

**TOWN OF BRANFORD, FLORIDA**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended September 30, 2024**

**TOWN OF BRANFORD, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2024

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	5 - 7
Management Discussion and Analysis	8 - 11
<b>Basic Financial Statements</b>	
Statement of Net Position	13
Statement of Activities	14
Governmental Funds Balance Sheet	15
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Proprietary Fund	
Statement of Net Position	18
Statement of Revenues, Expenses, and Changes in Net Assets	19 - 20
Statement of Cash Flows	21 - 22
Notes to Financial Statements	23 - 38

**TOWN OF BRANFORD, FLORIDA**

**ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended September 30, 2024

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	40 - 43
Notes to Required Supplementary Information	44
<b>OTHER INFORMATION</b>	
Schedule of Expenditures of Federal Awards	45
Notes to Schedule of Expenditures of Federal Awards	46
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48 - 51
Management Letter	52 - 53
Independent Auditor's Report on Compliance with <i>Florida Statutes</i> Relating to Local Government Investments	54
Communication with Those Charged with Governance	55 - 57

## **FINANCIAL SECTION**



**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor  
And Members of the Town Council  
Town of Branford, Florida

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Branford, Florida, (The Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Branford, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Town of Branford, Florida, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Branford, Florida, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

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

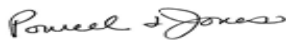
## **Other Information**

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Branford, Florida's internal control over financial reporting and compliance.



**POWELL & JONES CPA's**  
Lake City, Florida  
February 28, 2025

**TOWN OF BRANFORD, FLORIDA**  
**Management's Discussion and Analysis**

This discussion and analysis is intended to be an easily readable analysis of the Town of Branford the (Town) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

**Report Layout**

The Town has implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Town's finances. Within this view, all Town operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic services such as fire control, public works, parks and recreation, community development and general governmental administration. The Town's water, sewer, and solid waste management services are reported as business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Town.

*Basic Financial Statements*

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Town owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. For the first time, governmental activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long been reported capital assets and long-term liabilities. Also, for the first time, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the Town's programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town has one major governmental fund, the General Fund. A budgetary comparison is presented for this fund. Statements for the Town's proprietary fund follows the governmental funds and include net position, revenue, expenses and changes in net position, and cash flows.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

The MD&A is intended to serve as an introduction to the Town’s basic financial statements and to explain the significant changes in financial position and differences in operation between the current and prior years.

**Town as a Whole**

*Government-wide Financial Statements*

A condensed version of the Statement of Net Position at September 30, 2024 and 2023, follows:

**Net Position at September 30, 2024 and 2023**

	Governmental Activities	Business-type Activities	Total Government	
			2024	2023
<b>ASSETS</b>				
Current assets:				
Cash and Investments	\$ 1,006,856	\$ 1,248,881	\$ 2,255,737	\$ 1,870,038
Other current assets	58,591	55,038	113,629	135,054
Capital assets, net	2,822,086	3,083,960	5,906,046	6,222,200
<b>Total assets</b>	<b>3,887,533</b>	<b>4,387,879</b>	<b>8,275,412</b>	<b>8,227,292</b>
<b>LIABILITIES</b>				
Current liabilities	41,805	113,997	155,803	167,922
Long-term liabilities	57,512	189,357	246,868	279,317
<b>Total liabilities</b>	<b>99,317</b>	<b>303,354</b>	<b>402,671</b>	<b>447,239</b>
<b>NET POSITION</b>				
Invested in capital assets, net				
of related debt	2,745,139	2,895,959	5,641,098	5,925,222
Restricted	12,061	-	12,061	13,029
Unrestricted	1,031,016	1,188,566	2,219,582	1,841,802
<b>Total net position</b>	<b>\$ 3,788,216</b>	<b>\$ 4,084,525</b>	<b>\$ 7,872,741</b>	<b>\$ 7,780,053</b>

72% of the Town’s net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$12,061 consist of earmarked funds for transportation purposes. The remaining balance of unrestricted net position of \$2,219,582 may be used to meet the Town’s ongoing obligations to citizens and creditors.

The Town’s net position increased by \$92,688 or 1.2% over the year. The following schedule provides a summary of the changes in net position. A condensed version of the Statement of Activities follows:

## Change in Net Position

For the Fiscal Years Ended September 30, 2024 and 2023

	Governmental Activities	Business-type Activities	Total Government	
			2024	2023
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 43,475	\$ 740,767	\$ 784,242	\$ 807,669
Grants and contributions	96,210	-	96,210	375,640
Taxes	486,506	116,746	603,252	453,831
Franchise fees	88,095	-	88,095	93,115
Licenses	3,371	-	3,371	2,482
State shared revenues	86,446	-	86,446	116,074
Interest and other	33,545	41,313	74,858	49,987
Total revenues	<u>837,648</u>	<u>898,826</u>	<u>1,736,474</u>	<u>1,898,798</u>
<b>Expenses</b>				
General government	303,812	-	303,812	314,097
Public safety	128,516	-	128,516	32,227
Physical environment	147,584	-	147,584	102,269
Transportation	95,804	-	95,804	104,219
Culture/recreation	320,800	-	320,800	298,226
Water, sewer, and garbage services	-	647,270	647,270	684,375
Total expenses	<u>996,516</u>	<u>647,270</u>	<u>1,643,786</u>	<u>1,535,413</u>
Excess of revenues over (under) expenses	(158,868)	251,556	92,688	363,385
Beginning net position	<u>3,947,084</u>	<u>3,832,969</u>	<u>7,780,053</u>	<u>7,416,668</u>
Ending net position	<u>\$ 3,788,216</u>	<u>\$ 4,084,525</u>	<u>\$ 7,872,741</u>	<u>\$ 7,780,053</u>

### Governmental activities:

Grants and contributions provide 11% of the revenues for Governmental Activities, taxes provided 58%, while state shared revenues provided 10%. Most of the Governmental Activities resources were spent for General Government (30%), Culture/Recreation (32%), Public safety (13%), Physical environment (15%), and Transportation (10%).

Business-type activities increased the Town's net position by \$251,556. Key elements of this increase are as follows:

- Operating revenues exceeded operating expenses by \$121,364, which included \$104,675 in depreciation.
- Non-operating revenues totaled \$130,192.

## Budgetary Highlights

The Town's expenditures exceeded its budget by \$56,460. The Town's revenues and transfers exceeded its budget by \$114,780. These resulted in a net surplus over budget of \$58,396.

