

# 2022

Town of Bronson, Florida

Financial Statements and  
Independent Auditor's Report

September 30, 2022

**TOWN OF BRONSON  
BRONSON, FLORIDA**

**TOWN COUNCIL**

**Robert Partin  
Mayor**

**Virginia Phillips  
Vice-Mayor**

**Sherrie Schuler  
Council Member**

**Tyler Voorhees  
Council Member**

**Franklin Schuler  
Council Member**

**Sue Beaudet  
Town Manager**

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

**TOWN OF BRONSON  
BRONSON, FLORIDA**

**SEPTEMBER 30, 2022**

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## 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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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

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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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

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

### INDEPENDENT AUDITOR'S REPORT

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 August 15, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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

August 15, 2023  
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, 2022. 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 \$6,624,109 (net position). Of this amount, \$1,189,652 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net position increased by \$628,719. Governmental activities generated an increase of \$585,481 and business-type activities generated an increase of \$43,238.

General Fund revenues for 2022 decreased by \$31,496 or 2% when compared to fiscal year 2021. General Fund expenditures increased by \$171,317 or 11% during this same period.

As of the close of the fiscal year, the Town's General Fund reported an ending fund balance of \$553,030, which was a decrease of \$123,788 from the prior year.

### **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

**Town of Bronson, Florida  
Management's Discussion and Analysis**

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 \$6,624,109 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 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>Assets</b>						
Current Assets	\$ 775,673	\$ 1,047,509	\$ 563,628	\$ 407,182	\$ 1,339,301	\$ 1,454,691
Restricted Assets	-	-	94,519	92,497	94,519	92,497
Capital Assets	2,777,181	2,151,527	4,055,326	4,220,112	6,832,507	6,371,639
<b>Total Assets</b>	<b>3,552,854</b>	<b>3,199,036</b>	<b>4,713,473</b>	<b>4,719,791</b>	<b>8,266,327</b>	<b>7,918,827</b>
<b>Liabilities</b>						
Current Liabilities	89,049	330,458	67,255	83,985	156,304	414,443
Non-Current Liabilities	13,360	3,614	1,472,554	1,505,380	1,485,914	1,508,994
<b>Total Liabilities</b>	<b>102,409</b>	<b>334,072</b>	<b>1,539,809</b>	<b>1,589,365</b>	<b>1,642,218</b>	<b>1,923,437</b>
<b>Net Position</b>						
Net Investment in Capital Assets	2,777,181	2,151,527	2,588,022	2,719,982	5,365,203	4,871,509
Restricted	-	-	69,254	69,210	69,254	69,210
Unrestricted	673,264	713,437	516,388	341,234	1,189,652	1,054,671
<b>Total Net Position</b>	<b>\$ 3,450,445</b>	<b>\$ 2,864,964</b>	<b>\$ 3,173,664</b>	<b>\$ 3,130,426</b>	<b>\$ 6,624,109</b>	<b>\$ 5,995,390</b>

**Town of Bronson, Florida**  
**Management's Discussion and Analysis**

The largest portion of the Town's net position of \$5,365,203 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 \$1,189,652 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**

	Governmental Activities		Business-Type Activities		Total Government	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 182,152	\$ 155,292	\$ 542,712	\$ 543,165	\$ 724,864	\$ 698,457
Operating Grants and Contributions	65,304	83,492	283,622	-	348,926	83,492
Capital Grants and Contributions	708,958	808,286	-	608,372	708,958	1,416,658
General Revenues:						
Property Taxes	252,262	234,832	-	-	252,262	234,832
Franchise and Utility Taxes	144,844	127,385	-	-	144,844	127,385
Discretionary and Half Cent Sales Tax	240,068	200,844	-	-	240,068	200,844
Other State Revenues	113,968	95,874	-	-	113,968	95,874
Investment Earnings	74	111	81	128	155	239
Miscellaneous	10,405	553	8,907	-	19,312	553
<b>Total Revenues</b>	<b>1,718,035</b>	<b>1,706,669</b>	<b>835,322</b>	<b>1,151,665</b>	<b>2,553,357</b>	<b>2,858,334</b>
<b>Expenses</b>						
General Government	615,078	560,208	-	-	615,078	560,208
Public Safety	344,455	194,688	-	-	344,455	194,688
Physical Environment	2,060	5,525	-	-	2,060	5,525
Transportation	91,027	63,981	-	-	91,027	63,981
Human Services	1,285	3,291	-	-	1,285	3,291
Culture and Recreation	78,649	70,673	-	-	78,649	70,673
Interest on Debt	-	-	-	-	-	-
Water and Sewer	-	-	655,320	551,325	655,320	551,325
Solid Waste	-	-	136,764	122,460	136,764	122,460
<b>Total Expenses</b>	<b>1,132,554</b>	<b>898,366</b>	<b>792,084</b>	<b>673,785</b>	<b>1,924,638</b>	<b>1,572,151</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in Net Position	585,481	808,303	43,238	477,880	628,719	1,286,183
Net Position, Beginning of Year	2,864,964	2,056,661	3,130,426	2,652,546	5,995,390	4,709,207
Prior Period Adjustment	-	-	-	-	-	-
<b>Net Position, End of Year</b>	<b>\$ 3,450,445</b>	<b>\$ 2,864,964</b>	<b>\$ 3,173,664</b>	<b>\$ 3,130,426</b>	<b>\$ 6,624,109</b>	<b>\$ 5,995,390</b>

