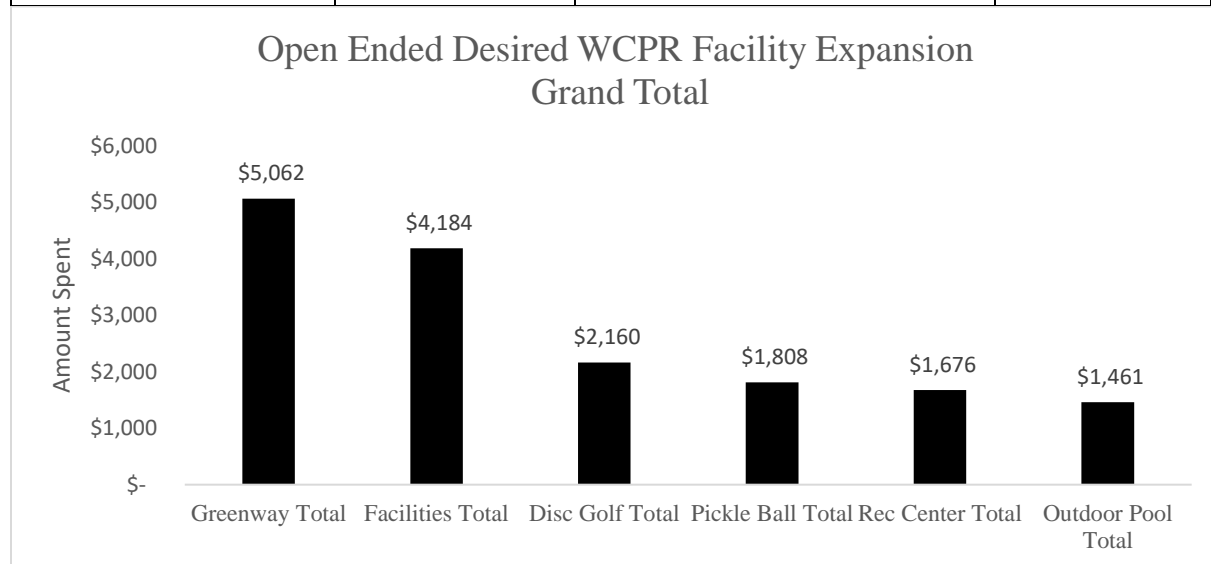


Figure 7: Open Ended Facilities Responses Grand Total

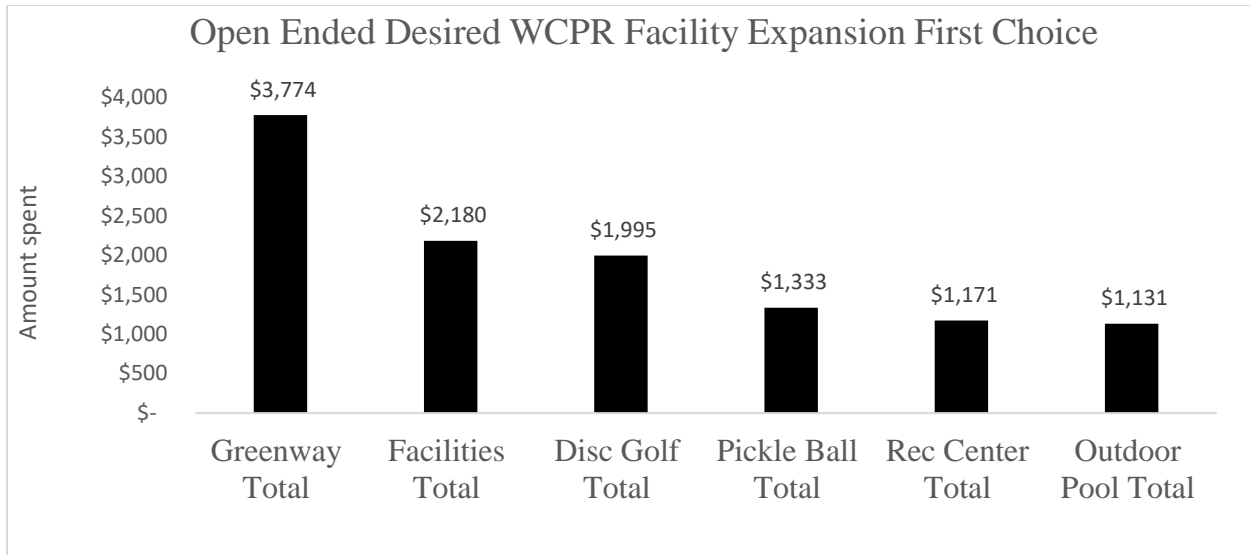


Figure 8: Open Ended Desired Facility Expansion First Choice

From the responses for the first choice of recreation facilities, participants would most like to put money towards the greenway (see Figure 8 above). This first choice accounted for \$3,774 of a total of 65 responses. This includes those who want to see greenway expansion, permanent restrooms at the facility, and more security in the area. Facilities total is next, with participants spending a total of \$2,180, which came from a total of 34 responses. This encompasses those who would like to see new facilities created, including but not limited to year-round restrooms at all parks, a community and multipurpose space, and indoor sports facilities. Disc golf accounted for \$1,995 (n=28). This was primarily comprised of participants simply wanting to see a disc golf course in the county that would be free and accessible to the community. Pickleball was the fourth choice and accounted for \$1,333 (n=19). Most of these inquiries were about adding more outdoor pickleball courts. The Recreation Center specifically accounted for \$1,171 (n=16). Those responses included many participants' desires for better weight equipment and improved room for fitness classes. The outdoor pool accounted for \$1,131 from a total of 19 responses. Most of these responses stated the county's desire to have an outdoor pool.

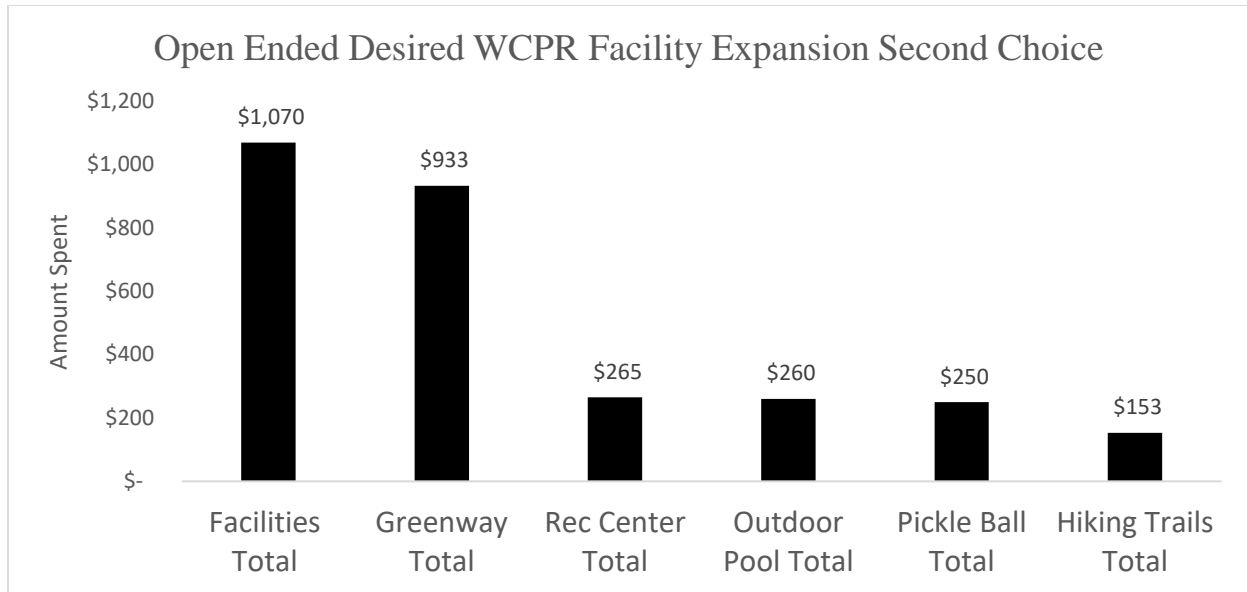


Figure 9: Open Ended Desired Facility Expansion Second Choice

Facilities were where the participants spent the most money for their second choice, with \$1,070 being spent by a total of 30 people with no delineation of what they precisely desired (see Figure 9 above). Some facilities being desired include an outdoor amphitheater/ pavilion, a teen center, and rental facilities to hold a camp were mentioned in other locations. Second, in these responses was the greenway, with a total of \$933 spent by 36 people seeking greenway expansion, increased safety measures, and connecting the greenway to Brookshire Park and Blowing Rock. Coming in third was the Recreation Center, with a total of \$265 spent by 14 people. Participants are interested in a steam room, increased size of the weight room, and more inclusive areas. Fourth is outdoor pools, with a total of \$260 spent by nine people. Most of these responses stated the desire to have an outdoor pool. Pickleball accounted for \$250 being spent by eight people who sought more courts both inside and outside. Hiking trails totaled \$153 being spent by five people who are looking for trail development, trail expansion, and a downtown trail network.

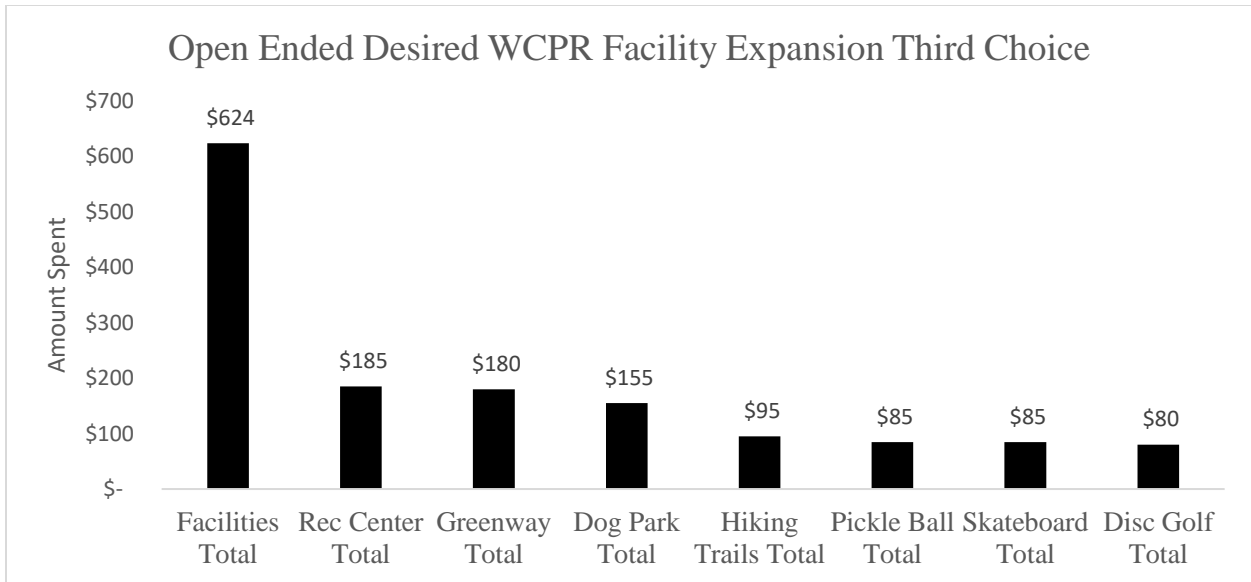


Figure 10: Open Ended Facilities Responses Choice 3

Facilities accounted for \$624 from a total of 28 responses. Some of those responses included general maintenance of existing facilities and parks, community space, and permanent bathrooms at parks throughout the county (see Figure 10 above). The Recreation Center accounted for \$185 spent by nine people. Some of those requests included a hot tub, sauna, a more significant weight room, and more classes. Next was the greenway, with \$180 spent by ten people looking for greenway expansion, trail maps, and year around restrooms. A dog park accounted for \$155 paid by nine people, all looking for a dog park in the county. Hiking trails accounted for \$95, pickleball and skateboarding accounted for 85 dollars, and disc golf had a total of 80 spent.

