

**GRAHAM COUNTY,  
NORTH CAROLINA**

Financial Statements and Supplementary Information

For the Fiscal Year Ended June 30, 2024

**GRAHAM COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2024**

**Exhibit**

**Page**

**Financial Section**

	<b>Independent Auditors’ Report</b> .....	1
	<b>Management’s Discussion and Analysis</b> .....	4

**Basic Financial Statements:**

**Government-wide Financial Statements:**

1	Statement of Net Position .....	12
2	Statement of Activities .....	14

**Fund Financial Statements:**

3	Balance Sheet – Governmental Funds.....	15
3	Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position .....	16
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	17
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund.....	19
6	Statement of Fiduciary Net Position – Fiduciary Funds.....	20
7	Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	21
	Notes to the Financial Statements .....	22

**Schedule**

**Required Supplemental Financial Data:**

A-1	Schedule of Proportionate Share of Net Pension Liability (Asset) For Local Government Employees’ Retirement System .....	72
A-2	Schedule of Contributions to Local Government Employees’ Retirement System.....	73
A-3	Schedule of Proportionate Share of Net Pension Liability (Asset) For Registers of Deeds’ Supplemental Pension Fund .....	74
A-4	Schedule of Contributions to Registers of Deeds’ Supplemental Pension Fund .....	75
A-5	Schedule of Changes in Total Pension Liability for Law Enforcement Officers’ Special Separation Allowance.....	76
A-6	Local Government Employees’ Retirement System Graham County’s Contributions .....	77

**GRAHAM COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2024**

<u>Schedule</u>	<u>Page</u>
<b>Individual Fund Statements and Schedules:</b>	
<b>General Fund</b>	
1	Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Consolidated ..... 78
2	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund ..... 79
3	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Revaluation Fund..... 84
<b>Major Governmental Funds</b>	
4	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – American Recovery Grant Projects Fund..... 85
5	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Justice Center Capital Project Fund..... 86
6	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Public Buildings Capital Project Fund ..... 87
<b>Governmental Fund Types</b>	
7	Combining Balance Sheet for Nonmajor Governmental Funds ..... 88
8	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds ..... 89
<b>Special Revenue Funds</b>	
9	Combining Balance Sheet- Nonmajor Special Revenue Funds..... 90
10	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds ..... 91
11	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Emergency Telephone System Fund ..... 92
12	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Economic Development Fund ..... 93
13	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Opioid Settlement Fund..... 94
14	Schedule of Revenues, Expenditures, and Changes in Fund Balance– Budget and Actual – Representative Payee Fund..... 95
15	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Deed of Trust Fund..... 96

**GRAHAM COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2024**

<u>Schedule</u>	<u>Page</u>
 <b>Nonmajor Capital Project Funds</b>	
16	Combining Balance Sheet – Nonmajor Capital Projects Funds ..... 97
17	Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Project Funds ..... 98
18	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – NC Neighborhood Program Grant Projects Fund..... 99
19	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – School Capital Projects Fund ..... 100
 <b>Custodial Funds</b>	
20	Combining Statement of Fiduciary Net Position ..... 101
21	Combining Statement of Changes in Fiduciary Net Position ..... 102
 <b>Component Units:</b>	
 <b>Graham County Travel and Tourism Authority</b>	
22	Supplemental Balance Sheet..... 103
23	Supplemental Statement of Revenues, Expenditures, and Changes In Fund Balance ..... 104
24	Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget to Actual..... 105
 <b>Graham County Rural Development Authority</b>	
25	Supplemental Balance Sheet..... 106
26	Supplemental Statement of Revenues, Expenditures, and Changes In Fund Balance ..... 107
27	Supplemental Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget to Actual..... 108

**GRAHAM COUNTY, NORTH CAROLINA**  
**Table of Contents**  
**June 30, 2024**

<u>Other Schedule</u>	<u>Page</u>
<b>Tax Schedules</b>	
H-1	Schedule of Ad Valorem Taxes Receivable..... 109
H-2	Analysis of Current Tax Levy – County-Wide Levy ..... 110
H-3	Ten Largest Taxpayers..... 111
<b>Compliance Section</b>	
	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 <i>Government Auditing Standards</i> ..... 112
	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..... 114
	Independent Auditors’ Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance with Uniform Guidance; and the State Single Audit Implementation Act ..... 117
	Schedule of Findings and Questioned Costs..... 120
	Corrective Action Plans ..... 127
	Summary Schedule of Prior Year Audit Findings..... 132
	Schedule of Expenditures of Federal and State Awards..... 133

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## **FINANCIAL SECTION**

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## **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, 2024, 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, 2024, 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 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 generally accepted auditing standards 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 11, 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 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 schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other 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 May 14, 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  
May 14, 2026

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## 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, 2024. 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

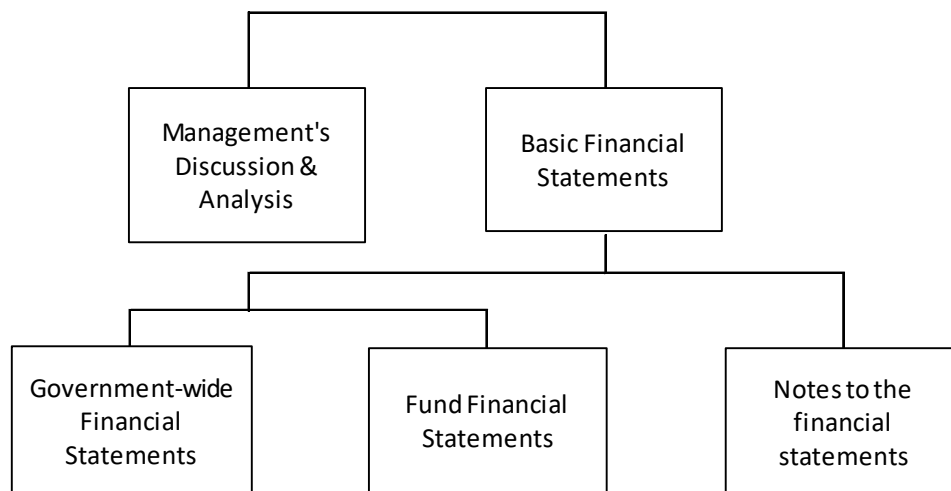
- The assets and deferred outflows of resources of Graham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,397,797 (net position).
- The government’s total net position increased by \$664,233.
- As of the close of the current fiscal year, Graham County’s governmental funds reported combined ending fund balances of \$12,410,780, after a net increase in fund balance of \$684,944. Approximately 68% of this total amount, or \$8,471,265, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the consolidated General fund was \$2,157,590 or 8%, of total General Fund expenditures and transfers.
- Graham County’s total debt decreased by \$553,292 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



Summary —————> Detail

## **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 the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are 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 **Supplemental Information** to show details about the County's nonmajor 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 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 on 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. The County's basic services are accounted for in the 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 22 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 beginning on page 72.

## 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 \$22,397,797 as of June 30, 2024. The County’s net position increased by \$664,233 for the fiscal year ended June 30, 2024. One of the largest portions \$12,297,057 (55%) 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 \$2,549,815 (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,550,925 (34%) is unrestricted.

**Graham County, North Carolina’s Net Position**  
**Figure 2**

	Governmental Activities	
	2024	2023
Current and other assets	\$ 19,845,879	\$ 19,782,701
Capital assets	16,703,096	16,688,216
Total assets	<u>36,548,975</u>	<u>36,470,917</u>
Deferred outflows of resources	<u>3,922,527</u>	<u>3,986,416</u>
Long term-liabilities outstanding	10,082,891	10,200,690
Other liabilities	7,501,347	8,261,227
Total liabilities	<u>17,584,238</u>	<u>18,461,917</u>
Deferred inflows of resources	<u>489,467</u>	<u>261,852</u>
Net Position:		
Net investment in capital assets	12,297,057	11,665,999
Restricted	2,549,815	2,557,277
Unrestricted	7,550,925	7,510,288
Total net position	<u>\$ 22,397,797</u>	<u>\$ 21,733,564</u>

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 97.40%. The collection percentage increased slightly in the current fiscal year from 97.30% in the previous fiscal year.
- The County has maintained stricter policies on spending and implemented cost savings measures despite an increase in overall expenditures.

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

	Governmental Activities	
	2024	2023
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 2,406,638	\$ 2,412,690
Operating grants and contributions	5,904,858	5,512,611
Capital grants and contributions	2,867,111	1,525,621
General revenues:		
Property taxes	9,855,923	8,044,026
Other taxes	3,826,269	3,448,688
Grants and contributions not restricted to specific programs	1,016,891	972,690
Investment earnings, unrestricted	571,487	377,573
Other	50,359	60,102
Total revenues	<u>26,499,536</u>	<u>22,354,001</u>
<b>Expenses</b>		
General Government	5,306,117	4,831,073
Public Safety	8,827,543	8,746,406
Economic and Physical Development	675,823	477,006
Human Services	7,665,189	6,473,563
Cultural and Recreation	804,250	602,653
Education	2,248,938	3,252,807
Special appropriations	150,450	286,960
Interest on Long-Term Debt	156,993	174,319
Total expenses	<u>25,835,303</u>	<u>24,844,787</u>
Increase (decrease) in net position before transfers and special items	664,233	(2,490,786)
Increase (decrease) in net position	664,233	(2,490,786)
Net position, beginning, previously reported	21,733,564	23,818,656
Restatement	-	405,694
Net position, beginning, restated	<u>21,733,564</u>	<u>24,224,350</u>
Net position, ending	<u>\$ 22,397,797</u>	<u>\$ 21,733,564</u>

**Governmental Activities.** Governmental activities increased the County's net position by \$664,233. Key elements of this increase are as follows:

- Increases in property tax and sales tax revenues from the previous fiscal year.
- Various sources of grant funding received from Federal and State agencies.

**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 \$2,157,590 while total fund balance reached \$5,860,224. 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 8% of general fund expenditures and transfers, while the total fund balance represents 24% of the same amount.

At June 30, 2024, the governmental funds of the County reported a combined fund balance of \$12,410,780, a \$684,944 increase 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 \$626,461.

### **Capital Asset and Debt Administration**

**Capital Assets.** Graham County's investments in capital assets for its governmental activities as of June 30, 2024 totaled \$16,703,096 (net of accumulated depreciation and amortization). These assets include land, construction in progress, equipment, furniture and fixtures, vehicles and motorized equipment, right of use lease assets, and right of use subscription assets.

Major capital asset transactions during the fiscal year included:

- Purchased a Poll Place Scanner & Tabulator - \$23,213
- Purchased a Dental Air Compressor - \$5,724
- Purchased a Bucket for KX-80 - \$1,700
- Purchased a 2024 Kenworth T880-VIN 2264 - \$ 230,443
- Purchased a 2024 Kenworth T880-VIN 2263 - \$225,434
- Paid for a deposit on an Ambulance Remount, Chassis - \$78,500
- Purchased Kenwood Radios - \$13,471
- Paid for a deposit on a 2023 Ford F-250 Diesel 4x4 - \$50,000
- Purchased Kenwood Radios for New Ambulances - \$11,863
- Purchased a 2019 Ford Ambulance - \$5,000
- Purchased the Green Property - \$572,046

**Graham County, North Carolina's Capital Assets  
(Net of Depreciation and Amortization)**

**Figure 4**

Governmental Activities:	<b>2024</b>	<b>2023</b>
Land	\$ 2,370,145	\$ 1,798,099
Construction in progress	1,331,476	1,191,103
Buildings	9,599,136	9,950,282
Other improvements	936,834	1,008,677
Equipment, furniture, and fixtures	1,014,416	1,335,791
Vehicles and motorized equipment	1,147,470	882,276
Lease assets	153,794	308,940
Subscription assets	149,825	213,048
Total	<u>\$ 16,703,096</u>	<u>\$ 16,688,216</u>

Additional information on the County's capital assets can be found in Note 3 of this audited financial report.

**Long-Term Obligations.** Debt totals include direct placement installment purchases, leases, and subscriptions. As of June 30, 2024, the County had total debt outstanding of \$4,406,039. 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:	<b>2024</b>	<b>2023</b>
Leases	\$ 154,870	\$ 318,949
Direct placement installment purchases	4,096,792	4,424,424
IT subscription liabilities	154,377	215,958
Total debt outstanding	<u>4,406,039</u>	<u>4,959,331</u>
Compensated absences	538,351	474,035
Net pension liability (LGERS)	5,555,181	5,366,691
Total pension liability (LEOSSA)	117,384	48,732
Total long-term liabilities	<u>\$ 10,616,955</u>	<u>\$ 10,848,789</u>

Graham County's total debt decreased by \$553,292 (11%) during the current fiscal year. The primary factor in the net decrease in debt was due to the principal payments made on the debt.

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 \$125,035,331.

Additional information regarding Graham County's long-term debt can be found in Note 3 of this audited financial report.

## **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the County.

- **Real Estate and Housing:** The median property value rose to \$170,600, with a high homeownership rate of 80.7%, exceeding the national average.
- **Infrastructure and Development:** The Corridor K project received \$20 million in new federal funding to continue upgrading US-74/19/129, aimed at boosting economic development in Western NC.
- **Labor Force and Employment:** As of early 2024, the unemployment rate was 4.1% with approximately 2,600 people employed. The county is experiencing a -7% change in employment compared to pre-COVID levels.
- **Economic Designation:** For 2026, the NC Department of Commerce will elevate Graham County from a Tier One to Tier Two, signaling an improvement in its economic distress ranking to #47.
- **Industry Focus:** Key sectors driving the local economy include construction and administrative/waste management services.

The following are some key challenges the County faced during the year ended June 30, 2024

- **Income and Poverty:** The county has historically lower median household income compared to state averages.
- **Top Health Priorities:** The 2024 Community Health Assessment listed substance abuse, mental health, and chronic conditions (obesity, diabetes, heart disease) as major factors affecting the workforce and community.

## **Budget Highlights for the Fiscal Year Ending June 30, 2025**

### **Governmental Activities**

The property tax lowered to \$0.59 per \$100 valuation to maintain current tax revenue streams.

