

TOWN OF BELL, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2014

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INTRODUCTORY SECTION

TOWN OF BELL, FLORIDA
LIST OF PRINCIPAL OFFICIALS

September 30, 2014

MAYOR

Thomas Brown

PRESIDENT OF COUNCIL

Derek Sanders

COUNCIL MEMBERS

Kenny Bass

Derek Sanders

Hugh Sanders

Ray Sanders

Michael Moore

Carol Murray

TOWN MANAGER

Dan Cavanah

TOWN CLERK

Michelle Rose

TOWN ATTORNEY

David Lang, Jr.

FINANCIAL SECTION



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

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Lake City, Florida 32025
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bell, Florida, (the Town) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bell, Florida, as of September 30, 2014, 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.

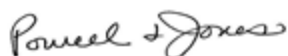
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, 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 June 4, 2015, on our consideration of the Town of Bell, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bell, Florida's internal control over financial reporting and compliance.



POWELL & JONES
Certified Public Accountants
June 4, 2015

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 (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, human 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, 2014 and 2013, follows:

Net Position at September 30, 2014 and 2013

	Governmental Activities	
	2014	2013
Assets		
Cash and investments	\$ 172,451	\$ 151,142
Capital assets	996,497	622,605
Total assets	<u>1,168,948</u>	<u>773,747</u>
Liabilities		
Current liabilities	-	1,729
Loan payable	40,916	40,916
Total liabilities	<u>40,916</u>	<u>42,645</u>
Net Position		
Invested in capital assets	955,581	581,689
Unrestricted	168,296	149,413
Total net assets	<u>\$ 1,123,877</u>	<u>\$ 731,102</u>

85% 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 \$168,296 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, 2014 and 2013

	Governmental Activities	
	2014	2013
Revenues		
General revenues		
Taxes	\$ 117,056	\$ 103,347
Fines and forfeitures	67	103
Licenses and permits	2,047	5,168
State grants	413,023	75,590
State shared revenues	52,766	60,717
Interest and other	564	543
Other miscellaneous revenue	14,642	8,859
Total revenues	<u>600,165</u>	<u>254,327</u>
Expenses		
General government	161,606	183,420
Public safety	4,623	3,952
Transportation	9,681	9,882
Human services	2,400	2,400
Culture/recreation	29,080	30,477
Total expenses	<u>207,390</u>	<u>230,131</u>
Change in net position	392,775	24,196
Beginning net position	731,102	706,906
Ending net position	<u>\$ 1,123,877</u>	<u>\$ 731,102</u>

Governmental activities:

Taxes provide 20% of the revenues for Governmental Activities, while state shared revenues provide 9%. Most of the Governmental Activities resources are spent for General Government (78%), and Recreation (14%).

Budgetary Highlights

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

Capital Assets

At September 30, 2014, the Town had \$996,497 invested in capital assets, including fire equipment, park and recreation facilities, buildings, and streets.

Capital Assets at September 30, 2014 and 2013

	Governmental Activities	
	2014	2013
Land	\$ 164,560	\$ 164,560
Buildings and improvements	894,312	481,289
Equipment	413,913	413,913
Subtotal	1,472,785	1,059,762
Accumulated depreciation	(476,288)	(437,157)
Capital assets, net	\$ 996,497	\$ 622,605

Debt Outstanding

At year-end, the Town had \$40,916 in debt outstanding versus \$40,916 last year, representing no increase.

Debt Outstanding at September 30, 2014 and 2013

	Governmental Activities	
	2014	2013
Note payable	\$ 40,916	\$ 40,916

OTHER FINANCIAL INFORMATION

Economic Factors and Rates

- The estimated current unemployment rate for the Town was 6.3%, which is the approximate Gilchrist County rate.
- The estimated population for the Town in 2014 was 453 and is estimated to be approximately the same in 2015.

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 Town Manager at P.O. Box 116, Bell, Florida 32619.

BASIC FINANCIAL STATEMENTS

TOWN OF BELL, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 68,672
Investments	103,779
Total current assets	172,451
 Noncurrent assets	
Capital assets, net	996,497
Total assets	\$ 1,168,948
 LIABILITIES	
Current liabilities	
Accounts payable	\$ 4,132
Note payable	-
Accrued interest	23
Total liabilities	4,155
 NET POSITION	
Invested in capital assets, net of related debt	955,581
Unrestricted	168,296
Total net position	\$ 1,123,877

See notes to financial statements.

