

TOWN OF ST. JAMES
St. James, North Carolina

FINANCIAL STATEMENTS
Year Ended June 30, 2025

TOWN OF ST. JAMES

TOWN COUNCIL

Jean Toner, Mayor

David DeLong, Mayor Pro-Tem

Jim Board, Councilor

Lynn Dutney, Councilor

Dennis Barclay, Councilor

ADMINISTRATIVE OFFICERS

Jeff Repp, Town Manager

Pauline Haran CPA, Finance Director

TOWN OF ST. JAMES NORTH CAROLINA
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June 30, 2025

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FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 103
Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 239-8294

Independent Auditor's Report

To the Honorable Mayor and
Members of the Town Council
St. James, North Carolina

Report on the Audit of Financial Statements

Opinions

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

In our opinion, based upon our audit, the accompanying 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 Town of St. James as of June 30, 2025, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 St. James 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 Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatement when it exists.

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

In performing an audit in accordance with GAAS and we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures 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 St. James' 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 St. James' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of St. James' basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

October 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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

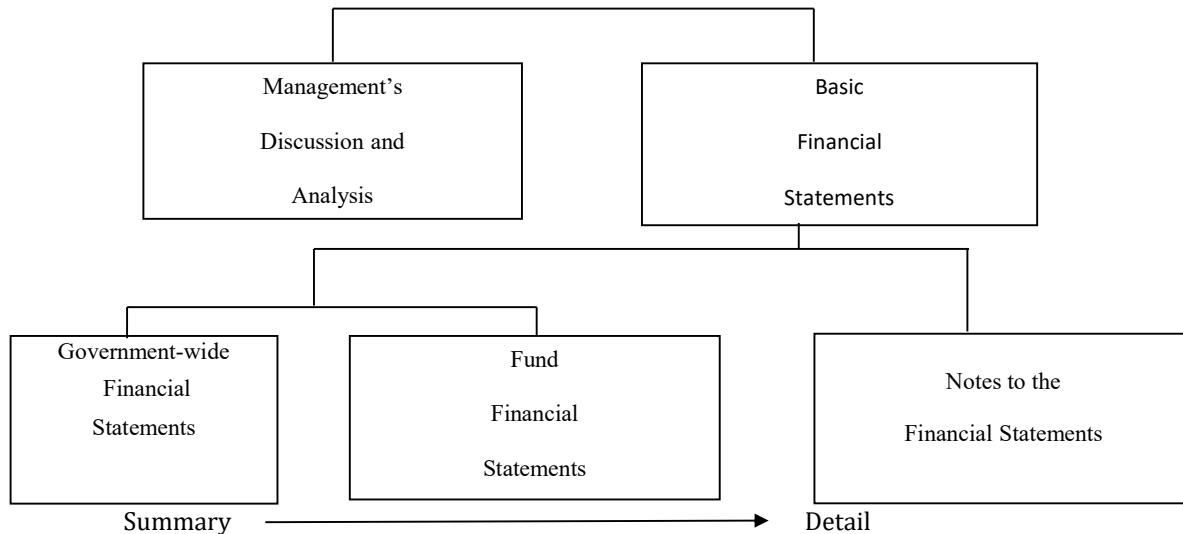
Financial Highlights

- The assets and deferred outflows of the Town of St. James exceeded its liabilities and deferred inflows at the close of the fiscal year by \$18,521,111 (*net position*).
- The government's total net position increased by \$3,272,788 before restatement.
- As of the close of the current fiscal year, the Town of St James' governmental fund reported an ending fund balance of \$11,693,689 with a net increase of \$2,740,830 in fund balance. Approximately 44.11% of this total amount, or \$5,157,881, is assigned or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,535,808 or 172.31% of total general fund expenditures for the fiscal year. Within this fund, \$1,468,533 has been assigned to disaster recovery and \$2,983,000 has been assigned to the St. James fire department future capital needs.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of St. James' basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of St. James.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are of the governmental activities. The governmental activities include most of the Town's basic services such as public safety, environmental protection, and general administration. Property taxes, State, federal grants, and financial revenue from investments support the activities.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of St. James, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of St. James are in governmental funds.

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

The Town of St. James adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit 5 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of St. James progress in funding its obligation to provide pension benefits to its employees.

