TOWN OF BRANFORD, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

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TABLE OF CONTENTS

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TABLE OF CONTENTS

FINANCIAL SECTION

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Prior Period Restatement

As discussed in Note 14 to the financial statements, the Town restated beginning net position as of September 30, 2024 to recognize right-to-use assets and related liabilities for arrangements that were active in the prior year but were not previously recorded. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Branford, Florida's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Branford, Florida's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of expenditures of state financial assistance 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 June 30, 2026 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

Powell and Jones CPA
Lake City, Florida
June 30, 2026

This discussion and analysis is intended to be an easily readable analysis of the Town of Branford's (the Town's) 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. Governmental and Business-type activities are reported using the accrual basis of accounting and include capital assets and long-term liabilities.

- 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 funds are reported using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are generally recognized when they are measurable and available, while expenditures are recognized when the related liability is incurred, except for certain long-term items. Because governmental funds focus on current financial resources, they do not include the long-term effects of capital assets or long-term liabilities. This presentation is consistent with governmental budgetary practices. Proprietary funds, by contrast, are reported using the full accrual basis of accounting and the economic resources measurement focus, which includes capital assets, long-term liabilities, depreciation, and other long-term financial effects.

- 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, 2025 and 2024, follows:

Net Position at September 30, 2025 and 2024

	Governmental Activities	Business-type Activities	Total Government 2025	Total Government 2024 (Restated)
ASSETS				
Current assets:				
Cash and Investments	$ 805,338	$ 1,497,266	$ 2,302,604	$ 2,255,737
Other current assets	586,493	46,824	633,317	113,629
Capital assets, net	3,095,727	3,054,971	6,150,698	5,925,067
Total assets	4,487,558	4,599,061	9,086,619	8,294,433
LIABILITIES				
Current liabilities	47,734	222,007	269,741	155,803
Long-term liabilities	45,231	183,960	229,191	280,706
Total liabilities	92,965	405,967	498,932	436,509
NET POSITION				
Invested in capital assets, net of related debt	3,043,760	2,874,644	5,918,404	5,641,098
Restricted	27,082	-	27,082	12,061
Unrestricted	1,323,751	1,318,450	2,642,201	2,204,765
Total net position	$ 4,394,593	$ 4,193,094	$ 8,587,687	$ 7,857,924

69% of the Town's net position reflects its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of $27,082 consists of state funds earmarked funds for transportation infrastructure. The remaining balance of unrestricted net position of $2,642,201 may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's net position increased by $729,762 or 9.29% 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, 2025 and 2024

	Governmental Activities	Business-type Activities	Total Government 2025	Total Government 2024 (Restated)
Revenues				
Program revenues				
Charges for services	$ 30,674	$ 765,553	$ 796,227	$ 784,242
Grants and contributions	547,100	-	547,100	96,210
Taxes	622,612	-	622,612	603,252
Franchise fees	88,200	-	88,200	88,095
Licenses	4,450	-	4,450	3,371
State shared revenues	97,523	-	97,523	86,446
Insurance reimbursement	79,091		79,091	-
Interest and other	128,407	54,487	182,894	74,858
Total revenues	1,598,057	820,040	2,418,097	1,736,474
Expenses				
General government	324,690	-	324,690	318,629
Public safety	174,473	-	174,473	128,516
Physical environment	161,794	-	161,794	147,584
Transportation	69,104	-	69,104	95,804
Culture/recreation	246,803	-	246,803	320,800
Water, sewer, and garbage services	-	711,471	711,471	647,270
Total expenses	976,864	711,471	1,688,335	1,658,603
Change in net position	621,193	108,569	729,762	77,871
Beginning net position	3,773,400	4,084,525	7,857,925	7,780,054
Ending net position	$ 4,394,593	$ 4,193,094	$ 8,587,687	$ 7,857,925

Governmental activities:

Grants and contributions provide 34% of the revenues for Governmental Activities, taxes provided 39%, while state shared revenues provided 6%. Most of the Governmental Activities resources were spent for General Government (33%), Culture/Recreation (25%), Public safety (18%), Physical environment (17%), and Transportation (7%).

Business-type activities increased the Town's net position by $108,569. Key elements of this increase are as follows:

- Operating revenues exceeded operating expenses by $90,861, which included $105,822 in depreciation.
- Nonoperating revenues totaled $17,708.

Budgetary Highlights

The Town's expenditures exceeded its budget by $361,952. The Town's revenues and transfers exceeded its budget by $812,678. This was mainly due to the purchase of a large piece of equipment with grant funds that totaled $472,257.