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](mailto:stacy.carpenter@grahamcounty.org)  
(828) 479-7770  
[www.grahamcounty.org](http://www.grahamcounty.org)

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## **BASIC FINANCIAL STATEMENTS**

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**GRAHAM COUNTY, NORTH CAROLINA**

**Exhibit 1**

**Statement of Net Position**

**June 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Component Units</b>	
		<b>Travel and Tourism Authority</b>	<b>Rural Development Authority</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,243,586	\$ 106,192	\$ 152,210
Investments	1,777,726	658,684	-
Restricted cash and cash equivalents	2,079,527	10,563	-
Restricted investments	10,639,037	167,119	-
Receivables, net	142,849	53,600	-
Taxes receivable, net	344,065	-	-
Due from other governments	1,563,152	3,340	3,627
Due from primary government	-	1,087	-
Prepaid items	10,145	-	-
Net pension asset	45,792	-	-
<b>Total current assets</b>	<b>19,845,879</b>	<b>1,000,585</b>	<b>155,837</b>
Non-current assets:			
Capital assets:			
Land and construction in progress	3,701,621	-	611,789
Other capital assets, net of depreciation	12,697,856	48,256	-
Right to use leased assets, net of amortization	303,619	53,041	-
<b>Total non-current assets</b>	<b>16,703,096</b>	<b>101,297</b>	<b>611,789</b>
<b>Total assets</b>	<b>\$ 36,548,975</b>	<b>\$ 1,101,882</b>	<b>\$ 767,626</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	\$ 3,922,527	\$ -	\$ -
<b>Total deferred outflows of resources</b>	<b>3,922,527</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	1,150,565	38,206	501
Due to component unit	1,087	-	-
Unearned revenue	5,781,517	-	43,358
Accrued interest payable	34,114	-	-
Due within one year	534,064	7,783	67,500
<b>Total current liabilities</b>	<b>7,501,347</b>	<b>45,989</b>	<b>111,359</b>
Long-term liabilities:			
Net pension liability (LGRS)	5,555,181	-	-
Total pension liability (LEOSSA)	117,384	-	-
Due in more than one year	4,410,326	52,104	67,500
<b>Total long-term liabilities</b>	<b>10,082,891</b>	<b>52,104</b>	<b>67,500</b>
<b>Total liabilities</b>	<b>\$ 17,584,238</b>	<b>\$ 98,093</b>	<b>\$ 178,859</b>

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

**GRAHAM COUNTY, NORTH CAROLINA**

**Exhibit 1**

**Statement of Net Position (Continued)**

**June 30, 2024**

	<b>Primary Government</b>	<b>Component Units</b>	
	<b>Governmental Activities</b>	<b>Travel and Tourism Authority</b>	<b>Rural Development Authority</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	\$ 84,470	\$ -	\$ -
Pension deferrals	404,997	-	-
Total deferred inflows of resources	<u>489,467</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,297,057	45,922	476,789
Restricted for:			
Stabilization by state statute	1,708,434	58,027	3,627
Register of deeds	127,321	-	-
Human services	248,026	-	-
Law enforcement	111,366	-	-
Economic and physical development	217,059	-	-
Courts	503	-	-
USDA reserve	25,065	-	-
Opioid settlement	926	-	-
Education	111,115	-	-
Unrestricted	7,550,925	899,840	108,351
Total net position	<u>\$ 22,397,797</u>	<u>\$ 1,003,789</u>	<u>\$ 588,767</u>

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, 2024**

**Exhibit 2**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>			
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Primary Government</b>		<b>Component Units</b>	
					<b>Governmental Activities</b>	<b>Total</b>	<b>Travel and Tourism Authority</b>	<b>Rural Development Authority</b>
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 5,306,117	\$ 452,878	\$ 181,494	\$ -	\$ (4,671,745)	\$ (4,671,745)		
Public safety	8,827,543	771,528	607,186	2,045,688	(5,403,141)	(5,403,141)		
Economic and physical development	675,823	-	479,727	727,978	531,882	531,882		
Human services	7,665,189	1,102,914	4,633,851	93,445	(1,834,979)	(1,834,979)		
Cultural and recreation	804,250	79,318	2,600	-	(722,332)	(722,332)		
Education	2,248,938	-	-	-	(2,248,938)	(2,248,938)		
Special appropriations	150,450	-	-	-	(150,450)	(150,450)		
Interest on long-term debt	156,993	-	-	-	(156,993)	(156,993)		
Total governmental activities	<u>\$ 25,835,303</u>	<u>\$ 2,406,638</u>	<u>\$ 5,904,858</u>	<u>\$ 2,867,111</u>	<u>(14,656,696)</u>	<u>(14,656,696)</u>		
Component units:								
Travel and Tourism Authority	\$ 411,127	\$ -	\$ -	\$ -	-	-	\$ (411,127)	\$ -
Rural Development Authority	16,554	-	-	-	-	-	-	(16,554)
Total component units	<u>\$ 427,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(411,127)</u>	<u>(16,554)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					9,855,923	9,855,923	-	-
Local option sales tax					3,682,208	3,682,208	-	-
Other taxes and licenses					144,061	144,061	461,729	-
Grants and contributions not restricted to specific programs					1,016,891	1,016,891	-	-
Unrestricted investment earnings					571,487	571,487	37,602	397
Miscellaneous					50,359	50,359	2,144	-
Total general revenues and transfers					<u>15,320,929</u>	<u>15,320,929</u>	<u>501,475</u>	<u>397</u>
Change in net position					664,233	664,233	90,348	(16,157)
Net position, beginning					21,733,564	21,733,564	913,441	604,924
Net position, ending					<u>\$ 22,397,797</u>	<u>\$ 22,397,797</u>	<u>\$ 1,003,789</u>	<u>\$ 588,767</u>

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

**GRAHAM COUNTY, NORTH CAROLINA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

**Exhibit 3**

	<b>Major Funds</b>					<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>American Recovery Grant Projects Fund</b>	<b>Justice Center Capital Projects Fund</b>	<b>Public Building Capital Projects Fund</b>	<b>Total Non-Major Funds</b>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,902,458	\$ -	\$ -	\$ -	\$ 341,128	\$ 3,243,586
Investments	1,777,726	-	-	-	-	1,777,726
Restricted cash and cash equivalents	631,749	359,822	-	-	1,087,956	2,079,527
Restricted investments	125,015	-	7,078,645	3,435,377	-	10,639,037
Accounts receivable, net	102,996	-	-	-	12,250	115,246
Taxes receivable, net	344,065	-	-	-	-	344,065
Due from other governments	1,282,047	-	-	-	281,105	1,563,152
Due from other funds	305,269	-	-	-	24,420	329,689
Prepaid items	10,145	-	-	-	-	10,145
Total assets	<u>\$ 7,481,470</u>	<u>\$ 359,822</u>	<u>\$ 7,078,645</u>	<u>\$ 3,435,377</u>	<u>\$ 1,746,859</u>	<u>\$ 20,102,173</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,148,258	\$ -	\$ -	\$ -	\$ 2,307	\$ 1,150,565
Due to other funds	-	-	26,511	152,768	150,410	329,689
Due to component unit	1,087	-	-	-	-	1,087
Unearned revenue	43,366	359,822	4,579,999	-	798,330	5,781,517
Total liabilities	<u>1,192,711</u>	<u>359,822</u>	<u>4,606,510</u>	<u>152,768</u>	<u>951,047</u>	<u>7,262,858</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes receivable	344,065	-	-	-	-	344,065
Unavailable revenue - prepaid taxes	84,470	-	-	-	-	84,470
Total deferred inflows of resources	<u>428,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,535</u>
<b>FUND BALANCES</b>						
Non-spendable, not in spendable form:						
Prepaid items	10,145	-	-	-	-	10,145
Restricted:						
Stabilization by state statute	1,690,312	-	-	-	18,122	1,708,434
Register of deeds	127,321	-	-	-	-	127,321
Human services	135,318	-	-	-	112,708	248,026
Law enforcement	111,366	-	-	-	-	111,366
Economic and physical development	2,939	-	-	-	214,120	217,059
Courts	503	-	-	-	-	503
USDA reserve	25,065	-	-	-	-	25,065
Opioid settlement	-	-	-	-	926	926
Education	-	-	-	-	111,115	111,115
Committed:						
Capital projects	-	-	2,472,135	3,302,978	-	5,775,113
Tax revaluation	136,192	-	-	-	-	136,192
Assigned:						
Subsequent year's expenditures	1,463,473	-	-	-	-	1,463,473
Unassigned	2,157,590	-	-	(20,369)	338,821	2,476,042
Total fund balances	<u>5,860,224</u>	<u>-</u>	<u>2,472,135</u>	<u>3,282,609</u>	<u>795,812</u>	<u>12,410,780</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,481,470</u>	<u>\$ 359,822</u>	<u>\$ 7,078,645</u>	<u>\$ 3,435,377</u>	<u>\$ 1,746,859</u>	<u>\$ 20,102,173</u>

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

**GRAHAM COUNTY, NORTH CAROLINA**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2024**

**Exhibit 3**

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

Total fund balance, governmental funds	\$ 12,410,780	
Interest receivable accrued on property taxes are not current financial resources and therefore are not reported in the funds.		27,603
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 30,408,435	
Accumulated depreciation	<u>(14,008,958)</u>	16,399,477
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	871,052	
Accumulated amortization	<u>(567,433)</u>	303,619
Net pension asset		45,792
Net pension liability		(5,555,181)
Total pension liability - LEOSSA		(117,384)
Pension related deferrals		(404,997)
Deferred inflows of resources for taxes		344,065
Deferred outflows of resources related to pensions are not reported in the funds		3,922,527
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.		<u>(4,978,504)</u>
Net position of governmental activities		<u><u>\$ 22,397,797</u></u>

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, 2024**

**Exhibit 4**

<b>Major Funds</b>						
	<b>General Fund</b>	<b>American Recovery Grant Projects Fund</b>	<b>Justice Center Capital Projects Fund</b>	<b>Public Building Capital Projects Fund</b>	<b>Total Non- Major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Ad valorem taxes	\$ 9,790,590	\$ -	\$ -	\$ -	\$ -	\$ 9,790,590
Local option sales taxes	3,682,208	-	-	-	-	3,682,208
Other taxes and licenses	112,422	-	-	-	-	112,422
Unrestricted intergovernmental	1,016,891	-	-	-	-	1,016,891
Restricted intergovernmental	5,021,505	845,933	2,045,688	-	1,114,878	9,028,004
Other restricted revenue	146,041	-	-	-	-	146,041
Permits and fees	134,712	-	-	-	-	134,712
Sales and services	1,900,290	-	-	-	-	1,900,290
Investment earnings	110,065	3,865	280,314	174,965	2,914	572,123
Miscellaneous	50,359	-	-	-	-	50,359
Total revenues	<u>21,965,083</u>	<u>849,798</u>	<u>2,326,002</u>	<u>174,965</u>	<u>1,117,792</u>	<u>26,433,640</u>
<b>EXPENDITURES</b>						
Current:						
General government	4,911,972	-	-	38,815	-	4,950,787
Public safety	8,636,860	-	-	-	134,044	8,770,904
Economic and physical development	221,379	-	-	-	531,549	752,928
Human services	6,713,631	-	-	-	545,328	7,258,959
Cultural and recreational	1,085,157	-	-	-	-	1,085,157
Intergovernmental:						
Education	2,294,395	-	-	-	-	2,294,395
Special appropriations	150,450	-	-	-	-	150,450
Debt Service						
Principal	291,055	-	-	-	-	291,055
Interest	135,309	-	-	-	-	135,309
Capital outlay	-	-	45,688	-	-	45,688
Total expenditures	<u>24,440,208</u>	<u>-</u>	<u>45,688</u>	<u>38,815</u>	<u>1,210,921</u>	<u>25,735,632</u>
Excess (deficiency) of revenues over expenditures	<u>(2,475,125)</u>	<u>849,798</u>	<u>2,280,314</u>	<u>136,150</u>	<u>(93,129)</u>	<u>698,008</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	1,045,303	-	-	-	45,270	1,090,573
Transfers to other funds	(45,270)	(852,383)	-	(192,920)	-	(1,090,573)
Total other financing sources (uses)	<u>1,000,033</u>	<u>(852,383)</u>	<u>-</u>	<u>(192,920)</u>	<u>45,270</u>	<u>-</u>
Net change in fund balance	<u>(1,475,092)</u>	<u>(2,585)</u>	<u>2,280,314</u>	<u>(56,770)</u>	<u>(47,859)</u>	<u>698,008</u>
Fund balances, beginning	7,348,380	2,585	191,821	3,339,379	843,671	11,725,836
Change in reserve for transit surplus	(13,064)	-	-	-	-	(13,064)
Fund balances, ending	<u>\$ 5,860,224</u>	<u>\$ -</u>	<u>\$ 2,472,135</u>	<u>\$ 3,282,609</u>	<u>\$ 795,812</u>	<u>12,410,780</u>

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 Balance (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

**Exhibit 4**

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

Net changes in fund balances- total governmental funds	\$	698,008
Change in fund balance due to change in reserve for transit surplus		(13,064)

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	\$	1,374,532	
Depreciation expense for governmental assets		(1,141,283)	
Amortization expense for intangible assets		<u>(218,369)</u>	14,880

Contributions to the pension plan in the current fiscal year are not included on the statement of activities		1,111,655
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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		65,333
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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	553,292	
Change in accrued interest payable	<u>(2,566)</u>	550,726

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.