Interdependence with Other Entities - The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

Town of St. James' Net Position
Figure 2

	Governmental Activities	
	2025	2024
Current and other assets	\$ 11,740,368	\$ 9,021,729
Capital assets	7,667,094	7,434,319
Deferred outflows of revenue	188,492	201,632
Total assets and deferred outflows of resources	<u>19,595,954</u>	<u>16,657,680</u>
Long-term liabilities outstanding	656,051	959,125
Other liabilities	418,467	448,133
Deferred inflows of resources	325	617
Total liabilities and deferred inflows of resources	<u>1,074,843</u>	<u>1,407,875</u>
Net position:		
Net investment in capital assets	6,948,559	6,393,822
Restricted	706,348	667,498
Unrestricted	10,866,204	8,188,485
Total net position	<u>\$ 18,521,111</u>	<u>\$ 15,249,805</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$18,521,111 as of June 30, 2025. The Town's net position increased by \$3,272,788 for the fiscal year ended June 30, 2025. The largest portion of the net position, \$10,866,204 is unrestricted; however, \$4,451,533 has been assigned.

The second largest portion, \$6,948,559 (37.52%) reflects the Town's investment in capital assets (land, buildings, infrastructure, furniture and equipment) less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. A portion of the Town of St. James' net position \$706,348 (3.81%) represents resources that are restricted.

Several particular aspects of the Town's financial operations influenced the total unrestricted governmental Fund balances.

- Higher revenue from sales tax collections.
- Retaining the tax rate of six cents per \$100 and the continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.94%.
- Revenues increased by \$317,665 when compared to prior year.

Town of St. James' Changes in Net Position
Figure 3

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for services	\$ 144,724	\$ 134,340
Operating grants	-	492
General revenues:		
Property taxes	2,151,338	2,092,958
Other taxes	3,907,217	3,704,761
Investment earnings	308,395	256,226
Other revenues	1,419	6,651
Total revenues	6,513,093	6,195,428
Expenses:		
General government	1,300,785	1,155,935
Public Safety	1,207,211	1,202,220
Transportation	14,222	15,924
Environmental protection	264,238	282,749
Community center	432,662	338,364
Interest on long-term debt	21,187	32,689
Total expenses	3,240,305	3,027,881
Change in net position	3,272,788	3,167,547
Net position, beginning, as previously reported	15,249,805	12,082,258
Restatement	(1,482)	-
Net position, beginning as restated	15,248,323	12,082,258
Net position, ending	\$ 18,521,111	\$ 15,249,805

Governmental activities. Governmental activities increased the Town's net position by \$3,272,788. Key elements of the increase are as follows.

- Increase in revenues of \$317,665 over prior year.

Financial Analysis of the Town's Funds

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

Governmental Funds - The focus of the Town of St. James' governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the Town of St. James' financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of St. James. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,535,808 while total fund balance reached \$11,693,689. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 172.31% of total General Fund expenditures, while total fund balance represents 308.29% of the same amount.

Capital Asset and Debt Administration

Capital assets - The Town of St. James' investment in capital assets and right to use lease assets for its governmental activities as of June 30, 2025, totals \$7,667,094 (net of accumulated depreciation). These assets include buildings, land, infrastructure, equipment, furniture and fixtures.

**Town of St. James' Capital Assets
(net of depreciation)**
Figure 4

	Governmental Activities	
	2025	2024
Land and other nondepreciable assets	\$ 876,586	\$ 880,286
Buildings	3,492,307	3,590,997
Infrastructure	2,947,956	2,578,035
Equipment	242,488	277,826
Furniture	85,099	95,868
Right to use lease assets	22,658	11,307
Total	\$ 7,667,094	\$ 7,434,319

Additional information on the Town's capital assets can be found in note III, A, 3 of the Basic Financial Statements.

Long-term Debt - As of June 30, 2025, the Town of St. James had total long-term debt outstanding of \$695,450. This amount is a Promissory Note with BB&T secured by the Town Hall and Community Center. Installment payment in the amount of \$362,819 is due annually and includes interest at 2.89%.

**Town of St. James
Outstanding Debt**
Figure 5

	Governmental Activities	
	2025	2024
Note payable	\$ 695,450	\$ 1,028,449
Lease Liabilities	23,085	12,048
Net pension obligation (LGERS)	275,996	257,108
Compensated absences	16,567	16,313
Total	\$ 1,011,098	\$ 1,313,918

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of St. James is \$285,783,865.

Additional information regarding the Town of St. James long-term debt can be found in note III, B, 5 of this report.