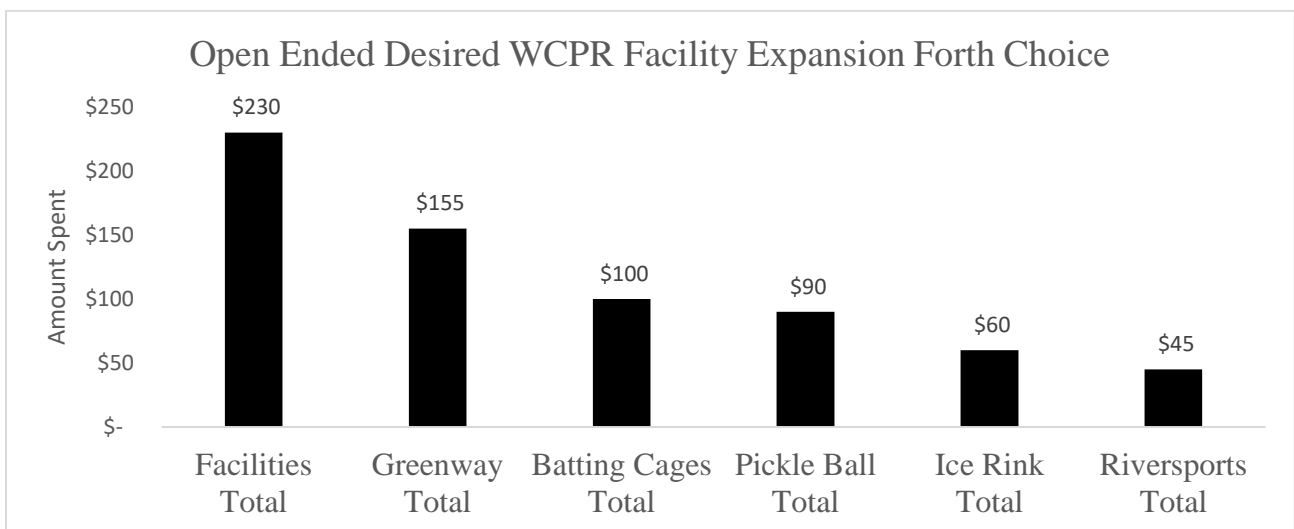


Figure 11: Open Ended Facilities Responses Choice 4

Facilities were once again where participants spent the most money for this choice: \$230 was spent by ten people (see Figure 11 above). Those people requested permanent park restrooms, indoor baseball and soccer sports facilities, a picnic shelter upgrade (Rocky Knob), and a dedicated performing arts space. The Greenway was second, with a total of \$155 spent by seven people. Those people are looking for greenway expansion and better lighting at night. Next were batting cages; an indoor field/batting cage facility requested \$100. Pickleball accounted for \$90 from 6 participants who wished to see more indoor and outdoor courts. The ice rink collected \$60 from 4 participants looking for an indoor skating/hockey rink. River sports accounted for \$45 spent by two people looking for improved river access.

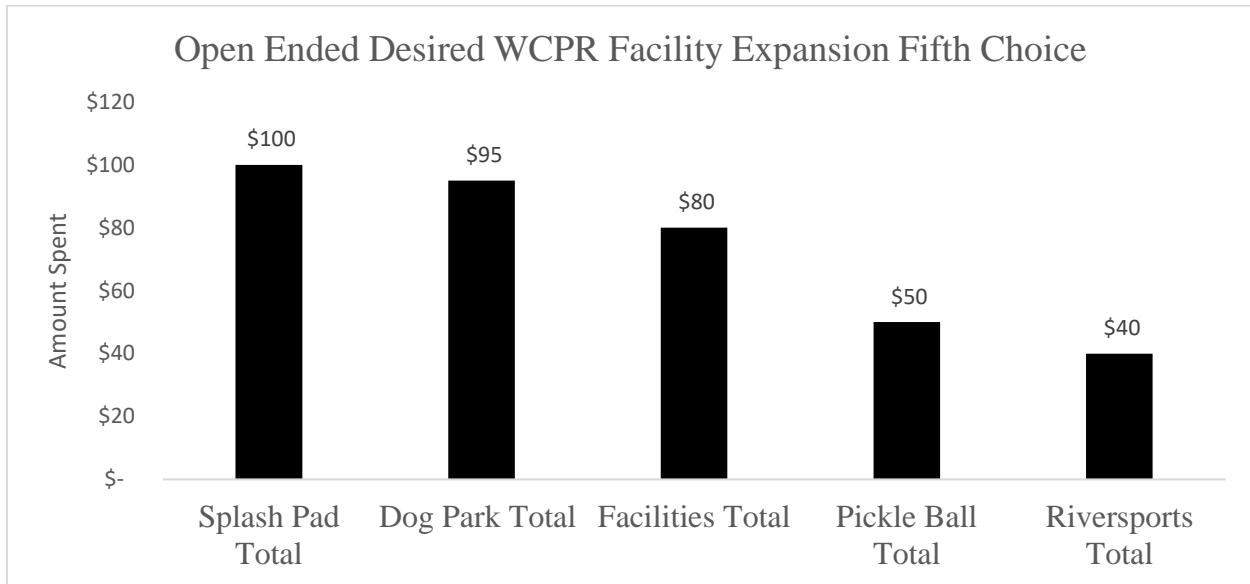


Figure 12: Open Ended Facilities Responses Choice 5

For the last open-ended response, the splash pad received the most money, with \$100, as participants are looking for this facility to be built in the county (see Figure 12 above). Next is the dog park, which accounted for \$95 from five people. Those are looking for a fenced-in public park, and one participant is looking for an indoor playground. Facilities are following, with \$80 from four people; they requested upgrades for out-of-date parks, a wet and dry sauna, and facilities in the western part of the county. Pickleball has a total of \$50 spent by three people looking for more courts inside and outside. Last is river sports, where two participants spent \$40 looking for a lake or river beach and improved river access.

Facility Expansion Needs Assessment Conclusions

Given the needs assessment results, 118 of the 258 (46%) respondents mentioned the greenway, accounting for a total of \$5,062. This encompassed greenway expansion, increased safety measures, and overall upkeep. Facilities were the second most popular response; 106 (41%) participants put \$4,184 towards this area. This includes things such as creating new facilities within the county (shared community spaces, pavilions, and more) as well as maintaining existing facilities. Disc golf was the third most popular response, with 42 (16%) people spending \$2,160 and expressing the desire for a course in Watauga County. Pickleball was the next most popular response, with \$1,808 spent by 41 (15%) of the people. Most wished for more courts, both inside and outside.

Facility Expansion Needs Assessment Recommendations

Based on the findings from this needs assessment, the County should focus on the greenway, creating new facilities, creating a disc golf course, and pickleball expansion. The most popular response, the greenway, clarifies that the people of Watauga country want to see greenway expansion. Continuing the Middle Fork project connecting Boone to Blowing Rock is mentioned by numerous respondents, but any efforts towards greenway expansion would be supported by the community. Assessing land availability and potentially looking into other locations throughout the county might be considered. An example might include, but is not limited to, the Sugar Grove community (Creekside). Additionally, the next would be to do further work on the facilities for which the community wish, as many mentioned multi-purpose spaces and indoor sports facilities (with the new recreation center in place, this response should focus on other facilities the Watauga County Parks and Recreation manage). For example, better maintenance of existing facilities with mention of Old Cove Creek by numerous members of the Sugar Grove community and even maybe a facility in Mabel. The third recommendation would be a disc golf course as many participants expressed an interest in the recreation activity. Once land is available this would be recommended. Currently, the best public grounds are within the Town of Boone limits. Still, Dr. Rabinowitz may have missed lands on a potential site, so a land audit of ownership by Watauga County should be available for a proper analysis. Additionally, since a disc course is a new recreation, potential funding sources such as North Carolina Parks and Recreation Trust Fund (PARTF) (<https://www.ncparks.gov/about-us/grants/parks-and-recreation-trust-fund>) which is one criterion for receiving PARTF funds might be sought in a couple of years. Locations to consider are the Middle Fork Greenway and Boone Gorge Park (that PARTF has recently funded). Additionally, a brand-new grant could examine the following possible locations: the acres between Watauga High School off the greenway, Old Cove Creek School, the land near the Southern States, and even the existing greenway since many communities have both the greenway and a disc course using the same space. A task force would be easy to assemble as public concerns and desires for a disc golf course are very high. A pickleball facility might be considered for facility expansions. Since pickleball is the fastest growing sport in America (and does not seem like it will be reducing anytime soon), the county might consider jumping on this opportunity to build a facility dedicated to the sport with the potential for revenue through tournaments: economic impact of the sport seems very promising. One item that the county might consider, but is not necessarily a parks and recreation issue, is that the increased traffic from the creation of the Watauga County Recreation center has caused traffic

problems in front of the fire department. This seems like a significant problem, and while a traffic light does exist at the Levine building, it would seem more appropriately placed at the intersection of the fire department and the recreation center, allowing the fire department to control the light during emergency times. All desired items that the respondents stated again are presented in Table 2 above, and while some did not receive the highest amounts, many might be considered for long-term planning such as, an outdoor pool facility,

Program Expansion Needs Assessment by All Respondents

Participants in the online data collection were asked to write in the desired programs they would like to see offered or expanded by Watauga County Parks and Recreation. The following responses are presented. Participants in this survey were given the option to choose up to five programs they would like to see implemented in the department. They were asked to spend up to \$100 total on their choices. Only 5% of subjects completed more than four items in this section.

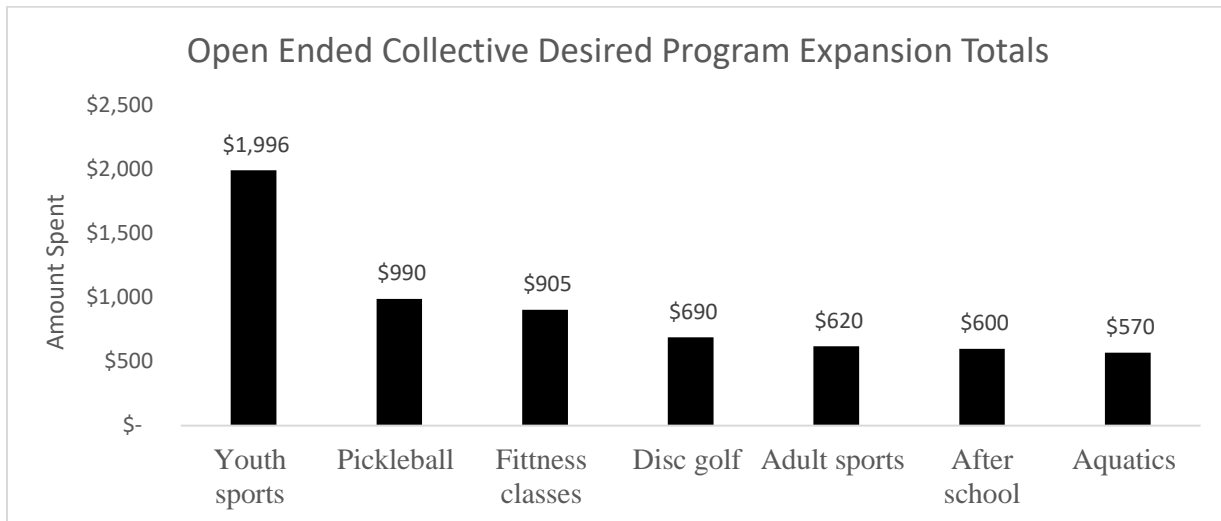


Figure 13: Combination of All Responses of Desired Program Expansion

Figure 13 above reflects a sum of all the choices. These six responses were designated the most amount of money. Youth sports programming was given \$1,996. This number represents responses that gave a general answer for youth sports and did not specify a particular sport. Pickleball programming was given \$990. Fitness classes were designated \$905. There was an array of options people would like to see for fitness classes; some of which included spin, strength training, boot camp style, and cardio-focused classes including those for youth to participate in. There was a total of \$690 towards having the opportunity to disc golf. Adult sports programming was given \$620. Some desire people expressed for this category include sports leagues, art classes, and aquatics. Afterschool programming is desired and was given \$600 by 11 different participants. Lastly, aquatics programs were designated \$570 in total.