**Town of Bronson, Florida**  
**Management's Discussion and Analysis**

**Governmental Activities**

Governmental activities increased the Town's net position by \$585,481 during the current fiscal year compared to a \$808,303 increase during fiscal year 2021.

Overall, governmental activities reported an increase in revenues of \$11,366 and an increase in expenses by \$234,188 in comparison with the prior year. Significant elements of the change in revenues and expenses include:

Revenue:

- Operating and Capital Grants received decreased by \$117,516. The grants administered by the Town in the current fiscal year included \$655,696 for the fire department building grant, \$64,407 for a fire department operating grant, \$38,480 for street development grants, and a \$15,679 recreational development grant.

Expenses:

- Expenses related to grant activities also decreased by \$117,516. Additionally, the Town's general government expenses increased by \$54,870 mainly due to increased personal services.

**Business-Type Activities**

Business-type activities increased the Town's net position by \$43,238 for fiscal year 2022 compared to an increase of \$477,880 for fiscal year 2021. Revenues for the Town's business-type activities decreased by \$316,343 compared to the fiscal year 2021. Elements of the changes in revenues include:

Revenue:

- The Town completed the construction phase of a CDBG Sewer project and \$320,513 was recognized and expended in the 2020-2021 fiscal year.
- Operating and Capital Grants received decreased by \$324,750. The grants administered, by the Town, in the current fiscal year included \$283,621 for the *American Rescue Plan Act*.

**Capital Assets and Debt Administration**

Capital Assets

As of September 30, 2022, the Town had \$6,832,507 invested in capital assets, including fire equipment, park and recreation facilities, buildings, roads, and water and sewer facilities.

**Town of Bronson, Florida  
Management's Discussion and Analysis**

**Capital Assets at Year-End (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
<b>Assets</b>						
Land	\$ 340,096	\$ 340,096	\$ 1,000	\$ 1,000	\$ 341,096	\$ 341,096
Construction in Process	1,416,231	722,952	-	-	1,416,231	722,952
Buildings and Building Improvements	313,399	343,366	-	-	313,399	343,366
Recreation Park Property	214,323	231,636	-	-	214,323	231,636
Vehicles	-	-	28,011	-	28,011	-
Furniture and Equipment	111,485	101,823	2,666	4,612	114,151	106,435
Streets and Roads	381,647	411,654	-	-	381,647	411,654
Water System	-	-	169,665	180,348	169,665	180,348
Sewer System	-	-	3,853,984	4,034,152	3,853,984	4,034,152
<b>Totals</b>	<b><u>\$ 2,777,181</u></b>	<b><u>\$ 2,151,527</u></b>	<b><u>\$ 4,055,326</u></b>	<b><u>\$ 4,220,112</u></b>	<b><u>\$ 6,832,507</u></b>	<b><u>\$ 6,371,639</u></b>

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 \$1,467,304 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 2.9% compared to the State unemployment rate of 2.7% as of September 2022.
- The estimated population for the Town in 2022 was 1,221 and as of 2021 the population was 1,146.
- The Town's ad valorem tax rate for fiscal year 2022 was 5.5380 mills. Property tax assessed values for fiscal year 2022 increased by \$3,938,581 to a total assessed value of \$50,399,830.