General Fund Budgetary Highlights - Generally, budget amendments fall into one of three categories:

- 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available;
- 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and
- 3) increases in appropriations that become necessary to maintain services.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities - Property taxes for FY26 will remain the same from fiscal year ending 06/30/2025. The property tax rate for FY25 is .06 cents per \$100 valuation.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Pauline F. Haran, Finance Director, Town of St. James, 4140A Southport-Supply Road, St. James, NC 28461.

BASIC FINANCIAL STATEMENTS

Town of St. James, North Carolina
Statement of Net Position
June 30, 2025

	Primary Government	
	Governmental Activities	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,032,323	\$ 11,032,323
Taxes receivable (net)	1,697	1,697
Due from other governmental agencies	706,348	706,348
Total current assets	<u>11,740,368</u>	<u>11,740,368</u>
Non-current assets:		
Capital assets		
Right to use leased assets, net of amortization	22,658	22,658
Land and construction in progress	876,586	876,586
Other capital assets, net of depreciation	6,767,850	6,767,850
Total capital assets	<u>7,667,094</u>	<u>7,667,094</u>
Total assets	<u>19,407,462</u>	<u>19,407,462</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	<u>188,492</u>	<u>188,492</u>
Total deferred outflows of resources	<u>188,492</u>	<u>188,492</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	44,982	44,982
Accrued interest payable	18,438	18,438
Compensated absences - current	16,567	16,567
Current portion of long-term liabilities	349,946	349,946
Total current liabilities	<u>429,933</u>	<u>429,933</u>
Long-term liabilities:		
Net pension liability	275,996	275,996
Due in more than one year	368,589	368,589
Total liabilities	<u>1,074,518</u>	<u>1,074,518</u>
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	<u>325</u>	<u>325</u>
Total deferred inflows of resources	<u>325</u>	<u>325</u>
NET POSITION		
Net investment in capital assets	6,948,559	6,948,559
Restricted for:		
Stabilization by state statute	706,348	706,348
Unrestricted	10,866,204	10,866,204
Total net position	<u>\$ 18,521,111</u>	<u>\$ 18,521,111</u>

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

Town of St. James, North Carolina
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position	
						Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	
Primary government:							
Governmental Activities:							
General government	\$ 1,300,785	\$ 144,724	\$ -	\$ -	\$ (1,156,061)	\$ (1,156,061)	
Public safety	1,207,211	-	-	-	(1,207,211)	(1,207,211)	
Transportation	14,222	-	-	-	(14,222)	(14,222)	
Environmental protection	264,238	-	-	-	(264,238)	(264,238)	
Community center	432,662	-	-	-	(432,662)	(432,662)	
Interest on long-term debt	21,187	-	-	-	(21,187)	(21,187)	
Total governmental activities	<u>\$ 3,240,305</u>	<u>\$ 144,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,095,581)</u>	<u>(3,095,581)</u>	
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,151,338	2,151,338	
Other taxes					3,907,217	3,907,217	
Unrestricted investment earnings					308,395	308,395	
Other revenues					1,419	1,419	
Total general revenues					<u>6,368,369</u>	<u>6,368,369</u>	
Change in net position					<u>3,272,788</u>	<u>3,272,788</u>	
Net position, beginning, as previously reported					15,249,805	15,249,805	
Restatement					(1,482)	(1,482)	
Net position, beginning as restated					<u>15,248,323</u>	<u>15,248,323</u>	
Net position, ending					<u>\$ 18,521,111</u>	<u>\$ 18,521,111</u>	

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

Town of St. James, North Carolina
Balance Sheet
Governmental Fund
June 30, 2025

	Major Funds		Total Governmental Funds	
	General Fund			
	General Fund	Total Governmental Funds		
ASSETS				
Cash and cash equivalents	\$ 11,032,323	\$ 11,032,323		
Taxes receivables, net	1,697	1,697		
Receivable from other governments	706,348	706,348		
Total assets	<u>\$ 11,740,368</u>	<u>\$ 11,740,368</u>		
LIABILITIES				
Accounts payable	\$ 44,982	\$ 44,982		
Total liabilities	<u>44,982</u>	<u>44,982</u>		
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	1,697	1,697		
Total deferred inflows of resources	<u>1,697</u>	<u>1,697</u>		
FUND BALANCES				
Restricted				
Stabilization by State Statute	706,348	706,348		
Assigned				
Fire department future capital improvements	2,983,000	2,983,000		
Disaster Recovery	1,468,533	1,468,533		
Unassigned	6,535,808	6,535,808		
Total fund balances	<u>11,693,689</u>	<u>11,693,689</u>		
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,740,368</u>	<u>\$ 11,740,368</u>		
Total fund balance, governmental funds		\$ 11,693,689		
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.				
Gross capital assets at historical cost	10,522,893			
Accumulated depreciation	<u>(2,878,457)</u>	7,644,436		
Right the use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
Right to use assets at historical cost	40,732			
Accumulated amortization	<u>(18,074)</u>	22,658		
Deferred outflows of resources related to pensions are not reported in the funds		188,492		
Liabilities for earned revenues considered deferred inflows of resources in fund statements		1,697		
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.				
Bonds payable	(695,450)			
Lease liabilities	(23,085)			
Compensated absences	(16,567)			
Accrued interest	(18,438)			
Net pension liability	(275,996)			
Deferred inflows of resources related to pensions are not reported in the funds		(325)		
Net position of governmental activities		<u>\$ 18,521,111</u>		