## Capital Assets and Debt Administration

### Capital Assets

At September 30, 2024, the Town had \$5,906,046 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, bridges and water and sewer facilities. Total capital assets decreased by 5% from the prior year primarily due to depreciation.

### Capital Assets at September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 686,957	\$ 686,957	\$ -	\$ -	\$ 686,957	\$ 686,957
Buildings and improvements	3,801,166	3,801,166	5,254,590	5,254,590	9,055,756	9,055,756
Equipment	602,571	558,225	151,269	115,125	753,839	673,350
Subtotal	5,090,694	5,046,348	5,405,859	5,369,715	10,496,552	10,416,063
Accumulated depreciation	(2,268,607)	(1,976,639)	(2,321,899)	(2,217,224)	(4,590,506)	(4,193,863)
Capital assets, net	<u>\$ 2,822,086</u>	<u>\$ 3,069,709</u>	<u>\$ 3,083,960</u>	<u>\$ 3,152,491</u>	<u>\$ 5,906,046</u>	<u>\$ 6,222,200</u>

## OTHER FINANCIAL INFORMATION

### Economic Factors and Rates

- The current estimated unemployment rate for the Town was 4.0%.
- The estimated population for the Town in 2024 was 864.
- The Town's ad valorem tax rate for 2024 was 7.5000, which was the same rate in the prior year.

### Financial Contact

The Town's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the Town Clerk at P.O. Box 577, Branford, Florida 32008.

**BASIC FINANCIAL STATEMENTS**

**TOWN OF BRANFORD, FLORIDA**  
**STATEMENT OF NET POSITION**  
**September 30, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,006,856	\$ 1,221,010	\$ 2,227,866
Investments	58,414	27,871	86,285
Accounts receivable, net	-	55,038	55,038
Due from other governmental units	177	-	177
<b>Total current assets</b>	<b>1,065,447</b>	<b>1,303,919</b>	<b>2,369,366</b>
Capital assets:			
Land	686,957	-	686,957
Depreciable capital assets, net	2,135,129	3,083,960	5,219,089
<b>Total Capital assets</b>	<b>2,822,086</b>	<b>3,083,960</b>	<b>5,906,046</b>
<b>Total assets</b>	<b>3,887,533</b>	<b>4,387,879</b>	<b>8,275,412</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	13,747	22,696	36,443
Accrued liabilities	894	3,534	4,428
Notes payable, current portion	24,985	-	24,985
Compensated absences, current portion	979	1,593	2,573
Customer deposits	1,200	78,500	79,700
SRF loan, current portion	-	7,674	7,674
<b>Total current liabilities</b>	<b>41,805</b>	<b>113,997</b>	<b>155,803</b>
Long-term liabilities:			
Notes payable, net of current	51,962	-	51,962
Compensated absences, net of current	5,550	9,030	14,579
SRF loan, net of current	-	180,327	180,327
<b>Total long-term liabilities</b>	<b>57,512</b>	<b>189,357</b>	<b>246,868</b>
<b>Total liabilities</b>	<b>99,317</b>	<b>303,354</b>	<b>402,671</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,745,139	2,895,959	5,641,098
Restricted for:			
Transportation	12,061	-	12,061
Unrestricted	1,031,016	1,188,566	2,219,582
<b>Total net position</b>	<b>\$ 3,788,216</b>	<b>\$ 4,084,525</b>	<b>\$ 7,872,741</b>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended September 30, 2024

Functions/Programs	Program Services				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business	Total
						Type Activities	
<b>Governmental activities</b>							
General government	\$ 303,812	\$ 23	\$ 26,150	\$ -	\$ (277,639)	\$ -	\$ (277,639)
Public safety	128,516	29,860	-	-	(98,656)	-	(98,656)
Physical environment	147,584	751	-	-	(146,833)	-	(146,833)
Transportation	95,804	-	-	-	(95,804)	-	(95,804)
Culture/recreation	320,800	12,841	70,060	-	(237,899)	-	(237,899)
<b>Total governmental activities</b>	<b>996,516</b>	<b>43,475</b>	<b>96,210</b>	<b>-</b>	<b>(856,831)</b>	<b>-</b>	<b>(856,831)</b>
<b>Business-type activities</b>							
General government	47,246	-	-	-	-	(47,246)	(47,246)
Water utility	153,956	172,942	-	-	-	18,986	18,986
Garbage services	188,892	226,592	-	-	-	37,700	37,700
Sewer utility	257,176	341,233	-	-	-	84,057	84,057
<b>Total business-type activities</b>	<b>647,270</b>	<b>740,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,497</b>	<b>93,497</b>
<b>Total government</b>	<b>\$ 1,643,786</b>	<b>\$ 784,242</b>	<b>\$ 96,210</b>	<b>\$ -</b>	<b>(856,831)</b>	<b>93,497</b>	<b>(763,334)</b>
<b>General revenues</b>							
Property taxes					258,247	-	258,247
Sales and use taxes					124,996	-	124,996
Franchise fees					88,095	-	88,095
Utility services tax					31,077	116,746	147,823
Communications surtax					72,186	-	72,186
Licenses and permits					3,371	-	3,371
State shared revenues					86,446	-	86,446
Interest					15,309	13,446	28,755
Miscellaneous					18,236	27,867	46,103
<b>Total general revenues</b>					<b>697,963</b>	<b>158,059</b>	<b>856,022</b>
<b>Change in net position</b>					<b>(158,868)</b>	<b>251,556</b>	<b>92,688</b>
<b>Net position at beginning of year</b>					<b>3,947,084</b>	<b>3,832,969</b>	<b>7,780,053</b>
<b>Net position at end of year</b>					<b>\$ 3,788,216</b>	<b>\$ 4,084,525</b>	<b>\$ 7,872,741</b>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**September 30, 2024**

	General Fund	CDBG Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,006,856	\$ -	\$ 1,006,856
Investments	58,414	-	58,414
Due from other funds	177	-	177
<b>Total assets</b>	<b>\$ 1,065,447</b>	<b>\$ -</b>	<b>\$ 1,065,447</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 13,747	\$ -	\$ 13,747
Customer deposits	1,200	-	1,200
Accrued liabilities	894	-	894
<b>Total liabilities</b>	<b>15,841</b>	<b>-</b>	<b>15,841</b>
 <b>Fund Balance</b>			
<b>Restricted for:</b>			
Transportation	\$ 12,061	-	12,061
<b>Assigned for:</b>			
Recreation	139,804	-	139,804
Infrastructure	214,443	-	214,443
Cemetery	94,014	-	94,014
Fire Control	5,000	-	5,000
Unassigned	584,284	-	584,284
<b>Total fund balance</b>	<b>\$ 1,049,606</b>	<b>\$ -</b>	<b>\$ 1,049,606</b>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	5,090,694
Accumulated depreciation	(2,268,607)
	<b>2,822,086</b>

Long-term liabilities, including compensated absences are not due and payable and therefore are not reported in the funds.