Capital Assets and Debt Administration

Capital Assets

At September 30, 2025, the Town had $6,150,698 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, bridges and water and sewer facilities. Total capital assets increased by 4% from the prior year primarily due to the grant funded purchase capital outlay.

Capital Assets at September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024 (Restated)	2025	2024	2025	2024 (Restated)
Land	$ 686,957	$ 686,957	$ -	$ -	$ 686,957	$ 686,957
Buildings and improvements	3,822,226	3,801,166	5,331,423	5,254,590	9,153,649	9,055,756
Equipment	1,096,798	602,571	151,269	151,269	1,248,067	753,840
Right-to-use assets	36,166	36,166	-	-	36,166	36,166
Subtotal	5,642,147	5,126,860	5,482,692	5,405,859	11,124,839	10,532,719
Accumulated depreciation	(2,546,420)	(2,285,753)	(2,427,721)	(2,321,899)	(4,974,141)	(4,607,652)
Capital assets, net	$ 3,095,727	$ 2,841,107	$ 3,054,971	$ 3,083,960	$ 6,150,698	$ 5,925,067

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current estimated unemployment rate for the Town was 5.8%.
- The estimated population for the Town in 2025 was 756.
- The Town's ad valorem tax rate for 2025 was 7.5000, which was the same rate in the prior year.

Financial Contact

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

BASIC FINANCIAL STATEMENTS

TOWN OF BRANFORD, FLORIDA
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	$ 746,108	$ 1,469,006	$ 2,215,114
Investments	59,230	28,260	87,490
Accounts receivable, net	-	46,824	46,824
Due from other funds	111,493	(111,493)	-
Due from state	475,000	-	475,000
Total current assets	1,391,831	1,432,597	2,824,428
Capital assets:			
Land	686,957	-	686,957
Depreciable capital assets, net	2,396,275	3,054,971	5,451,246
Right-to-use lease asset, net	12,495	-	12,495
Total Capital assets	3,095,727	3,054,971	6,150,698
Total assets	4,487,558	4,487,568	8,975,126
LIABILITIES			
Current liabilities:			
Accounts payable	4,496	16,597	21,093
Accrued liabilities	2,210	1,986	4,196
Notes payable, current portion	25,649	-	25,649
Customer deposits	1,692	84,257	85,949
SRF loan, current portion	-	7,674	7,674
Lease liability, current portion	13,687	-	13,687
Total current liabilities	47,734	110,514	158,248
Long-term liabilities:			
Notes payable, net of current	26,318	-	26,318
Compensated absences	11,826	11,307	23,133
SRF loan, net of current	-	172,653	172,653
Lease liability, net of current	7,087	-	7,087
Total long-term liabilities	45,231	183,960	229,191
Total liabilities	92,965	294,474	387,439
NET POSITION			
Invested in capital assets, net of related debt	3,043,760	2,874,644	5,918,404
Restricted for:			
Transportation infrastructure	27,082	-	27,082
Unrestricted	1,323,751	1,318,450	2,642,201
Total net position	$ 4,394,593	$ 4,193,094	$ 8,587,687

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

		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	$ 324,690	$ 60	$ -	$ 475,000	$ 150,370	$ -	$ 150,370
Public safety	174,473	23,177	-	-	(151,296)	-	(151,296)
Physical environment	161,794	826	-	-	(160,968)	-	(160,968)
Transportation	69,104	-	-	-	(69,104)	-	(69,104)
Culture/recreation	246,803	6,611	72,100	-	(168,092)	-	(168,092)
Total governmental activities	976,864	30,674	72,100	475,000	(399,090)	-	(399,090)
Business-type activities							
General government	45,050	-	-	-	-	(45,050)	(45,050)
Water utility	160,703	210,191	-	-	-	49,488	49,488
Garbage services	192,243	231,863	-	-	-	39,620	39,620
Sewer utility	313,475	323,499	-	-	-	10,024	10,024
Total business-type activities	711,471	765,553	-	-	-	54,082	54,082
Total government	$ 1,688,335	$ 796,227	$ 72,100	$ 475,000	(399,090)	54,082	(345,008)
General revenues							
Property taxes					250,507	-	250,507
Sales and use taxes					133,403	-	133,403
Franchise fees					88,200	-	88,200
Utility services tax					159,669	-	159,669
Communications surtax					79,033	-	79,033
Licenses and permits					4,450	-	4,450
Fines and forfeitures					4,394	-	4,394
State shared revenues					97,523	-	97,523
Interest					13,456	17,218	30,674
Gain on disposal of assets					80,278	-	80,278
Miscellaneous					30,279	37,269	67,548
Insurance recoveries					79,091	-	79,091
Total general revenues					1,020,283	54,487	1,074,770
Change in net position					621,193	108,569	729,762
Net position at beginning of year, previously reported					3,788,216	4,084,525	7,872,741
Prior period restatement					(14,816)	-	(14,816)
Net position at beginning of year, as restated					3,773,400	4,084,525	7,857,925
Net position at end of year					$ 4,394,593	$ 4,193,094	$ 8,587,687