Town of St. James, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2025

	Major Fund	Total
	General Fund	Governmental Funds
REVENUES		
Property taxes	\$ 2,152,506	\$ 2,152,506
Unrestricted intergovernmental revenues	3,901,111	3,901,111
Restricted intergovernmental revenues	6,106	6,106
Licenses and permits	13,150	13,150
Investment earnings	308,395	308,395
Other revenue	132,993	132,993
Total revenues	<u>6,514,261</u>	<u>6,514,261</u>
EXPENDITURES		
Current:		
General government	1,503,052	1,503,052
Public safety	1,207,211	1,207,211
Transportation	14,222	14,222
Environmental protection	264,238	264,238
Community center	432,662	432,662
Debt Service:		
Principal	341,630	341,630
Interest and other charges	30,084	30,084
Total expenditures	<u>3,793,099</u>	<u>3,793,099</u>
Excess (deficiency) of revenues over expenditures	<u>2,721,162</u>	<u>2,721,162</u>
OTHER FINANCING SOURCES (USES)		
Lease proceeds	19,668	19,668
Total other financing sources (uses)	<u>19,668</u>	<u>19,668</u>
Net change in fund balance	2,740,830	2,740,830
Fund balances-beginning	8,952,859	8,952,859
Fund balances-ending	<u>\$ 11,693,689</u>	<u>\$ 11,693,689</u>

Town of St. James, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 2,740,830
Amounts reported to Governmental Activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay	466,320
Depreciation	(244,896)
Right to use leased asset capital outlay expenditures which were capitalized	
Right to used leased asset capital outlay expenditures which were capitalized	19,668
Amortization expense for intangible assets	(8,317)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	73,525
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	
Change in unavailable revenue for tax revenues	(1,168)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments	332,999
Lease payments	8,631
Lease proceeds	(19,668)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Accrued interest not reflected on governmental fund	8,897
Pension expense	(105,261)
Compensated absences	1,228
Change in net position of governmental activities	<u><u>\$ 3,272,788</u></u>

Town of St. James, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	General Fund		Variance With Final Budget	
	Budget Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 2,007,000	\$ 2,102,000	\$ 2,152,506	\$ 50,506
Unrestricted intergovernmental revenues	3,075,500	2,980,500	3,901,111	920,611
Restricted intergovernmental revenues	6,000	6,000	6,106	106
Licenses and permits	8,000	8,000	13,150	5,150
Investment earnings	160,000	160,000	308,395	148,395
Other revenue	108,500	108,500	132,993	24,493
Total revenues	5,365,000	5,365,000	6,514,261	1,149,261
Expenditures				
Current:				
General government	1,594,000	1,594,000	1,503,052	90,948
Public safety	3,108,700	3,108,700	1,207,211	1,901,489
Transportation	14,800	14,800	14,222	578
Environmental protection	614,500	614,500	264,238	350,262
Community center	504,000	504,000	432,662	71,338
Debt Service				
Principal	337,300	344,000	341,630	2,370
Interest	41,700	35,000	30,084	4,916
Total expenditures	6,215,000	6,215,000	3,793,099	2,421,901
Excess (deficiency) of revenues over expenditures	(850,000)	(850,000)	2,721,162	3,571,162
Other financing sources (uses):				
Lease proceeds			19,668	
Fund balance appropriated	850,000	850,000	-	850,000
Total other financing sources (uses)	850,000	850,000	19,668	830,332
Net change in fund balance	\$ -	\$ -	2,740,830	\$ 2,740,830
Fund balance - beginning			8,952,859	
Fund balance - ending			\$ 11,693,689	

NOTES TO THE FINANCIAL STATEMENTS

**Town of St. James, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025**

I. Summary of Significant Accounting Policies

The accounting policies of the Town of St. James, North Carolina conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of St. James the "Town" is a municipal corporation that is governed by a five-member council. The mayor is elected by the council from among its membership.