TOWN OF BELL, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	Total Governmental Activities
Governmental activities				
General Government	\$ 161,606	\$ 2,047	\$ -	\$ (159,559)
Public Safety	4,623	67	-	(4,556)
Transportation	9,681	-	413,023	403,342
Human services	2,400	-	-	(2,400)
Culture/recreation	29,080	-	-	(29,080)
Total government	\$ 207,390	\$ 2,114	\$ 413,023	\$ 207,747
General Revenues				
Property Taxes				\$ 30,782
Sales and use tax				27,249
Utility services taxes				26,403
Franchise fees				59,871
Communications surtax				10,008
State shared revenues				10,108
Interest				564
Miscellaneous				20,043
Total general revenues				185,028
Change in net position				392,775
Net position - beginning				731,102
Net position - ending				\$ 1,123,877

See notes to financial statements.

TOWN OF BELL, FLORIDA

GOVERNMENTAL FUND

BALANCE SHEET

September 30, 2014

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 68,672
Investments	103,779
Total assets	<u>\$ 172,451</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 4,132
Accrued interest	23
Total liabilities	<u>4,155</u>
Fund Balance	
Unassigned	168,296
Total fund balance	<u>168,296</u>
Total liabilities and fund balance	<u>\$ 172,451</u>
Total fund balance reported above	\$ 168,296
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.	996,497
Long-term liabilities are not due in the current period, therefore are not reported in the funds	
Note payable	(40,916)
Net position of governmental activities	<u>\$ 1,123,877</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, 2014

	General Fund
REVENUES	
Taxes	\$ 117,056
Licenses and permits	2,047
Intergovernmental revenue	465,789
Fines and forfeitures	67
Interest	564
Miscellaneous	14,642
Total revenues	600,165
 EXPENDITURES	
Current expenditures	
General government	159,976
Public safety	3,247
Transportation	956
Human services	2,400
Culture/recreation	620
Capital outlay	
Transportation	413,023
Debt service	
Transportation	
Debt service- interest	1,060
Total expenditures	581,282
 Deficit of revenues under expenditures	 18,883
 Fund balance at beginning of year	 149,413
Fund balance at end of year	\$ 168,296

See notes to financial statements.

TOWN OF BELL, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2014

Net change in fund balance - General Fund \$ 18,883

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

\$ 413,023

Less current year depreciation

(39,131)

373,892

Changes in net position of governmental activities

\$ 392,775

See notes to financial statements.

TOWN OF BELL, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 separate column for the

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

2. Fund Financial Statements

The underlying accounting system of the Town is organized and operated on the basis of 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 exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as 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.

2. Non-current Governmental Assets/Liabilities:

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

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments - Cash includes amounts in demand deposits as well as short-term 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, 2014, 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, 2014, fund balances are composed of the following:

	<u>General Fund</u>
Unassigned	<u>\$ 168,296</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, right-of-ways, 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 fair market value at the date of donations.

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

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

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

<u>Assets</u>	<u>Years</u>
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. **Deferred Revenues** - Deferred revenues reported in government-wide financial statements represent unearned revenues. The deferred revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. 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 absences amounts for governmental funds are maintained separately and would represent a reconciling item between the fund and government-wide presentation. At September 30, 2014, the Town had no liability for compensated absences.

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 \$168,296 differs from “net position” of governmental activities \$1,123,877 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	\$ 1,472,785
Accumulated depreciation	<u>(476,288)</u>
Total	<u>\$ 996,497</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. Balances at September 30, 2014 were:

Note payable	<u>\$ 40,916</u>
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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	\$ 68,672	\$ -	\$ -	\$ 68,672
Investments	103,779	-	-	103,779
Capital assets - net	-	996,497	-	996,497
Total assets	\$ 172,451	\$ 996,497	\$ -	\$ 1,168,948
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	\$ 4,132	\$ -	\$ -	\$ 4,132
Note payable	-	-	40,916	40,916
Accrued interest	23	-	-	23
Total liabilities	4,155	-	40,916	45,071
 Fund equity/net position	 168,296.00	 996,497	 (40,916)	 1,123,877
 Total liabilities and fund equity/net position	 \$ 172,451	 \$ 996,497	 \$ -	 \$ 1,168,948

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

The “net change in fund balances” for governmental funds \$18,883 differs from the “change in net assets” for governmental activities \$392,775 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$ 413,023
Depreciation expense	<u>(39,131)</u>
Difference	<u><u>\$ 373,892</u></u>

