



AMENDED, MARCH 17, 2026

Town of James Island, Regular Town Council Meeting
March 19, 2026; 7:00 PM; 1122 Dills Bluff Road, James Island, SC 29412

****Watch Live and Meeting Recordings:** <https://www.jamesislandsc.us/livestream-town-meetings>

Watch Archived Recordings on the Town's YouTube Channel: <https://www.youtube.com/channel/UCm9sFR-ivmaAT3wyHdAYZqw>

Notice of this meeting was published and posted in accordance with the Freedom of Information Act and the requirements of the Town of James Island.

The Town encourages the public to provide comments prior to its Town Council meeting. Residents wishing to address the Council will be limited to three (3) minutes and must sign in to speak. Comments may also be sent ahead of the meeting by emailing to: info@jamesislandsc.us, mail to P.O. Box 12240, Charleston, SC 29422, or placed inside the drop box outside of Town Hall at 1122 Dills Bluff Rd.

- 1) Opening Exercises: Councilman Dodson
- 2) Presentation: Fiscal Year 2024-2025 Annual Audit: Love Bailey, CPA
- 3) Presentation: Jennifer Tyrrell, Community Science & Research Program Manager
Audubon, South Carolina (Coyote Presentation)
- 4) Public Comment:
- 5) Consent Agenda:
 - a) Minutes: Town Council Regular Meeting, February 19, 2026
- 6) Information Reports:
 - a) Mayor's Report
 - b) Finance Report
 - c) Island Sheriff's Patrol Report
 - d) Public Works Report
 - e) Code Enforcement Report
- 7) Requests for Consideration by Staff:
 - Audio Visual Equipment Update Estimate
- 8) Requests for Consideration by Council:
 - Nabors Drive Sidewalks Proposal for Construction Drawings and Permitting
 - Refurnish/Repair Trim at Town Hall

Committee Reports:

- 1 a) Land Use Committee
- b) Environment and Beautification Committee
- c) Children's Committee

- d) Neighborhood Council
- e) History Committee
 - Appointment: Jason Williams
- f) Rethink Folly Road
- g) Drainage Committee
- h) Business Development Committee
- i) Trees Advisory Committee
- j) James Island Intergovernmental Council
- k) Accommodations Tax Committee
- l) James Island Arts Council
- m) Parks and Gardens Council

10) Proclamations and Resolutions:

- Resolution #2026-04:** Recognizing Island Sheriff Patrol of the Year: Deputy Jacob Brueckner
- Resolution #2026-05:** Municipal Agreement Folly Road (SC 171) Safety Improvements
- Resolution #2026-06:** Consideration of Funding from SC Senate and House for Drainage in Bayfront S/D
- Resolution #2026-07:** Request to Apply for PARD Grant

Ordinances up for First Reading:

11) Ordinances up for Second/Final Reading:

- Ordinance #2026-01:** An Ordinance Amending The Town of James Island Zoning and Land Development Regulations Ordinance (ZLDR), Article 153.026, Section (D), and Article 153.027, Section (D) to Increase the Membership of the Planning Commission and Board of Zoning Appeals

12) Old Business:

13) New Business:

14) Executive Session: The Town Council may enter into an Executive Session in accordance with Code of Laws of South Carolina Section 30-4-70 (A) (2): the receipt of legal advice regarding litigation matters regarding KT Properties, LLC vs. Town of James Island and Contractual matters involving third party services. Upon returning to Open Session the Council may act on matters discussed in the Executive Session.

15) Return to Regular Session:

16) Announcements/Closing Comments:

17) Adjournment:

TOWN OF JAMES ISLAND

SOUTH CAROLINA

FINANCIAL STATEMENTS

JUNE 30, 2025

DRAFT

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
FINANCIAL STATEMENTS
JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of net position	4
Statement of activities	5
Fund financial statements	
Balance sheet - governmental funds	6
Reconciliation of the balance sheet of governmental funds to the statement of net position	7
Statement of revenues, expenditures and changes in fund balances - governmental funds	8
Reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	9
NOTES TO FINANCIAL STATEMENTS	10-28
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balances - general fund - budget and actual	29
Schedule of Town's proportionate share of the net pension liability - South Carolina Retirement System	30
Police Officers Retirement System	30
Schedule of Town's pension plan contributions - South Carolina Retirement System	31
Police Officers Retirement System	31
OTHER SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balances - budget and actual - hospitality tax fund	32
<u>COMPLIANCE SECTION</u>	
INDEPENDENT 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>GOVERNMENTAL AUDITING STANDARDS</i>	33-34
Schedule of findings and responses	35

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of James Island, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of James Island, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of James Island, South Carolina's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of James Island, South Carolina, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 the Town of James Island, South Carolina 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of James Island, South Carolina'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from 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 *Government 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Town of James Island, South Carolina'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 the Town of James Island, South Carolina'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.

Other Matters

As discussed in Note 11 to the financial statements, the Town of James Island, South Carolina recorded prior period adjustments to properly reflect cash in the previous year.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of James Island, South Carolina's basic financial statements. The accompanying schedule of revenues, expenditures and changes in fund balances – budget and actual – hospitality tax fund 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the Town of James Island, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of James Island, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of James Island, South Carolina's internal control over financial reporting and compliance.

Love Bailey & Associates, LLC
Laurens, South Carolina
January 27, 2026

**TOWN OF JAMES ISLAND,
SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,550,965
Receivables, net	834,771
Prepaid insurance	11,292
Other asset	600,000
Restricted cash and cash equivalents	4,015,081
Capital assets:	
Non-depreciable	10,049,310
Depreciable, net of accumulated depreciation	6,847,466
Total assets	25,908,885
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	642,888
Total deferred outflows of resources	642,888
LIABILITIES	
Accounts payable	8,829
Accrued liabilities	54,818
Deferred revenue	656,456
Current portion of loans payable	565,176
Noncurrent liabilities:	
Accrued compensated absences	97,293
Long term portion of loans payable	1,834,824
Net pension liability	2,141,662
Total liabilities	5,359,058
DEFERRED INFLOWS OF RESOURCES	
Deferred pension charges	131,168
Total deferred inflows of resources	131,168
NET POSITION	
Invested in capital assets, net of related debt	6,847,466
Restricted for:	
Hospitality fund	3,243,318
Stormwater fund	747,549
Accommodations tax fund	24,214
Unrestricted	10,199,000
Total net position	\$ 21,061,547

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Grants and Contributions		
		Charges for Services	Operating	
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 2,035,255	\$ -	\$ 988,140	\$ (1,047,115)
Elected officials	149,618	-	-	(149,618)
Planning	14,561	-	-	46,035
Public works	565,138	350,321	60,596	(214,817)
Building inspection	583	-	15,637	15,054
Codes and Safety	600,569	186,343	-	(414,226)
Parks and community	446,942	-	-	(446,942)
Facilities and equipment	519,897	-	-	(519,897)
JIPSD tax relief	1,360,000	-	-	(1,360,000)
Interest expense	52,000	-	-	(52,000)
Depreciation expense	402,144	-	-	(402,144)
Total governmental activities	\$ 6,146,707	\$ 536,664	\$ 76,233	\$ (4,545,670)

GENERAL REVENUES	
Local option sales tax - revenue	802,041
Local option sales tax - property tax	1,360,419
State aid to subdivisions	303,889
Franchise fees	290,386
Brokers and insurance tax	1,126,464
Business licenses	408,452
Hospitality tax	790,411
Homestead exemption	46,285
Interest and other	284,781
Total general revenues	5,915,003
Change in net position	1,369,333
Net position, beginning of year, as restated	19,692,214
Net position, end of year	\$ 21,061,547

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>General Fund</u>	<u>Stormwater Fund</u>	<u>Accommodations Tax Fund</u>	<u>Hospitality Tax Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,550,965	\$ -	\$ -	\$ -	\$ 3,550,965
Restricted cash and cash equivalents	-	747,549	24,214	3,243,318	4,015,081
Receivables, net	834,771	-	-	-	834,771
Prepaid insurance	11,292	-	-	-	11,292
Total assets	<u>\$ 4,397,028</u>	<u>\$ 747,549</u>	<u>\$ 24,214</u>	<u>\$ 3,243,318</u>	<u>\$ 8,412,109</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 8,829	\$ -	\$ -	\$ -	\$ 8,829
Accrued payroll and taxes	2,818	-	-	-	2,818
Deferred revenue	656,456	-	-	-	656,456
Total liabilities	<u>668,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,103</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	747,549	24,214	3,243,318	4,015,081
Unassigned, reported in General fund	<u>3,728,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,728,925</u>
Total fund balances	<u>3,728,925</u>	<u>747,549</u>	<u>24,214</u>	<u>3,243,318</u>	<u>7,744,006</u>
Total liabilities and fund balances	<u>\$ 4,397,028</u>	<u>\$ 747,549</u>	<u>\$ 24,214</u>	<u>\$ 3,243,318</u>	<u>\$ 8,412,109</u>

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

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
JUNE 30, 2025**

Total Fund Balance - Governmental Funds	\$ 7,744,006
Amounts to be reported for governmental activities in the statement of net position are different because:	
Other assets used in governmental activities are not financial resources and therefore are not reported in the fund	600,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund (net of accumulated depreciation)	16,896,776
Accrued interest	(52,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the General Fund	
Compensated absences (vacation time earned)	(97,293)
Loans payable	(2,400,000)
Net pension liability and related deferrals	<u>(1,629,942)</u>
Net position of Governmental Activities	<u><u>\$ 21,061,547</u></u>

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Stormwater Fund	Accommodations Tax Fund	Hospitality Tax Fund	Total Governmental Funds
REVENUE					
Local option sales tax - revenue	\$ 802,041	\$ -	\$ -	\$ -	\$ 802,041
Local option sales tax - property tax	1,360,419	-	-	-	1,360,419
State aid to subdivisions	303,889	-	-	-	303,889
ARP funding	501,875	-	-	-	501,875
Permits, planning and other charges	186,343	-	-	-	186,343
Business license	408,452	-	-	-	408,452
Hospitality tax	-	-	-	790,411	790,411
Franchise fees	290,386	-	-	-	290,386
Insurance collection program	1,126,464	-	-	-	1,126,464
Stormwater fees	-	350,321	-	-	350,321
Donations and grants	988,140	-	-	-	988,140
Homestead exemption	46,285	-	-	-	46,285
Accommodations tax	-	-	79,639	-	79,639
Interest and other	281,375	-	-	-	281,375
Total revenues	6,295,669	350,321	79,639	790,411	7,516,040
EXPENDITURES					
Current:					
General government	1,879,028	-	80,320	-	1,959,348
Elected officials	149,618	-	-	-	149,618
Planning	14,561	-	-	-	14,561
Public works	190,401	374,737	-	-	565,138
Building inspection	583	-	-	-	583
Code and safety	600,569	-	-	-	600,569
Parks and community	157,904	-	-	289,038	446,942
Facilities and equipment	519,897	-	-	-	519,897
JIPSD tax relief	1,360,000	-	-	-	1,360,000
Capital outlay	4,445,830	-	-	-	4,445,830
Total expenditures	9,318,391	374,737	80,320	289,038	10,062,486
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,022,722)	(24,416)	(681)	501,373	(2,546,446)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	2,400,000	-	-	-	2,400,000
Total other financing sources (uses)	2,400,000	-	-	-	2,400,000
Net changes in fund balances	(622,722)	(24,416)	(681)	501,373	(146,446)
Fund balances, beginning of year, as restated	4,351,647	771,965	24,895	2,741,945	7,890,452
Fund balances, end of year	\$ 3,728,925	\$ 747,549	\$ 24,214	\$ 3,243,318	\$ 7,744,006

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

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
JUNE 30, 2025**

Net change in fund balances - Total Governmental Fund \$ (146,446)

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

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 4,445,830	
Depreciation expense	<u>(402,144)</u>	4,043,686

An item reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental fund. This activity consists of:

Proceeds from issuance of debt	(2,400,000)
Accrued interest expense	(52,000)
Pension accrual	(55,516)
Compensated absences	<u>(20,391)</u>

Total changes in net position \$ 1,369,333

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of James Island, South Carolina conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of James Island, South Carolina (the Town) was created by South Carolina Code Section 5-1-70 and began operations August 2, 2012. Services provided by the Town include zoning, permitting, public works, building inspection, code enforcement, public safety, disaster and emergency preparedness, recreation, and general government. The Town operates under a Mayor Council form of government. The Town Council is composed of a mayor and four town council members elected at large.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on this criterion the Town has determined it has no component units and is not a component unit of any other organization. Therefore, the Town reports as a primary entity.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations are eliminated for the statement of activities. Program revenues include, 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues.

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Major individual governmental funds are reported as separate columns in the fund financial statements. All non-major funds are aggregated and reported in a single column on each of the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, franchise fees, fines and forfeitures, garbage collection, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Town utilizes the following governmental funds:

General Fund – The general fund is the primary operating fund of the Town. The general fund accounts for all financial resources except those that are required to be reported in another fund.

Stormwater Fund – This fund is a special revenue fund used to account for stormwater fees charged by the Town, collected by the County of Charleston and used for stormwater projects within the Town in conjunction with the County.

Hospitality Tax Fund – This fund is a special revenue fund used to account for the 2% sales tax on food and beverage sales within the Town to be used for projects to support hospitality industry.

Accommodations Tax Fund – This fund is a special revenue fund used to account for the 2% sales tax on accommodation within the Town. The first \$25,000 collected can be used for general purposes and 5% of the remaining revenue. The remaining funds collected can be used for advertising and promotion (30%) to specific qualified agencies and tourism (65%) to qualified entities that apply for funds.

Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the United States and its agencies, general obligations of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal depository insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables and Payables

All receivables are shown at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Such allowances are estimated based upon such factors as length of delinquency, historical analysis, and available means for collection enforcement.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables outstanding at year end are eliminated upon consolidation of governmental activities in the government-wide statement of net assets.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The Town has a prepaid balance in the amount of \$11,292 at June 30, 2025 related to workers compensation insurance paid in advance.

Restricted cash

Certain cash of the Town are classified as restricted on the balance sheet when specific limitations are placed upon their use. Restricted cash of the Town are set aside as required by state statute for providing services to improvements related to tourism and hospitality, and special projects including American Rescue Plan funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings & Improvements	10 – 40
Land Improvements	10 – 40
Equipment & Furnishings	5 – 10
Vehicles	5

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

In the case of the initial capitalization of general infrastructure assets, the Town elected not to implement the retroactive reporting provisions of GASB Statement No. 34. However, as the Town acquires or constructs additional infrastructure assets each period, they are capitalized and reported at historical cost.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town.

All vacation pay and salary related expenses are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (except expenses) until then. The Town currently has one type of deferred outflow of resources: deferred pension charges. It is reported in the Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These deferred pension charges are either (1) recognized in the subsequent period as a reduction in the net pension liability (including pension contributions made after the measurement date) or (2) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP. In addition to liabilities, the Statement of Net Position (government-wide) and the Balance Sheet (governmental funds) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Town currently has two types of inflows of deferred resources: (1) unavailable revenue-property taxes only in the government funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenue) in the periods the amounts become available, and (2) the Town also reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement Systems and South Carolina Police Officers Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balance

Restricted – This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned – This classification represents the residual balance with the General Fund, which has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Town uses restricted amounts first when both restricted and unrestricted fund balances are available.

The Town's total restricted fund balance consisted of the following:

	Restricted Fund Balance
Hospitality Tax Fund	\$ 3,243,318
Stormwater Fund	747,549
Accommodations tax	24,214
	<hr/>
	\$ 4,015,081

Property Taxes

The Town assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real and personal property of every description owned and used in the Town, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as part of the budget adoption process.

Property taxes are assessed and collected under a joint billing and collection agreement with Charleston County. Property taxes are levied each October on the assessed value listed as of the prior January 1 for all real and business personal property located within the Town. The tax levy is considered due upon receipt by the taxpayer; however, the actual due date is January 15th. Automobile property taxes attach a lien and are levied throughout the year depending on when the vehicle's license tag expires. Property taxes are recognized under the standards established by GASB Statement No. 33 for Imposed Nonexchange Revenues.

Nonexchange Transactions

The standards established by GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets from Derived Tax Revenues are recognized when the underlying exchange has occurred, and resources are available to the government.

Assets from Imposed Nonexchange Revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from Government-Mandated and Voluntary Nonexchange Transactions are generally recognized when all eligibility requirements have been met. Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

- 1) The recipient has the characteristics specified by the provider.
- 2) Time requirements specified by the provider have been met.
- 3) The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
- 4) The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues, expenditures/expenses, and other sources and uses recognized during the reporting period. Actual results could differ from those amounts.

Accounting Pronouncements

Compensated Absences – In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which supersedes GASB Statement No. 16. This new standard establishes a unified model for the recognition, measurement, and disclosure of compensated absences. A significant change in the standard is a shift from a "probable" to a "more likely than not" threshold for recognizing and measuring the liability. The Town adopted GASB Statement No. 101 effective for its fiscal year beginning July 1, 2024.

The Governmental Accounting Standards Board (GASB) issued Statement No. 102, Certain Risk Disclosures, to amend National Council on Governmental Accounting (NCGA) Interpretation 6, Notes to the Financial Statement Disclosure, specifically paragraph 5. This standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations and constraints, providing essential information for users of government financial statements to analyze data for decision-making or assessing accountability. The Town has evaluated its financial position and operations and determined that no concentrations or constraints meet the criteria for disclosure under this standard. Therefore, no additional disclosure is required.

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 2 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits - Custodial credit risk is the risk that the Town's deposits will not be returned to it. The Town has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to \$250,000 per bank. From time to time during the year, the Town may have cash on deposit with banks that exceeds the balance insured by the FDIC. However, at June 30, 2025, none of the Town's bank balances of approximately \$2,915,282 (with a carrying value of approximately \$2,761,461) were exposed to custodial credit risk.

As of June 30, 2025, the Town had the following investments:

Investment Type	Credit Rating*	Fair Value	Investment Maturity (in Years)			
			Less than 1	1 - 3	3 - 5	Over 5
State Government Local Investment Pool	Unrated	\$ 4,804,585	\$ 4,804,585	\$ -	\$ -	\$ -
Total		<u>\$ 4,804,585</u>	<u>\$ 4,804,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: The Town does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The Town places no limit on the amount the Town may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

Certain deposits and investments of the Town are legally restricted for specified purposes. The major types of restrictions at June 30, 2025 were those imposed by the revenue source (i.e. hospitality fees, grants, etc.).

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2025 for individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General
Receivables:	
Insurance collection	\$ 163,587
Franchise fees	30,052
Local option sales tax	360,029
Hospitality tax	109,029
Accommodations tax	24,214
Business licenses	22,770
State aid to subdivisions	78,819
Other	46,271
Net receivables	\$ 834,771

NOTE 4 – CAPITAL ASSETS

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

	June 30, 2024	Additions	Deletions	Transfers	June 30, 2025
Non-depreciable assets:					
Land	\$ 2,698,654	\$3,338,716	\$ -	\$ -	\$ 6,037,369
Construction in Progress	3,089,582	922,358	-	-	4,011,940
Total non-depreciable assets	5,788,238	4,261,074	-	-	10,049,310
Depreciable:					
Buildings and Improvements	3,481,205	-	-	-	3,481,205
Equipment	181,476	47,399	-	-	228,875
Vehicles	293,512	137,357	-	-	430,869
Park improvements	882,880	-	-	-	882,880
Infrastructure	4,128,190	-	-	-	4,128,190
Town signs	25,487	-	-	-	25,487
Total depreciable capital assets	8,992,748	184,756	-	-	9,177,506
Less accumulated depreciation:	(1,927,896)	(402,144)	-	-	(2,330,040)
Total depreciable capital assets, net	7,064,852	(217,388)	-	-	6,847,466
Total capital assets, net	\$12,853,090	\$4,043,686	\$ -	\$ -	\$16,896,776

The Town has construction in progress for various infrastructure projects, park improvements and cultural art center renovation. The Town has recorded a depreciation expense of \$402,144 for general fund activities.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 5 – OTHER ASSET

During fiscal year 2024, the Town transferred \$600,000 to a trust account held by Charleston County in connection with the condemnation proceedings for the Dills Bluff property. The funds were deposited with the Charleston County Clerk of Court in June 2024 as part of the condemnation process.

