

**TOWN OF BRONSON, FLORIDA
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2024**

TOWN OF BRONSON, FLORIDA

TOWN COUNCIL

**Bruce Greenlee
Mayor**

**Virginia Phillips
Vice-Mayor**

**Franklin Schuler
Council Member**

**Rachel Weeks
Council Member**

**Reggie Stacy
Council Member**

**Amanda Huber
Town Manager**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

TOWN OF BRONSON, FLORIDA

SEPTEMBER 30, 2024

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - General Fund	11
Reconciliation of the Balance Sheet of the General Fund to Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the General Fund to the Statement of Activities	13
Statement of Net Position - Proprietary Fund	14
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	15
Statement of Cash Flows - Proprietary Fund	16
Notes to the Financial Statements	17-27
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	29
Other Information	
Water and Sewer Activities	31
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>	32-35
Independent Accountant's Report on Compliance with Florida Statutes, Section 218.415 - Investment of Public Funds	36
Management Letter	37-39
Management's Response	40-41

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Bronson, Florida (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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 the Town as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

INDEPENDENT AUDITOR'S REPORT

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'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'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 on pages 4 through 8 and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund on page 29 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

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

INDEPENDENT AUDITOR'S REPORT

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 is comprised of the Water and Sewer Activities 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 8, 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 solely 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 the effectiveness of the Town's 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's internal control over financial reporting and compliance.

Purvis Gray

June 8, 2026
Gainesville, Florida

Town of Bronson, Florida Management's Discussion and Analysis

As management of the Town of Bronson, Florida (the Town), we offer readers of the Town ' s financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended September 30, 2024. Management's discussion and analysis (MD&A) should be read in conjunction with the financial statements that follow:

Financial Highlights

Total assets of the Town exceeded total liabilities at the close of the most recent fiscal year by \$6,527,057 (net position). Of this amount, \$356,129 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position decreased by \$40,401. Governmental activities generated an increase of \$301,842 and business-type activities generated a decrease of \$342,243.

General Fund revenues for 2024 increased by \$373,937 or 27% when compared to fiscal year 2023. General Fund expenditures increased by \$87,521 or 5% during this same period.

As of the close of the fiscal year, the Town's General Fund reported an ending fund balance of \$324,488, which was a decrease of \$4,504 from the prior year balance of \$328,992.

Overview of the Financial Statements

The Town has implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis* (MD&A) 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, which should provide a clear and concise description of the reporting entity and its mission, activities, program and financial performance, systems, controls, legal compliance, financial position, and financial condition. The MD&A should provide a balanced presentation that includes both positive and negative information about these topics. This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to financial statements.

Government-Wide Financial Statements

Government-wide financial statements are comprised of two separate financial statements that present an overall picture of the Town's financial position and results of operations: a statement of net position, and a statement of activities.

- The Statement of Net Position focuses on resources available for future operations. The Town reports two types of activities, governmental and business-type. This statement shows the assets the Town owns, the liabilities it owes, and the net difference shown as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The Statement of Activities focuses on gross and net costs of the Town's programs and the extent to which such programs rely upon program revenues and general revenues. It shows the extent to which programs are self-supporting and/or subsidized by general revenues.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The

governmental activities of the Town include general government services, public safety, streets and roads, recreation, and health and welfare. Property taxes, utility service taxes, gas taxes, and sales taxes, along with the Town's charges for services and inter-fund charges, finance the majority of these services. Business-type activities are funded by the fees the Town charges for services rendered. Business-type activities include solid waste, water and sewer utilities.

Fund Financial Statements

Fund financial statements present financial information for the Town's two major funds, the General Fund and Utility Fund. These individual funds have been established by the Town for the purpose of grouping related accounts to maintain control over resources that have been segregated for specific purposes or objectives to account for revenues that are restricted to certain uses, or to comply with legal requirements. These fund statements follow the more traditional presentation of financial statements.

- The General Fund presents the Town's basic services, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. This fund is reported using the modified accrual basis of accounting. General Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.
- The Utility Fund is used to account for activities and services which the Town provides. The Town's one Utility fund accounts for solid waste and water and wastewater operations. It also is reported using the accrual basis of accounting.

The Town adopts an annual budget for both its General Fund and its Utility Fund.

Notes to Financial Statements

Notes to financial statements provide additional information concerning the Town's finances that are not otherwise disclosed in the government-wide statements or fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$6,527,057 at the close of the most recent fiscal year.

Town of Bronson's Summary of Net Position

	Governmental Activities		Business-Type Activities		Total Government	
	FY 2024	FY2023	FY 2024	FY2023	FY 2024	FY2023
Assets						
Current Assets	\$ 408,752	541,640	\$ 259,679	473,158	\$ 668,431	\$1,014,798
Restricted Assets	-	-	574,300	101,638	574,300	101,638
Capital Assets	3,736,817	3,286,684	4,242,003	4,182,901	7,978,820	7,469,585
Total Assets	<u>4,145,569</u>	<u>3,828,324</u>	<u>5,075,982</u>	<u>4,757,697</u>	<u>9,221,551</u>	<u>8,586,021</u>
Liabilities						
Current Liabilities	139,661	151,840	144,640	172,906	284,301	324,746
Non-Current Liabilities	319,475	291,893	2,090,718	1,401,924	2,410,193	1,693,817
Total Liabilities	<u>459,136</u>	<u>443,733</u>	<u>2,235,358</u>	<u>1,574,830</u>	<u>2,694,494</u>	<u>2,018,563</u>
Net Position						
Net Investment in Capital Assets	3,384,572	2,971,503	2,583,825	2,749,539	5,968,397	5,721,042
Restricted	133,166	89,606	69,365	69,313	202,531	158,919
Unrestricted	168,695	323,482	187,434	364,015	356,129	687,497
Total Net Position	<u>\$3,686,433</u>	<u>\$3,384,591</u>	<u>\$2,840,624</u>	<u>\$3,182,867</u>	<u>\$6,527,057</u>	<u>\$6,567,458</u>

The largest portion of the Town's net position of \$5,968,397 reflects its net investment in capital assets which is comprised of land, buildings, infrastructure, and equipment. The Town uses these capital assets to provide services to citizens and consequently is not available for future spending.

The unrestricted net position balance of \$356,129 is intended to be a corporate style measurement of the Town's current financial standing and may be used to meet the government's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position . The increase in Governmental net position is primarily due to the increase in general revenues. The decrease in Business-Type net position is due primarily to the increase in water and sewer expenses.

