REVIEWED by LGC Staff at 2:30 PM, Wednesday, October 28, 2026

GRAHAM COUNTY,
NORTH CAROLINA

Financial Statements and Supplementary Information

For the Fiscal Year Ended June 30, 2025

RH CPAs PLLC
Accounting • Tax • Advisory

GRAHAM COUNTY, NORTH CAROLINA
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FINANCIAL SECTION

Independent Auditors' Report

To the Board of County Commissioners
Graham County, North Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Graham County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Graham County as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Graham 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that , individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Graham 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 Graham 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 12, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions, and the Law Enforcement Officer's Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Graham County, North Carolina basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, and the accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) as required by *Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, the budgetary schedules, other schedules, and the SEFSA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 20, 2026 on our consideration of Graham 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

RH CPAs, PLLC

Greensboro, North Carolina
October 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Graham County, we offer readers of Graham County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

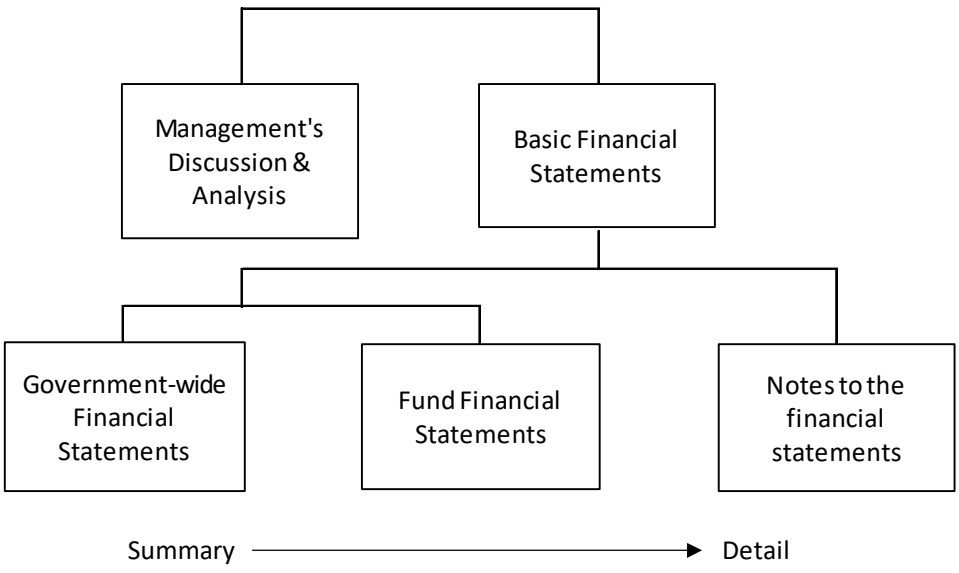
Financial Highlights

- The assets and deferred outflows of resources of Graham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $21,625,852 (net position).
- The government's total net position decreased by $956,572.
- As of the close of the current fiscal year, Graham County's governmental funds reported combined ending fund balances of $11,846,368, after a net decrease in fund balance of $579,700. Approximately 84% of this total amount, or $9,930,200, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the consolidated General fund was $1,160,115, or 25% of total General Fund expenditures and transfers.
- Graham County's total debt increased by $71,622 during the current fiscal year.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to Graham 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 (see Figure 1). The basic financial statements present two different views of the County 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 Graham County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 & 2) 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 3-7) are **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 three parts to the Fund Financial Statements: 1) the government fund statements; 2) the budgetary comparison statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the **Notes**, is the required S**upplemental Information** to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also 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 on the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities, and 2) component units. The governmental activities include most of the County's basic services such as general government, public safety, human services, cultural and recreational, economic and physical development, and education. Property taxes, local option sales taxes and state grant funds finance most of these activities.

The County had two discretely presented component units: the Graham County Travel and Tourism Authority and the Graham County Rural Development Authority.

The Graham County Travel and Tourism (T&T) was created to promote and develop travel and tourism in the area of Graham County. T&T is governed by a seven-member board which is appointed by the Graham County Board of Commissioners.

The Graham County Rural Development Authority (RDA) was created to 1) develop recreational facilities, 2) develop agricultural and forestry related processing and marketing facilities operated for public use, 3) install, improve, or maintain facilities contributing to economic development or conservation of natural resources, and 4) provide safe and sanitary low-cost housing. RDA is governed by a seven-member board which is appointed by the Graham County Board of Commissioners.

The government-wide financial statements are in Exhibits 1 and 2 of this report.

Fund Financial Statements

The Fund Financial Statements (see Figure 1) 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. Graham County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the funds of the County can be divided into two categories: governmental 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 basic services 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 provides a current financial focus. 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 government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to 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 four columns: 1) the original budget as adopted by the Board; 2) the final budget amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Fiduciary Funds – Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. The County has three fiduciary funds, all of which are custodial 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 begin on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the enhanced accounting and financial reporting related to pensions for governments. Required supplementary information can be found on pages 73 to 78 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $21,625,852 as of June 30, 2025. The County's net position decreased by $956,572 for the fiscal year ended June 30, 2025. One of the largest portions $12,606,902 (58%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The County uses these capital 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 related 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. An additional portion of the County's net position $2,594,896 (12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $6,424,054 (30%) is unrestricted.

Graham County, North Carolina's Net Position
Figure 2

	Governmental Activities	
	2025	2024 (As Restated)
Current and other assets	$ 19,254,791	$ 19,845,879
Capital assets	16,586,547	16,703,096
Other non-current assets	211,432	184,627
Total assets	36,052,770	36,733,602
Deferred outflows of resources	3,523,248	3,922,527
Long term-liabilities outstanding	10,115,938	10,082,891
Other liabilities	7,517,929	7,501,347
Total liabilities	17,633,867	17,584,238
Deferred inflows of resources	316,299	489,467
Net Position:		
Net investment in capital assets	12,606,902	12,297,057
Restricted	2,594,896	2,549,815
Unrestricted	6,424,054	7,735,552
Total net position	$ 21,625,852	$ 22,582,424

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.88%. The collection percentage decreased slightly in the current fiscal year from 97.19% in the previous fiscal year.

- The County has maintained stricter policies on spending and implemented cost savings measures which have resulted in decreases in overall expenditure.

Graham County, North Carolina's Changes in Net Position
Figure 3

	Governmental Activities	
	2025	2024 (As Restated)
Revenues		
Program Revenues		
Charges for Services	$ 2,818,565	$ 2,591,265
Operating grants and contributions	5,000,294	5,904,858
Capital grants and contributions	1,096,073	2,867,111
General revenues:		
Property taxes	10,082,584	9,855,923
Other taxes	3,805,983	3,826,269
Grants and contributions not restricted to specific programs	983,686	1,016,891
Proceeds from disposal of capital assets	1,800	-
Investment earnings, unrestricted	591,845	571,487
Other	64,102	50,359
Total revenues	24,444,932	26,684,163
Expenses		
General Government	4,332,425	5,306,117
Public Safety	9,287,146	8,827,543
Economic and Physical Development	952,687	675,823
Human Services	6,943,961	7,665,189
Cultural and Recreation	999,657	804,250
Education	2,577,360	2,248,938
Special appropriations	178,195	150,450
Interest on Long-Term Debt	136,799	156,993
Total expenses	25,408,230	25,835,303
Increase (decrease) in net position before transfers and special items	(963,298)	848,860
Tranfers from component units	6,726	-
Increase (decrease) in net position	(956,572)	848,860
Net position, beginning, previously reported	22,397,797	21,733,564
Restatement	184,627	-
Net position, beginning, restated	22,582,424	21,733,564
Net position, ending	$ 21,625,852	$ 22,582,424

Governmental Activities. Governmental activities decreased the County's net position by $956,572. Key elements of this decrease are as follows:

- Decreases in operating and capital grants and contributions.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Graham 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 County's fund balance available in the general fund was $4,700,580 while total fund balance reached $11,846,368. The Graham County Board of Commissioners has determined that the County should maintain an available fund balance of 8% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flows needs of the County. The County currently has an unassigned fund balance of 5% of general fund expenditures and transfers, while the total fund balance represents 8% of the same amount.

At June 30, 2025, the governmental funds of the County reported a combined fund balance of $11,846,368, a $579,700 decrease from last year.

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 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 overall revenues by $1,120,312.

Capital Asset and Debt Administration

Capital Assets. Graham County's investments in capital assets for its governmental activities as of June 30, 2025 totaled $12,606,902 (net of accumulated depreciation). These assets include land, construction in progress, equipment, furniture and fixtures, and vehicles and motorized equipment.

Major capital asset transactions during the fiscal year included:

- Purchased a 2025 Avid Rogue 20CC Emergency Management Boat - $45,426
- Purchased a 2023 Ford Ambulance - $281,400
- Finalized purchase of Dodge Ram Ambulance Remount - $172,258
- Paid for a Ford 450 Ambulance Remount Deposit - $77,240

Graham County, North Carolina's Capital Assets
(Net of Depreciation)
Figure 4

Governmental Activities:	2025	2024
Land	$ 2,364,645	$ 2,370,145
Construction in progress	1,331,476	1,331,476
Buildings	9,247,859	9,599,136
Other improvements	859,723	936,834
Equipment, furniture, and fixtures	773,308	1,014,416
Vehicles and motorized equipment	1,804,883	1,147,470
Lease assets	98,120	153,794
Subscription assets	106,533	149,825
Total	$ 16,586,547	$ 16,703,096

Construction Commitments. The government has active construction projects as of June 30, 2025. The projects include school construction, the NC Neighborhood project, and the Public Building project. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Senior Center Expansion	$ 311,286	$ -
Public Building Capital Projects Fund	780,969	-
Justice Center Capital Project Fund	438,300	4,736,700
Total	$ 1,530,555	$ 4,736,700

Additional information on the County's capital assets can be found in Note 2 of this audited financial report.

Long-Term Obligations. Debt totals include general obligation bonds, direct placement installation purchases, and leases. As of June 30, 2025, the County had total debt outstanding of $10,688,577. The entire debt is backed by the full faith and credit of the County. Compensated absences and unpaid pension are included in the total long-term obligations.

Graham County, North Carolina's Long-Term Obligations
Figure 5

Governmental Activities:	2025	2024
Leases	$ 99,764	$ 154,870
Direct placement installment purchases	3,768,295	4,096,792
IT subscription liabilities	111,586	154,377
Total debt outstanding	3,979,645	4,406,039
Compensated absences	496,638	538,351
Net pension liability (LGERS)	6,065,706	5,555,181
Total pension liability (LEOSSA)	146,588	117,384
Total long-term liabilities	$ 10,688,577	$ 10,616,955

Graham County's total debt increased by $71,622 (1%) during the current fiscal year. The primary factor in the net increase in debt was due to the increase in net pension liability (LGERS) from the prior fiscal year.

The State of North Carolina limits the amount of general obligation debt that a unit government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Graham County is $117,702,297.

Additional information regarding Graham County's long-term debt can be found in Note 2 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

Key Economic Factors (June 30, 2025)

- County Tier Designation: Classified by the NC Department of Commerce as a Tier One county, meaning it ranked among the 40 most economically distressed counties in the state, making it eligible for targeted state infrastructure and development grants.
- Income & Labor Market: The county featured a median household income of roughly $30,191 to $51,841—falling well below the statewide average—while experiencing a relatively low unemployment rate of around 3.5%.
- Tourism Economy: Tourism and recreation serve as the primary drivers of small business growth, revenue, and local tax base. Attractions like the Tail of the Dragon and surrounding southern Appalachian assets fuel significant daytrips and overnight visitation.
- Broadband Infrastructure: Expanding high-speed fiber internet has been critical for sustainable economic development, with expansions funded in part by the Rural Digital Opportunity Fund aiming to connect remote areas around Robbinsville.
- Demographics: With a median age of over 45 years, the county faces labor supply constraints and increasing demands on healthcare and specialized community services.

Key Challenges (June 30, 2025)

- Economic and Job Market Struggles: The county is tackling one of the highest unemployment rates in the state, exacerbated by the loss of traditional manufacturing employers like Stanley Furniture. Median household incomes remain low compared to the state average, ranking 79th in North Carolina.
- Broadband and Connectivity Gaps: Inadequate internet and cell service constrain economic development and basic commerce. Remote, mountainous terrain makes broadband deployment expensive, leaving rural areas unserved and local businesses struggling with outages.
- Healthcare and Public Health Crises: Graham County faces major health indicators below the state average. The county grapples with higher rates of heart disease, limited access to physicians, and concerning rates of drug overdose and suicide.
- Aging Infrastructure: The county has been dealing with an outdated, century-old jail, which has sparked local debates about funding, facility placement, and costly out-of-county inmate housing.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities

The property tax maintained a $0.59 per $100 valuation to maintain current tax revenue streams.

The County has chosen not to appropriate fund balance in the fiscal year 2026 budget. Management believes that increased revenues and continued restrictions on spending will maintain the County's financial position. As the County considers future revenue sources, it will weigh the benefit of increasing the property tax rate against the cost. Though management believes current growth will generate enough revenue to support the County operations, a careful analysis of property tax revenue will be considered in future years' budgets.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in the area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Stacy R Carpenter, Finance Officer
196 Knight Street, Robbinsville, NC 28771
stacy.carpenter@grahamcounty.org
(828) 479-7770
www.grahamcounty.org

BASIC FINANCIAL STATEMENTS

GRAHAM COUNTY, NORTH CAROLINA **Exhibit 1**

Statement of Net Position

June 30, 2025

	Primary Government	Component Units	
	Governmental Activities	Travel and Tourism Authority	Rural Development Authority
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,661,931	$ 9,402	$ 119,320
Investments	1,860,308	689,396	-
Restricted cash and cash equivalents	1,983,430	10,615	-
Restricted investments	11,135,102	174,911	-
Receivables, net	140,149	57,230	-
Taxes receivable, net	415,091	-	-
Due from other governments	1,058,780	1,252	870
Due from primary government	-	82	-
Total current assets	19,254,791	942,888	120,190
Non-current assets:			
Capital assets:			
Land and construction in progress	3,696,121	-	611,789
Other capital assets, net of depreciation	12,685,772	46,056	-
Right to use leased assets, net of amortization	204,654	43,638	-
Total capital assets	16,586,547	89,694	611,789
Notes receivable	184,627	-	-
Net pension asset (RODSPF)	26,805	-	-
Total non-current assets	16,797,979	89,694	611,789
Total assets	$ 36,052,770	$ 1,032,582	$ 731,979
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	$ 3,523,248	$ -	$ -
Total deferred outflows of resources	3,523,248	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	1,529,133	23,110	76
Due to component unit	82	-	-
Unearned revenue	5,383,985	-	43,358
Accrued interest payable	32,090	-	-
Due within one year	572,639	10,836	135,000
Total current liabilities	7,517,929	33,946	178,434
Long-term liabilities:			
Net pension liability (LGERS)	6,065,706	-	-
Total pension liability (LEOSSA)	146,588	-	-
Due in more than one year	3,903,644	43,885	(19,500)
Total long-term liabilities	10,115,938	43,885	(19,500)
Total liabilities	$ 17,633,867	$ 77,831	$ 158,934

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA
Statement of Net Position (Continued)
June 30, 2025

	Primary Government	Component Units	
	Governmental Activities	Travel and Tourism Authority	Rural Development Authority
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	$ 56,264	$ -	$ -
Pension deferrals	260,035	-	-
Total deferred inflows of resources	316,299	-	-
NET POSITION			
Net investment in capital assets	12,606,902	41,790	496,289
Restricted for:			
Stabilization by state statute	1,578,932	58,027	3,627
Register of deeds	131,371	-	-
Human services	359,792	-	-
Law enforcement	109,345	-	-
Economic and physical development	218,781	-	-
Courts	6,413	-	-
USDA reserve	25,065	-	-
Opioid settlement	123,544	-	-
Education	41,653	-	-
Unrestricted	6,424,054	854,934	73,129
Total net position	$ 21,625,852	$ 954,751	$ 573,045

