

TOWN OF BRANFORD, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2010

TOWN OF BRANFORD, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2010

TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	5
FINANCIAL SECTION	
Independent Auditor's Report	7 - 8
Management Discussion and Analysis	9 - 13
Basic Financial Statements	
Statement of Net Assets	15 - 16
Statement of Activities	17
Governmental Funds	
Balance Sheet	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Fund	
Statement of Net Assets	21 - 22
Combined Statement of Revenues, Expenses and Changes in Net Assets	23 - 25
Combined Statement of Cash Flows	26
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	27
Notes to Financial Statements	28 - 42

TOWN OF BRANFORD, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2010

TABLE OF CONTENTS

	PAGE NO.
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	44 - 47
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	49
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	50
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51 - 52
Management Letter	53 - 54

INTRODUCTORY SECTION

TOWN OF BRANFORD, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2010

Mayor	Don Owens
Council President	Shirley Clark
Council Member	Charlie Daniel
Council Member	Alice Childress
Council Member	Ken Saunders
Council Member	Matt Burns
Town Clerk	Donna Hardin

FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
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The Honorable Mayor
and Town Council
Town of Branford, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of Town of Branford, Florida, (Town) as of and for the fiscal year ended September 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Branford, Florida's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, the major funds, and the aggregate remaining fund information of the Town of Branford, Florida, as of September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

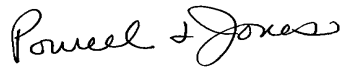
In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2011, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The budgetary comparison information presented for the General Fund is not a required part of the basic financial statements of the Town, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of

measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The management's discussion and analysis on pages 9 through 13, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town of Branford, Florida. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

POWELL & JONES
Certified Public Accountants
June 13, 2011

TOWN OF BRANFORD, FLORIDA
Management's Discussion and Analysis

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

Report Layout

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

Basic Financial Statements

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

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

Town as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Assets at September 30, 2010, follows:

Net Assets at September 30, 2010 and 2009

	Governmental Activities	Business-type Activities	Total Government	
			2010	2009
Assets				
Cash and cash equivalents	\$ 760,057	\$ 367,752	\$ 1,127,809	\$ 1,093,481
Other current assets	118,181	48,671	166,852	581,493
Capital assets	1,371,084	2,154,347	3,525,431	3,070,926
Total assets	2,249,322	2,570,770	4,820,092	4,745,900
Liabilities				
Current liabilities	6,746	98,141	104,887	470,753
Long-term debt outstanding	1,449	106,957	108,406	127,000
Total liabilities	8,195	205,098	213,293	597,753
Net assets				
Invested in capital assets, net of related debt	1,371,084	2,026,842	3,397,926	2,921,334
Restricted	614,968	42,818	657,786	657,429
Unrestricted	255,075	296,012	551,087	569,384
Total net assets	\$2,241,127	\$2,365,672	\$4,606,799	\$4,148,147

74% of the Town's net assets reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets of \$657,786, consist of earmarked funds for debt service and other purposes. The remaining balance of unrestricted net assets of \$551,087 may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net assets increased by \$458,652 or 11% over the year.

The following schedule provides a summary of the changes in net assets. The increase in Governmental net assets is due primarily to the capital grants received by the Town which were utilized for facility improvements which were capitalized. The Town received \$221,143 for these projects in the 2010 fiscal year.

A condensed version of the Statement of Activities follows:

Change in Net Assets
For the Fiscal Years Ended September 30, 2010 and 2009

	Governmental Activities	Business-type Activities	Total Government	
			2010	2009
Revenues				
Program revenues				
Charges for services	\$ 16,496	\$ 261,812	\$ 278,308	\$ 271,919
Grants and contributions	312,121	241,666	553,787	797,227
General revenues				
Taxes	161,591	115,635	277,226	261,859
Franchise fees	63,489	-	63,489	58,390
Licenses	3,445	-	3,445	4,096
State shared revenues	50,420	-	50,420	51,283
Interest and other	14,621	205	14,826	27,703
Total revenues	622,183	619,318	1,241,501	1,472,477
Expenses				
General government	166,217	46,416	212,633	206,510
Public safety	73,011	-	73,011	65,231
Physical environment	40,048	-	40,048	33,837
Transportation	48,029	-	48,029	54,450
Human services	400	-	400	400
Culture/recreation	59,815	-	59,815	67,759
Interest on long-term debt	-	7,450	7,450	8,500
Water, sewer, and garbage services	-	348,488	348,488	335,639
Total expenses	387,520	402,354	789,874	772,326
Excess of revenues over expenditures	234,663	216,964	451,627	700,151
Net loss on disposition of fixed assets	7,832	-	7,832	-
Transfers	(871,811)	871,811	-	-
Change in net assets	(629,316)	1,088,775	459,459	700,151
Beginning net assets	2,870,443	1,276,897	4,147,340	3,447,996
Ending net assets	<u>\$ 2,241,127</u>	<u>\$ 2,365,672</u>	<u>\$ 4,606,799</u>	<u>\$ 4,148,147</u>

Governmental activities:

Grants and contributions provide 50% of the revenues for Governmental Activities, taxes provided 26%, while state shared revenues provided 8%. Most of the Governmental Activities resources were spent for General Government (43%), Public Safety (19%), and Transportation (12%).

Business-type activities:

Business-type activities increased the Town's net assets by \$1,088,775. Key elements of this increase are as follows:

- Operating revenues exceeded operating expenses by \$216,964, although operating expenses increased by 6% from the prior year.
- The increase in revenues was sufficient to offset continuing excess expenses, including depreciation.