As of June 30, 2025, the condemnation proceedings were ongoing and the \$600,000 remained held in trust by the County. The Town continues to record the funds as an asset, reported as Other Assets on the Statement of Net Position. If the property is ultimately condemned, the funds will be applied toward the purchase of the property; if the property is not condemned, the Town expects the funds to be returned.

NOTE 6 – LONG-TERM LIABILITIES

Mortgage Note

On December 10, 2024, the Town entered into a \$2,400,000 mortgage note for the purchase of the real estate. The note four annual principal and interest payments each December 10th. Maturity date for the note is December 10, 2028 and has an interest rate of 4.00 percent.

The following is a summary of changes in the note for the year ended June 30, 2025.

Debt	6/30/2024	Additions	Reductions	6/30/2025	Due Within One Year
Mortgage Note	\$ -	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 565,176

Maturities of mortgage note for the succeeding four years and thereafter are as follows:

	Annual Principal	Annual Interest	Annual Payment
2026	\$ 565,176	\$ 96,000	\$ 661,176
2027	587,783	73,393	661,176
2028	611,294	49,882	661,176
2029	635,747	25,429	661,176
	<u>\$ 2,400,000</u>	<u>\$ 244,705</u>	<u>\$ 2,644,704</u>

Changes in other long-term liabilities

Other long-term liability activity for the year ended June 30, 2025, was as follows:

	June 30, 2024	Additions	Reductions	June 30, 2025
Compensated absences	\$ 76,902	\$ 20,391	\$ -	\$ 97,293
Net pension liability	1,953,212	188,450	-	2,141,662
Total	<u>\$ 2,030,114</u>	<u>\$ 208,841</u>	<u>\$ -</u>	<u>\$ 2,238,955</u>

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS

State Retirement Plan

The Town participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”).

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, a pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school Towns and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – PENSION PLANS , Continued

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – PENSION PLANS , Continued

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member’s age and the member’s creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2025¹</u>	<u>Fiscal Year 2024¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2025¹</u>	<u>Fiscal Year 2024¹</u>
SCRS		
Employee Class Two	18.41%	18.41%
Employee Class Three	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	20.84%	20.84%
Employee Class Three	20.84%	20.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

(Continued)

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method:	Entry age normal	Entry age normal
Investment rate of return ²	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2024, TPL are as follows.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

(Continued)

² Includes inflation at 2.25%

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

<u>System</u>	<u>Town’s Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>Town’s Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 1,672,172	61.8%	.007131%
PORS	\$ 469,490	70.5%	.015651%

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity ³	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity ^{1 4}	9.0%	9.60%	0.86%
Private Debt ²	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate ²	9.0%	4.30%	0.39%
Infrastructure ²	3.0%	7.30%	0.22%
Total Expected Real Return ⁵	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

Pensions

At June 30, 2025, the Town reported a liability of \$1,672,172 and \$469,490 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the projected future benefit payments of 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 TPL.

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers’ NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

(Continued)

³ The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

⁴ Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁵ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Town’s proportionate share of the net pension liability of the SCRS	\$ 1,802,148	\$ 1,672,172	\$ 1,075,915
Town’s proportionate share of the net pension liability of the PORS	\$ 645,281	\$ 469,490	\$ 313,337

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense for the SCRS and PORS plans of \$162,225 and \$92,041, respectively. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflow of resources	Deferred inflow of resources
SCRS		
Differences between expected and actual experience	\$ 84,433	\$ 2,075
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
Net difference between projected and actual earnings on pension plan investments	222,182	64,430
Town’s contributions subsequent to the measurement date	174,960	-
Total SCRS	<u>\$ 480,439</u>	<u>\$ 66,505</u>
PORS		
Differences between expected and actual experience	\$ 54,313	\$ 2,692
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
Net difference between projected and actual earnings on pension plan investments	21,728	26,322
Town’s contributions subsequent to the measurement date	85,272	35,649
Total PORS	<u>\$ 161,313</u>	<u>\$ 64,663</u>

The \$173,824 and \$85,272 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2025 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2026.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS and PORS:

Year Ended June 30,	SCRS	PORS	Total
2026	\$ 67,726	\$ (6,960)	\$ 60,766
2027	143,314	29,699	173,013
2028	45,991	(4,401)	41,590
2029	(18,057)	(6,960)	(23,881)
	\$ 238,974	\$ 11,378	\$ 251,488

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To insure against casualty risks, the Town is a member of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments in South Carolina. The Town pays annual premiums to the State Insurance Reserve Fund for its general insurance. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 8 – RISK MANAGEMENT, Continued

The Town acquires insurance for job related injury and illness (workers’ compensation). Workers’ Compensation is insured under a retrospectively rated policy where premiums paid are estimated throughout the year and adjusted subsequent to the policy period based on actual experience. Health insurance and general blanket and fidelity bond insurance were also maintained.

During June 30, 2025, the Town did not experience any uninsured claims. There is no liability or expenditure recorded for other actual claims and management does not believe any provision for unasserted claims is necessary.

There were no significant reductions in coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2023, 2022, and 2021.

NOTE 9 – CONTINGENCIES

In the opinion of Town management, after consultation with legal counsel, there are no material claims or lawsuits against the Town that are not covered by insurance or whose settlement would materially affect the Town’s financial position. The Town also participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The Town has recorded a prior period adjustment to the net position and fund balance to properly reflect cash in the previous year. The adjustments are summarized as follows:

	Governmental Activities
Net position, as previously reported at June 30, 2024	\$ 20,026,161
Prior period adjustment – capital assets	<u>(333,947)</u>
Net position, as restated at June 30, 2024	<u>\$ 19,692,214</u>
	Governmental Funds
Fund balance, as previously reported at June 30, 2024	\$ 4,685,594
Prior period adjustment – capital assets	<u>(333,947)</u>
Fund balance, as restated at June 30, 2024	<u>\$ 4,351,647</u>

NOTE 11 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2025, through the date on the auditor’s report January 27, 2026 the date the financial statements were available to be issued.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance
	Original	Final		
REVENUE				
Local option sales tax - revenue	\$ 580,000	\$ 580,000	\$ 802,041	\$ 222,041
Local option sales tax - property tax	1,360,000	1,360,000	1,360,419	419
State aid to subdivisions	300,266	300,266	303,889	3,623
ARP funding	-	-	501,875	501,875
Permits, planning and other charges	227,650	227,650	186,343	(41,307)
Business license	480,000	480,000	408,452	(71,548)
Homestead exemption	48,000	48,000	46,285	(1,715)
Franchise fees	320,000	320,000	290,386	(29,614)
Insurance collection program	765,000	765,000	1,126,464	361,464
Donations and grants	542,192	542,192	988,140	445,948
Interest and other	211,800	211,800	281,375	69,575
Total revenues	4,834,908	4,834,908	6,295,669	1,460,761
EXPENDITURES				
Current:				
General government	2,668,589	2,668,589	1,879,028	789,561
Elected officials	148,005	148,005	149,618	(1,613)
Planning	12,293	12,293	14,561	(2,268)
Public works	102,706	102,706	190,401	(87,695)
Building inspection	-	-	583	(583)
Code and safety	1,216	1,216	600,569	(599,353)
Parks and community	161,179	161,179	157,904	3,275
Facilities and equipment	409,338	409,338	519,897	(110,559)
JIPSD tax relief	1,360,000	1,360,000	1,360,000	-
Capital outlay	1,383,883	1,383,883	4,445,830	(3,061,947)
Total expenditures	6,247,209	6,247,209	9,318,391	(3,071,182)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,412,301)	(1,412,301)	(3,022,722)	(1,610,421)
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	2,400,000	2,400,000
Transfers in (out)	1,412,301	1,412,301	-	(1,412,301)
Total other financing sources (uses)	1,412,301	1,412,301	2,400,000	987,699
Net changes in fund balances	\$ -	\$ -	\$ (622,722)	\$ (622,722)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 POLICE OFFICERS RETIREMENT SYSTEM

SCRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.007131%	0.005933%	0.005798%	0.005703%	0.005506%	0.005621%	0.005093%	0.005809%	0.004501%	0.004047%
Town's proportionate share of the net pension liability	\$ 1,672,172	\$ 1,434,557	\$ 1,405,607	\$ 1,234,262	\$ 1,406,749	\$ 1,283,409	\$ 1,141,265	\$ 1,307,699	\$ 961,408	\$ 767,533
Town's covered-employee payroll	\$ 936,552	\$ 979,874	\$ 750,185	\$ 690,424	\$ 644,703	\$ 614,212	\$ 593,517	\$ 526,930	\$ 587,873	\$ 435,818
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.0%	68.3%	53.4%	55.9%	45.8%	47.9%	52.0%	40.3%	163.5%	176.1%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	59.9%

Only eight years of information is presented as only eight years of data were available.

PORS	2025	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net pension liability	0.015651%	0.017038%	0.015430%	0.016237%	0.017460%	0.013060%	0.009022%	0.000380%
Town's proportionate share of the net pension liability	\$ 469,490	\$ 518,655	\$ 462,753	\$ 417,765	\$ 578,991	\$ 374,291	\$ 255,629	\$ 10,438
Town's covered-employee payroll	\$ 401,469	\$ 308,708	\$ 298,523	\$ 244,200	\$ 244,155	\$ 263,750	\$ 189,429	\$ 128,025
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.5%	59.5%	64.5%	58.5%	42.2%	70.5%	74.1%	1226.5%
Plan fiduciary net position as a percentage of the total pension liability	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%

Notes to schedule:
 The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

TOWN OF JAMES ISLAND, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PENSION PLAN CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM
 POLICE OFFICERS RETIREMENT SYSTEM

SCRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 173,824	\$ 181,865	\$ 131,732	\$ 114,334	\$ 100,316	\$ 95,572	\$ 86,416	\$ 71,452	\$ 67,076	\$ 47,458
Contributions in relation to the contractually required contribution	(173,824)	(181,865)	(131,732)	(114,334)	(100,316)	(95,572)	(86,416)	(71,452)	(67,076)	(47,458)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 936,552	\$ 979,874	\$ 750,185	\$ 690,424	\$ 644,703	\$ 614,212	\$ 593,517	\$ 526,930	\$ 587,873	\$ 435,818
Contributions as a percentage of covered-employee payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.41%	10.89%

Only eight years of information is presented as only eight years of data were available.

PORS	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 85,272	\$ 65,570	\$ 60,424	\$ 46,984	\$ 44,534	\$ 48,108	\$ 32,657	\$ 20,279
Contributions in relation to the contractually required contribution	(85,272)	(55,570)	(60,424)	(46,984)	(44,534)	(48,108)	(32,657)	(20,279)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 401,469	\$ 308,708	\$ 298,523	\$ 244,200	\$ 244,155	\$ 263,750	\$ 189,428	\$ 128,025
Contributions as a percentage of covered-employee payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	15.84%

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOSPITALITY TAX FUND
YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance
	Original	Final		
REVENUE				
Hospitality tax	\$ 699,290	\$ 699,290	\$ 790,411	\$ 91,121
Total revenues	699,290	699,290	790,411	91,121
EXPENDITURES				
Current:				
Parks and community	116,379	116,379	289,038	(172,659)
Capital outlay	183,992	183,992	-	183,992
Total expenditures	300,371	300,371	289,038	11,333
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	398,919	398,919	501,373	102,454
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(398,919)	(398,919)	-	(398,919)
Total other financing sources (uses)	(398,919)	(398,919)	-	(398,919)
Net changes in fund balances	\$ -	\$ -	\$ 501,373	\$ (296,465)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Town Council
Town of James Island, South 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, each major fund, and the aggregate remaining fund information of Town of James Island, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of James Island, South Carolina's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of James Island, South Carolina's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of James Island, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of James Island, South Carolina's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of James Island, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Love Bailey & Associates, LLC
Laurens, South Carolina
January 27, 2026

DRAFT

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

FINDINGS FOR YEAR ENDED JUNE 30, 2025

Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

Significant Deficiency

2025-001

Criteria: The Town’s accounting system should be maintained in a manner that allows for the timely preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting should be designed to prevent or detect and correct material misstatements on a timely basis.

Condition and context: During the audit, **material audit adjustments** were required to properly state the Town’s financial statements. These adjustments included:

- Accounts receivable and revenue cutoff adjustments,
- Payroll-related liability accruals, and
- Revenue classification adjustments.

Similar audit adjustments were proposed in the prior year but were not recorded in the Town’s accounting records, resulting in a recurrence of these issues.

Cause: The Town primarily maintains its accounting records on a cash basis during the year and does not have procedures in place to identify and record material year-end accruals and classification adjustments, including receivables, payroll-related liabilities, and revenue classifications. In addition, prior-year audit adjustments were not incorporated into the Town’s general ledger.

Effect: As a result, the Town’s accounting records did not reflect all material balances required under GAAP, and material audit adjustments were necessary to properly present the financial statements.

Recommendation: We recommend that the Town implement year-end financial reporting procedures to identify and evaluate material accruals and classification adjustments prior to the audit. This may include enhanced internal review procedures, the use of standardized year-end closing checklists, or consultation with external accounting assistance to ensure material balances are properly recorded in a timely manner

Town’s response: Management agrees with the finding and plans to improve year-end review and closing procedures to ensure material accruals and classifications are identified and recorded prior to the audit.

The Town of James Island held its regularly scheduled meeting on Thursday, February 19, 2026, at 7:00 p.m. at the Town Hall, 1122 Dills Bluff Road, James Island, SC. This meeting was also live streamed on the Town's website at www.jamesislandsc.us/livestream-townmeetings and was held in accordance with the S.C. Freedom of Information Act and the requirements of the Town of James Island.

The following members of Council were present: Lewis Dodson, Julia Drayton-Crumblin, Dr. Cynthia Mignano, Darren "Troy" Mullinax, Michael O. Williams, and Mayor Brook Lyon, who presided. Absent: Councilman Dan Boles, (gave notice). Also present: Town Attorney, Brian Quisenberry, Finance Director, Mike Hemmer, Code Enforcement and Facilities, Parker Richardson, Island Sheriff's Patrol, Captain Shawn James and Deputy Taryn Booth, and Town Clerk, Frances Simmons.

Mayor Lyon called the meeting to order at 7:00 p.m. She announced that the Town encourages public participation and welcomes comments prior to Town Council meetings. Residents wishing to address Council are limited to three (3) minutes and must sign in prior to speaking. Written comments may also be submitted in advance by emailing info@jamesislandsc.us, by mail, or by placing them in the drop box at Town Hall. Mayor Lyon introduced herself as Mayor, the members of Town Council, and welcomed those attending.

Opening Exercises: Councilman Mullinax led Council in prayer and followed with the Pledge of Allegiance. Mayor Lyon introduced Victor Crouch, Town Poet Laureate, who read a poem in recognition of Black History Month, *"Our King Makes a Home for Us."* Copy attached.

Presentation by Shawn Salley, SC Department of Transportation: Mayor Lyon introduced and welcomed Shawn Salley, Program Manager, SC Department of Transportation, to give an update on the Folly Road Safety Project.

Mayor Lyon informed the public that the evening's format would not be a question-and-answer session. She encouraged everyone to attend the Neighborhood Council meeting on Thursday, March 5, at 6:00 p.m. as Mr. Salley will come back then and we can ask questions.

Mr. Salley thanked the Council for the opportunity to share the scope and intent of the project. Some slides from the past SCDOT presentation highlighting the safety improvement aspects of the project, updated changes, and feedback received from the two public meetings were shown. A copy of SC 171/Folly Road Safety Assessment Presentation is provided. <https://sc-171-folly-road-safety-project-scdot.hub.arcgis.com/pages/project-updates?preview=true>

Afterward, Mayor Lyon stated that the presentation was enlightening, informative, and thanked Mr. Salley for his thorough comparison of the changes that were made. She asked Mr. Salley and other staff from the SCDOT to stay at the meeting to hear comments from some of the residents.

Mayor Lyon acknowledged that the plan may improve safety along Folly Road based on crash history but expressed concerns that it could potentially introduce other safety issues. Mr. Salley stated that a traffic study would be conducted before the medians are installed. If the study determines that additional traffic is diverting into neighborhoods, a backup plan would be implemented. Members of Council thanked Mr. Salley for the presentation followed by questions.

Presentation by Senator Ed Sutton: Mayor Lyon introduced and welcomed Senator Ed Sutton and asked him to give an update on the SCDOT Modernization Bill.

Senator Sutton thanked Council for the opportunity to share this information. Both the House and Senate have been actively working on this bill. He complimented Shawn Salley for outstanding work, noting that several residents had contacted him regarding the Folly Road Safety Project and that Mr. Salley had him updated by providing information to him about the project. Senator Sutton represents James Island, West Ashley, and downtown Charleston. He is currently serving the second year of his first term and greatly enjoys the work. He thanked City Councilwoman Skardon and Councilman McBride for their service.

Senator Sutton provided an overview of the Transportation Modernization Bill. The bill is designed to enhance the SCDOT by amending various state laws to improve infrastructure and services. Some key components of the bill includes establishing a Coordinating Council for transportation and mobility to oversee transportation planning and development; mandating that SCDOT develop a long-range statewide transportation plan; authorizing the department to enter into public-private partnerships to streamline project delivery and improve efficiency; and imposing fees on new developments to mitigate congestion and fund infrastructure improvements.

Mayor Lyon and Council thanked Senator Sutton for coming and sharing this information with the citizens.

Public Comments: The following persons addressed Council:

Adam Friend, 448 Woodland Shores Rd. said he moved here after Hurricane Hugo. He has been here a while to watch us explode, "*so to speak*". His initiative is Safe Roads. In the summer of 2023, Jen Drummond was hit on Woodland Shores Road and was found in the middle of the road. Since he purchased his home in 1995, he has been fighting for safe roads. Unfortunately, it took somebody getting hit before they were able to organize a Coalition to get speed humps from the County and now a sidewalk. He is not a huge fan of the loss of left-hand capabilities, but it is something that has been happening more and more. He had the opportunity to speak to Mr. Salley who has been very good and hands-on. After speaking to him and having a better understanding, and getting federal funding, that is something that needs to happen, unless the Town wants to pay for it. We know how hard it is to get money these days and it is something that needs to happen because it will address safety. There have been four fatalities between Camp and Fort Johnson - that is a lot, and another two north of there. One person dying is too many and this is something data has driven.

He stated that the DOT looked at the roads and produced the formulas that says that we are the fifth most dangerous road in the state. They looked at where these crashes were happening and whittled it down to the lowest they could, but the data nationally is on these raised medians. We have had ideas of rumble strips, and other ideas, but there is no data on it -- we just do not know and SCDOT is not going to take the chance to do these things. If the Town and City wants to say no, they can, and they will go away. But you will have to sign off taking the liability going forward on that road; that is a fact. He does not think a small municipality has the budget to take on the risk of doing something outside of what the data shows and having to unfortunately be the ones to be the bearer of the lawsuit. It is very important that we understand it is something that we cannot stop and it sounds like the SCDOT is willing to work with us as logically as possible. He thinks this is going to happen and he supports it because of that and an opportunity to do something that shows a reduction in fatalities and crashes.