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2025

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Total	Component Units: Travel and Tourism Authority	Component Units: Rural Development Authority
Primary government:								
Governmental activities:								
General government	$ 4,332,425	$ 71,916	$ 115,509	$ -	$ (4,145,000)	$ (4,145,000)		
Public safety	9,287,146	1,042,795	486,563	-	(7,757,788)	(7,757,788)		
Economic and physical development	952,687	304,656	730,461	323,724	406,154	406,154		
Human services	6,943,961	1,344,913	3,593,002	2,700	(2,003,346)	(2,003,346)		
Cultural and recreation	999,657	54,285	24,759	-	(920,613)	(920,613)		
Education	2,577,360	-	50,000	769,649	(1,757,711)	(1,757,711)		
Special appropriations	178,195	-	-	-	(178,195)	(178,195)		
Interest on long-term debt	136,799	-	-	-	(136,799)	(136,799)		
Total governmental activities	$ 25,408,230	$ 2,818,565	$ 5,000,294	$ 1,096,073	(16,493,298)	(16,493,298)		
Component units:								
Travel and Tourism Authority	$ 596,685	$ -	$ -	$ -	-	-	$ (596,685)	$ -
Rural Development Authority	13,318	-	-	-	-	-	-	(13,318)
Total component units	$ 610,003	$ -	$ -	$ -	-	-	(596,685)	(13,318)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					10,082,584	10,082,584	-	-
Local option sales tax					3,664,289	3,664,289	-	-
Register of deeds excise tax					117,413	117,413	-	-
Occupancy tax					-	-	510,177	-
Other taxes and licenses					24,281	24,281	-	-
Grants and contributions not restricted to specific programs					983,686	983,686	-	-
Proceeds from disposal of capital assets					1,800	1,800	-	-
Unrestricted investment earnings					591,845	591,845	38,845	353
Miscellaneous					64,102	64,102	2,594	-
Transfers					6,726	6,726	(3,969)	(2,757)
Total general revenues and transfers					15,536,726	15,536,726	547,647	(2,404)
Change in net position	-				(956,572)	(956,572)	(49,038)	(15,722)
Net position, beginning, as previously reported					22,397,797	22,397,797	1,003,789	588,767
Prior period adjustment					184,627	184,627	-	-
Net position, beginning, as restated					22,582,424	22,582,424	1,003,789	588,767
Net position, ending					$ 21,625,852	$ 21,625,852	$ 954,751	$ 573,045

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit 3

	Major Funds				
	General Fund	Justice Center Capital Projects Fund	Public Building Capital Projects Fund	Total Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,341,532	$ -	$ -	$ 320,399	$ 2,661,931
Investments	1,860,308	-	-	-	1,860,308
Restricted cash and cash equivalents	646,482	-	-	1,336,948	1,983,430
Restricted investments	130,844	7,408,700	3,595,558	-	11,135,102
Accounts receivable, net	110,057	-	-	6,224	116,281
Taxes receivable, net	415,091	-	-	-	415,091
Notes receivable	184,627	-	-	-	184,627
Due from other governments	1,003,780	-	-	55,000	1,058,780
Due from other funds	197,579	-	-	177,851	375,430
Total assets	$ 6,890,300	$ 7,408,700	$ 3,595,558	$ 1,896,422	$ 19,790,980
LIABILITIES					
Accounts payable and accrued liabilities	$ 1,476,349	$ -	$ -	$ 52,784	$ 1,529,133
Due to other funds	13,941	58,311	152,768	150,410	375,430
Due to component unit	82	-	-	-	82
Unearned revenue	43,366	4,579,999	-	760,620	5,383,985
Total liabilities	1,533,738	4,638,310	152,768	963,814	7,288,630
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	415,091	-	-	-	415,091
Unavailable revenue - prepaid taxes	56,264	-	-	-	56,264
Notes receivable	184,627	-	-	-	$ 184,627
Total deferred inflows of resources	655,982	-	-	-	655,982
FUND BALANCES					
Restricted:					
Stabilization by state statute	1,569,322	-	-	9,610	1,578,932
Register of deeds	131,371	-	-	-	131,371
Human services	135,318	-	-	224,474	359,792
Law enforcement	109,345	-	-	-	109,345
Economic and physical development	3,440	-	-	215,341	218,781
Courts	6,413	-	-	-	6,413
USDA reserve	25,065	-	-	-	25,065
Opioid settlement	-	-	-	123,544	123,544
Education	-	-	-	41,653	41,653
Committed:					
Capital projects	-	2,472,135	3,302,978	-	5,775,113
Tax revaluation	96,718	-	-	-	96,718
Assigned:					
Subsequent year's expenditures	1,463,473	-	-	-	1,463,473
Unassigned	1,160,115	298,255	139,812	317,986	1,916,168
Total fund balances	4,700,580	2,770,390	3,442,790	932,608	11,846,368
Total liabilities, deferred inflows of resources and fund balances	$ 6,890,300	$ 7,408,700	$ 3,595,558	$ 1,896,422	$ 19,790,980

The accompanying notes to the financial statements are an integral part of these statements.

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

Total fund balance, governmental funds		$ 11,846,368
Interest receivable accrued on property taxes are not current financial resources and therefore are not reported in the funds.		23,868
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	$ 30,689,173	
Accumulated depreciation	(14,307,280)	16,381,893
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross right to use assets at historical cost	871,053	
Accumulated amortization	(666,399)	204,654
Net pension asset - RODSPF		26,805
Net pension liability - LGERS		(6,065,706)
Total pension liability - LEOSSA		(146,588)
Deferred inflows of resources related to pensions are not reported in the funds		(260,035)
Deferred inflows of resources for taxes		415,091
Deferred inflows of resources for notes receivable		184,627
Deferred outflows of resources related to pensions are not reported in the funds		3,523,248
Long-term liabilities, compensated absences, and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.		(4,508,373)
Net position of governmental activities		$ 21,625,852

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 4

	Major Funds				
	General Fund	Justice Center Capital Projects Fund	Public Building Capital Projects Fund	Total Non-Major Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	$ 10,015,293	$ -	$ -	$ -	$ 10,015,293
Local option sales taxes	3,664,289	-	-	-	3,664,289
Other taxes and licenses	141,694	-	-	-	141,694
Unrestricted intergovernmental	983,686	-	-	-	983,686
Restricted intergovernmental	4,006,406	-	-	2,188,700	6,195,106
Other restricted revenue	38,443	-	-	-	38,443
Permits and fees	137,076	-	-	-	137,076
Sales and services	2,530,716	-	-	13,590	2,544,306
Investment earnings	97,213	330,055	160,181	4,396	591,845
Proceeds from disposal of capital assets	1,800	-	-	-	1,800
Miscellaneous	64,102	-	-	-	64,102
Total revenues	21,680,718	330,055	160,181	2,206,686	24,377,640
EXPENDITURES					
Current:					
General government	3,811,429	-	-	13,590	3,825,019
Public safety	8,075,720	-	-	130,619	8,206,339
Economic and physical development	199,386	-	-	726,861	926,247
Human services	6,590,480	-	-	96,941	6,687,421
Cultural and recreational	665,224	-	-	-	665,224
Intergovernmental:					
Education	1,807,711	-	-	769,649	2,577,360
Special appropriations	178,195	-	-	-	178,195
Debt Service					
Principal	177,202	-	-	-	177,202
Interest	596,001	-	-	-	596,001
Capital outlay	1,093,258	31,800	-	-	1,125,058
Total expenditures	23,194,606	31,800	-	1,737,660	24,964,066
Excess (deficiency) of revenues over expenditures	(1,513,888)	298,255	160,181	469,026	(586,426)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	338,956	-	-	-	338,956
Transfers to other funds	-	-	-	(332,230)	(332,230)
Total other financing sources (uses)	338,956	-	-	(332,230)	6,726
Net change in fund balance	(1,174,932)	298,255	160,181	136,796	(579,700)
Fund balances, beginning	5,860,224	2,472,135	3,282,609	795,812	12,410,780
Change in reserve for transit surplus	15,288	-	-	-	15,288
Fund balances, ending	$ 4,700,580	$ 2,770,390	$ 3,442,790	$ 932,608	11,846,368

The accompanying notes to the financial statements are an integral part of these statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Governmental Funds
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances- total governmental funds		$ (579,700)
Change in fund balance due to change in reserve for transit surplus		15,288
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	$ 1,093,258	
Depreciation expense for governmental assets	(1,105,342)	
Amortization expense for intangible assets	(98,966)	(111,050)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.		1,182,633
Change in deferred outflows - pension		(399,279)
Change in deferred inflows - pension		144,962
Change in pension asset (RODSPF)		(18,987)
Change in pension liability		(512,924)
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		67,291
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes 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	426,395	
Change in accrued interest payable	2,025	428,420
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.		
Change in compensated absences	41,713	
Pension expense	(1,214,939)	(1,173,226)
Total changes in net position of governmental activities		$ (956,572)

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA **Exhibit 5**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	General Fund			
	Budget			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Ad valorem taxes	$ 10,710,498	$ 10,710,498	$ 10,015,293	$ (695,205)
Local option sales taxes	3,480,799	3,480,799	3,664,289	183,490
Other taxes and licenses	126,668	126,668	141,694	15,026
Unrestricted intergovernmental	921,648	921,648	983,686	62,038
Restricted intergovernmental	5,176,462	5,791,681	4,006,406	(1,785,275)
Other restricted revenues	147,744	149,509	38,443	(111,066)
Permits and fees	131,195	131,195	137,076	5,881
Sales and services	2,402,293	2,432,333	2,530,716	98,383
Investment earnings	90,508	90,508	97,213	6,705
Proceeds from the disposal of capital assets	-	-	1,800	1,800
Miscellaneous	8,827	42,620	64,102	21,482
Total revenues	23,196,642	23,877,459	21,680,718	(2,196,741)
Expenditures:				
Current:				
General government	4,543,948	4,448,232	3,811,429	636,803
Public safety	9,070,887	9,237,884	8,075,720	1,162,164
Economic and physical development	234,896	210,918	199,386	11,532
Human services	7,098,177	7,693,763	6,590,480	1,103,283
Cultural and recreational	781,397	840,466	665,224	175,242
Intergovernmental:				
Education	1,848,349	2,225,307	1,807,711	417,596
Special appropriations	177,213	219,359	178,195	41,164
Debt service:				
Principal	-	-	177,202	(177,202)
Interest	-	-	596,001	(596,001)
Capital outlay	-	-	1,093,258	(1,093,258)
Total expenditures	23,754,867	24,875,929	23,194,606	1,681,323
Revenues over (under) expenditures	(558,225)	(998,470)	(1,513,888)	(515,418)
Other financing sources (uses):				
Transfers from other funds	-	-	338,956	338,956
Total other financing sources (uses)	-	-	338,956	338,956
Fund balance appropriated	558,225	998,470	-	(998,470)
Net change in fund balance	$ -	$ -	(1,174,932)	$ (1,174,932)
Fund balance, beginning			5,860,224	
Change in reserve for transit surplus			15,288	
Fund balance, ending			$ 4,700,580	

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA **Exhibit 6**

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
Assets:	
Cash and cash equivalents	$ 10,049
Total assets	10,049
Liabilities:	
Accounts payable and accrued liabilities	-
Due to other governments	-
Total liabilities	-
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	10,049
Total fiduciary net position	$ 10,049

The accompanying notes to the financial statements are an integral part of these statements.

GRAHAM COUNTY, NORTH CAROLINA **Exhibit 7**

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds
Additions:	
Ad valorem taxes collected for other governments	$ 777,505
Collection on behalf of inmates	19,413
Collection on behalf of 4-H Club	11,012
Total additions	807,930
Deductions:	
Tax distributions to other governments	777,181
Payments on behalf of inmates	18,905
Payments on behalf of 4-H Club	11,492
Total deductions	807,578
Net increase in fiduciary net position	352
Net position, beginning	9,697
Net position, ending	$ 10,049

The accompanying notes to the financial statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of Graham County, North Carolina (the County) and its discretely presented component units have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

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 accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The Graham County Rural Development Authority (the RDA) and the Graham County Travel and Tourism Authority (the T&T), which both have June 30 year ends are presented as if they are governmental funds (discrete presentation), The RDA and T&T have elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the County's Annual Financial Report.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statement
Graham County Rural Development Authority	Discrete	The RDA was created to 1) develop recreational facilities, 2) develop agricultural and forestry related processing and marketing facilities operated for public use, 3) to install, improve or maintain facilities contributing to economic development, and 4) provide safe and sanitary low cost housing. The RDA is governed by a seven member board of directors, all of whom are appointed by the County.	None issued.
Graham County Travel and Tourism Authority	Discrete	The T&T was created to promote activities and programs which encourage travel and tourism in the area. The T&T is governed by a seven member board of directors, all of whom are appointed by the County.	None issued.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The County has no business-type activities.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The statement of activities presents a comparison between direct expenses and program revenues 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 or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

Justice Center Capital Projects Fund. This fund accounts for capital outlay for the construction of a new justice center that will house the Sheriff's office, jail, and judicial branch in Graham County, which is financed by grant monies from the State Capital Infrastructure Fund (SCIF).

Public Building Capital Projects Fund. This fund accounts for the additions and improvements of major County facilities which are financed by transfers from the General Fund, bond proceeds, and financing agreements.

The County reports the following types of fiduciary funds:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported 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 for various municipalities within the County but that are not revenues to the County, the Jail Inmate Pay Fund, which holds cash deposited for the benefit of incarcerated inmates, and the 4-H Club Fund, which accounts for monies held by the County for the benefit of 4-H activities.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The County reports the following non-major governmental funds:

NC Neighborhood Program Grant Projects Special Revenue Fund. This fund is reported as a special revenue fund account for the revenues and expenditures to rehabilitate owner-occupied homes for County residents with low-income and severe housing needs and to provide community development assistance as a response to the COVID-19 public health emergency. These projects are funded by the North Carolina Department of Commerce, North Carolina General Assembly Special Appropriations, Community Development Block Grants (CDBG), and the North Carolina Neighborhood Program.

School Capital Projects Fund. This fund accounts for capital outlay for the Graham County school system which are financed by grant monies from the Needs-Based State Public School Building Capital Project Fund and transfers from the General Fund.

Public School Capital Lottery Fund. This fund accounts for public school capital lottery proceeds received by the County and remitted to the local school system for eligible capital projects and debt service activities. The County serves primarily as a fiscal agent for these restricted funds.

American Recovery Grant Projects Fund. The federal government signed into law the American Rescue Plan Act on March 11, 2021, and established the Coronavirus State and Local Fiscal Recovery program to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19. This fund accounts for such expenses.

Emergency Telephone System Fund. This fund accounts for the accumulation of funds used to operate the 911 emergency service operation.

Economic Development Fund. This fund accounts for monies that are required to further the economic development activities within the County.

Opioid Settlement Fund. This fund reports for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

Representative Payee Fund. The fund accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

Deed of Trust Fund. This fund accounts for fees collected by the register of deeds for registering or filing a deed of trust or mortgage which is remitted to the State Treasurer on a monthly basis; and marriage license fees remitted to the North Carolina Children's Trust Fund and the North Carolina Department of Administration for Domestic Violence Centers.

1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fines and Forfeitures Fund. This fund accounts for fines, penalties, and forfeitures received by the County and expenditures made for the purposes authorized by applicable laws and regulations.

C. 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 and Fiduciary Fund Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary 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, 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 and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due to/from other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column.

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.

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 they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt, leases initiated during the year, and new IT subscription acquisitions are reported as other financing sources.

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable 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. Also, 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 for the fiscal year in which they are received. Uncollected taxes that were billed during this period 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 the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. Licenses, fines, permits, and other revenue are not susceptible to accrual because they are generally not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues.

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 is both restricted and unrestricted net position 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.

D. 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, Emergency Telephone System Fund, Economic Development Fund, Representative Payee Fund, Fines and Forfeitures Fund, Deed of Trust Fund, and Revaluation Fund. All annual appropriations lapse into the fiscal year-end. Project ordinances are adopted for the Justice Center Capital Projects Fund, Public Building Capital Projects Fund, School Capital Projects Fund, American Recovery Grant Projects Fund, NC Neighborhood Program Grant Projects Special Revenue Fund, and Opioid Settlement Fund.

1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Data (Continued)

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than $5,000. The governing board must approve all amendments. 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.

Discretely presented component units

Graham County Travel and Tourism Authority

The Authority's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year-end. The annual budget is prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds. The Authority's budget officer is authorized by the budget ordinance to transfer appropriations within a department, in the same fund, not to exceed 10% of the appropriated monies for departments whose allocations are reduced. Amendments are required for any revisions that alter total expenditures of any department or fund. The governing board must approve all amendments. 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.

Graham County Rural Development Authority

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for the Moose Branch Road Capital 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 project level for the multi-year funds. 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.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County, T&T, and RDA are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The County, T&T, and RDA may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, T&T, and RDA 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, T&T, and RDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The County, T&T, and RDA's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT – Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT - Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2025, The Term portfolio has a duration of 15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The County, T&T, and RDA consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

3. Restricted Assets

Cash restricted for special purposes has been segregated from cash available for general operations. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Revaluation Fund is also classified as a restricted asset because its use is restricted per North Carolina General Statute 153A-150. Money in the General Fund is also classified as restricted asset because its use is restricted by North Carolina General Statute 105-524. The unexpended grant proceeds that are restricted by revenue source are also classified as restricted assets. The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. The 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. These funds are limited to specific purposes. Until the amounts are assigned to use for a specific purpose they are reported as restricted assets. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per G.S. 159-18 through 22.

