

TOWN OF BRANFORD, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2022

TOWN OF BRANFORD, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2022

TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	7 - 9
Management Discussion and Analysis	10 - 14
Basic Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Governmental Fund Balance Sheet	18
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Fund	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Assets	22 - 23
Statement of Cash Flows	24 - 25
Notes to Financial Statements	26 - 40

TOWN OF BRANFORD, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2022

TABLE OF CONTENTS

	PAGE NO.
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	42 - 45
Notes to Required Supplementary Information	46
OTHER INFORMATION	
Schedule of Expenditures of Federal Awards	47
Notes to Schedule of Expenditures of Federal Awards	48
COMPLIANCE SECTION	
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>	50 - 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 - 56

INTRODUCTORY SECTION

TOWN OF BRANFORD, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2022

Mayor	Danny Glover
Council President	Ken Saunders
Council Member	Matt Burns
Council Member	Alice Childress
Council Member	Stacey Griffith
Town Clerk	Donna Hardin

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, 2022, 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, 2022, 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. 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 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, 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.

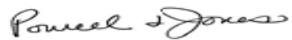
Other Information

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 6, 2023, 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
Certified Public Accountants
Lake City, Florida
February 6, 2023

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 (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's 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, 2022 and 2021, follows:

Net Position at September 30, 2022 and 2021

	Governmental Activities	Business-type Activities	Total Government	
			2022	2021
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,344,546	\$ 676,460	\$ 2,021,006	\$ 881,762
Other current assets	56,470	27,698	84,168	311,991
Capital assets, net	2,801,702	3,225,426	6,027,128	5,760,119
Total assets	4,202,718	3,929,584	8,132,302	6,953,872
LIABILITIES				
Current liabilities	313,418	88,424	401,842	181,906
Long-term debt outstanding	108,657	192,500	301,157	408,459
Total liabilities	422,075	280,924	702,999	590,365
NET POSITION				
Invested in capital assets, net of related debt	2,666,165	3,225,426	5,891,591	5,436,488
Restricted	620,074	-	620,074	557,171
Unrestricted	494,404	423,234	917,638	369,848
Total net position	\$ 3,780,643	\$ 3,648,660	\$ 7,429,303	\$ 6,363,507

71% of the Town's net position reflect 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 \$620,074 consist of earmarked funds for recreation, infrastructure, and other purposes. The remaining balance of unrestricted net position of \$917,638 may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position increased by \$1,065,796 or 16.7% 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, 2022 and 2021

	Governmental Activities	Business-type Activities	Total Government	
			2022	2021
Revenues				
Program revenues				
Charges for services	\$ 22,922	\$ 493,968	\$ 516,890	\$ 470,829
Grants and contributions	452,171	-	452,171	548,128
General revenues			-	
Taxes	383,559	101,457	485,016	414,194
Franchise fees	84,077	-	84,077	69,077
Licenses	3,718	-	3,718	3,529
State shared revenues	88,045	-	88,045	79,067
Interest and other	35,907	1,356	37,263	35,044
Total revenues	<u>1,070,399</u>	<u>596,781</u>	<u>1,667,180</u>	<u>1,619,868</u>
Expenses				
General government	263,766	-	263,766	227,393
Public safety	85,375	-	85,375	80,847
Physical environment	71,081	-	71,081	87,336
Transportation	48,588	-	48,588	51,268
Culture/recreation	140,860	-	140,860	187,969
Water, sewer, and garbage services		580,456	580,456	563,395
Total expenses	<u>609,670</u>	<u>580,456</u>	<u>1,190,126</u>	<u>1,198,233</u>
Excess of revenues over (under) expenses	460,729	16,325	477,054	421,635
Transfers	(622,803)	622,803	-	-
Beginning net position	<u>3,942,717</u>	<u>3,009,532</u>	<u>6,952,249</u>	<u>6,530,614</u>
Ending net position	<u><u>3,780,643</u></u>	<u><u>3,648,660</u></u>	<u><u>7,429,303</u></u>	<u><u>6,952,249</u></u>

Governmental activities:

Grants and contributions provide 42% of the revenues for Governmental Activities, taxes provided 36%, while state shared revenues provided 8%. Most of the Governmental Activities resources were spent for General Government (43%), Culture/Recreation (23%), and Public Safety (14%).