Table 3: Open Ended Desired Watauga County Parks and Recreation Program Expansion All Responses

Grand Totals		Running	\$394
Youth Sports	\$1996	Art Programs	\$355
Pickleball	\$990	Hiking	\$330
Fitness	\$905	Summer Camp	\$325
Disc Golf	\$690	Tennis	\$320
Adult Programs	\$620	Volleyball	\$300
After School	\$600	Youth Volleyball	\$263
Aquatics	\$570	Football	\$209
Hockey / Ice Skating	\$450	Gymnastics	\$200
Disability Programming	\$440	Yoga	\$140
Soccer	\$420	Cycling	\$138
Senior Programs	\$403	Skateboarding	\$50
Lacrosse	\$400	Average	\$479.50

Figure 14 below reports the cumulative amount of money that was designated to the most popular responses. The four choices collected an amount that was above the mean across all responses for choice one. There was \$1,571 spent towards youth sports, which includes responses that had a general answer of youth sports and did not specify a specific sport. \$740 was spent on fitness programs, mainly including different types of group workout classes. \$710 was spent on pickleball programming. \$560 was put towards disc golf. \$415 was designated to afterschool programs.

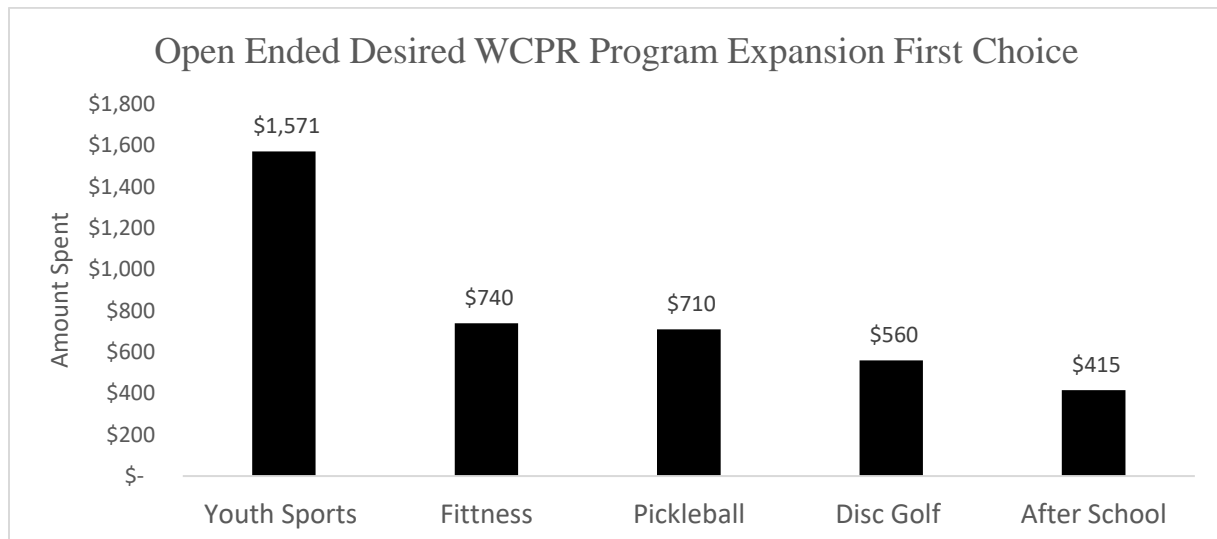


Figure 14: Choice 1 desired Watauga County Parks and Recreation program expansion

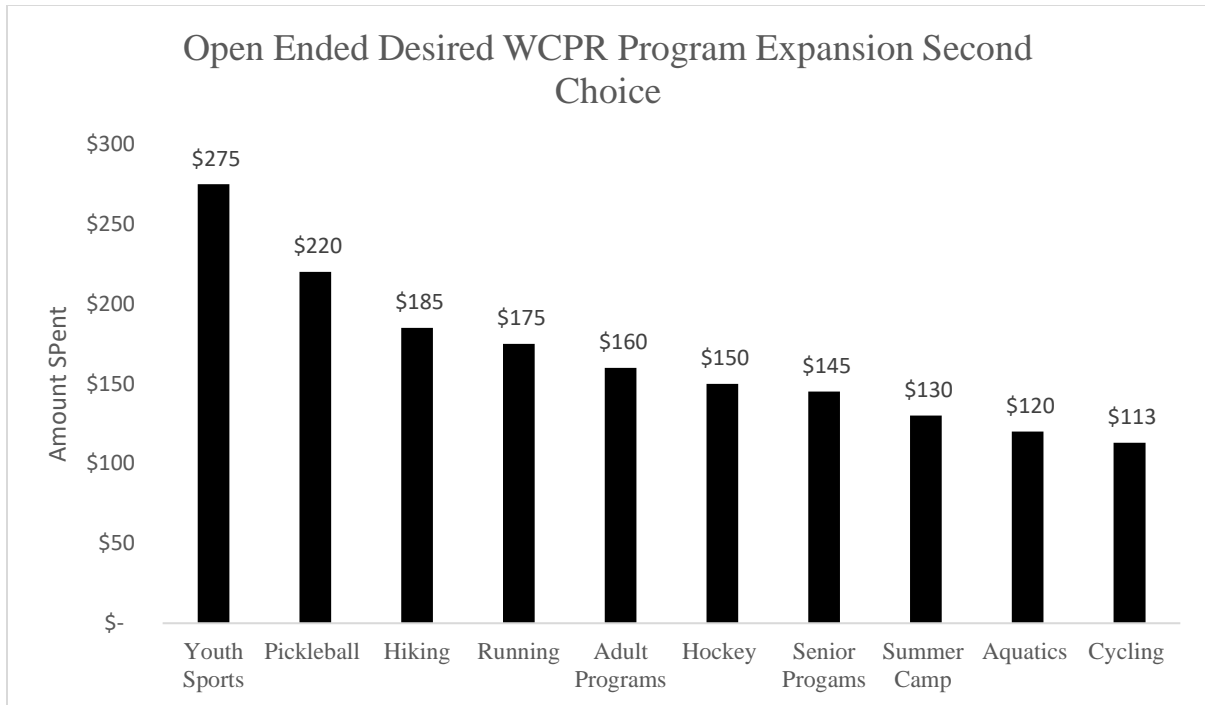


Figure 15: Choice 2 Desired Program Expansion

Figure 15 above reflects responses that were recorded above the mean amount of money spent. Similarly, to the figure representing first choices, we see the most significant amount spent on youth sports; \$ 275 was spent here. Behind youth sports was \$220 spent on pickleball programming. \$185 towards hiking programs such as group hikes. \$175 towards running, including running clubs and more community races such as 5Ks. Adult programming saw \$160 spent on adult sports leagues and other programs specifically for adults. There was \$150 towards creating hockey programs, and \$145 spent towards the desire to see more programs tailored to seniors, including fitness classes and aquatic programs. \$130 was designated to an expansion of summer camp offerings. Not all cycling programs were specified, but there was a mix of indoor and outdoor responses. Aquatics programming was designated \$120. Cycling programs were given \$113.

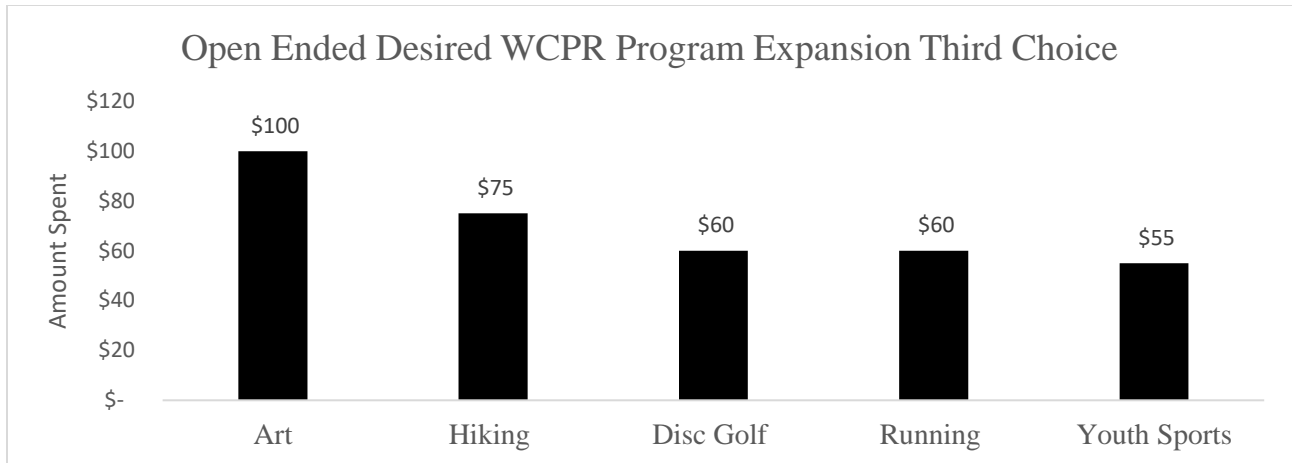


Figure 16: Choice 3 Desired Program Expansion

Figure 16 represents the responses with an amount greater than the mean for the third choice. Not all participants provided 5 options for this question so there is a dramatic decrease in data for this choice: many categories show a sum of fewer than five respondents. Art programming, such as art classes, was given \$100 by three respondents. Hiking groups and programs were given \$75. Disc golf availability was designated \$60. Running and races were given \$60. Lastly, youth sports, in general, were given \$55.

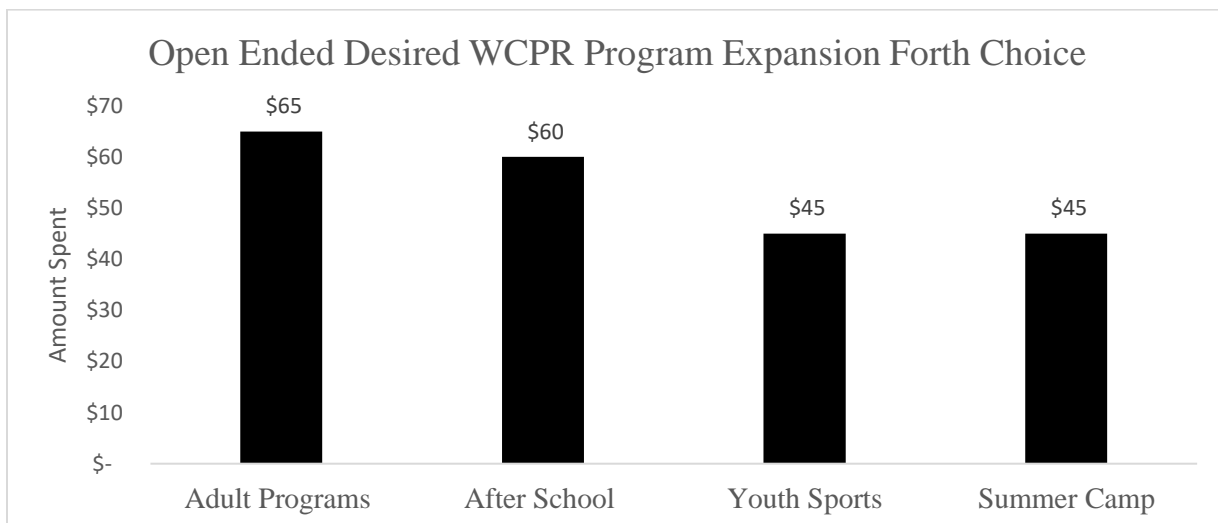


Figure 17: Choice 4 Desired Program Expansion

Looking at the data collected from responses for choice four Figure 17, we again saw a decrease in the number of answers given. With that said, this chart still represents what was above the mean score. Adult-focused programs were designated \$65; after-school programs, \$60; General youth sports programming, \$45; and lastly, summer camp was given \$45.