Restricted investments at June 30, 2025, consists of the following:

Governmental activities:	
General Fund	$ 130,844
Public Building Capital Projects Fund	3,595,558
Justice Center Capital Projects Fund	7,408,700
Total governmental activities restricted investments	$ 11,135,102

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

3. Restricted Assets (Continued)

Restricted cash at June 30, 2025, consists of the following:

Governmental activities:	
General Fund	
Facility fund	$ 6,413
Register of deeds AE&P fund	131,371
Duke Energy STW/shareholder FDS	21,318
Unexpended grant proceeds - ARC	3,440
Unexpended grant proceeds - transit	135,318
Fitness and wellness center	8,860
4-H youth education	15,805
Sheriff - impound fees	9,671
Sheriff - concealed handgun permit fees	96,644
Sheriff's office trust	3,030
Sheriff NC drug tax	10,906
Sheriff federal drug	2,079
Sheriff reward	3,097
Soil and water conservation	43,755
USDA reserve - condition of loan	25,065
Tax revaluation	129,710
Total General Fund restricted cash and cash equivalents	646,482
Other Governmental Funds	
NC Neighborhood Program Fund	454,783
American Recovery Grants Projects Fund	105,431
School Capital Project Fund	4,102
Economic Development Fund	135,051
Representative Payee Fund	223,502
Opioid Settlement Fund	414,079
Total Other Governmental Funds restricted cash and cash equivalents	1,336,948
Total governmental activities restricted cash and cash equivalents	$ 1,983,430
Discretely presented component units:	
Travel and Tourism Authority Capital reserve	$ 10,615
Total Travel and Tourism restricted cash and cash equivalents	$ 10,615

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

4. 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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2025. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. 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.

6. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g. roads, bridges, traffic signals, and other similar items), are reported in the applicable governmental activities columns in the government-wide financial statements.

Capital assets are defined by the County as assets with a minimum cost of $5,000 and an estimated useful life of two years or greater. 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 after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports a Subscription Based Information Technology Agreement (SBITA). The 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, and plus ancillary charges necessary to place the lease asset into service. Right to use lease assets are amortized on a straight-line basis over the life of the related lease.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

7. Capital Assets (Continued)

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 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 subscription asset. Right to use subscription assets are amortized on a straight-line basis over the subscription term.

The County holds titles to certain Graham County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that they County will convey titles to the properties to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties reflected as capital assets in the financial statements of the Graham County Board of Education.

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

Assets	Estimated Useful Lives
Buildings	5 - 40
Other improvements	5 - 40
Equipment, furniture, and fixtures	3 - 20
Vehicles and motorized equipment	3 - 10

Capital assets of the T&T Authority and RDA are depreciated on a straight-line basis over the following estimated useful lives:

Assets	Estimated Useful Lives
Equipment, furniture, and fixtures	5 - 10
Vehicles	5

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

8. Unearned Revenue

Unearned revenue is reported on the government-wide and fund financial statements. Unearned revenues arise when potential revenues does not meet both the "measurable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned and received before having an enforceable legal claim to the resources, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when an enforceable legal claim to the resources is established, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has a couple items that meet this criteria –pension related deferrals, and contributions made to the pension plans in the current fiscal year. 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*, represent an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and other pension related deferrals.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' statement of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

11. Compensated Absences

The County and the T&T recognize a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried forward to future periods, and (3) is more likely than not to be used as time off or otherwise settled. The liability for compensated absences is reported in the government-wide financial statements. In the governmental fund financial statements, expenditures and liabilities for compensated absences are recognized only to the extent that the liabilities have matured and are expected to be liquidated with expendable available financial resources. The compensated absences liability includes applicable salary-related payments.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

11. Compensated Absences (Continued)

The vacation policies of the County and the T&T provide for the accumulation of up to twenty (20) days of earned vacation leave, with such leave fully vesting as earned. An expense and liability for vacation leave are recognized in the government-wide financial statements as the leave is earned. The portion of the compensated absences liability expected to be paid within one year is reported as a current liability in the government-wide financial statements, with the remaining balance reported as a noncurrent liability.

The sick leave policies of the County and the T&T provide for an unlimited accumulation of earned sick leave. Unused sick leave accumulated at retirement may be used in determining creditable service for retirement benefit purposes; however, accumulated sick leave is not paid upon termination of employment. The County evaluated accumulated sick leave for recognition as a compensated absence liability. Although a liability was calculated, the amount was determined to be immaterial to the financial statements; therefore, no liability has been recorded for accumulated sick leave.

12. Opioid Settlement Funds

The County, through a Memorandum of Agreement (MOA) with the State, is a party to certain opioid lawsuit and bankruptcy settlements. The amounts received and to be received are treated as exchange-like transactions. 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.

13. Net Position/Fund Balances

Net Position

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

Fund Balances

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

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

13. Net Position/Fund Balances (Continued)

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.

Prepaid items – portion of fund balance that is not an available resource because it represents payments to vendors for costs applicable to future accounting periods, which are not spendable resources.

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

Restricted for Stabilization by State statute - 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 1930s 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", defined as follows: 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 constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds' office.

Restricted for Human services – transit – portion of fund balance constituting the excess of revenues over expenditures for each fiscal year in Public Transit operations per grant agreements held with the NC Department of Transportation and the Federal Transit Authority. The Funds are available for appropriation but are legally restricted for transit purposes.

Restricted for Human services – social services – portion of fund balance that is restricted by revenue source for social services and the portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

13. Net Position/Fund Balances (Continued)

Restricted for Law Enforcement – portion of fund balance that is restricted by revenue source for equipment used in law enforcement activities.

Restricted for Economic and physical development – portion of fund balance that is restricted by revenue source for economic development.

Restricted for Courts – portion of fund balance that is restricted by revenue source for maintenance of court facilities.

Restricted for USDA reserve – portion of fund balance that is restricted to satisfy the condition of a loan from the USDA.

Restricted for Opioid settlement – portion of fund balance that is restricted for opioid abatement and remediation activities

Restricted for Education – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote of Graham County's governing body (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for tax revaluation – portion of fund balance that can only be used for tax revaluation.

Committed for general government – capital projects – portion of fund balance that can only be used for future capital outlay expenditures.

Committed for capital reserve – portion of T&T's fund balance that can only be used for future capital expenditures.

Assigned Fund Balance – Potion of fund balance that the Graham County governing board has budgeted.

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

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

13. Net Position/Fund Balances (Continued)

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

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

Total fund balance - General Fund	**$**	**4,700,580**
Less:		
Stabilization by State statute	$	1,569,322
Register of deeds		131,371
Human services		135,318
Law enforcement		109,345
Economic and physical development		3,440
Courts		6,413
USDA reserve		25,065
Tax revaluation		96,718
Appropriated fund balance in 2026 budget		1,463,473
Remaining Fund Balance	$	1,160,115

14. Defined Benefit Pension 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). The County is also required by State law to administer a public employee retirement system, a single-employer defined benefit pension plan, which provides benefits to certain law enforcement officers under the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans").

For 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 benefit 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 this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's and T&T's employer contributions are recognized when due and the County and T&T has a legal requirement to provide the contributions.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

14. Defined Benefit Pension Plans (Continued)

Benefits and refunds are recognized when due and payable in accordance with the terms of state-administered defined benefit pension plans. Investments for all plans are reported at fair value.

15. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Major Taxpayer

The County has one major taxpayer with property valued at $259,026,320.

2. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance Related Legal and Contractual Provisions

1. Late Filing of Annual Financial Report

The Local Government Commission of the North Carolina Department of State Treasurer requires the completion and submission of audited financial statements within six (6) months of year-end. The County is not in compliance with this requirement as the June 30, 2025 audit was due by December 31, 2025.

3. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the County, T&T, and RDA are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's, T&T's, or RDA'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, T&T, and RDA, 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, T&T, RDA, or with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County, T&T, and RDA under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows.

3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits (Continued)

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 County has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the County's deposits had a carrying amount of $4,644,401 and a bank balance of $4,846,568. Of the bank balance, $500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2025, the County’s petty cash fund totaled $601.

At June 30, 2025, the T&T's deposits had a carrying amount of $20,017 and a bank balance of $105,349. All of the bank balance was covered by federal depository insurance.

At June 30, 2025, the RDA’s deposits had a carrying amount of $119,320 and a bank balance of $122,486. All of the bank balance was covered by federal depository insurance.

2. Investments

As of June 30, 2025, the County had $12,995,410 in investments invested with the North Carolina Capital Management Trust’s Governmental Portfolio, which carried a credit rating of AAAm by Standard and Poor’s. The County had no policy regarding credit risk.

As of June 30, 2025, the T&T had $864,307 in investments invested with the North Carolina Capital Management Trust’s Governmental Portfolio, which carried a credit rating of AAAm by Standard and Poor’s. The T&T had no policy regarding credit risk.

3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

3. Receivables

Receivables at the government-wide level at June 30, 2025, were as follows:

	Taxes	Interest	Notes	Accounts	Total
Governmental Activities:					
General	$ 654,443	$ 23,868	$ 184,627	$ 327,184	$ 1,190,122
Other governmental	-	-	-	6,224	6,224
Total receivables	654,443	23,868	184,627	333,408	1,196,346
Allowance for doubtful accounts	(239,352)	-	-	(217,127)	(456,479)
Total governmental activities	$ 415,091	$ 23,868	$ 184,627	$ 116,281	$ 739,867

The note receivable represents amounts advanced to Graham County Urgent Care, P.C. to support healthcare services within the County under a promissory note executed in June 2023. The note provides for advances of up to $200,000, bears no interest unless in default, and is repayable through scheduled monthly principal installments. The outstanding balance at June 30, 2025 was $184,627.

Due from other governments that is owed to the County consists of the amount of sales tax to be refunded in the amount of $1,003,780 to the General Fund and $55,000 to other governmental funds related to amounts due from Federal and State agencies.

Discretely presented component units

Graham County Travel and Tourism Authority

Graham County Travel and Tourism Authority's $57,230 in accounts receivable at June 30, 2025 are deemed to be fully collectible and are presented as unpaid balances. Due from other governments that is owed to Graham County Travel and Tourism Authority consists of amount of sales tax to be refunded in the amount of $1,252 at June 30, 2025.

Graham County Rural Development Authority

Due from other governments that is owed to Graham County Rural Development Authority consists of amount of sales tax to be refunded in the amount of $870 at June 30, 2025.

3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2025, was as follows:

Primary Government	Beginning Balances June 30, 2024	Increases	(Decreases)	Ending Balances June 30, 2025
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 2,370,145	$ -	$ (5,500)	$ 2,364,645
Construction in Progress	1,331,476	-	-	1,331,476
Total capital assets not being depreciated	3,701,621	-	(5,500)	3,696,121
Capital assets being depreciated				
Buildings	13,948,890	-	-	13,948,890
Other improvements	1,794,845	10,174	-	1,805,019
Equipment and furniture	5,390,613	114,438	-	5,505,051
Vehicles and motorized equipment	5,572,466	968,647	(807,020)	5,734,093
Total capital assets being depreciated	26,706,814	1,093,259	(807,020)	26,993,053
Less accumulated depreciation for:				
Buildings	4,349,754	351,277	-	4,701,031
Other improvements	858,011	87,285	-	945,296
Equipment and furniture	4,376,197	355,546	-	4,731,743
Vehicles and motorized equipment	4,424,996	311,234	(807,020)	3,929,210
Total accumulated depreciation	14,008,958	1,105,342	(807,020)	14,307,280
Total capital assets being depreciated, net	12,697,856			12,685,773
Capital assets being amortized				
Right to use assets:				
Leased vehicles	498,204	-	-	498,204
Leased equipment	96,577	-	-	96,577
IT subscriptions	276,271	-	-	276,271
Total capital assets being amortized	871,052	-	-	871,052
Less accumulated amortization for:				
Leased vehicles	386,663	31,530	-	418,193
Leased equipment	54,324	24,144	-	78,468
IT subscriptions	126,446	43,292	-	169,738
Total accumulated amortization	567,433	$ 98,966	$ -	666,399
Total capital assets being amortized, net	303,619			204,653
Governmental activity capital assets, net	$ 16,703,096			$ 16,586,547

3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Capital Assets (Continued)

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

General Government	$	361,294
Public Safety		541,938
Human Services		240,861
Culture and Recreational		60,215
Total depreciation and amortization expense	$	1,204,308

The government has active construction projects as of June 30, 2025. The projects include Senior Center Expansion, Public Building projects, and the Justice Center project. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date		Remaining Commitment	
Senior Center Expansion	$	311,286	$	-
Public Building Capital Projects Fund		780,969		-
Justice Center Capital Project Fund		438,300		4,736,700
Total	$	1,530,555	$	4,736,700

3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Capital Assets (Continued)

Discretely presented component units

Capital asset activity for the Travel and Tourism Authority for the year ended June 30, 2025, was as follows:

Travel and Tourism Authority	Beginning Balances June 30, 2024	Increases	(Decreases)	Ending Balances June 30, 2025
Capital assets being depreciated:				
Equipment, furniture and fixtures	$ 60,500	$ 6,608	$ -	$ 67,108
Total capital assets being depreciated	60,500	6,608	-	67,108
Less accumulated depreciation:				
Equipment , furniture and fixtures	12,244	8,808	-	21,052
Total accumulated depreciation	12,244	8,808	-	21,052
Total capital assets being depreciated, net	48,256			46,056
Capital assets being amortized:				
Right to use assets:				
Leased buildings	67,951	-	-	67,951
Leased equipment	7,337	-	-	7,337
Total capital assets being amortized	75,288	-	-	75,288
Less accumulated amortization for:				
Leased buildings	18,120	6,040	-	24,160
Leased equipment	4,127	3,363	-	7,490
Total accumulated amortization	22,247	$ 9,403	$ -	31,650
Total capital assets being amortized, net	53,041			43,638
Travel and Tourism Authority capital assets, net	$ 101,297			$ 89,694

Capital asset activity for the Rural Development Authority for the year ended June 30, 2025, was as follows:

Rural Development Authority	Beginning Balances June 30, 2024	Increases	(Decreases)	Ending Balances June 30, 2025
Capital assets not being depreciated:				
Land	$ 611,789	$ -	$ -	$ 611,789
Total capital assets not being depreciated	$ 611,789	$ -	$ -	$ 611,789

3. Detail Notes on All Funds (Continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2025 for the primary government were as follows:

Governmental activities	Vendors	Payroll Liabilities	Total
General fund	$ 1,128,545	347,804	$ 1,476,349
Non-major funds	52,784	-	52,784
Total governmental activities	$ 1,181,329	$ 347,804	$ 1,529,133

Payables at the government-wide level at June 30, 2025 for the discretely presented component units were as follows:

Discretely presented component units	Vendors	Other	Total
Travel and Tourism Authority	$ 23,110	$ -	$ 23,110
Rural Development Authority	76	-	76
Total discretely presented component units	$ 23,186	$ -	$ 23,186

2. Pension Plan and Postemployment 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 governmental entities. Article 3 of G.S. Chapter 128 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) 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.gov.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service 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. The Graham 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 Graham County's contractually required contribution rate for the year ended June 30, 2025, was 15.04% of compensation for law enforcement officers and 13.60% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from Graham County were $1,180,930 for the year ended June 30, 2025.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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, 2025, the County reported a liability of $6,065,706 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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, 2024 (measurement date), the County's proportion was 0.00090%, which was a decrease of 0.00005% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of $1,965,602. At June 30, 2025, 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	$ 1,062,942	$ 7,147
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	824,629	-
Changes in proportion and differences between County contributions and proportionate share of contributions	369,332	201,154
County contributions subsequent to the measurement date	1,180,930	-
Total	$ 3,437,833	$ 208,301

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

$1,180,930 was 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, 2026.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ 715,941
2027	1,167,658
2028	258,245
2029	(93,242)
2030	-
Thereafter	-
	$ 2,048,602

Actuarial Assumptions. The entry age actuarial cost method was used in December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	100%	

The information is based on 30-year expectations developed with the consulting actuary for the 2024 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 2.38%. All rates of return and inflation are annualized.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
County's proportionate share of the net pension liability	$ 10,748,609	$ 6,065,706	$ 2,213,375

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 (LEOSSA)

Plan Description. The County administers a public employees' retirement system (the Separation Allowance), a single employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% of the annual equivalent of the based rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increase in salary or retirement allowance 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. A separate report was not issued for the Plan.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (LEOSSA) (Continued)

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2023 (valuation date), the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	0
Active Members	22
Total Membership	22

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The separation allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB 73.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflaction and productivity factor
Discount rate	4.28 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

Mortality Rate.

MORTALITY ASSUMPTIONS: All mortality rates use Pub-2010 amount-weighted rates.