**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, 2022**  
**TOWN OF BRONSON, FLORIDA**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash	\$ 644,499	\$ 452,498	\$ 1,096,997
Accounts Receivable, Net	14,303	67,345	81,648
Due from Other Governments, Net	145,329	-	145,329
Prepaid Insurance	5,970	-	5,970
Internal Balances	(34,428)	34,428	-
Inventory	-	8,557	8,557
Deposits	-	800	800
Restricted Assets:			
Cash	-	94,519	94,519
Capital Assets:			
Non-Depreciable	1,756,327	1,000	1,757,327
Depreciable, Net	1,020,854	4,054,326	5,075,180
<b>Total Assets</b>	<u>3,552,854</u>	<u>4,713,473</u>	<u>8,266,327</u>
<b>Liabilities</b>			
Accounts Payable	67,896	25,912	93,808
Accrued Salaries and Benefits	21,153	1,876	23,029
Unearned Revenue	-	10,506	10,506
Accrued Interest Payable	-	3,696	3,696
Payable from Restricted Assets:			
Customer Deposits	-	25,265	25,265
Non-Current Liabilities:			
Due Within One Year	6,712	36,568	43,280
Due in More Than One Year	6,648	1,435,986	1,442,634
<b>Total Liabilities</b>	<u>102,409</u>	<u>1,539,809</u>	<u>1,642,218</u>
<b>Net Position</b>			
Net Investment in Capital Assets	2,777,181	2,588,022	5,365,203
Restricted for:			
Debt Reserve	-	57,306	57,306
Asset Management	-	6,000	6,000
Debt Service	-	5,948	5,948
Unrestricted	673,264	516,388	1,189,652
<b>Total Net Position</b>	<u>\$ 3,450,445</u>	<u>\$ 3,173,664</u>	<u>\$ 6,624,109</u>

See accompanying notes.

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
General Government	\$ 615,078	\$ 31,741	\$ -	\$ -	\$ (583,337)	\$ -	\$ (583,337)
Public Safety	344,455	149,011	64,407	655,696	524,659	-	524,659
Physical Environment	2,060	-	-	-	(2,060)	-	(2,060)
Transportation	91,027	-	897	37,583	(52,547)	-	(52,547)
Human Services	1,285	1,400	-	-	115	-	115
Culture and Recreation	78,649	-	-	15,679	(62,970)	-	(62,970)
<b>Total Governmental Activities</b>	<b>1,132,554</b>	<b>182,152</b>	<b>65,304</b>	<b>708,958</b>	<b>(176,140)</b>	<b>-</b>	<b>(176,140)</b>
<b>Business-Type Activities</b>							
Water and Sewer	655,320	377,738	283,622	-	-	6,040	6,040
Solid Waste	136,764	164,974	-	-	-	28,210	28,210
<b>Total Business-Type Activities</b>	<b>792,084</b>	<b>542,712</b>	<b>283,622</b>	<b>-</b>	<b>-</b>	<b>34,250</b>	<b>34,250</b>
<b>Total Primary Government</b>	<b>\$ 1,924,638</b>	<b>\$ 724,864</b>	<b>\$ 348,926</b>	<b>\$ 708,958</b>	<b>(176,140)</b>	<b>34,250</b>	<b>(141,890)</b>
<b>General Revenues</b>							
Property Taxes					252,262	-	252,262
Franchise and Utility Taxes					144,844	-	144,844
Discretionary and Half-Cent Sales Tax					240,068	-	240,068
Other State Revenues					113,968	-	113,968
Interest Earnings					74	81	155
Miscellaneous					10,405	8,907	19,312
<b>Total General Revenues and Transfers</b>					<b>761,621</b>	<b>8,988</b>	<b>770,609</b>
<b>Change in Net Position</b>					<b>585,481</b>	<b>43,238</b>	<b>628,719</b>
<b>Net Position, Beginning of Year</b>					<b>2,864,964</b>	<b>3,130,426</b>	<b>5,995,390</b>
<b>Net Position, End of Year</b>					<b>\$ 3,450,445</b>	<b>\$ 3,173,664</b>	<b>\$ 6,624,109</b>

See accompanying notes.

**BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

	<b>General Fund</b>
<b>Assets</b>	
Cash	\$ 644,499
Accounts Receivable	14,303
Due from Other Governments, Net	145,329
Prepaid Insurance	5,970
<b>Total Assets</b>	<b>810,101</b>
<b>Liabilities</b>	
Accounts Payable	67,896
Accrued Salaries and Benefits	21,153
Due to Other Fund	34,428
<b>Total Liabilities</b>	<b>123,477</b>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenues	133,594
<b>Fund Balance</b>	
Non-Spendable:	
Prepaid Insurance	5,970
Assigned To:	
Cemetery	19,771
Fire Department	99,202
Subsequent Year's Expenditures	50,000
Unassigned	378,087
<b>Total Fund Balance</b>	<b>553,030</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 810,101</b>