Net position of governmental activities	(83,476)
	<b>\$ 3,788,216</b>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended September 30, 2024

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 574,601	\$ -	\$ 574,601
Licenses and permits	3,371	-	3,371
Intergovernmental revenue	182,656	-	182,656
Charges for services	43,475	-	43,475
Fines and forfeitures	4,285	-	4,285
Miscellaneous	29,260	-	29,260
Total revenues	<u>837,648</u>	<u>-</u>	<u>837,648</u>
<b>EXPENDITURES</b>			
Current expenditures			
General government	258,614	-	258,614
Public safety	124,864	-	124,864
Physical environment	81,167	-	81,167
Transportation	68,125	-	68,125
Culture/recreation	169,176	-	169,176
Capital outlay			
Culture/recreation	44,346	-	44,346
Debt Service			
Principal	24,356	-	24,356
Interest	2,643	-	2,643
Total expenditures	<u>773,291</u>	<u>-</u>	<u>773,291</u>
Excess of revenues over expenditures	64,357	-	64,357
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers	76	(76)	-
Total other financing sources (uses)	<u>76</u>	<u>(76)</u>	<u>-</u>
Net change in fund balance	64,433	(76)	64,357
Fund balance at beginning of year	985,173	76	985,249
Fund balance at end of year	<u>\$ 1,049,606</u>	<u>\$ -</u>	<u>\$ 1,049,606</u>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended September 30, 2024**

Net change in fund balance - total governmental funds		\$ 64,357
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p style="padding-left: 20px;">Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Expenditures for capital assets	44,346	
Less current year depreciation	<u>(291,969)</u>	(247,623)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.</p>		
Payment of long-term debt		24,356
Net change in compensated absences		<u>42</u>
Change in net assets of governmental activities		<u><u>\$ (158,868)</u></u>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 September 30, 2024**

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,221,010
Investments	27,871
Accounts receivable, net	55,038
Total current assets	1,303,919
Fixed assets	
Depreciable	
Equipment	5,405,859
Allowance for depreciation	(2,321,899)
Total fixed assets	3,083,960
Total assets	\$ 4,387,879
 <b>LIABILITIES AND NET POSITION</b>	
Liabilities	
Current liabilities:	
Accounts payable	\$ 22,696
Accrued compensated absences, current portion	1,593
Customer deposits	78,500
Other accrued liabilities	3,534
State revolving fund loan payable, current portion	7,674
Total current liabilities	113,997
Long-term liabilities	
Compensated absences, net of current	9,030
State revolving fund loan payable, net of current	180,327
Total long-term liabilities	189,357
Total liabilities	303,354
Net position	
Invested in capital assets	2,895,959
Unrestricted	1,188,566
Total net position	\$ 4,084,525

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Fiscal Year Ended September 30, 2024

	<u>Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Physical environment	
Water utility revenue	172,942
Garbage/solid waste revenue	226,592
Sewer utility revenue	341,233
Miscellaneous revenues	27,867
<b>Total operating revenues</b>	<b>768,634</b>
<b>OPERATING EXPENSES</b>	
Financial and administrative	
Personnel services	
Regular salaries	4,310
Payroll taxes and benefits	38,378
<b>Total personnel services</b>	<b>42,688</b>
Operating expenses	
Office supplies	1,109
Dues	3,449
<b>Total operating expenses</b>	<b>4,558</b>
<b>Total financial and administrative</b>	<b>47,246</b>
Water utility services	
Personnel services	
Regular salaries	36,398
<b>Total personnel services</b>	<b>36,398</b>
Operating expenses	
Depreciation	17,699
Professional services	20,248
Repair and maintenance	39,116
Other current charges and obligations	40,495
<b>Total operating expenses</b>	<b>117,558</b>
<b>Total water utility services</b>	<b>153,956</b>

(continued)

**TOWN OF BRANFORD, FLORIDA**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Fiscal Year Ended September 30, 2024

Garbage and solid waste services	
Operating expenses	
Other contractual services	188,171
Other current charges and obligations	<u>721</u>
Total garbage and solid waste services	<u>188,892</u>
Sewer services	
Personnel services	
Regular salaries	54,572
Total personnel services	<u>54,572</u>
Operating expenses	
Depreciation	86,976
Utility services	55,377
Repair and maintenance	26,072
Other current charges and obligations	34,179
Total operating expenses	<u>202,604</u>
Total sewer services	<u>257,176</u>
Total operating expenses	<u>647,270</u>
Operating income	<u>121,364</u>
<b>NONOPERATING REVENUES</b>	
Utility services taxes	116,746
Interest on investments	<u>13,446</u>
Total nonoperating revenues	<u>130,192</u>
Change in net position	<u>251,556</u>
Net position at beginning of year	<u>3,832,969</u>
Net position at end of year	<u><u>\$ 4,084,525</u></u>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended September 30, 2024

	<u>Enterprise Fund</u>
Cash flows from operating activities	
Cash received from customers and users	\$ 770,624
Cash paid to suppliers	(418,094)
Cash paid to employees	(129,127)
Net cash provided by operating activities	223,403
Cash flows from investing activities	
Interest on investments	13,446
Net cash flow from investing activities	13,446
Cash flows from non-capital financing activities	
Utility services tax	116,746
Net cash provided by non-capital financing activities	116,746
Cash flows from capital financing activities	
Additions to capital assets	(36,144)
Principal payments on long-term debt	(7,674)
Net cash used in capital financing activities	(43,818)
Net increase in cash	309,777
Cash, October 1, 2023	939,104
Cash, September 30, 2024	\$ 1,248,881

See notes to financial statements  
(Continued)

**TOWN OF BRANFORD, FLORIDA**  
**STATEMENT OF CASH FLOWS (CONCLUDED)**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended September 30, 2024

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<b>Enterprise Fund</b>
Operating gain	<b>\$ 121,364</b>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expenses	104,675
(Increase)/decrease in assets	
Accounts receivable	(2,400)
Increase/(decrease) in liabilities	
Accounts payable	(9,157)
Accrued compensated absences	1,461
Other accrued liabilities	3,070
Customer deposit liability	4,390
Total adjustments	<b>102,039</b>
Net cash provided by operating activities	<b>\$ 223,403</b>

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2024

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Branford (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement 34-Basic Financial Statement and Management's Discussion and Analysis – for State and Local Governments. As provided by GASB 34, the Town has elected not to report retroactive infrastructure improvements in its financial statements due to the fact that its annual revenues are less than ten million. The Town has implemented all other applicable provisions of this Statement.

