

TOWN OF BELL, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2023

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FINANCIAL SECTION



Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the Town Council
Town of Bell, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Town of Bell, Florida (the Town) as of and for the year ended September 30, 2023, 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 major fund as of September 30, 2023, and the respective changes in financial position 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

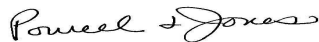
Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 03, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Town's internal control over financial reporting and compliance.



POWELL and JONES CPA
Lake City, Florida
March 03, 2025

TOWN OF BELL, FLORIDA
Management's Discussion and Analysis

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

Report Layout

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

Basic Financial Statements

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

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Town as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Position at September 30, 2023 and 2022 follows:

Net Position at September 30, 2023 and 2022

	Governmental Activities	
	2023	2022
ASSETS		
Cash and investments	\$ 688,841	\$ 700,037
Capital assets, net	1,258,037	1,318,844
Total assets	1,946,878	2,018,881
LIABILITIES		
Current liabilities	1,628	138,604
Long term liabilities	-	4,817
Total liabilities	1,628	143,421
NET POSITION		
Invested in capital assets, net	1,258,037	1,308,772
Unrestricted	687,213	566,688
Total net position	\$ 1,945,250	\$ 1,875,460

65% of the Town's net assets reflect its investment in capital assets (land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of unrestricted net assets \$687,213 may be used to meet the Town's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net assets. The increase during the year through Governmental Activities net assets is due primarily to budgetary management.

A condensed version of the Statement of Activities follows:

Change in Net Position
For the Fiscal Years Ended September 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Revenues		
General revenues		
Taxes	\$ 251,682	\$ 217,309
Licenses and permits	4,600	6,207
Intergovernmental	48,374	48,323
Fines and forfeitures	1,137	613
Grant revenues	-	249,425
Miscellaneous revenue	8,843	16,879
Interest and other	2,610	191
Total revenues	<u>317,244</u>	<u>538,947</u>
Expenses		
General government	178,208	424,206
Public safety	9,689	8,611
Transportation	1,867	6,911
Human services	3,000	1,800
Culture/recreation	54,690	53,760
Total expenses	<u>247,454</u>	<u>495,288</u>
Change in net position	69,790	43,659
Beginning net position	<u>1,875,460</u>	<u>1,831,801</u>
Ending net position	<u>\$ 1,945,250</u>	<u>\$ 1,875,460</u>

Governmental activities:

Taxes provide 79% of the revenues for Governmental Activities, while state revenues provide 15%. Governmental Activities resources were primarily used on the General Government (72%) and Culture/recreation (22%).

Budgetary Highlights

The general funds expenditures were \$184,247 less than budgeted and revenues were \$68,647 less than budgeted creating a net surplus over budget of \$115,600.

Capital Assets

At September 30, 2023, the Town had \$1,258,037 invested in capital assets, net of depreciation, including fire equipment, park and recreation facilities, buildings, and streets.

Capital Assets at September 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Land	\$ 162,104	\$ 162,104
Buildings and improvements	1,625,735	1,625,735
Equipment	477,805	477,805
Subtotal	2,265,644	2,265,644
Accumulated depreciation	(1,007,607)	(946,800)
Capital assets, net	\$ 1,258,037	\$ 1,318,844

Debt Outstanding

At year-end, the Town had no debt outstanding versus \$10,072 last year, representing a decrease of \$10,072.

Long Term Debt Outstanding at September 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Notes Payable	\$ -	\$ 10,072

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The estimated current unemployment rate for Gilchrist County was 3.4%, which is the approximate Town unemployment rate.
- The estimated population for the Town in 2023 was 521 and is estimated to be approximately the same in 2024.
- The millage rate for 2023 was 3.0000 mills and was unchanged for 2024.

Financial Contact

The Town's financial statements are designed to present users (citizens, taxpayers, other interested parties, 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 Mayor at P.O. Box 116, Bell, Florida 32619.