Town of Bronson's Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>FY 2024</u>	<u>FY2023</u>	<u>FY 2024</u>	<u>FY2023</u>	<u>FY 2024</u>	<u>FY2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 210,413	\$ 182,700	611,168	\$ 566,172	\$ 821,581	\$ 748,872
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	542,099	375,299	5,000	-	547,099	375,299
General Revenues						
Property Taxes	292,380	271,713	-	-	292,380	271,713
Discretionary Sales Tax	156,354	156,697	-	-	156,354	156,697
Other Taxes	59,667	59,337	-	-	59,667	-
Permits and Fees	92,707	91,971	-	-	92,707	-
Franchise and Utility Taxes	106,862	101,532	-	-	106,862	101,532
Other State Revenues	187,249	184,237	-	-	187,249	184,237
Fines and Forfeitures	2,945	3,258	-	-	2,945	-
Investment Earnings	276	77	4,925	55	5,201	132
Miscellaneous	9,468	3,188	-	-	9,468	3,188
Total Revenues	<u>1,660,420</u>	<u>1,430,009</u>	<u>621,093</u>	<u>566,227</u>	<u>2,281,513</u>	<u>1,841,670</u>
Expenses						
General Government	740,494	730,607	-	-	740,494	730,607
Public Safety	419,841	293,990	-	-	419,841	293,990
Physical Environment	1,556	870	-	-	1,556	870
Transportation	106,664	96,739	-	-	106,664	96,739
Human Services	8,027	3,025	-	-	8,027	3,025
Culture and Recreation	81,996	83,393	-	-	81,996	83,393
Water and Sewer	-	-	799,098	694,514	799,098	694,514
Solid Waste	-	-	164,238	149,749	164,238	149,749
Total Expenses	<u>1,358,578</u>	<u>1,208,624</u>	<u>963,336</u>	<u>844,263</u>	<u>2,321,914</u>	<u>2,052,887</u>
Transfers	<u>-</u>	<u>(287,239)</u>	<u>-</u>	<u>287,239</u>	<u>-</u>	<u>-</u>
Change in Net Position	301,842	(65,854)	(342,243)	9,203	(40,401)	(56,651)
Net Position, Beginning of Year	<u>3,384,591</u>	<u>3,450,445</u>	<u>3,182,867</u>	<u>3,173,664</u>	<u>6,567,458</u>	<u>6,624,109</u>
Net Position, End of Year	<u>\$ 3,686,433</u>	<u>\$ 3,384,591</u>	<u>\$ 2,840,624</u>	<u>\$ 3,182,867</u>	<u>\$ 6,527,057</u>	<u>\$ 6,567,458</u>

Governmental Activities

Governmental activities increased the Town's net position by \$301,842 during the current fiscal year compared to a \$65,854 decrease during fiscal year 2023.

Overall, governmental activities reported an increase in revenues of \$230,411 and an increase in expenses by \$149,954 in comparison with the prior year. Significant elements of the change in revenues and expenses include:

Revenue:

- Capital Grants received increased by \$166,800. This was primarily caused by the construction of Wilson Street which was completed during fiscal year 2024. The grants administered by the Town in the current fiscal year included \$67,769 for the fire truck grant, and \$474,330 for the construction of Wilson Street.

Expenses:

- Expenses related to the Town's public safety expenses increased by \$125,851, mainly due to increased personnel services and depreciation expense.

Business-Type Activities

Business-type activities decreased the Town's net position by \$342,243 for fiscal year 2024 compared to an increase of \$9,203 for fiscal year 2023. Elements of the change include:

Revenue:

- Revenues for the Town's business-type activities increased by \$54,866 compared to the fiscal year 2023.

Expenses:

- Expenses related to the Town's business-type activities increased by \$119,073, mainly due to increased personnel services, interest expense and depreciation.

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2024, the Town had \$7,978,820 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, and water and sewer facilities

Capital Assets at Year-End (Net of Depreciation/ Amortization)

	Governmental Activities		Business-Type Activities		Total Government	
	FY 2024	FY2023	FY 2024	FY2023	FY 2024	FY2023
Assets						
Land	\$ 340,096	\$ 340,096	\$ 1,000	\$ 1,000	\$ 341,096	\$ 341,096
Construction in Process	-	44,020	212,136	36,345	212,136	80,365
Buildings and Building Improvements	1,894,284	1,931,623	-	-	1,894,284	1,931,623
Recreation Park Property	150,175	180,999	-	-	150,175	180,999
Vehicles	-	-	153,526	142,275	153,526	142,275
Furniture and Equipment	150,987	93,933	143,148	151,913	294,135	245,846
Streets and Roads	795,959	352,013	-	-	795,959	352,013
Right-to-Use Equipment	405,316	344,000	-	-	405,316	344,000
Water System	-	-	192,566	155,867	192,566	155,867
Sewer System	-	-	3,505,958	3,695,501	3,505,958	3,695,501
Right-to-Use SBITA	-	-	33,669	-	33,669	-
Totals	\$ 3,736,817	\$ 3,286,684	\$ 4,242,003	\$ 4,182,901	\$ 7,978,820	\$ 7,469,585

Additional information on the Town's capital assets can be found in Note 3 of the notes to the financial statements.

Debt Outstanding

At year-end, the Town had \$2,510,869 in long-term debt outstanding. Additional information on the Town's long-term debt can be found in Note 5 of the notes to the financial statements.

Economic Factors and Rates

- The unemployment rate for Levy County was 4.0% compared to the State unemployment rate of 3.5% as of September 2024.
- The estimated population for the Town in 2024 was 1,263 and as of 2023 the population was 1,224.
- The Town's ad valorem tax rate for fiscal year 2024 was 5.2080 mills, a decrease from the 2023 rate of 5.5380 mills.

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 Manager at P.O. Box 266, Bronson, Florida 32621.

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 287,720	\$ 181,115	\$ 468,835
Accounts Receivable, Net	8,570	58,596	67,166
Due from Other Governments	96,944	-	96,944
Prepaid Expense	663	-	663
Internal Balances	14,855	(14,855)	-
Inventory	-	34,023	34,023
Deposits	-	800	800
Restricted Assets:			-
Cash	-	574,300	574,300
Capital Assets			-
Non-Depreciable	340,096	213,136	553,232
Depreciable, Net	3,396,721	4,028,867	7,425,588
Total Assets	\$ 4,145,569	\$ 5,075,982	\$ 9,221,551
Liabilities			
Accounts Payable	\$ 47,055	\$ 15,043	\$ 62,098
Accrued Salaries and Benefits	34,504	16,582	51,086
Due to Other Governments	2,705	-	2,705
Unearned Revenue	-	8,997	8,997
Accrued Interest Payable	2,544	23,871	26,415
Payable from Restricted Assets:			
Customer Deposits	-	32,325	32,325
Non-Current Liabilities			
Due Within One Year	52,853	47,822	100,675
Due in More Than One Year	319,475	2,090,718	2,410,193
Total Liabilities	459,136	2,235,358	2,694,494
Net Position			
Net Investment in Capital Assets	3,384,572	2,583,825	5,968,397
Restricted for			
Debt Reserve	-	55,973	55,973
Asset Management	-	7,500	7,500
Debt Service	-	5,892	5,892
Fire Department	133,166	-	
Unrestricted	168,695	187,434	356,129
Total Net Position	\$ 3,686,433	\$ 2,840,624	\$ 6,527,057