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

	<u>General Fund</u>	<u>Capital Related Items</u>	<u>Long Term Debt Transactions</u>	<u>Statement of Activities</u>
REVENUES				
Taxes	\$ 117,056	\$ -	\$ -	\$ 117,056
License and permts	2,047	-	-	2,047
Intergovernmental	465,789	-	-	465,789
Fines and Forfeitures	67	-	-	67
Misc	14,642	-	-	14,642
Interest	564	-	-	564
Total revenues	<u>600,165</u>	<u>-</u>	<u>-</u>	<u>600,165</u>
EXPENDITURES				
Current expenditures				
General Government	159,976	1,630	-	161,606
Public Safety	3,247	1,376	-	4,623
Physical Environment	-	-	-	-
Transportation	956	7,665	-	8,621
Human Services	2,400	-	-	2,400
Culture/recreation	620	28,460	-	29,080
Capital outlay				
Transportation	413,023	(413,023)	-	-
Debt service				
Transportation	-	-	-	-
#REF!	-	-	-	-
Debt service- interest	1,060	-	-	1,060
Total Expenditures	<u>581,282</u>	<u>(373,892)</u>	<u>-</u>	<u>207,390</u>
Excess of revenues over (under) expenditures	18,883	373,892	-	392,775
Other financing sources	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund Balance	18,883	373,892	-	392,775
Fund balance, October 1, 2013	149,413	622,604	(40,915)	731,102
Fund balance, September 30, 2014	<u>\$ 168,296</u>	<u>\$ 996,496</u>	<u>\$ (40,915)</u>	<u>\$ 1,123,877</u>

NOTE 3. LEGAL COMPLIANCE–BUDGETS

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

1. Prior to September 1, the Town Council develops a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted by the Town Council through passage of an ordinance.
4. Any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund must be approved by the Town Council.
5. Budgets for 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, 2014

Certificates of deposit	<u><u>\$ 103,779</u></u>
-------------------------	--------------------------

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 2013-2014 fiscal year were levied in October 2013. 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, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets:				
Land	\$ 164,560	\$ -	\$ -	\$ 164,560
Buildings and improvements	481,289	413,023	-	894,312
Equipment and vehicles	413,913	-	-	413,913
Total capital assets	1,059,762	413,023	-	1,472,785
Less accumulated depreciation	(437,157)	(39,131)	-	(476,288)
Governmental activities capital assets, net	<u>\$ 622,605</u>	<u>\$ 373,892</u>	<u>\$ -</u>	<u>\$ 996,497</u>

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

Governmental activities:	
General government	\$ 1,630
Public safety	1,376
Transportation	7,665
Culture/recreation	28,460
Total depreciation expense - governmental activities	<u>\$ 39,131</u>

NOTE 7. PAYABLE BALANCES

Payables

Payables at September 30, 2014, were as follows:

	<u>Vendors</u>
Governmental activities:	
General Fund	<u>\$ 4,132</u>

NOTE 8. LONG-TERM DEBT

Note Payable – Drummond Community Bank

On February 22, 2012, the Town entered into an agreement with Drummond Bank for a loan with interest only payable in eleven monthly payments and one balloon principal payment. The interest rate on the note was 2.5%. On February 22, 2014, the Town renegotiated the loan for two additional years with the same terms. The note is secured by a certificate of deposit. These funds were utilized for road improvements and are being repaid from general revenues.

Debt service requirements to maturity are as follows:

Year Ending September 30,	Principal	Interest	Total
<u>2014</u>	<u>\$ 40,916</u>	<u>\$ 406</u>	<u>\$ 41,322</u>

The following is a schedule of changes in this debt for the year ended September 30, 2014:

	Balance September 30, 2013	Increases	Decreases	Balance September 30, 2014	Due Within One Year
Note payable	<u>\$ 40,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,916</u>	<u>\$ -</u>

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, 2014

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Ad valorem taxes	\$ 30,000	\$ 30,782	\$ 782
Sales and use taxes			
Local option gas tax	4,621	4,978	357
Total sales and use taxes	4,621	4,978	357
Utility service taxes			
Electricity	14,000	18,709	4,709
Propane gas	500	2,716	2,216
Total utility services taxes	14,500	21,425	6,925
Franchise taxes			
Electricity	59,000	59,871	871
Total franchise taxes	59,000	59,871	871
License and permits			
Occupational license	2,400	1,375	(1,025)
Permits	1,300	672	(628)
Total licenses and permits	3,700	2,047	(1,653)
Intergovernmental			
State shared revenues			
Discretionary sales surtax	17,751	19,169	1,418
Communications service tax	12,557	10,008	(2,549)
State revenue sharing	12,000	10,108	(1,892)
Beverage licenses	80	105	25
Mobile home licenses	950	851	(99)
Racing tax	4,400	4,445	45
Half cent sales tax	7,393	8,080	687
Grant revenue	524,410	413,023	(111,387)
Total state shared revenues	579,541	465,789	(113,752)
Total intergovernmental	579,541	465,789	(113,752)

(continued)