MORTALITY PROJECTION: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (LEOSSA) (Continued)

DEATHS AFTER RETIREMENT (HEALTHY): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and set forward by 1 year.

DEATHS BEFORE RETIREMENT: Mortality rates are based on the Safety Mortality Table for Employees.

DEATHS AFTER RETIREMENT (SURVIVORS OR DECEASED MEMBERS): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are set forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

DEATHS AFTER RETIREMENT (DISABLED): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

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 on a pay-as-you-go basis through appropriations made in the General Fund operation budget. There were no contributions made by the 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 finance through investment earnings. No separation allowance benefits were paid during the reporting period.

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

At June 30, 2025, the County reported a liability of $146,588. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $24,111.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (LEOSSA) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,647	$ 32,932
Changes of assumptions	15,402	13,482
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	$ 56,049	$ 46,414

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ (388)
2027	(159)
2028	505
2029	6,267
2030	3,410
Thereafter	-
	$ 9,635

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.28%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total Pension Liability	$ 165,616	$ 146,588	$ 129,719

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (LEOSSA) (Continued)

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2025
Beginning balance	$ 117,384
Service cost	21,964
Interest	4,695
Change in benefit terms	-
Difference between expected and actual experience	7,645
Changes of assumptions and other inputs	(5,100)
Benefit payments	-
Other	-
Ending balance of the total pension liability	$ 146,588

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent at June 30, 2023 to 4.28 percent at June 30, 2024.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age, 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, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

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 requires the County to contribute each month an amount equal to 5% 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, 2025 were $44,882.

d. Sheriff's Supplemental Retirement Income Plan

Plan Description. The County contributes to the Sheriff's Supplemental Retirement Plan, a defined contribution pension plan established by the State of North Carolina to provide supplemental pension benefits for all eligible, retired county sheriffs. Membership is comprised of sheriffs who are retired from Local Government Employees' Retirement System and beneficiaries that meet the statutory eligibility requirements. 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 minimum years of service as a sheriff 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. The North Carolina Department of Justice administers the plan. If the plan purchases any investments, they are held as part of the State Treasurer's External Investment Pool. Receipts collected by each county's Clerk of Superior Court under General Statutes 7A-304(a)(3a), along with investment income, support the plan's benefits and administrative expenses.

Funding Policy. At the beginning of each calendar year, the Department of Justice invoices and collects from county governments, on a pro rata basis by population, an amount of funds needed in addition to receipts collected, to pay the pension benefits for that year. Sheriffs do not contribute to the plan.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

d. Sheriff's Supplemental Retirement Income Plan (Continued)

The County paid invoices in the amount of $801 for the year ended June 30, 2025. No amounts were forfeited.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. The 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 RODSPF is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. 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 $1,019 for the year ended June 30, 2025.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

e. Register of Deeds' Supplemental Pension Fund (Continued)

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

At June 30, 2025, the County reported an asset of $26,805 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension asset was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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 RODSPF employers, actuarially determined. At June 30, 2024 (measurement date), the County's proportion was 0.23262%, which was an decrease of 0.14844% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized pension expense of $5,269. At June 30, 2025, 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	$ 589	$ 479
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	10,352	-
Changes in proportion and differences between County contributions and proportionate share of contributions	17,406	4,841
County contributions subsequent to the measurement date	1,019	-
Total	$ 29,366	$ 5,320

$1,019 was reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a increase of the net pension asset in the year ended June 30, 2026.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

e. Register of Deeds' Supplemental Pension Fund (Continued)

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2026	$	8,886
2027		13,162
2028		940
2029		37
2030		-
Thereafter		-
	$	23,025

Actuarial Assumptions. The total pension asset in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

e. Register of Deeds' Supplemental Pension Fund (Continued)

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 white papers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for 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, 2024 is 2.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 2.38%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. 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 total pension asset calculated using the discount rate of 3.00%, as well as what the County's total pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	$ (17,761)	$ (26,805)	$ (34,423)

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

e. Register of Deeds' Supplemental Pension Fund (Continued)

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

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	LEOSSA	RODSPF	Total
Pension expense	$ 1,965,602	$ 24,111	$ 5,269	$ 1,994,982
Pension liability (asset)	6,065,706	146,588	(26,805)	6,185,489
Proportionate share of the net pension liability (asset)	0.00090%	n/a	0.23262%	

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	RODSPF	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 1,062,942	$ 40,647	$ 589	$ 1,104,178
Changes of assumptions	-	15,402	-	15,402
Net difference between projected and actual earnings on pension plan investments	824,629	-	10,352	834,981
Changes in proportion and differences between County contributions and proportionate share of contributions	369,332	-	17,406	386,738
County contributions (LGERS, RODSPF)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date	1,180,930	-	1,019	1,181,949
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 7,147	$ 32,932	$ 479	$ 40,558
Changes of assumptions	-	13,482	-	13,482
Net difference between projected and actual earnings	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share	201,154	-	4,841	205,995

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

f. Other Postemployment Benefits

The County provides a postemployment healthcare benefit to certain retirees. Employees who retire after completing at least 30 years of service with the County are eligible for the County to pay the employer portion of their health insurance premiums until age 65. The County evaluated the liability associated with this benefit and determined the amount to be immaterial to the financial statements; therefore, no liability has been recorded.

g. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan administered under its group health insurance plan on a one-year term cost basis. The beneficiaries of those employees who die in active service at the time of death are eligible for death benefits in the amount of $25,000. Employees not electing coverage in the group health plan receive death benefits coverage as a benefit from the County.

The County has elected to provide death benefits to 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 and 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 may not exceed $50,000 or be less than $25,000.

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 these contributions to be immaterial.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources

The following are the deferred outflows of resources that are reported in the government-wide financial statements at June 30, 2025:

Source	Amount
Contributions to pension plan subsequent to the measurement date (LGERS, RODSPF)	$ 1,181,949
Changes of assumptions (Pensions)	15,402
Difference between projected expected and actual experience (Pensions)	1,104,178
Changes in proportion and differences between County contributions and proportionate share of contributions (Pensions)	386,738
Net difference between projected and actual earnings on pension plan investments (Pensions)	834,981
Total	$ 3,523,248

The following are the deferred inflows of resources that are reported in the government-wide financial statements at June 30, 2025:

Source	Amount
Prepaid taxes not yet earned (General)	$ 56,264
Difference between expected and actual experience (Pensions)	40,558
Change in proportion and difference between County contributions and proportionate share of contributions (Pensions)	205,995
Changes of assumptions (Pensions)	13,482
Total	$ 316,299

4. Risk Management

The County 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. The County participates in the North Carolina Association of County Commissioners' risk management pools and maintains commercial insurance coverage for these risks. Coverage includes property insurance with a blanket limit of $31,826,082, general, automobile, public officials, employment practices, and law enforcement liability coverage of $2 million per occurrence, crime coverage of $500,000, and workers' compensation coverage up to statutory limits. Employers' liability coverage is $2 million. Coverage is subject to applicable deductibles, exclusions, and coverage limitations.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Risk Management (Continued)

In accordance with G.S. 159-29, the County's employees that have access to $100 at any given time of the County's funds bonded through a commercial surety bond. The finance officer, deputy finance officer, tax collector and register of deeds are individually bonded for $1,000,000, $1,000,000, $100,000 and $25,000, respectively. The sheriff is individually bonded for $25,000. Graham County Fire and Rescue has insurance coverage through the Volunteer Firemen's Insurance Services, Inc. The unit carries general liability coverage of $1 million per occurrence, auto liability coverage of $1 million per occurrence, real property coverage including earthquake and flood damage up to full value replacement costs of each property and personal property coverage full value replacement costs of each item. They also have worker's compensation coverage of $100,000 per accident and a policy limit of $500,000 for disease.

There have been no significant reductions in insurance coverage, and settled claims have not exceeded coverage in any of the past three fiscal years.

Discretely presented component units

Graham County Travel and Tourism Authority

In accordance with G.S. 159-29, the Finance Officer of Graham County Travel & Tourism Authority is performance bonded through a commercial surety bond at the statutory amount. This bond is a separate individual bond to protect the Authority and that names the Authority as obligee or beneficiary. This bond is in addition to the bond on the Finance Officer that names the County as obligee.

Graham County Rural Development Authority

In accordance with G.S. 159-29, the Finance Officer of Graham County Rural Development Authority is performance bonded through a commercial surety bond at the statutory amount. This bond is a separate individual bond to protect the Authority and that names the Authority as obligee or beneficiary. This bond is in addition to the bond on the Finance Officer that names the County as obligee.

5. Contingent Liabilities

At June 30, 2025, the County was defendant to various lawsuits. In the opinion of the County’s management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County’s financial position.

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations

a. Leases

Primary Government

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

In April 2022, County entered into a 48-month lease agreement for sixteen copiers to be used by various departments. An initial lease liability was recorded in the amount of $96,577 and requires monthly payments of $2,155. The lease liability is measured at a discount rate of 3.40%. As of June 30, 2025, the value of the lease liability was $19,121.

In July 2022, the County entered into a 60-month lease agreement for two vehicles to be used by the Sheriff's office. An initial lease liability was recorded in the amount of $74,695 and requires monthly payments of $1,465. The lease liability is measured at a discount rate of 6.85%. As of June 30, 2025, the value of the lease liability was $32,780.

In March 2023, the County entered into a 60-month lease agreement for two vehicles to be used by the Sheriff's office. An initial lease liability was recorded in the amount of $82,953 and requires monthly payments of $1,659. The lease liability is measured at a discount rate of 7.69%. As of June 30, 2025, the value of the lease liability was $47,863.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 51,764	$ 5,123	$ 56,887
2027	35,101	2,392	37,493
2028	12,899	375	13,274
Total	$ 99,764	$ 7,890	$ 107,654

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

a. Leases (Continued)

Discretely presented component units

Graham County Travel and Tourism Authority

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

In April 2022, T&T entered into a 48-month lease agreement for a copier. An initial lease liability was recorded in the amount of $7,337 and requires monthly payments of $164. The lease liability is measured at a discount rate of 3.40%. As of June 30, 2025, the value of the lease liability was $1,453.

In July 2021, T&T entered into a 12-year lease agreement for a building. An initial lease liability was recorded in the amount of $67,351 and requires monthly payments of $600. The lease liability is measured at a discount rate of 3.25%. As of June 30, 2025, the value of the lease liability was $46,451.

The future minimum lease payments and their net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 7,229	$ 1,445	$ 8,674
2027	5,966	1,234	7,200
2028	6,131	1,037	7,168
2029	6,367	833	7,200
2030	9,946	854	10,800
Thereafter	12,265	368	12,633
Total	$ 47,904	$ 5,771	$ 53,675

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

b. Subscriptions

The County has entered into Subscription-Based Information Technology Arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2022, the County entered into a 79-month subscription for the use of Cott Systems Inc. The County is required to make monthly fixed payments of $2,700. The subscription liability was measured at a discount rate of 3.38%. As of June 30, 2025 the value of the subscription liability is $111,586.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 29,076	$ 3,324	$ 32,400
2027	30,074	2,326	32,400
2028	31,107	1,293	32,400
2029	21,329	271	21,600
Total	$ 111,586	$ 7,214	$ 118,800

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

c. Installment Purchases

Installment Contracts outstanding at June 30, 2025 are as follows:

Primary Government

Governmental Activities	
On September 17, 2015, the County entered into a $453,818 direct placement contract with the United States Department of Agriculture to replace the fund balance reserve that was somewhat depleted by the purchase of the transfer station. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires thirty annual payments of $25,065, including interest at 3.625%, and matures on September 17, 2045.	$ 364,044
On June 1, 2017, the County entered into a $2,873,000 direct placement contract for the acquisition, renovation and improvement of the Phillips & Jordan Building located at 191 P&J Road, Robbinsville, North Carolina. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires eight annual principal payments of $192,000 followed by seven annual principal payments of $191,000, including interest at 2.67% beginning on March 15, 2018. There will also be annual interest only payments beginning September 15, 2017 through September 15, 2031 at 2.67%, and matures on March 15, 2032.	1,337,000
On June 14, 2022, the County entered into a $2,115,000 direct placement contract for the renovation of a portion of the County's Community Building to be used by the Board of Elections, constructing an administrative facility to serve the Parks and Recreation Department, constructing a facility to serve as the County's Cemetery Grounds Maintenance Building, renovating and expanding Robbinsville Middle School, and acquiring an excavator and related equipment. The property and equipment are pledged as collateral for the debt while the debt is outstanding. The financing contract requires twenty annual interest only payments at 3.38%; five annual payments with principal of $105,000 and interest at 3.38%; and fifteen annual payments with principal of $106,000 and interest at 3.38%. The maturity date is June 1, 2042.	1,798,000
On June 30, 2022, the County entered into a $325,000 direct placement contract for the purchase of a sanitation truck, a trailer with walking floor assembly, and refuse containers for the Sanitation Department. The vehicle and equipment are pledged as collateral for the debt while the debt is outstanding. The financing contract requires fifteen annual payments of $26,251, including interest at 2.50%, and matures on June 28, 2037.	269,251
	$ 3,768,295

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

c. Installment Purchases (continued)

At June 30, 2025, the County had a legal debt margin of $117,702,297.

Annual debt service requirements to maturity for the County's installment purchases are as follows:

	Governmental Activities		
Year Ending June 30	Principal	Interest	Total
2026	$ 328,388	$ 116,398	$ 444,786
2027	329,307	106,797	436,104
2028	330,252	97,170	427,422
2029	331,227	87,512	418,739
Thereafter	2,449,121	491,036	2,940,157
Total	$ 3,768,295	$ 898,913	$ 4,667,208

Discretely presented component units

Graham County Rural Development Authority

On September 27, 2023, the RDA entered into a promissory note agreement with the United States Department of Agriculture to pay off the RDA's previous direct placement arrangement related to site development costs and construction of affordable housing properties. The agreement requires two annual payments of $70,809, including interest at 3.25%. All accrued interest and outstanding principal mature on September 27, 2025. $ 115,500

Annual debt service requirements to maturity for installment contracts are as follows:

	Rural Development Authority		
Year Ending June 30	Principal	Interest	Total
2026	$ 115,500	$ 6,618	$ 122,118
Total	$ 115,500	$ 6,618	$ 122,118

3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, only $2,821,112 relates to assets the County holds title.

Changes in Long-Term Liabilities

Long-term liability activity for governmental activities for the year ended June 30, 2025 is as follows:

	Beginning Balances June 30, 2024	Increases	(Decreases)	Ending Balances June 30, 2025	Current Portion
Governmental Activities:					
Direct placement installment purchase	$ 4,096,792	$ -	$ (328,497)	$ 3,768,295	$ 328,388
Net pension liability (LGERS)	5,555,181	510,525	-	6,065,706	-
Compensated absences	538,351	22,019	(63,732)	496,638	163,411
Leases	154,870	-	(55,106)	99,764	51,764
LEO Special Separation Allowance	117,384	29,204	-	146,588	-
IT subscription liabilities	154,377	-	(42,791)	111,586	29,076
Total governmental activities	$ 10,616,955	$ 561,748	$ (490,126)	$ 10,688,577	$ 572,639

Long-term liability activity for the Travel and Tourism Authority for the year ended June 30, 2025 is as follows:

Travel and Tourism Authority	Beginning Balances June 30, 2024	Increases	(Decreases)	Ending Balances June 30, 2025	Current Portion
Leases	$ 55,196	$ -	$ (7,292)	$ 47,904	$ 7,229
Compensated absences	4,512	2,305	-	6,817	3,607
Total	$ 59,708	$ 2,305	$ (7,292)	$ 54,721	$ 10,836

Long-term liability activity for the Rural Development Authority for the year ended June 30, 2025 is as follows:

Rural Development Authority	Beginning Balances June 30, 2024	Increases	Decreases	Ending Balances June 30, 2025	Current Portion
Note payable	$ 135,000	$ -	$ (19,500)	$ 115,500	$ 115,500
Total	$ 135,000	$ -	$ (19,500)	$ 115,500	$ 115,500

3. Detail Notes on All Funds (Continued)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2025, consist of the following:

Fund	To	From
From School Building Capital Project Fund	$ 69,462	
To General Fund		$ 69,462
From Emergency Telephone System Fund	6,954	
To General Fund		6,954
From Revaluation Fund	8	
To General Fund		8
From ARPA Fund	255,364	
To General Fund		255,364
From NC Neighborhood Grant Projects Fund	450	
To General Fund		450
Total	$ 332,238	$ 332,238

The County made significant transfers for the following purposes:

- To move $255,364 of ARPA funds to close out accounts.

The County also received transfers from its discretely presented component units, the T&T ($3,969) and RDA ($2,757). Because these organizations are separate reporting entities, these amounts are not included in the interfund transfer schedule above.

D. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2025 is computed as follows:

	Governmental Activities
Capital assets	$ 16,586,547
Installment purchases	(3,768,295)
IT subscriptions	(111,586)
Capital leases	(99,764)
Net investment in capital assets	$ 12,606,902

4. Joint Ventures

Tri-County Community College

The County has a commitment to help fund Tri-County Community College with two other local governments. The County does not appoint any members to the board of the College. The County has an ongoing financial responsibility for the joint venture because the College's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the College, so no equity interest has been reflected in the financial statements. The County has an ongoing financial responsibility for the college because of statutory responsibilities to provide funding for the College's facilities. The County contributed $125,524 during the fiscal year June 30, 2025. Complete financial statements for the College may be obtained from the College's administrative offices at 21 Campus Circle, Murphy, NC 28906.

Nantahala Regional Library

The County participates in a joint venture to operate the Nantahala Regional Library (Library) with five other local governments. The three participating counties may each appoint three board members to the nine-member board of the library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have an equity interest in the Library, so no equity interest has been reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County appropriated $95,000 to the Library to supplement its activities during the fiscal year ended June 30, 2025. Complete financial statements for the Library may be obtained from the Library's offices at 101-A Blumenthal Street, Murphy, NC 28906.

5. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

The County, in conjunction with six other counties, seventeen municipalities, and the Eastern Band of Cherokee Indians, established the Southwestern North Carolina Planning and Economic Development Commission (Commission). The participating governments established the Commission to coordinate various funding received from federal and State agencies. No membership fees or contributions were paid to the Commission during the fiscal year ended June 30, 2025.

Vaya Health

The County participates in a jointly governed organization to operate Region 1 of Vaya Health with six other county governments. Vaya Health is a public managed care organization that oversees Medicaid, federal, state and local funding for services and supports related to mental health, substance use disorder and intellectual/developmental disabilities. Each county within the region appoints up to two members to the Regional Board, one of whom must be an elected county commissioner and one of whom may be either a county commissioner, county manager, Department of Social Services director, public health director, or law enforcement representative. The County does not have an ongoing financial interest or ongoing financial responsibility. The County contributed $6,000 to Vaya Health during the fiscal year ended June 30, 2025.

5. Jointly Governed Organizations (Continued)

North Carolina Forest Service

The County participates in a cost-sharing arrangement with the North Carolina Forest Service (NCFS) to provide forestry management, wildfire suppression, forest health protection, and landowner assistance services within Graham County. Under the arrangement, the County funds a portion of local operational costs associated with these services. The County does not have an ongoing financial interest or ongoing financial responsibility for NCFS beyond its annual contribution under the cost-sharing agreement. During the fiscal year ended June 30, 2025, the County contributed $59,427 to support these services.

6. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

7. Prior Period Restatement

For the year ended June 30, 2025, the financial statements included a restatement to beginning net position for Governmental Activities in the amount of $184,627. The restatement is from corrections to the note receivable asset related to payments made as part of a promissory note agreement.

The effects of the error correction is shown below:

	Net position 6/30/2024, as previously reported	Correction of error	Net position 6/30/2024, as restated
Government-Wide			
Governmental Activities	$ 22,397,797	$ 184,627	$ 22,582,424

8. Significant Effects of Subsequent Events

Subsequent events have been evaluated through October 20, 2026, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years *

Schedule A-1

Local Government Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) (%)	0.090%	0.084%	0.095%	0.063%	0.061%	0.059%	0.062%	0.069%	0.076%	0.069%
County's proportion of the net pension liability (asset) ($)	$ 6,065,706	$ 5,555,181	$ 5,366,691	$ 972,453	$ 2,174,430	$ 1,609,878	$ 1,480,341	$ 1,056,879	$ 1,613,401	$ 307,741
County's covered-employee payroll	$ 8,515,977	$ 7,062,275	$ 4,678,084	$ 4,116,653	$ 4,088,931	$ 3,932,080	$ 4,040,090	$ 4,021,910	$ 3,807,630	$ 3,994,140
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.23%	78.66%	114.72%	23.62%	53.18%	40.94%	36.64%	26.28%	42.37%	7.70%
Plan fiduciary net position as a percentage of the total pension liability **	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

* 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.

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Contributions to Local Government Employees' Retirement System
Required Supplementary Information
Last Ten Fiscal Years

Schedule A-2

Local Government Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,180,930	$ 1,107,965	$ 863,656	$ 748,627	$ 479,005	$ 372,494	$ 320,513	$ 297,575	$ 299,992	$ 410,849
Contributions in relation to the contractually required contribution	1,180,930	1,107,965	863,656	748,627	479,005	372,494	320,513	297,575	299,992	410,849
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 8,576,711	$ 8,515,977	$ 7,062,275	$ 6,552,248	$ 4,678,084	$ 4,116,653	$ 4,088,931	$ 3,932,080	$ 4,040,090	$ 4,021,910
Contribution as a percentage of covered-employee payroll	13.77%	13.01%	12.23%	11.43%	10.24%	9.05%	7.84%	7.57%	7.43%	10.22%

GRAHAM COUNTY, NORTH CAROLINA
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years*

Schedule A-3

Registers' of Deeds Supplemental Pension Fund

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset) (%)	0.2326%	0.3811%	0.3058%	0.2482%	0.1970%	0.0960%	0.0762%	0.0694%	0.0680%	0.6310%
County's proportion of the net pension liability (asset) ($)	$ (26,805)	$ (45,792)	$ (40,493)	$ (47,687)	$ (45,148)	$ (18,952)	$ (12,621)	$ (11,844)	$ (12,778)	$ (14,611)
Plan fiduciary net position as a percentage of the total pension liability**	133.61%	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%

* 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 ROD plan.

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Contributions to Registers of Deeds' Supplemental Pension Fund
Required Supplementary Information
Last Ten Fiscal Years

Schedule A-4

Registers' of Deeds Supplemental Pension Fund

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,019	$ 1,703	$ 3,690	$ 3,506	$ 2,979	$ 1,886	$ 912	$ 597	$ 600	$ 565
Contributions in relation to the contractually required contribution	1,019	1,703	3,690	3,506	2,979	1,886	912	597	600	565
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2025

Schedule A-5

Law Enforcement Officers' Special Separation Allowance

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	$ 117,384	$ 48,732	$ 68,012	$ 114,456	$ 35,755	$ 42,963	$ 53,279	$ 54,874	$ 45,225
Service cost	21,964	19,881	23,828	14,441	9,471	7,253	10,084	8,833	9,590
Interest on the total pension liability	4,695	2,100	1,530	2,209	1,166	1,564	1,684	2,118	1,615
Differences between expected and actual	7,645	42,547	(28,109)	(60,781)	19,395	(17,420)	(19,346)	(20,226)	-
Changes of assumptions or other inputs	(5,100)	4,124	(16,529)	(2,313)	48,669	1,395	(2,738)	7,680	(1,556)
Benefit payments	-	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	$ 146,588	$ 117,384	$ 48,732	$ 68,012	$ 114,456	$ 35,755	$ 42,963	$ 53,279	$ 54,874

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2025

Schedule A-6

Law Enforcement Officers' Special Separation Allowance

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	$ 146,588	$ 117,384	$ 48,732	$ 68,012	$ 114,456	$ 35,755	$ 42,963	$ 53,279	$ 54,874
Covered payroll	1,116,515	896,486	835,768	560,896	519,819	340,160	413,888	480,234	483,289
Total pension liability as a percentage of covered payroll	13.13%	13.09%	5.83%	12.13%	22.02%	10.51%	10.38%	11.09%	11.35%

Notes to the Schedules:
Graham County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This schedule is intended to show information for ten years.
Additional years' information will be displayed as it becomes available.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GRAHAM COUNTY, NORTH CAROLINA **Schedule 1**

Schedule of Revenues, Expenditures, and Changes in Fund Balances

General Fund - Consolidated

For the Fiscal Year Ended June 30, 2025

	2025			
	General Fund	Revaluation Fund	Eliminations	Total
Revenues:				
Ad valorem taxes	$ 10,015,293	$ -	$ -	$ 10,015,293
Local option sales taxes	3,664,289	-	-	3,664,289
Other taxes and licenses	141,694	-	-	141,694
Unrestricted intergovernmental	983,686	-	-	983,686
Restricted intergovernmental	4,006,406	-	-	4,006,406
Other restricted revenues	38,443	-	-	38,443
Permits and fees	137,076	-	-	137,076
Sales and services	2,530,716	-	-	2,530,716
Investment earnings	96,873	340	-	97,213
Proceeds from the disposal of capital assets	1,800	-	-	1,800
Miscellaneous	64,102	-	-	64,102
Total revenues	21,680,378	340	-	21,680,718
Expenditures				
Current:				
General government	3,778,776	39,806	-	3,818,582
Public safety	8,956,920	-	-	8,956,920
Economic and physical development	199,386	-	-	199,386
Human services	6,795,385	-	-	6,795,385
Cultural and recreational	665,224	-	-	665,224
Intergovernmental:				
Education	1,807,711	-	-	1,807,711
Special appropriations	178,195	-	-	178,195
Debt service:				
Principal	177,202	-	-	177,202
Interest	596,001	-	-	596,001
Total expenditures	23,154,800	39,806	-	23,194,606
Revenues over (under) expenditures	(1,474,422)	(39,466)	-	(1,513,888)
Other Financing Sources (Uses)				
Transfers in	338,964	-	(8)	338,956
Transfers out	-	(8)	8	-
Total other financing sources (uses)	338,964	(8)	-	338,956
Net change in fund balance	(1,135,458)	(39,474)	$ -	(1,174,932)
Fund balance, beginning	5,724,032	136,192		5,860,224
Change in reserve for inventories	15,288	-		15,288
Fund balance, ending	$ 4,603,862	$ 96,718		$ 4,700,580

GRAHAM COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

Schedule 2

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year taxes	$ 10,225,130	$ 9,757,396	$ (467,734)
Prior year taxes	447,719	177,788	(269,931)
Penalties and interest	37,649	80,109	42,460
Total	10,710,498	10,015,293	(695,205)
Local option sales tax			
Local option sales tax	3,480,799	3,664,289	183,490
Total	3,480,799	3,664,289	183,490
Other taxes and licenses			
Register of deeds - excise tax	103,681	117,413	13,732
Cable franchise fees	2,486	1,800	(686)
Solid waste disposal tax	7,907	7,713	(194)
Scrap tire disposal fee	12,594	14,768	2,174
Total	126,668	141,694	15,026
Unrestricted intergovernmental:			
Payments in lieu of taxes	921,648	983,686	62,038
Total	921,648	983,686	62,038
Restricted intergovernmental:			
State grants	5,158,110	3,649,599	(1,508,511)
Federal grants	512,330	339,910	(172,420)
Local grants	3,600	3,600	-
Court facility fees	-	192	192
Controlled substance tax	44,644	13,105	(31,539)
White goods disposal fee	3,262	-	(3,262)
Enhanced medicaid and continuous coverage	69,735	-	(69,735)
Total	5,791,681	4,006,406	(1,785,275)
Other restricted revenues:			
Private grants and contributions	149,509	38,443	(111,066)
Total	149,509	38,443	(111,066)
Permits and fees:			
Building permits	64,819	72,286	7,467
Register of deeds	51,376	51,140	(236)
Health department well permits	15,000	13,650	(1,350)
Total	$ 131,195	$ 137,076	$ 5,881

GRAHAM COUNTY, NORTH CAROLINA **Schedule 2**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(Continued)

	2025		
	Budget	Actual	Variance Positive (Negative)
Sales and services:			
Rents, concessions, and fees	$ 363,820	$ 322,577	$ (41,243)
Jail fees	4,283	7,610	3,327
Ambulance fees	650,000	882,859	232,859
Health and human services fees	1,217,149	1,101,246	(115,903)
Tipping fees	104,753	137,243	32,490
Recycling revenue	4,962	12,731	7,769
Sheriff fees	87,366	66,450	(20,916)
Total	2,432,333	2,530,716	98,383
Other revenues:			
Investment earnings	90,508	96,873	6,365
Proceeds from the disposal of capital assets	-	1,800	1,800
Miscellaneous	42,620	64,102	21,482
Total	133,128	162,775	29,647
Total revenues	23,877,459	21,680,378	(2,197,081)
Expenditures:			
General government:			
Governing body	549,110	523,122	25,988
Administration	614,546	589,404	25,142
Board of elections	202,475	194,869	7,606
Finance	433,763	387,949	45,814
Tax assessor	185,637	158,332	27,305
Tax collector	150,152	147,926	2,226
Register of deeds	364,761	197,210	167,551
Public buildings	554,355	278,741	275,614
Building custodial services	322,970	320,936	2,034
Vehicle maintenance	62,626	58,873	3,753
Computer support	408,011	387,952	20,059
Grounds maintenance	123,775	123,675	100
Cemetery	392,473	326,610	65,863
Project manager	83,578	82,525	1,053
Other	-	652	(652)
Total	4,448,232	3,778,776	669,456
Public safety:			
Sheriff	2,333,997	2,185,587	148,410
Jail	1,637,412	1,567,355	70,057
Ambulance service	2,405,654	2,542,063	(136,409)
District court	29,977	17,741	12,236
Emergency management	245,053	233,026	12,027
Community paramedicine	86,691	83,468	3,223
Communications	752,942	747,707	5,235
Sanitation	1,347,644	1,249,391	98,253
EMS billing	40,000	39,346	654
Contributions to NC Forest Service	81,537	66,236	15,301
Contributions to rescue and fire	276,977	225,000	51,977
Total	$ 9,237,884	$ 8,956,920	$ 280,964

GRAHAM COUNTY, NORTH CAROLINA **Schedule 2**
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025
(Continued)

	2025		
	Budget	Actual	Variance Positive (Negative)
Economic and physical development:			
Building inspector	$ 180,918	$ 173,183	$ 7,735
Contracted services	30,000	26,203	3,797
Total	210,918	199,386	11,532
Human services:			
Health department:			
Communicable diseases	43,334	33,801	9,533
Child health	133,776	116,393	17,383
Maternal health	39,933	11,526	28,407
TB	4,337	850	3,487
Family planning	86,366	55,252	31,114
Healthy communities	54,972	52,767	2,205
Environmental health	228,922	210,636	18,286
HIV/STD	11,701	5,362	6,339
Breast cervical cancer prevention	25,455	11,576	13,879
Dental	445,094	432,803	12,291
General health	382,317	208,856	173,461
Immunization action plan IAP5.278	49,748	43,931	5,817
Smart start	19,439	17,345	2,094
WIC	77,644	61,620	16,024
Health department food and lodging	88,731	26,877	61,854
Adult health	309,740	302,211	7,529
Dogwood health trust opioid grant	86,095	51,469	34,626
CLC/PORT	252,105	183,266	68,839
Bioterrorism grant	29,104	27,258	1,846
Ebola	309,230	291,692	17,538
CAP	165,911	160,368	5,543
Urgent care project	18,750	17,415	1,335
Hurricane Helene ESS	131,459	95,674	35,785
AA 123	10,646	1,448	9,198
Health and wellness center	5,730	-	5,730
COVID-19 crisis response	12,036	910	11,126
Total	3,022,575	2,421,306	601,269
Veteran service officer	$ 19,789	$ 981	$ 18,808

GRAHAM COUNTY, NORTH CAROLINA **Schedule 2**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(Continued)

	2025		
	Budget	Actual	Variance Positive (Negative)
Social services:			
Administration	$ 2,174,705	$ 2,132,059	$ 42,646
Social service public assistance	660,637	601,553	59,084
Total	2,835,342	2,733,612	101,730
Senior Citizens program	724,556	691,732	32,824
Transit	1,091,501	947,754	143,747
Total	7,693,763	6,795,385	898,378
Cultural and recreational:			
4-H	21,416	5,465	15,951
Agriculture extension	130,859	119,012	11,847
Soil and water	79,894	76,817	3,077
Recreation	428,817	320,912	107,905
Swimming pool	62,534	48,018	14,516
Contributions to regional library	116,946	95,000	21,946
Total	840,466	665,224	175,242
Education:			
Public schools:			
Current	1,671,371	1,357,725	313,646
Student aid	365,886	297,225	68,661
SRS USFS timber	33,529	27,237	6,292
Tri-county community college	154,521	125,524	28,997
Total	$ 2,225,307	$ 1,807,711	$ 417,596

GRAHAM COUNTY, NORTH CAROLINA **Schedule 2**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(Continued)