Business-type activities increased the Town's net position by \$16,325. Key elements of this increase are as follows:

- Operating expenses exceeded operating revenues by \$85,610, which included \$101,352 in depreciation.
- Non-operating revenues totaled \$494,846.

Budgetary Highlights

The Town operated within its budgetary limits in all funds during the current year.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2022, the Town had \$6,027,128 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, bridges and water and sewer facilities, or 2% more than 2021. The increase was primarily attributable to a project related to building a new boat ramp.

Capital Assets at September 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 267,735	\$ 267,735	\$ -	\$ -	\$ 267,735	\$ 267,735
Construction in progress	-	366,977	-	817,230	-	1,184,207
Buildings and improvements	3,801,166	3,781,834	5,224,900	3,829,167	9,026,066	7,611,001
Equipment	502,299	480,849	115,125	70,825	617,424	551,674
Subtotal	4,571,200	4,897,395	5,340,025	4,717,222	9,911,225	9,614,617
Accumulated depreciation	(1,769,498)	(1,664,949)	(2,114,599)	(2,013,247)	(3,884,097)	(3,678,196)
Capital assets, net	\$ 2,801,702	\$ 3,232,446	\$ 3,225,426	\$ 2,703,975	\$ 6,027,128	\$ 5,936,421

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current estimated unemployment rate for the Town was 3.1%.
- The estimated population for the Town in 2022 was 711.
- The Town's ad valorem tax rate for 2022 was 7.5000, which was an increase from the 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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,344,546	\$ 676,460	\$ 2,021,006
Investments	56,470	-	56,470
Accounts receivable, net	-	27,698	27,698
Total current assets	<u>1,401,016</u>	<u>704,158</u>	<u>2,105,174</u>
Capital assets:			
Land	267,735	817,230	1,084,965
Construction in progress	-	-	-
Depreciable capital assets, net	4,303,465	1,984,014	6,287,479
Capital assets - net	<u>2,801,702</u>	<u>3,225,426</u>	<u>6,027,128</u>
Total assets	<u>4,202,718</u>	<u>3,929,584</u>	<u>8,132,302</u>
LIABILITIES			
Current liabilities			
Accounts payable	4,960	5,093	10,053
Accrued liabilities	4,057	6,373	10,430
Notes payable	34,242	-	34,242
Compensated absences	1,299	934	2,233
Customer deposits	1,500	68,124	69,624
Unearned revenue	267,360	-	267,360
State revolving fund loan payable	-	7,900	7,900
Total current liabilities	<u>313,418</u>	<u>88,424</u>	<u>401,842</u>
Non-current liabilities:			
Notes payable	101,295	-	101,295
Compensated absences	7,362	5,292	12,654
State revolving fund loan payable	-	187,208	187,208
Total long-term liabilities	<u>108,657</u>	<u>192,500</u>	<u>301,157</u>
Total liabilities	<u>422,075</u>	<u>280,924</u>	<u>702,999</u>
NET POSITION			
Invested in capital assets, net			
of related debt	2,666,165	3,225,426	5,891,591
Restricted for:			
Cemetery	95,888	-	95,888
Recreation	232,332	-	232,332
Infrastructure	222,993	-	222,993
Transportation	63,861	-	63,861
Fire Control	5,000	-	5,000
Unrestricted	494,404	423,234	917,638
Total net position	<u>\$ 3,780,643</u>	<u>\$ 3,648,660</u>	<u>\$ 7,429,303</u>