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, 2014

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Fines and forfeitures	\$ 500	\$ 67	\$ (433)
Miscellaneous			
Interest	25	564	539
Service charge cemetery	500	3,250	2,750
Service charge parks & recreation	-	2,725	2,725
Sale of general capital asset	-	-	-
Other miscellaneous revenue	10,812	8,667	(2,145)
Total miscellaneous	<u>11,337</u>	<u>15,206</u>	<u>3,869</u>
Total revenues	<u>703,199</u>	<u>600,165</u>	<u>(103,034)</u>
EXPENDITURES			
General government			
Legislative			
Salaries- Town Council	13,450	11,449	2,001
Payroll taxes	3,646	2,958	688
Total legislative	<u>17,096</u>	<u>14,407</u>	<u>2,689</u>
Financial and administrative			
Salaries- Mayor	2,690	2,265	425
Salaries- Manager	18,000	19,507	(1,507)
Salaries- Town Clerk	2,690	2,290	400
Salaries- Administrative Assistant	4,200	4,502	(302)
Payroll taxes	7,475	7,379	96
Accounting and auditing	4,300	4,226	74
Advertising/public relations	3,000	2,501	499
Other operating expenses	7,800	7,797	3
Total financial and administrative	<u>50,155</u>	<u>50,467</u>	<u>(312)</u>
Legal counsel			
Town Attorney	<u>15,000</u>	<u>16,250</u>	<u>(1,250)</u>
Other general government			
Salaries- maintenance	29,069	26,610	2,459
Payroll taxes	7,879	6,874	1,005
General insurance	12,967	12,288	679
Occupancy	5,200	4,734	466
Utilities	17,000	17,327	(327)
Building maintenance and repairs	4,800	3,698	1,102
Other	6,150	7,321	(1,171)
Total other general government	<u>83,065</u>	<u>78,852</u>	<u>4,213</u>
Total general government	<u>165,316</u>	<u>159,976</u>	<u>5,340</u>

(continued)

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, 2014

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Public safety			
Code enforcement	\$ 3,247	\$ 3,247	\$ -
Total public safety	<u>3,247</u>	<u>3,247</u>	<u>-</u>
Physical environment			
Cemetery			
Repairs and maintenance	100	-	100
Utilities	-	-	-
Total physical environment	<u>100</u>	<u>-</u>	<u>100</u>
Transportation			
Road and street facilities			
Repairs and maintenance	2,700	956	1,744
Other current charges	-	-	-
Capital outlay	524,410	413,023	-
Debt service- principal	-	-	-
Debt service- interest	7,500	1,060	6,440
Total transportation	<u>534,610</u>	<u>415,039</u>	<u>119,571</u>
Human services			
Animal control	2,400	2,400	-
Total human services	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Culture/recreation			
Community center/club house park/library/depot			
Repair and maintenance	500	620	(120)
Utilities	-	-	-
Total culture/recreation	<u>500</u>	<u>620</u>	<u>(120)</u>
Total expenditures	<u>706,173</u>	<u>581,282</u>	<u>124,891</u>
Excess of revenues over (under) expenditures	(2,974)	18,883	21,857
Net change in fund balance	(2,974)	18,883	21,857
Fund balance at beginning of year	149,413	149,413	-
Fund balance at end of year	<u>\$ 146,439</u>	<u>\$ 168,296</u>	<u>\$ 21,857</u>

See notes to financial statements.

**TOWN OF BELL, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014**

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

**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 the basic financial statements of the Town of Bell, Florida as of and for the year ended September 30, 2014, and have issued our report thereon dated June 4, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Bell, Florida is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Bell, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bell, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Bell, Florida's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Finding 2009-1 (second preceding year)

Financial Statement Preparation

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

A *significant deficiency* is a deficiency, or 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.

MANAGEMENT'S RESPONSE

We agree with this finding. We are a very small government and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. Both staff and the Town Council review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Town Council.

At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

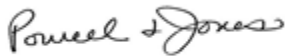
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Bell, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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.



POWELL & JONES
Certified Public Accountants
June 4, 2015

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, 2014, and have issued our report thereon dated June 4, 2015. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of the Town of Bell, Florida, for the year ended September 30, 2014.

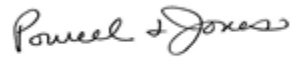
Financial Emergency Status - We determined that the Town had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(7)(c) and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under *Rules of the Auditor General*, Chapter 10.5549(1)(f).

CONCLUSION

We have reviewed each of our specific findings with appropriate officials or employees and have provide them with documentation as requested. We very much enjoyed the challenges and experiences associated with this year's audit of the Town. We appreciate the helpful assistance and courtesy afforded us by all Town employees and look forward to working with you in the future.

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

POWELL & JONES

Certified Public Accountants

June 4, 2015

INDEPENDENT ACCOUNTANT'S REPORT

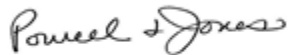
Honorable Mayor and
Members of the Town Council
Town of Bell, Florida

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, 2014. 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, 2014.

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 & JONES
Certified Public Accountants
June 4, 2015

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 for the year ended September 30, 2014. 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 of Bell, Florida are described Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. 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 of Bell, Florida'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 June 4, 2015.

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

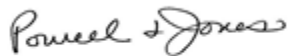
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses 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
Certified Public Accountants
June 4, 2015**