B. Basis of Presentation

Government-wide Statements : The statement of net position and the statement of activities display information about the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. The Town only has one type of activity, its governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements : The fund financial statements provide information about the Town's funds. A statement for the one fund category - governmental - is presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental fund, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The Town reports one major governmental fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and local sales tax receipts, State grants, and various other taxes and licenses. The primary expenditures are for public safety and administrative services.

The Town has no non-major governmental funds.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide Fund Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of St. James because the tax is levied by Brunswick County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The budget officer recommends budget amendments. All such amendments are approved by the Town Council. All contingency transfers require the approval of the governing Council. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town are made in Council-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and Super-NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

All cash and certificates of deposits are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

None.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2024.

5. Prepaid Items

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

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; and vehicles, \$6,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and Equipment	10
Computer equipment	3

7. Right to use assets

The Town has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals. In addition to liabilities, the statement of financial position 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 and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category - property taxes receivable and pension deferrals.

9. Long-Term Obligations

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

10. Compensated Absences

The vacation policy of the Town provides for thirty days vacation leave per year. The vacation policy provides for a maximum of 240 hours to be carried from one year to the next. Any employee with more than 240 hours of accumulated leave during the last pay period of each calendar year shall have the excess accumulation removed so that only 240 hours are carried forward to the first pay period of the next calendar year. All excess vacation hours over 240 will be converted to the employee's sick leave account. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. In accordance with GASB Statement No. 101 for the Town's government-wide funds, an expense and liability for sick leave is recognized using the "practical expedient approach" allowed by the Standard for the portion of sick leave expected to be used and paid by the Town.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

Assigned Fund Balance - portion of fund balance that the Town of St. James intends to use for specific purposes.

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

Assigned Fund Balances - The town has committed a total of \$4,451,533 to future needs. \$1,468,533 has been committed to disaster recovery and \$2,983,000 has been committed to the St. James Fire Department future capital needs.

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

12. Defined Benefit Cost-Sharing Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of St. James employer contributions are recognized when due and the Town of St. James has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

13. Accounting for Changes

The Town implemented GASB Statement No. 101, Compensated Absences in the current fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this Statement required a prior period restatement to reduce government-wide net position by \$ 1,482 to record the estimated liability for sick leave at June 30, 2024.

The Town implemented GASB Statement No. 102, Certain Risk Disclosures. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

14. Recent Accounting Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements

In April 2024, the GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—Required supplementary information. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on the financial statements.

GASB Statement No. 104, Disclosure of Certain Capital Assets

In September 2024, the GASB issued GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

II. Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Town's deposits had a carrying amount of \$5,826,682 and a bank balance of \$5,848,814. Of the bank balance, \$374,167 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

As of June 30, 2025, the Town's investments consisted of \$5,205,641 in the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's.

Interest Rate Risk. The Town has no formal investment policy regarding interest rate risk.

Credit Risk. The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor's and AAA by Moody's Investors Service. The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's and AAA-mf by Moody's as of June 30, 2025.

3. Capital Assets

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

Governmental activities:	Beginning Balances	Current Additions	Current Deletions	Ending Balances
Capital assets not being depreciated:				
Land	\$ 876,586	\$ -	\$ -	\$ 876,586
Construction in progress	3,700	-	(3,700)	-
Total capital assets not being depreciated	880,286	-	(3,700)	876,586
Capital assets being depreciated:				
Buildings	4,934,495	-	-	4,934,495
Infrastructure	2,924,632	470,020	-	3,394,652
Equipment	885,618	-	-	885,618
Furniture	431,542	-	-	431,542
Total capital assets being depreciated	9,176,287	470,020	-	9,646,307
Less accumulated depreciation for:				
Buildings	1,343,498	98,690	-	1,442,188
Infrastructure	346,597	100,099	-	446,696
Equipment	607,792	35,338	-	643,130
Furniture	335,674	10,769	-	346,443
Total accumulated depreciation	2,633,561	\$ 244,896	\$ -	2,878,457
Net capital assets being depreciated	6,542,726			6,767,850
Governmental activity capital assets, net	\$ 7,423,012			\$ 7,644,436

