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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Briny Breezes, Inc.

We have audited the accompanying financial statements of Briny Breezes, Inc. ("the Corporation"), which comprise the balance sheets as of September 30, 2017 and 2016, and the related statements of revenues and expenses and changes in fund balances and cash flows for the years then ended and the related notes to the financial statements.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 financial position of Briny Breezes, Inc. as of September 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Palm Beach, Florida
January 15, 2018

BRINY BREEZES, INC.
BALANCE SHEETS
September 30, 2017 and 2016

	2017				2016
	Operating Fund	Replacement Fund	Park Improvement Fund	Catastrophe Fund	Total Funds
Assets					
Cash and cash equivalents	\$ 443,868	\$ 389,753	\$ -	\$ 115,657	\$ 1,006,724
Certificates of deposit (Note 2)	-	-	183,540	-	182,818
Assessments receivable (Note 4)	9,987	-	-	-	15,443
Prepaid expenses	23,443	-	-	-	29,958
Property and equipment, net (Note 2)	2,729,774	-	-	-	2,533,821
Utility deposits	225	-	-	-	225
Total assets	<u>\$ 3,207,297</u>	<u>\$ 389,753</u>	<u>\$ 183,540</u>	<u>\$ 115,657</u>	<u>\$ 3,896,247</u>
Liabilities and stockholders' equity					
Accounts payable and accrued expenses	\$ 74,022	\$ 21,375	\$ -	\$ -	\$ 68,654
Prepaid assessments	1,641	-	-	-	180,675
Deferred cable revenue (Note 13)	52,179	-	-	-	62,614
Refundable deposits	2,838	-	-	-	-
Total liabilities	<u>130,680</u>	<u>21,375</u>	<u>-</u>	<u>-</u>	<u>311,943</u>
Stockholders' equity					
Common stock, \$1 par value, 15,703 shares authorized, issued and outstanding at September 30, 2017 and 2016	15,703	-	-	-	15,703
Additional paid-in capital	1,882,705	-	-	-	1,882,705
Fund balances	1,178,209	368,378	183,540	115,657	1,558,638
Total stockholders' equity	<u>3,076,617</u>	<u>368,378</u>	<u>183,540</u>	<u>115,657</u>	<u>3,744,192</u>
Total liabilities and stockholders' equity	<u>\$ 3,207,297</u>	<u>\$ 389,753</u>	<u>\$ 183,540</u>	<u>\$ 115,657</u>	<u>\$ 3,896,247</u>

See notes to financial statements.

BRINY BREEZES, INC.
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the years ended September 31, 2017 and 2016

	2017				2016
	Operating Fund	Replacement Fund	Park Improvement Fund	Catastrophe Fund	Total Funds
Revenues					
Assessments	\$ 1,571,382	\$ 329,763	\$ -	\$ -	\$ 1,901,145
Rental income (Note 15)	54,552	-	-	-	54,552
Indoor and outdoor storage	50,171	-	-	-	50,171
Yacht basin income	121,635	36,086	-	-	157,721
Laundry income	5,325	1,600	-	-	6,925
Interest income	406	1,340	722	490	2,958
Other income	49,954	500	-	-	50,454
Total revenues	<u>1,853,425</u>	<u>369,289</u>	<u>722</u>	<u>490</u>	<u>2,223,926</u>
Expenses					
Administrative	519,247	-	-	-	519,247
Insurance	212,626	-	-	-	212,626
Municipal	492,843	-	-	-	492,843
Park facilities	233,788	-	-	-	233,788
Operating	349,672	-	-	-	349,672
Depreciation	105,711	-	-	-	105,711
Major repairs and replacements	-	22,893	-	-	22,893
Total expenses	<u>1,913,887</u>	<u>22,893</u>	<u>-</u>	<u>-</u>	<u>1,936,780</u>
Excess (deficiency) of revenues over expenses	(60,462)	346,396	722	490	287,146
Fund balances, beg. of year	942,408	318,245	182,818	115,167	1,558,638
Interfund transfers (Note 14)	296,263	(296,263)	-	-	-
Fund balances, end of year	<u>\$ 1,178,209</u>	<u>\$ 368,378</u>	<u>\$ 183,540</u>	<u>\$ 115,657</u>	<u>\$ 1,845,784</u>
					<u>\$ 1,558,638</u>

See notes to financial statements.