See accompanying notes.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 740,494	\$ 13,200	\$ -	\$ -	\$ (727,294)	\$ -	\$ (727,294)
Public Safety	419,841	193,413	-	67,769	(158,659)	-	(158,659)
Physical Environment	1,556	3,800	-	-	2,244	-	2,244
Transportation	106,664	-	-	474,330	367,666	-	367,666
Human Services	8,027	-	-	-	(8,027)	-	(8,027)
Culture and Recreation	81,996	-	-	-	(81,996)	-	(81,996)
Total Governmental Activities	1,358,578	210,413	-	542,099	(606,066)	-	(606,066)
Business-Type Activities							
Water and Sewer	799,098	431,473	-	5,000	-	(362,625)	(362,625)
Solid Waste	164,238	179,695	-	-	-	15,457	15,457
Total Business-Type Activities	963,336	611,168	-	5,000	-	(347,168)	(347,168)
Total Primary Government	\$ 2,321,914	\$ 821,581	\$ -	\$ 547,099	(606,066)	(347,168)	(953,234)
General Revenues							
Property Taxes					292,380	-	292,380
Discretionary Sales Tax					156,354	-	156,354
Other Taxes					59,667	-	59,667
Permits and Fees					92,707	-	92,707
Franchise Fees					106,862	-	106,862
State Shared Revenues					187,249	-	187,249
Fines and Forfeitures					2,945	-	2,945
Interest Earnings					276	4,925	5,201
Miscellaneous					9,468	-	9,468
Total General Revenues and Transfers					907,908	4,925	912,833
Change in Net Position					301,842	(342,243)	(40,401)
Net Position, Beginning of Year					3,384,591	3,182,867	6,567,458
Net Position, End of Year					\$ 3,686,433	\$ 2,840,624	\$ 6,527,057

See accompanying notes.

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	General Fund
Assets	
Cash	\$ 287,720
Accounts Receivable	8,570
Due from Other Governments	96,944
Prepaid Insurance	663
Due from Other Funds	14,855
Total Assets	\$ 408,752
Liabilities	
Accounts Payable	\$ 47,055
Accrued Salaries and Benefits	34,504
Due to Other Governments	2,705
Total Liabilities	\$ 84,264
Fund Balance	
Non-Spendable	
Prepaid Insurance	663
Restricted	
Fire Department	133,166
Assigned to	
Cemetery	8,832
Culture and Recreation	5,521
Unassigned	176,306
Total Fund Balance	\$ 324,488
Total Liabilities, and Fund Balance	\$ 408,752

**RECONCILIATION OF THE BALANCE SHEET OF THE GENERAL FUND
TO THE STATEMENT OF NET POSITION**

Total Fund Balance - General Fund		\$ 324,488
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 general fund.		3,736,817
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the general fund.		
Compensated Absences	(20,083)	
Leases	(352,245)	
Accrued Interest Payable	(2,544)	
	(374,872)	
Total Net Position of Governmental Activities		\$ 3,686,433

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	General Fund
Revenues	
Taxes	\$ 525,179
Licenses and Permits	199,568
Intergovernmental Revenue	812,571
Charges for Services	210,413
Fines and Forfeitures	2,945
Miscellaneous Revenues	9,744
Total Revenues	1,760,420
Expenditures	
Current	
General Government	703,734
Public Safety	297,224
Physical Environment	1,556
Transportation	77,216
Human Services	8,027
Culture and Recreation	51,172
Capital Outlay	650,848
Debt Service	
Principal	29,936
Interest	12,211
Total Expenditures	1,831,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,504)
Other Financing Sources (Uses)	
Lease Proceeds	67,000
Total Other Financing Sources (Uses)	67,000
Net Change in Fund Balance	(4,504)
Fund Balance, Beginning of Year	328,992
Fund Balance, End of Year	\$ 324,488

See accompanying notes.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

Net Change in Fund Balance - General Fund \$ (4,504)

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because**

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as the depreciation expense. This is the amount by which capital purchases exceed depreciation in the current year.

Capital Asset Additions	650,849	
Depreciation Expense	<u>(200,716)</u>	450,133

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position.

Compensated Absences	(6,723)	
Lease	(67,000)	
Repayment of Principal	<u>29,936</u>	(43,787)

Certain revenues in the statement of activities are not considered current financial resources until measurable and available and, therefore are reported as revenues in the general fund in a different period. (100,000)

Change in Net Position of Governmental Activities \$ 301,842

See accompanying notes.

**STATEMENT OF NET POSITION
 PROPRIETARY FUND
 SEPTEMBER 30, 2024
 TOWN OF BRONSON, FLORIDA**

	<u>Business-Type Activities - Enterprise Funds Utility Fund</u>
Assets	
Current Assets:	
Cash	\$ 181,115
Accounts Receivable (Net of Allowance)	58,596
Inventory	34,023
Deposits	800
Total Current Assets	<u>274,534</u>
Non-Current Assets	
Restricted Cash	574,300
Capital Assets, Net	4,242,003
Total Non-Current Assets	<u>4,816,303</u>
Total Assets	<u>5,090,837</u>
Liabilities	
Current Liabilities	
Accounts Payable	15,043
Accrued Salaries and Benefits	16,582
Unearned Revenue	8,997
Due to Other Funds	14,855
Compensated Absences	3,877
Accrued Interest Payable	23,871
Note Payable	7,239
Revenue Bond Payable	29,000
SBITA	7,706
Total Current Liabilities	<u>127,170</u>
Payable from Restricted Assets:	
Customer Deposits	32,325
Non-Current Liabilities	
Compensated Absences	3,875
Note Payable	698,566
Revenue Bond Payable	1,361,000
SBITA	27,277
Total Non-Current Liabilities	<u>2,090,718</u>
Total Liabilities	<u>2,250,213</u>
Net Position	
Net Investment in Capital Assets	2,583,825
Restricted for	
Debt Reserve	55,973
Asset Management	7,500
Debt Service	5,892
Unrestricted	187,434
Total Net Position	<u>\$ 2,840,624</u>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	Business-Type Activities - Enterprise Funds <u>Utility Fund</u>
Operating Revenues	
Charges for Services	\$ 611,168
Total Operating Revenues	<u>611,168</u>
 Operating Expenses	
Personnel Services	173,973
Services, Supplies, and Other	417,155
Depreciation	<u>305,916</u>
Total Operating Expenses	<u>897,044</u>
 Operating (Loss)	 (285,876)
 Non-Operating Revenues (Expenses)	
Grant Income	5,000
Interest Income	4,925
Interest Expense	<u>(66,292)</u>
Total Non-Operating Revenues (Expenses)	<u>(56,367)</u>
 Change in Net Position	 (342,243)
Net Position, Beginning of Year	<u>3,182,867</u>
Net Position, End of Year	<u>\$ 2,840,624</u>

See accompanying notes.

**STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	Business-Type Activities - Enterprise Funds Utility Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 626,124
Cash Paid to Employees	(160,435)
Cash Paid to Suppliers	(481,766)
Net Cash Provided by Operating Activities	(16,077)
Cash Flows from Capital and Related Financing Activities	
Debt proceeds	696,506
Principal Paid on Debt	(34,063)
Interest Paid on Debt	(42,540)
SBITA repayment	(10,681)
Proceeds from Capital Grants	5,000
Acquisition and Construction of Capital Assets	(322,932)
Net Cash Provided by Capital and Related Financing Activities	291,290
Cash Flows from Noncapital Financing Activities	
Interfund financing	15,345
Net Cash Provided by Noncapital Financing Activities	15,345
Cash Flows from Investing Activities	
Interest on Investments	4,925
Net Cash Provided by Investing Activities	4,925
Net Increase in Cash	295,483
Cash, Beginning of Year	459,932
Cash, End of Year	\$ 755,415
Reported in Statement of Net Position	
Cash	\$ 181,115
Restricted Assets - Cash	574,300
Total	\$ 755,415
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>	
Operating (Loss)	\$ (285,876)
Adjustments to Reconcile Net (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	305,916
Decrease (Increase) in Assets:	
Accounts Receivable	14,956
Prepaid Expense	6,000
Increase (Decrease) in Liabilities:	
Accounts Payable	(70,611)
Accrued Salaries and Benefits	13,538
Net Cash Provided by Operating Activities	\$ (16,077)

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS
TOWN OF BRONSON, FLORIDA**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of Bronson, Florida (the Town) conform to generally accepted accounting principles for governmental entities. The following is a summary of significant accounting policies:

Reporting Entity

The Town is a Florida municipality governed by an elected five-member Town Council. The Town provides services to its citizens including water and sewer service, refuse collection, parks and recreation, streets, public safety, and other general governmental activities.

The reporting entity for the Town (the primary government) contained no separate legal entities (component units) for which the Town Council has financial accountability. Financial accountability is present if the Town Council appoints a voting majority of a component unit's governing body and has the ability to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Town.

Government-Wide and Fund Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. Governmental activities, which are normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include : a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and b) grants and contributions that are restricted to meeting the operational and capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The Town reports one governmental fund, the general fund, as a major fund. The general fund is the Town's primary operating fund. It accounts for all resources traditionally associated with governments, except those required to be accounted for in another fund.

The Town reports one proprietary fund, the utility fund, as a major fund. This fund accounts for the activities of the Town's solid waste and water and sewer utilities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this period, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt expenditures are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Town's proprietary fund are charges to customers for services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Fund Balance Classifications

Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**-This component of fund balance consists of amounts that cannot be spent because : a) they are not expected to be converted to cash, or b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and advances to other funds.
- **Restricted**- This component of fund balance consists of amounts that are constrained either : a)externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or b) by law through constitutional provisions or enabling legislation.
- **Committed**- This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the organization's governing authority (the Town Council). These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.
- **Assigned**- This component of fund balance consists of amounts that are constrained by a less-than- formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Town Council has not delegated this responsibility.
- **Unassigned**- This classification is used for: a) deficit unrestricted fund balances in any governmental fund, orb) fund balances within the general fund that are not restricted, committed, or assigned.

Use of Restricted and Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Town's policy to use committed resources first, then assigned, and then unassigned as needed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include cash held in checking accounts.

Accounts Receivable and Due from Other Governments

Customer accounts receivable are recorded at their net realizable value and reduced by an allowance for uncollectible accounts of \$39,398.

Due from Other Governments represent amounts due from the federal, state, or local governments; State of Florida; or Levy County for shared revenues or costs.

Prepays

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

Inventory

Inventories of the proprietary fund are stated at cost using the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Capital Assets

Governmental fund capital assets include land, buildings and improvements, vehicles, furniture and equipment, and infrastructure assets (e.g., streets and roads). Capital assets used in governmental fund- type operations are reported in the statement of net position rather than in the general fund balance sheet. All purchased capital assets are valued at historical cost. 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 . Capital assets are defined as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. These capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and Improvements	10-30
Vehicles	7-10
Furniture and Equipment	3-10
Streets and Roads	10-30

Proprietary fund capital expenditures made for revenue-producing assets, which are employed in operations that are accounted for in the proprietary fund, are capitalized at historical costs, and are depreciated using the straight-line method over their estimated useful lives as follows:

Water Plant	25-30 Years
Equipment	10-18 Years
Sewer Plant	25-30 Years

Donated capital assets are recorded at estimated acquisition cost at the date of contribution.

Compensated Absences

The Town's leave policy allows for accumulation of up to 240 hours of unused vacation leave and an unlimited amount of unused sick leave. All vacation leave accumulated and 25% of any sick leave accumulated by employees with three or more years of service is payable upon termination of employment. A liability for these amounts is accrued when incurred in the government-wide and proprietary statements of net position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Revenue Recognition

Utility revenues are recorded when received and adjusted to the accrual basis for financial reporting. Restricted grant revenues, which are received but not expended, are recorded as unearned revenues. Grant revenues receivable are recorded when reimbursable expenditures on those grants have been incurred but not reimbursed at year-end.

Budgeting

The Town's procedures in preparing and adopting the annual budget are as follows:

- The Town Manager is responsible for preparing a proposed operating budget for the upcoming year prior to September 30 that includes estimated revenues, proposed expenditures, and other financing sources and uses.
- Public hearings are held to obtain taxpayer comments and suggestions. The budget is enacted through passage of a resolution .

- Budgets are adopted on a basis consistent with generally accepted accounting principles. Appropriations lapse at the end of the year. The general fund budget presented was based upon the original budget. Budget appropriations may not be legally exceeded on a total fund basis.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit cities to levy property taxes at a rate of up to 10 mills for general operations. The tax levy rate for the tax year ended September 30, 2024, was 5.2080 mills.

The tax levy of the Town is established by the Town Council prior to October 1 of each year, and the County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County, various other municipalities, and County School Board tax requirements.

All property is reassessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes are levied on November 1 of each year, or as soon thereafter, as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount.