BASIC FINANCIAL STATEMENTS

TOWN OF BELL, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 581,364
Investments	<u>107,477</u>
Total current assets	<u>688,841</u>
Capital assets	
Non-depreciable capital assets	162,104
Depreciable capital assets, net	<u>1,095,933</u>
Total capital assets, net	<u>1,258,037</u>
Total assets	<u>\$ 1,946,878</u>
 LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,628
Total liabilities	<u>1,628</u>
 NET POSITION	
Net investment in capital assets	1,258,037
Unrestricted	<u>687,213</u>
Total net position	<u>1,945,250</u>
Total liabilities and net position	<u>\$ 1,946,878</u>

See notes to financial statements.

TOWN OF BELL, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position</u>
<u>Functions/Programs</u>					<u>Total Governmental Activities</u>
Governmental activities					
General government	\$ 178,208	\$ -	\$ -	\$ -	\$ (178,208)
Public safety	9,689	-	-	-	(9,689)
Transportation	1,867	-	-	-	(1,867)
Public health services	3,000	-	-	-	(3,000)
Culture/recreation	54,690	-	-	-	(54,690)
Total governmental activities	\$ 247,454	\$ -	\$ -	\$ -	(247,454)
				General revenues	
				Taxes	251,682
				License and permits	4,600
				State shared revenues	48,374
				Fines and forfeitures	1,137
				Interest income	2,610
				Miscellaneous	8,841
				Total general revenues	317,244
				Change in net position	69,790
				Net position - beginning	1,875,460
				Net position - ending	\$ 1,945,250

See notes to financial statements.

TOWN OF BELL, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2023

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 581,364
Investments	107,477
Total assets	<u>\$ 688,841</u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 1,628
Total liabilities	<u>1,628</u>
 Fund balances	
Unassigned	687,213
Total fund balance	<u>687,213</u>
 Total liabilities and fund balance	<u>\$ 688,841</u>
 Total fund balance reported above	 \$ 687,213
The amount reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,258,037
Net position of governmental activities	<u>\$ 1,945,250</u>

See notes to financial statements.

TOWN OF BELL, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2023

	General Fund
REVENUES	
Taxes	\$ 251,682
Licenses and permits	4,600
Intergovernmental revenue	48,374
Fines and forfeitures	1,137
Interest	2,610
Miscellaneous	8,841
Total revenues	317,244
 EXPENDITURES	
Current expenditures	
General government	175,577
Public safety	3,139
Public health services	3,000
Culture/recreation	4,440
Capital outlay	
General government	-
Debt service	
Debt service principal	10,072
Debt service interest	491
Total expenditures	196,719
 Excess of revenues over expenditures	 120,525
Fund balance at beginning of year	566,688
Fund balance at end of year	\$ 687,213

See notes to financial statements.

TOWN OF BELL, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2023

Net change in fund balance - General Fund \$ 120,525

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	-	
Less current year depreciation	<u>(60,807)</u>	(60,807)

Long-term debt (notes payable) provide current financial resources to 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. This amount is the net effect of these differences in the treatment of long-term debt and related issues.

Principal payments on long-term debt	<u>10,072</u>	<u>10,072</u>
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Change in net position of governmental activities		<u><u>\$ 69,790</u></u>
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See notes to financial statements.

TOWN OF BELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Bell (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

A. Reporting Entity - The Town of Bell, Florida is a municipal, political subdivision of the State of Florida, created and organized under Chapter 27398, Number 919 of *General Statutes* of the State of Florida. Accordingly, it is controlled by the Florida Constitution and various Florida Statutes as well as its own local charter, ordinances and policies. It is governed by an elected Mayor and Town Council.

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

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

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

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a column for the governmental activities of the Town. For the most part, the effect of interfund activity is removed from these types of statements; currently the Town only has one fund. Governmental activities, are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from any legally separate component unit for which the primary government is financially accountable.

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

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

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

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

2. Fund Financial Statements

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

Fund financial statements for the Town's governmental fund are presented after the government-wide financial statements. These statements display information about the major fund.

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

current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Town.

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

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

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

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

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

1. Governmental Major Fund:

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

D. Assets, Liabilities and Net Assets or Equity

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

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

3. Governmental Fund Balances

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town Council. The Town Council is the highest level of decision-making authority for the Town.

Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town’s adopted policy, only the Town Council may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2023, fund balances are composed of the following:

	<u>General Fund</u>
Unassigned	<u>\$ 687,213</u>

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

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

5. Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, bridges, rights-of-way and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are generally not reported. Donated capital assets are recorded at estimated acquisition value at the date of donations.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings and improvements	10 - 50
Machinery and equipment	5 - 15
Street and related infrastructure	20 - 40

6. **Capitalization of Interest** - Interest related to borrowings are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. During the current period, the Town did not have any capitalized interest.
7. **Unearned Revenues** - Unearned revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. During the current period, the Town did not have any deferred revenues.
8. **Accrued Compensated Absences** - Compensated absences are absences for which employees will be paid vacation and sick leave. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absence amounts for governmental funds are maintained separately and would represent a reconciling item between the fund and government-wide presentation. At September 30, 2023, the Town had no liability for compensated absences.

E. Adoption of New Accounting Pronouncements -

In June 2017, The Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards (SGAS) No. 87, Leases. SGAS No. 87 requires the recognition by lessees of lease assets and lease liabilities that arise from all lease transactions, except for leases with a term of 12 months or less. The lessee accounting model under SGAS No. 87 results in all leases with a lease term of more than 12 months being accounted for in substantially the same manner as the existing accounting for capital leases. SGAS No. 87 also requires expanded qualitative and quantitative disclosures regarding amount, timing, and uncertainty of cash flows arising from leases. The Town adopted the provisions of SGAS No. 87 as of October 1, 2021. The implementation of SGAS No. 87 has had no impact on current or prior year financial statements.

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

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

“Total fund balances” of the Town’s governmental funds \$687,213 differs from “net position” of governmental activities \$1,945,250 reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the Town as a whole.

Cost of capital assets	\$ 2,265,644
Accumulated depreciation	<u>(1,007,607)</u>
Total	<u>\$ 1,258,037</u>

Long-term debt transactions

Long-term liabilities applicable to the Town’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities are reported in the statement of net position. The Town had no long-term liabilities as of September 30,2023.

TOWN OF BELL, FLORIDA

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

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

	Total Governmental Fund	Capital Related Items	Long-Term Debt Transactions	Statement of Net Position
ASSETS				
Cash and cash equivalents	\$ 581,364	\$ -	\$ -	\$ 581,364
Investments	107,477	-	-	107,477
Capital assets - net	-	1,258,037	-	1,258,037
Total assets	\$ 688,841	\$ 1,258,037	\$ -	\$ 1,946,878
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	\$ 1,628	\$ -	\$ -	\$ 1,628
Total liabilities	1,628	-	-	1,628
 Fund balance/net position	 687,213	 1,258,037	 -	 1,945,250
Total liabilities and fund balance/net position	\$ 688,841	\$ 1,258,037	\$ -	\$ 1,946,878

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

The “net change in fund balances” for governmental funds \$120,525 differs from the “change in net assets” for governmental activities \$69,790 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital Outlay	\$ -
Depreciation Expense	(60,807)
Difference	<u>\$ (60,807)</u>

Long-term debt transactions

Repayment of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing the fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Debt principal payments made	<u>\$ 10,072</u>
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TOWN OF BELL, FLORIDA

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

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

	General Fund	Capital Related Items	Long Term Debt Transactions	Statement of Activities
REVENUES				
Taxes	\$ 251,682	\$ -	\$ -	\$ 251,682
License and permits	4,600	-	-	4,600
Intergovernmental	48,374	-	-	48,374
Fines and Forfeitures	1,137	-	-	1,137
Grant revenues	-	-	-	-
Miscellaneous	8,841	-	-	8,841
Interest	2,610	-	-	2,610
Total revenues	317,244	-	-	317,244
EXPENDITURES				
Current expenditures				
General government	175,577	2,631	-	178,208
Public safety	3,139	6,550	-	9,689
Transportation	-	1,376	-	1,376
Public health services	3,000	-	-	3,000
Culture/recreation	4,440	50,250	-	54,690
Capital outlay				
General government	-	-	-	-
Debt service				
Transportation				
Debt service principal	10,072	-	(10,072)	-
Debt service interest	491	-	-	491
Total Expenditures	196,719	60,807	(10,072)	247,454
Net change in fund balance/net position	120,525	(60,807)	10,072	69,790
Fund balance/net position beginning of year	566,688	1,318,844	(10,072)	1,875,460
Fund balance/net position end of year	\$ 687,213	\$ 1,258,037	\$ -	\$ 1,945,250

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

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

Investments. Under state law, the Town is allowed to invest surplus funds in guaranteed obligations of the U.S. government, interest bearing accounts of financial institutions which are legally secured, and the Local Government Surplus Funds Trust Fund. At year end, all investments consisted of bank certificates of deposit which were fully insured or collateralized.