Budgetary Highlights

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

Capital Assets and Debt Administration

Capital Assets

At September 30, 2010, the Town had \$3.5 million invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, bridges and water and sewer facilities, or 15% more than 2009. The increase was primary attributable to grant-financed construction in progress.

Capital Assets at September 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 54,152	\$ 54,152	\$ -	\$ -	\$ 54,152	\$ 54,152
Buildings and improvements	1,555,282	913,402	3,228,350	1,733,965	4,783,632	2,647,367
Construction in progress	-	1,195,539	-	417,398	-	1,612,937
Equipment	305,926	327,096	5,872	59,080	311,798	386,176
Subtotal	1,915,360	2,490,189	3,234,222	2,210,443	5,149,582	4,700,632
Accumulated depreciation	(544,276)	(529,425)	(1,079,875)	(1,100,281)	(1,624,151)	(1,629,706)
Capital assets, net	<u>\$ 1,371,084</u>	<u>\$ 1,960,764</u>	<u>\$ 2,154,347</u>	<u>\$ 1,110,162</u>	<u>\$ 3,525,431</u>	<u>\$ 3,070,926</u>

Debt Outstanding

At year-end, the Town had \$127,000 in debt outstanding versus \$149,000 last year, a decrease of \$22,000.

Debt Outstanding at September 30, 2010

	Governmental Activities	Business-type Activities	Total Government
Revenue Bonds	<u>\$ -</u>	<u>\$ 127,000</u>	<u>\$ 127,000</u>

More detailed information on the Town long-term liabilities is presented in the notes to the financial statements.

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The current estimated unemployment rate for the Town was 8.8%, which is the same approximate rate as the rate for Suwannee County.

- The estimated population for the Town in 2010 was 704 and is estimated to be approximately the same in 2011.
- The Town's ad valorem tax rate for 2010 was 4.26, which was the same as 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 ASSETS
September 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 760,057	\$ 324,934	\$ 1,084,991
Accounts receivable, net	-	18,724	18,724
Due from other funds	18,894	-	18,894
Due from other governmental units	15,250	3,494	18,744
Prepaid expenses	1,951	-	1,951
Interest receivable	2,202	75	2,277
Investments	79,884	26,378	106,262
Total current assets	<u>878,238</u>	<u>373,605</u>	<u>1,251,843</u>
Noncurrent assets:			
Restricted assets			
Cash	-	5,566	5,566
Investments	-	37,252	37,252
Total restricted assets	<u>-</u>	<u>42,818</u>	<u>42,818</u>
Fixed assets			
Capital assets, net	1,371,084	2,154,347	3,525,431
Total noncurrent assets	<u>1,371,084</u>	<u>2,154,347</u>	<u>3,568,249</u>
Total assets	<u>2,249,322</u>	<u>2,570,770</u>	<u>4,820,092</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	4,029	13,430	17,459
Accrued liabilities	1,139	1,181	2,320
Due to other funds	-	18,894	18,894
Due to other governmental units	62	-	62
Accrued compensated absences	483	986	1,469
Customer deposits	1,033	40,145	41,178
Total current liabilities (payable from current assets)	<u>6,746</u>	<u>74,636</u>	<u>81,382</u>
Current liabilities (payable from restricted assets):			
Accrued interest payable	-	505	505
Bonds payable - current portion	-	23,000	23,000
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>23,505</u>	<u>23,505</u>

(continued)

Non-current liabilities:

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2010

	Governmental Activities	Business-type Activities	Total
Bonds payable	-	104,000	104,000
Compensated absences	1,449	2,957	4,406
Total long-term liabilities	<u>1,449</u>	<u>106,957</u>	<u>108,406</u>
Total liabilities	<u>8,195</u>	<u>205,098</u>	<u>213,293</u>
 NET ASSETS			
Invested in capital assets, net of related debt	\$ 1,371,084	\$ 2,026,842	\$ 3,397,926
Restricted for:			
Debt service	-	42,818	42,818
Designated for:			
Transportation	26,903	-	26,903
Fire control	23,204	-	23,204
Cemetery	91,140	-	91,140
Infrastructure	382,071	-	382,071
Recreation	91,650	-	91,650
Unrestricted	255,075	296,012	551,087
Total net assets	<u>\$ 2,241,127</u>	<u>\$ 2,365,672</u>	<u>\$ 4,606,799</u>

TOWN OF BRANFORD, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2010

Functions/Programs	Expenses	Program Services			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities							
General government	\$ 166,217	\$ 334	\$ -	\$ -	\$ (165,883)	\$ -	\$ (165,883)
Public safety	73,011	7,490	-	-	(65,521)	-	(65,521)
Physical environment	40,048	5,740	-	-	(34,308)	-	(34,308)
Transportation	48,029	-	-	-	(48,029)	-	(48,029)
Human services	400	-	-	-	(400)	-	(400)
Culture/recreation	59,815	2,932	90,978	221,143	255,238	-	255,238
Total governmental activities	387,520	16,496	90,978	221,143	(58,903)	-	(58,903)
Business-type activities							
General government	46,416	-	-	-	-	(46,416)	(46,416)
Water utility	90,066	80,541	-	-	-	(9,525)	(9,525)
Garbage services	105,719	125,449	-	-	-	19,730	19,730
Sewer utility	152,703	55,822	-	241,666	-	144,785	144,785
Interest on long-term debt	7,450	-	-	-	-	(7,450)	(7,450)
Total business-type activities	402,354	261,812	-	241,666	-	101,124	101,124
Total government	\$ 789,874	\$ 278,308	\$ 90,978	\$ 462,809	(58,903)	101,124	42,221
General revenues							
					91,248	-	91,248
					70,343	-	70,343
					63,489	-	63,489
					-	79,027	79,027
					-	36,608	36,608
					3,445	-	3,445
					50,420	-	50,420
					4,769	813	5,582
					9,852	(608)	9,244
					7,832	-	7,832
					(871,811)	871,811	-
Total general revenues					(570,413)	987,651	417,238
Change in net assets					(629,316)	1,088,775	459,459
Net assets - beginning					2,870,443	1,276,897	4,147,340
Net assets - ending					\$ 2,241,127	\$ 2,365,672	\$ 4,606,799