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

General Government	\$ 244,896
Total Depreciation Expense	<u>\$ 244,896</u>

4. Right to Use Leased Assets

The Town has recorded three right to use leased assets. The assets are right to use assets for leased equipment. The related leases are discussed in the Leases subsection of the note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

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

	Beginning Balances	Current Additions	Current Deletions	Ending Balances
Right to use assets				
Leased equipment	\$ 42,623	\$ 19,668	\$ 21,559	\$ 40,732
Total right to use assets	42,623	19,668	21,559	40,732
Less accumulated amortization for:				
Leased equipment	31,316	8,317	21,559	18,074
total accumulated amortization	31,316	\$ 8,317	\$ 21,559	\$ 18,074
Right to use assets, net	\$ 11,307			\$ 22,658

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of St. James is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and the State School Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of St. James employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of St. James' contractually required contribution rate for the year ended June 30, 2025, was 13.60% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. For the year ended June 30, 2025, the Town had no qualifying law enforcement officers. Contributions to the pension plan from the Town of St. James were \$73,525 for the year ended June 30, 2025.

Refunds of Contributions. Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2025, the Town reported a liability of \$275,996 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2025, the Town's proportion was 0.00409%, which was an increase of 0.000216% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the Town recognized pension expense of \$105,261. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 48,365	\$ 325
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	37,521	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	29,081	-
Town contributions subsequent to the measurement date	73,525	-
Total	\$ 188,492	\$ 325

\$73,525 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 40,535
2027	63,836
2028	14,514
2029	(4,243)
2030	-
Thereafter	-
Total	\$ 114,642

Actuarial Assumptions. The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.00%	2.40%
Global Equity	38.00%	6.90%
Real Estate	8.00%	6.00%
Alternatives	8.00%	8.60%
Credit	7.00%	5.30%
Inflation Protection	6.00%	4.30%
Total	<u>100.00%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2025 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Decrease (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 489,073	\$ 275,996	\$ 100,711

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

b. Supplemental Retirement Income Plan

Plan Description. The Town contributes to the supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Council of Trustees. The Plan provides retirement benefits to employees of the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an equal amount to five percent of each employee's salary engaged in law enforcement. The Town has elected to contribute 5% of salary for other employees. All amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2025 were \$76,778 which consisted of \$26,834 from the Town and \$49,944 from the employees.

2. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows and inflows of resources. Deferred at year-end is comprised of the following:

Source	Amount
Deferred outflows of resources:	
Contribution to pension plan in current fiscal year	\$ 73,525
Differences between expected and actual experience	48,365
Changes of assumptions	-
Net difference between projected and actual earnings	37,521
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,081
Total:	<u>\$ 188,492</u>

Deferred inflows of resources:

	Statement of Net Position	General Fund Balance Sheet
Differences between actual and expected experience	\$ 325	\$ -
Taxes receivable, less penalties (General Fund)	-	1,697
Total:	<u>\$ 325</u>	<u>\$ 1,697</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability of \$2,000,000 per occurrence and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance and excess policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in the insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not own real property in a flood zone and has elected not to purchase flood coverage.

In accordance with G.S. 159-29, the Town's finance officer is individually bonded for \$700,000.

4. Claims and Judgments

During the year ended June 30, 2025, management knew of no pending legal actions that would have a material adverse effect on the Town's financial position.

5. Long Term Obligations

a. Leases

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

The first agreement was executed on April 28, 2022, to lease printer/scanner and requires 60 monthly payments of \$307. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$6,567 at June 30, 2025. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

The second agreement was executed on August 2024, to lease Kyocera Lease and requires 60 monthly payments of \$350. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$16,390 at June 30, 2025. The right to use asset is discussed in more detail in the Intangible Asset section of this note.

b. Notes Payable

On March 12, 2015, the Town signed a direct placement note with Branch Banking and Trust Company to refinance their note with Rural Housing Service, an agency of the United States Department of Agriculture (USDA) and executed a promissory note in the amount of \$3,700,000. The note is secured by the Town Hall and Community Center property. Installment payments are due in the amount of \$362,819 including interest at 2.89% beginning July 28, 2015 and each year thereafter until the final payment on July 28, 2026.