Compensated absences	(64,316)	
Pension expense	<u>(1,698,989)</u>	<u>(1,763,305)</u>

Total changes in net position of governmental activities	\$	<u><u>664,233</u></u>
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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, 2024**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budget		Actual Amounts	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 10,236,622	\$ 10,236,622	\$ 9,790,590	\$ (446,032)
Local option sales taxes	3,395,900	3,395,900	3,682,208	286,308
Other taxes and licenses	206,395	206,395	112,422	(93,973)
Unrestricted intergovernmental	840,030	840,030	1,016,891	176,861
Restricted intergovernmental	5,124,152	5,707,826	5,021,505	(686,321)
Other restricted revenues	210,324	253,758	146,041	(107,717)
Permits and fees	155,079	102,079	134,712	32,633
Sales and services	1,817,915	1,870,268	1,900,290	30,022
Investment earnings	113,223	113,223	110,065	(3,158)
Miscellaneous	16,700	16,700	50,359	33,659
Total revenues	<u>22,116,340</u>	<u>22,742,801</u>	<u>21,965,083</u>	<u>(777,718)</u>
Expenditures:				
Current:				
General government	4,531,368	4,599,855	4,911,972	(312,117)
Public safety	8,681,983	8,752,987	8,636,860	116,127
Economic and physical development	170,983	104,992	221,379	(116,387)
Human services	6,574,226	7,494,499	6,713,631	780,868
Cultural and recreational	617,001	659,506	1,085,157	(425,651)
Intergovernmental:				
Education	1,652,009	1,652,009	2,294,395	(642,386)
Special appropriations	215,800	215,800	150,450	65,350
Debt service:				
Principal	261,213	261,213	291,055	(29,842)
Interest	117,027	117,027	135,309	(18,282)
Total expenditures	<u>22,821,610</u>	<u>23,857,888</u>	<u>24,440,208</u>	<u>(582,320)</u>
Revenues over (under) expenditures	<u>(705,270)</u>	<u>(1,115,087)</u>	<u>(2,475,125)</u>	<u>(1,360,038)</u>
Other financing sources (uses):				
Transfers from other funds	104,527	104,527	1,045,303	940,776
Transfers to other funds	(758,115)	(348,298)	(45,270)	303,028
Proceeds from issuance of debt	525,900	525,900	-	(525,900)
Lease obligations issued	58,310	58,310	-	(58,310)
Total other financing sources (uses)	<u>(69,378)</u>	<u>340,439</u>	<u>1,000,033</u>	<u>659,594</u>
Fund balance appropriated	<u>774,648</u>	<u>774,648</u>	<u>-</u>	<u>(774,648)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,475,092)</u>	<u>\$ (1,475,092)</u>
Fund balance, beginning			7,348,380	
Change in reserve for transit surplus			(13,064)	
Fund balance, ending			<u>\$ 5,860,224</u>	

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

**GRAHAM COUNTY, NORTH CAROLINA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

**Exhibit 6**

	<b>Custodial Funds</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 9,697
Total assets	9,697
 <b>Liabilities:</b>	
Accounts payable and accrued liabilities	-
Due to other governments	-
Total liabilities	-
 <b>Net Position:</b>	
Restricted for:	
Individuals, organizations, and other governments	9,697
Total fiduciary net position	\$ 9,697

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

**GRAHAM COUNTY, NORTH CAROLINA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

**Exhibit 7**

	<b>Custodial Funds</b>
<b>Additions:</b>	
Ad valorem taxes collected for other governments	\$ 714,941
Collection on behalf of inmates	20,791
Collection on behalf of 4-H Club	7,964
Total additions	743,696
<b>Deductions:</b>	
Tax distributions to other governments	713,471
Payments on behalf of inmates	19,200
Payments on behalf of 4-H Club	8,109
Total deductions	740,780
Net increase in fiduciary net position	2,916
Net position, beginning, as previously reported	511
Prior period restatement	6,270
Net position, beginning, as restated	6,781
Net position, ending	\$ 9,697

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

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## **NOTES TO THE FINANCIAL STATEMENTS**

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**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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.

**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.

**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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation (Continued)**

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.

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.

**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.** In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The opioid settlement funds may support programs or services that serve persons with Opioid Use Disorder (OUD) or any co-occurring Substance Use Disorder (SUD) or mental health condition.

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

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**1. Summary of Significant Accounting Policies (Continued)**

B. Basis of Presentation (Continued)

**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.

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, consists of the following:

Governmental activities:	
General Fund	\$ 125,015
Public Building Capital Projects Fund	3,435,377
Justice Center Capital Projects Fund	<u>7,078,645</u>
Total governmental activities restricted investments	<u><u>\$ 10,639,037</u></u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, consists of the following:

Governmental activities:

General Fund

Facility fund	\$ 503
Register of deeds AE&P fund	127,321
Duke Energy STW/shareholder FDS	14,266
Unexpended grant proceeds - ARC	2,939
Unexpended grant proceeds - transit	135,318
Fitness and wellness center	8,710
4-H youth education	18,326
Sheriff - impound fees	9,671
Sheriff - concealed handgun permit fees	96,644
Sheriff's office trust	5,051
Sheriff NC drug tax	44,644
Sheriff federal drug	2,073
Sheriff reward	3,097
Soil and water conservation	2,173
USDA reserve - condition of loan	25,065
Tax revaluation	135,948
<b>Total General Fund restricted cash and cash equivalents</b>	<b><u>631,749</u></b>

Other Governmental Funds

NC Neighborhood Program Fund	545,701
American Recovery Grants Projects Fund	359,822
School Capital Project Fund	4,100
Economic Development Fund	134,712
Representative Payee Fund	111,982
Opioid Settlement Fund	291,461
<b>Total Other Governmental Funds restricted cash and cash equivalents</b>	<b><u>1,447,788</u></b>
<b>Total governmental activities restricted cash and cash equivalents</b>	<b><u>\$ 2,079,527</u></b>

Discretely presented component units:

Travel and Tourism Authority

Capital reserve	<u>\$ 10,563</u>
<b>Total Travel and Tourism restricted cash and cash equivalents</b>	<b><u>\$ 10,563</u></b>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2023. 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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:

<b>Assets</b>	<b>Estimated Useful Lives</b>
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:

<b>Assets</b>	<b>Estimated Useful Lives</b>
Equipment, furniture, and fixtures	5 - 10
Vehicles	5

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 vacation policies of the County and the T&T provides for the accumulation of up to twenty (20) days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County’s government-wide statements as well as the government-wide financial statements of the T&T. Compensated absences typically are accounted for on last-in, first-out basis, assuming that employees are taking leave time as it is earned.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**1. Summary of Significant Accounting Policies (Continued)**

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

11. Compensated Absences (Continued)

The sick leave policies of the County and the T&T provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the T&T has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

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.

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 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.

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 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 outlay – 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 – Portion 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.

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

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

<b>Total fund balance - General Fund</b>	<b>\$</b>	<b>5,860,224</b>
<b>Less:</b>		
Prepaid items	\$	10,145
Register of deeds		127,321
Stabilization by State statute		1,690,312
Human services		135,318
Law enforcement		111,366
Economic development		2,939
Courts		503
USDA reserve		25,065
Tax revaluation		136,192
Appropriated fund balance in 2025 budget		1,463,473
Remaining Fund Balance	<u>\$</u>	<u>2,157,590</u>

14. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees’ Retirement System (LGERS); the Registers of Deeds’ Supplemental Pension Fund (RODSPF); and 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 employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**1. Summary of Significant Accounting Policies (Continued)**

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

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 four (4) months of year-end. The County is not in compliance with this requirement as the June 30, 2024 audit was due by October 31, 2024.

B. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2024, the expenditures made in the County's General Fund exceeded the authorized appropriations made by the governing board for general government activities by \$312,117, economic and physical development activities by \$116,387, cultural and recreational activities by \$425,651, education activities by \$642,386, and debt service by \$48,124. These over-expenditures occurred due to unexpected expenditures in each activity. Expenditures made in the County's Emergency Telephone System Fund exceeded authorized appropriations by \$31,544. Expenditures made in the County's Economic Development Fund exceeded authorized appropriations by \$36,384. Project to date expenditures made in the County's School Capital Projects Fund exceeded authorized appropriations by \$113,887. Management and the board will more closely review the budget reports to ensure compliance in future years.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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. 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, 2024, the County's deposits had a carrying amount of \$5,323,113 and a bank balance of \$5,570,189. 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, 2024, the County's petty cash fund totaled \$601.

At June 30, 2024, the T&T's deposits had a carrying amount of \$116,755 and a bank balance of \$187,969. All of the bank balance was covered by federal depository insurance.

At June 30, 2024, the RDA's deposits had a carrying amount of \$152,210 and a bank balance of \$152,210. All of the bank balance was covered by federal depository insurance.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

A. Assets (Continued)

2. Investments

As of June 30, 2024, the County had \$12,416,763 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, 2024, the T&T had \$825,803 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. Receivables

Receivables at the government-wide level at June 30, 2024, were as follows:

	Taxes	Interest	Accounts	Total
Governmental Activities:				
General	\$ 553,722	\$ 27,603	\$ 331,771	\$ 913,096
Other governmental	-	-	12,250	12,250
Total receivables	553,722	27,603	344,021	925,346
Allowance for doubtful accounts	(209,657)	-	(228,775)	(438,432)
Total governmental activities	<u>\$ 344,065</u>	<u>\$ 27,603</u>	<u>\$ 115,246</u>	<u>\$ 486,914</u>

Due from other governments that is owed to the County consists of the amount of sales tax to be refunded in the amount of \$1,282,047 to the General Fund and \$281,105 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 \$53,600 in accounts receivable at June 30, 2024 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 \$3,340 at June 30, 2024.

*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 \$3,627 at June 30, 2024.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, was as follows:

<b>Primary Government</b>	Beginning Balances June 30, 2023	Increases	(Decreases)	Ending Balances June 30, 2024
<b>Governmental Activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,798,099	\$ 572,046	\$ -	\$ 2,370,145
Construction in Progress	1,191,103	140,373	-	1,331,476
Total capital assets not being depreciated	<u>2,989,202</u>	<u>712,419</u>	<u>-</u>	<u>3,701,621</u>
Capital assets being depreciated				
Buildings	13,948,890	-	-	13,948,890
Other improvements	1,776,379	18,466	-	1,794,845
Equipment and furniture	5,336,343	54,270	-	5,390,613
Vehicles and motorized equipment	5,082,142	589,377	(99,053)	5,572,466
Total capital assets being depreciated	<u>26,143,754</u>	<u>662,113</u>	<u>(99,053)</u>	<u>26,706,814</u>
Less accumulated depreciation for:				
Buildings	3,998,608	351,146	-	4,349,754
Other improvements	767,702	90,309	-	858,011
Equipment and furniture	4,000,552	375,645	-	4,376,197
Vehicles and motorized equipment	4,199,866	324,183	(99,053)	4,424,996
Total accumulated depreciation	<u>12,966,728</u>	<u>1,141,283</u>	<u>(99,053)</u>	<u>14,008,958</u>
Total capital assets being depreciated, net	<u>13,177,026</u>			<u>12,697,856</u>
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	<u>871,052</u>	<u>-</u>	<u>-</u>	<u>871,052</u>
Less accumulated amortization for:				
Leased vehicles	255,661	131,002	-	386,663
Leased equipment	30,180	24,144	-	54,324
IT subscriptions	63,223	63,223	-	126,446
Total accumulated amortization	<u>349,064</u>	<u>\$ 218,369</u>	<u>\$ -</u>	<u>567,433</u>
Total capital assets being amortized, net	<u>521,988</u>			<u>303,619</u>
Governmental activity capital assets, net	<u>\$ 16,688,216</u>			<u>\$ 16,703,096</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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	\$	330,993
Public Safety		562,001
Human Services		381,717
Culture and Recreational		84,941
Total depreciation and amortization expense	\$	1,359,652

The government has active construction projects as of June 30, 2024. 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	\$ 90,540	\$ 83,575
Public Building Capital Projects Fund	820,935	2,524,065
Justice Center Capital Project Fund	420,001	4,754,999
Total	\$ 1,331,476	\$ 7,362,639

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, was as follows:

<b>Travel and Tourism Authority</b>	Beginning Balances			Ending Balances
	June 30, 2023	Increases	(Decreases)	June 30, 2024
Capital assets being depreciated:				
Equipment, furniture and fixtures	\$ 60,500	\$ -	\$ -	\$ 60,500
Total capital assets being depreciated	<u>60,500</u>	<u>-</u>	<u>-</u>	<u>60,500</u>
Less accumulated depreciation:				
Equipment, furniture and fixtures	3,601	8,643	-	12,244
Total accumulated depreciation	<u>3,601</u>	<u>8,643</u>	<u>-</u>	<u>12,244</u>
Total capital assets being depreciated, net	<u>56,899</u>			<u>48,256</u>
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	<u>75,288</u>	<u>-</u>	<u>-</u>	<u>75,288</u>
Less accumulated amortization for:				
Leased buildings	12,080	6,040	-	18,120
Leased equipment	2,293	1,834	-	4,127
Total accumulated amortization	<u>14,373</u>	<u>\$ 7,874</u>	<u>\$ -</u>	<u>22,247</u>
Total capital assets being amortized, net	<u>60,915</u>			<u>53,041</u>
Travel and Tourism Authority capital assets, net	<u>\$ 117,814</u>			<u>\$ 101,297</u>

Capital asset activity for the Rural Development Authority for the year ended June 30, 2024, was as follows:

<b>Rural Development Authority</b>	Beginning Balances			Ending Balances
	June 30, 2023	Increases	(Decreases)	June 30, 2024
Capital assets not being depreciated:				
Land	\$ 611,789	\$ -	\$ -	\$ 611,789
Total capital assets not being depreciated	<u>\$ 611,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 611,789</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2024 for the primary government were as follows:

Governmental activities	<u>Vendors</u>	<u>Payroll Liabilities</u>	<u>Total</u>
General fund	\$ 412,527	\$ 735,731	\$ 1,148,258
Non-major funds	2,307	-	2,307
Total governmental activities	<u>\$ 414,834</u>	<u>\$ 735,731</u>	<u>\$ 1,150,565</u>

Payables at the government-wide level at June 30, 2024 for the discretely presented component units were as follows:

Discretely presented component units	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Travel and Tourism Authority	\$ 38,206	\$ -	\$ 38,206
Rural Development Authority	501	-	501
Total discretely presented component units	<u>\$ 38,707</u>	<u>\$ -</u>	<u>\$ 38,707</u>

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](http://www.osc.nc.gov).

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, was 14.04% of compensation for law enforcement officers and 12.85% 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 \$1,107,965 for the year ended June 30, 2024.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, the County reported a liability of \$5,555,181 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 (measurement date), the County’s proportion was 0.00084%, which was a decrease of 0.00011% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$1,684,032. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 619,011	\$ 13,326
Changes of assumptions	236,063	-
Net difference between projected and actual earnings on pension plan investments	1,486,809	-
Changes in proportion and differences between County contributions and proportionate share of contributions	380,469	313,312
County contributions subsequent to the measurement date	1,107,964	-
Total	<u>\$ 3,830,316</u>	<u>\$ 326,638</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

\$1,107,964 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, 2025.

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

<b>Year ended June 30:</b>	
2025	\$ 933,985
2026	494,262
2027	904,596
2028	62,870
2029	-
Thereafter	-
	\$ 2,395,713

*Actuarial Assumptions.* The entry age actuarial cost method was used in December 31, 2022 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
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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.4%
Global Equity	42.0%	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 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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	\$ 9,624,132	\$ 5,555,181	\$ 2,205,238

*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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2022 (valuation date), the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	0
Active Members	17
Total Membership	17

*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, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	4.00%
Salary increases	3.25 to 7.75%
Inflation	2.50%

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, 2022 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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. The County paid \$49,922 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a liability of \$117,384. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$15,122.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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)

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 43,792	\$ 50,405
Changes of assumptions	23,456	12,301
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	\$ 67,248	\$ 62,706

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

<b>Year ended June 30:</b>	
2025	\$ (2,972)
2026	(812)
2027	(583)
2028	81
2029	5,843
Thereafter	2,985
	\$ 4,542

*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 4.00%, 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 (3.00%) or 1-percentage-point higher (5.00%) than the current rate:

	<b>1% Decrease (3.00%)</b>	<b>Discount Rate (4.00%)</b>	<b>1% Increase (5.00%)</b>
Total Pension Liability	\$ 133,538	\$ 117,384	\$ 103,053

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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**

	<b>2022</b>
Beginning balance	\$ 48,732
Service cost	19,881
Interest	2,100
Change in benefit terms	-
Difference between expected and actual experience	42,547
Changes of assumptions and other inputs	4,124
Benefit payments	-
Other	-
Ending balance of the total pension liability	\$ 117,384

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at June 30, 2023 to 4.00 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, 2022 valuation were based on the results of an actuarial experience study as of December 31, 2019.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024 were \$76,593.