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022

	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 Type Activities	Total
Functions/Programs							
Governmental activities							
General government	\$ 263,766	\$ 78	\$ 99,264	\$ -	\$ (164,424)	\$ -	\$ (164,424)
Public safety	85,375	16,636	-	15,363	(53,376)	-	(53,376)
Physical environment	71,081	600	-	169,835	99,354	-	99,354
Transportation	48,588	-	-	-	(48,588)	-	(48,588)
Culture/recreation	140,860	5,608	167,709	-	32,457	-	32,457
Total governmental activities	609,670	22,922	266,973	185,198	(134,577)	-	(134,577)
Business-type activities							
General government	83,922	-	-	-	-	(83,922)	(83,922)
Water utility	142,941	93,886	-	-	-	(49,055)	(49,055)
Garbage services	160,818	211,861	-	-	-	51,043	51,043
Sewer utility	192,775	188,221	-	-	-	(4,554)	(4,554)
Total business-type activities	580,456	493,968	-	-	-	(86,488)	(86,488)
Total government	\$ 1,190,126	\$ 516,890	\$ 266,973	\$ 185,198	(134,577)	(86,488)	(221,065)
General revenues							
Property taxes					187,334	-	187,334
Sales and use taxes					138,756	-	138,756
Franchise fees					84,077	-	84,077
Utility services tax					-	101,457	101,457
Communications surtax					57,469	-	57,469
Licenses and permits					3,718	-	3,718
Fines and forfeitures					2,027	-	2,027
State shared revenues					88,045	-	88,045
Interest					283	478	761
Miscellaneous					33,597	878	34,475
Total general revenues					595,306	102,813	698,119
Interfund transfers					(48,881)	48,881	-
Transfer of Sewer Plant Assets					(573,922)	573,922	-
Change in net position					(162,074)	639,128	477,054
Net position - beginning					3,942,717	3,009,532	6,952,249
Net position - ending					\$ 3,780,643	\$ 3,648,660	\$ 7,429,303

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2022

	General Fund	CDBG Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,344,470	\$ 76	\$ 1,344,546
Investments	56,470	-	56,470
Total assets	\$ 1,400,940	\$ 76	\$ 1,401,016
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,960	\$ -	\$ 4,960
Customer deposits	1,500	-	1,500
Accrued liabilities	4,057	-	4,057
Unearned revenues	267,360	-	267,360
Total liabilities	277,877	-	277,877
FUND BALANCE			
Restricted for:			
Recreation	232,332	-	232,332
Infrastructure	222,993	76	223,069
Transportation	63,861	-	63,861
Assigned for:			
Cemetery	95,888	-	95,888
Fire Control	5,000	-	5,000
Unassigned	502,989	-	502,989
Total fund balance	1,123,063	76	1,123,139

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	4,571,200
Accumulated depreciation	(1,769,498)
	2,801,702

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

Net position of governmental activities	(144,198)
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\$ 3,780,643

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, 2022

	<u>General Fund</u>	<u>CDBG Fund</u>	<u>Total</u>
REVENUES			
Taxes	\$ 467,636	\$ -	\$ 467,636
Licenses and permits	3,718	-	3,718
Intergovernmental revenue	370,381	169,835	540,216
Charges for services	22,922	-	22,922
Fines and forfeitures	2,027	-	2,027
Miscellaneous	33,880	-	33,880
Total revenues	<u>900,564</u>	<u>169,835</u>	<u>1,070,399</u>
EXPENDITURES			
Current expenditures			
General government	202,768	-	202,768
Public safety	80,587	-	80,587
Physical environment	42,063	-	42,063
Transportation	30,635	-	30,635
Culture/recreation	140,860	-	140,860
Capital outlay			
General government	2,742	-	2,742
Public safety	9,166	-	9,166
Physical environment	20,123	206,945	227,068
Transportation	8,750	-	8,750
Debt Service			
Principal	64,253	-	64,253
Interest	5,137	-	5,137
Total expenditures	<u>607,084</u>	<u>206,945</u>	<u>814,029</u>
Excess of revenues over expenditures	293,480	(37,110)	256,370
OTHER FINANCING SOURCES (USES)			
Interfund transfers	(37,110)	37,110	-
Transfers to Proprietary Fund	(48,881)	-	(48,881)
Total other financing sources (uses)	<u>(85,991)</u>	<u>37,110</u>	<u>(48,881)</u>
Net change in fund balance	207,489	-	207,489
Fund balance at beginning of year	915,574	76	915,650
Fund balance at end of year	<u>\$ 1,123,063</u>	<u>\$ 76</u>	<u>\$ 1,123,139</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, 2022

Net change in fund balance - total governmental funds \$ 207,489

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

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.

Expenditures for capital assets	247,726	
Transfer of sewer plant capital assets	(573,922)	
Less current year depreciation	<u>(104,549)</u>	(430,745)

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.

Payment of long-term debt	64,253
Net change in compensated absences	<u>(3,071)</u>

Change in net assets of governmental activities \$ (162,074)

See notes to financial statements.