**A. Reporting Entity** - The Town of Branford, Florida is a municipal, political subdivision of the State of Florida created pursuant to the provisions of Chapter 165, *Florida Statutes*. The present Town of Branford was created and organized under Chapter 61-1899 of *Special Acts of Florida*. Accordingly, it is controlled by the Florida Constitution and various Florida Statutes as well as its own local charter, ordinances and policies. It is governed by an elected Mayor and Town Council.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, management determined that no component units existed which should be included within the reporting entity.

**B. Measurement Focus and Basis of Accounting** - The basic financial statements of the Town are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

### **1. Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is generally reported separately from any legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the Town also chooses to eliminate the indirect costs between governmental activities to avoid the "doubling up" effect.

### **2. Fund Financial Statements**

The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the Town's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and any nonmajor funds in the aggregate for governmental and enterprise funds.

**Governmental Funds** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Town.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be measure of "available spendable resources." Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Proprietary Funds** - The Town's Water, Sewer and Solid Waste Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The Town applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

**C. Basis of Accounting** - GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures, expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The Town has used GASB 34 minimum criteria for major fund determination. The Town has two major funds as follows:

1. **Governmental Major Fund:**  
**General Fund** - The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.
2. **Proprietary Major Fund:**  
**Enterprise Fund** - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the Town operated water, sewer, and solid waste disposal services.

**Non-current Governmental Assets/Liabilities:**

GASB Statement 34 requires non-current governmental assets, such as land and building, and noncurrent governmental liabilities, such as general obligation bonds and capital leases, be reported in the governmental activities column in the government-wide statement of net position.

**D. Assets, Liabilities and Net Position or Equity**

1. **Cash and Investments** - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.
2. **Allowance for Doubtful Accounts** - As applicable year-to-year, the Town provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2024, there was no allowance for doubtful accounts for water, sewer, and garbage billings.
3. **Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

4. **Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.
5. **Restricted Assets** - Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account, and to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The cash proceeds of enterprise fund customer deposits are also shown as restricted assets.
6. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.
7. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Town, as well as of component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10 - 50
Machinery and equipment	5 - 15
Street and related infrastructure	10 - 40

8. **Capitalization of Interest** - Interest related to borrowings are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Town did not have any capitalized interest.
9. **Deferred Revenues** - Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent unearned revenues

which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

**10. Accrued Compensated Absences** - The Town accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation, as applicable year to year.

**11. Fund Balances/Net position**

**A. Governmental Funds**

As of September 30, 2024, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purpose because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision making authority for the Town. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Town Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's general policy, only the Town Council may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

As of September 30, 2024, fund balances are composed of the following:

Restricted for:		
Transportation	\$	12,061
Assigned for:		
Recreation		139,804
Infrastructure		214,443
Cemetery		94,014
Fire Control		5,000
Unassigned		584,360
	\$	<u>1,049,682</u>

When an expenditure is incurred for purposes to which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Council has provided otherwise in its commitment or assignment actions.

**B. Proprietary Funds**

Restrictions of equity show amounts that are not appropriated for expenditures or are legally restricted for specific uses.

As of September 30, 2024, net position is composed of the following:

	<u>Amount</u>
Invested in capital assets	\$ 2,895,959
Unrestricted	<u>1,188,566</u>
	<u>\$ 4,084,525</u>

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide State of Net Position.**

“Total fund balances” of the Town’s governmental funds \$1,049,682 differs from “net position” of governmental activities \$3,788,292 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 5,090,694
Accumulated depreciation	<u>(2,268,607)</u>
Total	<u>\$ 2,822,086</u>

Long-term liabilities

Long-term liabilities applicable to the Town’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balance at September 30, 2024, was:

Notes payable	\$ (76,947)
Compensated absences	<u>(6,529)</u>
	<u>\$ (83,476)</u>

**TOWN OF BRANFORD, FLORIDA**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Statement of Net position**

	Total Governmental Fund	Capital Related Items	Long-term Debt Transactions	Statement of Net Position
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,006,856	\$ -	\$ -	\$ 1,006,856
Investments	58,414	-	-	58,414
Due from other governmental units	177	-	-	177
Capital assets - net	-	2,822,086	-	2,822,086
<b>Total assets</b>	<b><u>\$ 1,065,447</u></b>	<b><u>\$ 2,822,086</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,887,533</u></b>
<b>LIABILITIES AND FUND EQUITY</b>				
Accounts payable	\$ 13,747	\$ -	\$ -	\$ 13,747
Accrued liabilities	894	-	-	894
Customer deposits	1,200	-	-	1,200
Notes payable	-	-	76,947	76,947
Accrued compensated absences	-	-	6,529	6,529
<b>Total liabilities</b>	<b><u>15,841</u></b>	<b><u>-</u></b>	<b><u>83,476</u></b>	<b><u>99,317</u></b>
<b>Total fund balance / net position</b>	<b><u>1,049,606</u></b>	<b><u>2,822,086</u></b>	<b><u>(83,476)</u></b>	<b><u>3,788,216</u></b>
<b>Total liabilities and fund balances/net position</b>	<b><u>\$ 1,065,447</u></b>	<b><u>\$ 2,822,086</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,887,533</u></b>

**B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for governmental funds \$64,357 differs from the “change in net position” for governmental activities (\$158,868) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation expense charges for the year.

Capital outlay	\$	44,346
Depreciation expense		<u>(291,968)</u>
Difference	\$	<u><u>(247,623)</u></u>

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are reported as expenditures in governmental funds.