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

<b>Total Fund Balance - General Fund</b>	\$ 553,030
<b>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general fund.	2,777,181
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the general fund.	(13,360)
Receivables that do not provide current financial resources are considered unavailable revenues and included as deferred inflows of resources in the governmental funds.	133,594
<b>Total Net Position of Governmental Activities</b>	<b>\$ 3,450,445</b>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

	<b>General Fund</b>
<b>Revenues</b>	
Taxes	\$ 480,674
Licenses and Permits	118,790
Intergovernmental Revenue	857,832
Charges for Services	159,600
Fines and Forfeitures	4,011
Miscellaneous Revenues	10,479
<b>Total Revenues</b>	<b>1,631,386</b>
<b>Expenditures</b>	
Current:	
General Government	582,077
Public Safety	321,561
Physical Environment	2,060
Transportation	61,019
Human Services	1,285
Culture and Recreation	44,140
Capital Outlay	743,032
<b>(Total Expenditures)</b>	<b>(1,755,174)</b>
<b>Net Change in Fund Balance</b>	(123,788)
<b>Fund Balance, Beginning of Year</b>	676,818
<b>Fund Balance, End of Year</b>	<b>\$ 553,030</b>

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, 2022  
TOWN OF BRONSON, FLORIDA**

<b>Net Change in Fund Balance - General Fund</b>	\$	(123,788)
 <b>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</b>		
 The general fund reports capital outlays as expenditures. However, in the statement of activities, capital outlays are recorded as assets:		
Capital Expenditures		743,032
 The general fund does not report depreciation expenses on capital assets. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as "depreciation expense". This is the amount of depreciation expense in the current period.		
		(117,378)
 Some expenses reported in the statement of activities do require the use of current financial resources and, therefore, are not reported as expenditures in the general fund:		
Increase in Compensated Absences		(3,034)
 Certain revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenue in the governmental funds.		
		86,649
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>585,481</u></u></b>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 448,253	\$ 448,253	\$ 480,674	\$ 32,421
Licenses and Permits	109,200	109,200	118,790	9,590
Intergovernmental Revenue	1,931,770	1,933,770	857,832	(1,075,938)
Charges for Services	161,200	161,200	159,600	(1,600)
Fines and Forfeitures	2,750	2,750	4,011	1,261
Miscellaneous Revenues	10,070	10,070	10,479	409
<b>Total Revenues</b>	<u>2,663,243</u>	<u>2,665,243</u>	<u>1,631,386</u>	<u>(1,033,857)</u>
<b>Expenditures</b>				
General Government	547,389	547,389	582,077	(34,688)
Public Safety	1,691,055	1,693,055	994,315	698,740
Physical Environment	3,300	3,300	2,060	1,240
Transportation	389,050	389,050	114,100	274,950
Human Services	3,500	3,500	1,285	2,215
Culture and Recreation	28,949	28,949	61,337	(32,388)
<b>(Total Expenditures)</b>	<u>(2,663,243)</u>	<u>(2,665,243)</u>	<u>(1,755,174)</u>	<u>910,069</u>
<b>Net Change in Fund Balance</b>	-	-	(123,788)	(123,788)
<b>Fund Balance, Beginning of Year</b>	<u>676,818</u>	<u>676,818</u>	<u>676,818</u>	-
<b>Fund Balance, End of Year</b>	<u>\$ 676,818</u>	<u>\$ 676,818</u>	<u>\$ 553,030</u>	<u>\$ (123,788)</u>

See accompanying notes.

**STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 SEPTEMBER 30, 2022  
 TOWN OF BRONSON, FLORIDA**

	<b>Business-Type Activities - Enterprise Funds</b>
	<b>Utility Fund</b>
<b>Assets</b>	
Current Assets:	
Cash	\$ 452,498
Accounts Receivable (Net of Allowance)	67,345
Due from Other Funds	34,428
Inventory	8,557
Deposits	800
Total Current Assets	563,628
Non-Current Assets:	
Restricted Cash	94,519
Capital Assets, Net	4,055,326
Total Non-Current Assets	4,149,845
<b>Total Assets</b>	<b>4,713,473</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	25,912
Accrued Salaries and Benefits	1,876
Unearned Revenue	10,506
Compensated Absences	2,625
Accrued Interest Payable	3,696
Note Payable	5,943
Revenue Bond Payable	28,000
Total Current Liabilities	78,558
Payable from Restricted Assets:	
Customer Deposits	25,265
Non-Current Liabilities:	
Compensated Absences	2,625
Note Payable	15,361
Revenue Bonds Payable	1,418,000
Total Non-Current Liabilities	1,435,986
<b>Total Liabilities</b>	<b>1,539,809</b>
<b>Net Position</b>	
Net Investment in Capital Assets	2,588,022
Restricted for:	
Debt Reserve	57,306
Asset Management	6,000
Debt Service	5,948
Unrestricted	516,388
<b>Total Net Position</b>	<b>\$ 3,173,664</b>