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2025

		General Fund
ASSETS		
Cash and cash equivalents	$	746,108
Investments		59,230
Due from state		475,000
Due from other funds		111,493
Total assets	$	1,391,831
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$	4,496
Customer deposits		1,692
Accrued liabilities		2,210
Total liabilities	$	8,398
Fund Balance		
Restricted for:		
Transportation Infrastructure		27,082
Assigned for:		
Recreation		80,247
Infrastructure		245,742
Cemetery		96,199
Fire Control		5,000
Unassigned		929,163
Total fund balance	$	1,383,433
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets		5,605,981
Accumulated depreciation		(2,522,749)
		3,083,232
Right-to-use lease assets		36,166
Accumulated amortization		(23,671)
		12,495
Long-term liabilities, including compensated absences are not due and payable and therefore are not reported in the funds.		(84,567)
Net position of governmental activities	$	4,394,593

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, 2025

	General Fund
REVENUES	
Taxes	$ 710,812
Licenses and permits	4,450
Intergovernmental revenue	644,623
Charges for services	30,674
Fines and forfeitures	4,394
Interest income	13,456
Other income	30,278
Total revenues	1,438,687
EXPENDITURES	
Current expenditures	
General government	300,903
Public safety	122,620
Physical environment	104,636
Transportation	51,151
Human services	-
Culture/recreation	142,633
Capital outlay	
General government	24,009
Public safety	480,827
Culture/recreation	10,451
Debt Service	
Principal	24,980
Interest	2,019
Total expenditures	1,264,229
Excess of revenues over expenditures	174,458
OTHER FINANCING SOURCES (USES)	
Disposition of fixed assets	80,278
Insurance recoveries	79,091
Total other financing sources (uses)	159,369
Net change in fund balance	333,827
Fund balance at beginning of year	1,049,606
Fund balance at end of year	$ 1,383,433

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, 2025

Net change in fund balance - total governmental funds		$ 333,827
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	515,287	
Less current year depreciation	(260,667)	
		254,620
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.		
Principal payments on notes payable		24,980
Principal reduction in lease liability		13,063
Net change in compensated absences		(5,297)
Change in net position of governmental activities		$ 621,193

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2025

		Enterprise Fund
ASSETS		
Current assets:		
Cash	$	1,469,006
Investments		28,260
Accounts receivable, net		46,824
Total current assets		1,544,090
Fixed assets		
Depreciable		
Equipment		5,482,692
Allowance for depreciation		(2,427,721)
Total fixed assets		3,054,971
Total assets	$	4,599,061
LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities:		
Accounts payable	$	16,597
Accrued compensated absences, current portion		1,696
Customer deposits		84,257
Due to other funds		111,493
Other accrued liabilities		1,986
State revolving fund loan payable, current portion		7,674
Total current liabilities		223,703
Long-term liabilities		
Compensated absences, net of current		9,611
State revolving fund loan payable, net of current		172,653
Total long-term liabilities		182,264
Total liabilities		405,967
Net position		
Invested in capital assets		2,874,644
Unrestricted		1,318,450
Total net position	$	4,193,094

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, 2025

	Enterprise Fund
OPERATING REVENUES	
Physical environment	
Water utility revenue	$ 210,191
Garbage/solid waste revenue	231,863
Sewer utility revenue	323,499
Insurance reimbursements	35,933
Miscellaneous revenues	1,336
Total operating revenues	802,822
OPERATING EXPENSES	
Financial and administrative	
Personnel services	
Regular salaries	550
Payroll taxes and benefits	40,921
Total personnel services	41,471
Operating expenses	
Office supplies	506
Dues	3,073
Total operating expenses	3,579
Total financial and administrative	45,050
Water utility services	
Personnel services	
Regular salaries	25,854
Payroll taxes and benefits	16,527
Total personnel services	42,381
Operating expenses	
Depreciation	16,814
Professional services	23,165
Repair and maintenance	40,759
Other current charges and obligations	37,584
Total operating expenses	118,322
Total water utility services	160,703

See notes to financial statements.
(continued)