On or prior to June 1 following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are estimated to be immaterial.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

The Town does not accrue its portion of the county-held tax sale certificates or personal property tax warrants because such amounts are estimated to be immaterial.

Franchise Fees

Continuing franchise fees are reported as revenues as the fees are earned and become receivable from the franchisee.

Interfund Transactions

During the course of normal operations, the Town has numerous transactions between funds for goods provided or services rendered. These transactions are eliminated on the government-wide financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities column of the statement of net position.

Right-to-Use Assets & Liabilities

Right-to-use assets are recognized for qualifying leases and subscription based IT arrangements (SBITAs) in accordance with GASB Statement No. 87 and 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related liability plus, any payments made prior to the term, incentives, and ancillary charges necessary to place the asset into service. Right-to-use assets are amortized on a straight-line basis over the life of the related lease or subscription. Lease and SBITA liabilities are amortized over the life of the related agreement using the agreed upon discount rate or prime rate.

Note 2 - Cash

Chapter 280 of the Florida Statutes requires, in general, that all public deposits (including those of the Town) be made in qualified public depositories within the State of Florida. The Town's deposits are considered 100% insured for risk disclosure purposes.

The Town has not adopted an investment policy and so, by statute, follows the state's guidance set forth in Section 219.075, Florida Statutes regarding the deposit of funds received and the investment of surplus funds. That section requires local governments without written investment policies to follow the state policy in Section 218.415(17), Florida Statutes. That section authorizes the following investments:

- The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the *Florida Interlocal Cooperation Act*, as provided in Florida Statute 163.01.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the United States Treasury.

The Town does not have policies that address credit risk, custodial credit risk, or interest rate risk. The Town had no investments at year-end or during the year.

Note 3 - Capital Assets

A summary of capital assets in the governmental fund at September 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated/ Amortized				
Land	\$ 340,096			\$ 340,096
Construction in Progress	44,020		(44,020)	-
Total Capital Assets Not Being Depreciated/ Amortized	<u>384,116</u>	<u>-</u>	<u>(44,020)</u>	<u>340,096</u>
Capital Assets Being Depreciated/ Amortized:				
Buildings and Building Improvements	2,562,971	44,020	-	2,606,991
Recreation Park Property	700,202	-	-	700,202
Vehicles	568,176	-	-	568,176
Furniture and Equipment	598,217	77,761	-	675,978
Streets and Roads	890,342	477,372	-	1,367,714
Right-to-Use Equipment	344,000	95,716	-	439,716
Total Capital Assets Being Depreciated and Amortized	<u>5,663,908</u>	<u>694,869</u>	<u>-</u>	<u>6,358,777</u>
Less Accumulated Depreciation/ Amortization				
Buildings and Building Improvements	(631,348)	(81,359)	-	(712,707)
Recreation Park Property	(519,203)	(30,824)	-	(550,027)
Vehicles	(568,176)	-	-	(568,176)
Furniture and Equipment	(504,284)	(20,707)	-	(524,991)
Streets and Roads	(538,329)	(33,426)	-	(571,755)
Right-to-Use Equipment	-	(34,400)	-	(34,400)
Total Accumulated Depreciation and Amortization	<u>(2,761,340)</u>	<u>(200,716)</u>	<u>-</u>	<u>(2,962,056)</u>
Total Capital Assets Being Depreciated/ Amortized, Net	<u>2,902,568</u>	<u>494,153</u>	<u>-</u>	<u>3,396,721</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,286,684</u>	<u>\$ 494,153</u>	<u>\$ (44,020)</u>	<u>\$ 3,736,817</u>

Depreciation/ Amortization expense on governmental fund capital assets charged to function/programs were as follows:

General Government	\$ 30,038
Public Safety	110,406
Transportation	29,448
Culture and Recreation	30,824
Total Depreciation Expense	<u>\$ 200,716</u>

Business-Type Activities

A summary of capital assets in the proprietary fund at September 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets Not Being Depreciated/ Amortized				
Land	\$ 1,000			\$ 1,000
Construction in Progress	36,345	212,136	(36,345)	212,136
Total Capital Assets Not Being Depreciated/ Amortized	37,345	212,136	(36,345)	213,136
Capital Assets Being Depreciated/ Amortized:				
Water System	2,328,236	82,785		2,411,021
Equipment	248,990			248,990
Sewer System	5,948,387	26,935		5,975,322
Vehicles	170,313	37,421		207,734
SBITA	-	42,086		42,086
Total Capital Assets Being Depreciated/ Amortized	8,695,926	189,227	-	8,885,153
Less Accumulated Depreciation/ Amortization:				
Water System	(2,172,369)	(46,086)		(2,218,455)
Equipment	(97,077)	(8,765)		(105,842)
Sewer System	(2,252,886)	(216,478)		(2,469,364)
Vehicles	(28,038)	(26,170)		(54,208)
SBITA	-	(8,417)		(8,417)
Total Accumulated Depreciation and Amortization	(4,550,370)	(305,916)	-	(4,856,286)
Total Capital Assets Being Depreciated/ Amortized, Net	4,145,556	(116,689)	-	4,028,867
Business-Type Activities Capital Assets, Net	<u>\$ 4,182,901</u>	<u>\$ 95,447</u>	<u>\$ (36,345)</u>	<u>\$ 4,242,003</u>

Depreciation/ Amortization expense on business-type capital assets charged to function/programs were as follows:

Water System	\$ 89,438
Sewer System	216,478
Total Depreciation/Amortization Expense	<u><u>\$ 305,916</u></u>

Note 4 - Deferred Compensation Plan

Effective October 1, 1998, the Town discontinued its defined benefit pension plan and adopted a deferred compensation plan in accordance with Internal Revenue Code, Section 457. The employee balances in the former plan were transferred into annuity accounts for the individual members under the Section 457 plan. Contributions to the plan by the Town for the benefit of the participants is discretionary and decided on a year-by-year basis. The Town contributed \$9,807 to the plan for participants for the fiscal year 2024.