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

	<b>Business-Type Activities - Enterprise Funds</b>
	<b>Utility Fund</b>
<b>Operating Revenues</b>	
Charges for Services	\$ 542,712
Other Revenues	8,907
<b>Total Operating Revenues</b>	551,619
<b>Operating Expenses</b>	
Personnel Services	145,008
Services, Supplies, and Other	338,085
Depreciation	264,801
<b>(Total Operating Expenses)</b>	(747,894)
<b>Operating (Loss)</b>	(196,275)
<b>Non-Operating Revenues (Expenses)</b>	
Interest Income	81
Interest Expense	(44,190)
Grants	283,622
<b>Total Non-Operating Revenues (Expenses)</b>	239,513
<b>(Loss) Before Capital Contributions and Transfers</b>	43,238
<b>Change in Net Position</b>	43,238
<b>Net Position, Beginning of Year</b>	3,130,426
<b>Net Position, End of Year</b>	\$ 3,173,664

See accompanying notes.

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
TOWN OF BRONSON, FLORIDA**

	<b>Business-Type Activities - Enterprise Funds Utility Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 550,161
Cash Paid to Employees	(149,196)
Cash Paid to Suppliers	(348,064)
<b>Net Cash Provided by Operating Activities</b>	52,901
<b>Cash Flows from Non-Capital Financing Activities</b>	
Payment of Interfund Loan	26,774
Operating Grants	283,622
<b>Net Cash from Non-Capital Financing Activities</b>	310,396
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal Paid on Debt	(32,826)
Interest Paid on Debt	(44,190)
Acquisition and Construction of Capital Assets	(100,015)
<b>Net Cash Used by Capital and Related Financing Activities</b>	(177,031)
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	81
<b>Net Cash Provided by Investing Activities</b>	81
<b>Net Increase in Cash</b>	186,347
<b>Cash, Beginning of Year</b>	360,670
<b>Cash, End of Year</b>	\$ 547,017
 <b><u>Reported in Statement of Net Position as:</u></b>	
Cash	\$ 452,498
Restricted Assets - Cash	94,519
<b>Total</b>	\$ 547,017
 <b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>	
Operating (Loss)	\$ (196,275)
Adjustments to Reconcile Net (Loss) to Net	
Cash Provided by (Used in) Operating Activities:	
Depreciation	264,801
Decrease in Accounts Receivable	(2,514)
Decrease in Due from Other Governments	3,619
Decrease in Accounts Payable	(13,598)
Decrease in Accrued Salaries and Benefits	(4,188)
Decrease in Unearned Revenue	(922)
Increase in Customer Deposits	1,978
<b>Net Cash Provided by Operating Activities</b>	\$ 52,901

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.

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

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, or b) fund balances within the general fund that are not restricted, committed, or assigned.

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

**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 \$21,500.

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 and reduced by an allowance for uncollectible accounts of \$77,121.

**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:

<b>Assets</b>	<b>Years</b>
Buildings 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

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

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, 2022, was 5.5815 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.

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

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.

**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.

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

- 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, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 340,096	\$ -	\$ -	\$ 340,096
Construction in Progress	722,952	693,279	-	1,416,231
Total Capital Assets Not Being Depreciated	<u>1,063,048</u>	<u>693,279</u>	<u>-</u>	<u>1,756,327</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	903,991	-	-	903,991
Recreation Park Property	683,005	17,197	-	700,202
Vehicles	568,176	-	-	568,176
Furniture and Equipment	560,754	32,556	-	593,310
Streets and Roads	890,342	-	-	890,342
Total Capital Assets Being Depreciated	<u>3,606,268</u>	<u>49,753</u>	<u>-</u>	<u>3,656,021</u>
Less Accumulated Depreciation:				
Buildings and Building Improvements	(560,625)	(29,967)	-	(590,592)
Recreation Park Property	(451,369)	(34,510)	-	(485,879)
Vehicles	(568,176)	-	-	(568,176)
Furniture and Equipment	(458,931)	(22,894)	-	(481,825)
Streets and Roads	(478,688)	(30,007)	-	(508,695)
Total Accumulated Depreciation	<u>(2,517,789)</u>	<u>(117,378)</u>	<u>-</u>	<u>(2,635,167)</u>
Total Capital Assets Being Depreciated, Net	<u>1,088,479</u>	<u>(67,625)</u>	<u>-</u>	<u>1,020,854</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 2,151,527</u>	<u>\$ 625,654</u>	<u>\$ -</u>	<u>\$ 2,777,181</u>