Marilyn Clifford, 811 W. Madison Ave. Ms. Clifford stated that she has lived at 811 West Madison Avenue for 55 years. Her mother is 88 years old and lives on Lady Cooper Street, and an aunt lives on Gilbert Street, all in the Centerville neighborhood. She thanked SCDOT for coming and appreciates Mr. Salley's presentation.

She has obtained 356 signatures from business owners, residents, and patrons. As Mr. Friend pointed out, this is federal money, even though on the outset we want to applaud the Town for coming out against the plan as it appeared in the Post and Courier but if you get involved at your state level, it does not matter because the Feds are going to run you over. She is sorry, that is the way it is and there is no nice way to put it. So we are beholden to the federal government. She does not think any of them live off of Folly Road. She does not think they know that her neighborhood needs a park – they do not have one vacant lot in her neighborhood for a park, and they do not have room for a sidewalk. One of the illustrations in the presentation showed a big wide Folly Road and there is no big wide Folly Road. She lives on West Madison Avenue that can be called Folly Road #2, and she affectionately calls it the Chick-fil-A Speedway because Eugene Gibbs blends into West Madison. When the school traffic gets out, that is just a whole other ball game. At the time the article was written and the information that she was given, it roused 356 people. Now with the new proposed plan we are taking into specs and doing stuff. She has pictures of a crash median at South Windermere, big chunks of three pieces of cement. It is not yellow and pretty like it was 10,000 years ago and an old person is not going to be able to see that and God help them. And, then somebody is like, why don't you pick it up? Because I am not going to kill myself in the middle of the road.

Bill Lyon, 669 Port Circle: Mr. Lyon stated that three weeks ago the Neighborhood Council held a meeting attended by many concerned citizens. During that meeting, residents discussed the proposed plans for Folly Road, specifically from Camp Road to the Eugene Gibbs intersection and from Taco Bell to Santee Street. Many expressed concern that the proposed medians could cause irreparable harm to businesses along that portion of Folly Road—businesses that are vital to the community. Also that Community members voiced concerns that the potential for traffic would be diverted through residential neighborhoods where pedestrians walk and children play. He noted that several constructive alternatives were suggested by residents that would not require the installation of medians.

Mr. Lyon announced that Mr. Salley has agreed to attend the Neighborhood Council meeting on March 5 at 6:00 p.m. to answer questions and further discuss the project. He encouraged the public to attend. More than 200 additional signatures have been collected in support of the petition.

Edward Greene, 1115 Seaside Lane: Mr. Greene thanked Mayor and Council for having SCDOT to give the presentation because he has been concerned about the project. He expressed concerns about the connector area where overgrown trees and bushes are encroaching onto Folly Road. He stated that it is unsightly to see a wooded area at the peak of Folly Road and that he is frustrated with its appearance. He assumes that the proposed median would run through that section and potentially extend in front of someone's vehicle. Mr. Greene requested that the Town and SCDOT address the issue by removing the trees.

John Peters, 1301 Hampshire Rd: Mr. Peters thanked Council and Mr. Salley for the presentation stating that it means a great deal to the citizens. He expressed concern about traffic conditions at the intersection of Folly Road and Harborview Road, noting that it has already been mentioned but deserves further review. As someone who travels the route daily and has an elementary school student, he described the difficulty of making a left-hand turn, explaining that only about six cars are able to get through in a two-minute cycle, resulting in extended wait times and continued backups. He said that intersection needs closer evaluation.

He also asked about the ratio of traffic volume to accidents, suggesting that understanding how many vehicles travel the corridor compared to the number of accidents over a five-year period would be helpful. While acknowledging that safety improvements are important, he questioned whether eliminating left-hand turns everywhere is justified without seeing clear data. He further inquired about the accuracy of traffic study metrics, recognizing that all studies have potential flaws and asked where weaknesses in data collection may exist.

Mr. Peters stated that he supports the proposed improvements at the old Folly Road and the connector. However, he requested clearer visual representations of projected traffic impacts, particularly how much additional congestion may result from restricting left-hand turns. He suggested that diagrams showing current versus future traffic backups would better illustrate the reality of the changes. He also commented that some of the presentation images, particularly those depicting neighborhood traffic, appeared to show conditions late at night and did not accurately reflect midday traffic volumes. In his view, while medians may improve safety, they could also increase congestion. He questioned what trade-offs the community will need to accept as James Island continues to grow and traffic increases.

Carol Jackson, 1461 Patterson: Ms. Jackson stated that she attended the meeting after initially believing, based on a front-page article in the Post and Courier, that the safety audit and project plans were already finalized. After participating in both open houses and submitting online comments, she was surprised to learn following Council's discussion and Mr. Salley's presentation that many decisions are still pending. She expressed agreement with Councilmember Mullinax's comments that there are tons of safety recommendations the State could implement. She questioned why those measures cannot move forward while the proposed medians are further evaluated and noted Councilmember Dodson's concerns about accurately assessing potential future consequences.

Ms. Jackson stated her personal experience in navigating traffic near Hunley Avenue and Folly Road, particularly near Bojangles, where traffic backs up toward the Connector. She explained that she often turns left onto Hunley and is concerned that the addition of medians would create unsafe conditions. She noted that when attempting to visualize how vehicles would queue between medians, she feels that her Prius would remain partially exposed in the through lane and multiple vehicles attempting the same turn could block traffic, leading drivers to veer into adjacent lanes. She stated that there are too many vehicles and too many risky drivers for the proposed changes not to have unintended consequences. She questioned how traffic modeling can fully account for such real-world behaviors. She asked for greater intergovernmental coordination; that this is not solely a Town issue but cooperation with City, County, and state agencies for the best plan for residents.

Robin Guerin, 1733 Combahee: Stated that it was illuminating to hear more information tonight and shares the sentiment of many here that with more information, we can make better decisions. After hearing everything tonight, she still feel that this is not the best fix for our town. She understands the focus on safety as she is a safety professional herself and recognize that it is data driven. When she was first approached about this project, she specifically stated that nothing should move forward without data. Preparing for this meeting, she realized that most of what she wanted to say has already been covered by others. However, there are two points that stood out. We already have a median in place at Ashley Phosphate that is not effective. She would be very interested in hearing from the residents there about their experiences. She knows a friend who drives that route daily, and there have been accidents—or near-accidents—right in front of them. While not strictly data-driven, these resident experiences are important. She hopes that future traffic studies in our neighborhoods take resident experience into account. We certainly do not want these streets to become de facto frontage roads. In her neighborhood alone, there is a school nearby, and children walk those streets daily. Even if automobile accidents are rare, a single incident involving a child would be tragic and unforgettable.

She noted that she moved here from Louisiana and is aware of a 2016 case where data-driven research showed that medians contributed to flooding. A \$21 million class-action lawsuit followed, and the residents and businesses prevailed. This demonstrates that these types of changes can have serious unintended consequences.

Consent Agenda:

Minutes of Town Council Regular Meeting, January 15, 2026: A motion to approve the minutes of the January 15, 2026, meeting was made by Councilwoman Mignano, seconded by Councilman Mullinax, and passed unanimously.

Information Reports:

Mayor's Report: Mayor Lyon reported on the following topics:

Art and Community Center at the Hillman Lot

A rendering of the Art and Community Center was shared.
Recent meeting held on permitting; zoning is completed, stormwater nearly done.
Moving toward land disturbance permit; groundbreaking hoped for in April or May.
Fundraising efforts and starting to support additional amenities

Green Hill Road Paving

Mayor, Councilwoman Drayton-Crumblin, and Councilwoman Mignano met with citizens and county representatives.
Residents waited a long time for paving, and it is not up to par. The County is reviewing potential solutions.
Ongoing follow-up is anticipated.

Town Hall Repairs

New deck completed; it is now safe and secure.
Shutter replacements underway; first batch had color issues that was resolved by contractor.

Staff Updates

Parker Richardson and Jackie Mays completed emergency certification training.

Mill Point Park and Dock Street Park

Met with engineer Laura Cabaniss and architect; drawings are expected in 4 weeks.
Playground and pavilion reconfigured to improve views and utility access.
Restrooms and spaces for events such as birthday parties are planned.

Other Updates

Staff preparing parks for spring.
Folly Beach-style information sign planned; estimates being reviewed

Upcoming Events

Poetry reading & open mic: Feb 25, 7 p.m.

Neighborhood Council meeting: Mar 5, 6 p.m., with Shawn Salley, SCDOT
Town Market: Mar 6; nearly fully booked with vendors, food trucks, and live music.

Finance Report: Mr. Hemmer presented February's Finance Report reflecting activity through the end of January. We are seven months into the fiscal year; approximately 58% of the year is completed. He said the audit process has begun and is very close to being delivered, hopefully within the next month or two. Mr. Hemmer and Mayor Lyon have begun working on next year's FY 2027 Budget. He would like to provide Council with a draft budget by March 27, and, if possible, schedule a Budget Workshop on April 2. With that schedule it would place the Workshop two weeks after the March meeting and two weeks before the April meeting. If those dates are suitable with Council he will proceed with that schedule. Mr. Hemmer availed himself to answer questions. Report accepted as information.

Island Sheriff's Patrol: Captain James reported a quiet month in February and provided a summary of crimes and infractions that occurred last month. Report accepted as information.

Public Works: Mayor Lyon reported for Melissa Flick. Public Works continues working on reestablishing ditches and clearing culverts and cross pipes as part of ongoing maintenance. The team is working to catch up on these projects and making steady progress.

There is a sinkhole at 778 Folly Road that the SCDOT has been assisting us with in front of a business. Last week, Mayor Lyon and Melissa Flick attended the SC On-Site Wastewater Association Conference. They gave a presentation on septic tank testing by the Town on James Island Creek that was well received by the group.

Site visits were conducted with Charleston County, including coordination regarding the Greenhill Road meeting. We are working closely with the County's Stormwater staff, who have been helpful in providing ideas and suggestions.

The Intergovernmental Flood Prevention Task Force has a meeting scheduled for March 6. This is Philip Sexton's Intergovernmental Flooding Task Force. The last meeting held in North Charleston was very informative. Report accepted as information.

Code Enforcement Report: Ms. Richardson informed Council that they received a copy of the Code Enforcement Report in their packets and available herself to answer questions. Report accepted as information.

Requests for Consideration by Staff:

New Vehicle for Town Deputy: Mayor Lyon explained that when the ISP program began in 2019, the Town purchased a vehicle for the program and remains responsible for providing a vehicle for the Town Deputy. The vehicle currently assigned to Deputy Booth has required frequent and expensive maintenance and has been in the shop more often than it has been in service. As a result, Deputy Booth has had to repeatedly transfer equipment between vehicles. The vehicle has also experienced issues with GPS tracking, the camera system, and the brakes.

Mayor Lyon asked Captain James and Deputy Booth to provide an overview of their request for a new vehicle. Deputy Booth described several ongoing problems with the current vehicle, including brake issues, camera malfunctions, and GPS failures. She also noted power interruptions to accessories, a clunking noise in the front driver's side suspension when going over bumps, and other maintenance concerns. The vehicle was recently in the shop for two weeks.

Captain James explained that police vehicles accumulate significant engine hours due to idling while officers respond to calls. Although the vehicle has approximately 80,000 miles, the high number of idle hours and the way the vehicle is used contribute to accelerated wear. He stated that when agencies evaluate vehicles for replacement, they consider mileage, years in service, maintenance costs, and projected repair expenses. Records show the total maintenance cost for the vehicle to date is approximately \$21,058.

There was discussion comparing possible replacement vehicles, including a Chevrolet Tahoe, Ford Explorer, Ford Expedition, and Ford F-150. Captain James noted that Tahoe's are currently difficult to obtain and may not be available until late in the year if ordered when the next contract opens July 1. Ford F-150 police package vehicles are currently available and would be suitable for carrying the equipment used by Deputy Booth. The F-150 also costs less than a Tahoe.

Council members discussed safety considerations between an SUV and a pickup. Captain James explained that the F-150 police responder model is specifically designed and tested for law enforcement use. He noted that police vehicles undergo extensive performance testing, including high-speed and maneuverability testing, and would not receive police certification unless they meet those standards.

Mayor Lyon stated that staff had identified several areas in the current budget where funds could be reallocated for the purchase, including items that were budgeted but not yet spent or projects that will not occur during this fiscal year.

Council also discussed the importance of ensuring the vehicle selected is suitable for an officer who spends long hours inside the vehicle with multiple pieces of equipment.

A motion was made by Councilman Mullinax and seconded by Councilwoman Mignano for the approval of a new vehicle for the Town Deputy Mayor Lyon asked that the motion and second be withdrawn and restated with a spending limit for the vehicle. Councilman Mullinax withdrew his motion and Councilwoman Mignano withdrew her second.

The motion was made by Councilman Mullinax and seconded by Councilwoman Mignano to approve the purchase of a police vehicle **not to exceed \$80,000**, which would include the cost of the vehicle and any necessary equipment or additional expenses that may arise.

Vote:

Councilman Dodson	Aye
Councilwoman Drayton-Crumblin	Aye
Councilwoman Mignano	Aye
Councilman Mullinax	Aye
Councilman Williams	Aye
Mayor Lyon	Aye
Unanimous	

Requests for Consideration by Council:

Palmetto Fiber Arts Guild Request for Meeting Space: Motion to approve the dates requested by the Palmetto Fiber Arts Guild was made by Councilman Dodson, seconded by Councilwoman Mignano, and passed unanimously.

Linus Blanket Request for Meeting Space: Motion to approve the dates requested by the Linus Blanket group was made by Councilman Mullinax, seconded by Councilwoman Drayton-Crumblin, and passed unanimously.

Committee Reports:

Land Use: Mayor Lyon announced that no Planning Commission or BZA meetings were held this month and staff is working on the Comprehensive Plan.

Environment and Beautification Committee: Councilwoman Drayton-Crumblin reported that the committee met yesterday and approved a request to change the meeting to the third Thursday of every month at 6:00 p.m. prior to the Council meeting. The Committee is working with the Charleston Beautification Committee to partner with the Adopt-a-Highway event scheduled for Saturday, May 9, 9-11 a.m. Security will be needed. The goal is to involve the entire James Island community, not just areas within the Town limits, and to expand efforts to clean up litter. Current consideration is the Riverland Drive area along with several other locations, depending on the number of volunteers who sign up. More information to be announced.

Children's Committee: Councilwoman Mignano reported that she and Councilwoman Drayton-Crumblin have been working on plans to host a Spring Children's Festival in April. Dates and additional details will be available soon, but it is expected to take place toward the end of April. They are hoping for another great turnout, even better than last fall.

Neighborhood Council: Councilman Mullinax presented two appointments to the Neighborhood Council. He moved for the appointment of Robin Guerin to represent the Centerville subdivision, seconded by Councilwoman Drayton Crumblin. Passed unanimously. Councilman Mullinax moved for the appointment of Sandy Hall, representing Fort Lamar, seconded by Councilman Williams. Passed unanimously.

Councilman Mullinax announced that the last meeting primarily focused on the topic discussed tonight regarding the Folly Road Safety Study and medians.. The March meeting has been adjusted to accommodate Mr. Salley's schedule so that he can attend and will be held on Thursday, March 5th at 6:00 p.m.

History Committee: Councilman Williams thanked Bill Lyon and Mike Corbo, who recently rejoined the History Commission after being away for a period of time. The History Commission continues to work hard and move forward with activities at the Town Market and establishing historical markers. .

Black History Month was celebrated at the Town Market and was also featured on the Town's website. During the recent meeting, they discussed making this an even stronger focus in the future by highlighting the incredibly rich local history specific to James Island during Black History Month.

Historic markers are a priority of the History Commission. The Saint James marker has been recently submitted after discussion of placement with the appropriate parties. The marker will be placed out of the right-of-way on a better post in a safer spot.

The upcoming March Town Market will highlight the Town's historic markers, and we will continue working toward adding additional markers throughout James Island. The Commission is planning to launch a volunteer initiative within the next month. The goal is to bring together volunteers, particularly local high school students, to help clean and maintain historic marker sites throughout the community.

Rethink Folly Road: Councilwoman Drayton-Crumblin announced the next meeting for the Rethink Folly Road Steering Committee is March 11 at 3 p.m.

Drainage Committee: Mayor Lyon announced that Councilman Boles is not present tonight and provided notice regarding his absence. She informed Council that the Flood Prevention Task Force will meet on March 6 with Philip Sexton. Details on the time and location will be provided.

Business Development Committee: No Report.

Trees Advisory Committee: Mayor Lyon reported on a successful tree giveaway on Saturday, February 7, giving away over 250 trees. The event was well organized with many volunteers and now there are many trees being planted around the community. On March 19th, we will be going to the middle school on Camp Road to plant some trees with students and a couple of their teachers. That should be a lot of fun as well.

Looking ahead to the fall of 2026, another tree giveaway is planned like the one we done last fall at the Town Market. We plan to have a booth and will be giving away fruit trees. George Hyams with Hyams Nursery is helping to source them. We expect a lot of interest in this giveaway.

James Island Intergovernmental Council: Mayor Lyon reported that she is honored to have been elected Chair of the Intergovernmental Council. She is excited about working to bring the municipalities together and working for the betterment of our island. To Carol Jackson's earlier point, (thought she has left) she wants to assure everyone that the Folly Road issues will certainly be addressed. The next meeting of the Intergovernmental Council is April 29th at 7 p.m. at the Town Hall.

Accommodations Tax Committee: No Report.

James Island Arts Council: Mayor Lyon reported that the James Island Arts Council met on Tuesday. The Council is planning art displays for the front lobby and engaged in brainstorming ideas for fundraising efforts to support the Art and Community Center.

Parks and Gardens Council: No Report.

Proclamation and Resolutions:

Proclamation: Recognizing Women in Construction Week, March 1-7, 2026: Read into the record by Mayor Lyon.

Resolution #2026-02: Recognizing and Honoring "A Century of Black History Commemorations": Mayor Lyon read the resolution into the record and recognized Jerome Harris and Millicent Brown in attendance.

Memorandum of Agreement #2026-03: James Island Creek TMDL: Mayor Lyon introduced the Memorandum of Agreement for the James Island Creek TMDL MS4 Monitoring Program. She said for those unfamiliar with the terminology, this program relates to monitoring pollution levels and water quality in James Island Creek. Chris Wannamaker with Charleston County was present to explain the agreement and the importance of the monitoring program.

Mr. Wannamaker explained that the monitoring effort has been underway for several years and involves collaboration between Charleston County, the City of Charleston, and the Town of James Island. Previously, the work was conducted through a private consulting firm, but the program is now being brought in-house by Charleston County.

Mr. Wannamaker stated that analyzing the collected data internally will allow the team to apply more advanced analysis methods, including machine learning, to evaluate water quality data gathered over the past four years. The goal is to better understand the multiple factors contributing to water quality issues in the creek. He emphasized that there is unlikely to be a single cause (“smoking gun”) responsible for the impairment of the creek. Instead, it is expected to be a complex combination of factors, potentially including stormwater runoff, increased development, chemicals, wildlife, and other environmental influences.

Councilwoman Mignano discussed previous efforts to identify causes of the creek’s impairment, including investigations related to dog waste, septic systems, and other potential pollution sources. Some frustration was expressed about the ongoing monitoring and whether sewer lines transporting wastewater to Plum Island had been pressure-tested to rule out possible leaks.

Mr. Wannamaker County responded that the investigation remains ongoing and that the new monitoring approach aims to collect more detailed information and develop a strategic plan to identify contributing sources.