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 \$76,593 for the year ended June 30, 2024. 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](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,703 for the year ended June 30, 2024.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, the County reported an asset of \$45,792 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension asset was then rolled forward to the measurement date of June 30, 2023 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, 2023 (measurement date), the County's proportion was 0.38106%, which was an increase of 0.07522% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of (\$2,051). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,027
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	23,260	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	13,626
County contributions subsequent to the measurement date	1,703	-
Total	\$ 24,963	\$ 15,653

\$1,703 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, 2025.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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:

<b>Year ended June 30:</b>	
2025	\$ (3,446)
2026	2,834
2027	6,752
2028	1,467
2029	-
Thereafter	-
	<u>\$ 7,607</u>

*Actuarial Assumptions.* The total pension asset in the December 31, 2022 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 percent
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, 2022 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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 0.9%.

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 2.50%. 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 asset	\$ (31,258)	\$ 45,792	\$ (58,047)

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>Total</u>
Pension expense	\$ 1,684,032	\$ 15,122	\$ (2,051)	\$ 1,697,103
Pension liability (asset)	5,555,181	117,384	(45,792)	5,626,773
Proportionate share of the net pension liability (asset)	0.00084%	n/a	0.38106%	

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>RODSPF</u>	<u>Total</u>
<b>Deferred of Outflows of Resources</b>				
Differences between expected and actual experience	\$ 619,011	\$ 43,792	\$ -	\$ 662,803
Changes of assumptions	236,063	23,456	-	259,519
Net difference between projected and actual earnings on plan investments	1,486,809	-	23,260	1,510,069
Changes in proportion and differences between contributions and proportionate share of contributions	380,469	-	-	380,469
Benefit payments and administrative costs paid subsequent to the measurement date	1,107,964	-	1,703	1,109,667
	<u>\$ 3,830,316</u>	<u>\$ 67,248</u>	<u>\$ 24,963</u>	<u>\$ 3,922,527</u>
<b>Deferred of Inflows of Resources</b>				
Differences between expected and actual experience	\$ 13,326	\$ 50,405	\$ 2,027	\$ 65,758
Changes of assumptions	-	12,301	-	12,301
Changes in proportion and differences between contributions and proportionate share of contributions	313,312	-	13,626	326,938
	<u>\$ 326,638</u>	<u>\$ 62,706</u>	<u>\$ 15,653</u>	<u>\$ 404,997</u>

f. Other Postemployment Benefits

Graham County has no current plans qualifying as Other Post-Employment Benefits plans in place at year end.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

B. Liabilities (Continued)

2. Pension Plan and Postemployment Obligations (Continued)

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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan subsequent to the measurement date (LGRS, RODSPF)	\$ 1,109,667
Changes of assumptions (Pensions)	259,519
Difference between projected expected and actual experience (Pensions)	662,803
Changes in proportion and differences between County contributions and proportionate share of contributions (Pensions)	380,469
Net difference between projected and actual earnings on pension plan investments (Pensions)	1,510,069
Total	<u>\$ 3,922,527</u>

The following are the deferred inflows of resources that are reported in the government-wide financial statements at June 30, 2024:

<u>Source</u>	<u>Amount</u>
Prepaid taxes not yet earned (General)	\$ 84,470
Difference between expected and actual experience (Pensions)	65,758
Change in proportion and difference between County contributions and proportionate share of contributions (Pensions)	326,938
Changes of assumptions (Pensions)	12,301
Total	<u>\$ 489,467</u>

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 carries commercial insurance for these risks of loss. The County obtains property coverage equal to the replacement cost of owned property subject to a total insured value of \$24,272,030, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability at \$2 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of \$500,000 per occurrence; and worker's compensation up to the statutory limits. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, 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.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, the value of the lease liability was \$43,870.

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, 2024, the value of the lease liability was \$47,565.

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, 2024, the value of the lease liability was \$63,435.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 55,106	\$ 8,245	\$ 63,351
2026	51,764	5,123	56,887
2027	35,101	2,392	37,493
2028	12,899	375	13,274
<b>Total</b>	<b>\$ 154,870</b>	<b>\$ 16,135</b>	<b>\$ 171,005</b>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024, the value of the lease liability was \$3,333.

In July 2021, T&T entered into a 48-month lease agreement for a building. An initial lease liability was recorded in the amount of \$30,307 and requires monthly payments of \$600. The lease liability is measured at a discount rate of 3.25%. As of June 30, 2024, the value of the lease liability was \$51,863.

The future minimum lease payments and their net present value of these minimum lease payments as of June 30, 2024, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,472	\$ 1,693	\$ 9,165
2026	7,229	1,445	8,674
2027	5,966	1,234	7,200
2028	6,163	1,037	7,200
2029	6,367	833	7,200
Thereafter	21,999	1,222	23,221
<b>Total</b>	<u>\$ 55,196</u>	<u>\$ 7,464</u>	<u>\$ 62,660</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024 the value of the subscription liability is \$139,697.

On July 1, 2022, the County entered into a 29-month subscription for the use of Prodigy Voice and Data. The County is required to make monthly fixed payments of \$2,961. The subscription liability was measured at a discount rate of 3.38%. As of June 30, 2024, the value of the subscription liability is \$14,680.

The future minimum subscription obligations and the net present value of these minimum subscription payments as of June 30, 2024, were as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 42,791	\$ 4,413	\$ 47,204
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
<b>Total</b>	<u>\$ 154,377</u>	<u>\$ 11,627</u>	<u>\$ 166,004</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

c. Installment Purchases

Installment Contracts outstanding at June 30, 2024 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. \$ 375,497

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. 1,529,000

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. 1,904,000

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. 288,295

\$ 4,096,792

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

c. Installment Purchases (continued)

At June 30, 2024, the County had a legal debt margin of \$125,035,331

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 328,497	\$ 125,998	\$ 454,495
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
2030-2034	1,289,823	296,733	1,586,556
2035-2039	691,848	148,003	839,851
2040-2044	420,038	41,581	461,619
2045-2049	47,412	1,719	49,131
<b>Total</b>	<b>\$ 4,096,792</b>	<b>\$ 1,021,911</b>	<b>\$ 5,118,703</b>

*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.

\$ 135,000

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

<u>Year Ending June 30</u>	<u>Rural Development Authority</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 67,500	\$ 3,309	\$ 70,809
2026	67,500	3,309	70,809
<b>Total</b>	<b>\$ 135,000</b>	<b>\$ 6,618</b>	<b>\$ 141,618</b>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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, 2024 is as follows:

	Beginning Balances			Ending Balances		Current Portion
	June 30, 2023	Increases	(Decreases)	June 30, 2024		
<b>Governmental Activities:</b>						
Direct placement installment purchase	\$ 4,424,424	\$ -	\$ (327,632)	\$ 4,096,792	\$ 328,497	
Net pension liability (LGERS)	5,366,691	188,490	-	5,555,181	-	
Compensated absences	474,035	218,887	(154,571)	538,351	107,670	
Leases	318,949	-	(164,079)	154,870	55,106	
LEO Special Separation Allowance	48,732	68,652	-	117,384	-	
IT subscription liabilities	215,958	-	(61,581)	154,377	42,791	
<b>Total governmental activities</b>	<b>\$ 10,848,789</b>	<b>\$ 476,029</b>	<b>\$ (707,863)</b>	<b>\$ 10,616,955</b>	<b>\$ 534,064</b>	

Long-term liability activity for the Travel and Tourism Authority for the year ended June 30, 2024 is as follows:

Travel and Tourism Authority	Beginning Balances			Ending Balances		Current Portion
	June 30, 2023	Increases	(Decreases)	June 30, 2024		
Leases	\$ 62,605	\$ -	\$ (7,409)	\$ 55,196	\$ 7,472	
Compensated absences	2,767	3,811	(2,066)	4,512	902	
<b>Total</b>	<b>\$ 65,372</b>	<b>\$ 3,811</b>	<b>\$ (9,475)</b>	<b>\$ 59,708</b>	<b>\$ 8,374</b>	

Long-term liability activity for the Rural Development Authority for the year ended June 30, 2024 is as follows:

Rural Development Authority	Beginning Balances			Ending Balances		Current Portion
	June 30, 2023	Increases	Decreases	June 30, 2024		
Direct placement installment purchase	\$ 135,067	\$ -	\$ (135,067)	\$ -	\$ -	
Note payable	-	135,000	-	135,000	67,500	
<b>Total</b>	<b>\$ 135,067</b>	<b>\$ 135,000</b>	<b>\$ (135,067)</b>	<b>\$ 135,000</b>	<b>\$ 67,500</b>	

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

**C. Interfund Balances and Activity**

Transfers to/from other funds at June 30, 2024, consist of the following:

<u>Fund</u>	<u>To</u>	<u>From</u>
From General Fund	200,000	
To Revaluation Fund		200,000
From ARPA Fund	852,383	
To General Fund		852,383
From General Fund	45,270	
To NC Neighborhood Grant Projects Fund		45,270
From Public Building Capital Project Fund	192,920	
To General Fund		192,920
Total	<u>\$ 1,290,573</u>	<u>\$ 1,290,573</u>

The County made transfers for the following purposes:

- To move \$200,000 of funds to finance revaluation activities.
- To move \$852,383 of ARPA funds to finance revenue replacement activities.
- To move \$45,270 of funds to finance neighborhood revitalization activities.
- To move \$192,920 of funds remaining in the Capital Investment Fund account into the General Fund.

**D. Net Investment in Capital Assets**

Net investment in capital assets at June 30, 2024 is computed as follows:

	<u>Governmental Activities</u>
Capital assets	\$ 16,703,096
Installment purchases	(4,096,792)
IT subscriptions	(154,377)
Capital leases	(154,870)
Net investment in capital assets	<u>\$ 12,297,057</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**3. Detail Notes on All Funds (Continued)**

E. Prior Period Adjustment

During the fiscal year ended June 30, 2024, the County implemented the requirements of GASB Statement No. 100, *Accounting for Changes and Error Corrections*. The Statement provides a definition of accounting changes made in accounting principles, changes made within the financial reporting entity, changes in accounting estimates, and error corrections. The guidance will enhance the clarity for accounting and financial reporting requirements and result in greater consistency for these transactions.

Accounting errors in effect at the end of the prior fiscal year were in the 4-H Club Fund. At June 30, 2023, funds in the 4-H Club Fund were improperly classified as a liability rather than fiduciary net position restricted for the 4-H organization. Therefore, an adjustment to beginning fiduciary net position was recorded for this error, the net effect of which increased fiduciary net position of the 4-H Club Fund and fiduciary funds by \$6,270.

**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, 2024. 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, 2024. Complete financial statements for the Library may be obtained from the Library's offices at 101-A Blumenthal Street, Murphy, NC 28906.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2024**

**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. The County paid membership fees of \$6,645 to the Commission during the fiscal year ended June 30, 2024.

*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, 2024.

**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. Significant Effects of Subsequent Events**

Subsequent events have been evaluated through May 14, 2026, the date which the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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**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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset) (%)	0.084%	0.095%	0.063%	0.061%	0.059%	0.062%	0.069%	0.076%	0.069%	0.078%
County's proportion of the net pension liability (asset) (\$)	\$ 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	\$ (461,771)
County's covered-employee payroll	\$ 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	\$ 4,162,209
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	78.66%	114.72%	23.62%	53.18%	40.94%	36.64%	26.28%	42.37%	7.70%	-11.09%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	94.18%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

\* 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.

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,107,965	\$ 863,656	\$ 748,627	\$ 479,005	\$ 372,494	\$ 320,513	\$ 297,575	\$ 299,992	\$ 410,849	\$ 396,494
Contributions in relation to the contractually required contribution	<u>1,107,965</u>	<u>863,656</u>	<u>748,627</u>	<u>479,005</u>	<u>372,494</u>	<u>320,513</u>	<u>297,575</u>	<u>299,992</u>	<u>410,849</u>	<u>396,494</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 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	\$ 3,807,630
Contribution as a percentage of covered-employee payroll	13.01%	12.23%	11.43%	10.24%	9.05%	7.84%	7.57%	7.43%	10.22%	10.41%

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**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**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset) (%)	0.3811%	0.3058%	0.2482%	0.1970%	0.0960%	0.0762%	0.0694%	0.0680%	0.6310%	6.7200%
County's proportion of the net pension liability (asset) (\$)	\$ (45,792)	\$ (40,493)	\$ (47,687)	\$ (45,148)	\$ (18,952)	\$ (12,621)	\$ (11,844)	\$ (12,778)	\$ (14,611)	\$ (15,236)
Plan fiduciary net position as a percentage of the total pension liability	155.80%	153.31%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%

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

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,703	\$ 3,690	\$ 3,506	\$ 2,979	\$ 1,886	\$ 912	\$ 597	\$ 600	\$ 565	\$ 556
Contributions in relation to the contractually required contribution	<u>1,703</u>	<u>3,690</u>	<u>3,506</u>	<u>2,979</u>	<u>1,886</u>	<u>912</u>	<u>597</u>	<u>600</u>	<u>565</u>	<u>556</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Pension schedules in the required supplementary information are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2024**

**Schedule A-5**

**Law Enforcement Officers' Special Separation Allowance**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 48,732	\$ 68,012	\$ 114,456	\$ 35,755	\$ 42,963	\$ 53,279	\$ 54,874	\$ 45,225
Service cost	19,881	23,828	14,441	9,471	7,253	10,084	8,833	9,590
Interest on the total pension liability	2,100	1,530	2,209	1,166	1,564	1,684	2,118	1,615
Differences between expected and actual	42,547	(28,109)	(60,781)	19,395	(17,420)	(19,346)	(20,226)	-
Changes of assumptions or other inputs	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	<u>\$ 117,384</u>	<u>\$ 48,732</u>	<u>\$ 68,012</u>	<u>\$ 114,456</u>	<u>\$ 35,755</u>	<u>\$ 42,963</u>	<u>\$ 53,279</u>	<u>\$ 54,874</u>

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, 2024**

**Schedule A-6**

**Law Enforcement Officers' Special Separation Allowance**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 117,384	\$ 48,732	\$ 68,012	\$ 114,456	\$ 35,755	\$ 42,963	\$ 53,279	\$ 54,874
Covered payroll	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	13.09%	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.