See notes to financial statements.

TOWN OF BRANFORD, FLORIDA

GOVERNMENTAL FUND

BALANCE SHEET

September 30, 2010

	<u>General Fund</u>
ASSETS	
Cash	\$ 760,057
Due from other funds	18,894
Due from other governmental units	15,250
Prepaid expenses	1,951
Interest receivable	2,202
Investments	79,884
Total assets	<u>\$ 878,238</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 4,029
Due to other governmental units	62
Customer deposits	1,033
Accrued liabilities	1,139
Total liabilities	<u>6,263</u>
FUND BALANCE	
Unreserved undesignated	257,007
Designated fund balance	
Transportation	26,903
Fire control	23,204
Cemetery	91,140
Infrastructure	382,071
Recreation	91,650
Total fund balance	<u>871,975</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	1,915,360
Accumulated depreciation	<u>(544,276)</u>
	<u>1,371,084</u>
Long-term liabilities, including compensated absences are not due and payable and therefore are not reported in the funds.	(1,932)
	<u>\$ 2,241,127</u>

TOWN OF BRANFORD, FLORIDA

GOVERNMENTAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2010

	<u>General Fund</u>
REVENUES	
Taxes	\$ 225,080
Licenses and permits	3,445
Intergovernmental revenue	362,720
Charges for services	9,867
Fines and forfeitures	889
Miscellaneous	20,182
Total revenues	<u>622,183</u>
EXPENDITURES	
Current expenditures	
General government	151,185
Public safety	62,181
Physical environment	39,789
Transportation	32,136
Human services	400
Culture/recreation	43,669
Capital outlay	
Physical environment	2,000
Transportation	57,080
Culture/recreation	272,254
Total expenditures	<u>660,694</u>
Excess of revenues over (under) expenditures	(38,511)
Fund balance at beginning of year	910,486
Fund balance at end of year	<u>\$ 871,975</u>

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, 2010

Net change in fund balance - total governmental funds \$ (38,511)

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	331,334	
Less current year depreciation	<u>(57,035)</u>	274,299

The net loss recognized on dispositions of fixed assets (17,618)

Transfer of fixed assets to enterprise fund (846,361)

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.

Net change in compensated absences	<u>(1,125)</u>
------------------------------------	----------------

Change in net assets of governmental activities \$ (629,316)

TOWN OF BRANFORD, FLORIDA

PROPRIETARY FUND

STATEMENT OF NET ASSETS

September 30, 2010

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 324,934
Accounts receivable	20,569
Allowance for doubtful accounts	(1,845)
Prepaid expenses	3,494
Interest receivable	75
Investments	26,378
Total current assets	<u>373,605</u>
Noncurrent assets:	
Restricted assets	
Cash	5,566
Investments	37,252
Total restricted assets	<u>42,818</u>
Fixed assets	
Improvements other than buildings	3,228,350
Equipment	5,872
Allowance for depreciation	(1,079,875)
Total fixed assets	<u>2,154,347</u>
Total noncurrent assets	<u>2,197,165</u>
Total assets	<u>\$ 2,570,770</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 13,430
Due to other funds	18,894
Accrued payroll deductions and matching	1,181
Accrued compensated absences	986
Customer deposits	40,145
Total current liabilities	<u>74,636</u>
Current liabilities payable from restricted assets:	
Accrued interest payable	505
Current portion of serial bonds	23,000
Total current liabilities payable from restricted assets	<u>23,505</u>
(continued)	

TOWN OF BRANFORD, FLORIDA

PROPRIETARY FUND

STATEMENT OF NET ASSETS

September 30, 2010

	<u>Enterprise Fund</u>
Serial bonds payable	\$ 104,000
Compensated absences	2,957
Total noncurrent liabilities	<u>106,957</u>
Total liabilities	<u>205,098</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,026,842
Restricted for debt service	42,818
Unrestricted	296,012
Total net assets	<u>\$ 2,365,672</u>

TOWN OF BRANFORD, FLORIDA

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended September 30, 2010

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Physical environment	
Water utility revenue	
Water revenue	\$ 77,971
Late charges	4,730
Senior citizen discount	(2,960)
Water meter installations	800
Garbage/solid waste revenue	125,449
Sewer utility revenue	
Sewer revenue	53,822
Sewer tap fees	2,000
Total operating revenues	<u>261,812</u>
OPERATING EXPENSES	
Financial and administrative	
Personal services	
Regular salaries	18,714
FICA	1,264
Retirement	2,220
Life and health insurance	8,265
Total personal services	<u>30,463</u>
Operating expenses	
Other current charges and obligations	13,669
Office supplies	939
Dues	1,345
Total operating expenses	<u>15,953</u>
Total financial and administrative	<u>46,416</u>
Water utility services	
Personal services	
Regular salaries	31,966
FICA	2,009
Retirement	3,582
Life and health insurance	19,925
Worker's compensation	1,387
Total personal services	<u>58,869</u>
Operating expenses	
Depreciation	2,616
Professional services	11,147
Utility services	4,925
Insurance	277