TOWN OF BRANFORD, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2025

Garbage and solid waste services	
Operating expenses	
Other contractual services	191,968
Other current charges and obligations	275
Total garbage and solid waste services	192,243
Sewer services	
Personnel services	
Regular salaries	46,390
Payroll taxes and benefits	43,423
Total personnel services	89,813
Operating expenses	
Depreciation	89,008
Professional services	19,781
Utility services	24,334
Repair and maintenance	71,191
Other current charges and obligations	19,348
Total operating expenses	223,662
Total sewer services	313,475
Total operating expenses	711,471
Operating income	91,351
NONOPERATING REVENUES	
Interest on investments	17,218
Total nonoperating revenues	17,218
Change in net position	108,569
Net position at beginning of year	4,084,525
Net position at end of year	$ 4,193,094

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2025

	Enterprise Fund
Cash flows from operating activities	
Cash received from customers and users	$ 816,793
Cash paid to suppliers	(438,083)
Cash paid to employees	(174,529)
Net cash provided by operating activities	204,181
Cash flows from investing activities	
Interest on investments	17,218
Net cash flow provided by investing activities	17,218
Cash flows from non-capital financing activities	
Additions to interfund receivables	111,493
Net cash provided by non-capital financing activities	111,493
Cash flows from capital financing activities	
Purchases of capital assets	(76,833)
Principal payments on SRF loan	(7,674)
Net cash used for capital financing activities	(84,507)
Net increase in cash and cash equivalents	248,385
Cash and cash equivalents, October 1, 2024	1,221,010
Cash and cash equivalents, September 30, 2025	$ 1,469,006

See notes to financial statements
(Continued)

TOWN OF BRANFORD, FLORIDA
STATEMENT OF CASH FLOWS (CONCLUDED)
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Enterprise Fund
Operating income	$ 90,861
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	105,822
(Increase)/decrease in assets	
Accounts receivable	8,214
Increase/(decrease) in liabilities	
Accounts payable	(6,099)
Accrued compensated absences	684
Other accrued liabilities	(1,547)
Customer deposit liability	5,757
Total adjustments	112,831
Net cash provided by operating activities	$ 203,692

See notes to financial statements.

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 Statements 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 $10 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 a measure of "available spendable resources." Governmental funds operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

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

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

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

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

1. **Governmental Major Fund:**
   General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

2. **Proprietary Major Fund:**
   Enterprise Fund - The Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the Town operated water, sewer, and solid waste disposal services.

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

D. Assets, Liabilities and Net Position or Equity

1. **Cash and Investments** - Cash includes amounts in demand deposits as well as short-term money market investment accounts. Investments, consisting of certificates of deposit, are stated at cost which approximates market value. All such deposits and investments are insured and collateralized as required by state law.

2. **Allowance for Doubtful Accounts** - As applicable year-to-year, the Town provides an allowance for Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2025, there was no allowance for doubtful accounts for water, sewer, and garbage billings.

3. **Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

4. **Inventories** - The costs of governmental and enterprise fund inventories are recorded as expenditures when purchased rather than when consumed. The actual amounts of any inventory type goods on hand at year end would not be material.

5. **Restricted Assets** - Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond reserve" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account, and to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The cash proceeds of enterprise fund customer deposits are also shown as restricted assets.

6. **Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the Town.

7. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of $1,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

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

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

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

Assets	Years
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.

The Town permits employees to accumulate earned but unused vacation and sick leave in accordance with personnel policies. Accumulated leave is recognized as a liability to the extent it meets the recognition criteria under GASB Statement No. 101.

Recognition and Measurement

In accordance with GASB Statement No. 101, compensated absences are recognized as a liability when leave is attributable to services already rendered, it accumulates, and it is more likely than not to be used or otherwise paid.

The liability is measured using pay rates in effect at the financial statement date. Salary-related payments that are directly and incrementally associated with payments for leave are included in the measurement of the liability. These include applicable employer payroll taxes and employer contributions to defined contribution plans. Employer contributions to defined benefit pension and other postemployment benefit (OPEB) plans are not included in the compensated absences liability and are recognized separately in accordance with applicable standards.

The Government uses a last-in, first-out (LIFO) flow assumption for purposes of determining which leave balances are expected to be used or paid.

Financial Statement Presentation

The compensated absences liability is reported in the Statement of Net Position. In the governmental fund financial statements, expenditures are recognized only when payments come due and payable (matured). The portion of the compensated absences liability expected to be paid or used within one year is reported as a current liability. The remaining portion is reported as a noncurrent liability. Compensated absences are generally liquidated by the fund in which the employee's services are recorded.