The Town’s investments are categorized to give an indication of the level of risk assumed by the Town at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town’s name. All of the Town’s investments were in this category.

Schedule of Investments at September 30, 2023

Certificates of deposit	<u><u>\$ 107,477</u></u>
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NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2022-2023 fiscal year were levied in October 2023. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February.

Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Non-depreciable capital assets				
Land	\$ 162,104	\$ -	\$ -	\$ 162,104
Total non-depreciable capital assets	<u>162,104</u>	<u>-</u>	<u>-</u>	<u>162,104</u>
Depreciable capital assets				
Buildings and improvements	1,625,735	-	-	1,625,735
Equipment	477,805	-	-	477,805
Total depreciable capital assets	<u>2,103,540</u>	<u>-</u>	<u>-</u>	<u>2,103,540</u>
Less accumulated depreciation				
Buildings and improvements	(511,637)	(52,471)	-	(564,108)
Equipment	(435,163)	(8,336)	-	(443,499)
Total accumulated depreciation	<u>(946,800)</u>	<u>(60,807)</u>	<u>-</u>	<u>(1,007,607)</u>
Total depreciable capital assets, net	<u>1,156,740</u>	<u>(60,807)</u>	<u>-</u>	<u>1,095,933</u>
 Governmental activities capital assets, net	 <u>\$ 1,318,844</u>	 <u>\$ (60,807)</u>	 <u>\$ -</u>	 <u>\$ 1,258,037</u>

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

Governments activities:	
General government	\$ 2,631
Public safety	1,376
Transportation	50,250
Culture/recreation	6,550
Total depreciation expense- governmental activities	<u>\$ 60,807</u>

NOTE 7. PAYABLE BALANCES

Payables

Payables for the Town at September 30, 2023 were as follows:

Accounts payable	<u>\$ 1,628</u>
	<u>\$ 1,628</u>

NOTE 8. LONG-TERM DEBT

Note Payable – Drummond Community Bank

On August 21, 2020, the Town entered into an agreement with Drummond Bank for a loan to purchase a tractor. The interest rate on the note was 2%. The loan calls for 60 payments of \$450.80. The loan is collateralized by a certificate of deposit. In the event of default, the bank has the right to offset certain Town funds in its bank accounts or take other legal actions for collection of the amount due.

During the fiscal year, the Town repaid its outstanding loan in full prior to its original maturity date. The loan balance of \$6,216 was paid off in a lump sum payment on July 26th, 2023, resulting in the early settlement of the associated liability. The early repayment has been reflected in the current period’s financial statements and resulted in a reduction in long-term liabilities.

Note Payable- Drummond Community Bank

The following is a schedule of changes in general long-term debt for the year ended September 30, 2023:

	<u>Balance September 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2023</u>	<u>Due Within One Year</u>
Note payable	\$ 10,072	\$ -	\$ (10,072)	\$ -	\$ -

NOTE 9. RETIREMENT SYSTEM

The Town has made no provision for an employee retirement plan and has no related liability for such a plan.

NOTE 10. CONTINGENT LIABILITIES

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

NOTE 11. RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BELL, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Ad valorem taxes	\$ 73,589	\$ 71,163	\$ (2,426)
Sales and use taxes	17,028	56,373	39,345
Utility services taxes	-	27,987	27,987
Communications services	-	20,645	20,645
Franchise taxes	62,143	75,514	13,371
Licenses and permits	5,232	4,600	(632)
Intergovernmental	92,895	48,374	(44,521)
Fines and forfeitures	370	1,137	767
Miscellaneous	134,634	11,451	(123,183)
Total revenues	385,891	317,244	(89,292)
EXPENDITURES			
General government	265,854	175,577	90,037
Public safety	4,431	3,139	1,292
Physical Environment	95,501	-	95,501
Transportation	15,180	-	15,180
Human services	-	3,000	(3,000)
Culture/recreation	-	4,440	(4,440)
Capital outlay	-	-	-
Debt Service:			
Principal	-	10,072	(10,072)
Interest	-	491	(491)
Total expenditures	380,966	196,719	184,007
 Excess of revenues over expenditures	 4,925	 120,525	 94,715
 Net change in fund balance	 4,925	 120,525	 94,715
 Fund balance at beginning of year	 566,688	 566,688	 -
Fund balance at end of year	\$ 571,613	\$ 687,213	\$ 94,715

See notes to required supplementary information.