(continued)

TOWN OF BRANFORD, FLORIDA

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended September 30, 2010

	<u>Enterprise Fund</u>
Operating expenses continued	
Repair and maintenance	\$ 4,552
Uniforms	481
Operating supplies	4,866
Fuel and oil	1,406
Advertising	927
Total operating expenses	<u>31,197</u>
Total water utility services	<u>90,066</u>
Garbage and solid waste services	
Operating expenses	
Other contractual services	104,546
Other current charges and obligations	1,173
Total garbage and solid waste services	<u>105,719</u>
Sewer services	
Personal services	
Regular salaries	22,344
FICA	1,524
Retirement	2,646
Life and health insurance	13,127
Worker's compensation	1,387
Total personal services	<u>41,028</u>
Operating expenses	
Depreciation	38,557
Professional services	13,799
Utility services	20,360
Insurance	3,504
Repair and maintenance	11,540
Uniforms	405
Operating supplies	1,501
Fuel and oil	2,659
Total operating expenses	<u>92,325</u>
Total sewer services	<u>133,353</u>
Total operating expenses	<u>375,554</u>
Operating loss	<u>(113,742)</u>
NONOPERATING REVENUES (EXPENSES)	
CDBG Grant	
CDBG Grant revenue	241,666
CDBG Grant administrative expense	(19,350)
Total CDBG Grant	<u>222,316</u>

(continued)

TOWN OF BRANFORD, FLORIDA

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Fiscal Year Ended September 30, 2010

	<u>Enterprise Fund</u>
Utility service taxes	
Electricity	
Progress Energy	\$ 65,709
Suwannee Valley Electric	806
Propane	
Farmers Cooperative	246
Suburban Propane	4,888
J & J Gas Co.	78
Inergy Gas Co.	1,731
Heritage Gas Co.	1,169
Branford Hardware	4,400
Total utility service taxes	<u>79,027</u>
Communications services tax	<u>36,608</u>
Interest earnings	
Interest on investments	813
Total interest earnings	<u>813</u>
Sales of surplus	
Equipment	(623)
Recycling	15
Total sales of surplus	<u>(608)</u>
Water utility services	
Debt service	
Interest	<u>(3,725)</u>
Sewer services	
Debt service	
Interest	<u>(3,725)</u>
Total nonoperating revenues (expenses)	<u>330,706</u>
Income before operating transfers	216,964
Operating transfers	
Interfund transfer in	871,811
Total operating transfers	<u>871,811</u>
Net income	1,088,775
Net assets, beginning of year	<u>1,276,897</u>
Net assets, end of year	<u>\$ 2,365,672</u>

TOWN OF BRANFORD, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2010

	<u>Enterprise Fund</u>
Cash flows from operating activities	
Cash received from customers and users	\$ 267,265
Cash paid to suppliers	(205,573)
Cash paid to employees	(69,710)
Cash paid for employee benefits	(57,235)
Net cash used in operating activities	<u>(65,253)</u>
Cash flows from non-capital financing activities	
Utility services taxes and miscellaneous	78,419
Communications services taxes	36,608
Net cash provided by non-capital financing activities	<u>115,027</u>
Cash flows from capital financing activities	
Grant receipts	513,991
Acquisition/disposal of capital assets (net)	(505,396)
Principal payments - bonds	(22,000)
Interest paid on long-term debt	(7,363)
Interfund payables	9,201
Net cash used in capital financing activities	<u>(11,567)</u>
Cash flows from investing activities	
Purchase of investments	(422)
Earnings on investments	959
Net cash flows provided by investing activities	<u>537</u>
Net increase in cash	38,744
Cash, October 1, 2009	291,756
Cash, September 30, 2010	<u>\$ 330,500</u>

TOWN OF BRANFORD, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Fiscal Year Ended September 30, 2010

RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES

	<u>Enterprise Fund</u>
Operating loss	<u>\$ (113,742)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	41,173
(Increase) in current assets	
Accounts receivable	(3,069)
Prepaid expenses	(3,494)
Increase in current liabilities	
Accounts payable	1,942
Accrued payroll deductions and matching	101
Accrued compensated absences	3,314
Deposits payable	8,522
Total adjustments	<u>48,489</u>
Net cash used in operating activities	<u>\$ (65,253)</u>

TOWN OF BRANFORD, FLORIDA
NOTES TO FINANCIAL STATEMENTS

September 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

1. Government-wide Financial Statements

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

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

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

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

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

2. Fund Financial Statements

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

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

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

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

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

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

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

Proprietary Funds - The Town's Water, Sewer and Solid Waste Enterprise Fund is a proprietary fund. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. 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 Funds:

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 assets.

D. Assets, Liabilities and Net Assets 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, 2010, there was an allowance for doubtful accounts for water, sewer, and garbage billings of \$1,845.

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 \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated fair market value at the date of donations.