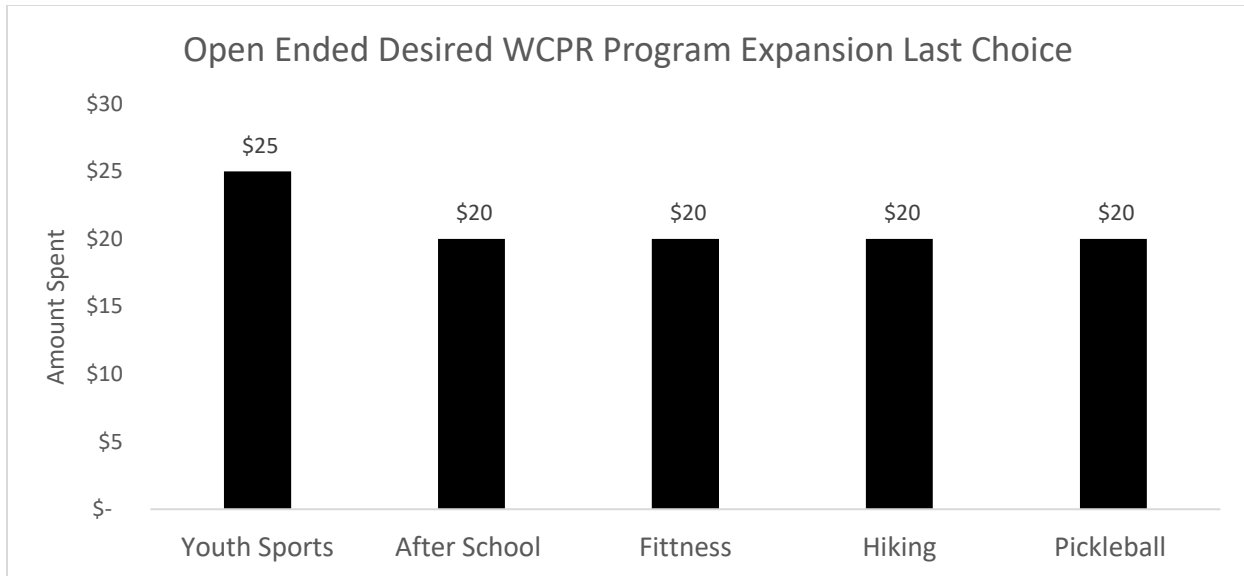


Figure 18: Choice 5 Desired Program Expansion

Figure 18 represents what participants recorded as their fifth choice, and the chart reflects those that were above the mean. Each of these categories was recorded and designated money by just one respondent. Youth sports was given \$25, after-school programs \$20, fitness programming \$20, hiking \$20, and pickleball programming were given \$20.

Program Expansion Needs Assessment Conclusions

In conclusion, there was an overwhelming number of responses with an emphasis on youth sports and improvements in those programs. There was a total of \$1,996 designated to youth sports as a general answer, with no specific sports references. Most responses simply provided just the words youth sports. This number was \$1,006 above the second overall choice of pickleball, which was given \$990 total. Pickleball programs, including kid and adult clubs/leagues were mentioned. Fitness classes were designated \$905. There was an array of options people would like to see for fitness classes; some of which included spin, strength training, boot camp style, and cardio-focused classes, including those for youth to participate in. There was a total of \$690 towards having the opportunity to disc golf. Adult sports programming was given \$620 with some people expressing a desire for sports leagues, art classes, and aquatics. The availability of an afterschool program was given \$600. Lastly, aquatics programs were designated \$570 in total; these include youth programs, adult programs, and senior programs.

Program Expansion Needs Assessment Recommendations

Based on the findings above, it would be recommended to focus more on youth sports. Expanding the offerings and improving the existing programs seem to be of the most importance

to the survey participants. Outside of youth sports, it would also be beneficial to place a larger emphasis on pickleball. Participants are eager for more availability of programs that surround this newly popular sport. Creating programs for kids to participate in, as well as adults, is something that is desired in the community. Lastly, creating more opportunities for fitness classes is something that is wanted as well. Creating more times for people to participate in group fitness classes and expanding the offerings of types of classes would be greatly appreciated by those that use the facilities.

Present Watauga County Parks and Recreation Facilities Grading by Respondents

Respondents were asked to use a traditional grading scale that they are familiar with from schooling to grade each facility on a list created by the primary investigator with the assistance of Watauga County Parks and Recreation staff. The results are presented below in Tables 4 & 5. Example of the question is presented below.

Using the scale (A=Excellent, B=Good, C=Average, D=Poor and E=Failing), please “grade” the offerings of Watauga County Parks and Recreation.

	A	B	C	D	E	Never used	N/A	Unaware of existence
Watauga Recreation Center	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baseball/softball fields	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tennis courts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pickleball courts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tot Lot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Middle Fork Greenway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Table 4: Grading the present existing facilities highlight in the needs assessment.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>Unaware of</u>	<u>Never used</u>	<u>N/A</u>	<u>Total</u>
Watauga Recreation Center	40%	33%	10%	3%	2%	0%	12%	1%	240
Baseball/softball fields	11%	20%	12%	3%	1%	1%	46%	6%	236
Tennis courts	12%	13%	5%	3%	3%	1%	59%	5%	234
Pickleball courts	17%	13%	5%	1%	1%	1%	58%	4%	233
Tot Lot	16%	26%	23%	5%	2%	1%	25%	3%	232
Middle Fork Greenway	39%	34%	9%	0%	0%	1%	14%	4%	234
Old Cove Creek Gym	3%	13%	16%	9%	3%	5%	45%	5%	232
Howard's Knob Park	8%	24%	18%	6%	1%	1%	33%	8%	233
Brookshire Park/Soc Fields	29%	33%	14%	2%	0%	1%	17%	3%	234
Rocky Knob Mountain Bike	31%	23%	7%	1%	0%	0%	32%	6%	234
Ted Mackorell Soccer Comp	30%	28%	4%	1%	0%	2%	32%	3%	232
River Access - Watauga River	14%	24%	9%	1%	0%	5%	42%	5%	234
River Access - New River	15%	24%	9%	1%	0%	5%	41%	5%	232

Items in Table 4 above show that most respondents are happy with the Watauga County Parks and Recreation present facilities, with the new Watauga Community Recreation Center showing the highest grade, with 40% of respondents giving the center an A grade, followed by the Middle Fork Greenway. The Tot Lot scored the lowest; however, no item scored below average.

Additional items were included in this examination and are presented below.

Table 5: Grade how these existing Parks and Recreation facilities/programs meet your household's or community needs.

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>Unaware</u> <u>of</u>	<u>Never</u> <u>used</u>	<u>N/A</u>	<u>Total</u>
Paved walking/biking trails (not including bike lanes/sidewalks)	29%	42%	17%	7%	2%	0%	2%	0%	224
Unpaved hiking/walking trails	22%	39%	21%	6%	1%	1%	9%	1%	223
Community parks	19%	55%	16%	3%	3%	0%	3%	1%	223
Natural areas/open space	29%	46%	17%	3%	2%	0%	3%	0%	221
Indoor fitness/exercise facilities	25%	32%	15%	2%	3%	0%	20%	2%	220
Indoor gyms (basketball, volleyball, pickleball)	30%	19%	11%	3%	3%	0%	30%	4%	221
Senior center	3%	7%	3%	1%	3%	6%	65%	12%	221
Land use planning	2%	9%	16%	7%	5%	17%	29%	16%	219
Athletic programs for children	7%	27%	15%	7%	4%	1%	33%	7%	221
Athletic programs for adults	2%	19%	14%	5%	5%	3%	49%	4%	221
Public recreation opportunities (don't require membership)	7%	30%	22%	8%	4%	11%	14%	4%	220
Public recreation opportunities (require membership)	10%	29%	12%	5%	3%	7%	28%	7%	221
Safe biking paths	9%	28%	19%	8%	9%	1%	24%	3%	221
Fitness classes	9%	15%	11%	4%	1%	2%	53%	4%	221
Swim lessons	9%	13%	11%	1%	2%	1%	56%	7%	219
Special Olympics	8%	7%	1%	0%	1%	5%	63%	13%	219
Summer camps	4%	13%	8%	3%	1%	3%	58%	10%	220
Senior games	2%	5%	3%	0%	3%	6%	67%	13%	220
Arts and craft workshops	2%	4%	4%	2%	2%	23%	57%	5%	220

Items in Table 5 that stand out are that indoor gym facilities scored the highest, with 30% grading them with an A, and no facility/program on the list received a poor grade amongst those that use the item.

Support from Respondents on Items Picked by PI

Question as presented to respondents.

The following are actions that Watauga County could take to improve the local Watauga Parks and Recreation system.

How supportive are you of _____?

	Very supportive	Somewhat supportive	Unsure	Somewhat unresponsive
Purchase land to preserve open space, natural and historic areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchase land for developing future use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fix-up/repair older park buildings & facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Upgrade existing youth/adult athletic fields, including new lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renovate existing walking/biking trails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Table 6: Support from Respondents on Items Picked by PI (i.e. such as land purchases)

	Very supportive	Somewhat supportive	Unsure	Somewhat unresponsive	Very unresponsive	No opinion	N/A	Total
Purchase land to preserve open space, natural and historic areas	73%	17%	7%	2%	1%	1%	0%	222
Purchase land for developing future use	55%	28%	11%	4%	1%	0%	0%	224
Fix-up/repair older park buildings & facilities	71%	21%	7%	0%	0%	0%	0%	224
Upgrade existing youth/adult athletic fields, including new lighting	48%	30%	11%	5%	1%	4%	0%	223
Renovate existing walking/biking trails	55%	25%	12%	8%	1%	0%	0%	223
Develop new walking/biking trails that connect to existing trails	79%	12%	4%	4%	1%	0%	0%	224
Develop new walking/biking trails in places that aren't nearby existing trails	63%	19%	10%	6%	1%	0%	0%	223
Develop new athletic fields	29%	26%	24%	13%	4%	4%	0%	223
Develop new nature, history & horticulture facilities	42%	32%	13%	9%	3%	1%	0%	222
Develop dog parks facilities (fenced, but no leashes required)	32%	30%	14%	10%	9%	3%	0%	222
Build new spray (water) parks with fountains for use by non-swimmers	42%	22%	16%	12%	5%	3%	0%	222
Expand indoor fitness facilities	42%	20%	22%	7%	4%	4%	0%	223
Expand outdoor fitness facilities	51%	24%	16%	6%	1%	2%	0%	218

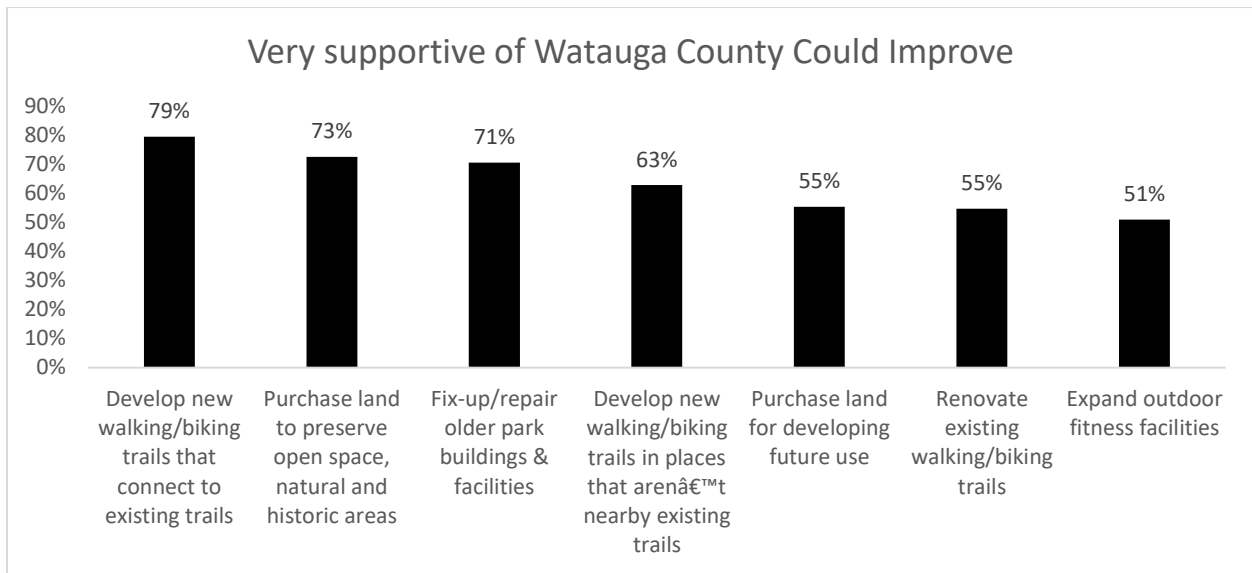


Figure 19: Very supportive of Watauga County Could Improve

The top three items that received the highest support are the development of new walking/biking trails that connect to existing trails (79%), the purchasing of land to preserve open space, natural and historical areas (73%), and fixing-up/repairing older parks buildings & facilities (71%). The top seven items are presented in Figure 19 above.