**TOWN OF BRANFORD, FLORIDA
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 September 30, 2022**

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 676,460
Accounts receivable, net	27,698
Total current assets	704,158
Fixed assets	
Depreciable	
Improvements other than buildings	5,269,200
Equipment	70,825
Non-depreciable	
Allowance for depreciation	(2,114,599)
Total fixed assets	3,225,426
Total assets	\$ 3,929,584
LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 5,093
Accrued compensated absences	934
Other accrued liabilities	6,373
Customer deposits	68,124
State revolving fund loan payable	7,900
Total current liabilities	88,424
Noncurrent liabilities	
Compensated absences	5,292
State revolving fund loan payable	187,208
Total noncurrent liabilities	192,500
Total liabilities	280,924
NET POSITION	
Invested in capital assets	3,225,426
Unrestricted	423,234
Total net position	\$ 3,648,660

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, 2022

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Physical environment	
Water utility revenue	\$ 93,886
Garbage/solid waste revenue	211,861
Sewer utility revenue	188,221
Miscellaneous revenues	878
Total operating revenues	494,846
OPERATING EXPENSES	
Financial and administrative	
Personnel services	
Regular salaries	5,949
Payroll taxes and benefits	33,476
Total personnel services	39,425
Operating expenses	
Office supplies	2,470
Dues	5,507
Other current charges and obligations	36,520
Total operating expenses	44,497
Total financial and administrative	83,922
Water utility services	
Personnel services	
Regular salaries	36,661
Payroll taxes and benefits	30,076
Total personnel services	66,737
Operating expenses	
Depreciation	18,172
Professional services	12,692
Repair and maintenance	23,072
Other current charges and obligations	22,268
Total operating expenses	76,204
Total water utility services	142,941

(continued)

TOWN OF BRANFORD, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2022

Garbage and solid waste services	
Operating expenses	
Other contractual services	160,543
Other current charges and obligations	<u>275</u>
Total garbage and solid waste services	<u>160,818</u>
Sewer services	
Personnel services	
Regular salaries	36,259
Payroll taxes and benefits	<u>6,788</u>
Total personnel services	<u>43,047</u>
Operating expenses	
Depreciation	83,180
Utility services	19,977
Repair and maintenance	23,576
Other current charges and obligations	<u>22,995</u>
Total operating expenses	<u>149,728</u>
Total sewer services	<u>192,775</u>
Total operating expenses	<u>580,456</u>
Operating loss	<u>(85,610)</u>
NONOPERATING REVENUES	
Utility services taxes	101,457
Transfers from General Fund	622,803
Interest on investments	<u>478</u>
Total nonoperating revenues	<u>724,738</u>
Change in net position	<u>639,128</u>
Net position, beginning of year	<u>3,009,532</u>
Net position, end of year	<u>\$ 3,648,660</u>

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2022

	<u>Enterprise Fund</u>
Cash flows from operating activities	
Cash received from customers and users	\$ 504,327
Cash paid to suppliers	(343,169)
Cash paid to employees	(143,341)
Net cash provided by operating activities	17,817
 Cash flows from non-capital financing activities	
Utility services tax	101,456
Principal payments	(7,900)
Net cash provided by non-capital financing activities	93,556
 Cash flows from investing activities	
Earnings on investments	478
Net cash provided by investing activities	478
 Net increase in cash	111,851
 Cash, October 1, 2021	564,609
Cash, September 30, 2022	\$ 676,460

(continued)

TOWN OF BRANFORD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2022
RECONCILIATION OF OPERATING LOSS TO NET CASH
USED FOR OPERATING ACTIVITIES

	Enterprise Fund
Operating loss	\$ (85,610)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	101,352
(Increase)/decrease in assets	
Accounts receivable	7,516
Increase/(decrease) in liabilities	
Accounts payable	(13,274)
Accrued compensated absences	2,002
Other accrued liabilities	3,866
Customer deposit liability	1,965
Total adjustments	103,427
Net cash provided by operating activities	\$ 17,817

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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 exclude 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, 2022, there was an allowance for doubtful accounts for water, sewer, and garbage billings of \$3,913.
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, 2022, 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, 2022, fund balances are composed of the following:

Restricted for:		
Recreation	\$	232,332
Infrastructure		223,069
Transportation		63,861
Assigned for:		
Cemetery		95,888
Fire control		5,000
Unassigned		502,989
	\$	<u>1,123,139</u>

When an expenditure is incurred for purposes to which both restricted and unrestricted fund balance is available, the Town considered 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, 2022, net position is composed of the following:

	<u>Amount</u>
Invested in capital assets	\$ 3,225,426
Unrestricted	<u>423,234</u>
	<u>\$ 3,648,660</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 \$1,123,139 differs from “net position” of governmental activities \$3,780,643 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	\$ 4,571,200
Accumulated depreciation	<u>(1,769,498)</u>
Total	<u>\$ 2,801,702</u>

Long-term debt transactions

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, 2022, was:

Notes payable	\$ (135,537)
Compensated absences	<u>(8,661)</u>
	<u>\$ (144,198)</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
ASSETS				
Cash and cash equivalents	\$ 1,344,546	\$ -	\$ -	\$ 1,344,546
Investments	56,470	-	-	56,470
Capital assets - net	-	2,801,702	-	2,801,702
Total assets	<u>\$ 1,401,016</u>	<u>\$ 2,801,702</u>	<u>\$ -</u>	<u>\$ 4,202,718</u>
LIABILITIES AND FUND EQUITY				
Accounts payable	\$ 4,960	\$ -	\$ -	\$ 4,960
Accrued liabilities	4,057	-	-	4,057
Customer deposits	1,500	-	-	1,500
Unearned revenue	267,360	-	-	267,360
Notes payable	-	-	135,537	135,537
Accrued compensated absences	-	-	8,661	8,661
Total liabilities	<u>277,877</u>	<u>-</u>	<u>144,198</u>	<u>422,075</u>
Total fund balance	<u>1,123,139</u>	<u>2,801,702</u>	<u>(144,198)</u>	<u>3,780,643</u>
Total liabilities and fund balances/net position	<u>\$ 1,401,016</u>	<u>\$ 2,801,702</u>	<u>\$ -</u>	<u>\$ 4,202,718</u>

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

The “net change in fund balances” for governmental funds \$207,489 differs from the “change in net position” for governmental activities (\$162,074) 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 is 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	\$	247,726
Depreciation expense		(104,549)
Transfer of asset		<u>(573,922)</u>
Difference	\$	<u>(430,745)</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	\$	64,256
Increase in compensated absences		<u>(3,074)</u>
	\$	<u>61,182</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
REVENUES				
Taxes	\$ 467,636	\$ -	\$ -	\$ 467,636
Licenses and permits	3,718	-	-	3,718
Intergovernmental	540,216	-	-	540,216
Charges for services	22,922	-	-	22,922
Fines and forfeitures	2,027	-	-	2,027
Interest	283	-	-	283
Miscellaneous	33,597	-	-	33,597
Total revenues	<u>1,070,399</u>	<u>-</u>	<u>-</u>	<u>1,070,399</u>
EXPENDITURES				
Current expenditures				
General government	202,768	52,790	3,071	258,629
Public safety	80,587	4,788	-	85,375
Physical environment	42,063	29,018	-	71,081
Transportation	30,635	17,953	-	48,588
Culture/recreation	140,860	-	-	140,860
Capital outlay				
General government	2,742	(2,742)	-	-
Public safety	9,166	(9,166)	-	-
Physical environment	227,068	(227,068)	-	-
Transportation	8,750	(8,750)	-	-
Debt Service				
Principal	64,253	-	(64,253)	-
Interest	5,137	-	-	5,137
Total expenditures	<u>814,029</u>	<u>(143,177)</u>	<u>(61,182)</u>	<u>609,670</u>
Excess of revenues over expenditures	256,370	143,177	61,182	460,729
OTHER FINANCING SOURCES/(USES)				
Net transfers to Proprietary Fund	(48,881)	-	-	(48,881)
Transfer of assets to Proprietary fund	-	(573,922)	-	(573,922)
Net change in fund balance	207,489	(430,745)	61,182	(162,074)
Fund balance at beginning of year	915,650	3,232,447	(205,380)	3,942,717
Fund balance at end of year	<u>\$ 1,123,139</u>	<u>\$ 2,801,702</u>	<u>\$ (144,198)</u>	<u>\$ 3,780,643</u>