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

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

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

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

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

revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

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

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

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

"Total fund balances" of the Town's governmental funds \$871,975 differs from "net assets" of governmental activities \$2,241,127 reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets 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 assets included those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$1,915,360
Accumulated depreciation	<u>(544,276)</u>
Total	<u><u>\$1,371,084</u></u>

Long-term debt transactions

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net assets. Balance at September 30, 2010, was:

Compensated absences	<u><u>\$ 1,932</u></u>
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TOWN OF BRANFORD, FLORIDA

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

A. Explanation of Differences Between Government Fund Balance Sheet and the Statement of Net Assets

	Total Governmental Fund	Capital Related Items	Long-term Debt Transactions	Statement of Net Assets
ASSETS				
Cash and cash equivalents	\$ 760,057	\$ -	\$ -	\$ 760,057
Interest receivable	2,202	-	-	2,202
Due from other funds	18,894	-	-	18,894
Due from other governmental units	15,250	-	-	15,250
Prepaid expenses	1,951	-	-	1,951
Investments	79,884	-	-	79,884
Capital assets - net	-	1,371,084	-	1,371,084
Total assets	\$ 878,238	\$ 1,371,084	\$ -	\$ 2,249,322
LIABILITIES AND FUND EQUITY				
Accounts payable	\$ 4,029	\$ -	\$ -	\$ 4,029
Accrued liabilities	1,139	-	-	1,139
Customer deposits	1,033	-	-	1,033
Due to other governmental units	62	-	-	62
Accrued compensated absences	-	-	1,932	1,932
Total liabilities	6,263	-	1,932	8,195
 Fund balance/net assets	 <u>871,975</u>	 <u>1,371,084</u>	 <u>(1,932)</u>	 <u>2,241,127</u>
 Total liabilities and fund balances/net assets	 \$ 878,238	 \$ 1,371,084	 \$ -	 \$ 2,249,322

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

The "net change in fund balances" for governmental funds \$(38,511) differs from the "change in net assets" for governmental activities \$(629,316) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$ 331,334
Depreciation expense	(57,035)
Loss on disposition of fixed assets	7,832
Transfer of fixed assets to Enterprise Fund	<u>(871,811)</u>
Total	<u>\$ (589,680)</u>

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

Net change in compensated absences	<u>\$ (1,125)</u>
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TOWN OF BRANFORD, FLORIDA

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

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

	Total Governmental Fund	Capital Related Items	Long-term Debt Transactions	Statement of Activities
REVENUES				
Taxes	\$ 225,080	\$ -	\$ -	\$ 225,080
Licenses and permits	3,445	-	-	3,445
Intergovernmental	362,720	-	-	362,720
Charges for services	9,867	-	-	9,867
Fines and forfeitures	889	-	-	889
Miscellaneous	20,182	-	-	20,182
Total revenues	<u>622,183</u>	<u>-</u>	<u>-</u>	<u>622,183</u>
EXPENDITURES				
Current expenditures				
General government	151,185	14,166	866	166,217
Public safety	62,181	10,830	-	73,011
Physical environment	39,789	-	259	40,048
Transportation	32,136	15,893	-	48,029
Human services	400	-	-	400
Culture/recreation	43,669	16,146	-	59,815
Capital outlay				
Physical environment	2,000	(2,000)	-	-
Transportation	57,080	(57,080)	-	-
Culture/recreation	272,254	(272,254)	-	-
Total expenditures	<u>660,694</u>	<u>(274,299)</u>	<u>1,125</u>	<u>387,520</u>
Excess of revenues over expenditures	<u>(38,511)</u>	<u>274,299</u>	<u>(1,125)</u>	<u>234,663</u>
OTHER FINANCING SOURCES (USES)				
Loss on disposal of fixed assets	-	7,832	-	7,832
Transfer of fixed assets	-	(871,811)	-	(871,811)
Total other financing sources (uses)	<u>-</u>	<u>(863,979)</u>	<u>-</u>	<u>(863,979)</u>
Net change in fund balances	(38,511)	(589,680)	(1,125)	(629,316)
Fund balance at beginning of year	910,486	1,960,764	(807)	2,870,443
Fund balance at end of year	<u>\$ 871,975</u>	<u>\$ 1,371,084</u>	<u>\$ (1,932)</u>	<u>\$ 2,241,127</u>

NOTE 3. LEGAL COMPLIANCE --BUDGETS

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The bank balances of the Town deposits were fully insured by federal depository insurance or pledged collateral under state law.

Investments. Under state law, the Town is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. The Town's investments in the amount of \$143,514, consist of certificates of deposits in a qualified depository with original maturities in excess of ninety days. The investments were fully insured at September 30, 2010.

Schedule of Investments at September 30, 2010

Certificates of deposit	<u>\$ 143,514</u>
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NOTE 5. 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 2009-2010 fiscal year were levied in October 2009. 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 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Deletions	Reclassifications	Ending Balance
<u>Governmental activities:</u>					
Capital assets:					
Land	\$ 54,152	\$ -	\$ -	\$ -	\$ 54,152
Improvements other than buildings	913,402	318,152	(25,450)	349,178	1,555,282
Construction in progress	1,195,539	-	(846,361)	(349,178)	-
Equipment and vehicles	327,096	13,182	(34,352)	-	305,926
Total capital assets	2,490,189	331,334	(906,163)	-	1,915,360
Less accumulated depreciation	(529,425)	(57,035)	42,184	-	(544,276)
Governmental activities capital assets, net	<u>\$ 1,960,764</u>	<u>\$ 274,299</u>	<u>\$ (863,979)</u>	<u>\$ -</u>	<u>\$ 1,371,084</u>
<u>Business-type activities:</u>					
Buildings and improvements	\$ 1,733,965	\$1,094,127	\$ (17,140)	\$ 417,398	\$ 3,228,350
Machinery and equipment	59,080	-	(53,208)	-	5,872
Construction in progress	417,398	-	-	(417,398)	-
Total capital assets	2,210,443	1,094,127	(70,348)	-	3,234,222
Less accumulated depreciation	(1,100,281)	(41,173)	61,579	-	(1,079,875)
Business-type activities capital assets, net	<u>\$ 1,110,162</u>	<u>\$1,052,954</u>	<u>\$ (8,769)</u>	<u>\$ -</u>	<u>\$ 2,154,347</u>