	2025		
	Budget	Actual	Variance Positive (Negative)
Special appropriations:			
Contributions:			
JCPC	$ 92,566	$ 75,195	$ 17,371
Regional mental health	7,386	6,000	1,386
State of Franklin	4,924	4,000	924
Other special appropriations	114,483	93,000	21,483
Total	219,359	178,195	41,164
Debt Service:			
Principal	-	177,202	(177,202)
Interest	-	596,001	(596,001)
Total	-	773,203	(773,203)
Total expenditures	24,875,929	23,154,800	1,721,129
Revenues over (under) expenditures	(998,470)	(1,474,422)	(475,952)
Other financing sources (uses):			
Transfers from other funds	-	338,964	338,964
Total	-	338,964	338,964
Fund balance appropriated	998,470	-	(998,470)
Net change in fund balance	$ -	(1,135,458)	$ (1,135,458)
Fund balance, beginning, as previously reported		5,724,032	
Change in reserve for transit surplus		15,288	
Fund balance, beginning		5,739,320	
Fund balance, ending		$ 4,603,862	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 3**

Revaluation Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Investment earnings	$ -	$ 340	$ 340
Total revenues	-	340	340
Expenditures:			
General government:			
Contracted services	116,406	39,806	(76,600)
Total expenditures	116,406	39,806	(76,600)
Revenues over (under) expenditures	(116,406)	(39,466)	76,940
Other Financing Sources (Uses)			
Transfer to other funds	116,406	(8)	(116,414)
Total other financing sources (uses)	116,406	(8)	(116,414)
Appropriated fund balance	-	-	-
Net change in fund balance	$ -	(39,474)	$ (39,474)
Fund balance, beginning		136,192	
Fund balance, ending		$ 96,718	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 4**

Justice Center Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual			Variance Over (Under)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
State capital and infrastructure (SCIF)	$ 5,000,000	$ 2,420,001	$ -	$ 2,420,001	$ (2,579,999)
Investment earnings	272,820	472,135	330,055	802,190	529,370
Total revenues	5,272,820	2,892,136	330,055	3,222,191	(2,050,629)
Expenditures:					
Capital outlay					
Construction	5,272,820	420,001	31,800	451,801	4,821,019
Total expenditures	5,272,820	420,001	31,800	451,801	4,821,019
Net change in fund balance	$ -	$ 2,472,135	298,255	$ 2,770,390	$ 2,770,390
Fund balance, beginning			2,472,135		
Fund balance, ending			$ 2,770,390		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 5**

Public Buildings Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual			Variance Over (Under)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	$ 174,867	$ 318,631	$ 160,181	$ 478,812	$ 303,945
Total revenues	174,867	318,631	160,181	478,812	303,945
Expenditures:					
Capital outlay					
Human services					
Engineering and construction	2,500,000	1,286,368	-	1,286,368	1,213,632
General government					
Planning, engineering, and construction	1,019,867	855,605	-	855,605	164,262
Total expenditures	3,519,867	2,141,973	-	2,141,973	1,377,894
Other Financing Sources (Uses)					
Transfer from other funds	845,000	1,735,480	-	1,735,480	890,480
Transfer to other funds	-	(304,601)	-	(304,601)	(304,601)
Installment purchase proceeds	2,500,000	987,000	-	987,000	(1,513,000)
Total other financing sources (uses)	3,345,000	2,417,879	-	2,417,879	(927,121)
Net change in fund balance	$ -	$ 594,537	160,181	$ 754,718	$ 754,718
Fund balance, beginning			3,282,609		
Fund balance, ending			$ 3,442,790		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 6**

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 320,399	$ -	$ 320,399
Restricted cash and cash equivalents	878,063	458,885	1,336,948
Accounts receivable	6,224	-	6,224
Due from other governments	2,193	52,807	55,000
Due from other funds	8,988	168,863	177,851
Total assets	$ 1,215,867	$ 680,555	$ 1,896,422
LIABILITIES			
Accounts payable and accrued liabilities	$ 2,413	$ 50,371	$ 52,784
Due to other funds	-	150,410	150,410
Unearned revenue	402,789	357,831	760,620
Total liabilities	405,202	558,612	963,814
FUND BALANCES			
Restricted			
Stabilization by state statute	9,610	-	9,610
Economic and physical development	135,051	80,290	215,341
Opioid settlement	123,544	-	123,544
Human services	224,474	-	224,474
Education	-	41,653	41,653
Unassigned	317,986	-	317,986
Total fund balances	810,665	121,943	932,608
Total liabilities and fund balances	$ 1,215,867	$ 680,555	$ 1,896,422

GRAHAM COUNTY, NORTH CAROLINA **Schedule 7**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Restricted intergovernmental	$ 692,190	$ 1,496,510	$ 2,188,700
Sales and services	13,590	-	13,590
Investment earnings	3,064	1,332	4,396
Total revenues	708,844	1,497,842	2,206,686
EXPENDITURES			
General government	13,590	-	13,590
Public safety	130,619	-	130,619
Economic and physical development	-	726,861	726,861
Human services	96,941	-	96,941
Education	-	769,649	769,649
Total expenditures	241,150	1,496,510	1,737,660
Excess (deficiency) of revenues over expenditures	467,694	1,332	469,026
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(262,318)	(69,912)	(332,230)
Total other financing sources (uses)	(262,318)	(69,912)	(332,230)
Net changes in fund balances	205,376	(68,580)	136,796
Fund balance, beginning	605,289	190,523	795,812
Fund balances, ending	$ 810,665	$ 121,943	$ 932,608

GRAHAM COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

Schedule 8

	American Recovery Grant Projects Fund	Emergency Telephone System Fund	Economic Development Fund	Opioid Settlement Fund	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Total
ASSETS								
Cash and cash equivalents	$ -	$ 319,207	$ -	$ -	$ -	$ 1,192	$ -	$ 320,399
Restricted cash and cash equivalents	105,431	-	135,051	414,079	223,502	-	-	878,063
Accounts receivable	-	6,224	-	-	-	-	-	6,224
Due from other governments	-	2,193	-	-	-	-	-	2,193
Due from other funds	-	1,193	-	7,795	-	-	-	8,988
Total assets	$ 105,431	$ 328,817	$ 135,051	$ 421,874	$ 223,502	$ 1,192	$ -	$ 1,215,867
LIABILITIES								
Accounts payable and accrued liabilities	$ -	$ 1,221	$ -	$ -	$ -	$ 1,192	$ -	$ 2,413
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	104,459	-	-	298,330	-	-	-	402,789
Total liabilities	104,459	1,221	-	298,330	-	1,192	-	405,202
FUND BALANCES								
Restricted								
Stabilization by state statute	-	9,610	-	-	-	-	-	9,610
Economic and physical development	-	-	135,051	-	-	-	-	135,051
Opioid settlement	-	-	-	123,544	-	-	-	123,544
Human services	972	-	-	-	223,502	-	-	224,474
Unassigned	-	317,986	-	-	-	-	-	317,986
Total fund balances	972	327,596	135,051	123,544	223,502	-	-	810,665
Total liabilities and fund balances	$ 105,431	$ 328,817	$ 135,051	$ 421,874	$ 223,502	$ 1,192	$ -	$ 1,215,867

GRAHAM COUNTY, NORTH CAROLINA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

Schedule 9

	American Recovery Grant Projects Fund	Emergency Telephone System Fund	Economic Development Fund	Opioid Settlement Fund	Representative Payee Fund	Deed of Trust Fund	Fine and Forfeitures Fund	Total
REVENUES								
Restricted intergovernmental	$ 255,403	$ 107,404	$ -	$ 192,200	$ 137,183	$ -	$ -	$ 692,190
Sales and services	-	-	-	-	-	-	13,590	13,590
Investment earnings	933	822	339	970	-	-	-	3,064
Total revenues	256,336	108,226	339	193,170	137,183	-	13,590	708,844
EXPENDITURES								
General government	-	-	-	-	-	-	13,590	13,590
Public safety	-	130,619	-	-	-	-	-	130,619
Human services	-	-	-	70,552	26,389	-	-	96,941
Economic and physical development	-	-	-	-	-	-	-	-
Total expenditures	-	130,619	-	70,552	26,389	-	13,590	241,150
Excess (deficiency) of revenues over expenditures	256,336	(22,393)	339	122,618	110,794	-	-	467,694
OTHER FINANCING SOURCES (USES)								
Transfers to other funds	(255,364)	(6,954)	-	-	-	-	-	(262,318)
Total other financing sources (uses)	(255,364)	(6,954)	-	-	-	-	-	(262,318)
Net change in fund balance	972	(29,347)	339	122,618	110,794	-	-	205,376
Fund balance, beginning	-	356,943	134,712	926	112,708	-	-	605,289
Fund balances, ending	$ 972	$ 327,596	$ 135,051	$ 123,544	$ 223,502	$ -	$ -	$ 810,665

GRAHAM COUNTY, NORTH CAROLINA **Schedule 10**

American Recovery Grant Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual			Variance Over (Under)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
Coronavirus state and local fiscal recovery funds	$ 251,343	$ 1,639,136	$ 255,403	$ 1,894,539	$ 1,643,196
Investment earnings	4,021	6,450	933	7,383	3,362
Total revenues	255,364	1,645,586	256,336	1,901,922	1,646,558
Expenditures:					
Public safety					
Salaries and employee benefits	255,364	553,469	-	553,469	(298,105)
Total expenditures	255,364	553,469	-	553,469	(298,105)
Other Financing Sources (Uses)					
Transfers to other funds	-	(1,092,117)	(255,364)	(1,347,481)	(1,347,481)
Total other financing sources (uses)	-	(1,092,117)	(255,364)	(1,347,481)	(1,347,481)
Net change in fund balance	$ -	$ -	972	$ 972	$ 972
Fund balance, beginning			-		
Fund balance, ending			$ 972		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 11**

Emergency Telephone System Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 110,144	$ 107,404	$ (2,740)
Investment earnings	-	822	822
Total revenues	110,144	108,226	(1,918)
Expenditures:			
Public safety	211,324	130,619	(80,705)
Total expenditures	211,324	130,619	(80,705)
Revenues over (under) expenditures	(101,180)	(22,393)	78,787
Other Financing Sources (Uses)			
Transfer to other funds	-	(6,954)	(6,954)
Total other financing sources (uses)	-	(6,954)	(6,954)
Appropriated fund balance	101,180	-	(101,180)
Net change in fund balance	-	(29,347)	$ (29,347)
Fund balance, beginning		356,943	
Fund balance, ending		$ 327,596	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 12**

Economic Development Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Investment earnings	$ 407	$ 339	$ (68)
Total revenues	407	339	(68)
Expenditures:			
Economic and physical development			
Other operating expenses	407	-	(407)
Total expenditures	407	-	(407)
Revenues over (under) expenditures	-	339	339
Net change in fund balance	$ -	339	$ 339
Fund balance, beginning		134,712	
Fund balance, ending		$ 135,051	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 13**

Opioid Settlement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual			Variance Over (Under)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
Opioid settlement funds	$ 97,949	$ 187,000	$ 192,200	$ 379,200	$ 281,251
Investment earnings	635	926	970	1,896	1,261
Total revenues	98,584	187,926	193,170	381,096	282,512
Expenditures:					
Human services					
Opioid mitigation	98,584	187,000	70,552	257,552	(158,968)
Total expenditures	98,584	187,000	70,552	257,552	(158,968)
Net change in fund balance	$ -	$ 926	122,618	$ 123,544	$ 123,544
Fund balance, beginning			926		
Fund balance, ending			$ 123,544		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 14**

Representative Payee Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	Actual	Variance Over/Under
Revenues:			
Restricted intergovernmental	$ 363,990	$ 137,183	$ (226,807)
Total revenues	363,990	137,183	(226,807)
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	363,990	26,389	(337,601)
Total expenditures	363,990	26,389	(337,601)
Revenues over (under) expenditures	-	110,794	110,794
Net change in fund balance	$ -	110,794	$ 110,794
Fund balance, beginning		112,708	
Fund balance, ending		$ 223,502	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 15**

Deed of Trust Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	**Actual**	**Variance Over/Under**
Revenues:			
Permits and fees			
Register of deeds	$ 4,500	$ -	$ (4,500)
Interest income	324	-	(324)
Total revenues	4,824	-	(4,824)
Expenditures:			
General government			
Payments of fees collected to the State of North Carolina	4,824	-	(4,824)
Total expenditures	4,824	-	(4,824)
Revenues over (under) expenditures	-	-	-
Net change in fund balance	$ -	-	$ -
Fund balance, beginning		-	
Fund balance, ending		$ -	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 16**

Fines and Forfeitures Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	2025		
	Budget	**Actual**	**Variance Over/Under**
Revenues:			
Sales and services			
Penalties, fines, and forfeitures	$ 20,385	$ 13,590	(6,795)
Total revenues	20,385	13,590	(6,795)
Expenditures:			
General government			
Payments of penalties, fines, and forfeitures to the Graham county board of education	20,385	13,590	(6,795)
Total expenditures	20,385	13,590	(6,795)
Revenues over (under) expenditures	-	-	-
Appropriated fund balance	-	-	-
Net change in fund balance	$ -	-	$ -
Fund balance, beginning		-	
Fund balance, ending		$ -	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 17**

Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2025

	NC Neighborhood Program Grant Projects Fund	School Capital Projects Fund	Public School Capital Lottery Fund	Total
ASSETS				
Restricted cash and cash equivalents	$ 454,783	$ 4,102	$ -	$ 458,885
Due from other governments	30,906	21,901	-	52,807
Due from other funds	153,213	15,650	-	168,863
Total assets	$ 638,902	$ 41,653	$ -	$ 680,555
LIABILITIES				
Acounts payable	$ 50,371	$ -	$ -	$ 50,371
Due to other funds	150,410	-	-	150,410
Unearned revenue	357,831	-	-	357,831
Total liabilities	558,612	-	-	558,612
FUND BALANCES				
Restricted				
Economic and physical development	80,290	-	-	80,290
Education	-	41,653	-	41,653
Total fund balances	80,290	41,653	-	121,943
Total liabilities and fund balances	$ 638,902	$ 41,653	$ -	$ 680,555

GRAHAM COUNTY, NORTH CAROLINA **Schedule 18**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2025

	NC Neighborhood Program Grant Projects Fund	School Capital Projects Fund	Public School Capital Lottery Fund	Total
REVENUES				
Restricted intergovernmental	$ 726,861	$ -	$ 769,649	$ 1,496,510
Investment earnings	1,332	-	-	1,332
Total revenues	728,193	-	769,649	1,497,842
EXPENDITURES				
Economic and physical development	726,861	-	-	726,861
Education	-	-	769,649	769,649
Total expenditures	726,861	-	769,649	1,496,510
Excess (deficiency) of revenues over expenditures	1,332	-	-	1,332
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(450)	(69,462)	-	(69,912)
Total other financing sources (uses)	(450)	(69,462)	-	(69,912)
Net change in fund balance	882	(69,462)	-	(68,580)
Fund balances, beginning	79,408	111,115	-	190,523
Fund balances, ending	$ 80,290	$ 41,653	$ -	$ 121,943

GRAHAM COUNTY, NORTH CAROLINA **Schedule 19**

NC Neighborhood Program Grant Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Over (Under)
Revenues:					
Restricted intergovernmental					
Community development block grant					
Neighborhood revitalization program	$ 750,000	$ 443,625	$ 356,746	$ 800,371	$ 50,371
Coronavirus (CDBG-CV) program	900,000	668,993	227,946	896,939	(3,061)
Dogwood trust housing supplemental	500,000	-	142,169	142,169	(357,831)
Investment earnings	-	1,845	1,332	3,177	3,177
Total revenues	2,150,000	1,114,463	728,193	1,842,656	(307,344)
Expenditures:					
Economic and physical development					
Neighborhood revitalization program	750,000	61,440	356,746	418,186	331,814
Coronavirus (CDBG-CV) program	900,000	1,066,616	227,946	1,294,562	(394,562)
Dogwood trust housing supplemental	500,000	-	142,169	142,169	357,831
Total expenditures	2,150,000	1,128,056	726,861	1,854,917	295,083
Other Financing Sources (Uses)					
Transfer to other funds	-	45,270	(450)	44,820	44,820
Total other financing sources (uses)	-	45,270	(450)	44,820	44,820
Net change in fund balance	$ -	$ 31,677	882	$ 32,559	$ 32,559
Fund balance, beginning			79,408		
Fund balance, ending			$ 80,290		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 20**

School Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Over (Under)
Revenues:					
Restricted intergovernmental					
Needs-based public school capital fund	$ 3,909,968	$ 3,858,479	$ -	$ 3,858,479	$ (51,489)
Total revenues	3,909,968	3,858,479	-	3,858,479	(51,489)
Expenditures:					
Capital outlay					
Intergovernmental - education					
Architecture, engineering, and construction	5,197,468	5,083,581	-	5,083,581	113,887
Total expenditures	5,197,468	5,083,581	-	5,083,581	113,887
Other Financing Sources					
Transfer to other funds	1,287,500	1,332,117	(69,462)	1,262,655	(24,845)
Total other financing sources	1,287,500	1,332,117	(69,462)	1,262,655	(24,845)
Net change in fund balance	$ -	$ 107,015	(69,462)	$ 37,553	$ 37,553
Fund balance, beginning			111,115		
Fund balance, ending			$ 41,653		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 21**