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 2021-22 fiscal year were levied in October 2021. 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, 2022, was as follows:

	Beginning Balance	Additions	Transfer/ Deletions	Ending Balance
Governmental activities				
Non-depreciable capital assets not being depreciated:				
Land	\$ 267,735	\$ -	\$ -	\$ 267,735
Construction in progress	366,977	206,945	(573,922)	-
Total non-depreciable capital assets	634,712	206,945	(573,922)	267,735
Depreciable capital assets:				
Buildings and improvements	1,088,740	-	-	1,088,740
Improvements other than buildings	2,693,094	19,332	-	2,712,426
Equipment and vehicles	480,849	21,450	-	502,299
Total depreciable capital assets	4,262,683	40,782	-	4,303,465
Depreciation:				
Buildings and improvements	(270,570)	(4,788)	-	(275,358)
Improvements other than buildings	(1,065,756)	(52,790)	-	(1,118,546)
Equipment and vehicles	(328,623)	(46,971)	-	(375,594)
Total accumulated depreciation	(1,664,949)	(104,549)	-	(1,769,498)
Total depreciable capital assets, net	2,597,734	(63,767)	-	2,533,967
Governmental activities				
capital assets, net	\$ 3,232,446	\$ 143,178	\$ (573,922)	\$ 2,801,702
Business-type activities:				
Non-depreciable				
Construction in progress	\$ 817,230	\$ -	\$ (817,230)	\$ -
Depreciable				
Buildings and improvements	3,829,167	1,395,733	-	5,224,900
Machinery and equipment	70,825	44,300	-	115,125
Total capital assets	4,717,222	1,440,033	(817,230)	5,340,025
Less accumulated depreciation	(2,013,247)	(101,352)	-	(2,114,599)
Business-type activities	\$ 2,703,975	\$ 1,338,681	\$ (817,230)	\$ 3,225,426

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

Governmental activities:	
General government	\$ 52,790
Public safety	4,788
Physical environment	29,018
Transportation	17,953
Total depreciation expense - governmental activities	\$ 104,549
Business-type activities:	
Water utility	\$ 18,172
Sewer utility	83,180
Total depreciation expense - business-type activities	\$ 101,352

NOTE 6. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2022, were as follows:

	<u>Accounts Receivables</u>	<u>Total Receivables</u>
Governmental activities:		
General	\$ -	\$ -
Business-type activities		
Enterprise	27,698	27,698
	<u>\$ 27,698</u>	<u>\$ 27,698</u>

Payables

Payables at September 30, 2022, were as follows:

	<u>Vendors</u>
Governmental activities:	
General	\$ 4,960
Business-type activities	
Enterprise	5,093
	<u>\$ 10,053</u>

NOTE 7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2022, 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	\$ 199,793	\$ -	\$ 64,256	\$ 135,537	\$ 34,242
Compensated absences	5,587	3,074	-	8,661	1,299
Total governmental activities	<u>\$ 205,380</u>	<u>\$ 3,074</u>	<u>\$ 64,256</u>	<u>\$ 144,198</u>	<u>\$ 35,541</u>
Business-type Activities					
State revolving fund loan	\$ 203,008	\$ -	\$ 7,900	\$ 195,108	\$ 7,900
Compensated absences	4,224	2,002	-	6,226	934
Total business-type activities	<u>\$ 207,232</u>	<u>\$ 2,002</u>	<u>\$ 7,900</u>	<u>\$ 201,334</u>	<u>\$ 8,834</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>
2023	\$ 23,741	\$ 3,258	\$ 26,999
2024	24,360	2,639	26,999
2025	24,995	2,004	26,999
2026	25,646	1,353	26,999
2027	26,294	685	26,979
	<u>\$ 125,036</u>	<u>\$ 9,939</u>	<u>\$ 134,975</u>

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

On September 28, 2017, the Town closed on a loan from Capital City Bank for \$147,200. The proceeds of this loan were used to purchase property for the improvement of the Town park. The Town paid five equal annual payments in the amount of \$31,634 at an interest rate of 2.41%. This loan was paid in full during the fiscal year.