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

Governmental activities:	
General government	\$ 14,166
Public safety	10,830
Transportation	15,893
Culture/recreation	16,146
Total depreciation expense - governmental activities	<u>\$ 57,035</u>
Business -type activities:	
Water utility	2,616
Sewer utility	38,557
Total depreciation expense - business-type activities	<u>\$ 41,173</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

The following is a schedule of interfund receivables and payables at September 30, 2010.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ -	\$ 18,894
Enterprise	18,894	-
	<u>\$ 18,894</u>	<u>\$ 18,894</u>

NOTE 8. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2010, were as follows:

	<u>Accounts*</u>	<u>Due from Other Governmental Units</u>	<u>Interest</u>	<u>Total Receivables</u>
Governmental activities:				
General	\$ -	\$ 15,250	\$ 2,202	\$ 17,452
Business-type activities				
Enterprise	18,724	3,494	75	22,293
	<u>\$ 18,724</u>	<u>\$ 18,744</u>	<u>\$ 2,277</u>	<u>\$ 39,745</u>

*Net of allowance for bad debts of \$1,845.

Payables

Payables at September 30, 2010, were as follows:

	<u>Vendors</u>
Governmental activities:	
General	<u>\$ 4,029</u>
Business-type activities:	
Enterprise	<u>\$ 13,430</u>

NOTE 9. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated absences	\$ 807	\$ 2,198	\$ (1,073)	\$ 1,932	\$ 483
Total governmental activities	<u>\$ 807</u>	<u>\$ 2,198</u>	<u>\$ (1,073)</u>	<u>\$ 1,932</u>	<u>\$ 483</u>
Business-type Activities					
Revenue bonds payable	\$ 149,000	\$ -	\$ (22,000)	\$ 127,000	\$ 23,000
Compensated absences	629	5,335	(2,021)	3,943	986
capital assets, net	<u>\$ 149,629</u>	<u>\$ 5,335</u>	<u>\$ (24,021)</u>	<u>\$ 130,943</u>	<u>\$ 23,986</u>

Enterprise Fund - Revenue Bonds

The Town has issued bonds through the USDA-Rural Development; formerly known as Farmer's Home Administration; where the income derived from the constructed assets is pledged to pay debt service. The following Enterprise Fund revenue bonds are outstanding at September 30, 2010:

Water and Sewer Revenue Bonds - Series 1976 - Gross revenues of the water and sewer systems are pledged to service this debt. The outstanding balance at September 30, 2010, is \$127,000. The remaining bond certificates mature annually from September 1, 2010 through September 1, 2015, at averaged payments of \$29,340, including interest at five percent (5.0%).

The following accounts are required to be maintained in the Enterprise Fund for these revenue bonds:

<u>ACCOUNT</u>	<u>PURPOSE AND REQUIREMENTS</u>
Revenue	To collect all water and sewer revenues which are to be transferred to various accounts as specified in the bond ordinances.
Operation and maintenance	To disburse funds transferred from the revenue account on or before the fifteenth of each month for operating expenses pursuant to the annual budget. Transfers to this account are after bond and interest sinking account and reserve account requirements have been met.
Bond and interest sinking	To accumulate sufficient funds through fund transfer from the revenue account to meet annual debt service requirements. Transfers are to be made on or before the fifteenth day of each month for one-twelfth the interest and one-twelfth the principal due for the fiscal year.
Reserve	To accumulate funds through transfers from the revenue account after bond and interest sinking fund requirements have been met for (1) cost of repairing or replacing damage to the system caused by an unforeseen catastrophe; (2) construction of improvements approved by Farmer's Home Administration; and (3) paying the principal and interest on the bonds in the event funds in the bond and interest Transfers are to be made on the fifteenth of each month in the sum of \$245 until such time as the funds and investments equal \$29,400 and there-after when such funds and investments are less than \$29,400. Excess funds in the revenue account after transfers to accounts as specified by the bond ordinance shall be transferred to the reserve account for prompt use in redeeming bonds or acquiring outstanding bonds for retirement to the extent funds and investments therein exceed \$29,400. At September 30, 2010, this reserve contained \$42,818, which exceeded the reserve requirement of \$13,418.

Debt service requirements to maturity, including interest of \$19,700 are as follows:

Fiscal Year Ending September 30,	Revenue Bonds
2011	\$ 29,350
2012	29,200
2013	29,000
2014	29,750
2015	29,400
	<u>\$ 146,700</u>

NOTE 10. 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 \$17,248. The Town reflects costs for the plan as contributions are paid.

NOTE 11 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.

The Town is a party to a lawsuit alleging property damage. Although the Town may incur expenses relating to this lawsuit, the Town Attorney believes that any adverse outcome would not have a material financial effect on the Town.

NOTE 12. LONG-TERM CONTRACTS

Effective April 1, 2010, 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 initial term. The contract fees are payable monthly based upon a unit price schedule and actual units serviced. In the current year, \$104,546 was paid under the contract.