Councilman Williams raised concerns about people fishing from the Buxton Bridge and potentially consuming fish from the creek. Mr. Wannamaker explained that the E. coli and fecal coliform bacteria being monitored generally do not accumulate in fish tissue, particularly when fish are properly cleaned and cooked, although other contaminants that bind to fatty tissue can accumulate in certain species.

The Council expressed interest in staying involved in the effort and emphasized the importance of finding solutions to improve the health of the creek.

Mayor Lyon asked for a motion to approve the Memorandum of Agreement for the James Island Creek TMDL MS4 monitoring program.

Motion was made by Councilman Dodson, seconded by Councilman Williams.

Vote:

Councilman Dodson	Aye
Councilwoman Drayton-Crumblin	Aye
Councilwoman Mignano	Aye
Councilman Mullinax	Aye
Councilman Williams	Aye
Mayor Lyon	Aye
Unanimous	

Ordinances up for First Reading:

Ordinance #2026-01: An Ordinance Amending the Town of James Island Zoning and Land Development Regulations Ordinance (ZLDR), Article 153.026, Section D, and Article 153.027, Section D to increase the membership of the Planning Commission and the Board of Zoning Appeals: Mayor Lyon explained that the Ordinance is intended to allow our new Councilmembers to make appointments to the Board of Zoning Appeals and the Planning Commission.

The Ordinance was drafted with the assistance of the Town Attorney. She stated that when the Town was first established in 2012, the terms for the BZA and Planning Commission members staggered. The five members drew straws to determine their initial term lengths. Three members drew long straws and received

four-year terms, while the other two drew short straws and received two-year terms. After two years, those two members were reappointed to four-year terms. This system created staggered terms so that the entire Board would not turn over at the same time.

Under this Ordinance, Councilwoman Drayton-Crumblin's appointments would receive a four-year appointment to the Board of Zoning Appeals and a two-year appointment to the Planning Commission, and Councilman Williams' appointments would receive a four-year appointment to the Planning Commission and a two-year appointment to the Board of Zoning Appeals.

At the end of the two-year terms, either the same individuals would be reappointed or someone new would be appointed for four years to maintain the staggered structure. No discussion. Mayor Lyon called for a motion and a second. Motion was made by Councilman Williams, seconded by Councilwoman Mignano.

Vote:

Councilman Dodson	Aye
Councilwoman Drayton-Crumblin	Aye
Councilwoman Mignano	Aye
Councilman Mullinax	Aye
Councilman Williams	Aye
Mayor Lyon	Aye
Unanimous	

Ordinances up for Second/Final Reading: None.

Old Business: None.

Executive Session: Mayor Lyon announced that the Town Council may enter into an Executive Session in accordance with Code of Laws of South Carolina 30-4-70(a)(2) to discuss receipt of legal advice for the litigation matter KT Properties, LLC vs. Town of James Island. Upon returning to Open Session the Council may act on matters discussed in the Executive Session.

Mayor Lyon asked for a motion to enter into the Executive Session at 9:22 p.m. Councilman Dodson moved, seconded by Councilman Williams.

Vote:

Councilman Dodson	Aye
Councilwoman Drayton-Crumblin	Aye
Councilwoman Mignano	Aye
Councilman Mullinax	Aye
Councilman Williams	Aye
Mayor Lyon	Aye
Unanimous	

Return to Regular Session: Mayor Lyon asked for a motion to return to Open Session at 10:07 p.m. Motion made by Councilman Mullinax, seconded by Councilwoman Mignano. Mayor Lyon announced that no votes were taken during the Executive Session.

Vote:

Councilman Dodson	Aye
Councilwoman Drayton-Crumblin	Aye
Councilwoman Mignano	Aye
Councilman Mullinax	Aye
Councilman Williams	Aye
Mayor Lyon	Aye
Unanimous	

Announcements/Closing Comments:

Councilman Dodson stated that everyone wants to see Folly Road made safer. However, he emphasized that safety improvements should not come at the expense of the neighborhood's quality of life and safety. He noted that the goal is to work with the SCDOT to create solutions that improve safety while also protecting surrounding neighborhoods. He thanked the staff and everyone who contributes to the Town's work and wished everyone a good weekend.

Councilman Williams addressed the community, noting that James Island is full of passionate residents who want their voices heard. He encouraged those who were not present at the meeting to attend future meetings, join committees, and participate in the civic process. He stressed that meaningful change comes from community involvement and encouraged residents to be part of the solution.

Councilwoman Drayton-Crumblin expressed appreciation for everyone who attended and shared gratitude for the opportunity to serve on the Council and be part of the community. She emphasized the importance of ensuring that residents feel heard, seen, and appreciated. She also thanked the Mayor for her support and leadership and acknowledged fellow Council members for their collaboration. She looks forward to the continued growth and progress of James Island.

Councilwoman Mignano expressed hope that a compromise could be reached that preserves local businesses and neighborhoods while also achieving safety improvements and implementing the positive elements of the proposals.

Councilman Mullinax thanked the large audience that attended the meeting, noting that such attendance is rare. He referenced the twelve proposed reforms from the DOT, stating that eleven of them are positive and expressing hope that disagreement over one proposal would not prevent the community from benefiting from the others.

Mayor Lyon concluded by thanking everyone for their support and participation. She noted that Council cares deeply about the Town and its residents and appreciate those who stayed late to attend the meeting. She also thanked Town staff and the Town Attorney for their guidance throughout the evening.

Adjournment: There being no further business to come before the body, the meeting adjourned at 10:15 p.m.

Respectfully submitted:

Frances Simmons
Town Clerk

Mayor's Report

March 19, 2026

Update on the Art and Community Center at the Hillman Lot.

Update on Greenhill Road Drainage and Paving

Town Hall Repairs Update

Update on pavilions for Mill Point and Dock Street parks

Upcoming Events

Poetry Reading and Open Mike with Poet Laureate Victor Crouch March 25 at 7pm

County TST Meeting March 30th 6:30pm

Town Market April 3rd - 6 - 9pm

Mayor's Report

March 19, 2026

Update on the Art and Community Center at the Hillman Lot.

Update on Greenhill Road Drainage and Paving

Town Hall Repairs Update

Update on pavilions for Mill Point and Dock Street parks

Upcoming Events

Poetry Reading and Open Mike with Poet Laureate Victor Crouch March 25 at 7pm

County TST Meeting March 30th 6:30pm

Town Market April 3rd - 6 - 9pm



March 2026 Finance Report

This monthly financial summary report is for the period ending February 28, 2026; this puts us at 2/3rd's (so your baseline is about 66.66%) through our fiscal year.

I have attached the draft 2025 audit and the upcoming budget schedule. By the end of the month, I will have a proposed 2027 budget for you for the workshop meeting on 4/2/2026.

I've highlighted a few items that stand out this month, and I am happy to answer any questions you may have.

Revenues:

Overall, revenues are currently at 56.2% of the budget. The large items that appear to be running behind (such as the Insurance Tax Program and Franchise Fees) have large payments that come in to us in the last quarter of each fiscal year. Miscellaneous Income and Grants are items that I've indicated in past reports that will need an amendment.

Expenses:

Administration (overall at 54.6% of budget)

- Elections: This was an unknown amount payable to the Voter Election and Registration Board for the recent Council election. We had budget \$10,000 based on prior elections, but the costs have increased.

Elected Officials (overall at 53.5% of budget)

Public Works (overall at 80.4% primarily due to reimbursable stormwater projects)

Code Enforcement (at 2.1% of budget)

Planning, Zoning, & Permitting (at 44.2% of budget)

Emergency Services / CERT (at 32.2% of budget)

- As previously noted, there are amounts in this Department that I, hesitantly, do not expect will be needed. There is no way to predict a storm event, and funding should remain just in case.

www.JamesIslandSC.us

Facilities, Parks, & Equipment (at 46.1% of budget)

- Facility Rental Deposit Returns: As I previously reported, this line item will need to be amended. This is the return of a security deposit when the rental of our spaces is complete.
- Supplies for this department are running higher and will need to be amended. Purchases are not due to a specific item or use. I would say we have improved personnel that are reviewing and caring for the department and our equipment better than in the past.

Community Services (at 133.4% of budget)

- Community Services has jumped significantly as line item #58030 Community Service Contributions have been paid. The recent \$10,000 expense was the straggler of the payment to James Island Outreach. As previously reported, Community Service Contributions will need to be amended.
- History Commission is running over budget and there are two other historic markers in process that may need payment in this fiscal year.
- Special/Community Events is running high due to several new and very successful events and programs that have come into existence since our initial budget. As previously reported, this line item will need to be amended.
- Also, I had previously reported that we will need to add a MISCELLANEOUS item for the expense of the Opioid grant pass through to WakeUp Carolina. That was paid for in February and contributes to the appearance of being over budget.

Island Sheriff's Patrol (at 75.5% of budget)

- With additional deputy shifts, you can see the department is running over budget and we will need to be amended by the end of the fiscal year.

Capital Projects - General Fund (at 25.5% of budget)

- The recent paid work has revolved primarily around the deck, gutters, shutters, glass, and other interior work required at Town Hall. Those line items will also be amended, but the projects are substantially complete.

Mike Hemmer – Finance Director

Town of James Island

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			TOTAL	BUDGETED		
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June				
40000 GENERAL FUND REVENUE																	
40010	Brokers & Insurance Tax Program														168,519	750,000	22.5%
40011	Brokers Tax Program (BTP)	163,587	-	-	-	-	-	-	-	-	-	-	-	-	163,587	166,087	98.5%
40012	Insurance Tax Program (ITP)	-	4,865	67	-	-	-	-	-	-	-	-	-	-	4,932	583,913	0.8%
40015	Building Permit Fees	-	5,016	1,431	1,436	-	1,992	4,286	-	-	-	-	-	-	14,161	15,000	94.4%
40020	Business Licenses	26,493	115,176	17,598	97,511	8,182	1,416	27,806	2,100	-	-	-	-	-	296,281	480,000	61.7%
40025	Donations/Contributions	-	-	-	-	-	-	-	50	-	-	-	-	-	50	-	
40050	Facility Rental Fees	(50)	725	2,150	2,000	1,900	800	1,500	1,600	-	-	-	-	-	10,625	7,500	141.7%
40060	Filing Fees	-	400	-	-	-	-	-	-	-	-	-	-	-	400	400	100.0%
40070	Franchise Fees	1,128	28,924	-	1,035	27,941	-	926	26,831	-	-	-	-	-	86,785	320,000	27.1%
40080	Interest Income	37,531	21,827	21,426	24,191	22,793	23,047	22,278	19,668	-	-	-	-	-	192,760	250,000	77.1%
40090	LOP - Alcohol Licenses	-	-	-	2,000	-	1,960	-	-	-	-	-	-	-	3,960	6,000	66.0%
40100	Local Assessment Fees	4,050	-	2,001	-	-	-	-	-	-	-	-	-	-	6,051	6,100	99.2%
40110	Local Option Sales Tax														1,405,538	1,935,000	72.6%
40112	LOST - Property Tax Credit Fund	-	123,369	244,451	117,046	114,125	118,104	114,363	129,024	-	-	-	-	-	960,483	1,330,000	72.2%
40114	LOST - Municipal Fund	-	56,732	112,141	52,385	52,858	54,400	53,093	63,446	-	-	-	-	-	445,055	605,000	73.6%
40120	Miscellaneous Income	696	215	-	3,287	10,524	4,744	520	90	-	-	-	-	-	20,075	1,500	1338.3% due to auction, insurance
40200	Planning & Zoning Fees														21,791	26,000	83.8%
40202	Accessory Structure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40204	BNB Permit	81	106	-	-	-	-	-	-	-	-	-	-	-	188	-	
40206	Board of Zoning Appeals	-	-	-	500	250	-	-	-	-	-	-	-	-	750	-	
40208	Clearing & Grubbing	25	-	-	-	-	-	-	25	-	-	-	-	50	-	-	
40209	Commercial Zoning Permit	350	100	150	175	50	390	100	190	-	-	-	-	1,505	-	-	
40210	Demolition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40212	Exempt Plat	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40214	Home Occupation	175	150	50	175	100	95	50	50	-	-	-	-	845	-	-	
40216	Residential Zoning Permit	2,220	1,940	1,550	1,515	1,375	2,485	1,525	1,800	-	-	-	-	14,410	-	-	
40218	Rezoning Application	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40220	Sign Permits	-	-	100	-	-	-	-	100	-	-	-	-	200	-	-	
40222	Site Plan Review	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40224	Special Events	25	-	-	-	-	-	-	-	-	-	-	-	25	-	-	
40226	Temporary (Firework/Tree Stand)	83	-	200	100	225	100	50	-	-	-	-	-	758	-	-	
40228	Tree Permits	500	275	300	400	375	125	400	325	-	-	-	-	2,700	-	-	
40230	Subdivision Application	180	-	-	130	-	-	50	-	-	-	-	-	360	-	-	
40250	Stormwater Fee Reimbursement for Projects	30,000	-	67,468	-	-	-	31,625	-	-	-	-	-	-	129,093	400,000	32.3%
40300	State Aid to Subdivisions	-	78,819	-	78,819	-	-	78,752	-	-	-	-	-	-	236,390	315,000	75.0%
40310	Telecommunications Tax Program (TTP)	-	-	23	-	-	5	-	-	-	-	-	-	28	14,000	0.2%	
40315	Town Market Vendor Payments	1,165	-	1,912	775	840	600	570	749	-	-	-	-	6,611	5,500	120.2%	
40320	Homestead Exemption	46,285	-	-	-	-	-	-	-	-	-	-	-	46,285	46,285	100.0%	
40500	Grants	-	5,192	-	-	-	-	79,156	-	-	-	-	-	84,348	5,192	1624.6%	
41000	Transfers In														-	271,930	
41010	State ATAX Allowance (25,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	
41015	State ATAX Additional %	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	
41020	Transfer from HTAX for Public Safety of Tour Areas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000	
41025	Transfer from State ATAX for New JIACC Construc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,000	
41030	Transfer from County ATAX for New JIACC Const	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,430	
41035	Transfer in from Tree Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		314,525	443,830	473,018	383,480	241,538	210,263	417,049	246,048	-	-	-	-	2,729,751	4,855,407		
														% of Budget: 56.2%			

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter						
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June	TOTAL	BUDGETED		
51000 ADMINISTRATION																	
51001	Salaries	52,246	54,913	55,355	82,791	55,518	65,005	50,375	50,351					466,554	850,000	54.9%	
51005	Benefits - Staff	21,710	22,170	22,548	33,628	22,717	23,460	21,729	21,232					189,193	450,000	42.0%	
51010	Advertising	249	-	-	-	64	-	-	-					313	3,000	10.4%	
51012	Audit	-	-	-	-	-	7,500	-	-					7,500	13,500	55.6%	
51015	Banking													663	1,000	66.3%	
51016	Bank Charges	69	130	42	128	63	42	166	23					663	700	94.6%	
51017	Bank Charges - Credit Card	-	-	-	-	-	-	-	-					-	300		
51020	Codification	263	88	-	-	-	-	1,145	-					1,496	1,000	149.6%	
51025	Copier	-	473	264	270	270	270	714	291					2,553	4,500	56.7%	
51030	Dues, Memberships, and Subscriptions	132	243	138	274	22	87	87	62					1,043	3,000	34.8%	
51035	MASC Membership	-	-	-	-	-	-	-	5,347					5,347	5,400		
51037	Business License Contract Fees	-	934	-	-	-	-	-	-					934	-		
51040	Elections	-	-	-	-	-	-	-	18,185					18,185	10,000	181.8%	
51050	Employees													4,671	11,680	40.0%	
51051	Employee Appreciation	145	-	112	461	523	50	1,792	323					3,407	2,800	121.7%	xmas party
51052	Employee Screening	-	-	-	-	180	66	-	142					388	380	102.1%	
51053	Employee Training and Travel	-	-	446	21	-	-	-	85					552	3,000	18.4%	
51055	Uniforms	-	204	-	-	-	120	-	-					324	5,500	5.9%	
51060	Equipment/Software/Maintenance	-	-	-	-	-	327	65	-					392	1,500		
51070	Grant Writing Services	-	-	1,299	-	-	-	-	-					1,299	1,299	100.0%	
51080	Information Services	3,955	774	17,515	6,684	27,967	8,737	17,950	9,643					93,225	131,680	70.8%	
51090	Insurance	-	-	-	2,816	15,384	23,385	1,925	-					43,510	95,000	45.8%	
51110	Legal Services	14,130	11,210	9,028	25,543	18,458	20,607	11,700	15,013					125,688	180,000	69.8%	
51115	Legal Settlement	-	-	-	-	-	-	-	-					-	-		
51120	Miscellaneous	-	-	-	-	90	250	100	-					440	-		
51130	Mileage Reimbursement	-	-	-	-	-	-	-	-					-	600		
51150	Postage	5,316	214	-	-	212	-	720	-					6,461	19,500	33.1%	
51160	Professional Services	7,632	-	4,000	-	-	-	4,000	-					15,632	20,000	78.2%	
51200	Supplies	1,091	1,281	412	1,662	554	1,637	1,222	249					8,109	10,000	81.1%	
		107,496	93,271	111,159	154,277	142,021	151,542	113,690	120,947	-	-	-	-	993,208	1,818,659	% of Budget: 54.6%	
52000 ELECTED OFFICIALS																	
52001	Salaries	5,385	5,385	5,385	8,077	5,385	5,385	6,038	6,692					47,731	78,500	60.8%	
52005	Benefits - Elected Officials	6,185	6,185	6,185	9,278	6,185	6,185	6,550	6,758					53,513	117,000	45.7%	
52030	Council Expenses	53	-	80	107	107	869	1,878	135					3,228	2,000	161.4%	swearing-in
52040	Mayor Expense	194	301	-	-	-	-	-	402					897	2,000	44.9%	
52053	Training	-	-	-	-	250	-	1,354	-					1,604	500	320.8%	
		11,818	11,871	11,650	17,462	11,927	12,439	15,820	13,988	-	-	-	-	106,974	200,000	% of Budget: 53.5%	