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

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

General Government	\$	29,967
Public Safety		22,894
Transportation		30,008
Culture and Recreation		<u>34,509</u>
<b>Total Depreciation Expense</b>	<b>\$</b>	<b><u>117,378</u></b>

**Business-Type Activities**

A summary of capital assets in the proprietary fund at September 30, 2022, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Total Capital Assets Not Being Depreciated	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Capital Assets Being Depreciated:				
Water System	2,250,897	45,330	-	2,296,227
Equipment	97,519	-	-	97,519
Sewer System	5,873,712	24,900	-	5,898,612
Vehicles	16,750	29,784	-	46,534
Total Capital Assets Being Depreciated	<u>8,238,878</u>	<u>100,014</u>	<u>-</u>	<u>8,338,892</u>
Less Accumulated Depreciation:				
Water System	(2,070,549)	(56,013)	-	(2,126,562)
Equipment	(92,907)	(1,946)	-	(94,853)
Sewer System	(1,839,560)	(205,068)	-	(2,044,628)
Vehicles	(16,750)	(1,773)	-	(18,523)
Total Capital Assets Being Depreciated, Net	<u>(4,019,766)</u>	<u>(264,800)</u>	<u>-</u>	<u>(4,284,566)</u>
Total Being Depreciated, Net	<u>4,219,112</u>	<u>(164,786)</u>	<u>-</u>	<u>4,054,326</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 4,220,112</u>	<u>\$ (164,786)</u>	<u>\$ -</u>	<u>\$ 4,055,326</u>

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

Water System	\$	57,871
Sewer System		<u>206,929</u>
<b>Total Depreciation Expense</b>	<b>\$</b>	<b><u>264,800</u></b>

**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 \$8,405 to the plan for participants for the fiscal year 2022.

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

**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>Within One Year</u>
<b>Governmental Activities</b>					
Accrued Compensated Absences	\$ 10,326	\$ 3,034	\$ -	\$ 13,360	\$ 6,712
<b>Total Government Activities</b>	<u>\$ 10,326</u>	<u>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 13,360</u>	<u>\$ 6,712</u>
<b>Business-Type Activities</b>					
\$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%					
	\$ 1,473,000	\$ -	\$ (27,000)	\$ 1,446,000	\$ 28,000
\$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.					
	27,130	-	(5,826)	21,304	5,943
Accrued Compensated Absences	5,250	-	-	5,250	2,625
<b>Total Business-Type Activities</b>	<u>\$ 1,505,380</u>	<u>\$ -</u>	<u>\$ (32,826)</u>	<u>\$ 1,472,554</u>	<u>\$ 36,568</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, to 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.

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

Aggregate maturities of long-term debt are as follows:

<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>
2023	\$ -	\$ -	\$ 33,943	\$ 43,752
2024	-	-	34,062	42,792
2025	-	-	35,185	41,830
2026	-	-	33,114	40,848
2027	-	-	31,000	39,930
2028-2032	-	-	170,000	185,100
2033-2037	-	-	196,000	158,100
2038-2042	-	-	228,000	126,810
2043-2047	-	-	264,000	90,510
2048-2052	-	-	306,000	48,480
2053-2054	-	-	136,000	6,150
<b>Totals</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,467,304</u>	<u>\$ 824,302</u>

Interest expense in fiscal year 2022, on long-term liabilities of business-type activities totaled \$44,190, none of which was capitalized.

**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. Current year annual principal and interest on the revenue bonds is approximately 176% of such net revenues. Net revenues are pledged through 2054. Principal and interest expense for the Water and Wastewater System Revenue Bonds for the current year was \$71,190, and the net revenues were \$40,395.

**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:

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

- 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, 2022, are as follows:

	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund - Current	\$ -	\$ 34,428
Utility Fund - Current	34,428	-
<b>Total</b>	<b>\$ 34,428</b>	<b>\$ 34,428</b>

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 2023.

**Note 10 - Commitments and Subsequent Events**

In October 2020, the Town signed a contract for construction services for the fire station building, funded from the Florida Department of Financial Services fire service grant. As of September 30, 2022, the remaining commitment until completion of the fire station building is \$57,582.

In July of 2022, the Town executed a lease purchase 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. As of the date the financial statements were available to be issued, the Town has yet to receive the Rosenbauer and, therefore, has not recorded a capital asset for the Rosenbauer or a liability for the repayment of the debt.