Public School Capital Lottery Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

From Inception and For the Fiscal Year Ended June 30, 2025

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Over (Under)
Revenues:					
Restricted intergovernmental					
Lottery proceeds	$ -	$ -	$ 769,649	$ 769,649	$ 769,649
Total revenues	-	-	769,649	769,649	769,649
Expenditures:					
Capital outlay					
Intergovernmental - education					
Lottery distributions	-	-	769,649	769,649	(769,649)
Total expenditures	-	-	769,649	769,649	(769,649)
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund balance, beginning			-		
Fund balance, ending			$ -		

GRAHAM COUNTY, NORTH CAROLINA **Schedule 22**

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Municipal Tax Fund	Jail Inmate Pay Fund	4-H Club Fund	Total Custodial Funds
Assets:				
Cash and cash equivalents	$ 1,794	$ 2,610	$ 5,645	$ 10,049
Total assets	1,794	2,610	5,645	10,049
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	1,794	2,610	5,645	10,049
Total net position	$ 1,794	$ 2,610	$ 5,645	$ 10,049

GRAHAM COUNTY, NORTH CAROLINA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

Schedule 23

	Municipal Tax Fund	Jail Inmate Pay Fund	4-H Club Fund	Total Custodial Funds
Additions:				
Ad valorem taxes collected for other governments	$ 777,505	$ -	$ -	$ 777,505
Collection on behalf of inmates	-	19,413	-	19,413
Collection on behalf of 4-H Club	-	-	11,012	11,012
Total additions	777,505	19,413	11,012	807,930
Deductions:				
Tax distributions to other governments	777,181	-	-	777,181
Payments on behalf of inmates	-	18,905	-	18,905
Payments on behalf of 4-H Club	-	-	11,492	11,492
Total deductions	777,181	18,905	11,492	807,578
Net increase (decrease) in fiduciary net position	324	508	(480)	352
Net position, beginning	1,470	2,102	6,125	9,697
Net position, ending	$ 1,794	$ 2,610	$ 5,645	$ 10,049

GRAHAM COUNTY, NORTH CAROLINA **Schedule 24**
Travel and Tourism Authority
Discretely Presented Component Unit
Supplemental Balance Sheet
June 30, 2025

	Travel and Tourism Authority
Assets:	
Cash and cash equivalents	$ 9,402
Investments	689,396
Restricted cash and cash equivalents	10,615
Restricted investments	174,911
Accounts receivable, net	57,230
Due from primary government	82
Due from other governments	1,252
Total assets	$ 942,888
Liabilities:	
Accounts payable and accrued liabilities	$ 23,110
Total liabilities	23,110
Fund Balances:	
Restricted:	
Stabilization by state statute	58,027
Committed:	
Capital reserve	185,526
Unassigned:	676,225
Total fund balances	919,778
Total liabilities and fund balances	$ 942,888

Amounts reported for the Travel and Tourism Authority in the statement of net position (exhibit 1) are different because:

Total fund balance, Travel and Tourism Authority	$ 919,778
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	46,056
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,638
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds.	(54,721)
Net position of Travel and Tourism Authority	$ 954,751

GRAHAM COUNTY, NORTH CAROLINA **Schedule 25**
Travel and Tourism Authority
Discretely Presented Component Unit
Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2025

	Travel and Tourism Authority
Revenues:	
Occupancy tax	$ 510,177
Investment earnings	38,845
Miscellaneous income	2,594
Total revenues	551,616
Expenditures:	
Culture and recreation:	
Tourism promotion and development	562,810
Administrative expenses	11,666
Debt service:	
Principal retirement	7,471
Interest and other charges	1,693
Capital outlay	6,608
Total expenditures	590,248
Other Financing Sources (Uses)	
Transfer to primary government	(3,969)
Total other financing sources (uses)	(3,969)
Net change in fund balance	(42,601)
Fund balance, beginning	962,379
Fund balance, ending	$ 919,778
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Net change in fund balance	$ (42,601)
Reconciling items:	
Capital outlay	6,608
Depreciation	(8,808)
Amortization	(9,403)
Debt principal payments	7,471
Increase in compensated absences	(2,305)
Total reconciling items	(6,437)
Change in net position	$ (49,038)

GRAHAM COUNTY, NORTH CAROLINA **Schedule 26**

Travel and Tourism Authority

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2025

	2025		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Occupancy tax	$ 585,000	$ 510,177	$ (74,823)
Investment earnings	36,433	38,845	2,412
Miscellaneous income	6,768	2,594	(4,174)
Total revenues	628,201	551,616	(76,585)
Expenditures:			
Culture and recreation:			
Tourism promotion and development	629,511	562,810	66,701
Administrative expenses	13,049	11,666	1,383
Debt service:			
Principal retirement	8,356	7,471	885
Interest and other charges	1,894	1,693	201
Capital outlay	7,391	6,608	783
Total expenditures	660,201	590,248	69,953
Revenues over (under) expenditures	-	(38,632)	(6,632)
Other Financing Sources (Uses)			
Transfers to primary government	-	(3,969)	(3,969)
Total other financing sources (uses)	-	(3,969)	(3,969)
Appropriated fund balance	32,000	-	(32,000)
Net change in fund balance	$ -	(42,601)	$ (42,601)
Fund balance, beginning		962,379	
Fund balance, ending		$ 919,778	

GRAHAM COUNTY, NORTH CAROLINA **Schedule 27**
Rural Development Authority
Supplemental Balance Sheet
June 30, 2025

		Rural Development Authority
Assets:		
Cash and cash equivalents	$	119,320
Due from other governments		870
Total assets	$	120,190
Liabilities:		
Accounts payable and accrued liabilities	$	76
Unearned revenue		43,358
Total liabilities		43,434
Fund balances:		
Restricted		
Stabilization by state statute		3,627
Unrestricted		73,129
Total fund balances		76,756
Total liabilities and fund balances	$	120,190

Amounts reported for the Rural Development Authority in the statement of net position (exhibit 1) are different because:

Total fund balance, Rural Development Authority	$	76,756
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		611,789
Long-term obligations		(115,500)
Net position of Rural Development Authority	$	573,045

GRAHAM COUNTY, NORTH CAROLINA **Schedule 28**

Rural Development Authority

Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2025

	Rural Development Authority
Revenues:	
Investment earnings	$ 353
Total revenues	353
Expenditures:	
Economic development	
Rural development functions	13,318
Debt service	
Principal	19,500
Total expenditures	32,818
Other Financing Sources (Uses)	
Transfer to primary government	(2,757)
Total other financing sources (uses)	(2,757)
Net change in fund balance	(35,222)
Fund balance, beginning	111,978
Fund balance, ending	$ 76,756
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:	
Net change in fund balance	(35,222)
Reconciling items:	
Debt principal payments	19,500
Total reconciling items	19,500
Change in net position	$ (15,722)

GRAHAM COUNTY, NORTH CAROLINA **Schedule 29**

Rural Development Authority

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2025

	2025		
	Final Budget	**Actual**	**Variance Over/Under**
Revenues:			
Investment earnings	$ 336	$ 353	$ 17
Total revenues	336	353	17
Expenditures:			
Economic development			
Rural development functions	19,347	13,318	(6,029)
Capital outlay	-	-	-
Debt service			
Principal	28,328	19,500	(8,828)
Total expenditures	47,675	32,818	(14,857)
Other Financing Sources (Uses)			
Transfer to primary government	-	(2,757)	(2,757)
Total other financing sources (uses)	-	(2,757)	(2,757)
Appropriated fund balance	47,339	-	(47,339)
Revenues and other financing sources over (under) expenditures and other financing uses	-	(35,222)	(32,465)
Net change in fund balance	$ -	(35,222)	$ (32,465)
Fund balance, beginning		111,978	
Fund balance, ending		$ 76,756	

OTHER SCHEDULES

Graham County, North Carolina **Schedule H-1**

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2025

Fiscal Year	Uncollected Balance June 30, 2024	Additions	Collections And Credits	Uncollected Balance June 30, 2025
2024-2025	$ -	$ 10,107,936	$ 9,774,453	$ 333,483
2023-2024	257,186	-	108,894	148,292
2022-2023	102,211	-	34,269	67,942
2021-2022	56,133	-	13,034	43,099
2020-2021	39,680	-	9,350	30,330
2019-2020	27,931	-	6,528	21,403
2018-2019	23,287	-	6,223	17,064
2017-2018	18,165	-	1,139	17,026
2016-2017	12,907	-	990	11,917
2015-2016	9,669	-	1,343	8,326
TOTALS	$ 547,169	$ 10,107,936	$ 9,956,223	$ 698,882

Motor vehicle tags receivable	(44,439)
Less: Allowance for uncollectible taxes	(239,352)
Ad valorem taxes, net - General Fund	$ 415,091

Reconciliation with revenues:

Ad valorem taxes - General Fund	9,218,857
Reconciling items:	
Garnishment fees	(3,231)
Interest collected	(56,396)
Credits and adjustments	796,993
Total Reconciling Items	737,366
Total Collections and Credits	$ 9,956,223

Graham County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Fiscal Year Ended June 30, 2025

Schedule H - 2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	$ 1,639,285,254	0.59%	$ 9,671,783	$ 8,905,297	$ 766,486
Total Original Levy	1,639,285,254		9,671,783	8,905,297	766,486
Discoveries:					
Current year taxes	67,530,847	0.59%	398,432	-	-
Total Discoveries	67,530,847		398,432	-	-
Abatements					
Current Year Taxes	(6,393,390)	0.59%	(37,721)	-	-
Total Abatements	(6,393,390)		(37,721)	-	-
Total for Year	$ 1,700,422,712		10,107,936	8,905,297	766,486
Uncollected taxes at June 30, 2025			333,483	289,044	44,439
Current year's taxes collected			$ 9,774,453	$ 8,616,253	$ 722,047
Current levy collection percentage			96.55%	96.75%	94.20%

Graham County, North Carolina **Schedule H-3**
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2025

		Year Ended June 30, 2025		
Taxpayer	Type of Business	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brookfield Smoky Mtn Hydro LLC	Commercial	$ 259,026,320	1	17.18%
VOS3 LLC	Commercial	9,380,250	2	0.62%
Snowbird Mtn Lodge LLC	Commercial	8,092,600	3	0.54%
Circle G Management LLC	Commercial	6,047,510	4	0.40%
Masters Mission The	Commercial	5,866,590	5	0.39%
Bsprt Walgreens Portfolio 12	Commercial	5,066,010	6	0.34%
Lovin Management Company LLC	Commercial	4,195,600	7	0.28%
Oak Valley Hardwoods Inc	Commercial	3,579,390	8	0.24%
Phillips Real Estate LLC	Commercial	3,350,760	9	0.22%
MSK Hospitality LLC	Commercial	3,344,740	10	0.22%
		$ 307,949,770		20.43%

COMPLIANCE SECTION

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

To the Board of County Commissioners
Graham County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Graham County (the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-02, 2025-04, and 2025-05 that we consider to be material weaknesses and items 2025-01 and 2025-03 that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 amounts. 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.*

Graham County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of compliance 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.

RH CPAs, PLLC

Greensboro, North Carolina
October 20, 2026

Independent Auditors' 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

To the Board of County Commissioners
Graham County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Graham County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Governmental Commission, that could have a direct and material effect on each of Graham County's major federal programs for the year ended June 30, 2025. Graham County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Graham 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, 2025.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Graham 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 Graham 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 Graham County's federal programs.

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Auditors' 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 Graham 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 Graham 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 Graham 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 Graham 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 Graham 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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.

RH CPAs, PLLC

Greensboro, North Carolina
October 20, 2026

Independent Auditors' 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

To the Board of County Commissioners
Graham County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Graham County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Governmental Commission that could have a direct and material effect on each of Graham County's major state programs for the year ended June 30, 2025. Graham County's major programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Graham 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, 2025.

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 Graham 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 provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Graham 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 Graham County's State programs.

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Auditors' 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 Graham 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 Graham 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 Graham 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 Graham 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 Graham 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedules of findings and questioned costs, as item 2025-05 that we consider to be a material weakness.

Graham County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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.

RH CPAs, PLLC

Greensboro, North Carolina
October 20, 2026

GRAHAM COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified?	✓	yes		no
Significant deficiency(s) identified that are not considered to be material weaknesses?	✓	yes		none reported
Noncompliance material to financial statements noted		yes	✓	no

Federal Awards

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

Internal control over financial reporting:

Material weaknesses identified?		yes	✓	no
Significant deficiency(s) identified that are not considered to be material weaknesses?		yes	✓	none reported
Noncompliance material to financial statements noted		yes	✓	no

Identification of major Federal programs:

Federal Assistance Listing No.	Program Name
14.228	Community Development Block Grant - Neighborhood Revitilization
93.778	Medicaid Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs: $ 750,000

Auditee qualified as low-risk auditee?		yes	✓	no

State Awards

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

Internal control over financial reporting:

Material weaknesses identified?	✓	yes		no
Significant deficiency(s) identified that are not considered to be material weaknesses?		yes	✓	none reported
Noncompliance material to financial statements noted		yes	✓	no

Identification of major state programs:

Program Name
Public School Building Capital Fund - Needs Based Lottery Proceeds

Note: The following federal program, previously identified, is also considered to be a major State program:
93.778 Medicaid

SECTION II - FINANCIAL STATEMENT FINDINGS

Significant Deficiency

2025-01 Late Submission of Audit

Criteria:

North Carolina General Statute 159-34 requires each unit of local government to have its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission (LGC) within six months after the close of each fiscal year.

Condition:

The County was not able to issue its audit by the due date.

Effect:

The conditions above caused a delay in the issuance of the County's audit report.

Cause:

Significant turnover in the finance department created the delay in the previous fiscal year, which led to the current year audit being issued late as well.

Identification of a Repeat Finding:

This is a repeat finding from the previous audit, 2024-01.

Recommendation:

The County finance department should be properly staffed with the appropriate skill level to perform required governmental financial duties. One of those duties is preparing and assisting an external auditor with the required annual audit in the specified time frame.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will adhere to the corrective action plan.

Material Weakness

2025-02 Preparation of Financial Statements

Criteria:

Management is responsible for designing and maintaining a process to ensure transactions and journal entries are processed properly to present accurate financial statements in accordance with generally accepted accounting principles.

Condition:

Due to the significant turnover in the finance department, certain journal entries were not made, or made incorrectly, which required significant adjustments to correct account balances and reflect transactions accurately.

Effect:

Numerous audit adjustments were necessary to properly refelct accounting transactions accurately. Errors or omissions related to journal entries could potentially lead to misstated financial statements and financial reports used for budget monitoring throughout the year may not properly reflect account balances.

Cause:

Significant turnover in the finance department during the fiscal year and previous fiscal year.

Identification of a Repeat Finding:

This is a repeat finding from the previous audit, 2024-03.

Recommendation:

We encourage management to perform a detailed review of transactions, review and examine adjustments required as a result of our audit, and implement procedures to ensure required general ledger postings are made on a monthly basis and at year-end.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will adhere to the corrective action plan.

Significant Deficiency

2025-03 Recognition of Restricted Cash

Criteria:

In accordance with generally accepted accounting principles (GAAP), all cash assets controlled by the County should be recorded and reported in the financial statements. Funds held on behalf of the County must be evaluated for inclusion in the reporting entity.

Condition:

The County did not record or report cash balances held in bank accounts related to Sheriff Reward funds and Debt Setoff collections in its financial statements as of the fiscal year-end. These accounts were maintained outside of the County's general ledger and were not initially included in the reported cash and cash equivalents. As a result of audit procedures, an adjustment was proposed and recorded to properly reflect these balances in the financial statements.

Cause:

Separate general ledger accounts or funds were not set up and proper communcation was not made between departments to ensure the cash accounts were included in the County's records.

Effect:

Prior to the audit adjustment, the County's financial statements understated cash and revenue from restricted sources.

Identification of a Repeat Finding:

This is a repeat finding from the previous audit, 2024-04.

Recommendation:

We encourage management to establish procedures to identify all bank accounts held in the name of or for the benefit of the County, record all applicable cash balances in the general ledger and financial statements in a timely manner and perform periodic reconciliations of these accounts.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will adhere to the corrective action plan.

Material Weakness

2025-04 Improper Cash Management, Recording of Grant Proceeds and Reimbursements

Criteria:

Governmental accounting standards, including those established under generally accepted accounting principles (GAAP) for state and local governments, require that revenues and expenditures be recorded in the appropriate fund to ensure proper financial reporting and accountability. Grant agreements and applicable regulations further require that funds be tracked separately to demonstrate compliance with restrictions and allowable uses. Grant activity should be recorded when qualifying expenditures have been incurred and other grant requirements have been satisfied.