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter					
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June	TOTAL	BUDGETED	
53000 PUBLIC WORKS																
53030	Dues, Memberships, and Subscriptions (PW)	-	-	-	255	-	-	-	-	-	-	-	-	255	800	31.9%
53060	Equipment / Software PW (non-cap)	-	87	-	-	-	-	-	-	-	-	-	-	87	4,000	2.2%
53070	Groundskeeping	2,228	13,283	1,576	1,877	4,507	13,012	8,036	3,125	-	-	-	-	47,644	80,000	59.6%
53130	Mileage Reimbursement (PW)	-	-	-	-	-	-	-	182	-	-	-	-	182	-	-
53160	Professional Services PW	-	-	-	-	-	990	-	-	-	-	-	-	990	10,000	9.9%
53162	Engineering Services	-	2,572	6,180	-	668	2,970	990	-	-	-	-	-	13,379	20,000	66.9%
53170	Projects PW (non-cap)	-	6,250	-	-	-	-	4,635	-	-	-	-	-	10,885	35,000	31.1%
53175	Stormwater Expenses (sent to County for Reimbursement)	2,250	68,803	1,238	-	825	31,625	-	13,550	-	-	-	-	118,290	85,000	reimbursable
53176	County Stormwater Fee Payments	-	-	-	-	-	726	-	-	-	-	-	-	726	-	-
53180	Public Outreach	-	-	-	-	-	-	-	-	-	-	-	-	-	300	-
53190	Signage	(1,564)	-	1,224	-	1,345	2,179	818	867	-	-	-	-	4,868	7,000	69.5%
53200	Supplies PW	82	-	92	69	331	290	24	-	-	-	-	-	888	4,500	19.7%
		17,996	90,994	10,309	2,201	7,675	51,792	14,503	17,725	-	-	-	-	198,194	246,600	
														% of Budget: 80.4%		
54000 CODE ENFORCEMENT (ZONING/LIVABILITY)																
54010	Animal Issues	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-
54030	Dues, Memberships, and Subscriptions (CE)	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-
54053	Employee Training (CE)	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-
54060	Equipment / Software (CE)	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-
54065	Inoperable Vehicle Towing	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	-
54070	Overgrown Lot Clearing	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000	-
54200	Supplies (CE)	-	164	-	-	-	26	-	-	-	-	-	-	190	500	38.0%
54300	Unsafe Buildings Demolition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	164	-	-	-	26	-	-	-	-	-	-	190	9,200	
														% of Budget: 2.1%		
55000 PLANNING, ZONING, PERMITTING																
55010	Advertising	160	112	-	-	110	345	199	-	-	-	-	-	926	1,000	92.6%
55020	Arborist Reports	-	2,150	-	1,400	-	-	1,450	2,200	-	-	-	-	7,200	10,000	72.0%
55030	Dues, Memberships, and Subscriptions (PZP)	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-
55060	Equipment / Software (PZP)	-	377	-	-	264	178	377	199	-	-	-	-	1,395	1,000	139.5%
55150	Postage (PZP)	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-
55160	Professional Services (PZP)	-	3,754	2,145	-	2,310	4,110	1,815	-	-	-	-	-	14,134	35,000	40.4%
55180	Public Outreach (PZP)	-	-	-	-	-	-	1,298	-	-	-	-	-	1,298	2,500	-
55200	Supplies (PZP)	-	-	-	-	-	-	-	-	-	-	-	-	-	400	-
55400	Planning Commission	150	250	50	250	-	-	-	-	-	-	-	-	700	5,000	14.0%
55500	Board of Zoning Appeals	-	-	-	-	150	-	150	-	-	-	-	-	300	3,000	10.0%
		310	6,643	2,195	1,650	2,834	4,633	5,290	2,399	-	-	-	-	25,953	58,700	
														% of Budget: 44.2%		

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			TOTAL	BUDGETED	
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June			
56000 EMERGENCY SERVICES / CERT																
56053	Employee Training and Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	
56060	Equipment / Software (ESC)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	
56062	Radio Contract	861	-	861	-	-	861	-	924	-	-	-	-	3,507	3,400	103.1%
56065	Mobile Devices	281	241	241	241	203	202	203	203	-	-	-	-	1,813	1,500	120.9%
56070	Generator Maintenance	-	-	429	-	-	-	-	-	-	-	-	-	429	2,500	17.2%
56180	Public Outreach (ESC)	-	-	-	-	-	-	-	-	-	-	-	-	-	500	
56200	Supplies (ESC)	-	-	457	-	-	-	-	123	-	-	-	-	580	10,000	5.8%
56220	PPE	-	-	16	97	22	-	-	46	-	-	-	-	182	4,500	4.0%
56240	Response Supply Kits	-	-	-	-	-	-	-	-	-	-	-	-	-	1,620	
56300	MISC - Emergency Management	281	281	281	-	-	-	-	-	-	-	-	-	843	843	100.0%
55150	Meals	-	-	156	-	-	-	-	-	-	-	-	-	156	156	100.3%
55160	Accommodations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55180	Fuel/Mileage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55200	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
56500	Emergency Activations	-	-	-	-	-	11,315	-	-	-	-	-	-	11,315	30,000	37.7%
56800	Teen CERT Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		1,422	521	2,441	338	224	12,378	203	1,296	-	-	-	-	18,825	58,519	
														% of Budget: 32.2%		

57000 FACILITIES, PARKS & EQUIPMENT																
57060	Equipment, Funitures, Fixtures (non-cap)	-	-	259	827	80	1,324	-	44	-	-	-	-	2,534	3,000	84.5%
57070	Facility Rental Deposit Returns	-	-	100	1,350	800	600	400	450	-	-	-	-	3,700	1,000	370.0%
57080	Facilities Maintenance	232	2,707	200	505	1,785	290	5,868	5,451	-	-	-	-	17,039	25,000	68.2%
57100	Facility Upgrades / Construction (non-cap)	-	-	2,325	-	-	243	240	-	-	-	-	-	2,808	4,000	70.2%
57120	Fire Safety / First Aid	1,080	-	250	-	-	349	-	-	-	-	-	-	1,679	1,330	126.3%
57150	Janitorial	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	-	-	-	-	13,200	21,500	61.4%
57160	Rent - Storage Unit	-	145	145	145	145	191	191	191	-	-	-	-	1,153	1,750	65.9%
57170	Security Monitoring	222	59	403	-	89	111	111	135	-	-	-	-	1,130	4,000	28.3%
57180	Street Lights	15,724	15,832	550	31,709	-	15,863	15,863	15,863	-	-	-	-	111,405	180,000	61.9%
57190	Utilities	3,155	2,371	894	3,762	838	2,016	2,187	2,334	-	-	-	-	17,557	35,000	50.2%
57200	Supplies	-	-	-	1,056	692	641	657	1,136	-	-	-	-	4,182	1,500	278.8%
57250	Vehicle and Equipment Fuel	-	670	203	401	189	305	183	187	-	-	-	-	2,139	6,500	32.9%
57260	Vehicle and Equipment Maintenance	40	456	133	348	378	336	1,061	1,250	-	-	-	-	4,003	18,000	22.2%
57300	NON-HTAX Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	12,216	120,000	10.2%
57310	Dog Stations	183	-	-	187	-	-	-	98	-	-	-	-	469	18,000	2.6%
57320	Brantley Park	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	
57330	Dock Street Park	-	-	85	-	-	-	5,125	-	-	-	-	-	5,210	10,000	52.1%
57340	Hillman Lot	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	
57350	Mill Point Park	-	-	-	875	49	1,150	-	74	-	-	-	-	2,148	50,000	4.3%
57360	Pinckney Park	-	410	-	60	-	62	3,857	-	-	-	-	-	4,390	30,000	14.6%
		22,287	24,302	7,197	42,876	6,696	25,131	37,392	28,863	-	-	-	-	194,744	422,580	
														% of Budget: 46.1%		

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter					
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June	TOTAL	BUDGETED	
58000 COMMUNITY SERVICES																
58010	Business Development Council	-	-	-	-	-	-	-	-	-	-	-	-	-	500	
58020	Children's Council	-	-	-	-	167	462	-	330	-	-	-	-	959	1,500	
58030	Community Service Contributions	-	-	-	3,190	-	44,950	-	10,000	-	-	-	-	58,140	40,000	
58040	Community Tutoring Programs	9,925	-	-	-	-	-	-	-	-	-	-	-	9,925	8,155	
58050	Crime Watch Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
58060	Drainage Council	-	-	-	-	-	-	-	-	-	-	-	-	-	500	
58070	History Commission	-	375	300	27	288	2,860	-	2,998	-	-	-	-	6,847	6,000	
58080	James Island Pride	-	174	83	291	-	406	-	-	-	-	-	-	954	6,000	
58085	Helping Hands	-	199	-	-	-	150	-	-	-	-	-	-	349	2,000	
58090	Neighborhood Council	-	-	-	-	-	-	1,620	-	-	-	-	-	1,620	2,800	
58100	Repair Care Program	8,829	-	-	-	-	-	-	-	-	-	-	-	8,829	40,000	
58120	Miscellaneous	-	-	-	-	-	-	-	78,156	-	-	-	-	78,156	-	
58200	Special / Community Events	-	1,080	90	1,580	1,605	603	1,134	593	-	-	-	-	6,685	6,000	
58210	Tree Council	44	-	-	785	-	748	-	197	-	-	-	-	1,774	5,000	
58220	Youth Sports Program with CHS	-	-	-	-	-	-	-	-	-	-	-	-	-	12,200	
		18,798	1,828	473	5,873	2,060	50,180	2,754	92,274	-	-	-	-	174,238	130,655	
														% of Budget: 133.4%		
59000 ISLAND SHERIFF'S PATROL																
59001	ISP Salaries	24,928	41,270	35,991	55,318	40,885	38,443	33,493	36,368	-	-	-	-	306,693	400,000	
59005	ISP Benefits	7,477	11,921	10,295	15,981	11,812	11,106	9,676	10,507	-	-	-	-	88,775	116,000	
59020	ISP Operating Costs (radio, fuel, maint, WL, vehicle use)	3,278	40	40	40	4,770	6,040	11,374	6,918	-	-	-	-	32,501	20,000	
59100	ISP Dedicated Officer	21,856	-	-	-	22,592	-	-	19,338	-	-	-	-	63,785	115,005	
		57,538	53,231	46,326	71,339	80,058	55,589	54,543	73,131	-	-	-	-	491,754	651,005	
														% of Budget: 75.5%		
60000 TREE FUND																
PRIOR TREE FUND BALANCE															(9,005)	
ESTIMATED FY REVENUE															2,500	
															(6,505)	
60010	Tree Maintenance and Care	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	
60020	Tree Planting	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200	
Transfer to GF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
															11,200	
		-	-	-	-	511	-	-	-	-	-	-	-	-	End Balance	(17,705)

LPR renewe

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			TOTAL	BUDGETED		
	July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June				
62000 CAPITAL PROJECTS (non HTAX)																
<u>ROAD / SIDEWALK INFRASTRUCTURE</u>																
62014	Dill's Bluff Sidewalk III & IV	-	-	1,080	398	-	-	-	-	-	-	-	-	1,478	15,000	9.9%
62022	Regatta Road Sidewalk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62030	Nabors I	-	-	-	-	-	-	-	-	-	-	-	-	-	235,000	
62034	Greenhill - Honeyhill Drainage/Paving	-	-	-	-	-	-	-	-	-	-	-	-	-	58,800	
62040	Traffic Calming Projects	-	-	6,711	60	173	-	-	-	-	-	-	-	6,944	35,000	19.8%
62050	Other Road / Sidewalk Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	TOTAL Road / Sidewalk Infrastructure	-	-	7,791	457	173	-	-	-	-	-	-	-	8,421	343,800	
<u>DRAINAGE / SEWER PROJECTS</u>																
62060	RIA Sewer Project (connections)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62062	Additional Sewer Connections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62065	James Island Creek Sewer Expansion Match	-	-	-	-	-	-	-	-	-	-	-	-	-	230,043	
62100	Oceanview-Stonepost Drainage I & II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62105	Quail Run Drainage	23,018	-	-	-	-	-	-	-	-	-	-	-	23,018	23,018	100.0%
62110	Woodhaven Drainage	23,018	-	-	-	-	-	-	-	-	-	-	-	23,018	23,018	100.0%
62200	Other Drainage / Sewer Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	
62210	Cecil Circle	-	-	-	-	31,127	458	-	-	-	-	-	-	31,584	35,000	
	TOTAL Road / Sidewalk Infrastructure	46,035	-	-	-	31,127	458	-	-	-	-	-	-	77,620	326,079	23.8%
62520	New Construction JIACC (non-HTAX portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62522	New Construction JIACC (ATAX match)	-	7,184	-	-	-	6,364	-	-	-	-	-	-	13,548	21,000	64.5%
62600	Audio / Visual Upgrades	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	
62610	Public Works Equipment to Capitalize	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	
62620	Vehicle Purchase	26,131	-	-	-	-	-	-	50,712	-	-	-	-	76,843	47,399	162.1%
62650	Town Hall	-	-	-	-	2,675	3,425	-	40,524	-	-	-	-	46,624	64,000	72.8%
62655	Shutters and Deck	-	-	-	-	-	-	-	18,010	-	-	-	-	18,010	30,000	60.0%
62660	Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	23,000	
65670	Phone System	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000	
62700	Parks and Other															
62710	Brantley (non-HTAX eligible)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62720	Dock Street (non-HTAX eligible)	-	-	-	-	-	-	-	1,026	-	-	-	-	1,026	100,000	
62730	Mill Point (non-HTAX eligible)	-	-	-	-	4,427	-	-	-	-	-	-	-	4,427	100,000	
62740	Pinckney (non-HTAX eligible)	-	-	-	-	-	-	5,950	-	-	-	-	-	5,950	-	
62750	Grace Triangle (non-HTAX eligible)	-	-	-	-	6,645	7,875	-	-	-	-	-	-	14,520	30,000	48.4%
62800	Land Acquisition (non-HTAX eligible)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		72,166	7,184	7,791	457	45,047	18,122	6,976	109,246	-	-	-	-	266,988	1,048,778	
													% of Budget: 25.5%			

Town of James Island Monthly Budget Report

Fiscal Year 2025 - Ending June 2026
 AMENDED October 2025

		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			TOTAL	BUDGETED	
		July	August	September	October	November	December	January	February (66.66% of the fiscal year)	March	April	May	June			
ACCOMMODATIONS TAX (ATAX)																
	ATAX Balance from prior year													23,624		
42010	ATAX Revenue - State	-	24,214	-	-	14,074	-	12,670						50,958	67,500	75.5%
42020	ATAX Revenue - County	-	-	580	-	245	-							825	7,500	11.0%
	TOTAL REVENUE THIS FY:														75,000	
	ESTIMATED FUNDS AVAILABLE THIS FY:														98,624	
68000 ACCOMMODATIONS TAX																
68010	Tourism Related Expenditures	-	-	-	-	-	-							-	61,930	
68050	Advertising and Promotion	-	-	-	-	150	150	150						450	5,000	
	<u>Transfer to GF</u>													-	27,500	
	TOTAL OPERATING:	-	-	-	-	150	150	150	-	-	-	-	-	450	94,430	

**Town of James Island
Budget Calendar
FY26-27**

Date	Action	Responsibility	Comments
2/13/2026	Distribute Budget calendar	Mayor	
2/13/2026	Request for Departmental Budgets	Mayor	
3/2/2026	Dept Budgets & Revenue Forecasts Due	Staff	
3/4/2026	Pre-Budget Meeting	Mayor, Staff	At Mill Point
03/27/2026	First Draft Budget Distributed to Council	Mayor, Finance Director, Town Clerk	
04/02/2026	Budget Workshop	Town Council, Staff	
04/16/2026	Revised Budget Distributed to Council	Mayor, Finance Director, Town Clerk	Revised based on workshop comments
Week of 4/20/2026	2 nd Budget Workshop (if needed)	Town Council, Staff	
4/28/2026	Ad for Public Hearing to RUN in Newspaper	Town Clerk	Revised Budget on Website
Regular Meeting 05/21/2026	Public Hearing for Budget	Mayor, Town Council, Finance Director	
Regular Meeting 05/21/2026	First Reading of Budget	Town Council and Mayor	
06/12/2026	Final Budget distributed to Council		
Regular Meeting 06/18/2026	Second Reading / Adoption of Budget	Mayor, Town Council	On website
7/1/2026	Beginning of FY 26-27		

TOWN OF JAMES ISLAND

SOUTH CAROLINA

FINANCIAL STATEMENTS

JUNE 30, 2025

DRAFT

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
FINANCIAL STATEMENTS
JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of net position	4
Statement of activities	5
Fund financial statements	
Balance sheet - governmental funds	6
Reconciliation of the balance sheet of governmental funds to the statement of net position	7
Statement of revenues, expenditures and changes in fund balances - governmental funds	8
Reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	9
NOTES TO FINANCIAL STATEMENTS	10-28
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balances - general fund - budget and actual	29
Schedule of Town's proportionate share of the net pension liability - South Carolina Retirement System	30
Police Officers Retirement System	30
Schedule of Town's pension plan contributions - South Carolina Retirement System	31
Police Officers Retirement System	31
OTHER SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balances - budget and actual - hospitality tax fund	32
<u>COMPLIANCE SECTION</u>	
INDEPENDENT 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>GOVERNMENTAL AUDITING STANDARDS</i>	33-34
Schedule of findings and responses	35

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of James Island, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of James Island, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of James Island, South Carolina's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of James Island, South Carolina, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 the Town of James Island, South Carolina 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of James Island, South Carolina'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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from 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 *Government 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Town of James Island, South Carolina'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 the Town of James Island, South Carolina'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.

Other Matters

As discussed in Note 11 to the financial statements, the Town of James Island, South Carolina recorded prior period adjustments to properly reflect cash in the previous year.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information is presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of James Island, South Carolina's basic financial statements. The accompanying schedule of revenues, expenditures and changes in fund balances – budget and actual – hospitality tax fund 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

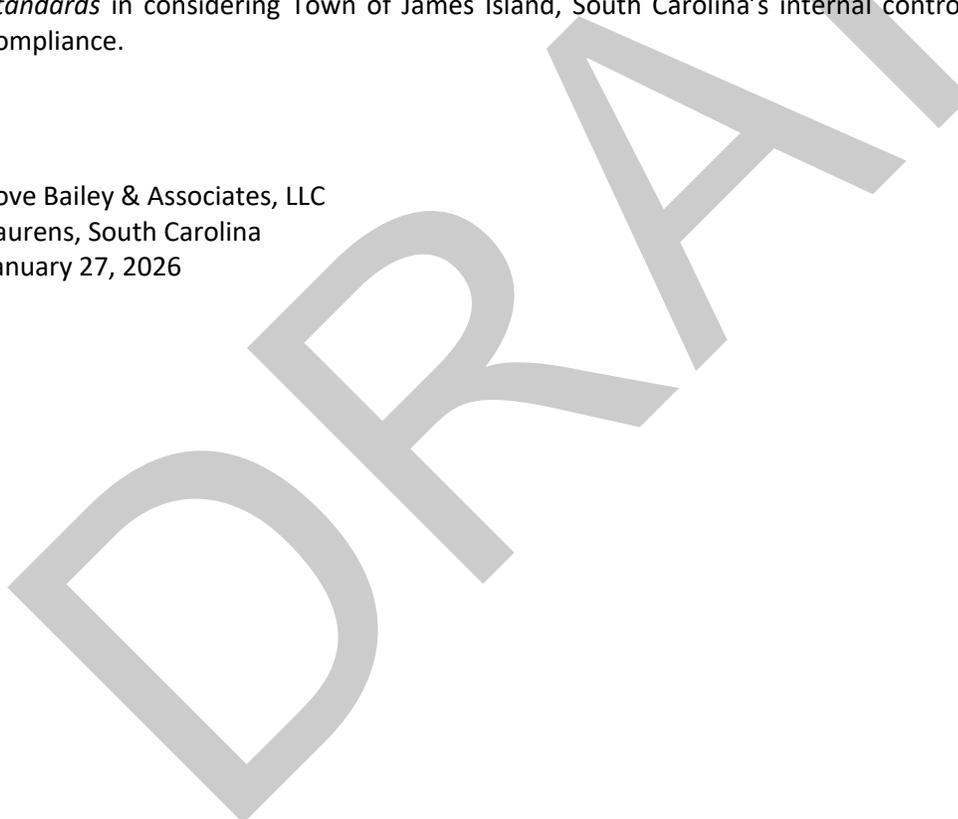
Other Matters

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the Town of James Island, South Carolina’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of James Island, South Carolina’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of James Island, South Carolina’s internal control over financial reporting and compliance.