In February 2023, the Town was awarded \$650,000 from the Florida Department of Economic Opportunity, Small Cities Community Development Block Grant program. The funds will be used for residential water meters.

In February 2023, the Town was awarded \$49,000 from the United States Department of Agriculture, Community Facilities Grant. The Funds will be used for the purchase of a Quick Response truck for a total cost of \$140,000. The Town is required to contribute \$91,000.

**Note 11 - 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.

## **OTHER INFORMATION**

**WATER AND SEWER ACTIVITIES**  
**SEPTEMBER 30, 2022**  
**TOWN OF BRONSON, FLORIDA**  
**UNAUDITED**

Number of <b>WATER</b> Connections	659
Current Assets	\$ 248,187
Long-Term Assets	203,293
Current Liabilities	60,450
Long-Term Liabilities	17,986
Operating Income	234,112
Non-Operating Income	141,852
Depreciation	57,872
All Other OM Expenses	209,196
Other Debt Service - Interest	-
<hr/>	
Number of <b>SEWER</b> Connections	223
Current Assets	\$ 315,441
Long-Term Assets	3,946,552
Current Liabilities	43,373
Long-Term Liabilities	1,418,000
Operating Income	152,533
Non-Operating Income	141,851
Depreciation	206,929
All Other OM Expenses	137,134
RD Debt Payment - Interest	44,190
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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 15, 2023.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described below, we identified certain deficiencies in internal control, that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies to be material weaknesses:

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**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**

**2022-1**

■ **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.

**2022-2**

■ **Utility Billing Errors and Adjustments**

*Condition*—During our audit, we noted that numerous utility billing errors occurred during the year that were not identified by the Town prior to sending the bills to customers. As a result, the Town made approximately \$172,464 of adjustments to customers' utility bills. Additionally, employees that authorize the adjustments also post cash receipts to the accounts receivable subsidiary ledger.

*Effect*—The failure to identify unusual or significant billing errors can result in a material misstatement of reported revenues in the financial statements. Further, the lack of segregation of incompatible duties creates an opportunity for misappropriation of funds.

*Recommendation*—We recommend that the Town establish a review process prior to billing that will identify any unusual or significant meter reading errors and rectify the issue in a timely manner. We also recommend the Town separate the duties of cash collections and billing adjustments to reduce the risk of errors or irregularities that go undetected for extended periods of time.

**2022-3**

■ **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 adjustments were required after we began the audit process, including entries to record additional capital assets, accrue legal fees, reclass utility fund revenues, and write off uncertain receivables.

*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 to reduce the risk of inaccurate financial information during the year and at year-end.

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**

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. We consider the following deficiency to be a significant deficiency:

**2022-4**

■ **Utility Rate Increase**

*Condition*—During our audit, we noted that the Town Council approved an increase in base rates effective March 1, 2021, for the water utility. However, the rates were not updated in the utility billing system until April of 2022.

*Effect*—The failure to update the rates in the utility billing system resulted in lost revenues of approximately \$7,629 in fiscal year 2022 by underbilling customers for the months of October through April of 2022.

*Recommendation*—We recommend the Town establish a review process to ensure that rates are changed in accordance with authorized rates by the Town Council in a timely manner and to sample bills for recalculation after new rates are entered into the system to ensure rates were properly updated.

**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:

**2022-5**

■ **Grant Reporting**

*Condition*—Reporting requirements of the Staffing For Adequate Fire and Emergency Response (SAFER) grant include the submission of quarterly reports. During our audit, we noted the Town was not submitting quarterly reimbursement reports for the SAFER grant.

*Effect*—The Town was not in compliance with the reporting requirements of the SAFER program and the granting agency can withhold future funding until the reporting requirements are met.

*Recommendation*—We recommend that the Fire Chief (grant administrator) work more closely with the Deputy Town Clerk to ensure that the quarterly reports are submitted within the time period outlined in the grant agreement.

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***

**2022-6**

■ **Debt Covenants**

*Condition*—According to the USDA 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 \$30,795, 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 continue increasing water and sewer rates to a level that will recover all operating expenses and pay annual debt service.

**Town’s Response to Findings**

The Town’s response to the findings identified in our audit is described in the accompanying management’s response. The Town’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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*

August 15, 2023  
Gainesville, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE  
WITH FLORIDA STATUTE 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, 2022. 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, 2022.

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



August 15, 2023  
Gainesville, Florida

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## 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, 2022, and have issued our report thereon dated August 15, 2023.