Payment of long-term debt	\$	24,356
Decrease in compensated absences		<u>42</u>
	\$	<u><u>24,398</u></u>

**TOWN OF BRANFORD, FLORIDA**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities**

	Total Governmental Fund	Capital Related Items	Long-term Debt Transactions	Statement of Activities
<b>REVENUES</b>				
Taxes	\$ 574,601	\$ -	\$ -	\$ 574,601
Licenses and permits	3,371	-	-	3,371
Intergovernmental	182,656	-	-	182,656
Charges for services	43,475	-	-	43,475
Fines and forfeitures	4,285	-	-	4,285
Miscellaneous	29,260	-	-	29,260
<b>Total revenues</b>	<b>837,648</b>	<b>-</b>	<b>-</b>	<b>837,648</b>
<b>EXPENDITURES</b>				
<b>Current expenditures</b>				
General government	258,614	42,597	(42)	301,169
Public safety	124,864	3,652	-	128,516
Physical environment	81,167	66,417	-	147,584
Transportation	68,125	27,679	-	95,804
Culture/recreation	169,176	151,624	-	320,800
<b>Capital outlay</b>				
Culture/recreation	44,346	(44,346)	-	-
<b>Debt Service</b>				
Principal	24,356	-	(24,356)	-
Interest	2,643	-	-	2,643
<b>Total expenditures</b>	<b>773,291</b>	<b>247,623</b>	<b>(24,398)</b>	<b>996,516</b>
Excess of revenues over expenditures	64,357	(247,623)	24,398	(158,868)
Net change in fund balance	64,357	(247,623)	24,398	(158,868)
Fund balance at beginning of year	985,249	3,069,709	(107,874)	3,947,084
Fund balance at end of year	<b>\$ 1,049,606</b>	<b>\$ 2,822,086</b>	<b>\$ (83,476)</b>	<b>\$ 3,788,216</b>

### **NOTE 3. LEGAL COMPLIANCE–BUDGETS**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Town Council develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted by the Town Council through passage of an ordinance.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the Town Council.
5. Budgets for all Town funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Town Council. Individual amendments were not material in relation to the original appropriations which were amended.

### **NOTE 4. PROPERTY TAX REVENUES**

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2023-24 fiscal year were levied in October 2023. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Transfer/ Deletions	Ending Balance
<b>Governmental activities</b>				
<b>Non-depreciable capital assets:</b>				
Land	\$ 686,957	\$ -	\$ -	\$ 686,957
<b>Total non-depreciable capital assets</b>	<b>686,957</b>	<b>-</b>	<b>-</b>	<b>686,957</b>
<b>Depreciable capital assets:</b>				
Buildings and improvements	1,088,740	-	-	1,088,740
Improvements other than buildings	2,712,426	-	-	2,712,426
Equipment and vehicles	558,225	44,346	-	602,571
<b>Total depreciable capital assets</b>	<b>4,359,391</b>	<b>44,346</b>	<b>-</b>	<b>4,403,737</b>
<b>Depreciation:</b>				
Buildings and improvements	(338,794)	(101,243)	-	(440,037)
Improvements other than buildings	(1,230,548)	(156,049)	-	(1,386,597)
Equipment and vehicles	(407,297)	(34,676)	-	(441,973)
<b>Total accumulated depreciation</b>	<b>(1,976,639)</b>	<b>(291,968)</b>	<b>-</b>	<b>(2,268,607)</b>
<b>Total depreciable capital assets, net</b>	<b>2,382,752</b>	<b>(247,623)</b>	<b>-</b>	<b>2,135,129</b>
<b>Governmental activities</b>				
capital assets, net	\$ 3,069,709	\$ (247,623)	\$ -	\$ 2,822,086
<b>Business-type activities:</b>				
<b>Depreciable capital assets</b>				
Buildings and improvements	\$ 5,254,590	\$ -	\$ -	\$ 5,254,590
Machinery and equipment	115,125	36,144	-	151,269
<b>Total depreciable capital assets</b>	<b>5,369,715</b>	<b>36,144</b>	<b>-</b>	<b>5,405,859</b>
Less accumulated depreciation	(2,217,224)	(104,675)	-	(2,321,899)
<b>Business-type activities</b>				
capital assets, net	\$ 3,152,491	\$ (68,531)	\$ -	\$ 3,083,960

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

<b>Governmental activities:</b>	
General government	\$ 42,596
Public safety	3,652
Physical environment	66,417
Transportation	27,679
Culture/recreation	151,624
<b>Total depreciation expense - governmental activities</b>	<b>\$ 291,968</b>
<b>Business-type activities:</b>	
Water utility	\$ 17,699
Sewer utility	86,976
<b>Total depreciation expense - business-type activities</b>	<b>\$ 104,675</b>

## NOTE 6. RECEIVABLE AND PAYABLE BALANCES

### Receivables

Receivables at September 30, 2024, were as follows:

	<u>Accounts Receivables</u>	<u>Due from Governments</u>	<u>Total Receivables</u>
Governmental activities:			
General	\$ -	\$ 253	\$ 253
Business-type activities			
Enterprise	55,038	-	55,038
	<u>\$ 55,038</u>	<u>\$ 253</u>	<u>\$ 55,291</u>

### Payables

Payables at September 30, 2024, were as follows:

	<u>Vendors</u>
Governmental activities:	
General	\$ 13,747
Business-type activities	
Enterprise	22,696
	<u>\$ 36,443</u>

## NOTE 7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes payable	\$ 101,303	\$ -	\$ 24,356	\$ 76,947	\$ 24,985
Compensated absences	6,571	-	42	6,529	979
Total governmental activities	<u>\$ 107,874</u>	<u>\$ -</u>	<u>\$ 24,398</u>	<u>\$ 83,476</u>	<u>\$ 25,964</u>
Business-type Activities					
State revolving fund loan	\$ 195,675	\$ -	\$ 7,674	\$ 188,001	\$ 7,674
Compensated absences	9,162	1,461	-	10,623	1,593
Total business-type activities	<u>\$ 204,837</u>	<u>\$ 1,461</u>	<u>\$ 7,674</u>	<u>\$ 198,624</u>	<u>\$ 9,267</u>

On February 8, 2017, the Town closed on a loan from Capital City Bank in the amount of \$235,000. The proceeds of this loan were used to purchase property for the construction of a new Town Hall. The Town is paying ten equal annual payments in the amount of \$26,999 at an interest rate of 2.57%, with the first payment due on February 8, 2018. Future debt service requirements are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2025	\$ 24,985	\$ 2,004	\$ 26,989
2026	25,646	1,353	26,999
2027	26,316	683	26,999
	<u>\$ 76,947</u>	<u>\$ 4,040</u>	<u>\$ 80,987</u>

The Capital City Bank loans provide that the bank may take all actions necessary to collect in the event of a default.