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**INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund - Consolidated**  
**For the Fiscal Year Ended June 30, 2024**

**Schedule 1**

	2024			
	General Fund	Revaluation Fund	Eliminations	Total
<b>Revenues:</b>				
Ad valorem taxes	\$ 9,790,590	\$ -	\$ -	\$ 9,790,590
Local option sales taxes	3,682,208	-	-	3,682,208
Other taxes and licenses	112,422	-	-	112,422
Unrestricted intergovernmental	1,016,891	-	-	1,016,891
Restricted intergovernmental	5,021,505	-	-	5,021,505
Other restricted revenues	146,041	-	-	146,041
Permits and fees	134,712	-	-	134,712
Sales and services	1,900,290	-	-	1,900,290
Investment earnings	109,873	192	-	110,065
Miscellaneous	50,359	-	-	50,359
Total revenues	<u>21,964,891</u>	<u>192</u>	<u>-</u>	<u>21,965,083</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	4,836,142	75,830	-	4,911,972
Public safety	8,636,860	-	-	8,636,860
Economic and physical development	221,379	-	-	221,379
Human services	6,713,631	-	-	6,713,631
Cultural and recreational	1,085,157	-	-	1,085,157
<b>Intergovernmental:</b>				
Education	2,294,395	-	-	2,294,395
Special appropriations	150,450	-	-	150,450
<b>Debt service:</b>				
Principal	291,055	-	-	291,055
Interest	135,309	-	-	135,309
Total expenditures	<u>24,364,378</u>	<u>75,830</u>	<u>-</u>	<u>24,440,208</u>
Revenues over (under) expenditures	<u>(2,399,487)</u>	<u>(75,638)</u>	<u>-</u>	<u>(2,475,125)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,045,303	200,000	(200,000)	1,045,303
Transfers out	(245,270)	-	200,000	(45,270)
Total other financing sources (uses)	<u>800,033</u>	<u>200,000</u>	<u>-</u>	<u>1,000,033</u>
Net change in fund balance	<u>(1,599,454)</u>	<u>124,362</u>	<u>\$ -</u>	<u>(1,475,092)</u>
Fund balance, beginning	7,336,550	11,830		7,348,380
Change in reserve for inventories	(13,064)	-		(13,064)
Fund balance, ending	<u>\$ 5,724,032</u>	<u>\$ 136,192</u>		<u>\$ 5,860,224</u>

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, 2024

	2024		Variance Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Ad valorem taxes:			
Current year taxes	\$ 10,161,232	\$ 9,531,121	\$ (630,111)
Prior year taxes	21,540	179,035	157,495
Penalties and interest	53,850	80,434	26,584
Total	<u>10,236,622</u>	<u>9,790,590</u>	<u>(446,032)</u>
Local option sales tax			
Local option sales tax	3,395,900	3,682,208	286,308
Total	<u>3,395,900</u>	<u>3,682,208</u>	<u>286,308</u>
Other taxes and licenses			
Register of deeds - excise tax	203,295	109,221	(94,074)
Cable franchise fees	3,100	3,201	101
Total	<u>206,395</u>	<u>112,422</u>	<u>(93,973)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	840,030	1,016,891	176,861
Total	<u>840,030</u>	<u>1,016,891</u>	<u>176,861</u>
Restricted intergovernmental:			
State grants	4,676,857	4,051,945	(624,912)
Federal grants	879,287	895,013	15,726
Local grants	3,600	3,600	-
Court facility fees	-	573	573
Scrap tire disposal fee	13,200	21,908	8,708
Solid waste disposal tax	7,500	9,731	2,231
Controlled substance tax	24,000	3,506	(20,494)
White goods disposal fee	2,200	3,590	1,390
Total	<u>5,707,826</u>	<u>5,021,505</u>	<u>(686,321)</u>
Other restricted revenues:			
Private grants and contributions	253,758	146,041	(107,717)
Total	<u>253,758</u>	<u>146,041</u>	<u>(107,717)</u>
Permits and fees:			
Building permits	10,300	64,501	54,201
Register of deeds	81,779	52,871	(28,908)
Health department well permits	10,000	17,340	7,340
Total	<u>\$ 102,079</u>	<u>\$ 134,712</u>	<u>\$ 32,633</u>

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, 2024  
(Continued)

	2024		Variance Positive (Negative)
	Budget	Actual	
Sales and services:			
Rents, concessions, and fees	\$ 406,400	\$ 380,239	\$ (26,161)
Jail fees	20,140	2,876	(17,264)
Ambulance fees	470,000	707,330	237,330
Health and human services fees	832,228	633,153	(199,075)
Tipping fees	85,000	108,579	-
Recycling revenue	19,000	8,441	-
Sheriff fees	37,500	59,672	22,172
Total	<u>1,870,268</u>	<u>1,900,290</u>	<u>30,022</u>
Other revenues:			
Investment earnings	113,223	109,873	(3,350)
Miscellaneous	16,700	50,359	33,659
Total	<u>129,923</u>	<u>160,232</u>	<u>30,309</u>
Total revenues	<u>22,742,801</u>	<u>21,964,891</u>	<u>(777,910)</u>
<b>Expenditures:</b>			
General government:			
Governing body	623,784	1,735,500	(1,111,716)
Administration	762,218	638,617	123,601
Board of elections	336,313	242,618	93,695
Finance	438,150	265,589	172,561
Tax assessor	166,834	154,301	12,533
Tax collector	131,619	146,367	(14,748)
Tax mapping	9,919	11,661	(1,742)
Register of deeds	295,729	199,479	96,250
Public buildings	398,223	297,603	100,620
Building custodial services	341,634	315,179	26,455
Vehicle maintenance	63,348	66,404	(3,056)
Computer support	440,395	336,234	104,161
Grounds maintenance	95,384	93,417	1,967
Cemetery	338,679	332,753	5,926
Project manager	82,626	420	82,206
Total	<u>4,524,855</u>	<u>4,836,142</u>	<u>(311,287)</u>
Public safety:			
Sheriff	2,400,344	2,321,774	78,570
Jail	1,378,832	1,378,506	326
Ambulance service	2,341,347	1,956,011	385,336
District court	933	15,323	(14,390)
Emergency management	201,826	196,337	5,489
Community paramedicine	80,824	80,829	(5)
Communications	696,890	722,186	(25,296)
Sanitation	1,289,486	1,603,809	(314,323)
EMS billing	29,547	40,168	(10,621)
Contributions to NC Forest Service	97,958	92,417	5,541
Contributions to rescue and fire	235,000	229,500	5,500
Total	<u>\$ 8,752,987</u>	<u>\$ 8,636,860</u>	<u>\$ 116,127</u>

**GRAHAM COUNTY, NORTH CAROLINA  
General Fund**

**Schedule 2**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2024  
(Continued)**

	2024		
	Budget	Actual	Variance Positive (Negative)
Economic and physical development:			
County planner	\$ 30,000	\$ -	\$ 30,000
Building inspector	68,492	214,734	(146,242)
Southwestern commission	6,500	6,645	(145)
Total	<u>104,992</u>	<u>221,379</u>	<u>(116,387)</u>
Human services:			
Health department:			
Communicable diseases	128,848	75,788	53,060
Child health	6,834	101,724	(94,890)
Maternal health	39,044	17,710	21,334
TB	6,576	2,275	4,301
Family planning	103,476	61,194	42,282
Healthy communities	51,217	35,336	15,881
Environmental health	107,020	149,347	(42,327)
HIV/STD	14,515	5,142	9,373
Breast cervical cancer prevention	23,979	9,103	14,876
Dental	419,884	461,871	(41,987)
General health	246,361	168,220	78,141
Immunization action plan IAP5.278	57,565	47,341	10,224
Smart start	30,199	12,036	18,163
WIC	66,237	70,835	(4,598)
Health department food and lodging	57,815	67,014	(9,199)
Adult health	120,652	267,748	(147,096)
Dogwood health trust opioid grant	-	11,170	(11,170)
CLC/PORT	484,346	214,287	270,059
Bioterrorism grant	81,435	36,525	44,910
Ebola	174,849	211,875	(37,026)
CAP	133,381	133,779	(398)
Urgent care project	188,685	114,532	74,153
COVID-19 crisis response	20,000	18,398	1,602
Total	<u>2,562,918</u>	<u>2,293,250</u>	<u>269,668</u>
Veteran service officer	<u>\$ 4,000</u>	<u>\$ 994</u>	<u>\$ 3,006</u>

**GRAHAM COUNTY, NORTH CAROLINA  
General Fund**

**Schedule 2**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2024  
(Continued)**

	<b>2024</b>		Variance Positive (Negative)
	Budget	Actual	
Social services:			
Administration	\$ 2,897,076	\$ 2,274,902	\$ 622,174
Social service public assistance	646,614	584,510	62,104
Total	<u>3,543,690</u>	<u>2,859,412</u>	<u>684,278</u>
Senior Citizens program	<u>527,881</u>	<u>642,220</u>	<u>(114,339)</u>
Transit	<u>856,010</u>	<u>917,755</u>	<u>(61,745)</u>
Total	<u>7,494,499</u>	<u>6,713,631</u>	<u>780,868</u>
Cultural and recreational:			
4-H	18,000	2,794	15,206
Agriculture extension	116,125	95,974	20,151
Soil and water	105,630	73,926	31,704
Recreation	256,095	774,017	(517,922)
Swimming pool	68,656	43,446	25,210
Contributions to regional library	95,000	95,000	-
Total	<u>659,506</u>	<u>1,085,157</u>	<u>(425,651)</u>
Education:			
Public schools:			
Current	1,357,725	1,357,725	-
Student aid	48,760	674,973	(626,213)
SRS USFS timber	120,000	136,173	(16,173)
Tri-county community college	125,524	125,524	-
Total	<u>\$ 1,652,009</u>	<u>\$ 2,294,395</u>	<u>\$ (642,386)</u>

**GRAHAM COUNTY, NORTH CAROLINA  
General Fund**

**Schedule 2**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2024  
(Continued)**

	2024		Variance Positive (Negative)
	Budget	Actual	
Special appropriations:			
Contributions:			
JCPC	\$ 64,800	\$ 74,450	\$ (9,650)
Regional mental health	6,000	6,000	-
State of Franklin	4,000	4,000	-
Other special appropriations	141,000	66,000	75,000
Total	215,800	150,450	65,350
Debt Service:			
Principal	261,213	291,055	(29,842)
Interest	117,027	135,309	(18,282)
Total	378,240	426,364	(48,124)
Total expenditures	23,782,888	24,364,378	(581,490)
Revenues over (under) expenditures	(1,040,087)	(2,399,487)	(196,420)
Other financing sources (uses):			
Transfers to other funds	(348,298)	(245,270)	103,028
Transfers from other funds	104,527	1,045,303	940,776
Proceeds from issuance of debt	525,900	-	(525,900)
Lease obligations issued	58,310	-	(58,310)
Total	340,439	800,033	459,594
Fund balance appropriated	699,648	-	(699,648)
Net change in fund balance	\$ -	(1,599,454)	\$ (436,474)
Fund balance, beginning, as previously reported		7,336,550	
Change in reserve for transit surplus		(13,064)	
Fund balance, beginning		7,323,486	
Fund balance, ending		\$ 5,724,032	

## Revaluation Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2024**

	<b>2024</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 192	\$ 192
Total revenues	<u>-</u>	<u>192</u>	<u>192</u>
<b>Expenditures:</b>			
General government:			
Contracted services	75,000	75,830	830
Total expenditures	<u>75,000</u>	<u>75,830</u>	<u>830</u>
Revenues over (under) expenditures	<u>(75,000)</u>	<u>(75,638)</u>	<u>(638)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	-	200,000	200,000
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Appropriated fund balance	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>124,362</u>	<u>\$ 124,362</u>
Fund balance, beginning		<u>11,830</u>	
Fund balance, ending		<u>\$ 136,192</u>	

**GRAHAM COUNTY, NORTH CAROLINA**

**Schedule 4**

**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, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Over (Under)</u>
			<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental					
Coronavirus state and local fiscal recovery funds	\$ -	\$ 793,203	\$ 845,933	\$ 1,639,136	\$ 1,639,136
Investment earnings	2,500	2,585	3,865	6,450	3,950
Total revenues	<u>2,500</u>	<u>795,788</u>	<u>849,798</u>	<u>1,645,586</u>	<u>1,643,086</u>
<b>Expenditures:</b>					
Public safety					
Salaries and employee benefits	-	553,469	-	553,469	(553,469)
Total expenditures	<u>-</u>	<u>553,469</u>	<u>-</u>	<u>553,469</u>	<u>(553,469)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers to other funds	(502,500)	(239,734)	(852,383)	(1,092,117)	(589,617)
Total other financing sources (uses)	<u>(502,500)</u>	<u>(239,734)</u>	<u>(852,383)</u>	<u>(1,092,117)</u>	<u>(589,617)</u>
Appropriated fund balance	500,000	(239,734)	(852,383)	(1,092,117)	(1,592,117)
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,585</u>	(2,585)	<u>\$ -</u>	<u>\$ (1,092,117)</u>
Fund balance, beginning			2,585		
Fund balance, ending			<u>\$ -</u>		

**GRAHAM COUNTY, NORTH CAROLINA**

**Schedule 5**

**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, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
Restricted intergovernmental					
State capital and infrastructure (SCIF)	\$ 5,000,000	\$ 374,313	\$ 2,045,688	\$ 2,420,001	\$ (2,579,999)
Investment earnings	175,000	191,821	280,314	472,135	297,135
Total revenues	<u>5,175,000</u>	<u>566,134</u>	<u>2,326,002</u>	<u>2,892,136</u>	<u>(2,282,864)</u>
<b>Expenditures:</b>					
Capital outlay					
Construction	5,175,000	374,313	45,688	420,001	4,754,999
Total expenditures	<u>5,175,000</u>	<u>374,313</u>	<u>45,688</u>	<u>420,001</u>	<u>4,754,999</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 191,821</u>	2,280,314	<u>\$ 2,472,135</u>	<u>\$ 2,472,135</u>
Fund balance, beginning			<u>191,821</u>		
Fund balance, ending			<u>\$ 2,472,135</u>		