11. Fund Balances/Net position

A. Governmental Funds

As of September 30, 2025, 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, 2025, fund balances are composed of the following:

Restricted for:		
Transportation Infrastructure	$	27,082
Assigned for:		
Recreation		80,247
Infrastructure		245,742
Cemetery		96,199
Fire control		5,000
Unassigned		929,163
	$	1,383,433

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

B. Proprietary Funds

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

As of September 30, 2025, net position is composed of the following:

	Amount	
Invested in capital assets	$	2,874,644
Unrestricted		1,318,450
	$	4,193,094

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

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

"Total fund balances" of the Town's governmental funds $1,383,433 differs from "net position" of governmental activities $4,394,593 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 includes those capital assets among the assets of the Town as a whole.

Cost of capital assets	$	5,642,147
Accumulated depreciation		(2,546,420)
Total	$	3,095,727

Long-term liabilities

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balance at September 30, 2025, was:

Notes payable	$	(51,967)
Lease liability		(20,774)
Compensated absences		(11,826)
	$	(84,567)

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	$ 746,108	$ -	$ -	$ 746,108
Investments	59,230	-	-	59,230
Due from state	475,000	-	-	475,000
Due from other funds	111,493	-	-	111,493
Capital assets, net	-	3,095,727	-	3,095,727
Total assets	$ 1,391,831	$ 3,095,727	$ -	$ 4,487,558
LIABILITIES AND FUND EQUITY				
Accounts payable	$ 4,496	$ -	$ -	$ 4,496
Accrued liabilities	2,210	-	-	2,210
Customer deposits	1,692	-	-	1,692
Lease liability	-	-	20,774	20,774
Notes payable	-	-	51,967	51,967
Accrued compensated absences	-	-	11,826	11,826
Total liabilities	8,398	-	84,567	92,965
Total fund balance / net position	1,383,433	3,095,727	(84,567)	4,394,593
Total liabilities and fund balances/net position	$ 1,391,831	$ 3,095,727	$ -	$ 4,487,558

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

The "net change in fund balances" for governmental funds $333,827 differs from the "change in net position" for governmental activities $621,193 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.

<u>Capital related items</u>

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

Capital outlay	$	515,287
Depreciation expense		(260,667)
Difference	$	254,620

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	$	24,980
Lease liability principal reductions		13,063
Increase in compensated absences		(5,297)
	$	32,746

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

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

	Total Governmental Fund	Capital Related Items	Long-term Debt Transactions	Statement of Activities
REVENUES				
Taxes	$ 710,812	$ -	$ -	$ 710,812
Licenses and permits	4,450	-	-	4,450
Intergovernmental	644,623	-	-	644,623
Charges for services	30,674	-	-	30,674
Fines and forfeitures	4,394	-	-	4,394
Miscellaneous	43,734	-	-	43,734
Total revenues	1,438,687	-	-	1,438,687
EXPENDITURES				
Current expenditures				
General government	300,903	29,533	(7,766)	322,670
Public safety	122,620	51,853	-	174,473
Physical environment	104,636	57,158	-	161,794
Transportation	51,151	17,953	-	69,104
Culture/recreation	142,633	104,170	-	246,803
Capital outlay				
General government	24,009	(24,009)	-	-
Public safety	480,827	(480,827)	-	-
Culture/recreation	10,451	(10,451)	-	-
Debt Service				
Principal	24,980	-	(24,980)	-
Interest	2,019	-	-	2,019
Total expenditures	1,264,229	(254,620)	(32,746)	976,863
Excess of revenues over expenditures	174,458	254,620	32,746	461,824
OTHER FINANCING SOURCES/(USES)				
Disposition of fixed assets	80,278	-	-	80,278
Insurance recoveries	79,091	-	-	79,091
Total other financing sources/(uses)	159,369	-	-	159,369
Net change in fund balance/net position	333,827	254,620	32,746	621,193
Fund balance/net position at beginning of year, previously reported	1,049,606	2,822,086	(83,476)	3,788,216
Prior period restatement	-	19,021	(33,837)	(14,816)
Fund balance/net position at beginning of year, as restated	1,049,606	2,841,107	(117,313)	3,773,400
Fund balance/net position at end of year	$ 1,383,433	$ 3,095,727	$ (84,567)	$ 4,394,593

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 October 1, 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 2024-25 fiscal year were levied in October 2024. 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, 2025, was as follows:

	Beginning Balance Restated	Additions	Transfer/Deletions	Ending Balance
Governmental activities				
Non-depreciable capital assets:				
Land	$ 686,957	$ -	$ -	$ 686,957
Total non-depreciable capital assets	686,957	-	-	686,957
Depreciable capital assets:				
Buildings and improvements	1,088,740	-	-	1,088,740
Improvements other than buildings	2,712,426	21,060	-	2,733,486
Equipment and vehicles	602,571	494,227	-	1,096,798
Total depreciable capital assets	4,403,737	515,287	-	4,919,024
Depreciation:				
Buildings and improvements	(440,037)	(66,116)	-	(506,153)
Improvements other than buildings	(1,386,597)	(113,910)	-	(1,500,507)
Equipment and vehicles	(441,973)	(74,116)	-	(516,089)
Total accumulated depreciation	(2,268,607)	(254,142)	-	(2,522,749)
Total depreciable capital assets, net	2,135,130	261,145	-	2,396,275
Right-to-use lease assets				
Right-to-use lease asset	36,166	-	-	36,166
Less amortization	(17,146)	(6,525)	-	(23,671)
Total right-to-use lease assets, net	19,020	(6,525)	-	12,495
Governmental activities capital assets, net	$ 2,841,107	$ 254,620	$ -	$ 3,095,727
Business-type activities:				
Depreciable capital assets				
Buildings and improvements	$ 5,254,590	$ 76,833	$ -	$ 5,331,423
Machinery and equipment	151,269	-	-	151,269
Total depreciable capital assets	5,405,859	76,833	-	5,482,692
Less accumulated depreciation	(2,321,899)	(105,822)	-	(2,427,721)
Business-type activities capital assets, net	$ 3,083,960	$ (28,989)	$ -	$ 3,054,971

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

Governmental activities:	
General government	$ 29,533
Public safety	51,853
Physical environment	57,158
Transportation	17,953
Culture/recreation	104,170
Total depreciation expense - governmental activities	$ 260,667
Business-type activities:	
Water utility	$ 16,814
Sewer utility	89,008
Total depreciation expense - business-type activities	$ 105,822

NOTE 6. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2025, were as follows:

	Accounts Receivables	Due from Governments	Total Receivables
Governmental activities:			
General	$ -	$ 475,000	$ 475,000
Business-type activities			
Enterprise	46,824	-	46,824
	$ 46,824	$ 475,000	$ 521,824

Payables

Payables at September 30, 2025, were as follows:

	Vendors
Governmental activities:	
General	$ 4,496
Business-type activities	
Enterprise	16,597
	$ 21,093

NOTE 7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Notes payable	$ 76,947	$ -	$ 24,980	$ 51,967	$ 25,649
Compensated absences	6,529	5,297	-	11,826	-
Lease liability	33,837	-	13,063	20,774	13,687
Total governmental activities	$ 117,313	$ 5,297	$ 38,043	$ 84,567	$ 39,336
Business-type Activities					
State revolving fund loan	$ 188,001	$ -	$ 7,674	$ 180,327	$ 7,674
Compensated absences	10,623	684	-	11,307	1,696
Total business-type activities	$ 198,624	$ 684	$ 7,674	$ 191,634	$ 9,370

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:

Year	Principal	Interest	Total
2026	$ 25,649	$ 1,350	$ 26,999
2027	26,316	683	26,999
	$ 51,965	$ 2,033	$ 53,998

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

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

	PRINCIPAL
2026	$ 7,674
2027	7,674
2028	7,674
2029	7,674
2030	7,674
2031-2035	38,370
2036-2040	38,370
2041-2045	38,370
2046-2048	26,847
	$ 180,327

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 $18,301. The Town reflects costs for the plan as contributions are paid.
Contributions in 2025, 2024, and 2023 were $18,301, $15,789, and $15,145 respectively.

NOTE 9. CONTINGENT LIABILITIES

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

NOTE 10. LONG-TERM CONTRACTS

Effective April 1, 2025, 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, $191,968 was paid under the contract.

NOTE 11. RISK MANAGEMENT

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

NOTE 12. OTHER POST EMPLOYMENT BENEFITS

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

NOTE 13. ACCOUNTING PRONOUNCEMENTS

GASB No. 104 Disclosure of Certain Capital Assets

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Initial adoption is required by the fiscal year ended September 30, 2026, but early adoption is encouraged. Management is still evaluating the potential impact of this pronouncement on the financial statements and other significant matters.

GASB No. 103 Financial Reporting Model Improvements
This Statement requires:

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

This Statement requires that budgetary comparison information be presented as RSI and that variances between original and final budgets be presented as well as an explanation of significant variances in the notes.

This standard is required to be adopted for the fiscal year ended September 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

GASB No. 102 Certain Risk Disclosures

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

GASB No. 101 Compensated Absences

This Statement establishes a single recognition and measurement model for all types of compensated absences, requiring liabilities to be recognized as leave is earned rather than when it is paid or taken. This standard has been adopted for the fiscal year ended September 30, 2025.

NOTE 14. PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2025, management identified certain right-to-use arrangements that were in effect during the prior year but had not previously been recorded in the financial statements. These arrangements related to leases that met the criteria for recognition of right-to-use assets and corresponding liabilities under accounting principles generally accepted in the United States of America.