Note 5 – Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>(Decreases)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Accrued Compensated Absences	\$ 13,360	\$ 6,723		\$ 20,083	\$ 14,939
\$344,000 Fire Truck Right-to-Use Lease Due in Annual Installments of \$42,147 Through July 15, 2032; Interest at 3.81%	315,181		(29,936)	285,245	31,096
\$67,000 Fire Truck Right-to-Use Lease Due in Annual Installments of \$10,779 Through July 15, 2032; Interest at 5.97%	-	67,000		67,000	6,818
Total Governmental Activities	<u>\$ 328,541</u>	<u>\$ 73,723</u>	<u>\$ (29,936)</u>	<u>\$ 372,328</u>	<u>\$ 52,853</u>
Business-Type Activities					
\$1,596,000 Water and Wastewater System Revenue Bonds, Series 2015, Direct Borrowing; Due in Annual Installments of \$23,000 to \$69,000 Through September 1, 2054; Interest at 3.00%	\$ 1,418,000		\$ (28,000)	\$ 1,390,000	\$ 29,000
\$30,000 Note Payable Due in Monthly Installments of \$526, Including Interest at 2% per Annum, due Monthly. Final Payment of Principal and Interest is due March 22, 2026. Collateralized by a 2021 Chevy Silverado with a Cost of \$30,000.	15,362		(6,063)	9,299	6,185
\$696,506 Note Payable Due in Annual Installments of \$41,404 to \$86,252, through April 1, 2044; Interest at 5.71%	-	696,506	-	696,506	1,054
Accrued Compensated Absences	5,250	2,503		7,753	3,877
\$42,089 SBITA Liability for CUSI Utility Billing Software Due in annual payment of \$10,680 Through May 2028, Interest at 8.5%		42,086	(7,103)	34,983	7,706
Total Business-Type Activities	<u>\$ 1,438,612</u>	<u>\$ 741,095</u>	<u>\$ (41,166)</u>	<u>\$ 2,138,541</u>	<u>\$ 47,822</u>

Events of Default- Each of the following events is considered an "event of default" per the Town's debt agreement and Resolution 12-06:

- Failure to pay the principal of, or interest on, the bonds when due.
- The dissolution or liquidation of the issuer, or the filing by the issuer of a voluntary petition in bankruptcy, or the commission by the issuer of any act of bankruptcy, or adjudication of the issuer as a bankrupt, or assignment by the issuer for the benefit of its creditors, or appointment of a receiver for the issuer, or the entry by the issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the issuer in any proceeding for its reorganization instituted under the provisions of the *Federal Bankruptcy Act*, as amended, or under any similar act in any jurisdiction which may not be in effect or hereafter adopted.
- The issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the bond or in the resolution on the part of the issuer to be

performed.

Enforcement Remedies - Any owner of the bonds issued under the provisions may either, at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained in this resolution, and may enforce and compel the performance of all duties required by the resolution or by any applicable state or federal statutes to be performed by the issuer or by any officer thereof.

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 37,914	\$ 15,012	\$ 43,945	\$ 85,153
2026	39,472	13,454	46,814	82,873
2027	41,153	11,773	47,416	80,939
2028	42,908	10,018	52,366	78,819
2029	44,742	8,184	45,944	76,421
2030-2034	146,056	12,722	288,605	352,384
2035-2039	-	-	413,949	282,515
2040-2044	-	-	586,749	175,604
2045-2049	-	-	280,000	74,430
2050-2054	-	-	325,000	29,850
Totals	<u>\$ 352,245</u>	<u>\$ 71,163</u>	<u>\$ 2,130,788</u>	<u>\$ 1,318,989</u>

Interest expense in fiscal year 2024 on long-term liabilities of business-type activities totaled \$66,292 and governmental activities totaled \$12,211.

Note 6 - Pledged Revenues

The Town has pledged the net revenues of the water and sewer system and a covenant to budget and appropriate non-ad valorem revenues to the extent any deficiencies exist, to repay the Series 2015 Water and Wastewater System Revenue Bonds. At September 30, 2024, the Town was not in compliance with the provisions of this revenue bond covenant. During the current year, the water and wastewater system generated insufficient net revenues to cover the current year principal and interest expense for the Water and Wastewater System Revenue Bonds of \$71,380. The Town approved a Resolution to adopt a 3% increase in water rates effective May 1, 2025.

Note 7 - Other Postemployment Benefit (OPEB) Obligation

Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the Town are eligible to participate in the Town's healthcare program. The Town subsidizes the premium rates paid by retirees by allowing them to participate in the healthcare program at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, the current and future claims are expected to result in higher health insurance costs on average than those of active employees. Town management estimates this liability to be immaterial. Accordingly, no OPEB liability has been recorded in the Town's financial statements.

Note 8 - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Insurance against losses are provided through Florida Municipal Insurance Trust for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage

The Town's coverage for workers' compensation is under a retroactively rated policy. Premiums are accrued based on the ultimate cost to date of the Town 's experience for this type of risk. There have been no significant reductions in insurance coverage and settlements have not exceeded insurance coverage during the last three years.

Note 9 – Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances at September 30, 2024 are as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund - Current	\$ 14,855	\$ -
Utility Fund - Current	-	14,855
Total	<u>\$ 14,855</u>	<u>\$ 14,855</u>

The above amounts represent goods and services paid for and grant revenues received by the general fund for the benefit of the utility fund in the current or previous years. The amounts shown as current in the general fund will be repaid during fiscal year 2025.

Note 10 – Leases and Subscription-Based Information Technology Arrangement

In July of 2022, the Town executed a lease agreement with Community First National Bank for a new Rosenbauer Pumper for \$344,000 with principal and interest payments totaling \$42,147 to be repaid annually through fiscal year 2032. In accordance with the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, the Town recognized a lease asset of \$344,000, and a corresponding increase in lease payable liability with a borrowing rate of 3.81%. In conjunction with this lease agreement, the Town was awarded \$100,000 from the United States Department of Agriculture. The funds will be used towards the fire truck lease agreement. The Town is required to contribute \$244,082.

In July 2024, the Town executed a lease agreement with Community First National Bank for the financing of one (1) 2024 Chevy Silverado Response Vehicle with upfitting and a 2024 Rosenbauer Pumper. The total amount financed under this agreement is \$67,000, with principal and interest payments totaling \$10,779 annually through fiscal year 2032. In accordance with the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, the Town recognized a lease asset of \$95,716, and a corresponding increase in lease payable liability with a borrowing rate of 5.97%. In conjunction with this lease agreement, the Town was awarded \$34,592 from the United States Department of Agriculture. The funds will be used towards the fire truck lease agreement. The Town is required to contribute \$67,000.

In May 2024, the Town entered into a five-year Subscription-Based Information Technology Arrangement (SBITA) with Continental Utility Solutions, Inc. (CUSI) for utility billing software, cloud hosting, and related services. The agreement extends through April 2029. In accordance with GASB Statement No. 96, the Town recognized a subscription asset and corresponding subscription liability of \$42,086 at commencement using a discount rate of 8.50%. As of September 30, 2024, the subscription asset had a carrying value of \$33,667 and the outstanding subscription liability was \$34,983.