NOTE 13. 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 workers' compensation insurance coverage for the past three years. There has been no reduction in insurance coverage from the previous year.

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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Ad valorem taxes				
Current ad valorem taxes	\$ 87,525	\$ 87,525	\$ 89,303	\$ 1,778
Delinquent ad valorem taxes	-	-	1,945	1,945
Sales and use taxes				
County infrastructure surtax	45,441	45,441	46,241	800
Local option gas tax/ alternative fuel	16,328	16,328	24,102	7,774
Franchise fees				
Electricity	60,000	60,000	63,464	3,464
CATV	-	-	25	25
Total taxes	<u>209,294</u>	<u>209,294</u>	<u>225,080</u>	<u>15,786</u>
Licenses and permits				
Professional and occupational	4,000	4,000	3,215	(785)
Other licenses and permits	-	-	230	230
Total licenses and permits	<u>4,000</u>	<u>4,000</u>	<u>3,445</u>	<u>(555)</u>
Intergovernmental revenue				
State grants				
Culture/recreation				
FRDAP Grant	200,000	200,000	169,301	(30,699)
FBIP - Boat ramp	-	-	51,842	51,842
State shared revenues				
General government				
State revenue sharing	26,198	26,198	26,260	62
Mobile home licenses	420	420	756	336
Alcoholic beverage licenses	200	200	210	10
Local government half-cent sales tax	23,073	23,073	23,194	121
Grants from other local units				
Culture/recreation	80,000	80,000	90,978	10,978
Payments in lieu of taxes	4,000	4,000	179	(3,821)
Total intergovernmental revenue	<u>333,891</u>	<u>333,891</u>	<u>362,720</u>	<u>28,829</u>
(continued)				
Charges for services				

See notes to financial statements.

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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
General government				
Zoning fees	\$ 100	\$ 100	\$ -	\$ (100)
Certification, copying, record search	100	100	334	234
Public safety				
Fire protection services	1,500	1,500	1,500	-
Lighting & maintenance	-	-	5,101	5,101
Physical environment				
Other physical environment	100	100	-	(100)
Culture/recreation				
Civic center fees	2,500	2,500	2,932	432
Total charges for services	<u>4,300</u>	<u>4,300</u>	<u>9,867</u>	<u>5,567</u>
Fines and forfeitures				
Court cases				
Court fines	1,500	1,500	889	(611)
Miscellaneous				
Interest earnings				
Interest on investments	4,000	4,000	4,769	769
Cemetery				
Lot fees	4,500	4,500	5,740	1,240
Other miscellaneous	2,500	2,500	9,673	7,173
Total miscellaneous	<u>11,000</u>	<u>11,000</u>	<u>20,182</u>	<u>9,182</u>
Total revenues	<u>563,985</u>	<u>563,985</u>	<u>622,183</u>	<u>58,198</u>
EXPENDITURES				
General government				
Legislative				
Personal services	42,354	43,323	43,236	87
Operating expenses	3,300	3,300	1,531	1,769
Total legislative	<u>45,654</u>	<u>46,623</u>	<u>44,767</u>	<u>1,856</u>

(continued)

Financial and administrative				
Personal services	\$ 38,575	\$ 39,386	\$ 39,006	\$ 380

See notes to financial statements.

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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating expenses	24,700	24,700	19,122	5,578
Capital outlay	500	2,000	-	2,000
Total financial and administrative	63,775	66,086	58,128	7,958
Legal counsel				
Operating expenses	18,000	18,000	14,727	3,273
Comprehensive planning				
Operating expenses	11,000	11,000	10,000	1,000
Other general government				
Operating expenses	14,500	14,500	23,563	(9,063)
Total general government	152,929	156,209	151,185	5,024
Public safety				
Law enforcement				
Operating expenses	42,000	42,000	42,000	-
Fire control				
Personal services	-	-	2,662	(2,662)
Operating expenses	20,150	20,150	17,519	2,631
Capital outlay	2,000	2,000	-	2,000
Total fire control	22,150	22,150	20,181	1,969
Total public safety	64,150	64,150	62,181	1,969
Physical environment				
Other physical environment				
Personal services	32,558	33,186	32,315	871
Operating expenses	3,900	3,900	7,214	(3,314)
Capital outlay	-	-	2,000	(2,000)
Total other physical environment	36,458	37,086	41,529	(4,443)
Cemetery				
Operating expenses	1,300	1,300	260	1,040
Total physical environment	37,758	38,386	41,789	(3,403)
(continued)				
Transportation				
Roads and streets				
Operating expenses	\$ 33,300	\$ 33,300	\$ 32,136	\$ 1,164

See notes to financial statements.