Specific Filtered Examinations of the Results

Watauga County Residents and Their Support of Watauga County Parks and Recreation Department Actions

An examination of county residents was conducted; all participants with zip codes outside Watauga County, full-time students (non-tax paying), and second homeowners in the county were omitted from the question regarding the support of parks and recreation department actions. It is found that 81% of Watauga County residents are very supportive of developing new trails that connect to existing trails, 73% are very supportive of purchasing land to preserve open space, 71% are very supportive of repairing older park buildings and facilities, 64% are very supportive of developing new trails, 56% are very supportive or purchasing land for future use, 55% are very supportive of renovating existing walking and biking trails, and 51% are very supportive of expanding outdoor fitness facilities. See Figure 20 below to visualize this data.

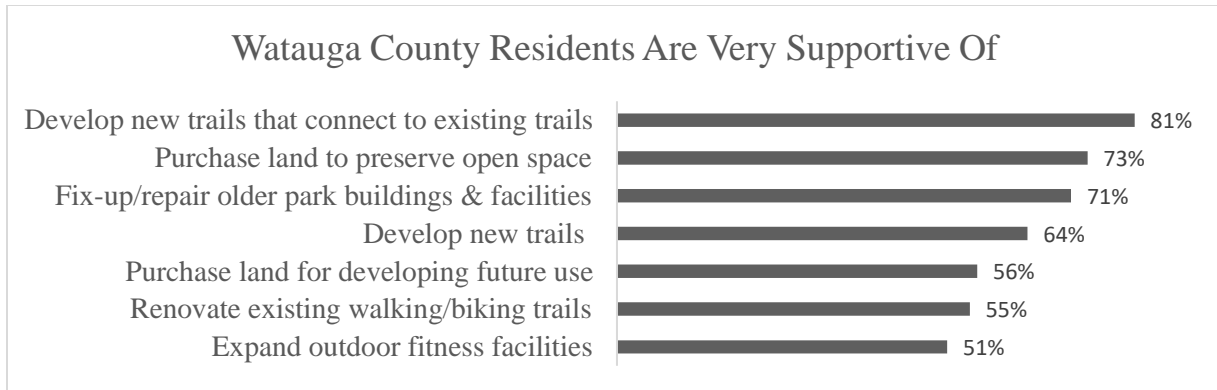


Figure 20: Watauga County Residents Support

Ten percent of Watauga County residents are very unsupportive of developing dog park facilities, 5% are very unsupportive of building new water parks for non-swimmers, and 5% are very unsupportive of expanding indoor fitness facilities. The Figure 20 below visualizes this data.

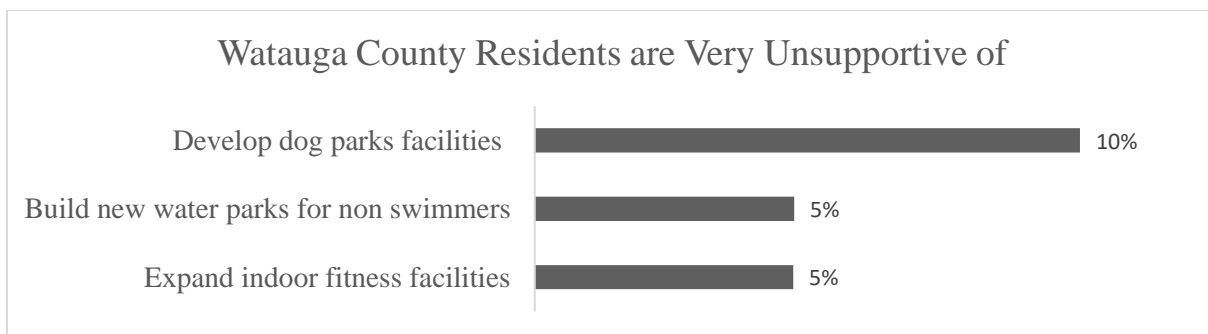


Figure 21: Watauga County Residents Do Not Support

A write-in option where respondents could add what actions they would like the county to take to improve the local parks and recreation system was also provided. The responses are spread through many different variations and ideas. The most common item with 15% of respondents would be the development of a disc golf course, 12% wrote about the expansion of pickleball, 6% wrote about the expansion of the greenway and trail system, 5% wrote about the development of a multi-use indoor sports facility, and 5% reported in the expansion of the parks and recreation system on the western side of the county. Please note there were many responses not listed because of their lack of relevancy. The figure below shows this data.

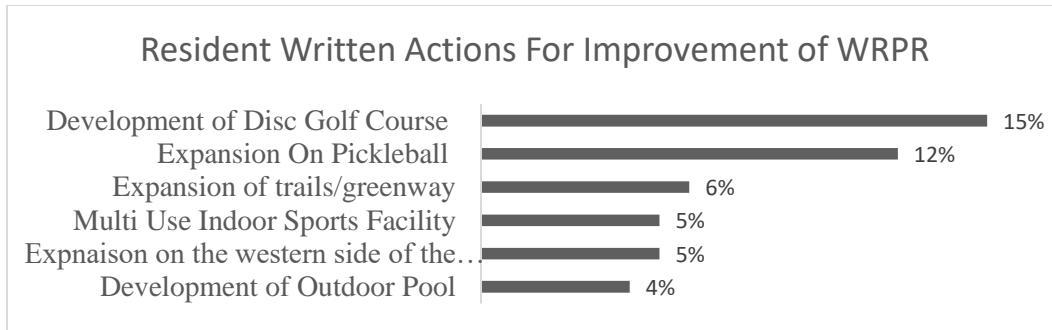


Figure 22: Watauga County Residents Write-in Support

Watauga County Residents with Children K-12 and their support of Watauga County Parks and Recreation Actions

Examination of 101 individuals with children in K-12 on the needs assessment was conducted. All those members who live within the county and have children were included.

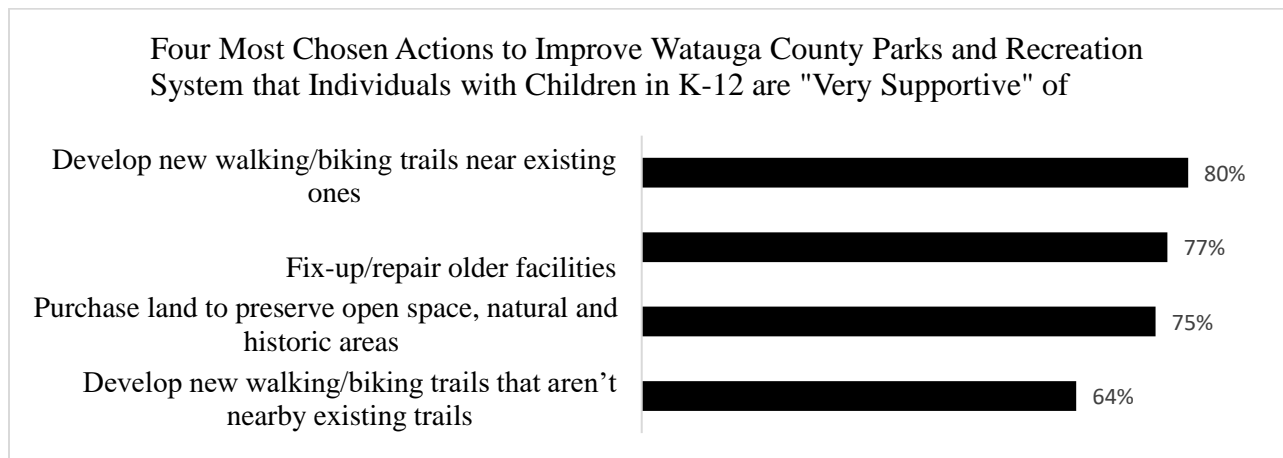


Figure 23: Four Most Chosen Actions to Improve Watauga County Parks and Recreation System that Individuals with Children in K-12 are "Very Supportive" of

Figure 23 depicts the percentages of individuals with children in K-12 who chose the response "Very Supportive" when asked about various potential actions to improve the Watauga County Parks and Recreation system. The top four choices based on the highest percentages are displayed in this graph. The development of new walking/biking trails near existing ones was very supported by 80% of respondents. Repairs being conducted on older facilities were very supported by 77% of respondents. Land purchases that would preserve open space, as well as natural and historic areas, were very supported by 75% of respondents. The development of new trails for walking and biking not near existing trails was very supported by 64% of respondents.

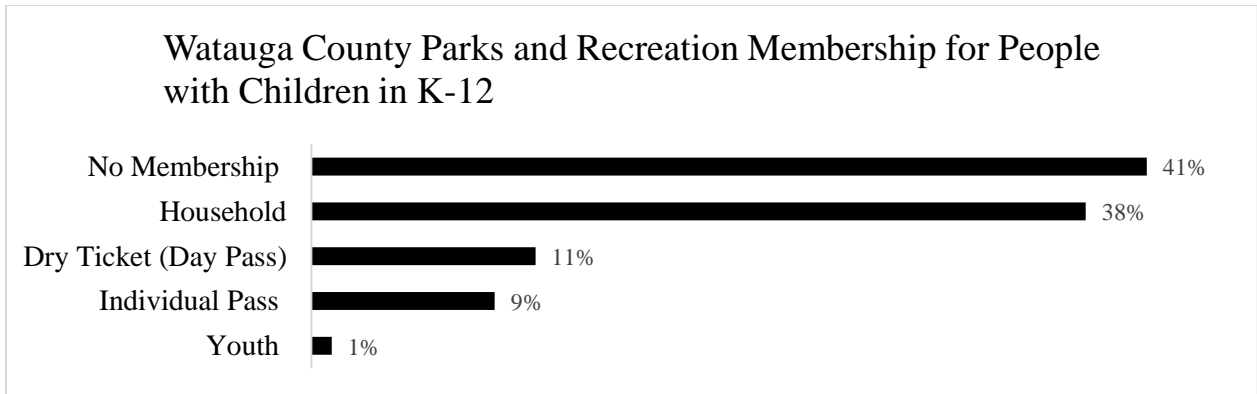


Figure 24: Watauga County Parks and Recreation Membership for People with Children in K-12

Figure 24 depicts the percentage of respondents with children in K-12 who have a membership with Watauga County Parks and Recreation. The most significant response was that 41% have no membership, 38% of respondents have a household membership, 11% have a dry ticket or day pass, 9% have an individual passes, and only 1% have a youth passes.