**GRAHAM COUNTY, NORTH CAROLINA**

**Schedule 6**

**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, 2024**

	Project Authorization	Actual			Variance Over (Under)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 143,666	\$ 174,965	\$ 318,631	\$ 318,631
Total revenues	<u>-</u>	<u>143,666</u>	<u>174,965</u>	<u>318,631</u>	<u>318,631</u>
<b>Expenditures:</b>					
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	845,000	816,790	38,815	855,605	(10,605)
Total expenditures	<u>3,345,000</u>	<u>2,103,158</u>	<u>38,815</u>	<u>2,141,973</u>	<u>1,203,027</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	845,000	1,735,480	-	1,735,480	890,480
Transfer to other funds	-	(111,681)	(192,920)	(304,601)	(304,601)
Installment purchase proceeds	2,500,000	987,000	-	987,000	(1,513,000)
Total other financing sources (uses)	<u>3,345,000</u>	<u>2,610,799</u>	<u>(192,920)</u>	<u>2,417,879</u>	<u>(927,121)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 651,307</u>	<u>(56,770)</u>	<u>\$ 594,537</u>	<u>\$ 594,537</u>
Fund balance, beginning			<u>3,339,379</u>		
Fund balance, ending			<u>\$ 3,282,609</u>		

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

Schedule 7

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 341,128	\$ -	\$ 341,128
Restricted cash and cash equivalents	538,155	549,801	1,087,956
Accounts receivable	12,250	-	12,250
Due from other governments	5,623	275,482	281,105
Due from other funds	8,770	15,650	24,420
Total assets	<u>\$ 905,926</u>	<u>\$ 840,933</u>	<u>\$ 1,746,859</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 2,307	\$ -	\$ 2,307
Due to other funds	-	150,410	150,410
Unearned revenue	298,330	500,000	798,330
Total liabilities	<u>300,637</u>	<u>650,410</u>	<u>951,047</u>
<b>FUND BALANCES</b>			
Restricted			
Stabilization by state statute	18,122	-	18,122
Economic and physical development	134,712	79,408	214,120
Opioid settlement	926	-	926
Human services	112,708	-	112,708
Education	-	111,115	111,115
Unassigned	338,821	-	338,821
Total fund balances	<u>605,289</u>	<u>190,523</u>	<u>795,812</u>
Total liabilities and fund balances	<u>\$ 905,926</u>	<u>\$ 840,933</u>	<u>\$ 1,746,859</u>

**GRAHAM COUNTY, NORTH CAROLINA**

Schedule 8

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 635,151	\$ 479,727	\$ 1,114,878
Investment earnings	1,588	1,326	2,914
Total revenues	<u>636,739</u>	<u>481,053</u>	<u>1,117,792</u>
<b>EXPENDITURES</b>			
Public safety	134,044	-	134,044
Human services	545,328	-	545,328
Economic and physical development	36,384	495,165	531,549
Total expenditures	<u>715,756</u>	<u>495,165</u>	<u>1,210,921</u>
Excess (deficiency) of revenues over expenditures	<u>(79,017)</u>	<u>(14,112)</u>	<u>(93,129)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	45,270	45,270
Total other financing sources (uses)	<u>-</u>	<u>45,270</u>	<u>45,270</u>
Net changes in fund balances	(79,017)	31,158	(47,859)
Fund balance, beginning	<u>684,306</u>	<u>159,365</u>	<u>843,671</u>
Fund balances, ending	<u>\$ 605,289</u>	<u>\$ 190,523</u>	<u>\$ 795,812</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2024**

**Schedule 9**

	<b>Emergency Telephone System Fund</b>	<b>Economic Development Fund</b>	<b>Opioid Settlement Fund</b>	<b>Representative Payee Fund</b>	<b>Deed of Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 339,936	\$ -	\$ -	\$ -	\$ 1,192	\$ 341,128
Restricted cash and cash equivalents	-	134,712	291,461	111,982	-	538,155
Accounts receivable	11,524	-	-	726	-	12,250
Due from other governments	5,623	-	-	-	-	5,623
Due from other funds	975	-	7,795	-	-	8,770
Total assets	<u>\$ 358,058</u>	<u>\$ 134,712</u>	<u>\$ 299,256</u>	<u>\$ 112,708</u>	<u>\$ 1,192</u>	<u>\$ 905,926</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,115	\$ -	\$ -	\$ -	\$ 1,192	\$ 2,307
Unearned revenue	-	-	298,330	-	-	298,330
Total liabilities	<u>1,115</u>	<u>-</u>	<u>298,330</u>	<u>-</u>	<u>1,192</u>	<u>300,637</u>
<b>FUND BALANCES</b>						
Restricted						
Stabilization by state statute	18,122	-	-	-	-	18,122
Economic and physical development	-	134,712	-	-	-	134,712
Opioid settlement	-	-	926	-	-	926
Human services	-	-	-	112,708	-	112,708
Unassigned	338,821	-	-	-	-	338,821
Total fund balances	<u>356,943</u>	<u>134,712</u>	<u>926</u>	<u>112,708</u>	<u>-</u>	<u>605,289</u>
Total liabilities and fund balances	<u>\$ 358,058</u>	<u>\$ 134,712</u>	<u>\$ 299,256</u>	<u>\$ 112,708</u>	<u>\$ 1,192</u>	<u>\$ 905,926</u>

**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, 2024**

**Schedule 10**

	<b>Emergency Telephone System Fund</b>	<b>Economic Development Fund</b>	<b>Opioid Settlement Fund</b>	<b>Representative Payee Fund</b>	<b>Deed of Trust Fund</b>	<b>Total</b>
<b>REVENUES</b>						
Restricted intergovernmental	\$ 80,666	\$ -	\$ 187,000	\$ 367,485	\$ -	\$ 635,151
Investment earnings	552	399	637	-	-	1,588
Total revenues	<u>81,218</u>	<u>399</u>	<u>187,637</u>	<u>367,485</u>	<u>-</u>	<u>636,739</u>
<b>EXPENDITURES</b>						
Public safety	134,044	-	-	-	-	134,044
Human services	-	-	187,000	358,328	-	545,328
Economic and physical development	-	36,384	-	-	-	36,384
Total expenditures	<u>134,044</u>	<u>36,384</u>	<u>187,000</u>	<u>358,328</u>	<u>-</u>	<u>715,756</u>
Excess (deficiency) of revenues over expenditures	<u>(52,826)</u>	<u>(35,985)</u>	<u>637</u>	<u>9,157</u>	<u>-</u>	<u>(79,017)</u>
Net change in fund balance	(52,826)	(35,985)	637	9,157	-	(79,017)
Fund balance, beginning	<u>409,769</u>	<u>170,697</u>	<u>289</u>	<u>103,551</u>	<u>-</u>	<u>684,306</u>
Fund balances, ending	<u>\$ 356,943</u>	<u>\$ 134,712</u>	<u>\$ 926</u>	<u>\$ 112,708</u>	<u>\$ -</u>	<u>\$ 605,289</u>

**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, 2024**

	<b>2024</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 69,142	\$ 80,666	\$ 11,524
Investment earnings	-	552	552
Total revenues	<u>69,142</u>	<u>81,218</u>	<u>12,076</u>
<b>Expenditures:</b>			
Public safety	102,500	134,044	31,544
Total expenditures	<u>102,500</u>	<u>134,044</u>	<u>31,544</u>
Revenues over (under) expenditures	<u>(33,358)</u>	<u>(52,826)</u>	<u>(19,468)</u>
Appropriated fund balance	<u>33,358</u>	-	<u>(33,358)</u>
Net change in fund balance	<u>\$ -</u>	<u>(52,826)</u>	<u>\$ (52,826)</u>
Fund balance, beginning		<u>409,769</u>	
Fund balance, ending		<u>\$ 356,943</u>	

Economic Development Fund

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

For the Fiscal Year Ended June 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 399	\$ 399
Total revenues	-	399	399
<b>Expenditures:</b>			
Economic and physical development			
Capital outlay	-	36,384	-
Total expenditures	-	36,384	36,384
Revenues over (under) expenditures	-	(35,985)	(35,985)
Net change in fund balance	\$ -	(35,985)	\$ (35,985)
Fund balance, beginning		170,697	
Fund balance, ending		\$ 134,712	

**GRAHAM COUNTY, NORTH CAROLINA  
Opioid Settlement Fund**

**Schedule 13**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
Restricted intergovernmental					
Opioid settlement funds	\$ 150,803	\$ -	\$ 187,000	\$ 187,000	\$ 36,197
Investment earnings	-	289	637	926	926
Total revenues	<u>150,803</u>	<u>289</u>	<u>187,637</u>	<u>187,926</u>	<u>37,123</u>
<b>Expenditures:</b>					
Human services					
Opioid mitigation	375,063	-	187,000	187,000	188,063
Total expenditures	<u>375,063</u>	<u>-</u>	<u>187,000</u>	<u>187,000</u>	<u>188,063</u>
Appropriated fund balance	<u>224,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224,260)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 289</u>	637	<u>\$ 926</u>	<u>\$ 926</u>
Fund balance, beginning			<u>289</u>		
Fund balance, ending			<u>\$ 926</u>		

Representative Payee Fund

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

For the Fiscal Year Ended June 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Restricted intergovernmental	\$ 460,000	\$ 367,485	\$ (92,515)
Total revenues	<u>460,000</u>	<u>367,485</u>	<u>(92,515)</u>
<b>Expenditures:</b>			
Human services			
Payments made for the benefit of beneficiaries	460,000	358,328	(101,672)
Total expenditures	<u>460,000</u>	<u>358,328</u>	<u>(101,672)</u>
Revenues over (under) expenditures	<u>-</u>	<u>9,157</u>	<u>9,157</u>
Net change in fund balance	<u>\$ -</u>	<u>9,157</u>	<u>\$ 9,157</u>
Fund balance, beginning		<u>103,551</u>	
Fund balance, ending		<u>\$ 112,708</u>	

Deed of Trust Fund

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

For the Fiscal Year Ended June 30, 2024

	2024		
	Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Permits and fees			
Register of deeds	\$ 12,500	\$ -	\$ (12,500)
Total revenues	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
<b>Expenditures:</b>			
General government			
Payments of fees collected to the State of North Carolina	12,500	-	(12,500)
Total expenditures	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**June 30, 2024**

Schedule 16

	<b>NC Neighborhood Program Grant Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ 545,701	\$ 4,100	\$ 549,801
Due from other governments	184,117	91,365	275,482
Due from other funds	-	15,650	15,650
Total assets	<u>\$ 729,818</u>	<u>\$ 111,115</u>	<u>\$ 840,933</u>
<b>LIABILITIES</b>			
Due to other funds	\$ 150,410	\$ -	\$ 150,410
Unearned revenue	500,000	-	500,000
Total liabilities	<u>650,410</u>	<u>-</u>	<u>650,410</u>
<b>FUND BALANCES</b>			
Restricted			
Economic and physical development	79,408	-	79,408
Education	-	111,115	111,115
Total fund balances	<u>79,408</u>	<u>111,115</u>	<u>190,523</u>
Total liabilities and fund balances	<u>\$ 729,818</u>	<u>\$ 111,115</u>	<u>\$ 840,933</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Fiscal Year Ended June 30, 2024**

Schedule 17

	<b>NC Neighborhood Program Grant Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 479,727	\$ -	\$ 479,727
Investment earnings	1,326	-	1,326
Total revenues	<u>481,053</u>	<u>-</u>	<u>481,053</u>
<b>EXPENDITURES</b>			
Economic and physical development	495,165	-	495,165
Total expenditures	<u>495,165</u>	<u>-</u>	<u>495,165</u>
Excess (deficiency) of revenues over expenditures	<u>(14,112)</u>	<u>-</u>	<u>(14,112)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	45,270	-	45,270
Total other financing sources (uses)	<u>45,270</u>	<u>-</u>	<u>45,270</u>
Net change in fund balance	31,158	-	31,158
Fund balances, beginning	<u>48,250</u>	<u>111,115</u>	<u>159,365</u>
Fund balances, ending	<u>\$ 79,408</u>	<u>\$ 111,115</u>	<u>\$ 190,523</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**NC Neighborhood Program Grant Projects Fund**

**Schedule 18**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
Restricted intergovernmental					
Community development block grant					
Neighborhood revitalization program	\$ 750,000	\$ 109,148	\$ 334,477	\$ 443,625	\$ (306,375)
Coronavirus (CDBG-CV) program	900,000	523,743	145,250	668,993	(231,007)
Dogwood trust housing supplemental	500,000	-	-	-	(500,000)
Investment earnings	-	519	1,326	1,845	1,845
Total revenues	<u>2,150,000</u>	<u>633,410</u>	<u>481,053</u>	<u>1,114,463</u>	<u>(1,035,537)</u>
<b>Expenditures:</b>					
Economic and physical development					
Neighborhood revitalization program	1,250,000	61,440	-	61,440	1,188,560
Coronavirus (CDBG-CV) program	900,000	571,451	495,165	1,066,616	(166,616)
Total expenditures	<u>2,150,000</u>	<u>632,891</u>	<u>495,165</u>	<u>1,128,056</u>	<u>1,021,944</u>
<b>Other Financing Sources (Uses)</b>					
Transfer from other funds	-	-	45,270	45,270	45,270
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>45,270</u>	<u>45,270</u>	<u>45,270</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 519</u>	31,158	<u>\$ 31,677</u>	<u>\$ 31,677</u>
Fund balance, beginning			<u>48,250</u>		
Fund balance, ending			<u>\$ 79,408</u>		

GRAHAM COUNTY, NORTH CAROLINA

Schedule 19

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, 2024

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
Restricted intergovernmental					
Needs-based public school capital fund	\$ 3,909,968	\$ 3,858,479	\$ -	\$ 3,858,479	\$ (51,489)
Total revenues	<u>3,909,968</u>	<u>3,858,479</u>	<u>-</u>	<u>3,858,479</u>	<u>(51,489)</u>
<b>Expenditures:</b>					
Capital outlay					
Intergovernmental - education					
Architecture, engineering, and construction	5,197,468	5,083,581	-	5,083,581	113,887
Total expenditures	<u>5,197,468</u>	<u>5,083,581</u>	<u>-</u>	<u>5,083,581</u>	<u>113,887</u>
<b>Other Financing Sources</b>					
Transfer from other funds	1,287,500	1,332,117	-	1,332,117	44,617
Total other financing sources	<u>1,287,500</u>	<u>1,332,117</u>	<u>-</u>	<u>1,332,117</u>	<u>44,617</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 107,015</u>	<u>-</u>	<u>\$ 107,015</u>	<u>\$ 107,015</u>
Fund balance, beginning			<u>111,115</u>		
Fund balance, ending			<u>\$ 111,115</u>		