**TOWN OF BELL, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

I. Stewardship, Compliance, and Accountability

- A. Budgetary Information.** The Town, in establishing its budgetary data reflected in the financial statements follows the procedures set out in Chapters 166 and 200, *Florida Statutes*. The Town prepares a tentative budget, which is used by the Town at a public workshop to prepare the budgets for the coming year. Public hearings are conducted to obtain taxpayer comments. Subsequently, these budgets are legally adopted through the passage of a resolution at an advertised public session. Such actions are recorded in the Town's minutes.

The budget is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). Estimated beginning fund balances are considered in the budgetary process, but are not included in the financial statements as budgeted revenues.

The annual budget serves as the legal authorization for expenditures. All budget amendments, which change the legally adopted total appropriation for a fund, are approved by the Town Council.

If during the fiscal year, additional revenue becomes available for appropriations in excess of those estimated in the budget, the Town Council, by resolution, may make supplemental appropriations for the year up to the amount of such excess.

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

1. Prior to September 1, the Town Clerk submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in August and September to obtain taxpayer comments.
3. Prior to November 1, the budget is legally enacted through passage of an ordinance.
4. The legal level of budgetary control is the department level; however, the Town Council may, by formal motion, transfer appropriations between departments and may use surplus revenues not appropriated in the budget for any municipal purpose.
5. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America for governmental fund types.

COMPLIANCE SECTION



**TOWN OF BELL, 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**

The Honorable Mayor
and Members of the Town Council
Town of Bell, 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 major fund of the Town of Bell, Florida (the Town) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 03, 2025.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 in the accompanying schedule of findings and questioned costs, 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 deficiency described in the accompanying schedule of findings as item 2023-01 to be a material weakness.

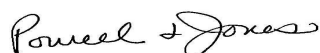
A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as items 2023-02, 2023-03, 2023-04 and 2023-05 to be significant deficiencies

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



POWELL and JONES CPA
Lake City, Florida
March 03, 2025



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

MANAGEMENT LETTER

Honorable Mayor and Members of the Town Council
Bell, Florida

We have audited the financial statements of the Town of Bell, Florida, (the Town) as of and for the year ended September 30, 2023, and have issued our report thereon dated March 03, 2025.

Auditor’s Responsibility

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.

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*.

Prior Year Findings

Section 10.554(1)(1)., Rules of the Auditor General, requires that we determine whether or not corrective action have been taken to address findings and recommendations made in the preceding financial audit report. Below is a tabulation of findings that are uncorrected from the preceding audit:

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2021-22 FY Finding No.	2020-21 FY Finding No.
2023-01	2009-1	2009-1
Corrected	2022-1	

Financial Condition Assessment

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

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

Recommendation

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. We have a recommendation which is described in the accompanying schedule of findings as item number 2023-06 regarding payroll access.

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

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

POWELL and JONES CPA
Lake City, Florida
March 03, 2025



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Town of Bell, Florida's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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

POWELL and JONES CPA
Lake City, Florida
March 03, 2025



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

Communication with Those Charged with Governance

To the Honorable Mayor
and Members of the Town Council
Town of Bell, Florida

We have audited the financial statements of the Town of Bell, Florida (the Town) for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government *Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. New accounting policies that were adopted are also discussed therein. The application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 03, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

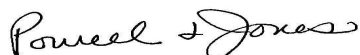
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

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

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

Very truly yours,



POWELL and JONES CPA
Lake City, Florida
March 03, 2025



Schedule of Findings

Material Weaknesses

Finding 2023-01: Bank Reconciliations

Criteria: Internal control over financial reporting requires that bank reconciliations be performed to agree bank balances reported on the bank statements with the cash balances recorded within the accounting software.