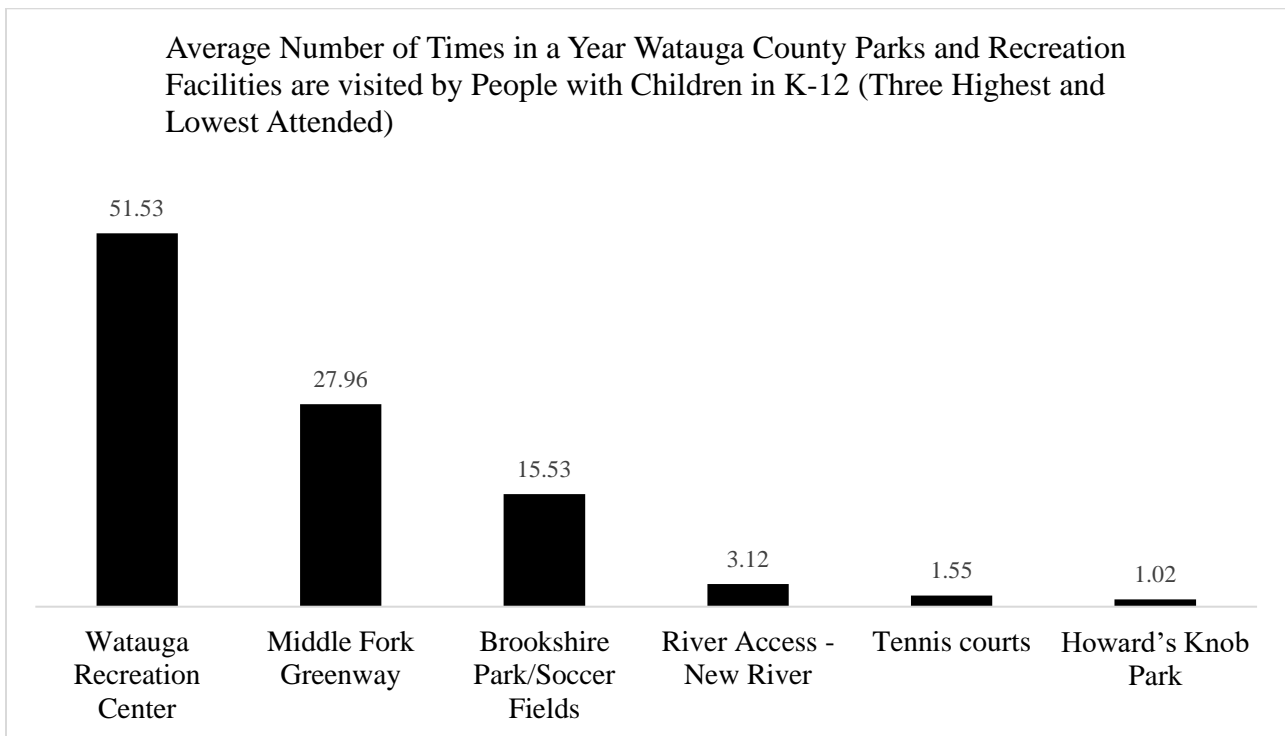


Figure 25: Average Number of Times in the Past Year Watauga County Parks and Recreation Facilities were Visited by People with Children in K-12 (Three Highest and Lowest Attended)

Figure 25 depicts the average number of times individuals with children in K-12 visited various Watauga Parks and Recreation facilities in the past year. The three highest and three lowest average attended facilities are listed in this chart. The most visited facility was the Watauga Recreation Center, which was visited an average of 51.53 days this past year. The Middle Fork Greenway was visited an average of 27.96 days this past year. The Brookshire Park/Soccer fields have been visited an average of 15.53 days this past year. The New River Access has visited an average of 3.12 days this past year. Howard's Knob Park has visited an average of 1.02 days this past year.

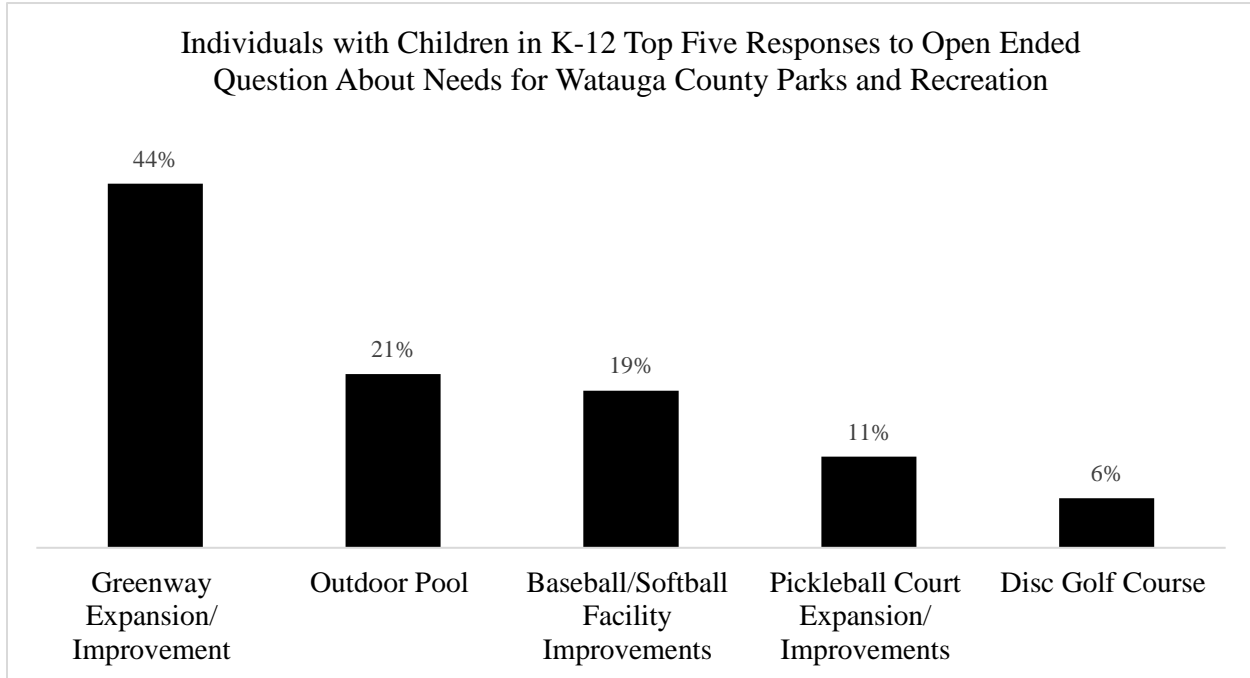


Figure 26: Individuals with Children in K-12 Responses to Open Ended Question About Needs for Watauga County Parks and Recreation

Figure 26 depicts open-ended responses of individuals with children in K-12 regarding the facility needs of Watauga County Parks and Recreation. Greenway expansion and improvement were mentioned in 44% of responses. The construction of an outdoor pool was mentioned in 21% of responses. Baseball and softball facility improvements were mentioned in 19% of responses. Pickleball court expansions and improvements were mentioned in 11% of responses. The construction of a disc golf course was suggested by 6% of respondents.

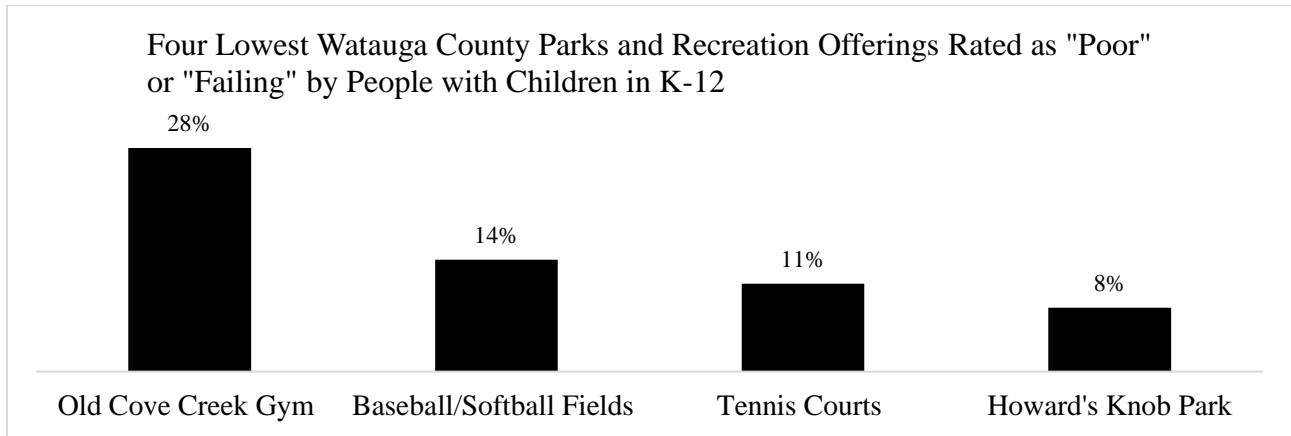


Figure 27: Four Lowest Watauga County Parks and Recreation Offerings Rated as “Poor” of “Failing” by People with Children in K-12

Figure 27 shows the bottom four ratings by individuals with children in K-12 of Watauga County Parks and Recreation offerings. Howard’s Knob Park received 8% of ratings as “poor” or “failing.” Tennis courts received 11% of ratings as “poor” or “failing.” Baseball/softball fields received 14% of ratings as “poor” or “failing.” Old Cove Creek Gym received 28% of ratings as “poor” or “failing.”

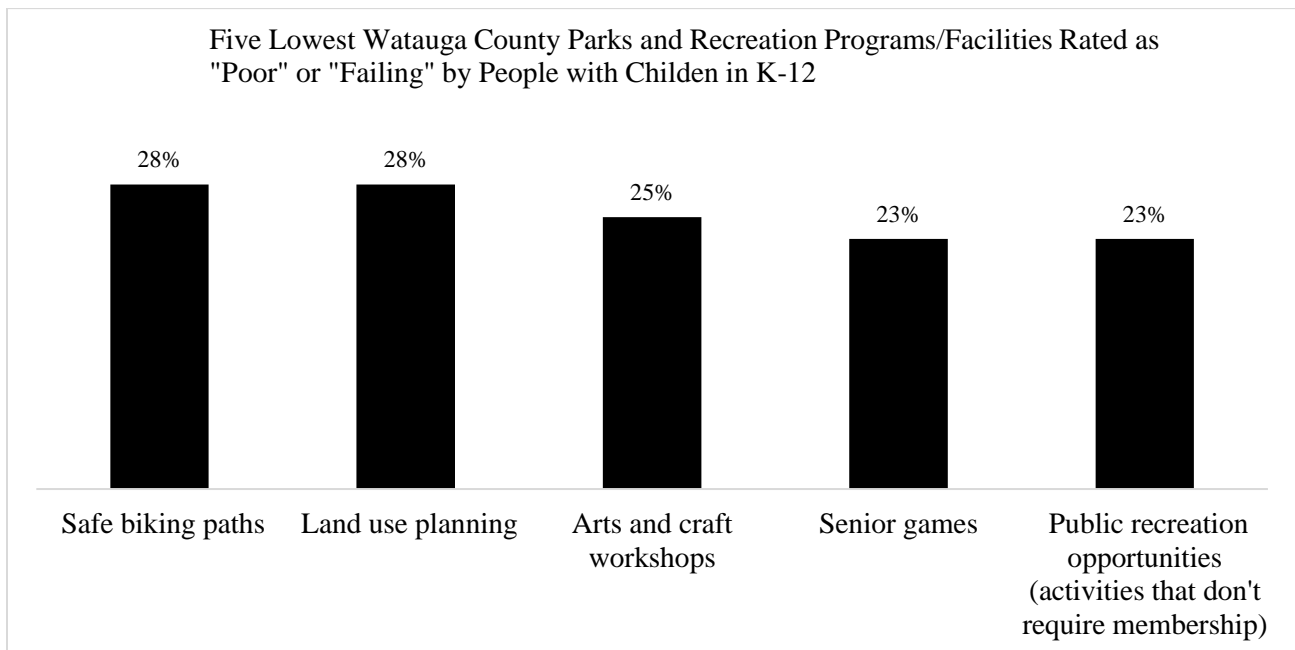


Figure 28: Five Lowest Watauga County Parks and Recreation Programs/Facilities Rated as “Poor” of “Failing” by People with Children in K-12

Figure 28 shows the bottom five ratings by individuals with children in K-12 of Watauga County Parks and Recreation programs/facilities. Public recreation opportunities that don’t require a membership received 23% of ratings as “poor” or “failing.” Senior games received 23% of

ratings as “poor” or “failing.” Arts and craft workshops received 25% of ratings as “poor” or “failing.” Safe biking paths received 28% of ratings as “poor” or “failing.” Land use planning received 28% of ratings as “poor” or “failing.”

Female Identifying Watauga County Residents

An inquiry was conducted to examine female-identifying Watauga County residents, and their population may be underserved. Figure 29 below shows the most poorly rated parks and facilities by respondents who identify as female. Women respondents comprise 47% of the total population or respondents (n=127). These included the Tot Lot (1.7), Recreation Center (1.6), Brookshire Park/Soccer Fields (1.4), Howard’s Knob Park (1.4), Middle Fork Greenway (1.3), and Old Cove Creek Gym (1.2). These results show that female-identifying individuals are dissatisfied with the same offerings as the population.