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2024**

**Schedule 20**

	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>4-H Club Fund</b>	<b>Total Custodial Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,470	\$ 2,102	\$ 6,125	\$ 9,697
Total assets	1,470	2,102	6,125	9,697
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	-	-	-	-
<b>Net Position:</b>				
Restricted for:				
Individuals, organizations, and other governments	1,470	2,102	6,125	9,697
Total net position	\$ 1,470	\$ 2,102	\$ 6,125	\$ 9,697

**GRAHAM COUNTY, NORTH CAROLINA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2024**

**Schedule 21**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>4-H Club Fund</u>	<u>Total Custodial Funds</u>
<b>Additions:</b>				
Ad valorem taxes collected for other governments	\$ 714,941	\$ -	\$ -	\$ 714,941
Collection on behalf of inmates	-	20,791	-	20,791
Collection on behalf of 4-H Club	-	-	7,964	7,964
Total additions	<u>714,941</u>	<u>20,791</u>	<u>7,964</u>	<u>743,696</u>
<b>Deductions:</b>				
Tax distributions to other governments	713,471	-	-	713,471
Payments on behalf of inmates	-	19,200	-	19,200
Payments on behalf of 4-H Club	-	-	8,109	8,109
Total deductions	<u>713,471</u>	<u>19,200</u>	<u>8,109</u>	<u>740,780</u>
Net increase (decrease) in fiduciary net position	1,470	1,591	(145)	2,916
Net position, beginning, as previously reported	-	511	-	511
Prior period restatement	-	-	6,270	6,270
Net position, beginning, as restated	<u>-</u>	<u>511</u>	<u>6,270</u>	<u>6,781</u>
Net position, ending	<u>\$ 1,470</u>	<u>\$ 2,102</u>	<u>\$ 6,125</u>	<u>\$ 9,697</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Travel and Tourism Authority**  
**Discretely Presented Component Unit**  
**Supplemental Balance Sheet**  
**June 30, 2024**

Schedule 22

	<u><b>Travel and Tourism Authority</b></u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 106,192
Investments	658,684
Restricted cash and cash equivalents	10,563
Restricted investments	167,119
Due from primary government	1,087
Due from other governments	3,340
Total assets	<u><u>\$ 1,000,585</u></u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	<u>\$ 38,206</u>
Total liabilities	<u>38,206</u>
<b>Fund Balances:</b>	
Restricted:	
Stabilization by state statute	58,027
Committed:	
Capital reserve	177,682
Unassigned:	<u>726,670</u>
Total fund balances	<u>962,379</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 1,000,585</u></u>

**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	\$ 962,379
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	101,297
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds.	<u>(59,887)</u>
Net position of Travel and Tourism Authority	<u><u>\$ 1,003,789</u></u>

## Travel and Tourism Authority

## Discretely Presented Component Unit

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

For the Year Ended June 30, 2024

	<u>Travel and Tourism Authority</u>
<b>Revenues:</b>	
Occupancy tax	\$ 461,729
Investment earnings	37,602
Miscellaneous income	2,144
Total revenues	<u>501,475</u>
<b>Expenditures:</b>	
Culture and recreation:	
Tourism promotion and development	384,027
Administrative expenses	6,908
Debt service:	
Principal retirement	7,230
Interest and other charges	1,934
Total expenditures	<u>400,099</u>
Net change in fund balance	101,376
Fund balance, beginning	<u>861,003</u>
Fund balance, ending	<u>\$ 962,379</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Net change in fund balance	\$ 101,376
Reconciling items:	
Depreciation	(8,643)
Amortization	(7,874)
Debt principal payments	7,230
Increase in compensated absences	(1,741)
Total reconciling items	<u>(11,028)</u>
Change in net position	<u>\$ 90,348</u>

## Travel and Tourism Authority

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

For the Year Ended June 30, 2024

	2024		
	Final Budget	Actual	Variance Over/Under
<b>Revenues:</b>			
Occupancy tax	\$ 475,000	\$ 461,729	\$ (13,271)
Investment earnings	-	37,602	37,602
Miscellaneous income	-	2,144	2,144
Total revenues	<u>475,000</u>	<u>501,475</u>	<u>26,475</u>
<b>Expenditures:</b>			
Culture and recreation:			
Tourism promotion and development	488,020	384,027	103,993
Administrative expenses	22,200	6,308	15,892
Debt service:			
Principal retirement	-	7,409	(7,409)
Interest and other charges	-	2,355	(2,355)
Total expenditures	<u>510,220</u>	<u>400,099</u>	<u>110,121</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	(31,125)	-	31,125
Total other financing sources (uses)	<u>(31,125)</u>	<u>-</u>	<u>31,125</u>
Appropriated fund balance	<u>66,345</u>	<u>-</u>	<u>(66,345)</u>
Revenues over (under) expenditures	<u>-</u>		<u>(118,866)</u>
Net change in fund balance	<u>\$ -</u>	101,376	<u>\$ (118,866)</u>
Fund balance, beginning		<u>861,003</u>	
Fund balance, ending		<u>\$ 962,379</u>	

**GRAHAM COUNTY, NORTH CAROLINA**  
**Rural Development Authority**  
**Supplemental Balance Sheet**  
**June 30, 2024**

**Schedule 25**

	<b>Rural Development Authority</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 152,210
Due from other governments	3,627
Total assets	\$ 155,837
 <b>Liabilities and Fund Balances:</b>	
Accounts payable and accrued liabilities	\$ 501
Unearned revenue	43,358
Total liabilities	43,859
 <b>Fund balances:</b>	
Restricted	
Stabilization by state statute	3,627
Unrestricted	108,351
Total fund balance	111,978
<b>Total liabilities and fund balances</b>	<b>\$ 155,837</b>

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

Total fund balance, Rural Development Authority	\$ 111,978
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	611,789
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, not reported in the funds	
Long-term obligations	(135,000)
Net position of Rural Development Authority	\$ 588,767

## Rural Development Authority

Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2024

	<u>Rural Development Authority</u>
<b>Revenues:</b>	
Investment earnings	\$ 397
Total revenues	<u>397</u>
<b>Expenditures:</b>	
Economic development	
Rural development functions	13,471
Capital outlay	1,100
Debt service	
Principal	135,067
Interest and other charges	1,983
Total expenditures	<u>151,621</u>
<b>Other Financing Sources (Uses)</b>	
Loan proceeds	135,000
Total other financing sources	<u>135,000</u>
Net change in fund balance	<u>(16,224)</u>
Fund balance, beginning	128,202
Fund balance, ending	<u>\$ 111,978</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:</b>	
Net change in fund balance	(16,224)
Reconciling items:	
Proceeds from long-term debt	(135,000)
Debt principal payments	135,067
Total reconciling items	<u>67</u>
Change in net position	<u>\$ (16,157)</u>

**GRAHAM COUNTY, NORTH CAROLINA**

Schedule 27

**Rural Development Authority**

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

**For the Year Ended June 30, 2024**

	<b>2024</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Investment earnings	\$ 100	\$ 397	\$ 297
Total revenues	<u>100</u>	<u>397</u>	<u>297</u>
<b>Expenditures:</b>			
Economic development			
Rural development functions	20,125	13,471	(6,654)
Capital outlay	-	1,100	1,100
Debt service			
Principal	-	135,067	135,067
Interest and other charges	6,000	1,983	(4,017)
Total expenditures	<u>26,125</u>	<u>151,621</u>	<u>125,496</u>
<b>Other Financing Sources (Uses)</b>			
Loan proceeds	-	135,000	135,000
Total other financing sources	<u>-</u>	<u>135,000</u>	<u>135,000</u>
Appropriated fund balance	<u>26,025</u>	<u>-</u>	<u>(26,025)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>-</u>	<u>(16,224)</u>	<u>(151,224)</u>
Net change in fund balance	<u>\$ -</u>	<u>(16,224)</u>	<u>\$ (151,224)</u>
Fund balance, beginning		<u>128,202</u>	
Fund balance, ending		<u>\$ 111,978</u>	

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## **OTHER SCHEDULES**

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**Graham County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2024**

**Schedule H-1**

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 9,285,079	\$ 9,027,893	\$ 257,186
2022-2023	215,322	-	113,111	102,211
2021-2022	80,617	-	24,484	56,133
2020-2021	54,131	-	14,451	39,680
2019-2020	41,720	-	13,789	27,931
2018-2019	32,545	-	9,258	23,287
2017-2018	23,443	-	5,278	18,165
2016-2017	15,484	-	2,577	12,907
2015-2016	11,542	-	1,873	9,669
2014-2015	8,661	-	2,108	6,553
2013-2014	6,404	-	6,404	-
<b>TOTALS</b>	<u>\$ 489,869</u>	<u>\$ 9,285,079</u>	<u>\$ 9,221,226</u>	<u>553,722</u>

Less: Allowance for uncollectible taxes (209,657)

Ad valorem taxes, net - General Fund \$ 344,065

Reconciliation with revenues:

Ad valorem taxes - General Fund 9,098,913

Reconciling items:

Garnishment fees (3,263)

Interest collected (67,757)

Total Reconciling Items (71,020)

Total Collections and Credits \$ 9,027,893

**Graham County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
**For the Fiscal Year Ended June 30, 2024**

**Schedule H - 2**

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	<hr/>				
Original levy:					
Property Taxes at Current Year Rate	\$ 1,618,017,119	0.59%	\$ 9,546,301	\$ 8,930,377	\$ 615,924
Total Original Levy	<u>1,618,017,119</u>		<u>9,546,301</u>	<u>8,930,377</u>	<u>615,924</u>
Discoveries:					
Current year taxes	60,118,983	0.59%	354,702	354,702	-
Total Discoveries	<u>60,118,983</u>		<u>354,702</u>	<u>354,702</u>	<u>-</u>
Abatements					
Current Year Taxes	-	0.59%	-	-	-
Total Abatements	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total for Year	<u>\$ 1,678,136,102</u>		9,901,003	9,285,079	615,924
Uncollected taxes at June 30, 2024			<u>257,186</u>	<u>257,186</u>	<u>-</u>
Current year's taxes collected			<u>\$ 9,643,817</u>	<u>\$ 9,027,893</u>	<u>\$ 615,924</u>
Current levy collection percentage			<u>97.40%</u>	<u>97.23%</u>	<u>100.00%</u>

**Graham County, North Carolina**  
**Ten Largest Taxpayers**  
**For the Fiscal Year Ended June 30, 2024**

**Schedule H-3**

Taxpayer	Type of Business	Year Ended June 30, 2024		
		Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Brookfield Smoky Mtn Hydro LLC	Commercial	\$ 259,026,320	1	24.17%
VOS3 LLC	Commercial	9,700,419	2	0.91%
Snowbird Mountain Lodge LLC	Commercial	9,257,406	3	0.86%
Phillips & Jordan Inc.	Commercial	7,742,143	4	0.72%
Circle G Management LLC	Commercial	7,067,756	5	0.66%
Crisp & Crisp, Inc	Commercial	6,134,674	6	0.57%
IBF Properties LLC	Commercial	4,158,510	7	0.39%
Phillips Real Estate	Commercial	3,907,010	8	0.36%
Oak Valley Hardwoods Inc	Commercial	3,579,390	9	0.33%
MSK Hospitality LLC	Commercial	3,351,869	10	0.31%
		<u>\$ 313,925,497</u>		<u>29.30%</u>

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## **COMPLIANCE SECTION**

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**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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 5, 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 item 2024-02, 2024-03, 2024-05 that we consider to be material weaknesses and items 2024-01 and 2024-04 that we consider to be significant deficiencies.

## 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 subjected 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  
May 14, 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, 2024. 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, 2024.

***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.

### ***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***

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.

*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 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.

***Purpose of this Report***

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  
May 14, 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, 2024. 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, 2024.

***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.

## ***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. Given these limitation, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

*RH CPAs, PLLC*

Greensboro, North Carolina  
May 14, 2026



**GRAHAM COUNTY , NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2024**

**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**

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Public School Building Capital Fund - Needs Based Lottery Proceeds  
 NCDEQ - Revolving Loan and Grant Program  
 Streamflow Rehabilitation Program  
 DSS Crosscutting

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

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## SECTION II - FINANCIAL STATEMENT FINDINGS

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### **Significant Deficiency**

**2024-01**                      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 four 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, 2023-01.

***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 on page 127 of this audit report.

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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**Material Weakness**

**2024-02**                      Excess of Expenditures over Appropriations

***Criteria:***

No obligation may be incurred unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

***Condition:***

The County reported expenditures within the General Fund, Emergency Telephone System Fund, Economic Development Fund, and School Pcapital Projects Fund that exceeded appropriations in the budget/project ordinance.

***Effect:***

The County did not expend funds in accordance with the approved budget or project ordinances.

***Cause:***

Budget amendments were not adopted to include all expenditures to be incurred in the current year.

***Identification of a Repeat Finding:***

This is a repeat finding from the previous audit, 2023-05.

***Recommendation:***

Budget amendments should be adopted to ensure that amounts expended do not exceed those amounts appropriated within the budget ordinance.

***Views of responsible officials and planned corrective actions:***

The Board agrees with this finding and will adhere to the corrective action plan on page 128 of this audit report.

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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**Material Weakness**

**2024-03**                      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 reflect 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, 2023-03.

***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 on page 129 of this audit report.

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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**Significant Deficiency**

**2024-04**                      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 communication 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.

***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 on page 130 of this audit report.

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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**Material Weakness**

**2024-05**                      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.

***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 on page 131 of this audit report.



## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024**

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

#### **Finding: 2024-01 – Late Submission of Audit**

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

**Corrective Action:** Graham County to properly staff the finance department with the appropriate skill level to perform required governmental financial duties. These duties include preparing and assisting an external auditor with the required annual audit in the specified time frame. This has been accomplished and continuing education is actively occurring.

**Proposed Completion Date:** Corrected after Prior Year Finding 2023-01



## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024**

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

#### **Finding: 2024-02 – Excess of Expenditures over Appropriations**

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

**Corrective Action:** Graham County Finance has enabled the feature in our accounting software that does not allow Requisitions to be entered that would cause the expenditure line to be overbudget. In addition, training of department directors has been completed to ensure their understanding that no obligation may be incurred unless the budget ordinance includes an appropriation authorizing the obligation; and also, that budget amendments must be adopted BEFORE the obligation is incurred, not after the budget is already over-expended.