On November 2, 2017 the Town closed on a new loan from Capital City Bank for \$50,000. The proceeds from this loan were used to continue the renovation process on the recently acquired Town Hall building. The Town is paying five annual installments in the amount of \$10,764 at an interest rate of 2.47% with the first payment due on November 2, 2018. Future debt service requirements are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$ 10,501	\$ 263	\$ 10,764
	<u>\$ 10,501</u>	<u>\$ 263</u>	<u>\$ 10,764</u>

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 \$3,950 every July and January that will be completely applied to the amount owed. Future debt service requirements are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>
2023	\$ 7,900
2024	7,900
2025	7,900
2026	7,900
2027	7,900
2028-2032	39,500
2033-2037	39,500
2038-2042	39,500
2043-2047	37,108
	<u>\$ 195,108</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 2022, 2021, and 2020 were \$18,823, \$17,545, and \$17,607.

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.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) was characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Country. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

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, \$160,543 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.

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, 2022

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	\$ 187,334	\$ 187,334	\$ -
Sales and use taxes			
County infrastructure surtax	100,602	106,652	6,050
Local option gas tax			
alternative fuel	32,104	32,104	-
Communications services tax	52,597	57,469	4,872
Franchise fees			
Electricity	84,077	84,077	-
Total taxes	<u>456,714</u>	<u>467,636</u>	<u>10,922</u>
Licenses and permits			
Professional and occupational	3,718	3,718	-
Total licenses and permits	<u>3,718</u>	<u>3,718</u>	<u>-</u>
Intergovernmental revenue			
CDBG grant	15,363	15,363	-
ARPA grant	183,312	99,264	(84,048)
State shared revenues			
General government			
State revenue sharing	40,295	40,295	-
Mobile home licenses	197	197	-
Alcoholic beverage licenses	4,065	4,065	-
Local government half-cent sales tax	43,610	40,295	(3,315)
Grants from other local units			
Culture/recreation	167,709	167,709	-
Payments in lieu of taxes	3,193	3,193	-
Total intergovernmental revenue	<u>457,744</u>	<u>370,381</u>	<u>(87,363)</u>

(continued)

**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, 2022

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Charges for services			
General government			
Certification, copying, record search	\$ 78	\$ 78	\$ -
Public safety			
Lighting & maintenance	15,022	16,636	1,614
Physical environment			
Other physical environment	-	600	600
Culture/recreation			
Civic center fees	5,608	5,608	-
Total charges for services	<u>20,708</u>	<u>22,922</u>	<u>2,214</u>
Fines and forfeitures			
Court cases			
Court fines	2,027	2,027	-
Miscellaneous			
Interest earnings			
Interest on investments	-	283	283
Cemetery			
Lot fees	16,002	16,002	-
Other miscellaneous	8,340	17,595	9,255
Total miscellaneous	<u>24,342</u>	<u>33,880</u>	<u>9,538</u>
Total revenues	<u>965,253</u>	<u>900,564</u>	<u>(64,689)</u>
EXPENDITURES			
General government			
Legislative			
Personnel services	47,474	46,667	807
Operating expenses	3,000	2,515	485
Total legislative	<u>50,474</u>	<u>49,182</u>	<u>1,292</u>
Financial and administrative			
Personnel services	63,194	63,885	(691)
Operating expenses	21,000	16,587	4,413
Capital outlay	2,000	-	2,000
Total financial and administrative	<u>86,194</u>	<u>80,472</u>	<u>5,722</u>

(continued)

OWN OF BRANFORD, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Legal counsel			
Operating expenses	\$ 11,000	\$ 6,395	\$ 4,605
Comprehensive planning			
Operating expenses	11,000	10,000	1,000
Other general government			
Operating expenses	56,968	56,719	249
Capital outlay	-	2,742	(2,742)
Debt service - principal	64,253	64,253	-
Debt service - interest	5,137	5,137	-
Total other general government	126,358	128,851	(2,493)
Total general government	285,026	274,900	10,126
Public safety			
Law enforcement			
Operating expenses	42,000	42,000	-
Fire control			
Operating expenses	58,515	37,708	20,807
Capital outlay	-	9,166	(9,166)
Total fire control	58,515	46,874	11,641
Code enforcement			
Operating expenses	5,000	879	4,121
Total code enforcement	5,000	879	4,121
Total public safety	105,515	89,753	15,762
Physical environment			
Other physical environment			
Personnel services	57,057	54,167	2,890
Operating expenses	5,000	7,186	(2,186)
Total other physical environment	62,057	61,353	704
Cemetery			
Operating expenses	1,000	833	167
Total physical environment	63,057	62,186	871