In September 2018, the Town amended a Clean Water State Revolving fund loan agreement with the Florida Department of Environmental Protection. Funds from the loan are purposed to be used by the Town to continue the building of an effluent water tank. The amendment increased the amount of the loan to \$599,433; the Department has agreed to forgive \$374,440 of the loan's principal, and \$11,989 of service fees have brought the amount that will be ultimately owed back to \$236,982. The department disburses amounts of the zero-interest loan as requested by the Town upon completion of tasks associated with the effluent water tank's construction. Beginning July 2019 the Town will remit 60 semi-annual payments in the amount of \$3,837 every July and January that will be completely applied to the amount owed. Future debt service requirements are as follows:

	<u>PRINCIPAL</u>
2025	\$ 7,674
2026	7,674
2027	7,674
2028	7,674
2029	7,674
2030-2034	38,370
2035-2039	38,370
2040-2044	38,370
2045-2047	34,521
	<u>\$ 188,001</u>

The State of Florida Department of Environmental Protection Revolving Fund loan above contains provisions that in the event of default and subject to the rights of superior liens on the pledged revenues, the lender may request a court to appoint a receiver to manage the water and sewer systems, intercept the delinquent amount from any unobligated funds due to the Town under any revenue or tax sharing fund established by the State of Florida, impose a penalty in the amount not to exceed a rate of 18 percent per annum on the amount due and may accelerate the repayment schedule or increase the interest rate on the unpaid principal on the loan to as much as 1.667 times the loan interest rate.

#### **NOTE 8. RETIREMENT SYSTEM**

The Town maintains a "Money Purchase Pension Plan" for its full-time employees. The plan provides for 100 percent vesting after six years. This plan is fully funded by the Town and contributions approximate 13 percent of salaries. The plan is a defined contribution plan and is administered through a contractual arrangement. All full-time employees are eligible to be included in the plan after one year of service, except elected officials. The contributions paid during the year totaled \$18,823. The Town reflects costs for the plan as contributions are paid. Contributions in 2024, 2023, and 2022 were \$15,789, \$18,722, and \$18,823.

## **NOTE 9. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

## **NOTE 10. LONG-TERM CONTRACTS**

Effective April 1, 2020, the Town extended a contract with Waste Pro of Florida for the residential and commercial collection of solid waste within the Town. The contract is for a five-year term. The contract fees are payable monthly based upon a unit price schedule and actual units serviced. In the current year, \$188,171 was paid under the contract.

## **NOTE 11. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to theft of, damage to and destruction of assets; and injury or death on the job of all employees. These risks are primarily covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial or worker's compensation insurance coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

## **NOTE 12. OTHER POST EMPLOYMENT BENEFITS**

Pursuant to the provisions of section 112.8011, Florida Statutes, former employees and eligible dependents who retire from the Town, may continue to participate in the Town's fully insured health and hospitalization plan. These retirees are completely responsible for payment of their insurance premiums and the Town does not contribute toward this payment. Based upon prior experience, the assumed participation rate is zero percent and current insurance premiums are not affected by the requirements of section 112.8011, Florida Statutes. An actuarial projection with a zero assumed participation rate, which is consistent with actual results, would result in an Other Post Employment Benefit (OPEB) obligation of zero. Accordingly, there is no OPEB obligation recorded in the financial statements.

## **NOTE 13. Upcoming Accounting Pronouncements**

### **SGAS 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. Initial adoption is required by the fiscal year ended September 30, 2026, but early adoption is encouraged. Management is still evaluating the potential impact of his pronouncement on the financial statements and other significant matters.

### **SGAS No. 103 Financial Reporting Model Improvements**

This Statement requires:

- Information presented in MD&A be limited to certain topics and presented in a new format.
- Inflows and outflows related to each unusual or infrequent items to be reported separately as the last resource flow.
- Proprietary nonoperating revenues and expenses be classified according to new definitions and that a separate subtotal be presented for noncapital subsidies.
- Each major component unit to be presented in a separate column on the statement of net position and statement of activities, or a combining statement be presented.

Budgetary comparison information be presented as RSI and that variances between original and final budgets be presented as well as an explanation of significant variances in the notes. This standard is required to be adopted for the fiscal year ended September 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

#### **SGAS No. 102 Certain Risk Disclosures**

This Statement requires that risks of substantial impact that are likely to occur due to concentrations and constraints be reported in the notes with certain additional information. This standard is required to be adopted for the fiscal year ended September 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

#### **SGAS No. 101 Compensated Absences**

This Statement establishes a single recognition and measurement model for all types of compensated absences, requiring liabilities to be recognized as leave is earned rather than when it is paid or taken. This standard is required to be adopted for the fiscal year ended September 30, 2025, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BRANFORD, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$ 253,299	\$ 258,247	\$ 4,948
Sales and use taxes			
County infrastructure surtax	84,500	124,996	40,496
Local option gas tax/ alternative fuel	32,000	31,077	(923)
Communications services tax	63,000	72,186	9,186
Franchise fees			
Electricity	80,000	88,095	8,095
Total taxes	<u>512,799</u>	<u>574,601</u>	<u>61,802</u>
Licenses and permits			
Professional and occupational	5,800	3,371	(2,429)
Other licenses and permits	1,100	-	(1,100)
Total licenses and permits	<u>6,900</u>	<u>3,371</u>	<u>(3,529)</u>
Intergovernmental revenue			
State grant	-	21,150	21,150
CDBG grant	-	5,000	5,000
State shared revenues			
General government			
State revenue sharing	40,600	39,269	(1,331)
Mobile home licenses	400	517	117
Alcoholic beverage licenses	800	974	174
Local government half-cent sales tax	49,069	45,686	(3,383)
Grants from other local units			
Culture/recreation	70,000	70,060	60
Total intergovernmental revenue	<u>\$ 160,869</u>	<u>\$ 182,656</u>	<u>\$ 21,787</u>

(continued)

See notes to schedule.