As a result, the Town has restated beginning net position as of September 30, 2024 to recognize the right-to-use assets, accumulated amortization, and related liabilities that existed as of that date. The prior period adjustment increases right-to-use assets and related liabilities and records the cumulative effect of amortization, interest, and principal activity applicable to prior periods.

The adjustment had the effect of restating the previously reported ending balances of the prior year and the beginning balances of the current year. The effect of the restatement is summarized in the table below:

Governmental Activities	2024 Previously Reported	Adjustment	2024 Restated
Statement of Net Position			
Leases liability	$ -	$ (33,837)	$ (33,837)
Right-to-use asset, net	-	19,021	19,021
Net position	$ 3,788,216	$ (14,816)	3,773,400

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, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes			
Ad valorem taxes			
Current ad valorem taxes	$ 260,200	$ 250,507	$ (9,693)
Sales and use taxes			
County infrastructure surtax	119,044	133,403	14,359
Local option gas tax/ alternative fuel	41,000	32,708	(8,292)
Communications services tax	75,000	79,033	4,033
Utility service taxes	-	126,961	126,961
Franchise fees			
Electricity	85,000	88,200	3,200
Total taxes	580,244	710,812	130,568
Licenses and permits			
Professional and occupational	1,800	4,450	2,650
Total licenses and permits	1,800	4,450	2,650
Intergovernmental revenue			
State grant	-	475,000	475,000
State shared revenues			
General government			
State revenue sharing	39,122	40,980	1,858
Mobile home licenses	500	405	(95)
Alcoholic beverage licenses	1,000	84	(916)
Local government half-cent sales tax	49,695	52,360	2,665
Grants from other local units			
Culture/recreation	70,000	72,100	2,100
Payments in lieu of taxes	3,100	3,694	594
Total intergovernmental revenue	163,417	644,623	481,206

(continued)

See notes to schedule.

TOWN OF BRANFORD, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Charges for services			
General government			
Certification, copying, record search	$ -	$ 60	$ 60
Public safety			
Fire protection services	1,500	3,183	1,683
Lighting & maintenance	20,117	19,994	(123)
Physical environment			
Other physical environment	100	826	726
Culture/recreation			
Boat ramp fees	-	4	4
Civic center fees	5,000	6,607	1,607
Total charges for services	26,717	30,674	3,957
Fines and forfeitures			
Court cases			
Court fines	3,000	4,394	1,394
Miscellaneous			
Interest earnings			
Interest on investments	2,500	13,456	10,956
Cemetery			
Lot fees	2,500	6,000	3,500
Sale of assets	-	80,278	80,278
Insurance reimbursements	-	79,091	79,091
Other miscellaneous	5,200	24,278	19,078
Total miscellaneous	10,200	203,103	192,903
Total revenues	785,378	1,598,056	812,678
EXPENDITURES			
General government			
Legislative			
Personnel services	50,057	43,000	7,057
Operating expenses	3,000	1,574	1,426
Total legislative	53,057	44,574	8,483

(continued)

See notes to schedule.

TOWN OF BRANFORD, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Financial and administrative			
Personnel services	$ 92,311	$ 88,429	$ 3,882
Operating expenses	32,080	38,617	(6,537)
Capital outlay	3,000	10,610	(7,610)
Miscellaneous expense	-	4,332	(4,332)
Total financial and administrative	127,391	141,988	(14,597)
Legal counsel			
Operating expenses	20,000	22,880	(2,880)
Comprehensive planning			
Operating expenses	11,000	10,000	1,000
Other general government			
Operating expenses	48,582	89,640	(41,058)
Capital outlay	12,000	13,399	(1,399)
Debt service - principal	26,999	24,980	2,019
Debt service - interest	-	2,019	(2,019)
Total other general government	87,581	130,038	(42,457)
Total general government	299,029	349,480	(50,451)
Public safety			
Law enforcement			
Operating expenses	42,000	42,000	-
Fire control			
Operating expenses	78,100	77,794	306
Capital outlay	64,700	480,827	(416,127)
Total fire control	142,800	558,621	(415,821)
Code enforcement			
Operating expenses	9,200	2,826	6,374
Total code enforcement	9,200	2,826	6,374
Total public safety	194,000	603,447	(409,447)
Physical environment			
Other physical environment			
Personnel services	73,283	97,271	(23,988)
Capital outlay	15,000	-	15,000
Operating expenses	4,400	3,550	850
Total other physical environment	92,683	100,821	(8,138)
Cemetery			
Operating expenses	1,600	3,815	(2,215)
Total physical environment	94,283	104,636	(10,353)

(continued)

See notes to schedule.