Annual debt service payments of the installment contract as of June 30, 2025 are as follows:

<u>Year Ending June 30</u>	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 342,705	\$ 20,115
2027	352,745	10,058
Totals	\$ 695,450	\$ 30,173

At June 30, 2025, the Town of St. James had a legal debt margin of \$285,783,865.

c. Changes in Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Direct placement note payable	\$ 1,028,449	\$ -	\$ 332,999	\$ 695,450	\$ 342,705
Lease liabilities	12,048	19,668	8,631	23,085	7,241
Net pension obligation (LGERS)	257,108	18,888	-	275,996	-
Compensated absences					
Accrued vacation	16,313	-	2,302	14,011	14,011
Sick leave payable	1,482	1,074	-	2,556	2,556
Governmental activities long-term debt	\$ 1,315,400	\$ 38,556	\$ 343,932	\$ 1,008,542	\$ 366,513

C. Net Investment in Capital Assets

	<u>Governmental</u>
Capital assets	\$ 7,667,094
less: long term debt	(718,535)
Net investment in capital asset	\$ 6,948,559

D. Fund Balance

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

Total fund balance - General Fund	\$ 11,693,689
Less:	
Stabilization by State Statute	706,348
Fire department future capital improvements	2,983,000
Disaster recover	1,468,533
Remaining Fund Balance	\$ 6,535,808

IV. Jointly Governed Organization

Cape Fear Council of Governments

The Town, in conjunction with four counties and thirty-two other municipalities, established the Cape Fear Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing Council. The Town paid membership fees of \$1,657 to the Council during the fiscal year ended June 30, 2025.

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VI. Subsequent Events

Events occurring after June 30, 2025 were evaluated by management on October 3, 2025 to ensure that any subsequent events that met the criteria for recognition and/or disclosure to these financial statements have been included. There were no subsequent events requiring disclosure.

VII. Change in Accounting Principle

The Town implemented Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, July 1, 2024. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result, the Town recognized an additional \$1,482 in compensated absences for sick leave as of June 30, 2024, resulting in a decrease in beginning net position of the same amount.

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principals.

Schedule of the Proportionate Share of the Net Pension Asset – Local Government Employees' Retirement System

Schedule of Contributions – Local Government Employees' Retirement System

Town of St. James, North Carolina
Town of St. James' Proportionate Share of Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years*

	Local Government Employee's Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town of St. James' proportion of the net pension liability (asset) (%)	0.00409%	0.00388%	0.00382%	0.33700%	0.00202%	0.00166%	0.00164%	0.00180%	0.00186%	0.21200%
Town of St. James' proportion of the net pension liability (asset) (\$)	\$ 275,996	\$ 257,108	\$ 215,503	\$ 51,682	\$ 72,183	\$ 45,333	\$ 38,906	\$ 27,499	\$ 39,474	\$ 9,514
Town of St. James' covered-employee payroll	\$ 497,634	\$ 450,392	\$ 362,623	\$ 298,819	\$ 328,583	\$ 263,302	\$ 238,681	\$ 223,312	\$ 213,282	\$ 167,555
Town of St. James' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.46%	57.09%	59.43%	17.30%	21.97%	17.22%	16.30%	12.31%	18.51%	5.68%
Plan fiduciary net position as a percentage of the total pension liability **	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

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

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

Town of St. James, North Carolina
Town of St. James' Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employee's Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required Contribution	\$ 73,525	\$ 63,946	\$ 54,530	\$ 41,158	\$ 30,330	\$ 29,408	\$ 20,406	\$ 17,901	\$ 16,190	\$ 14,226
Contributions in relation to the contractually required contribution	73,525	63,946	54,530	41,158	30,330	29,408	20,406	17,901	16,190	14,226
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
Town of St. James' covered-employee payroll	\$ 540,627	\$ 497,634	\$ 450,392	\$ 362,623	\$ 298,819	\$ 328,583	\$ 263,302	\$ 238,681	\$ 223,312	\$ 213,282
Contributions as a percentage of covered-employee payroll	13.60%	12.85%	12.11%	11.35%	10.15%	8.95%	7.75%	7.50%	7.25%	6.67%

INDIVIDUAL FUND SCHEDULES

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

Town of St. James, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	2025		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Ad valorem taxes			
Taxes		\$ 2,150,222	
Penalties and interest		2,284	
Total	<u>\$ 2,102,000</u>	<u>2,152,506</u>	<u>\$ 50,506</u>
Unrestricted intergovernmental revenues			
Local option sales taxes		3,405,723	
Utility sales tax		463,752	
Beer and wine tax		31,636	
Total	<u>2,980,500</u>	<u>3,901,111</u>	<u>920,611</u>
Restricted intergovernmental revenue			
Solid waste disposal tax		6,106	
Total	<u>6,000</u>	<u>6,106</u>	<u>106</u>
Licenses and permits			
Zoning permits		13,150	
Total	<u>8,000</u>	<u>13,150</u>	<u>5,150</u>
Investment earnings			
Investment earnings		308,395	
Total	<u>160,000</u>	<u>308,395</u>	<u>148,395</u>
Other			
POA rentals - town hall		28,405	
Community center fees		103,169	
Other income		1,419	
Total	<u>108,500</u>	<u>132,993</u>	<u>24,493</u>
Total Revenues	<u>5,365,000</u>	<u>6,514,261</u>	<u>1,149,261</u>