**TOWN OF BRANFORD, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Charges for services</b>			
General government			
Zoning fees	\$ 500	\$ -	\$ (500)
Certification, copying, record search	-	23	23
Public safety			
Fire protection services	1,500	8,132	6,632
Lighting & maintenance	17,000	21,728	4,728
Physical environment			
Other physical environment	100	751	651
Culture/recreation			
Boat ramp fees	-	3,267	3,267
Civic center fees	5,000	9,574	4,574
<b>Total charges for services</b>	<b>24,100</b>	<b>43,475</b>	<b>19,375</b>
<b>Fines and forfeitures</b>			
Court cases			
Court fines	2,000	4,285	2,285
<b>Miscellaneous</b>			
Interest earnings			
Interest on investments	1,000	15,309	14,309
Cemetery			
Lot fees	10,000	3,500	(6,500)
Other miscellaneous	5,200	10,451	5,251
<b>Total miscellaneous</b>	<b>16,200</b>	<b>29,260</b>	<b>13,060</b>
<b>Total revenues</b>	<b>722,868</b>	<b>837,648</b>	<b>114,780</b>
<b>EXPENDITURES</b>			
General government			
Legislative			
Personnel services	51,350	47,196	4,154
Operating expenses	3,000	2,978	22
<b>Total legislative</b>	<b>\$ 54,350</b>	<b>\$ 50,174</b>	<b>\$ 4,176</b>

(continued)  
See notes to schedule.

**TOWN OF BRANFORD, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Financial and administrative			
Personnel services	\$ 51,554	\$ 63,849	\$ (12,295)
Operating expenses	27,400	38,966	(11,566)
Capital outlay	3,000	-	3,000
Total financial and administrative	<u>81,954</u>	<u>102,815</u>	<u>(20,861)</u>
Legal counsel			
Operating expenses	<u>11,000</u>	<u>17,399</u>	<u>(6,399)</u>
Comprehensive planning			
Operating expenses	<u>11,000</u>	<u>12,500</u>	<u>(1,500)</u>
Other general government			
Operating expenses	41,200	75,726	(34,526)
Capital outlay	9,600	-	9,600
Debt service - principal	37,766	24,356	13,410
Debt service - interest	-	2,643	(2,643)
Total other general government	<u>88,566</u>	<u>102,725</u>	<u>(14,159)</u>
Total general government	<u>246,870</u>	<u>285,613</u>	<u>(38,743)</u>
Public safety			
Law enforcement			
Operating expenses	<u>42,000</u>	<u>42,000</u>	<u>-</u>
Fire control			
Operating expenses	53,600	73,995	(20,395)
Capital outlay	15,000	-	15,000
Total fire control	<u>68,600</u>	<u>73,995</u>	<u>(5,395)</u>
Code enforcement			
Operating expenses	<u>9,200</u>	<u>8,869</u>	<u>331</u>
Total code enforcement	<u>9,200</u>	<u>8,869</u>	<u>331</u>
Total public safety	<u>119,800</u>	<u>124,864</u>	<u>(5,064)</u>
Physical environment			
Other physical environment			
Personnel services	67,461	75,854	(8,393)
Operating expenses	4,800	3,687	1,113
Total other physical environment	<u>72,261</u>	<u>79,541</u>	<u>(7,280)</u>
Cemetery			
Operating expenses	<u>1,500</u>	<u>1,626</u>	<u>(126)</u>
Total physical environment	<u>\$ 73,761</u>	<u>\$ 81,167</u>	<u>\$ (7,406)</u>

(continued)

See notes to schedule.

**TOWN OF BRANFORD, FLORIDA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONCLUDED)**  
**For the Fiscal Year Ended September 30, 2024**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Transportation</b>			
<b>Roads and streets</b>			
Operating expenses	\$ 78,700	\$ 53,697	\$ 25,003
Capital outlay	30,000	-	30,000
Lease expense - principal	9,234	10,947	(1,713)
Lease expense - interest	-	3,481	(3,481)
<b>Total roads and streets</b>	<u>117,934</u>	<u>68,125</u>	<u>49,809</u>
<b>Total transportation</b>	<u>117,934</u>	<u>68,125</u>	<u>49,809</u>
<b>Culture/recreation</b>			
<b>Parks and recreation</b>			
Personnel services	51,966	30,449	21,517
Operating expenses	46,500	132,077	(85,577)
Grants and aids	-	6,650	(6,650)
Capital outlay	60,000	44,346	15,654
<b>Total culture/recreation</b>	<u>158,466</u>	<u>213,522</u>	<u>(55,056)</u>
<b>Total expenditures</b>	<u>716,831</u>	<u>773,291</u>	<u>(56,460)</u>
<b>Excess of revenues over expenditures</b>	6,037	64,357	58,320
<b>OTHER FINANCING SOURCES/(USES)</b>			
Interfund transfers	-	76	76
<b>Fund balances at beginning of year</b>	985,173	985,173	-
<b>Fund balances at end of year</b>	<u>\$ 991,210</u>	<u>\$ 1,049,606</u>	<u>\$ 58,396</u>

See notes to schedule.

**TOWN OF BRANFORD, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2024**

**I. Stewardship, Compliance, and Accountability**

- A. Budgetary information.** The Town, in establishing its budgetary data reflected in the financial statements follows the procedures set out in Chapters 166 and 200, *Florida Statutes*. The Town prepares a tentative budget, which is used by the Town at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the Town's minutes.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). The only exception to the GAAP basis is the Enterprise Fund, where depreciation is not budgeted for capital assets, while capital outlay expenditures are budgeted and are reclassified into fixed assets. These are then eliminated from the results of operations for financial reporting purposes in the Enterprise Fund. Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenues.

The annual budget serves as the legal authorization for expenditures. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Town Council.

If during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the Town Council, by resolution, may make supplemental appropriations for the year up to the amount of such excess.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Town Clerk submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is the department level; however, the Town Council may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

**TOWN OF BRANFORD, FLORIDA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended September 30, 2024

Federal Grantor/State Grantor/ Pass-Through Grantor/ Program Title	ALN	Grantor Number	Program Award Amount	Current Year Expenditures
<b>FEDERAL AWARDS</b>				
<i>U.S. Department of Housing and Urban Development</i>				
Passed through the Florida Department of Economic Opportunity				
Community Development Block Grant	14.228	18DBOL037102N16	\$ 5,000	\$ 5,000
U.S. Department of the Treasury				
Passed through the Florida Fish and Wildlife Conservation Commission				
FWC Boating Access Grant	15.605	21106	42,300	21,150
Total federal awards			<u>\$ 47,300</u>	<u>\$ 26,150</u>

**TOWN OF BRANFORD, FLORIDA**  
Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2024

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying policies and presentation of the Schedule of Expenditures of Federal Awards of the Town of Branford, Florida, (the "Town") have been designed to conform to generally accepted accounting principles applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget *Uniform Guidance*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*.