TOWN OF BRANFORD, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONCLUDED)
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Transportation			
Roads and streets			
Operating expenses	$ 77,000	$ 37,980	$ 39,020
Capital outlay	75,000	-	75,000
Lease expense - principal	14,369	10,035	4,334
Lease expense - interest	-	3,136	(3,136)
Total roads and streets	166,369	51,151	115,218
Total transportation	166,369	51,151	115,218
Culture/recreation			
Parks and recreation			
Personnel services	55,096	34,045	21,051
Operating expenses	78,500	108,588	(30,088)
Capital outlay	15,000	10,451	4,549
Total culture/recreation	148,596	153,084	(4,488)
Total expenditures	902,277	1,264,229	(361,952)
Excess of revenues over expenditures	(116,899)	333,827	450,726
Fund balances at beginning of year	1,049,606	1,049,606	-
Fund balances at end of year	$ 932,707	$ 1,383,433	$ 450,726

See notes to schedule.

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 October 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 STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2025

State Grantor/ Pass-Through Grantor/ Program Title	ALN	Agency Contract ID	Program Award Amount	Current Year Expenditures
STATE FINANCIAL ASSISTANCE				
Department of Financial Services				
Fire Service Grants	43.009	FM1089	$ 475,000	$ 475,000
Total Department of Financial Services			$ 475,000	$ 475,000
Total state financial assistance			$ 475,000	$ 475,000

See Notes to Schedule of Expenditures of State Financial Assistance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies and presentation of the Schedule of Expenditures of State Financial Assistance 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 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 State Financial Assistance 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 State Financial Assistance. Under the accrual basis, revenues are recognized when they become earned. Expenses generally are recorded when a liability is incurred.

- **Indirect Cost Rate**

The Town did not elect to use the de minimis indirect cost rate for the fiscal year then ended September 30, 2025.

COMPLIANCE SECTION

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Branford, Florida, as of and for the year ended September 30, 2025, 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 June 30, 2026.

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. We identified the following deficiency in internal control over financial reporting identified in the accompanying Schedule of Findings as item 2025-001, which we consider to be a significant deficiency.

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*.

We also noted certain matters that we reported to management of the Town in a separate management letter required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General dated June 30, 2026.

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

Powell and Jones CPA
Lake City, Florida
June 30, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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

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

Report on the Financial Statements

We have audited the basic financial statements of the Town of Branford, Florida, as of and for the year ended September 30, 2025, and have issued our report thereon dated June 30, 2026.

Auditor's Responsibility

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.

Other Reporting Requirements

We have issued our Independent Auditor's Report; Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on examinations conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. The following tabulation summarizes all prior year audit findings and recommendations and recommendations that were repeated in the current year.

Tabulation of Uncorrected Audit Findings			
Current Year Finding No.	**2023-24 FY Finding No.**	**2022-23 FY Finding No.**	**2021-22 FY Finding No.**
2025-001	2012-1	2012-1	2012-1

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
June 30, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

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

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

We have examined the Town of Branford, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. 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, 2025.

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

Powell and Jones CPA
Lake City, Florida
June 30, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, FL 32055
Phone 386.755.4200

Communication with Those Charged with Governance

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

We have audited the financial statements of the Town of Branford, Florida for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government *Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2026.

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.

<u>Other Information in Documents Containing Audited Financial Statements</u>

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

<u>Other Matters</u>

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

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

Restriction on Use

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

Very truly yours,

Powell & Jones

Powell and Jones CPA
Lake City, Florida
June 30, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

TOWN OF BRANFORD, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2025

2025-001 – Financial Statement Preparation and Footnote Disclosures

Criteria: - A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles.

Condition: - The Town does not have personnel with the expertise necessary to prepare financial statements, including all required footnote disclosures, in accordance with generally accepted accounting principles.

Cause: - The Town does not currently possess the specialized knowledge necessary to draft its financial statements and related note disclosures in accordance with generally accepted accounting principles.

Effect: - This deficiency increases the risk that material misstatements in the financial statements or related disclosures may not be prevented, detected, or corrected in a timely manner without auditor assistance.

Recommendation: - The Town should continue to evaluate its internal resources and consider whether additional training, oversight, or other steps can be implemented to strengthen its ability to oversee the financial statement preparation process. While the auditor may assist with the preparation of the financial statements and related footnotes, the financial statements remain the responsibility of management. Possessing suitable skill, knowledge, or experience to oversee services provided by the auditor requires a lower level of technical knowledge than that required to prepare the financial statements and disclosures.

Management's Response: - We acknowledge 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. 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 staff and the 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.

The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.