(continued)

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, 2022

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Transportation			
Roads and streets			
Operating expenses	82,891	30,635	52,256
Capital outlay	-	8,750	(8,750)
Total roads and streets	<u>82,891</u>	<u>39,385</u>	<u>43,506</u>
Total transportation	<u>82,891</u>	<u>39,385</u>	<u>43,506</u>
Culture/recreation			
Parks and recreation			
Personnel services	29,775	35,413	(5,638)
Operating expenses	33,500	84,310	(50,810)
Infrastructure improvements			
Grants and aids	25,000	1,014	23,986
Capital outlay	37,000	20,123	16,877
Total culture/recreation	<u>125,275</u>	<u>140,860</u>	<u>(15,585)</u>
Total expenditures	<u>661,764</u>	<u>607,084</u>	<u>54,680</u>
Excess of revenues over expenditures	303,489	293,480	(10,009)
OTHER FINANCING SOURCES (USES)			
Transfers to CDBG Fund	-	(37,110)	37,110
Transfers to Proprietary Fund	-	(48,881)	48,881
Total other financing sources (uses)	<u>-</u>	<u>(85,991)</u>	<u>85,991</u>
Net change in fund balance	303,489	207,489	510,978
Fund balances at beginning of year	915,574	915,574	-
Fund balances at end of year	<u>\$ 1,219,063</u>	<u>\$ 1,123,063</u>	<u>\$ 510,978</u>

**TOWN OF BRANFORD, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2022**

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, 2022

Federal Grantor/State Grantor/ Pass-Through Grantor/ Program Title	FAIN	Grantor Number	Program Award/Matching Amount	Received/ Reported Prior Year	Current Year Revenues	Current Year Expenditures
FEDERAL AWARDS						
<i>U.S. Department of Housing and Urban Development</i>						
Passed through the Florida Department of Economic Opportunity						
Community Development Block Grant	14.228	18DB0L037102N16	\$ 600,000	\$ 356,557	\$ 169,835	\$ 169,835
Non-major programs						
U.S. Department of the Treasury						
Passed through the Florida Division of Emergency Management						
American Rescue Plan Act						
Coronavirus Local Fiscal Recovery Fund	21.027	Y5170	366,625	183,313	99,266	99,266
Total federal awards			<u>\$ 966,625</u>	<u>\$ 539,870</u>	<u>\$ 269,101</u>	<u>\$ 269,101</u>

See Notes to Schedule of Expenditures of Federal Awards

TOWN OF BRANFORD, FLORIDA
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2022

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, 2022.

COMPLIANCE SECTION

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, 2022, 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 6, 2023.

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.

Finding 2010-1 (Excess of second preceding year)

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 when the government does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in instances where the Town of Branford, Florida is not capable of drafting the financial

statements and all required footnotes 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.

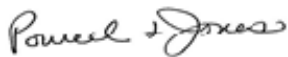
At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

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 6, 2023

**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, 2022, and have issued our report thereon dated February 6, 2023.

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 6, 2023. 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

There were no reportable findings in the prior year, applicable to the management letter.

CURRENT YEAR FINDINGS

There were no reportable findings during the current year, applicable to the management letter.

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.

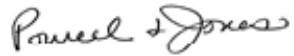
Financial Condition Assessment – As required by the *Rules of the Auditor General*, (Sections 10.554(1)(l)5.a and 10.556(7)), we applied financial condition assessment procedures. It is management’s responsibility to monitor the entity’s financial condition, and our financial condition assessment was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

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.

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

POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 6, 2023

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

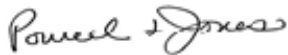
To the Honorable Mayor
And Members of the Town Council
Town of Branford, Florida

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, 2022. 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, 2022.

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 6, 2023

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, 2022. 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 Findings

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 2022. 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 trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

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 6, 2023.

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

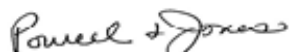
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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 to the financial statements themselves.

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,



POWELL & JONES
Certified Public Accountants
Lake City, Florida
February 6, 2023