Future minimum-lease and SBITA payments are as follows:

Leases:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 37,914	\$ 15,012
2026	37,914	15,012
2027	37,914	15,012
2028	37,914	15,012
2029	44,742	8,184
2030-2033	146,056	12,722
Totals	\$ 342,453	\$ 80,954

SBITAs

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 7,706	\$ 2,974
2026	8,361	2,319
2027	9,072	1,608
2028	9,844	837
Totals	\$ 34,983	\$ 7,738

Note 11 - Commitments and Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state 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(s) cannot be determined at this time although the Town expects amounts, if any, to be immaterial.

Note 12 - Joint Venture

The Waccasassa Water and Wastewater Cooperative (WWWC) was created on June 13, 2023, by an interlocal agreement between the Town of Bronson, Town of Otter Creek, and the Cedar Key Water and Sewer District in accordance with Chapters 163 and 373 of the Florida Statutes. These local government units are collectively considered the Member Governments. The WWWW is a separate legal entity organized under the laws of the State of Florida, and the Member Governments have no equity ownership in the WWWW.

The purpose of forming the WWWW is to implement a regional water supply and wastewater disposal cooperative across Levy County. This will require a regional infrastructure program and a long-term commitment to sustainable water resources. The planned infrastructure includes a water treatment plant, wastewater treatment plant, and approximately 35 miles of water and wastewater pipeline.

Subsequent to year-end, Resolution No. 26-02 was adopted by the Town on May 18, 2026, providing for the Town's withdrawal from the Waccasassa Water and Wastewater Cooperative.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024
TOWN OF BRONSON, FLORIDA**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 723,974	\$ 723,974	\$ 525,179	\$ (198,795)
Licenses and Permits	22,500	22,500	199,568	177,068
Intergovernmental Revenue	753,824	926,024	812,571	(113,453)
Charges for Services	208,280	208,280	210,413	2,133
Fines and Forfeitures	3,150	3,150	2,945	(205)
Miscellaneous Revenues	2,627	2,627	9,744	7,117
Total Revenues	<u>1,714,355</u>	<u>1,886,555</u>	<u>1,760,420</u>	<u>(126,135)</u>
Expenditures				
Current				
General Government	652,371	652,371	703,734	(51,363)
Public Safety	451,804	451,804	339,371	112,433
Physical Environment	-	-	1,556	(1,556)
Transportation	64,500	236,700	77,216	159,484
Human Services	-	-	8,027	(8,027)
Culture and Recreation	44,550	44,550	51,172	(6,622)
Capital Outlay	501,130	501,130	650,848	(149,718)
Total Expenditures	<u>1,714,355</u>	<u>1,886,555</u>	<u>1,831,924</u>	<u>54,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(71,504)	(71,504)
Other Financing Sources (Uses)				
Lease Proceeds	-	-	67,000	67,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>67,000</u>	<u>67,000</u>
Net Change in Fund Balance	-	-	(4,504)	(4,504)
Fund Balance, Beginning of Year	328,992	328,992	328,992	-
Fund Balance, End of Year	<u>328,992</u>	<u>328,992</u>	<u>\$ 324,488</u>	<u>\$ (4,504)</u>

See accompanying notes.

OTHER INFORMATION

WATER AND SEWER ACTIVITIES
SEPTEMBER 30, 2024
TOWN OF BRONSON
UNAUDITED

Number of WATER Connections	689
Current Assets	\$ 170,662
Long-Term Assets	1,156,819
Current Liabilities	76,302
Long-Term Liabilities	722,830
Operating Income	274,254
Non-Operating Income	9,925
Depreciation/ Amortization	89,438
All Other OM Expenses	203,639
RD Debt Payment - Interest	-
Other Debt Service - Interest	23,752
<hr/>	
Number of SEWER Connections	232
Current Assets	\$ 103,872
Long-Term Assets	3,659,484
Current Liabilities	50,868
Long-Term Liabilities	1,367,888
Operating Income	167,219
Non-Operating Income	
Depreciation	216,478
All Other OM Expenses	289,543
RD Debt Payment - Interest	42,540
Other Debt Service - Interest	-

**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***

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, 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, and each major fund of the Town of Bronson, Florida (the Town) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as 2024-1 and 2024-2, as items that we consider to be material weaknesses. We also identified a deficiency in internal control, described below as 2024-3, that we consider to be a significant deficiency.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

**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**

2024-1 Segregation of Duties

Condition—Effective internal controls over financial reporting require that the functions of authorizing transactions, custody of assets, and recording of transactions be separated in order to provide reasonable assurance that assets are adequately safeguarded, and transactions are properly authorized, executed, and recorded in accordance with the assertions of management. Due to the Town’s limited staffing, one employee performs incompatible duties, including receiving and depositing cash, and recording all transactions.

Effect—Lack of proper separation of incompatible duties could result in errors and irregularities that go undetected for extended periods of time.

Recommendation—We recommend that incompatible duties be separated among employees where it is feasible to do so.

2024-2 Financial Close and Reporting

Condition—At the commencement of final fieldwork, the preliminary working trial balance did not reflect all the required closing entries. As a result, several material audit adjustments were required after we began the audit process.

Effect—The lack of an effective financial close and reporting process increases the risk that material misstatements will not be detected in a timely manner. It also results in delays in performing and completing the audit.

Recommendation—We recommend the Town evaluate its monthly and annual financial close and reporting process and make necessary changes to reduce the risk of inaccurate financial information during the year and at year-end.

2024-3 Account Classifications

Condition—The Town continues to record credit card transactions as aggregate, lump-sum adjustments rather than posting individual transactions to their specific functional accounts, resulting in ongoing misclassifications and fluctuations across various general ledger expense accounts.

Effect—This recurring practice limits the transparency needed for management and the Town Council to effectively monitor budgets or detect unusual spending patterns.

Recommendation—As previously recommended, we advise the Town to prioritize the implementation of a formal monthly reconciliation process to ensure that all credit card transactions are individually reviewed for business purpose, supported by itemized documentation, and properly classified to their appropriate expense line items.

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

**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**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described below:

2024-4 Debt Covenants

Condition—According to the United States Department of Agriculture Letter of Conditions, accepted and agreed to by the Town for the grant and loan funds received for the wastewater system expansion project, the Town is required to maintain water and sewer rates that provide adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves. Operating expenses (excluding depreciation and solid waste) exceeded operating revenues by \$11,128, which is insufficient to pay annual debt service.

Effect—The Town was not in compliance with the debt covenants of the loan.

Recommendation—We recommend that the Town evaluate the profitability of its water and wastewater systems and determine whether it is appropriate to increase rates and/or decrease costs as may be necessary to meet debt covenants.