Town of St. James, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	2025		Variance Favorable (Unfavorable)
	Budget	Actual	
Expenditures:			
General government			
Governing body and administration			
Salaries and employee benefits		443,450	
Operating expenses		282,839	
Total	<u>808,000</u>	<u>726,289</u>	<u>81,711</u>
Town facilities			
Operating expenses		290,775	
Capital outlay		485,988	
Total	<u>786,000</u>	<u>776,763</u>	<u>9,237</u>
Total general government	<u>1,594,000</u>	<u>1,503,052</u>	<u>90,948</u>
Public safety			
Public safety			
Operating expenses		399,611	
Total	<u>1,261,100</u>	<u>399,611</u>	<u>861,489</u>
Fire department			
Operating expenses		807,600	
Total	<u>1,847,600</u>	<u>807,600</u>	<u>1,040,000</u>
Total public safety	<u>3,108,700</u>	<u>1,207,211</u>	<u>1,901,489</u>
Transportation			
Operating expenses		14,222	
Total	<u>14,800</u>	<u>14,222</u>	<u>578</u>
Environmental protection			
Operating expenses		264,238	
Total	<u>614,500</u>	<u>264,238</u>	<u>350,262</u>

Town of St. James, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	2025		Variance Favorable (Unfavorable)
	Budget	Actual	
Community center			
Salaries and employee benefits		304,577	
Operating expenses		67,610	
Capital outlay		60,475	
Total	<u>504,000</u>	<u>432,662</u>	<u>71,338</u>
Debt Service			
Principal		341,630	
Interest		30,084	
Total debt service	<u>379,000</u>	<u>371,714</u>	<u>7,286</u>
Total Expenditures	<u>6,215,000</u>	<u>3,793,099</u>	<u>2,421,901</u>
Revenues over (under) expenditures	<u>(850,000)</u>	<u>2,721,162</u>	<u>3,571,162</u>
Other financing sources (uses):			
Lease proceeds	-	19,668	19,668
Fund balance appropriated	-	-	-
Total	<u>850,000</u>	<u>19,668</u>	<u>19,668</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$</u> <u>-</u>	<u>2,740,830</u>	<u>\$</u> <u>3,590,830</u>
Fund Balance, beginning of year		8,952,859	
Fund Balance, end of year		<u>\$</u> <u>11,693,689</u>	

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

Town of St. James, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2025

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2024</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 2,149,387	\$ 2,148,018	\$ 1,369
2023-2024	2,662	-	2,484	178
2022-2023	74	-	2	72
2022-2023	33	-	32	1
2021-2022	24	-	-	24
2020-2021	-	-	-	-
2019-2020	33	-	14	19
2018-2019	25	-	-	25
2017-2018	5	-	-	5
2016-2017	4	-	-	4
2015-2016	5	-	5	-
	<u>\$ 2,865</u>	<u>\$ 2,149,387</u>	<u>\$ 2,150,555</u>	<u>\$ 1,697</u>

Reconciliation to revenues:

Ad valorem taxes - General Fund \$ 2,152,506

Reconciling items:

Penalties and interest received \$ (2,284)

Releases 333

Total collections and credits \$ 2,150,555

Town of St. James, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2025

	Town - Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 3,581,280,000	\$ 0.06	\$ 2,148,768	\$ 2,024,207	\$ 124,561
Discoveries:					
Current year taxes	1,031,667		619	619	-
Total Discoveries	<u>1,031,667</u>		<u>619</u>	<u>619</u>	<u>-</u>
	Total Property Valuation	<u>\$ 3,581,280,000</u>			
Net levy			2,149,387	2,024,826	124,561
Uncollected taxes at June 30, 2025			1,369	1,369	-
Current year's taxes collected		\$ 2,148,018		\$ 2,023,457	\$ 124,561
Current levy collection percentage			<u>99.94%</u>	<u>99.93%</u>	<u>100.00%</u>