- **Reporting Entity**

This reporting entity consists of the Town of Branford, Florida. The Town includes a Schedule of Expenditures of Federal Awards in the Compliance Section for the purpose of additional analysis.

- **Basis of Accounting**

The accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

- **Subrecipients**

The Schedule of Expenditures of Federal Awards is required to identify amounts passed through to subrecipients of grant funding. The Town did not have any subrecipients of grant funding in the current year.

- **Indirect Cost Rate**

The Town did not elect to use the de minimis indirect cost rate for the fiscal year then ended September 30, 2023.

## **COMPLIANCE SECTION**



## Powell and Jones CPA

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

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

To the Honorable Mayor  
And Members of the Town Council  
Town of Branford, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Branford, Florida's basic financial statements, and have issued our report thereon dated February 28, 2025

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Branford, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Branford, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Branford, Florida's internal control.

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

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

## Significant Deficiency 2024-001

### Financial Statement Preparation

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists because the Town of Branford, Florida is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

#### **MANAGEMENT'S RESPONSE**

***We agree with this finding. We are a very small government and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. Both the Mayor and Town Council review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Town Council.***

***At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.***

## Significant Deficiency 2024-002

### Classification

During the audit for the fiscal year ending September 30, 2024, it was identified that the Town made several classification errors in accounts pertaining to payroll and state sourced revenues. These instances of improper classification led to misstatements in liabilities, expenses, and revenues, which required adjustments to ensure accurate reporting. The impact of the instances, though not individually material in nature, if continued at a higher rate in future periods could lead to a material misstatement.

We recommend that the Town increase its internal controls related to the classification of transactions into proper accounts, such as making efforts to perform more robust reviews prior to approving journal entries.

## **MANAGEMENT'S RESPONSE**

***Town Clerk will balance each ledger monthly to make sure that entries are classified into the correct category with assistance from the Assistant Town Clerk so that a check and balance process is established.***

### **Significant Deficiency 2024-003 Bank Reconciliations**

The Town has made various entries to its cash ledger in the General and Enterprise Funds in previous years in order to address uncleared checks and deposits whose likelihood of clearing was considered to be remote. Certain balances from these entries have remained on the Town's cash ledgers for the past several years resulting the value of cash being inaccurately reflected on the financial statements. In the year ending September 30, 2023, the Town adjusted cash to the appropriate amount resulting in changes to prior period fund balances, net assets, and cash balances.

Additionally, we found that there were checks in excess of one year that were still considered outstanding on the bank reconciliation, most of these checks were immaterial and the financial statements were not significantly impacted, however as these type of checks are allowed to accumulate the potential for cash to be materially misstated grows.

We recommend that the Town perform a periodic review of the uncleared transactions on its bank reconciliations, which are performed once per month. Transactions that are dated in excess of a year and have not been cleared should either be reissued or be brought to the attention of the State of Florida's Department of Unclaimed Property. The impact of the journal entries that remain uncleared should be addressed in order to ensure cash is fairly stated.

## **MANAGEMENT'S RESPONSE**

***The uncleared checks and deposits will be reviewed for uncleared transactions against bank reconciliations every month. Any uncleared checks or deposits will be researched with an explanation letter attached to the reconciliation statement and signed by the Town Clerk and Assistant Town Clerk. Checks that are not cleared in one year will be re-issued or brought to the attention of the State of Florida's Department of Unclaimed Property.***

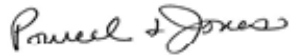
***Journal entries will be cleared to ensure that cash is fairly stated.***

### **Compliance and Other Matters**

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

**Purpose of this Report**

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



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
February 28, 2025



**Powell and Jones CPA**

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

To the Honorable Mayor  
And Members of the Town Council  
Town of Branford, Florida

We have audited the basic financial statements of the Town of Branford, Florida, as of and for the year ended September 30, 2024, and have issued our report thereon dated February 28, 2025.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards dated February 28, 2025. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter.

**PRIOR YEAR FINDINGS**

Prior Audit Findings Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Uncorrected findings are summarized in the following table.

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2022-23 FY Finding No.	2021-22 FY Finding No.
2024-001	2010-1	2010-1
2024-002	2023-1	-
2024-003	2023-2	-

**FINANCIAL COMPLIANCE MATTERS**

Financial Emergency Status – We have determined that the Town of Branford, Florida did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment – As required by the *Rules of the Auditor General*, (Sections 10.554(1)(l)5.a and 10.556(7)), we applied financial condition assessment procedures. It is management’s responsibility to monitor the entity’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

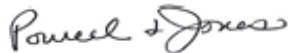
We noted no deteriorating financial conditions as defined by Rule 10.554(2)(f).

Property Assessed Clean Energy Programs (PACE) - As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town’s geographical boundaries during the fiscal year under audit.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

## **CONCLUSION**

We very much enjoyed the challenges and experiences associated with our audit of the Town. We appreciate the courtesy and helpful assistance afforded us by Town employees and officials in completing our audit and also the generally high quality of the Town’s financial records and internal controls.



**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
February 28, 2025



**Powell and Jones CPA**

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *FLORIDA STATUTES*  
RELATING TO LOCAL GOVERNMENT INVESTMENTS**

To the Honorable Mayor  
And Members of the Town Council  
Town of Branford, Florida

We have examined the Town of Branford, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2024. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

This report is intended solely for the information and use of the Town of Branford, Florida and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
February 28, 2025



## Powell and Jones CPA

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

### Communication with Those Charged with Governance

To the Honorable Mayor  
And Members of the Town Council  
Town of Branford, Florida

We have audited the financial statements of the Town of Branford, Florida for the year ended September 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Town's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were

material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 28, 2025.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

#### Other Matters

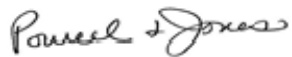
We applied certain limited procedures to management's discussion and analysis and the budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Town Council and management of the Town of Branford, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

**POWELL & JONES**  
Certified Public Accountants  
Lake City, Florida  
February 28, 2025