**Proposed Completion Date:** Corrected after Prior Year Finding 2023-05



## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024**

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

#### **Finding 2024-03 – Preparation of Financial Statements**

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

**Corrective Action:** Graham County management to perform a detailed review of transactions and procedures in place to ensure required general ledger postings are made on a monthly basis and at year-end. This is accomplished through daily reconciliation of bank transactions and timely monthly bank reconciliations.

**Proposed Completion Date:** Corrected after Prior Year Finding 2023-03



## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024

### SECTION II – FINANCIAL STATEMENT FINDINGS

#### Finding 2024-04 – Recognition of Restricted Cash

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

**Corrective Action:** Graham County 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 ledger and financial statements in a timely manner and perform periodic reconciliations of these accounts. To date, the finance department has followed prior administration precedence.

**Proposed Completion Date:** Immediately



## **CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2024**

### **SECTION II – FINANCIAL STATEMENT FINDINGS**

#### **Finding 2024-05 – Improper Cash Management, Recording of Grant Proceeds and Reimbursements**

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

**Corrective Action:** Graham County management to implement and enforce procedures to ensure that all grant proceeds, reimbursements, and revenue/expenditure activity are recorded in the appropriate grant fund. This is to include establishing clear guidelines for identifying grant-related transactions and periodically reconciling grant activity to supporting documentation and grant agreements. Cleanup of funds has been ongoing and new procedures are in place.

**Proposed Completion Date:** Corrective measures already put in place

**GRAHAM COUNTY, NORTH CAROLINA**  
**Summary Schedule of Prior Year Audit Finding**  
**For the Year Ended June 30, 2024**

**Prior Year Findings**

<b>Status:</b> 2023-01	Modified and repeated as finding 2024-01.
<b>Status:</b> 2023-02	Resolved
<b>Status:</b> 2023-03	Modified and repeated as finding 2024-03.
<b>Status:</b> 2023-04	Resolved
<b>Status:</b> 2023-05	Modified and repeated as finding 2024-02.
<b>Status:</b> 2023-06	Resolved
<b>Status:</b> 2023-07	Resolved

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<b>FEDERAL AWARDS</b>					
<b><u>U.S. Department of Agriculture</u></b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
<u>SNAP Cluster</u>					
COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	XXXX	\$ 3,552	\$ -	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	XXXX	157,887	-	-
			<u>161,439</u>		
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
WIC Special Supplemental Nutrition Program for Women, Infants, & Children (Note 6)	10.557	XXXX	57,653	-	-
Total WIC Special Supplemental Nutrition Program for Women, Infants, & Children			<u>57,653</u>	-	-
Passed-through N.C. Department of Agriculture and Consumer Services:					
Natural Resources Conservation Service Direct Program					
Emergency Watershed Protection Program	10.923		246,697	-	-
Total Nature Resources			<u>246,697</u>	-	-
U.S. Dept. of Agriculture					
Community Facilities Loans and Grants	10.760	XXXX	386,550	-	-
Community Facilities Loans and Grants - Trucks	10.760	XXXX	306,874	-	-
Total Grant Loans			<u>693,424</u>	-	-
<b>Total U.S. Department of Agriculture</b>			<u>1,159,213</u>	-	-
<b><u>U.S. Department of Justice</u></b>					
Passed-through the N.C. Dept. of Public Safety:					
Crimes Victim Assistance	16.575	XXXX	22,375		
Total Passed-through the N.C. Dept. of Public Safety:			<u>22,375</u>		
<b>Total U.S. Department of Agriculture</b>			<u>22,375</u>	-	-
<b><u>U.S. Dept. of Transportation</u></b>					
Passed-through the N.C. Department of Transportation:					
<u>Federal Transit Cluster</u>					
Federal Transit Capital Investment Grants	20.509	XXXX	245,061	18,172	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	XXXX	75,748	9,468	-
Total Federal Transit Cluster			<u>320,809</u>	<u>27,640</u>	-
<b>Total U.S. Dept. of Transportation</b>			<u>320,809</u>	<u>27,640</u>	-
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed-through the N.C. Department of Commerce Community Development Block Grant					
Neighborhood Revitalization Program	14.241	17-C-2984	334,477	-	-
Coronavirus (CDBG-CV) Program	14.228	CDBG-20-V-3514	145,250	-	-
Total Passed-through the N.C. Department of Commerce Community Development Block Grant			<u>479,727</u>	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 479,727</u>	<u>\$ -</u>	<u>\$ -</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<b><u>U.S. Department of Treasury</u></b>					
Passed-through the N.C. Department of Public Safety:					
Coronavirus State Local Fiscal Recovery Funds	21.027		\$ 533,988	\$ -	\$ -
Local Assistance and Tribal Consistency Fund	21.032		454,344	-	-
Total Passed-through the N.C. Department of Public Safety:			<u>988,332</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Treasury</b>			<u>988,332</u>	<u>-</u>	<u>-</u>
<b><u>U.S. Department of Health &amp; Human Services</u></b>					
Passed-through N.C. Department of Health and Human Services:					
<b>Division of Social Services:</b>					
<u>SNAP Cluster</u>					
MaryLee Allen Promoting Safe and Stable Families	93.556	XXXX	18,649	-	-
TANF - Work First	93.558	XXXX	103,101	-	-
Total Division of Social Services			<u>121,750</u>	<u>-</u>	<u>-</u>
<b>Division of Public Health:</b>					
<u>SNAP Cluster</u>					
TANF - Work First	93.558	XXXX	782		
<u>Foster Care and Adoption Cluster (Note 4)</u>					
Foster Care - Title IV-E	93.658		(39,886)	3,219	-
COVID-19 - Foster Care - Title IV-E Supplemental Funding	93.658		14,562	8,534	-
Adoption Assistance	93.659		657	-	-
Total Foster Care and Adoption Cluster			<u>(24,667)</u>	<u>11,753</u>	<u>-</u>
Child Support Enforcement	93.563	XXXX	65,496	(90)	-
Low Income Home Energy Assistance:					
Weatherization Assistance and Heating and Air Repair	93.568	XXXX	7,133	-	-
COVID-19 Weatherization Assistance and Heating and Air Repair	93.568	XXXX	6,429	-	-
Crisis Intervention Program	93.568	XXXX	(741)	-	-
Total Low-Income Home Energy Assistance			<u>12,821</u>	<u>-</u>	<u>-</u>
Total Division of Public Health			<u>54,432</u>	<u>11,663</u>	<u>-</u>
<b>Division of Child Development and Early Education</b>					
Funds - Administration	93.596	XXXX	80,000	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Families for Kids	93.645	XXXX	(4,114)	3,233	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	XXXX	1,440	360	-
SSBG - Other Service and Training	93.667	XXXX	51,133	389	-
Total Division of Child Development and Early Education			<u>128,459</u>	<u>3,982</u>	<u>-</u>
<b>Division of Aging and Adult Services</b>					
SSBG - State Adult Day Care	93.667	XXXX	11,111	-	-
SSBG- State Child Protective Services	93.667	XXXX	48,239	-	-
Total Social Service Block Grant (SSBG)			<u>59,350</u>	<u>-</u>	<u>-</u>
Total Division of Aging and Adult Services			<u>\$ 59,350</u>	<u>\$ -</u>	<u>\$ -</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<b>Division of Health Benefits</b>					
<u>Medicaid Cluster</u>					
Medical Assistance Program (Note 6)	93.778	XXXX	\$ 482,507	\$ 45,502	\$ -
Administration:					
Children's Health Insurance Program - N.C. Health Choice (Note 6)	93.767	XXXX	33,384	237	-
Total Division of Health Benefits			<u>515,891</u>	<u>45,739</u>	<u>-</u>
<b>Division of Public Health</b>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.074	XXXX	29,053	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	XXXX	50	-	-
Family Planning Services	93.217	XXXX	26,584	-	-
Immunization Cooperative Agreements	93.268	XXXX	16,038	-	-
COVID-19 Immunization Cooperative Agreements	93.268	XXXX	7,964	-	-
Temporary Assistance for Needy Families					
Prevention and Public Health Funds (PPHF)	93.758	XXXX	6,344	-	-
Cancer Prevention and Controls Programs for State	93.898	XXXX	2,280	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917	XXXX	148	-	-
Collaboration with Academia to Strengthen Public Health	93.967	XXXX	80,899	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	XXXX	100	-	-
Total Division of Public Health			<u>169,460</u>	<u>-</u>	<u>-</u>
Maternal and Child Health Services Block Grant					
Care Coordinator for Children	93.994	XXXX	18,771	-	-
Total Maternal and Child Health Services Block Grant			<u>18,771</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>\$ 1,068,113</u>	<u>\$ 61,384</u>	<u>\$ -</u>
<b>Total Federal Awards</b>			<u>\$ 4,038,569</u>	<u>\$ 89,024</u>	<u>\$ -</u>
<b>STATE AWARDS</b>					
<u>N.C. Department of Environmental Quality</u>					
Division of Waste Management					
NC Revolving Loan and Grant Program		E-SRP-W-2017	-	371,982	-
Scrap Tire Program		XXXX	-	15,068	-
Total Division of Waste Management			<u>-</u>	<u>387,050</u>	<u>-</u>
Passed through Southwestern Commission Council of Governments:					
Streamflow Rehabilitation Program			-	179,459	-
Total Passed through Southwestern Commission Council of Governments:			<u>-</u>	<u>179,459</u>	<u>-</u>
<b>Total N.C. Department of Environmental Quality</b>			<u>\$ -</u>	<u>\$ 566,509</u>	<u>\$ -</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<b><u>N.C. Department of Health and Human Services</u></b>					
<b>Division of Aging and Adult Services</b>					
90% State Funds - In-Home Services		XXXX	\$ -	\$ 4,255	\$ -
90% State Funds - Congregate Nutrition		XXXX	-	24,706	-
90% State Funds - Home Delivered Meals		XXXX	-	86,519	-
Total Division of Aging and Adult Services			-	115,480	-
<b>Division of Social Services</b>					
Administration:					
State Child Welfare - State Protective Service		XXXX	-	15,358	-
Direct Benefit Payments:					
State Foster Home		XXXX	-	53,661	-
State Foster Home Fund (SFHF) Maximization		XXXX	-	11,277	-
Extended Foster Care Maximization Non IV-E programs			-	9,720	-
Foster Care Kinship			-	6,850	-
Total Division of Social Services			-	96,866	-
<b>Division of Public Health</b>					
General Aid to Counties		XXXX	-	75,101	-
General Communicable Disease Control		XXXX	-	11,336	-
Family Planning		XXXX	-	8,753	-
Child Health		XXXX	-	6,221	-
Women Health Service Fund		XXXX	-	4,751	-
Food and Lodging		XXXX	-	3,284	-
School Nurse Funding Initiative		XXXX	-	48,819	-
Maternal Health		XXXX	-	2,532	-
HIV/STD State		XXXX	-	400	-
Breast and Cervical Cancer		XXXX	-	2,145	-
Healthy Communities		XXXX	-	24,845	-
Tuberculosis Control		XXXX	-	1,260	-
High Risk Maternity Clinics		XXXX	-	5,124	-
State Fiscal Recovery Funds			-	75,423	-
Total Division of Public Health			-	269,994	-
Grants COVID-19 Support for County Confinement Facilities			-	16,941	-
<b>Total N.C. Department of Health and Human Services</b>			-	499,281	-
<b><u>N.C. Department of Insurance</u></b>					
SHIP Grant		XXXX	-	5,125	-
<b>Total N.C. Department of Insurance</b>			-	5,125	-
<b><u>N.C. Department of Public Instruction</u></b>					
Public Schools Building Capital Fund - Lottery Proceeds		XXXX	-	317,772	-
<b>Total N.C. Department of Public Instruction</b>			\$ -	\$ 317,772	\$ -

GRAHAM COUNTY, NORTH CAROLINA  
Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State Pass-Through Grantor's Number	Federal Direct and Pass-through Expenditures	State Expenditures	Pass-Through to Subrecipients
<b><u>N.C. Department of Public Safety</u></b>					
Juvenile Crime Prevention Programs		XXXX	\$ -	\$ 64,821	\$ -
<b>Total N.C. Department of Public Safety</b>			<u>-</u>	<u>64,821</u>	<u>-</u>
<b><u>N.C. Department of Transportation</u></b>					
State Maintenance Assistance for Urban and Small Urban Program (SMAP)					
ROAP Elderly and Disabled Transportation Assistance		36220.10.12.1	-	59,486	-
ROAP Rural General Public Program		36228.22.12.1	-	54,646	-
ROAP Work First Transitional - Employment		36236.11.11.1	-	6,141	-
Total ROAP Cluster			<u>-</u>	<u>120,273</u>	<u>-</u>
<b>Total N.C. Department of Transportation</b>			<u>-</u>	<u>120,273</u>	<u>-</u>
<b>Total State Awards</b>			<u>4,038,569</u>	<u>1,662,805</u>	<u>-</u>
<b>Other Financial Assistance:</b>					
<b><u>N.C. Dept. of Justice</u></b>					
Opioid Settlement Fund (Note 7)		XXXX	-	71,447	-
<b>Total N.C. Dept. of Justice</b>			<u>-</u>	<u>71,447</u>	<u>-</u>
<b>N.C. Office of State Budget &amp; Management</b>					
SCIF - Justice Center			-	32,188	-
<b>Total N.C. Office of State Budget &amp; Management</b>			<u>-</u>	<u>32,188</u>	<u>-</u>
<b>Total Other Financial Assistance</b>			<u>-</u>	<u>103,635</u>	<u>-</u>
<b>Total Federal and State Awards</b>			<u>\$ 4,038,569</u>	<u>\$ 1,766,440</u>	<u>\$ -</u>

**GRAHAM COUNTY, NORTH CAROLINA**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2024**

**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 Graham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. 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 Graham County, it is not intended to and does not present the financial position, changes in net position or cash flows of Graham 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**

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

**Note 4: Loans Outstanding**

Graham County had the following loan balances outstanding at June 30, 2024 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, 2024 consist of:

<b>Program Title:</b>	<b>CFDA #</b>	<b>Pass-Through Grantor Number</b>	<b>Amount Outstanding</b>
Community Facilities Loans and Grants	10.766		\$ 375,497
Community Facilities Loans and Grants - Trucks	10.766		\$ 288,295
			<u>\$ 663,792</u>

**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.

<b>Program Title:</b>	<b>CFDA #</b>	<b>Federal</b>	<b>State</b>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	173,908	-
Supplemental Nutrition Assistance Program	10.551	4,358,198	-
Medical Assistance Program	93.778	19,265,926	7,420,229
Children's Health Insurance Program	93.767	93,342	20,918

**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.