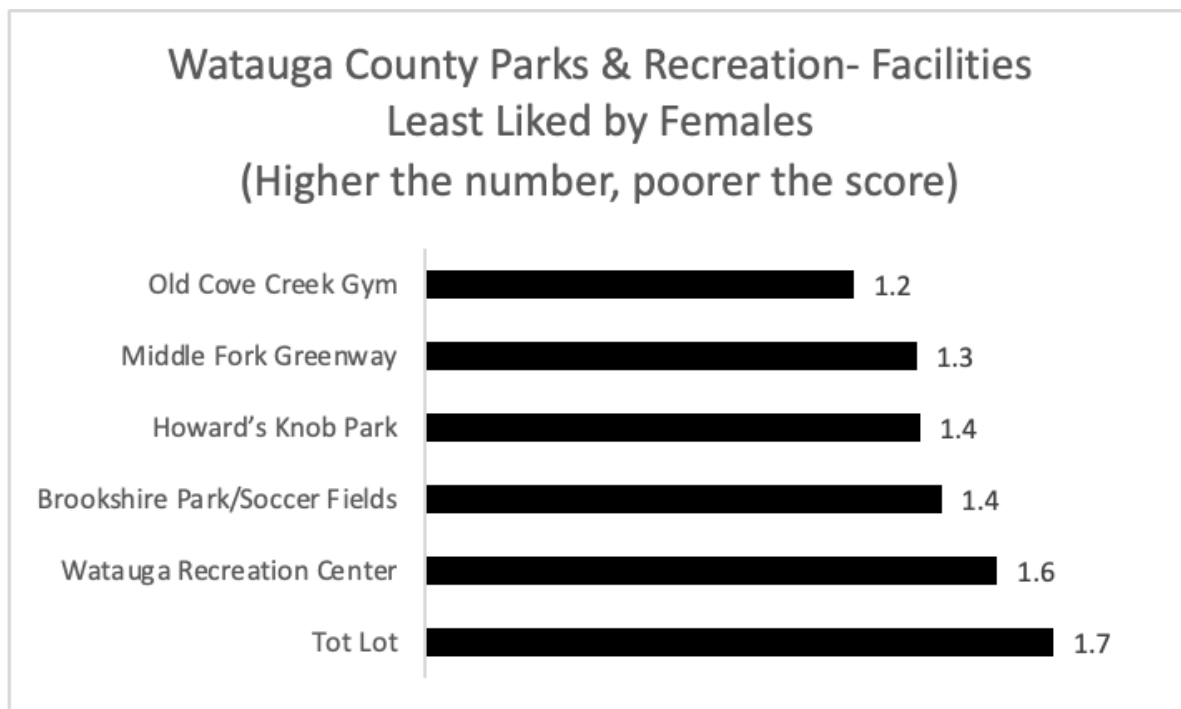


Figure 29: Examination of the Female Identifying Least Liked Facilities Offered

Figure 30 below demonstrates the most needed facilities according to female identifying respondents. The top choices were greenway expansion/upgrades (49%), outdoor pool/indoor pool upgrades (17%), pickleball (14%), and tennis (4%).

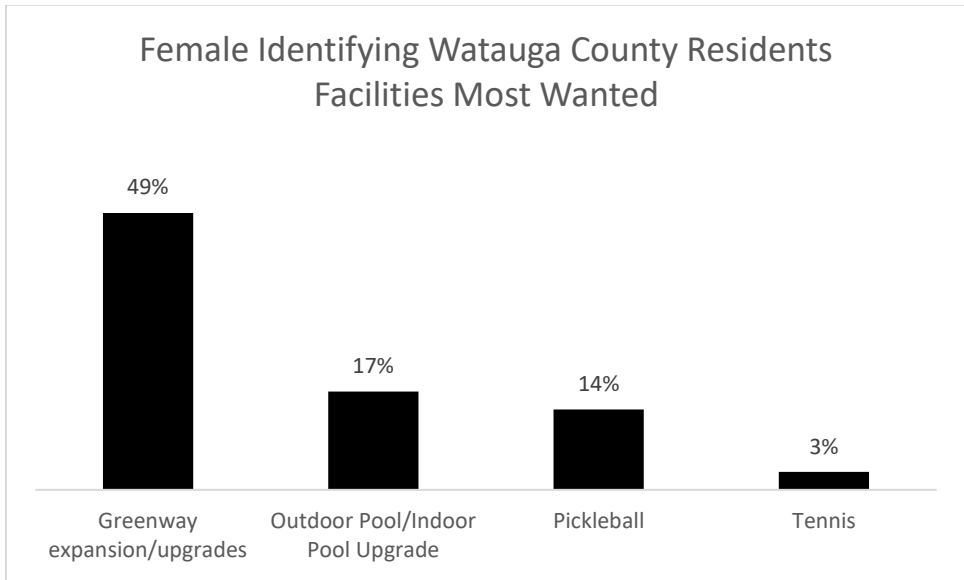


Figure 30: Female Identifying Watauga County Residents Facilities Most Wanted.

These results show that the Female identifying respondents are consistent with the total population in thinking that the greenway expansion/upgrades and outdoor pool/indoor pool upgrades are the top two most needed facilities. However, the females differ from the total population on the 3rd and 4th most facilities required. Women respondents believe pickleball and tennis are most needed; whereas, the total population believes disc golf and sports fields are most needed.

The percentages of female identifying respondents that mentioned these programs in their top two choices are as follows: youth sports/programs (34%), adult sports/programs (8%), groups/clubs (8%), and senior programs (6%). Figure 31 below demonstrates these percentages.

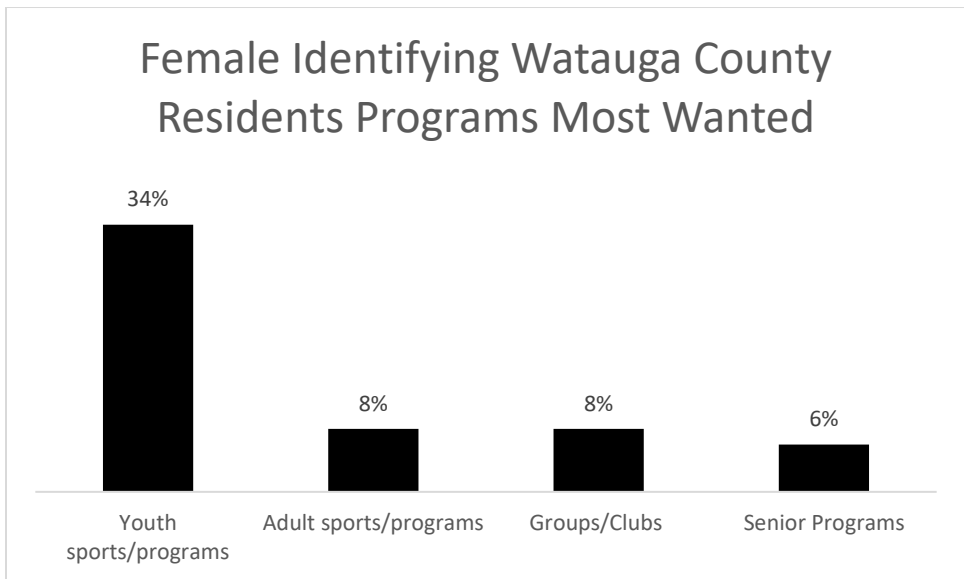


Figure 31: Female Identifying Watauga County Residents Programs Most Wanted.

These results show that the female identifying respondents are consistent with the population in thinking that youth sports/programs and adult sports/programs are the top two most needed programs. However, the females differ from the total population on the 3rd and 4th most needed programs. Women respondents believe groups/clubs and senior programs are most required, whereas the total population believes classes and groups/clubs are the most needed.

Figure 32 below shows the actions for improvement that are strongly supported by female identifying respondents. These actions include developing new walking/biking trails that connect to existing trails (68%), fix-up/repairing older park buildings and facilities (68%) and purchasing land to preserve open space and natural and historical areas (72%).

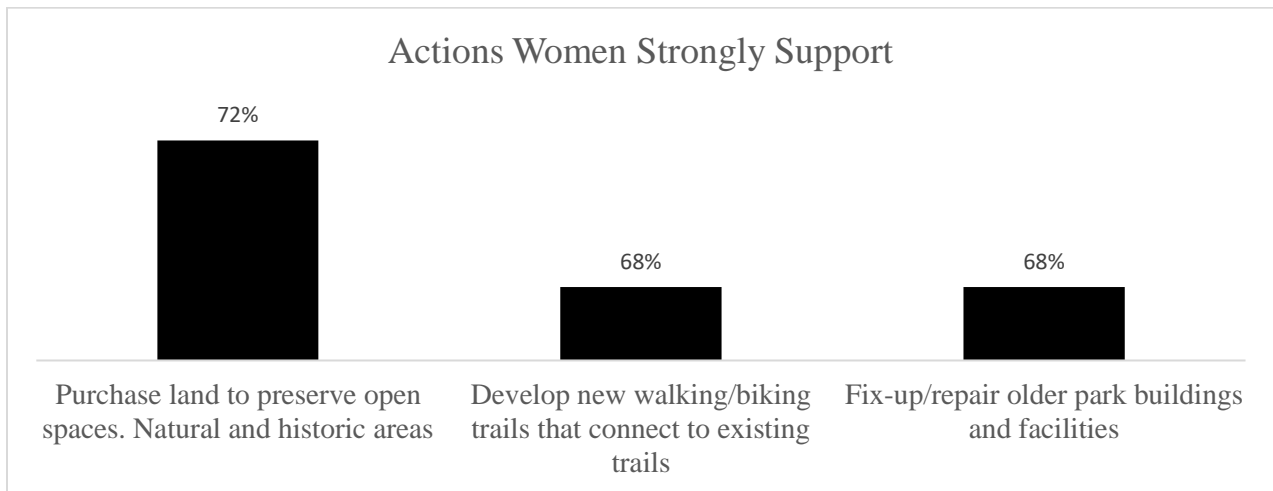


Figure 32: Actions Strongly Supported by Female

These results show that the women respondents are consistent with the total population in strongly supporting the top three actions for improvement: develop new walking/biking trails that connect to existing trails, fix up/repair older park buildings and facilities, and purchase land to preserve open space, natural and historic areas. However, the top three actions for improvement are the only ones strongly supported by women-identifying respondents. When looking at the total population, they strongly support several other actions for improvement: develop new walking/biking trails in places that aren't nearby existing trails, purchase land for developing future use, upgrade existing youth/adult athletic fields, including new lighting, and expand outdoor fitness facilities. The women-identifying respondents are not as supportive of these actions.

Watauga County Parks and Recreation Facility Usage

Examination of usage by respondents can be difficult for certain areas where staffing is limited; as such, participants were asked of their usage of each site below. The average is presented in Table 6 below.

Table 6: Watauga County Facility Usage Examination

Approximately how many times have you visited each Watauga County Parks and Recreation facility in the last year?		
	Average	Total reported use
Middle Fork Greenway	83	16344
Tot Lot	66	11814
Watauga Recreation Center	44	9194
Brookshire Park/ Soccer Field	16	2982
Ted Mackorell Soccer Complex	13	2164
Complex Ballfield	13	2111
Rocky Knob Mountain Bike Park	12	1992
Pickleball court	8	1272
River Access - Watauga	6	918
River Access - New River	5	798
Old Cove Creek Gym/Conference Center	4	609
Howard's Knob Park	2	339
Tennis court	1	226

Appendices

Survey does not come clean from Qualtrics see link for cleaner version. This survey is copywritten and is the solo propriety of Rec8er LLC and Erik Rabinowitz © without written permission is prohibited. https://appstate.az1.qualtrics.com/jfe/form/SV_etDY2ssQnO7L72C

The Watauga County Parks & Recreation Department is interested in knowing what needs best fit the residents of Watauga County. As such, your input is sought and needed for the county to apply for grant funds. The entire process is designed to take no more than 10 minutes. Your participation is voluntary and you may withdraw from the needs assessment at any time without penalty or loss of benefit. No names will be used and individual responses will be maintained in confidence.

As a thank you for your time, we will enter your completed needs assessment into a drawing for one of seven gas cards valued at \$20 each to be given away at the conclusion of the survey period. Feel free to forward the needs assessment link to others that you feel would be interested. This will close on February, 28, 2022.

Thank you for your time and consideration!

- Yes, I would like to continue the needs assessment
- No, I would not like to continue the needs assessment

Part one:

List any facilities that you think Watauga County Parks and Recreation needs (i.e. Greenway expansion).

Part two:

You are given \$100 to spend. Assign how much of this \$100 would you spend on each suggested facility.