Love Bailey & Associates, LLC
Laurens, South Carolina
January 27, 2026



**TOWN OF JAMES ISLAND,
SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,550,965
Receivables, net	834,771
Prepaid insurance	11,292
Other asset	600,000
Restricted cash and cash equivalents	4,015,081
Capital assets:	
Non-depreciable	10,049,310
Depreciable, net of accumulated depreciation	6,847,466
Total assets	<u>25,908,885</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension charges	642,888
Total deferred outflows of resources	<u>642,888</u>
LIABILITIES	
Accounts payable	8,829
Accrued liabilities	54,818
Deferred revenue	656,456
Current portion of loans payable	565,176
Noncurrent liabilities:	
Accrued compensated absences	97,293
Long term portion of loans payable	1,834,824
Net pension liability	2,141,662
Total liabilities	<u>5,359,058</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension charges	131,168
Total deferred inflows of resources	<u>131,168</u>
NET POSITION	
Invested in capital assets, net of related debt	6,847,466
Restricted for:	
Hospitality fund	3,243,318
Stormwater fund	747,549
Accommodations tax fund	24,214
Unrestricted	10,199,000
Total net position	<u>\$ 21,061,547</u>

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

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Grants and Contributions Operating</u>	<u>Capital</u>	<u>Governmental Activities</u>
PRIMARY GOVERNMENT					
Governmental activities					
General government	\$ 2,035,255	\$ -	\$ -	\$ 988,140	\$ (1,047,115)
Elected officials	149,618	-	-	-	(149,618)
Planning	14,561	-	60,596	-	46,035
Public works	565,138	350,321	-	-	(214,817)
Building inspection	583	-	15,637	-	15,054
Codes and Safety	600,569	186,343	-	-	(414,226)
Parks and community	446,942	-	-	-	(446,942)
Facilities and equipment	519,897	-	-	-	(519,897)
JIPSD tax relief	1,360,000	-	-	-	(1,360,000)
Interest expense	52,000	-	-	-	(52,000)
Depreciation expense	402,144	-	-	-	(402,144)
Total governmental activities	<u>\$ 6,146,707</u>	<u>\$ 536,664</u>	<u>\$ 76,233</u>	<u>\$ 988,140</u>	<u>(4,545,670)</u>
GENERAL REVENUES					
Local option sales tax - revenue					802,041
Local option sales tax - property tax					1,360,419
State aid to subdivisions					303,889
Franchise fees					290,386
Brokers and insurance tax					1,126,464
Business licenses					408,452
Hospitality tax					790,411
Homestead exemption					46,285
Interest and other					284,781
Total general revenues					<u>5,915,003</u>
Change in net position					1,369,333
Net position, beginning of year, as restated					<u>19,692,214</u>
Net position, end of year					<u>\$ 21,061,547</u>

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>General Fund</u>	<u>Stormwater Fund</u>	<u>Accommodations Tax Fund</u>	<u>Hospitality Tax Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,550,965	\$ -	\$ -	\$ -	\$ 3,550,965
Restricted cash and cash equivalents	-	747,549	24,214	3,243,318	4,015,081
Receivables, net	834,771	-	-	-	834,771
Prepaid insurance	11,292	-	-	-	11,292
Total assets	<u>\$ 4,397,028</u>	<u>\$ 747,549</u>	<u>\$ 24,214</u>	<u>\$ 3,243,318</u>	<u>\$ 8,412,109</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 8,829	\$ -	\$ -	\$ -	\$ 8,829
Accrued payroll and taxes	2,818	-	-	-	2,818
Deferred revenue	656,456	-	-	-	656,456
Total liabilities	<u>668,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>668,103</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	747,549	24,214	3,243,318	4,015,081
Unassigned, reported in General fund	3,728,925	-	-	-	3,728,925
Total fund balances	<u>3,728,925</u>	<u>747,549</u>	<u>24,214</u>	<u>3,243,318</u>	<u>7,744,006</u>
Total liabilities and fund balances	<u>\$ 4,397,028</u>	<u>\$ 747,549</u>	<u>\$ 24,214</u>	<u>\$ 3,243,318</u>	<u>\$ 8,412,109</u>

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
JUNE 30, 2025

Total Fund Balance - Governmental Funds	\$ 7,744,006
Amounts to be reported for governmental activities in the statement of net position are different because:	
Other assets used in governmental activities are not financial resources and therefore are not reported in the fund	600,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund (net of accumulated depreciation)	16,896,776
Accrued interest	(52,000)
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the General Fund	
Compensated absences (vacation time earned)	(97,293)
Loans payable	(2,400,000)
Net pension liability and related deferrals	<u>(1,629,942)</u>
Net position of Governmental Activities	<u><u>\$ 21,061,547</u></u>

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Stormwater Fund	Accommodations Tax Fund	Hospitality Tax Fund	Total Governmental Funds
REVENUE					
Local option sales tax - revenue	\$ 802,041	\$ -	\$ -	\$ -	\$ 802,041
Local option sales tax - property tax	1,360,419	-	-	-	1,360,419
State aid to subdivisions	303,889	-	-	-	303,889
ARP funding	501,875	-	-	-	501,875
Permits, planning and other charges	186,343	-	-	-	186,343
Business license	408,452	-	-	-	408,452
Hospitality tax	-	-	-	790,411	790,411
Franchise fees	290,386	-	-	-	290,386
Insurance collection program	1,126,464	-	-	-	1,126,464
Stormwater fees	-	350,321	-	-	350,321
Donations and grants	988,140	-	-	-	988,140
Homestead exemption	46,285	-	-	-	46,285
Accommodations tax	-	-	79,639	-	79,639
Interest and other	281,375	-	-	-	281,375
Total revenues	6,295,669	350,321	79,639	790,411	7,516,040
EXPENDITURES					
Current:					
General government	1,879,028	-	80,320	-	1,959,348
Elected officials	149,618	-	-	-	149,618
Planning	14,561	-	-	-	14,561
Public works	190,401	374,737	-	-	565,138
Building inspection	583	-	-	-	583
Code and safety	600,569	-	-	-	600,569
Parks and community	157,904	-	-	289,038	446,942
Facilities and equipment	519,897	-	-	-	519,897
JIPSD tax relief	1,360,000	-	-	-	1,360,000
Capital outlay	4,445,830	-	-	-	4,445,830
Total expenditures	9,318,391	374,737	80,320	289,038	10,062,486
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,022,722)	(24,416)	(681)	501,373	(2,546,446)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	2,400,000	-	-	-	2,400,000
Total other financing sources (uses)	2,400,000	-	-	-	2,400,000
Net changes in fund balances	(622,722)	(24,416)	(681)	501,373	(146,446)
Fund balances, beginning of year, as restated	4,351,647	771,965	24,895	2,741,945	7,890,452
Fund balances, end of year	\$ 3,728,925	\$ 747,549	\$ 24,214	\$ 3,243,318	\$ 7,744,006

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
JUNE 30, 2025

Net change in fund balances - Total Governmental Fund		\$ (146,446)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 4,445,830	
Depreciation expense	<u>(402,144)</u>	4,043,686
An item reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental fund. This activity consists of:		
Proceeds from issuance of debt		(2,400,000)
Accrued interest expense		(52,000)
Pension accrual		(55,516)
Compensated absences		<u>(20,391)</u>
Total changes in net position		<u><u>\$ 1,369,333</u></u>

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

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of James Island, South Carolina conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of James Island, South Carolina (the Town) was created by South Carolina Code Section 5-1-70 and began operations August 2, 2012. Services provided by the Town include zoning, permitting, public works, building inspection, code enforcement, public safety, disaster and emergency preparedness, recreation, and general government. The Town operates under a Mayor Council form of government. The Town Council is composed of a mayor and four town council members elected at large.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based on this criterion the Town has determined it has no component units and is not a component unit of any other organization. Therefore, the Town reports as a primary entity.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations are eliminated for the statement of activities. Program revenues include, 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues.

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Major individual governmental funds are reported as separate columns in the fund financial statements. All non-major funds are aggregated and reported in a single column on each of the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, franchise fees, fines and forfeitures, garbage collection, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The Town utilizes the following governmental funds:

General Fund – The general fund is the primary operating fund of the Town. The general fund accounts for all financial resources except those that are required to be reported in another fund.

Stormwater Fund – This fund is a special revenue fund used to account for stormwater fees charged by the Town, collected by the County of Charleston and used for stormwater projects within the Town in conjunction with the County.

Hospitality Tax Fund – This fund is a special revenue fund used to account for the 2% sales tax on food and beverage sales within the Town to be used for projects to support hospitality industry.

Accommodations Tax Fund – This fund is a special revenue fund used to account for the 2% sales tax on accommodation within the Town. The first \$25,000 collected can be used for general purposes and 5% of the remaining revenue. The remaining funds collected can be used for advertising and promotion (30%) to specific qualified agencies and tourism (65%) to qualified entities that apply for funds.

Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the United States and its agencies, general obligations of the State of South Carolina and its subdivisions, savings and loan associations to the extent of federal depository insurance, certificates of deposit collaterally secured, and repurchase agreements secured by the foregoing obligations.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables and Payables

All receivables are shown at their gross value and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Such allowances are estimated based upon such factors as length of delinquency, historical analysis, and available means for collection enforcement.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables and payables outstanding at year end are eliminated upon consolidation of governmental activities in the government-wide statement of net assets.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The Town has a prepaid balance in the amount of \$11,292 at June 30, 2025 related to workers compensation insurance paid in advance.

Restricted cash

Certain cash of the Town are classified as restricted on the balance sheet when specific limitations are placed upon their use. Restricted cash of the Town are set aside as required by state statute for providing services to improvements related to tourism and hospitality, and special projects including American Rescue Plan funds.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings & Improvements	10 – 40
Land Improvements	10 – 40
Equipment & Furnishings	5 – 10
Vehicles	5

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Depreciation for capital assets that can be specifically identified with a function is included in the direct expenses for that function.

In the case of the initial capitalization of general infrastructure assets, the Town elected not to implement the retroactive reporting provisions of GASB Statement No. 34. However, as the Town acquires or constructs additional infrastructure assets each period, they are capitalized and reported at historical cost.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town.

All vacation pay and salary related expenses are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet the criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the government has a legal claim to the resources, or the revenue has been earned, the liability is removed and revenue is recognized.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (except expenses) until then. The Town currently has one type of deferred outflow of resources: deferred pension charges. It is reported in the Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. These deferred pension charges are either (1) recognized in the subsequent period as a reduction in the net pension liability (including pension contributions made after the measurement date) or (2) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP. In addition to liabilities, the Statement of Net Position (government-wide) and the Balance Sheet (governmental funds) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Town currently has two types of inflows of deferred resources: (1) unavailable revenue-property taxes only in the government funds balance sheet; it is deferred and recognized as an inflow of resources (property tax revenue) in the periods the amounts become available, and (2) the Town also reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement Systems and South Carolina Police Officers Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balance

Restricted – This classification includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned – This classification represents the residual balance with the General Fund, which has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Town uses restricted amounts first when both restricted and unrestricted fund balances are available.

The Town's total restricted fund balance consisted of the following:

	Restricted Fund Balance
Hospitality Tax Fund	\$ 3,243,318
Stormwater Fund	747,549
Accommodations tax	24,214
	<hr style="border-top: 1px solid black;"/>
	\$ 4,015,081

Property Taxes

The Town assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real and personal property of every description owned and used in the Town, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as part of the budget adoption process.

Property taxes are assessed and collected under a joint billing and collection agreement with Charleston County. Property taxes are levied each October on the assessed value listed as of the prior January 1 for all real and business personal property located within the Town. The tax levy is considered due upon receipt by the taxpayer; however, the actual due date is January 15th. Automobile property taxes attach a lien and are levied throughout the year depending on when the vehicle’s license tag expires. Property taxes are recognized under the standards established by GASB Statement No. 33 for Imposed Nonexchange Revenues.

Nonexchange Transactions

The standards established by GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions”, provide accounting and reporting for the following four categories of nonexchange transactions: 1) Derived tax revenues, 2) Imposed nonexchange revenues, 3) Government-mandated nonexchange transactions, and 4) Voluntary nonexchange transactions. Nonexchange transactions involve financial or capital resources in which the government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets from Derived Tax Revenues are recognized when the underlying exchange has occurred, and resources are available to the government.

Assets from Imposed Nonexchange Revenues are recognized when an enforceable legal claim has arisen or when resources are received, whichever occurs first. Revenues are recognized when resources are required to be used or the first period that use is permitted. Resources must also be available to the government.

Assets, liabilities, revenues, and expenditures from Government-Mandated and Voluntary Nonexchange Transactions are generally recognized when all eligibility requirements have been met. Resources received before the eligibility requirements are fulfilled are reported as deferred revenues. Eligibility requirements can include one or more of the following:

- 1) The recipient has the characteristics specified by the provider.
- 2) Time requirements specified by the provider have been met.
- 3) The provider offers resources on a reimbursement basis and allowable costs have been incurred under the applicable program.
- 4) The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and revenues, expenditures/expenses, and other sources and uses recognized during the reporting period. Actual results could differ from those amounts.

Accounting Pronouncements

Compensated Absences – In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which supersedes GASB Statement No. 16. This new standard establishes a unified model for the recognition, measurement, and disclosure of compensated absences. A significant change in the standard is a shift from a “probable” to a “more likely than not” threshold for recognizing and measuring the liability. The Town adopted GASB Statement No. 101 effective for its fiscal year beginning July 1, 2024.

The Governmental Accounting Standards Board (GASB) issued Statement No. 102, Certain Risk Disclosures, to amend National Council on Governmental Accounting (NCGA) Interpretation 6, Notes to the Financial Statement Disclosure, specifically paragraph 5. This standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations and constraints, providing essential information for users of government financial statements to analyze data for decision-making or assessing accountability. The Town has evaluated its financial position and operations and determined that no concentrations or constraints meet the criteria for disclosure under this standard. Therefore, no additional disclosure is required.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 2 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits - Custodial credit risk is the risk that the Town's deposits will not be returned to it. The Town has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to \$250,000 per bank. From time to time during the year, the Town may have cash on deposit with banks that exceeds the balance insured by the FDIC. However, at June 30, 2025, none of the Town's bank balances of approximately \$2,915,282 (with a carrying value of approximately \$2,761,461) were exposed to custodial credit risk.

As of June 30, 2025, the Town had the following investments:

Investment Type	Credit Rating*	Fair Value	Investment Maturity (in Years)			
			Less than 1	1 - 3	3 - 5	Over 5
State Government Local Investment Pool	Unrated	\$ 4,804,585	\$ 4,804,585	\$ -	\$ -	\$ -
Total		<u>\$ 4,804,585</u>	<u>\$ 4,804,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: The Town does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The Town places no limit on the amount the Town may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

Certain deposits and investments of the Town are legally restricted for specified purposes. The major types of restrictions at June 30, 2025 were those imposed by the revenue source (i.e. hospitality fees, grants, etc.).

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2025 for individual major funds and non-major funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General
Receivables:	
Insurance collection	\$ 163,587
Franchise fees	30,052
Local option sales tax	360,029
Hospitality tax	109,029
Accommodations tax	24,214
Business licenses	22,770
State aid to subdivisions	78,819
Other	46,271
Net receivables	\$ 834,771

NOTE 4 – CAPITAL ASSETS

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

	June 30, 2024	Additions	Deletions	Transfers	June 30, 2025
Non-depreciable assets:					
Land	\$ 2,698,654	\$3,338,716	\$ -	\$ -	\$ 6,037,369
Construction in Progress	3,089,582	922,358	-	-	4,011,940
Total non-depreciable assets	5,788,238	4,261,074	-	-	10,049,310
Depreciable:					
Buildings and Improvements	3,481,205	-	-	-	3,481,205
Equipment	181,476	47,399	-	-	228,875
Vehicles	293,512	137,357	-	-	430,869
Park improvements	882,880	-	-	-	882,880
Infrastructure	4,128,190	-	-	-	4,128,190
Town signs	25,487	-	-	-	25,487
Total depreciable capital assets	8,992,748	184,756	-	-	9,177,506
Less accumulated depreciation:	(1,927,896)	(402,144)	-	-	(2,330,040)
Total depreciable capital assets, net	7,064,852	(217,388)	-	-	6,847,466
Total capital assets, net	\$12,853,090	\$4,043,686	\$ -	\$ -	\$16,896,776

The Town has construction in progress for various infrastructure projects, park improvements and cultural art center renovation. The Town has recorded a depreciation expense of \$402,144 for general fund activities.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 5 – OTHER ASSET

During fiscal year 2024, the Town transferred \$600,000 to a trust account held by Charleston County in connection with the condemnation proceedings for the Dills Bluff property. The funds were deposited with the Charleston County Clerk of Court in June 2024 as part of the condemnation process.

As of June 30, 2025, the condemnation proceedings were ongoing and the \$600,000 remained held in trust by the County. The Town continues to record the funds as an asset, reported as Other Assets on the Statement of Net Position. If the property is ultimately condemned, the funds will be applied toward the purchase of the property; if the property is not condemned, the Town expects the funds to be returned.

NOTE 6 – LONG-TERM LIABILITIES

Mortgage Note

On December 10, 2024, the Town entered into a \$2,400,000 mortgage note for the purchase of the real estate. The note four annual principal and interest payments each December 10th. Maturity date for the note is December 10, 2028 and has an interest rate of 4.00 percent.

The following is a summary of changes in the note for the year ended June 30, 2025.

Debt	6/30/2024	Additions	Reductions	6/30/2025	Due Within One Year
Mortgage Note	\$ -	\$ 2,400,000	\$ -	\$ 2,400,000	\$ 565,176

Maturities of mortgage note for the succeeding four years and thereafter are as follows:

	Annual Principal	Annual Interest	Annual Payment
2026	\$ 565,176	\$ 96,000	\$ 661,176
2027	587,783	73,393	661,176
2028	611,294	49,882	661,176
2029	635,747	25,429	661,176
	<u>\$ 2,400,000</u>	<u>\$ 244,705</u>	<u>\$ 2,644,704</u>

Changes in other long-term liabilities

Other long-term liability activity for the year ended June 30, 2025, was as follows:

	June 30, 2024	Additions	Reductions	June 30, 2025
Compensated absences	\$ 76,902	\$ 20,391	\$ -	\$ 97,293
Net pension liability	1,953,212	188,450	-	2,141,662
Total	<u>\$ 2,030,114</u>	<u>\$ 208,841</u>	<u>\$ -</u>	<u>\$ 2,238,955</u>

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS

State Retirement Plan

The Town participates in the State of South Carolina’s retirement plans, which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”).

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state’s employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems’ five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds’ assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, a pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The ACFR is publicly available through PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school Towns and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – PENSION PLANS , Continued

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Plan Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2025¹</u>	<u>Fiscal Year 2024¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2025¹</u>	<u>Fiscal Year 2024¹</u>
SCRS		
Employee Class Two	18.41%	18.41%
Employee Class Three	18.41%	18.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	20.84%	20.84%
Employee Class Three	20.84%	20.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Benefit	0.20%	0.20%

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

(Continued)

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans’ fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method:	Entry age normal	Entry age normal
Investment rate of return ²	7%	7%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (varies by service) ¹
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2024, TPL are as follows.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

(Continued)

² Includes inflation at 2.25%

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

<u>System</u>	<u>Town’s Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>	<u>Town’s Proportionate Share of the Collective Net Pension Liability</u>
SCRS	\$ 1,672,172	61.8%	.007131%
PORS	\$ 469,490	70.5%	.015651%

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

(Continued)

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – PENSION PLANS , Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity ³	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity ^{1 4}	9.0%	9.60%	0.86%
Private Debt ²	7.0%	6.90%	0.48%
Real Assets	12.0%		
Real Estate ²	9.0%	4.30%	0.39%
Infrastructure ²	3.0%	7.30%	0.22%
Total Expected Real Return ⁵	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

Pensions

At June 30, 2025, the Town reported a liability of \$1,672,172 and \$469,490 for its proportionate share of the net pension liability for SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all the projected future benefit payments of 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 TPL.