Condition: During the audit, we identified multiple discrepancies in the recording of financial transactions. Specifically, two deposits of \$4,946 and \$105 were not recorded, a deposit of \$1,421 was incorrectly recorded as \$421, and a check payment of \$124,712 was omitted from the records.

Effect: These discrepancies resulted in an \$121,042 misstatement in cash. These misstatements were corrected with our audit adjustments. Failure to properly reconcile bank accounts can result in misstated financial statements and unreliable financial reporting. Additionally, inadequate reconciliation procedures increase the risk of undetected errors, misstatements, and potential fraud.

Cause: These issues were caused by a manual bank reconciliation process that accurately tracked outstanding checks and deposits but was not reconciled to the cash balance in QuickBooks.

Recommendation: We recommend that the Town utilize the reconciliation feature within the accounting software or make changes to the manual reconciliation process to agree the bank statement balance with the cash account balance within the accounting software.

Significant Deficiencies

Finding 2023-02 : Financial Statement Preparation (Repeated in excess of second preceding year)

Criteria: A system of internal control over financial reporting should include controls to ensure the accurate preparation of financial statements, including footnote disclosures, in accordance with generally accepted accounting principles (GAAP). While an auditor may assist in financial statement preparation, the ultimate responsibility for ensuring accuracy and compliance lies with management.

Condition: During the audit, we identified that the Town does not have the necessary expertise to prevent, detect, and correct misstatements in financial statements. Specifically, the Town lacks the capability to draft financial statements and required footnote disclosures in accordance with GAAP without external assistance.

Effect: The absence of internal expertise in financial statement preparation increases the risk of errors, misstatements, and non-compliance with GAAP. Without adequate internal controls, financial reporting may be inaccurate or incomplete, potentially impacting decision-making and regulatory compliance.

Cause: The deficiency arises from a lack of personnel with the necessary skill, knowledge, and experience to prepare financial statements and disclosures independently. While management possesses the ability to review auditor-assisted financial statements, they do not have the technical expertise to prepare them in compliance with GAAP.

Recommendation: We recommend hiring a contract or staff CPA who is qualified to prepare the financial statements of the Organization. We recommend that this person review year end records for accuracy before audit and also proof or prepare the financial statements. We are aware that you are a small organization and this may not be feasible at this time with your current budgetary constraints. We also understand that even with a CPA on staff it may continue to be more efficient for the Town to continue using its auditors to prepare these financial statements in future years.

Finding 2023-03: Dual-signature requirement on checks

Criteria: It is the Towns policy that all checks be dual signed. Dual-signature is an internal control procedure that helps mitigate risks related to fraud and errors.

Condition: During our review of check payments, we noted that there were multiple instances where this control was not followed. On average, 30 to 40 expenses and payroll checks are issued per month. We found that there were 51 checks with only a single signature in the 11 months that we were able to analyze, 27 of which were payroll checks.

Effect: Failure to obtain two authorized signatures on checks weakens internal controls and increases the risk of unauthorized, fraudulent, or erroneous disbursements.

Cause: The identified issue likely stems from a lack of oversight and enforcement of the dual-signature policy. Additionally, there may be logistical difficulties in obtaining two signature in a timely fashion.

Recommendation: We recommend strict adherence to the dual-signature requirement for all check payments. Additionally, regular monitoring should be conducted to ensure compliance with established financial controls. Strengthening oversight procedures will help maintain financial integrity and reduce the risk of unauthorized disbursements.

Finding 2023-04: Internal Controls over Receipts

Criteria: Governments should properly segregate duties between staff in order to prevent fraud and theft. If segregation of duties is not possible due to limited staffing, compensating internal controls should be implemented to counteract the effect of the lack of segregation of duties.

Condition: During our audit we found that the Town Clerk is performing both bookkeeping and receipting functions, and there are no adequate compensating internal controls.

Cause: This was caused by inadequate design and implementation of compensating internal controls.

Effect: The clerk could commit theft of cash community center rental fees without being easily or quickly detected.

Recommendation: We recommend that the community center calendar, rental agreements, and community center revenue report from QuickBooks be provided to, reviewed by, and signed off by a designated member of the council. The signed revenue report should be provided to the council in its monthly packet to ensure that this compensating internal control is being actively practiced.