	Part 1	Part
2		
1st item suggested:	<input style="width: 280px; height: 40px;" type="text"/>	0 <input style="width: 60px; height: 30px;" type="text"/>
2nd item suggested:	<input style="width: 290px; height: 40px;" type="text"/>	0 <input style="width: 60px; height: 30px;" type="text"/>
3rd item suggested:	<input style="width: 280px; height: 40px;" type="text"/>	0 <input style="width: 60px; height: 30px;" type="text"/>
4th item suggested:	<input style="width: 280px; height: 40px;" type="text"/>	0 <input style="width: 60px; height: 30px;" type="text"/>
5th item suggested:	<input style="width: 280px; height: 40px;" type="text"/>	0 <input style="width: 60px; height: 30px;" type="text"/>
Total		0 <input style="width: 60px; height: 30px;" type="text"/>

Part one:

List any program(s) that you think Watauga County Parks and Recreation needs (i.e. youth sports).

Part two:

You are given \$100 to spend. Assign how much of this \$100 would you spend on each suggested program.

Part 1

Part 2

1st item suggested:	<input type="text"/>	<input type="text" value="0"/>
2nd item suggested:	<input type="text"/>	<input type="text" value="0"/>
3rd item suggested:	<input type="text"/>	<input type="text" value="0"/>
4th item suggested:	<input type="text"/>	<input type="text" value="0"/>
5th item suggested:	<input type="text"/>	<input type="text" value="0"/>
Total		<input type="text" value="0"/>

Approximately how many times have you visited each Watauga County Parks and Recreation facility in the last year?

Watauga Recreation Center

Complex Ballfields

Tennis courts

Pickleball courts

Tot Lot

Middle Fork Greenway

Old Cove Creek Gym/Conference Center

Howard's Knob Park

Brookshire Park/Soccer Fields

Rocky Knob Mountain Bike Park

Ted Mackorell Soccer Complex

River Access - Watauga

River Access - New River



Using the scale (A=Excellent, B=Good, C=Average, D=Poor and E=Failing), please “grade” the offerings of Watauga County Parks and Recreation.

	A	B	C	D	E	Never used	N/A	Unaware of existence
Watauga Recreation Center	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Baseball/softball fields	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tennis courts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pickleball courts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tot Lot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Middle Fork Greenway	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Old Cove Creek Gym	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Howard's Knob Park	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brookshire Park/Soccer Fields	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rocky Knob Mountain Bike Park	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ted Mackorell Soccer Complex	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
River Access - Watauga River	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A B C D Never
 E used N/A

River Access - New River

Using the scale (A=Excellent, B=Good, C=Average, D=Poor and E=Failing), please “grade” how these existing Watauga County Parks and Recreation facilities/programs meet your household’s or community needs.

Unaw
 of
 existe

A B C D E Never
 used N/A

Paved walking/biking trails (not including bike lanes or sidewalks)

Unpaved hiking/walking trails

Community

parks

Natural

areas/open space

Indoor

fitness/exercise facilities

Indoor

gyms (basketball, volleyball, pickleball)

Senior

center

Land

use planning

Athletic

programs for children

Athletic

programs for adults

Public recreation opportunities (activities that don't require membership)

	A	B	C	D	E	Never used	N/A	of existence
Public recreation opportunities (activities that do require membership)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	C
Safe biking paths	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fitness
classes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Swim
lessons	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Special
Olympics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Summer
camp	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Senior
games	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Arts
and craft workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	C

The following are actions that Watauga County could take to improve the local Watauga Parks and Recreation system.

How supportive are you of _____?

	Very supportive	Somewhat supportive	Unsure	Somewhat unsupportive
Purchase land to preserve open space, natural and historic areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchase land for developing future use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fix-up/repair older park buildings & facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Very supportive	Somewhat supportive	Unsure	Somewhat unsupportive
Upgrade existing youth/adult athletic fields, including new lighting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Renovate existing walking/biking trails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop new walking/biking trails that connect to existing trails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop new walking/biking trails in places that aren't nearby existing trails	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop new athletic fields	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop new nature, history & horticulture facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Develop dog parks facilities (fenced, but no leashes required)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Build new spray (water) parks with fountains for use by non-swimmers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expand indoor fitness facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expand outdoor fitness facilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you currently hold a membership for Watauga County Parks and Recreation?

If yes, select which membership you hold.

I do not currently hold a membership for Watauga County Parks and Recreation.

Individual

Household

Senior

Youth

Dry ticket (day pass) if yes, approximately how many times per year?

Which of the following best describes you? Select all that apply:

Black or African American

Native American, American Indian,
 Alaskan Native, Indigenous or First Nation

White or Caucasian

Asian (Including Southeast Asian, South Asian, East Asian)

Hispanic, Latina/o/x/e, or

Arab or Middle Eastern

Chicana/o/x/e

Carribbean

Prefer not to say

Native Hawaiian or other Pacific

Other race, ethnicity, or origin:

Islander

Please indicate your highest level of education:

- | | |
|---|---|
| <input type="radio"/> Some high school | <input type="radio"/> Bachelor's degree |
| <input type="radio"/> High school graduate | <input type="radio"/> Master's degree |
| <input type="radio"/> Associate degree | <input type="radio"/> Doctorate degree |
| <input type="radio"/> Professional/trade degree | <input type="radio"/> Other |
| <input type="radio"/> | <input type="text"/> |

What is your affiliation with the Watauga County area? Please read these responses carefully and check all that apply:

- | | |
|---|---|
| <input type="checkbox"/> I currently live in Watauga County. | <input type="checkbox"/> I am a business owner in Watauga County. |
| <input type="checkbox"/> I am a full-time student. | <input type="checkbox"/> I work full-time in Watauga County. <input type="checkbox"/> I was born in Watauga County. |
| <input type="checkbox"/> I have lived in Watauga County for more than ten years. | <input type="checkbox"/> <input type="checkbox"/> I work part-time in Watauga County. |
| <input type="checkbox"/> I have returned to live in Watauga County after moving away. | <input type="checkbox"/> I am an active volunteer in Watauga County. |
| <input type="checkbox"/> My primary home is in Watauga County. <input type="checkbox"/> | <input type="checkbox"/> I have retired to Watauga County. |
| <input type="checkbox"/> I have a second home in Watauga County. | <input type="checkbox"/> I (or my family and I) moved to <input type="checkbox"/> Watauga County for work/professional reasons. |
| | <input type="checkbox"/> I am at least the second generation in my family to live in Watauga County. |

I have children in the K-12 school system in Watauga County.

My parents live in Watauga County.

My child attends college in Watauga County.

Where is your permanent residence?

What is your zipcode?

How long have you lived in Watauga County? Please reply in whole years. If you lived in Watauga County prior and moved back, please provide total number of years.

If you are a second home owner, how many months out of the year do you call Watauga County home?

Please answer the following questions for each member of your household. If you have less members than provided spaces, leave them blank.

Age

Gender Identity

Yourself

	Age	Gender Identity
2nd household member	<input type="text"/>	<input type="text"/>
3rd household member	<input type="text"/>	<input type="text"/>
4th household member	<input type="text"/>	<input type="text"/>
5th household member	<input type="text"/>	<input type="text"/>
6th household member	<input type="text"/>	<input type="text"/>

Are you interested in attending one of the two public forums that will discuss the future of Watauga County Parks and Recreation?

- No, I am not interested in attending one of the public forums.
- Yes, I am interested in attending one of the public forums. I will include my email address below (Note: This response will not be included with your other responses above).

Are you interested in entering to win one of the seven gas cards valued at \$20 each?

- No, I am not interested in entering to win.

- Yes, I am interested in entering to win. I will include my email address below
(Note: This response will not be included with your other responses above).

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AGENDA ITEM 13:

MISCELLANEOUS ADMINISTRATIVE MATTERS

A. Draft Agenda for the Annual Pre-Budget Retreat

MANAGER’S COMMENTS:

A draft agenda for the Annual Retreat Scheduled for February 29 and March 1st is included in your packets. Staff may add or remove items prior to your meeting. Should there be an issue you would like to add please contact me so I may incorporate into the agenda.

TENTATIVE RETREAT AGENDA
WATAUGA COUNTY BOARD OF COMMISSIONERS
COMMUNITY ROOM
WATAUGA COUNTY COMMUNITY RECREATION CENTER, BOONE, NC
FEBRUARY 29 & MARCH 1, 2024

TIME	TOPIC	PRESENTER	PAGE
THURSDAY, FEBRUARY 29, 2024			
12:00 PM	OPENING REMARKS AND LUNCH	MR. DERON GEOUQUE	
1:30 PM	FY 2024 REVIEW AND DISCUSSION OF FY 2025 BUDGET	MS. MISTY WATSON	
	A. Revenues		
	B. Expenditures		
	C. Debt Service Report		
	D. Budget Calendar		
	E. Special Appropriations		
1:45 PM	REVIEW OF CURRENT CAPITAL IMPROVEMENT PLAN (CIP)	MR. DERON GEOUQUE & MR. ROBERT MARSH	
	A. Current CIP Status Report		
	B. Valle Crucis Elementary School		
	C. County Facilities Assessment Update		
	D. Courthouse Parking Deck		
	E. Roof Repairs Update		
	1. Human Services		
	2. Law Enforcement		
	F. ARPA Projects/Funding		
	1. Broadband	\$7,750,000	
	2. Kill/Chill Water/Sewer	\$500,000	DR. JIM HAMILTON
	G. 911/Medic/Emergency Services Facility		
	H. Human Services Renovation		
	I. Brookshire Work Force Housing		
	J. Library	MR. BILL DIXON	
	K. School Facilities		
3:45 PM	BREAK		
4:00 PM	SANITATION FACILITY UPGRADES	MR. REX BUCK	
4:15 PM	TAX MATTERS – 2027 REVALUATION	MR. LARRY WARREN	
4:30 PM	ECONOMIC DEVELOPMENT MATTERS		
	A. Workforce Housing	MR. JOE FURMAN	
	B. Economic Development Commission (EDC) Update	MR. JOE FURMAN	
	C. Early Childhood Education & Development Fund	MR. DAVID JACKSON	
5:00 PM	WATAUGA COUNTY COMPREHENSIVE PLAN	MR. JASON WALKER	
5:15 PM	WATAUGA MEDICS	MR. CRAIG SULLIVAN	
	A. Annual Report		
	B. Future Needs		
5:30 PM	COUNTY MANAGER'S SUMMARY	MR. DERON GEOUQUE	
6:00 PM	RECESS UNTIL FRIDAY, MARCH 1, 2024 AT 9:00 AM		

FRIDAY, MARCH 1, 2024

8:30 AM **BREAKFAST**

9:00 AM **MIDDLE FORK GREENWAY UPDATE**

MS. WENDY PATOPRSTY

9:15 AM **WATAUGA TDA**

MR. MATT VINCENT

MR. WRIGHT TILLEY

9:30 AM **APPALACHIAN DISTRICT HEALTH**

MS. JENNIFER GREENE

A. District Matters

B. Opioid Plan

10:00 AM **CALDWELL COMMUNITY COLLEGE & TECHNICAL INSTITUTE**

DR. MARK POARCH

10:30 AM **SCHOOL BOARD FUNDING ISSUES**

DR. LESLIE ALEXANDER &

A. FY 2025 Funding Needs

SCHOOL BOARD MEMBERS

B. Schools' Capital Improvement Plan

11:30 AM **PUBLIC SAFETY AND EMERGENCY COMMUNICATIONS MATTERS**

MR. WILL HOLT

A. EMS Updates

B. Communications Updates

C. Fire Department Contracts

11:45 AM **MISCELLANEOUS & COMMISSIONER MATTERS**

MR. DERON GEOUQUE

A. State Issues

B. Commissioner Matters

11:55 AM **WRAP UP, GOALS & OBJECTIVES, BOARD DIRECTIVES**

12:00 PM **ADJOURN**

AGENDA ITEM 13:

MISCELLANEOUS ADMINISTRATIVE MATTERS

B. Announcements

MANAGER’S COMMENTS:

The Annual Pre-Budget Retreat is scheduled for Thursday, February 29, beginning at 12:00 P.M. and reconvening on Friday, March 1, 2024, at 9:00 A.M.

AGENDA ITEM 14:

BREAK

AGENDA ITEM 15:

CLOSED SESSION

Attorney/Client Matters – G. S. 143-318.11(a)(3)