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers’ NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

(Continued)

³ The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

⁴ Staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁵ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 7 – PENSION PLANS , Continued

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Town’s proportionate share of the net pension liability of the SCRS	\$ 1,802,148	\$ 1,672,172	\$ 1,075,915
Town’s proportionate share of the net pension liability of the PORS	\$ 645,281	\$ 469,490	\$ 313,337

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town recognized pension expense for the SCRS and PORS plans of \$162,225 and \$92,041, respectively. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
SCRS		
Differences between expected and actual experience	\$ 84,433	\$ 2,075
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
Net difference between projected and actual earnings on pension plan investments	222,182	64,430
Town’s contributions subsequent to the measurement date	174,960	-
Total SCRS	<u>\$ 480,439</u>	<u>\$ 66,505</u>
PORS		
Differences between expected and actual experience	\$ 54,313	\$ 2,692
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
Net difference between projected and actual earnings on pension plan investments	21,728	26,322
Town’s contributions subsequent to the measurement date	85,272	35,649
Total PORS	<u>\$ 161,313</u>	<u>\$ 64,663</u>

The \$173,824 and \$85,272 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2025 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2026.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 7 – PENSION PLANS , Continued

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS and PORS:

Year Ended June 30,	SCRS	PORS	Total
2026	\$ 67,726	\$ (6,960)	\$ 60,766
2027	143,314	29,699	173,013
2028	45,991	(4,401)	41,590
2029	(18,057)	(6,960)	(23,881)
	\$ 238,974	\$ 11,378	\$ 251,488

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To insure against casualty risks, the Town is a member of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments in South Carolina. The Town pays annual premiums to the State Insurance Reserve Fund for its general insurance. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

(Continued)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

NOTE 8 – RISK MANAGEMENT, Continued

The Town acquires insurance for job related injury and illness (workers' compensation). Workers' Compensation is insured under a retrospectively rated policy where premiums paid are estimated throughout the year and adjusted subsequent to the policy period based on actual experience. Health insurance and general blanket and fidelity bond insurance were also maintained.

During June 30, 2025, the Town did not experience any uninsured claims. There is no liability or expenditure recorded for other actual claims and management does not believe any provision for unasserted claims is necessary.

There were no significant reductions in coverage from the previous year and no settlements have exceeded insurance coverage for the past three years ended June 30, 2023, 2022, and 2021.

NOTE 9 – CONTINGENCIES

In the opinion of Town management, after consultation with legal counsel, there are no material claims or lawsuits against the Town that are not covered by insurance or whose settlement would materially affect the Town's financial position. The Town also participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The Town has recorded a prior period adjustment to the net position and fund balance to properly reflect cash in the previous year. The adjustments are summarized as follows:

	Governmental Activities
Net position, as previously reported at June 30, 2024	\$ 20,026,161
Prior period adjustment – capital assets	<u>(333,947)</u>
Net position, as restated at June 30, 2024	<u>\$ 19,692,214</u>
	Governmental Funds
Fund balance, as previously reported at June 30, 2024	\$ 4,685,594
Prior period adjustment – capital assets	<u>(333,947)</u>
Fund balance, as restated at June 30, 2024	<u>\$ 4,351,647</u>

NOTE 11 – SUBSEQUENT EVENTS

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2025, through the date on the auditor's report January 27, 2026 the date the financial statements were available to be issued.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance
	Original	Final		
REVENUE				
Local option sales tax - revenue	\$ 580,000	\$ 580,000	\$ 802,041	\$ 222,041
Local option sales tax - property tax	1,360,000	1,360,000	1,360,419	419
State aid to subdivisions	300,266	300,266	303,889	3,623
ARP funding	-	-	501,875	501,875
Permits, planning and other charges	227,650	227,650	186,343	(41,307)
Business license	480,000	480,000	408,452	(71,548)
Homestead exemption	48,000	48,000	46,285	(1,715)
Franchise fees	320,000	320,000	290,386	(29,614)
Insurance collection program	765,000	765,000	1,126,464	361,464
Donations and grants	542,192	542,192	988,140	445,948
Interest and other	211,800	211,800	281,375	69,575
Total revenues	4,834,908	4,834,908	6,295,669	1,460,761
EXPENDITURES				
Current:				
General government	2,668,589	2,668,589	1,879,028	789,561
Elected officials	148,005	148,005	149,618	(1,613)
Planning	12,293	12,293	14,561	(2,268)
Public works	102,706	102,706	190,401	(87,695)
Building inspection	-	-	583	(583)
Code and safety	1,216	1,216	600,569	(599,353)
Parks and community	161,179	161,179	157,904	3,275
Facilities and equipment	409,338	409,338	519,897	(110,559)
JIPSD tax relief	1,360,000	1,360,000	1,360,000	-
Capital outlay	1,383,883	1,383,883	4,445,830	(3,061,947)
Total expenditures	6,247,209	6,247,209	9,318,391	(3,071,182)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,412,301)	(1,412,301)	(3,022,722)	(1,610,421)
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	2,400,000	2,400,000
Transfers in (out)	1,412,301	1,412,301	-	(1,412,301)
Total other financing sources (uses)	1,412,301	1,412,301	2,400,000	987,699
Net changes in fund balances	\$ -	\$ -	\$ (622,722)	\$ (622,722)

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 POLICE OFFICERS RETIREMENT SYSTEM**

SCRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.007131%	0.005933%	0.005798%	0.005703%	0.005506%	0.005621%	0.005093%	0.005809%	0.004501%	0.004047%
Town's proportionate share of the net pension liability	\$ 1,672,172	\$ 1,434,557	\$ 1,405,607	\$ 1,234,262	\$ 1,406,749	\$ 1,283,409	\$ 1,141,265	\$ 1,307,699	\$ 961,408	\$ 767,533
Town's covered-employee payroll	\$ 936,552	\$ 979,874	\$ 750,185	\$ 690,424	\$ 644,703	\$ 614,212	\$ 593,517	\$ 526,930	\$ 587,873	\$ 435,818
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.0%	68.3%	53.4%	55.9%	45.8%	47.9%	52.0%	40.3%	163.5%	176.1%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	59.9%

Only eight years of information is presented as only eight years of data were available.

PORS	2025	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the net pension liability	0.015651%	0.017038%	0.015430%	0.016237%	0.017460%	0.013060%	0.009022%	0.000380%
Town's proportionate share of the net pension liability	\$ 469,490	\$ 518,655	\$ 462,753	\$ 417,765	\$ 578,991	\$ 374,291	\$ 255,629	\$ 10,438
Town's covered-employee payroll	\$ 401,469	\$ 308,708	\$ 298,523	\$ 244,200	\$ 244,155	\$ 263,750	\$ 189,429	\$ 128,025
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.5%	59.5%	64.5%	58.5%	42.2%	70.5%	74.1%	1226.5%
Plan fiduciary net position as a percentage of the total pension liability	70.5%	67.8%	66.4%	70.4%	58.8%	62.7%	61.7%	60.9%

Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PENSION PLAN CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
POLICE OFFICERS RETIREMENT SYSTEM**

SCRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 173,824	\$ 181,865	\$ 131,732	\$ 114,334	\$ 100,316	\$ 95,572	\$ 86,416	\$ 71,452	\$ 67,076	\$ 47,458
Contributions in relation to the contractually required contribution	(173,824)	(181,865)	(131,732)	(114,334)	(100,316)	(95,572)	(86,416)	(71,452)	(67,076)	(47,458)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 936,552	\$ 979,874	\$ 750,185	\$ 690,424	\$ 644,703	\$ 614,212	\$ 593,517	\$ 526,930	\$ 587,873	\$ 435,818
Contributions as a percentage of covered-employee payroll	18.56%	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.56%	11.41%	10.89%

Only eight years of information is presented as only eight years of data were available.

PORS	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 85,272	\$ 65,570	\$ 60,424	\$ 46,984	\$ 44,534	\$ 48,108	\$ 32,657	\$ 20,279
Contributions in relation to the contractually required contribution	(85,272)	(65,570)	(60,424)	(46,984)	(44,534)	(48,108)	(32,657)	(20,279)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 401,469	\$ 308,708	\$ 298,523	\$ 244,200	\$ 244,155	\$ 263,750	\$ 189,428	\$ 128,025
Contributions as a percentage of covered-employee payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	15.84%

TOWN OF JAMES ISLAND, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOSPITALITY TAX FUND
YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance
	Original	Final		
REVENUE				
Hospitality tax	\$ 699,290	\$ 699,290	\$ 790,411	\$ 91,121
Total revenues	<u>699,290</u>	<u>699,290</u>	<u>790,411</u>	<u>91,121</u>
EXPENDITURES				
Current:				
Parks and community	116,379	116,379	289,038	(172,659)
Capital outlay	183,992	183,992	-	183,992
Total expenditures	<u>300,371</u>	<u>300,371</u>	<u>289,038</u>	<u>11,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>398,919</u>	<u>398,919</u>	<u>501,373</u>	<u>102,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(398,919)	(398,919)	-	(398,919)
Total other financing sources (uses)	<u>(398,919)</u>	<u>(398,919)</u>	<u>-</u>	<u>(398,919)</u>
Net changes in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,373</u>	<u>\$ (296,465)</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Town Council
Town of James Island, South 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, each major fund, and the aggregate remaining fund information of Town of James Island, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of James Island, South Carolina's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of James Island, South Carolina's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of James Island, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of James Island, South Carolina's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of James Island, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Love Bailey & Associates, LLC
Laurens, South Carolina
January 27, 2026

DRAFT

**TOWN OF JAMES ISLAND, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2025**

FINDINGS FOR YEAR ENDED JUNE 30, 2025

Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

Significant Deficiency

2025-001

Criteria: The Town’s accounting system should be maintained in a manner that allows for the timely preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting should be designed to prevent or detect and correct material misstatements on a timely basis.

Condition and context: During the audit, **material audit adjustments** were required to properly state the Town’s financial statements. These adjustments included:

- Accounts receivable and revenue cutoff adjustments,
- Payroll-related liability accruals, and
- Revenue classification adjustments.

Similar audit adjustments were proposed in the prior year but were not recorded in the Town’s accounting records, resulting in a recurrence of these issues.

Cause: The Town primarily maintains its accounting records on a cash basis during the year and does not have procedures in place to identify and record material year-end accruals and classification adjustments, including receivables, payroll-related liabilities, and revenue classifications. In addition, prior-year audit adjustments were not incorporated into the Town’s general ledger.

Effect: As a result, the Town’s accounting records did not reflect all material balances required under GAAP, and material audit adjustments were necessary to properly present the financial statements.

Recommendation: We recommend that the Town implement year-end financial reporting procedures to identify and evaluate material accruals and classification adjustments prior to the audit. This may include enhanced internal review procedures, the use of standardized year-end closing checklists, or consultation with external accounting assistance to ensure material balances are properly recorded in a timely manner

Town’s response: Management agrees with the finding and plans to improve year-end review and closing procedures to ensure material accruals and classifications are identified and recorded prior to the audit.

Public Works Report

Maintenance Work – Town continues to work on re-establishing ditches and clearing culverts and cross pipes. Door hangers distributed to next approved areas for maintenance. Repair complete at N Stiles Dr/Schaffer Dr. Several requests for road grading were completed by Charleston County.

SC Association of Stormwater Managers – Attended the first quarter meeting held in Columbia, SC

Intergovernmental Flood Prevention Taskforce – Mayor Lyon and Melissa Flick attended quarterly meeting hosted by the City of Charleston on March 6. Next meeting tentatively scheduled for June 12 to be hosted by the Town of James Island.

End of Connector and Folly Rd – Following several requests from a Town resident, Mayor Lyon and Melissa Flick reached out to the City of Charleston. We were notified that a contract was awarded to a contractor to complete cleanup work and brush removal in this area.

TOWN OF JAMES ISLAND CODE ENFORCEMENT MONTHLY REPORT



REPORTING MONTH: March 2026

PREPARED BY: E. Parker Richardson

DATE PRESENTED TO COUNCIL: March 19th, 2026

➤ **OVERVIEW:**

During this reporting period, the Code Enforcement Department has focused primarily on organizing and addressing several inherited cases that have remained unresolved since approximately 2023. Many of these cases require renewed outreach to property owners and follow-up inspections to determine current compliance status. To move these long-standing matters toward resolution, a total of fourteen (14) Notices of Violation were issued and mailed to property owners and responsible parties. These notices serve to formally document ordinance violations and provide property owners with the opportunity to correct violations before additional enforcement measures are pursued.

Based on both citizen complaints and proactive inspections, unpermitted construction and property maintenance violations remain the most common issues reported within the Town. These cases often require coordination with zoning review, building permit verification, and follow-up inspections to ensure compliance with Town ordinances and land development regulations. The department continues to prioritize voluntary compliance whenever possible, while also maintaining consistent enforcement of municipal ordinances to protect neighborhood quality of life and community standards

➤ **CODE REQUESTS & CASE ACTIVITY:**

This month, the Code Enforcement Department received 14 Code Requests submitted through citizen complaints, internal observations, and departmental referrals. In addition, the department has 12 Code Enforcement Cases for the month.

(I). STATUS OF CODE REQUESTS:

(9) *Closed* – violations resolved, (3) *Active / Open* – currently under enforcement review, (1) *In Progress* – corrective actions underway by property owners, and (1) is *Under Investigation* – verification and inspection ongoing. Most requests opened this month are in the topic titled, “*Other*” which includes *Short-term Rentals, Right-of-Way Issues, and Nuisance*.

(II). STATUS OF CODE CASES:

(3) *Open/ Active Cases* – enforcement actions currently being determined, (1) *Under Investigation* – updates on case are pending, and (2) *Monitoring Cases* – habitual ordinance violators requiring continued oversight. 11 out of the 12 cases are *Zoning Issues*, while 1 out of the 12 cases involve “*unpermitted Construction*”.

➤ **DEPARTMENT SUMMARY:**

One Code Enforcement case remains active in Magistrate Court involving multiple ordinance violations and unpaid citations. This case originated in 2023 and has remained ongoing despite several attempts by the Town to reach a mediated resolution with the property owner. During the most recent court hearing on November 17, 2025, the defendant exercised their right to a trial by jury, which extended the timeline of the case beyond the originally scheduled continuation hearing. The Code Enforcement Department is currently working closely with the Town Attorney and an associate from the Town Attorney’s law firm to review the case record and determine the most appropriate enforcement strategy moving forward toward resolution. Based on these discussions, the Town intends to propose a structured resolution agreement designed to ensure ordinance compliance while also providing the defendant with reasonable contingencies to bring the property into compliance. This approach allows the Town to maintain enforcement authority while still offering a practical path toward resolving the matter without prolonged litigation.

➤ **DEPARTMENT FOCUS MOVING FORWARD:**

Over the coming month, the Code Enforcement Department will continue focusing on remaining committed to maintaining consistent enforcement of Town ordinances while working collaboratively with residents, property owners, the Sheriff’s Department, Zoning & Planning Department, Permitting & Licensing department, to achieve compliance.

Council Chambers AV System Upgrades
Quote 1037 rev 2 - Valid until 3/20/26

Bespoke Smarter Homes
843-237-7653
Charleston, SC
29412

Prepared by:
Alexandre Swann
404-263-2614
alex@bespokesmarterhomes.com



James Island Town Hall
Council Chambers AV System Upgrades
REF: 1037

Prepared for:
Brook Lyon
843-670-1314
blyon@jamesislandsc.us
1122 Dills Bluff Rd
Charleston, SC
29412

Installation
1122 Dills Bluff Rd
Charleston, SC
29412

Statement of Confidentiality

Project Overview - Council Chambers AV System Upgrades - REF: 1037

Date: 03/13/26

Expires: 03/20/26

Prepared by: Alexandre Swann

Dear Town of James Island,

Thank you for the opportunity to help improve the technology systems in the Town's Council Chambers. The goal of this project is simple: make the room more **reliable**, easier for staff and presenters to **use day to day**, and easier to **support long-term**, without adding unnecessary complexity.

This proposal focuses on modernizing the room's **video system**, simplifying operation by consolidating control into the existing **Q-SYS** platform, replacing the aging **projector**, and rebuilding the necessary **programming & integration** so the Council Chambers functions as one complete, supportable system. Once complete, the room should feel more **intuitive**, more **consistent**, and far less dependent on troubleshooting during normal meetings.

System Simplification & Video Reliability

- Remove the existing **Control4 video control layer** and consolidate room operation into **one primary Q-SYS ecosystem**.
- Replace the current patchwork of third-party HDMI switching and extension hardware with a more modern, **Q-SYS-integrated video signal path**.
- Improve everyday usability so staff and presenters can walk up, connect a source, and operate the room with greater confidence and consistency.

Our website uses cookies to give you the best and most relevant experience. By clicking on accept, you give your consent to the use of cookies as per our privacy policy.

Deny

Accept

- Create a cleaner system architecture so the room behaves more like **one complete system** rather than several disconnected pieces.

Projector Upgrade

- Replace the existing older projector with a new **commercial laser projector** better suited to current standards and long-term use.
- Improve image performance with a **brighter output**, updated source compatibility, and a more modern display platform.
- Reduce ongoing maintenance by eliminating routine **lamp replacements** and the brightness decline typically associated with traditional bulb-based projection.

Programming, Commissioning & Ongoing Support

- Rebuild and recommission the required portions of the room’s programming since the original **Q-SYS project file** and installer credentials are not available.
- Use a **QSC-certified programmer** for the bulk of the programming work while maintaining a **local point of contact** for project management, installation, and support.
- Continue Q-SYS training so the Town has a clearer **long-term support path** after the initial project is complete.

[CLICK HERE TO VIEW THE FULL PROPOSAL](#)

Notes

1. This proposal assumes the Town’s existing **Q-SYS core processor**, touchscreen, cameras, microphones, speakers, and network switch remain in place and continue functioning as expected.
2. The original **Q-SYS programming file** and installer credentials are not currently available, so portions of the system will need to be **rebuilt and recommissioned** as part of this project.
3. Final programming and integration details may be refined during commissioning based on existing field conditions and the behavior of retained legacy equipment.
4. The intent of this project is to provide a more **unified, reliable, and easier-to-use** Council Chambers system using the Town’s existing Q-SYS platform wherever practical.

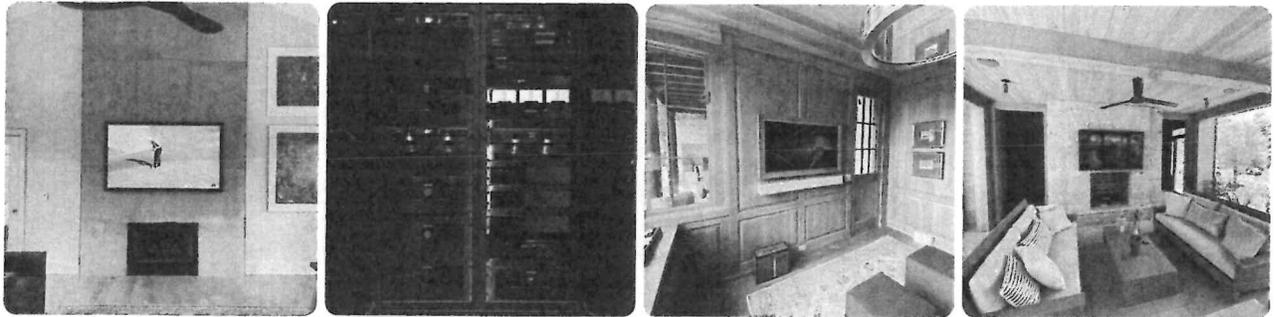
About us

With over a decade of experience in custom home technology, Bespoke Smarter Homes designs and installs clean, reliable systems—AV, networking, lighting, cameras, automation and more—with an emphasis on simplicity and long-term support.