### 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 August 15, 2023, 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 been taken to address findings and recommendations made in the preceding financial audit report, except as follows:

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2020-2021 FY Finding #	2019-2020 FY Finding #
2022-1	2021-1	2020-1
2022-2	2021-2	2020-2
2022-3	2021-4	
2022-4	2021-6	
2022-7	2021-7	

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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 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.c. 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 matter:

#### 2022-7

##### ■ Inventory

The Town has not performed a physical year-end inventory count since 2018. Performing a year-end inventory count ensures the Town is providing accurate records for financial reporting and allows the Town to identify and dispose of idle and obsolete inventory items. We recommend the Town establishes policies and/or procedures for the inventory count and establishes accountability for ensuring the process is followed.

### 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.

### 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.

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

## MANAGEMENT LETTER

### **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.



August 15, 2023  
Gainesville, Florida



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August 15, 2023

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

This letter is in response to the 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.

**2022-1 Segregation of Duties:**

Cash, checks, and credit card payments are received by the Utility Clerk (full-time) or the Administrative Assistant (part-time). In addition, the Utility Clerk or the Administrative Assistant preps the deposit (consisting of cash and checks), but the deposit is approved and finalized for the bank by the Town Manager. Then, the deposit is recorded in QuickBooks by the Deputy Town Clerk. Bank reconciliations are performed by the Deputy Town Clerk and/or the Administrative Assistant.

**2022-2 Utility Billing Errors and Adjustments:**

Prior to the utility bills being mailed, they are reviewed by the Public Works Director, the Utility Clerk, and one of the Maintenance Technicians. The town does its very best to check each and every bill, but there may be one or two outliers that slip through the cracks from time to time. While posting payments is the primary responsibility of the Utility Clerk, he or she does not normally make any adjustments prior to checking with the Town Manager or the Public Works Director. Any adjustments are sent to the Town Manager by email for approval prior to being posted to the utility billing software. The main reason for billing adjustments is due to the age of the water meters. The town is in the process of updating the residential water meters via a Community Development Block Grant (CDBG) and the commercial water meters with ABM, a performance contract company.

**2022-3 Financial Close and Reporting:**

The Town will evaluate its monthly and annual financial close and reporting process and establish appropriate procedures to ensure accurate financial information is recorded during the year and at year-end.

**2022-4 Utility Rate Increase:**

The utility rate increase in question was approved by the Town Council prior to the Town Manager being hired. The responsibility was assigned to a Utility Clerk who is no longer with the Town. Moving forward, the Town Manager will ensure that any rate increases will be updated in a timely manner by either the current Utility Clerk or another responsible party. When future rate increases are approved by the Town Council, the Town Manager notates them on her calendar to ensure that the Utility Clerk



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inputs the rate increases into the utility billing system. For the last sewer rate increase, the town relied on the services of the Florida Rural Water Association to sample bills for recalculation.

**2022-5 Grant Reporting:**

Fire Chief Dennis Russell has been advised that the Staffing for Adequate Fire and Emergency Response (SAFER) grant must be closed out by Thursday, August 31, 2023 in order to bring the grant into compliance. The Fire Chief will work more closely with the Deputy Town Clerk to ensure that the quarterly reports are submitted in a timely manner.

**2022-6 Debt Covenants:**

As a result of a recent rate study by the Florida Rural Water Association, the Town Council agreed to a 25% sewer rate increase on March 1, 2023, a 5% water rate increase on October 1, 2023, and another 25% sewer rate increase on March 1, 2024. Once all of these rate increases have taken effect, it is the intention of the Town Manager to request an annual 5% cost of living rate increase on all utilities to meet the debt covenants of the USDA loan.

**2022-7 Inventory:**

In October of 2022, the Town of Bronson signed an interlocal agreement with the Florida Department of Corrections for an Inmate Work Program. In February of 2023, the town hired an Inmate Supervisor. The Town receives four inmates on Monday through Thursday of every week. In essence, this program doubled the size of the public works department. The inmate work crew is responsible for cleaning the bathrooms at the park, mowing, weed eating, etc. Most importantly, it allowed the public works staff to complete the inventory in August of 2023.

With the increase in the workforce of the public works department, adequate personnel are now on hand to assist in ensuring that a physical inventory can be performed at least once a year.

At the request of the Town Council, the fire department and the public works department are in the process of developing a list of items to be included in a surplus auction. The lists are to be submitted to the Town Manager by September 1, 2023.

Sincerely,

Sue L. Beaudet, MPA

Town Manager

Town of Bronson

650 Oak Street

Bronson, FL 32621

352.486.2354 (Work)

352.316.0450 (Cell)

[townmanager@townofbronson.org](mailto:townmanager@townofbronson.org)