2024-5 Inadequate Monitoring and Reconciliation of Quarterly Payroll Tax Liabilities

Condition—Federal payroll tax regulations require employers to timely remit payroll tax withholdings and employer payroll tax obligations in accordance with the Internal Revenue Service (IRS) deposit schedule. In addition, quarterly Form 941 filings should be reconciled to payroll records, general ledger activity, and related tax deposits prior to submission to ensure the completeness and accuracy of reported liabilities and remittances. We noted the Town did not consistently perform timely reconciliations between payroll tax liabilities recorded in the general ledger, amounts reported on Form 941, and deposits remitted through the federal tax payment system. As a result, payroll tax liabilities remained outstanding at the end of multiple quarters and were carried forward into subsequent reporting periods.

Effect—Failure to timely reconcile and remit payroll tax liabilities increases the risk of non-compliance with IRS deposit requirements and may result in penalties, accrued interest, and additional scrutiny from regulatory agencies. In addition, inadequate monitoring of payroll tax activity weakens internal controls over payroll processing and cash disbursements and could lead to inaccuracies in financial reporting or undetected errors in payroll tax filings.

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

**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***

Recommendation—We recommend the Town strengthen internal controls over payroll tax compliance by implementing a formal reconciliation process at the conclusion of each payroll cycle and prior to filing quarterly Form 941 returns.

2024-6 Audit Submission

Condition—Chapter 218, Florida Statutes, requires local governmental entities to provide audited financial statements for each fiscal year to the Auditor General no later than 9 months after the end of the fiscal year. Delays in closing the fiscal year 2024 led to the audit not being completed in time for compliance with these requirements.

Effect—The Town failed to comply with the requirement to submit audited financial statements to the Auditor General within 9 months of the end of the fiscal year. Untimely submission of audited financial statements could subject the Town to state compliance actions, including the potential withholding of certain state-shared revenues or other funding until required reports are submitted.

Recommendation—We recommend the Town review its financial close and reporting processes to ensure the audit can be completed in time for all required submissions.

Town’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit described in the accompanying management’s response. The Town’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Town’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 Town’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

June 8, 2026
Gainesville, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH FLORIDA STATUTES, SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS**

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

We have examined the Town of Bronson, Florida’s (the Town) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2024. Town 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town’s compliance with specified requirements.

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

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

Purvis Gray

June 8, 2026
Gainesville, Florida

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

MANAGEMENT LETTER

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Bronson, Florida (the Town) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 8, 2026.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our 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 an examination conducted in accordance with the American Institute of Certified Public Accountants 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 8, 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 annual financial audit report. Corrective actions have not been taken to address findings and recommendations made in the preceding financial audit report. Current year findings were repeated in each of the previous two years as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2022-2023 FY Finding #	2021-2022 FY Finding #
2024-1	2023-1	2022-1
2024-2	2023-2	2022-3
2024-3	2023-4	
2024-4	2023-3	2022-6

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

MANAGEMENT LETTER

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town was established in 1850 under a Charter in accordance with Laws of Florida, Chapter 6732. There were no component units related to the Town.

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 has 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 noted the following matters:

■ 2024-7 Bank Reconciliation Reconciling Items

During our audit, we noted that the Town's bank reconciliations included numerous outdated, invalid outstanding checks from prior periods that were no longer valid. While management corrected many of these items and removed them from the reconciliation upon our inquiry, the presence of long-outstanding items indicates that the monthly reconciliation review process is not fully effective. Failing to promptly investigate and clear stale reconciling items can distort the Town's available cash balance and increases the risk of undetected errors or fraud. We recommend that the Town establish a formal monthly procedure to review all aged reconciling items, void and reissue checks where appropriate and ensure compliance with Florida's unclaimed property laws regarding abandoned funds.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district to provide the financial information necessary for the proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Honorable Mayor and Members
of the Town Council
Town of Bronson
Bronson, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Honorable Mayor and Members of the Town Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

June 8, 2026
Gainesville, Florida



Town of Bronson
650 Oak Street P.O. Box 266
Bronson, FL 32621
352.486.2354
www.townofbronson.org

June 8, 2026

The Honorable Sherrill F. Norman, CPA
Auditor General, State of Florida
Loyal Government Audits/342
Claude Pepper Building, Room 401
11 West Madison Street
Tallahassee, FL 32399-1450

This letter is in response to the 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 Financial Statements performed in accordance with Government Auditing Standards and the Management letter.

2024-1 Segregation of Duties

While effective internal controls would ensure that assets are adequately safeguarded, the Town is limited by staffing resources. Cash, checks, and credit card payments are received by one of four employees: Utility Clerk (full-time), Deputy Town Clerk (full-time), Administrative Assistant (part-time) and Intern (part-time).

Either the Utility Clerk or the Administrative Assistant prepares the deposit (consisting of cash and checks), and the deposit is finalized and approved by the Town Manager. The deposit is then recorded in QuickBooks by the Deputy Town Clerk or the Administrative Assistant.

This is a recurring issue, but we are continuously refining procedures with available staff.

2024-2 Financial Close and Reporting

The Town Manager plans to work with the town's accounting firm, Reddish & White, to effectively close each month end in an effort to eliminate the material audit adjustments that were required during the audit process. If monthly closures prove impractical, then we will opt for a quarterly approach.

This is a repeat finding, and we are actively adjusting our processes to improve outcomes with our current staffing limitations.

2024-3 Account Classifications

The Town's credit card is used by several members of the staff to make purchases. A process for recording each individual transaction by line item has been implemented.

2024-4 Debt Covenants

In an effort to meet the debt covenants of the USDA loan, the Town Council agreed to rate increases in March 2023, October 2023, and March 2024. The town is in the process of replacing all residential water meters as part of a Community Development Block Grant (CDBG), having previously changed out all commercial water meters. Replacement of aging water meters will help ensure accuracy.

2024-5 Inadequate Monitoring and Reconciliation of Quarterly Payroll Tax Liabilities

The Town will attempt to perform more timely reconciliations between payroll tax liabilities recorded in the general ledger, report those amounts corrected on Form 941 and in deposits remitted through the federal tax payment system in an effort to not carry forward payroll tax liabilities for multiple quarters.

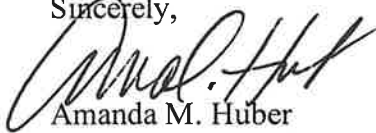
2024-6 Audit Submission

The Town of Bronson will attempt to improve upon providing audited financial statements for each fiscal year to the Auditor General no later than 9 months after the end of the fiscal year. Maintaining a consistency in staff and accounting firms will help in our efforts to review the financial close and reporting processes to ensure the audit can be completed in time for all required submissions.

2024-7 Bank Reconciliation Reconciling Items

The Town will endeavor to more completely reconcile aging items, void and reissue checks where appropriate and ensure compliance with Florida’s unclaimed property laws regarding abandoned funds.

Sincerely,



Amanda M. Huber
Manager, Town of Bronson