Clean installs | Simple control | Stable networks | Ongoing support

Recent Work

[View full gallery →](#)



[Show more photos \(tap to expand\)](#)

Project Summary

Systems	Labor Total	Product Total
Video System Upgrade	\$2,728.00	\$12,371.53
Projector Upgrade	\$190.52	\$3,788.50
Client Onboarding Essentials	\$299.90	\$979.03
	Systems Total	\$20,357.48
	Sales Tax	\$1,542.52
	Total Cost	\$21,900.00

[View details](#)



Our website uses cookies to give you the best and most relevant experience. By clicking on accept, you give your consent to the use of cookies as per our privacy policy.

Deny

Accept

Systems	Total
Video System Upgrade	\$12,371.53
Projector Upgrade	\$3,788.50
Client Onboarding Essentials	\$979.03

Product Total \$17,139.06

Labor	Hours	Total
Install	4.65	\$511.50
Programming	21.20	\$2,706.92

Labor Total \$3,218.42

Audio & Video

Video System Upgrade

Video Output for Rear TV	1	\$2,467.8
Q-SYS NV-21 Video Endpoint and Accessories		4
NV-21-HU HDMI Switcher QSC / QSC-NV-21-HU		1
Pearl 48 8K-10K HDMI Cable - 1.5m AudioQuest / HDM48PEA150		1
Video Output for Projector	1	\$2,458.5
Q-SYS NV-21 Video Endpoint and Accessories		9
NV-21-HU HDMI Switcher QSC / QSC-NV-21-HU		1
Pearl 48 8K-10K HDMI Cable - 0.75m AudioQuest / HDM48PEA075		1
Video Input for Podium	1	\$2,495.5
Q-SYS NV-21 Video Endpoint and Accessories		6
NV-21-HU HDMI Switcher QSC / QSC-NV-21-HU		1
Pearl 48 8K-10K HDMI Cable - 3m AudioQuest		1
Video Input for Main Desk	1	\$2,481.7
Q-SYS NV-21 Video Endpoint and Accessories		0
NV-21-HU HDMI Switcher QSC / QSC-NV-21-HU		1

AudioQuest / HDM48PEA225

Video Input for Apple TV		
Q-SYS NV-21 Video Endpoint and Accessories	1	\$2,467.84
NV-21-HU HDMI Switcher		
QSC / QSC-NV-21-HU		1
Pearl 48 8K-10K HDMI Cable - 1.5m		
AudioQuest / HDM48PEA150		1
Q-SYS Certified Programming		
System Programming and Support - QSC Certified	1	\$0.00
Labor		Total
Install		\$176.00
Programming		\$2,552.00

Video System Upgrade Pre-Tax Total \$15,099.53

Projector Upgrade

Ceiling Mounted Projector		
LG ProBeam BU50RG Projector and Accessories	1	\$3,788.50
ProBeam BU50RG 5000 Lumens 4K Laser Projector		
LG ELECTRONICS / CE-BU50RG		1
Labor		Total
Install		\$165.00
Programming		\$25.52

Projector Upgrade Pre-Tax Total \$3,979.02

Client Onboarding Essentials

Remote Support & Surge Protection		
Power Management, Reboot Button and Remote Support Hardware	1	\$979.03
Wattbox 800-Series 12 Outlet Rack Mount IP Controllable		
Snap One / WB-800-IPVM-12		1
WattBox® 800 Series Smart Adapter		
WattBox® / WB-ACC-ADAPTER-800		1
1RU Blank Rack Panel - Black Brushed		
MIDDLE ATLANTIC - U.S. / NO-HBL1		1
Labor		Total
Install		\$170.50
Programming		\$129.40

Payment Stages

Deposit

\$10,950.00

Due Today

Reserves your spot in our schedule, covers project planning, and secures essential equipment.

Progress Payment

\$5,475.00

Due Prior to Installation

Secures your scheduled installation and covers the delivery and setup of system components.

Final Balance

\$5,475.00

\$21,900.00
INC. SALES TAX

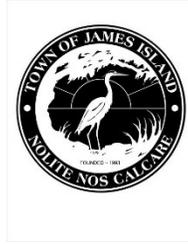
Due after Final Measurement



SIGN & ACCEPT

Deny

Accept



A RESOLUTION TO RECOGNIZE AND HONOR DEPUTY JACOB BRUECKNER AS THE 2025 ISLAND SHERIFF PATROL DEPUTY OF THE YEAR

WHEREAS, Deputy Brueckner of the Town of James Island, Island Sheriff Patrol has demonstrated exceptional dedication, professionalism, and commitment to public safety throughout 2025; and

WHEREAS, Deputy Brueckner devoted 362 hours of additional service to the Town of James Island, equating to more than nine full work weeks beyond his regular assignment, with the majority of these hours worked during evenings and after completing his standard eight-hour shifts; and

WHEREAS, during these self-initiated enforcement hours, Deputy Brueckner conducted 243 traffic stops, issued 181 warnings and 66 citations, and responded to 112 calls for service; and

WHEREAS, his proactive policing efforts resulted in 15 field interviews and 31 arrests, including numerous serious criminal offenses; and

WHEREAS, Deputy Brueckner made 16 marijuana-related arrests, seizing a total of 519.2 grams of marijuana, and conducted two cocaine arrests resulting in the seizure of 6.77 grams of cocaine; and

WHEREAS, he recovered two firearms, one of which was confirmed stolen, thereby enhancing the safety of the community; and

WHEREAS, his arrest activity included charges such as Failure to Stop for Blue Lights, False Information to Police, Habitual Traffic Offender, Driving Under Suspension (Fourth Offense), Open Container, Resisting Arrest, Threatening the Life of a Public Official, Domestic Violence (warrant), Domestic Violence 2nd Degree, Malicious Damage to Property, and Obtaining Goods Under False Pretenses (over \$10,000) with an accompanying Forgery warrant (over \$10,000); and

WHEREAS, Deputy Brueckner executed juvenile custody pickup orders, probation and parole warrants, Family Court warrants, and apprehended subjects wanted by outside agencies, including the Dorchester County Sheriff's Office; and

WHEREAS, Deputy Brueckner's consistent presence, proactive enforcement, and unwavering professionalism have had a measurable and meaningful impact on crime suppression and community safety within the Town of James Island;

NOW, THEREFORE, BE IT RESOLVED, that the Town of James Island hereby recognizes and commends Deputy Brueckner for his outstanding service, exemplary work ethic, and steadfast commitment to the citizens he serves; and

BE IT FURTHER RESOLVED that Deputy Brueckner is hereby honored as the **2025 Deputy of the Year**, with sincere appreciation for his dedication to duty and his positive representation of the Island Sheriff Patrol.

ADOPTED AND APPROVED this 19 day of March 2026.

Brook Lyon
Mayor

ATTEST

Frances Simmons
Town Clerk

MUNICIPAL STATE HIGHWAY PROJECT AGREEMENT

STATE OF SOUTH CAROLINA

Town Of James Island

)
)
)

RESOLUTION 2026-05

Road/Route **Folly Rd (SC 171)**
Project ID **P041903**
Project **Safety Improvements (RSA Implementation SC 171)**

WHEREAS, the South Carolina Department of Transportation (SCDOT) proposes to construct, reconstruct, alter, or improve the certain segments of the highway(s) in the State Highway System referenced above which are located within the corporate limits of the Town of James Island (hereinafter, "the City").

WHEREAS, the Town of James Island wishes to authorize the construction and improvements of the aforesaid highway(s) in accordance with plans to be prepared by or for SCDOT ("the Project Plans").

NOW THEREFORE, BE IT RESOLVED that, pursuant to S.C. Code Ann. §57-5-820 (1991), the City does hereby consent to the construction or improvements of the aforesaid highway(s) within its corporate limits in accordance with the Project Plans. Further, the City shall exempt all existing and new right-of-way and all other properties purchased in connection with right-of-way for the highway(s) from any general or special assessment against real property for municipal services.

BE IT FURTHER RESOLVED that the City will assist in causing all water, sewer and gas pipes, manholes, or fire hydrants, and all power or telephone lines or poles located within the existing right-of-way to be relocated at the utility company's expense, except where the utility can demonstrate a prior right of occupancy. To the extent that City-owned utilities are to be relocated, those utility lines and/or appurtenances may be replaced upon the new highway right-of-way at such locations as may be approved by SCDOT. SCDOT shall bear no liability for damages to property or injuries to persons as a consequence of the placing, maintenance, or removal of any utilities by the City or its contractors. Future utility installations by the City within the limits of the new right-of-way after project completion shall be pursuant to a standard utility encroachment permit obtained in the normal course and issued pursuant to SCDOT's "A Policy for Accommodating Utilities on Highway Rights-of-Way."

BE IT FURTHER RESOLVED, that the City hereby signifies its intention to faithfully observe the provisions of Chapter 5, Title 56, Code of Laws of South Carolina, 1976, and all amendments thereto relating to the regulation of traffic on the street, or streets, to be constructed, reconstructed, altered or improved as hereinabove identified and further agrees to refrain from placing or maintaining any traffic control devices upon any section of said street, or streets, without having first obtained written approval of the South Carolina Department of Transportation as required in S.C. Code §56-5-930 (1976, as amended), nor enacting any traffic regulation ordinances inconsistent therewith.

IN WITNESS WHEREOF, this Resolution is adopted and made a part of the Municipal records this _____ day of _____, 20____, and the original of this Resolution will be filed with the South Carolina Department of Transportation at Columbia.

Dated: _____, South Carolina
Municipality

ATTEST: By: _____
Mayor

Clerk

Our King Makes A Home For Us

And, just like that
Chadwick Boseman, my King T'Challa
Died again for the final time.
And, my heart sank
For the countless little brown boys and girls
Who finally had a hero
That really looked like them.

We often lose so much,
That grief is
Protracted or delayed,
Or worse—absent.

Unprocessed grief becomes
Another hard emotion
That gets pushed down
Into our sacral area.
This might explain
Why we procreate so intensely—
Almost, to rid ourselves
Of emotions that
We can't bear.

All abuse,
Is poison to the host.
It chokes
The life out of us.

But, Boseman, Martin
And even Malcolm knew better.
They knew our collective pain
Could be transformative
And that loss would be temporary.

Our heroes
Have always gone before us
To join our ancestors
And, to make a home for us.

Rest in Power
And, wait for me.

A RESOLUTION OF TOWN COUNCIL REQUESTING FUNDING IN THE AMOUNT OF \$630,000 FOR THE DESIGN, PERMITTING, AND CONSTRUCTION OF PHASE I OF THE BAYFRONT DRAINAGE IMPROVEMENT PROJECT FROM SENATE AND HOUSE

WHEREAS, the Town of James Island is committed to improving stormwater management and reducing flooding impacts for residents and infrastructure within the Town; and

WHEREAS, the Bayfront neighborhood and surrounding areas have experienced ongoing drainage challenges that adversely affect public safety, private property, and transportation infrastructure; and

WHEREAS, the Bayfront Drainage Improvement Project has been identified as a priority initiative to address stormwater conveyance, improve drainage capacity, and reduce localized flooding in the area; and

WHEREAS, Phase I of the Bayfront Drainage Improvement Project includes the engineering design, necessary permitting, and construction of drainage improvements to enhance stormwater flow and mitigate flooding risks; and

WHEREAS, the total funding requested for Phase I of the project is Six Hundred Thirty Thousand Dollars (**\$630,000**); and

WHEREAS, the funding program requires a twenty percent (**20%**) **local match**, which the Town will provide through its stormwater or other eligible municipal funds; and

WHEREAS, the Town Council finds that the Bayfront Drainage Improvement Project will provide substantial public benefit by improving drainage infrastructure, protecting property, and increasing community resilience to stormwater events.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of James Island, in meeting duly assembled, that:

1. The Town formally requests **\$630,000 in funding** to support the **design, permitting, and construction of Phase I of the Bayfront Drainage Improvement Project**.
2. The Town commits to providing the required **twenty percent (20%) matching funds**, as required by the funding program, from available Town resources.
3. The Mayor is authorized to execute any necessary documents and submit applications required to secure this funding.
4. Upon award of funds, the Town will proceed with the implementation of Phase I of the Bayfront Drainage Improvement Project in accordance with applicable regulations and permitting requirements.

ADOPTED this ___ day of _____, 2026, by the Town Council of the Town of James Island.

Brook Lyon Mayor

ATTEST

Frances Simmons, Town Clerk

A RESOLUTION AUTHORIZING THE TOWN OF JAMES ISLAND TO APPLY FOR FUNDING THROUGH THE CHARLESTON COUNTY PARK AND RECREATION COMMISSION PARD 2025–2026 GRANT PROGRAM

WHEREAS, the Town of James Island is committed to improving parks, recreational opportunities, and quality of life for residents of the community; and

WHEREAS, the Charleston County Park and Recreation Commission administers the Parks and Recreation Development (PARD) Grant Program to assist municipalities in developing and improving local parks and recreation facilities; and

WHEREAS, the Town of James Island desires to apply for funding through the PARD 2025–2026 Grant Program for the purpose of improving parks and recreation amenities within the Town; and

WHEREAS, the requested grant amount is **Seven Thousand Three Hundred Sixty Dollars and Eighty-Nine Cents (\$7,360.89)** with a **20%** match; and

WHEREAS, receipt of these funds will support the Town’s ongoing efforts to enhance recreational opportunities and public spaces for residents and visitors.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of James Island, South Carolina, in duly assembled meeting:

1. That the Town of James Island hereby authorizes the submission of an application to the Charleston County Park and Recreation Commission for funding through the **PARD 2025–2026 Grant Program** in the amount of **\$7,360.89**.
2. That the funds, if awarded, will be used for the purpose of **improving parks and recreation facilities and amenities within the Town of James Island**.
3. That the Mayor is authorized to execute any and all documents necessary to submit the grant application and to administer the grant if awarded.

ADOPTED this ___ day of _____, 2026, by the Mayor and Council of the Town of James Island, South Carolina.

Mayor Brook Lyon

ATTEST:

Frances Simmons, Town Clerk

ORDINANCE NO. 2026-01

AN ORDINANCE AMENDING THE TOWN OF JAMES ISLAND ZONING AND LAND DEVELOPMENT REGULATIONS ORDINANCE (ZLDR), ARTICLE 153.026, SECTION D, AND 153.027 SECTION D, TO INCREASE THE MEMBERSHIP OF THE PLANNING COMMISSION AND BOARD OF ZONING APPEALS.

WHEREAS, the Mayor and Members of the Town of James Island Council of the Town of James Island desires to increase the number of members on the Planning Commission and the Board of Zoning Appeals by two additional members to broaden community representation and enhance the efficiency of the Board;

NOW, THEREFORE, BE IT ORDAINED by the Town of James Island Council assembled:

SECTION I. AMENDMENT OF THE ZLDR ARTICLE 153.026, SECTION D

The Zoning and Land Development Regulations Ordinance, Article 153.026, Section D, is hereby amended to read as follows:

SECTION D: COMPOSITION:

The Planning Commission shall consist of seven (7) members appointed by the Town of James Island Council for terms of four (4) years each. Upon enactment of this Ordinance, two new members shall be timely appointed to increase the number of members from five (5) to seven (7). The terms of the new members shall commence in August of 2026. One new member shall serve a two (2) year initial term followed by a four (4) year term and, one new member shall serve a four (4) year term. Members shall serve until their successors are appointed and qualified.

Any vacancy which may occur on the Planning Commission shall be filled by Town Council appointing a successor to serve out the unexpired term of the vacancy. In appointing members to the Planning Commission, the Town Council shall consider their professional expertise, knowledge of the community, and concern for the future welfare of the total community and its citizens. The membership of the Planning Commission should represent a broad cross-section of the interests and concerns within the town. All Planning Commission members shall reside within the municipal jurisdiction of the town. No member of the Planning Commission may hold any elected public office.

SECTION II. AMENDMENT OF THE ZLDR ARTICLE 153.027, SECTION D

The Zoning and Land Development Regulations Ordinance, Article 153.027, Section D, is hereby amended to read as follows:

SECTION D: COMPOSITION:

The Board of Zoning Appeals shall consist of seven (7) members appointed by the Town of James Island Council for terms of four (4) years each. Upon enactment of this Ordinance, two (2) new members shall be timely appointed to increase the number of members from five (5) to seven (7). The terms of the new members shall commence in August of 2026. One new member shall serve a two (2) year initial term followed by a four (4) year term and, one new member shall serve a four (4) year term. Members shall serve until their successors are appointed and qualified.

Any vacancy which may occur on the Board of Zoning Appeals shall be filled by Town Council appointing a successor to serve out the unexpired term of the vacancy. In appointing members to the Board of Zoning Appeals, the Town Council shall consider their professional expertise, knowledge of the community, and concern for the future welfare of the total community and its citizens. The membership of the Board of Zoning Appeals should represent a broad cross-section of the interests and concerns within the town. All Board of Zoning Appeals members shall reside within the municipal jurisdiction of the town. No member of the Board of Zoning Appeals may hold any elected public office.

SECTION III. SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION IV. EFFECTIVE DATE

This Ordinance shall become effective upon the second reading by the Town of James Island Council.

ADOPTED AND APPROVED this ____ day of _____, 20__.
Town of James Island, SC

Brook Lyon
Mayor

Attest:

Frances Simmons
Town Clerk



FEE PROPOSAL

PROPOSAL #:	Task Order #12	DATE:	March 13, 2026
	Mayor Brook Lyon	SENT BY:	<input type="checkbox"/> PHONE [NUMBER]
TO:	Town of James Island		<input type="checkbox"/> FAX [NUMBER]
	Nabor Drive Sidewalks Construction		<input checked="" type="checkbox"/> EMAIL [EMAIL]
RE:	Drawings and Permitting		BLYON@JAMES
BY:	Herbert W. Gilliam, P.E.		ISLANDSC.US
FEE:	\$52,800		

SCOPE OF SERVICES:

Johnson, Laschober & Associates, P.C. (JLA) is pleased to submit a proposal for the preparation of construction drawings and permitting for the Nabors Drive Sidewalk project. This portion of the sidewalk is from Regatta Road to an existing sidewalk at the entrance to the Harbor View Shopping Center. Total length is approximately 2,150 LF. JLA will coordinate design of the sidewalk with existing utilities, drainage structures, trees and landscaping.

The town recently received notice from the Charleston County Transportation Committee that it has been awarded \$230,000 from the committee for the project. JLA will coordinate with Charleston County to ensure that the construction documents are prepared in accordance with the committees checklist for reimbursement of project funding.

A separate proposal for bidding and construction services will be provided at the time when the project is ready to move into the construction phase.

Breakdown of the fee is as follows:

1) Construction Documents	\$46,300
a. Update base maps (utilities, drainage, field observations)	\$8,720
b. Drainage calculations and storm sewer design	14,880
c. Construction drawings	\$18,700
d. Specifications	\$4000
2) Permitting	\$6,500
a. Stormwater MS4	\$4,000
b. SCDES	\$2,500
3) Bidding Services	TBD
TOTAL	\$52,800



ARCHITECTS ♦ ENGINEERS ♦ LANDSCAPE ARCHITECTS

Thank you for the opportunity to submit this proposal. We look forward to working with you on this project.

Sincerely,

JOHNSON, LASCHOBER & ASSOCIATES, P.C.

Herbert W. Gilliam, P.E.

Please return a signed copy of this proposal, a purchase order, or a contract before work commences. This proposal will be considered in effect if work commences without a signed copy being received by JLA. The terms and conditions on the following page of this proposal are part of this agreement.

ACCEPTED BY:

[Signature]

[Date]