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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Capital outlay	-	-	54,600	(54,600)
Total roads and streets	33,300	33,300	86,736	(53,436)
Infrastructure improvements				
Capital outlay	-	-	2,480	(2,480)
Total infrastructure improvements	-	-	2,480	(2,480)
Total transportation	33,300	33,300	89,216	(55,916)
Human services				
Health				
Operating expenses	400	400	400	-
Total human services	400	400	400	-
Culture/recreation				
Parks and recreation				
Operating expenses	21,500	21,500	22,169	(669)
Capital outlay	210,000	210,000	272,254	(62,254)
Grants and aids	24,000	24,000	21,500	2,500
Total culture/recreation	255,500	255,500	315,923	(60,423)
Total expenditures	544,037	547,945	660,694	(112,749)
Excess of revenues over (under) expenditures	19,948	16,040	(38,511)	(54,551)
Fund balances at beginning of year	910,486	910,486	910,486	-
Fund balances at end of year	\$ 930,434	\$ 926,526	\$ 871,975	\$ (54,551)

COMPLIANCE SECTION

TOWN OF BRANFORD, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2010

<u>Grantor/Program Title</u>	<u>CFDA #/ CSFA #</u>	<u>Contract Number</u>	<u>Award Amount</u>	<u>Reported in Prior Year</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
FEDERAL AWARDS						
NON MAJOR PROGRAMS						
U.S. Department of Housing and Urban Development Passed through the Florida Department of Community Affairs Community Development Block Grant Match	14.228	09DB-20-03- 71-02-N82	\$ 600,000 25,000	\$ 357,248 25,000	\$ 241,666 -	\$ 241,666 -
Total federal awards			<u>625,000</u>	<u>382,248</u>	<u>241,666</u>	<u>241,666</u>
STATE FINANCIAL ASSISTANCE						
NON MAJOR PROGRAMS						
Florida Department of Environmental Protection Florida Recreation Development and Assistance Program	37.017	A08122	200,000	117,432	82,567	82,567
Florida Recreation Development and Assistance Program	37.017	A08123	200,000	113,173	86,734	86,734
Florida Fish & Wildlife Conservation Commission Florida Boating Improvement Program Match	77.027	07094	175,000 9,032	118,573 -	51,842 9,032	51,842 9,032
Total state financial assistance			<u>584,032</u>	<u>349,178</u>	<u>230,175</u>	<u>230,175</u>
Total federal and state financial assistance			<u>\$ 1,209,032</u>	<u>\$ 731,426</u>	<u>\$ 471,841</u>	<u>\$ 471,841</u>

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

TOWN OF BRANFORD, FLORIDA

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

For the Fiscal Year Ended September 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance of the Town of Branford, Florida (the "Town") have been designed to conform to generally accepted accounting principles as applicable to governmental units.

A. Reporting Entity

This reporting entity consists of the Town of Branford, Florida, which has no component units. The Town includes a Schedule of Expenditures of Federal Awards and State Financial Assistance in the Compliance Section for the purpose of additional analysis.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus.

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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 Mayor and Members
of the Town Council
Town of Branford, Florida

We have audited the basic financial statements of the Town of Branford, Florida, as of and for the year ended September 30, 2010, and have issued our report thereon dated June 13, 2011. 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.

Internal Control Over Financial Reporting.

In planning and performing our audit, we considered the Town of Branford, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Branford, Florida's internal control over financial reporting.

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, detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, detected and corrected on a timely basis.

Internal Control Over Financial Reporting – Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

Financial Statement Preparation

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the Town does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in instances where the Town is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with

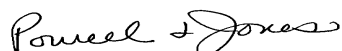
financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

A significant deficiency is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters - As part of obtaining reasonable assurance about whether the Town of Branford, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended solely for the information and use of management and the Town Council, the Auditor General of the State of Florida, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



POWELL & JONES
June 13, 2011

MANAGEMENT LETTER

To the Town Council
Town of Branford, Florida

We have audited the financial statements of the Town of Branford, as of and for the year ended September 30, 2010, and have issued our report thereon dated June 13, 2011. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE FINDINGS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of the Town of Branford, Florida, for the fiscal year ended September 30, 2010.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(g)(6)c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Financial Emergency Status – Nothing came to our attention that caused us to believe that the Town had met any of the conditions described in Section 218.503(1)(c), *Florida Statutes*, that might result in a financial emergency.

Investment of Public Funds - The Town complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the fiscal year.


Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.554(1)(f).

Rural Development Department of Agriculture – We are providing the following additional information relative to our examination of the financial statements of the Town of Branford, Florida, for the year ended September 30, 2010, as provided in the audit requirements for USDA borrowers.

1. Generally accepted auditing procedures were performed in this audit.
2. Internal controls were evaluated and are discussed in the prior sections of this report.
3. Accounting records and physical control over assets were adequate.
4. The accounting records of the Town have been adjusted to agree with the audited financial statements.
5. The Town's funds are in institutions insured by the Federal Government.
6. A summary of the Town insurance coverage is shown on the annual report filed with the Department of Agriculture.
7. The Town is exempt from Federal Income Tax.
8. We found nothing to indicate that financial compliance with the loan agreement had not occurred.

CONCLUSION

We, again, very much enjoyed the challenge and experiences associated with this year's examination of the Town. We are pleased with the continued progress of the Town's fiscal position and reaffirm our desire to assist the Town in continuing to improve its operations.



POWELL & JONES
Certified Public Accountants
June 13, 2011

TOWN OF BRANFORD

Office of the Mayor

P.O. BOX 577 • BRANFORD, FLORIDA 32008 • (904) 935-1146

Clerk's Office

June 16, 2011

Auditor General's Office
Local Government Audits/342
111 West Madison Street
Tallahassee, Fl 32399-1450

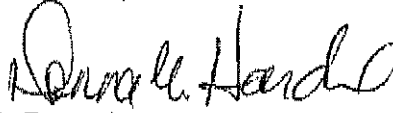
Re: 2009-2010 Annual Audit

Dear Sir:

The Town of Branford accepts the findings listed in the 2009-2010 audit report.

If you should have any questions or need further information, please feel free to contact me at the number listed above.

Sincerely,



Donna M. Hardin
Town Clerk