Condition:

During our review of grant-related transactions, we identified instances in which grant proceeds, reimbursement revenues, and expenditures were not consistently recorded in the appropriate grant fund. Specifically, receipts related to reimbursable expenditures were deposited into the general fund rather than the designated special revenue or grant fund established for those programs and not subsequently transferred to the appropriate fund. Certain grant revenue and expenditures were not recorded in the appropriate grant fund, which required adjustment.

Effect:

Misclassification of grant revenues could result in misstated financial statements, reduced transparency, and potential noncompliance with grantor requirements. This could also impair the entity's ability to track grant activity, monitor budget-to-actual performance, and demonstrate proper stewardship of restricted resources.

Cause:

Turnover within the finance department, and no formal process in place to ensure grant funds deposited were transferred to the appropriate grant project or special revenue fund.

Identification of a Repeat Finding:

This is a repeat finding from the previous audit, 2024-05.

Recommendation:

We recommend that management implement and enforce procedures to ensure that all grant proceeds,reimbursements, and revenue/expenditure activity are recorded in the appropriate grant fund. This should include establishing clear guidelines for identifying grant-related transactions and periodically reconciling grant activity to supporting documentation and grant agreements.

Views of responsible officials and planned corrective actions:

The Board agrees with this finding and will adhere to the corrective action plan.

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

Material Weakness

N.C. Department of Public Instruction
Program Name: Public School Building Capital Fund - Lottery Proceeds
Finding: 2025-05

Criteria: Counties receiving Education Lottery funds are responsible for maintaining adequate records, monitoring project activity and subrecipient compliance, and submitting required reports, including final reports when applicable.

Condition: The County lacked a process for preparing and reviewing periodic reports for lottery-funded projects or for monitoring lottery funds passed through to subrecipients. The County could not demonstrate reconciliation of project records to the general ledger and required reports, tracking of project completion dates, or timely submission of final reports when required. In addition, while audited financial statements were obtained from subrecipients, the County could not demonstrate review or follow-up procedures related to funded projects.

Questioned Costs (QC): There was no effect to eligibility and there were no questioned costs.

Context**:** Auditors identified deficiencies in the County's documentation and monitoring processes for Education Lottery-funded projects and related subrecipient awards, including reporting, reconciliation, completion tracking, and compliance monitoring activities. The unit is required to reconcile the monthly North Carolina Department of Public Instruction reports to their accounting records and track construction project process as final projects reports are due within 60 days of project completion.

Effect: The County may not timely identify inaccurate, incomplete, or untimely reporting and may be unable to demonstrate compliance with lottery reporting and monitoring requirements.

Cause: Formal procedures for project-level reporting, reconciliation, completion tracking, and subrecipient monitoring had not been established.

Recommendation: The County should implement documented procedures for project reporting, reconciliation, completion-date tracking, and subrecipient monitoring. A tracking log should be maintained for required reports and submissions, and monitoring files should be retained documenting compliance with reporting requirements, project progress, expenditure reviews, and timely submission of final reports.

GRAHAM COUNTY

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2025-01 – Late Submission of Audit

Name of Contact Person: Stacy R. Carpenter, Finance Officer

Corrective Action: Graham County has addressed staffing and skill-level concerns within the Finance Department to ensure the department has the personnel and expertise necessary to perform required governmental financial duties, including preparing for and assisting the external auditor with the annual audit within the required time frame. Corrective measures have been implemented, and ongoing professional development and continuing education will help maintain and strengthen the knowledge and skills necessary to fulfill the County's financial reporting responsibilities.

Proposed Completion Date: Corrective measures have been implemented. Ongoing professional development and monitoring of audit preparation activities will help ensure timely completion and submission of future audits.

Finding 2025-02 – Preparation of Financial Statements

Name of Contact Person: Stacy R. Carpenter, Finance Officer

Corrective Action: Graham County management has implemented procedures to strengthen the review of financial transactions and ensure required general ledger entries are recorded accurately and timely on a monthly basis and at year-end. These procedures include daily reconciliation of bank transactions, timely completion of monthly bank reconciliations, and ongoing review of financial activity to support the accuracy and completeness of financial records and financial reporting.

Proposed Completion Date: Corrective measures have been implemented. Ongoing review and monitoring of financial transactions, general ledger activity, and year-end adjustments will help ensure continued compliance with applicable accounting and financial reporting requirements.

Finding 2025-03 – Recognition of Restricted Cash

Name of Contact Person: Stacy R. Carpenter, Finance Officer

Corrective Action: Graham County management has reviewed and strengthened procedures to identify all bank accounts held in the County's name or for the County's benefit, ensure applicable cash balances are properly recorded in the general ledger and financial statements, and perform periodic reconciliations of these accounts. These procedures are intended to ensure restricted cash is appropriately identified, recorded, and presented in accordance with applicable accounting standards and financial reporting requirements.

Proposed Completion Date: Corrective measures have been implemented. Ongoing account identification, reconciliation, and review procedures will help ensure the proper recognition and reporting of restricted cash.

Finding 2025-04 – Improper Cash Management, Recording of Grant Proceeds and Reimbursements

Name of Contact Person: Stacy R. Carpenter, Finance Officer

Corrective Action: Graham County management has undertaken an ongoing review and cleanup of grant-related funds and has implemented procedures to ensure grant proceeds, reimbursements, and related revenue and expenditure activity are recorded in the appropriate funds and accounts. These procedures include establishing guidelines for identifying and recording grant-related transactions, maintaining supporting documentation, and periodically reconciling grant activity to applicable grant agreements, reimbursement requests, and financial records.

Proposed Completion Date: Corrective measures have been implemented, and the review and cleanup of grant-related financial activity will continue as necessary. Ongoing reconciliation and monitoring will help ensure accurate recording and reporting of grant proceeds, reimbursements, and related expenditures.

Finding 2025-05 – Material Weakness – Public School Building Capital Fund Lottery Proceeds

Name of Contact Person: Stacy R. Carpenter, Finance Officer

Corrective Action: Graham County management has documented procedures for project reporting, reconciliation, project completion tracking, and subrecipient monitoring. A

tracking log is maintained to monitor required reports and submissions, and supporting documentation is retained to demonstrate compliance with reporting requirements, project progress, expenditure reviews, and timely submission of final reports.

Proposed Completion Date: Corrective measures have been implemented. Ongoing monitoring and periodic reviews will help ensure continued compliance with established procedures and applicable reporting requirements.

GRAHAM COUNTY, NORTH CAROLINA
Summary Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2025

Prior Year Findings

Status: 2024-01	Modified and repeated as finding 2025-01.
Status: 2024-02	Resolved
Status: 2024-03	Modified and repeated as finding 2025-02.
Status: 2024-04	Modified and repeated as finding 2025-03.
Status: 2024-05	Modified and repeated as finding 2025-04.

GRAHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
U.S. Dept. of Agriculture					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	XXXX	$ 137,578	$ -	$ -
Total - SNAP			137,578	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	XXXX	57,655	-	-
COVID - 19 WIC Special Supplemental Nutrition Program for Women, Infants, & Children (Note 6)	10.557	XXXX	-	-	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, & Children			57,655	-	-
Passed-through N.C. Dept. of Agriculture and Consumer Services:					
U.S. Dept. of Agriculture					
USDA Rural Development Community Facilities	10.760	W3JTGJ1KPD7	79,443	-	-
Water and Waste Disposal System for Rural Communities	10.760	XXXX	663,792	-	-
Total Grants			743,235	-	-
Total U.S. Department of Agriculture			938,468	-	-
U.S. Dept. of Justice					
Passed-through the N.C. Dept. of Public Safety:					
Edward Bryne Memorial Justice Assistance Grant Program	16.738	W3JTGJ1KPD7	81,300	-	-
Total U.S. Dept. of Justice			81,300	-	-
U.S. Dept. of Transportation					
Passed-through the N.C. Department of Transportation:					
Federal Transit Cluster:					
Federal Transit Capital Investment Grants	20.509	50371.17.1.2	26,325	-	-
Federal Transit Capital Investment Grants	20.509	36233.46.26.1	69,590	-	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	51001.97.8.3	75,748	-	-
Total U.S. Dept. of Transportation			171,663	-	-
U.S. Dept. of Treasury					
Coronavirus State Local Fiscal Recovery Funds	21.027	XXXX	50,000	-	-
Total US Dept. of Treasury			$ 50,000	$ -	$ -

GRAHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025 (Continued)

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
U.S. Dept. of Health & Human Services					
Passed-through Red Bird Council of Governments:					
Division of Social Services					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	XXXX	$ 4,462	$ -	$ -
TANF - Work First	93.558	XXXX	143,203	-	-
Total Temporary Assistance for Needy Families (TANF)			147,665	-	-
Foster Care and Adoption Cluster (Note 5 and 6)					
Foster Care - Title IV-E	93.658	XXXX	186,648	2,158	-
Foster Care - Title IV-E - Benefit Payments	93.658	XXXX	62,017	18,182	-
Adoption Assistance	93.659	XXXX	247	-	-
Total Foster Care and Adoption Cluster			248,912	20,340	-
Child Support Enforcement	93.563	XXXX	63,144	(73)	-
Low-Income Home Energy Assistance:					
Weatherization Assistance and Heating and Air Repair	93.568	XXXX	6,999	-	-
Total Low-Income Home Energy Assistance			6,999	-	-
Division of Social Services					
Child Care Development Mandatory and Matching Funds-Administration (Note 6)	93.596	XXXX	73,333	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Families for Kids	93.645	XXXX	2,101	-	-
Total Stephanie Tubbs Jones Child Welfare Services Program			2,101	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	XXXX	3,066	767	-
SSBG - Other Service and Training	93.667	XXXX	53,069	-	-
Division of Aging and Adult Services					
Division of Social Services					
SSBG - State In Home Service Fund	93.667	XXXX	502	-	-
SSBG - State Adult Day Care	93.667	XXXX	8,296	-	-
State Child Protective Services	93.667	XXXX	64,263	-	-
Total Social Service Block Grant (SSBG)			126,130	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Health Benefits					
Division of Social Services					
Administration:					
Medicaid Cluster:					
Medical Assistance Program (Note 6)	93.778	XXXX	$ 421,821	$ 82,696	$ -

GRAHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025 (Continued)

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services					
Administration:					
Children's Health Insurance Program - N.C. Health Choice (Note 6)	93.767	XXXX	$ 53,535	$ 17,216	$ -
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.069	XXXX	27,365	-	-
Project Grants and Cooperative Agreements for					
Aligned Cooperative Agreements Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	XXXX	50	-	-
Family Planning Services	93.217	XXXX	29,819	-	-
Immunization Cooperative Agreements	93.268	XXXX	26,248	-	-
COVID-19 - Immunization Cooperation Agreements	93.268	XXXX	10,794	-	-
Cancer Prevention and Control Programs for State	93.898	XXXX	3,575	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	XXXX	810	-	-
Collaboration with Academia to Strengthen Public Health	93.967	XXXX	125	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	XXXX	100	-	-
Maternal and Child Health Services Block Grant					
Preventive Health and Health Services Grant	93.991	XXXX	30,741	-	-
Maternal and Child Health Services Grant	93.994	XXXX	30,355	7,033	-
Total Maternal and Child Health Services Block Grant			61,096	7,033	-
Grants COVID-19 Support for County Confinement Facilities			-	16,941	-
Total Grants			-	16,941	-
Total U.S. Dept. of Health and Human Services			1,306,688	127,979	-
U.S. Dept. of Housing and Urban Development					
Passed-through N.C. Dept. of Commerce:					
Community Development Block Grant					
Neighborhood Revitalization Program	14.228	XXXX	355,964	-	-
Coronavirus Program	14.228	XXXX	227,946	-	-
Total U. S. Department of Homeland Security			583,910	-	-
Total Federal Awards			$ 3,132,029	$ 127,979	$ -

GRAHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025 (Continued)

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
State Awards:					
N.C. Department of Environmental Quality					
NC Revolving Loan and Grant Program		E-SRP-W-2017	$ -	$ -	$ -
Scap Tire Program		XXXX	$ -	$ 3,877	$ -
Total Division of Waste Management			-	3,877	-
Total N.C. Dept. Environmental Quality			-	3,877	-
N.C. Dept. of Health and Human Services					
Division of Aging and Adult Services					
Division of Social Services					
90% State Funds - Congregate Nutrition		XXXX	-	29,700	-
90% State Funds - Home Delivered Meals		XXXX	-	114,200	-
Total Division of Aging and Adult Services			-	143,900	-
Division of Social Services					
Administration					
State Child Welfare - State Protective Services		XXXX	-	11,824	-
Emergency PLMT FC		XXXX	-	18,050	-
Direct Benefit Payments					
State Foster Home		XXXX	-	30,198	-
State Foster Home Fund (SFHF) Maximization		XXXX	-	22,679	-
Foster Care at Risk Maximization		XXXX	-	265	-
Extended Foster Care Maximization Non IV-E programs		XXXX	-	26,834	-
Foster Care Kinship		XXXX	-	16,854	-
State-Family Foster Max		XXXX	-	1,065	-
Total Division of Social Service			-	127,769	-
Division of Public Health					
Breast and Cervical Cancer		XXXX	-	2,275	-
Child Health		XXXX	-	420	-
Child Fatality Case Reporting		XXXX	-	6,221	-
DPH Aid-to-Counties		XXXX	-	75,101	-
Food and Lodging Fees		XXXX	-	1,049	-
General Communicable Disease Control		XXXX	-	11,336	-
Healthy Communities		XXXX	-	3,785	-
School Nursing Funding Initiative		XXXX	-	50,000	-
Hurricane Helene Essential Functions Support 122		XXXX	-	95,674	-
Tuberculosis Control		XXXX	-	1,260	-
Total Division of Public Health			-	247,121	-
Total N. C. Department of Health and Human Services			$ -	$ 518,790	$ -

GRAHAM COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025 (Continued)

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
N.C. Dept. of Insurance					
SHIIP Grant		XXXX	$ -	$ 2,060	$ -
N.C. Dept. of Public Instruction					
Public School Buildiing Capital Fund - Lottery Proceeds		1002937	-	769,649	-
Total N.C. Dept. of Public Instruction			-	769,649	-
N.C. Dept. of Public Safety					
Juvenile Crime Prevention Programs			-	70,265	-
Disaster Recovery Act of 2019		XXXX	-	-	-
Total N.C. Dept. of Public Safety		XXXX	-	70,265	-
N.C. Dept. of Transportation					
NC DOT Cluster ROAP/SMAP					
ROAP Elderly and Disabled Transportation Assistance		DOT-16CL 36220.10.13.1	-	57,162	-
ROAP Rural General Public Program		DOT-16CL 36228.22.13.1	-	52,277	-
ROAP Work First Transitional - Employment		DOT-16CL 36236.11.12.1	-	4,599	-
Total ROAP Cluster			-	114,038	-
Rideshare		DOT-11 36233.46.26.1	-	4,349	-
Highway Improvement		DOT-14 51081.10.6.4	-	300	-
Highway Improvement		DOT-14 51001.97.8.3	-	9,468	-
Total N.C. Dept. of Transportation			-	128,155	-
Total State awards			-	1,492,796	-
Other Financial Assistance:					
NC Dept. of Justice					
Opioid Settement Fund (Note 7)		XXXX	-	168,537	-
NC Office of State Budget & Management					
SCIF - Justice Center		20251	-	31,800	-
Total federal and State awards			$ 3,132,029	$ 1,821,112	$ -

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Carolina County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. 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 Carolina County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Note 2: Summary of Significant Accounting 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.

Note 3: Indirect Cost Rate

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

Note 4: Loans Outstanding

Carolina County had the following loan balances outstanding at June 30, 2025 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements . Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2025 consist of:

Program Title	Assistance Listing No.	Pass-through Grantor's Number	Amount Outstanding
Water and Waste Disposal System for Rural Communities	10.760	N/A	$ 633,295

Note 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: Foster Care and Adoption

Note 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	$ -	$ 147,241
COVID - 19 Special Supplemental Nutrition Program for Women Infant and Children	10.557	$ -	$ -
Supplemental Nutrition Assistance Program	10.551	$ -	$ 2,457,251
Temporary Assistance for Needy Families	93.558	$ -	$ -
Adoption Assistance	93.659	$ -	$ -
Child Care and Development Block Grant	93.575	$ -	$ -
Child Care and Development Fund Mandatory/Match	93.596	$ -	$ -
Foster Care - Title IV-E	93.658	$ -	$ -
Medical Assistance Program	93.778	$ 21,259,943	$ 8,494,090
Children's Health Insurance Program	93.767	$ 696.00	$ 204
Child Welfare Services Adoption	XXXX	$ -	$ -
State / County Special Assistance program	XXXX	$ -	$ -

Note 7: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private 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.