Finding 2023-05: Internal Controls over Disbursements

Criteria: Governments should properly segregate duties between staff in order to prevent fraud and theft. If segregation of duties is not possible due to limited staffing, compensating internal controls should be implemented to counteract the effect of the lack of segregation of duties.

Condition: During our audit we found that the Town Clerk is performing both bookkeeping and disbursement functions, and there are no adequate compensating internal controls.

Cause: This was caused by inadequate design and implementation of compensating internal controls.

Effect: The clerk could commit check fraud without being easily or quickly detected.

Recommendation: We recommend that a bank statement with check images be provided to, reviewed by, and signed off by the mayor. The signed front page of the bank statement, or check images page of the bank statement should be provided to the council in its monthly packet to ensure that this compensating internal control is being actively practiced.

Recommendations

Recommendation 2023-06 Payroll Access

During our audit we found that the Clerk was the only person with access to the ADP payroll system. We recommend adding the Mayor or another council member to ADP so that if the Clerk is unable to file payroll(whether due to sickness, injury, etc.) the Town will able to process payroll.



Powell and Jones CPA

1359 S.W. Main Blvd.
Lake City, FL 32025
Phone 386.755.4200

Summary Schedule of Prior Audit Findings

Finding 2009-01 Financial Statement Preparation (Excess of second preceding year)

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

Current year status

This finding remained uncorrected in current year. Repeated as finding number 2023-01

Finding 2022-01 Cutoff Procedures

Over the course of the audit, it was noted that there were several expenditures where proper cutoff had not been achieved. Adjusting entries were made to properly record the transactions. Under the modified-accrual basis of accounting, expenditures that occur during a given period should be recorded as an expense during that period and a liability until payment is rendered. If a payment is not made as of the end of the period, the liability should be shown on the financial statements. We recommend that as a part of close, that the Town review material cash disbursements that are made early in the new period to see if any additional accrued liabilities are necessary.

Current year status

This finding was substantially corrected in the current year. The Clerk provided us with the Towns accounts payable balance and corresponding support during our audit.



Historic Train Depot

Town of Bell

“Focused On The Future”

P.O. Box 116
Bell, FL 32619

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3/28/2025

Auditor General's Office
Local Government Audits/342
Claude Pepper Building, Room 401
111 West Madison St.
Tallahassee, FL 32399-1450

Re: Town of Bell, Florida Response to Auditor's Financial Report for the
fiscal year ending September 30, 2023

To Whom It May Concern:

The Town of Bell agrees with the findings in the Auditors Financial Report. The following is our response to the Schedule of Findings and our plan to address the findings.

In regard to the auditor's Management Letter as shown in the Audit Report with reference to prior year findings, the Town Council has instructed the Town Manager/Clerk and /or staff to promptly correct the issues as follows:

Finding 2023-01: Bank Reconciliations

The Clerk will have each bank statement reconciled and agree with bank balance reported on bank statements and balances recorded within accounting software.

Finding 2023-02: Financial Statement Preparation

This recommendation is not feasible at this time for the Town of Bell. The Clerk is an excellent bookkeeper and the town will continue to analyze this in the future.

Finding 2023-03: Dual Signature Requirement On Checks

The Town of Bell has implemented dual check signatures on checks by adding a second signature line on payroll checks during the fiscal year of 2024. All check payments will have two signatures going forward.

Finding 2024-04: Internal Control Over Receipts

The Clerk will provide the Council with a copy of the calendar for the Community Center rentals at each monthly meeting as well as the rental agreement and have the Mayor sign off on these documents.

Finding 2024-05: Internal Controls Over Disbursements

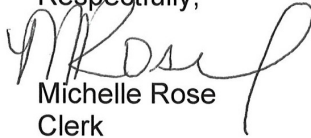
The Clerk will provide a copy of the monthly bank statement to the Mayor to sign and have available at each monthly Council meeting.

Finding 2023-06: Payroll Access

The Mayor has been added as a second Administrator on the ADP payroll account.

Please let us know if you have any questions or concerns.

Respectfully,

A handwritten signature in black ink, appearing to read "M. Rose", written over the printed name.

Michelle Rose
Clerk