

# HAFER

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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 sheet as of September 30, 2018, and the related statement of revenues and expenses and changes in fund balances and cash flows for the year 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, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Palm Beach, Florida  
December 12, 2018

HAFER IS AN LLC WITH OFFICES IN PALM BEACH, NAPLES, MIAMI, AND ORLANDO, FLORIDA

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**BRINY BREEZES, INC.**  
**STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES**  
*For the year ended September 30, 2018*

	Operating Fund	Replacement Fund	Park Improvement Fund	Catastrophe Fund	Total Funds
<b>Revenues</b>					
Assessments	\$ 1,554,952	\$ 302,283	\$ -	\$ -	\$ 1,857,235
Rental income (Note 16)	55,617	-	-	-	55,617
Indoor and outdoor storage	54,073	-	-	-	54,073
Yacht basin income	125,222	36,086	-	-	161,308
Laundry income	6,121	1,600	-	-	7,721
Interest income	980	3,072	2,006	1,232	7,290
Other income	212,529	75,000	-	-	287,529
<b>Total revenues</b>	<b>2,009,494</b>	<b>418,041</b>	<b>2,006</b>	<b>1,232</b>	<b>2,430,773</b>
<b>Expenses</b>					
Administrative	610,948	-	-	-	610,948
Insurance	217,566	-	-	-	217,566
Municipal	428,758	-	-	-	428,758
Park facilities	226,006	-	-	-	226,006
Operating	348,546	-	-	-	348,546
Depreciation	127,690	-	-	-	127,690
Major repairs and replacements	-	19,718	-	-	19,718
<b>Total expenses</b>	<b>1,959,514</b>	<b>19,718</b>	<b>-</b>	<b>-</b>	<b>1,979,232</b>
<b>Excess of revenues over expenses</b>	<b>49,980</b>	<b>398,323</b>	<b>2,006</b>	<b>1,232</b>	<b>451,541</b>
Fund balances, beg. of year	1,178,209	368,378	183,540	115,657	1,845,784
Prior period adjustment (Note 14)	136,093	-	-	-	136,093
Fund balances, beg. of year (restated)	1,314,302	368,378	183,540	115,657	1,981,877
Interfund transfers (Note 15)	303,847	(303,847)	-	-	-
<b>Fund balances, end of year</b>	<b>\$ 1,668,129</b>	<b>\$ 462,854</b>	<b>\$ 185,546</b>	<b>\$ 116,889</b>	<b>\$ 2,433,418</b>

See notes to financial statements.

**BRINY BREEZES, INC.**  
**BALANCE SHEET**  
**September 30, 2018**

	Operating Fund	Replacement Fund	Park Improvement Fund	Catastrophe Fund	Total Funds
<b>Assets</b>					
Cash and cash equivalents, including clubs	\$ 822,970	\$ 390,967	\$ -	\$ 116,889	\$ 1,330,826
Certificate of deposit (Note 2)	-	-	185,546	-	185,546
Assessments receivable (Note 4)	15,410	-	-	-	15,410
Prepaid expenses	53,266	-	-	-	53,266
Property and equipment, net (Note 2)	2,927,749	-	-	-	2,927,749
Utility deposits	450	-	-	-	450
Due (to) from funds	(117,726)	117,726	-	-	-
<b>Total assets</b>	<b>\$ 3,702,119</b>	<b>\$ 508,693</b>	<b>\$ 185,546</b>	<b>\$ 116,889</b>	<b>\$ 4,513,247</b>
<b>Liabilities and stockholders' equity</b>					
Accounts payable and accrued expenses	\$ 55,907	\$ 45,839	\$ -	\$ -	\$ 101,746
Prepaid assessments	32,405	-	-	-	32,405
Deferred cable revenue (Note 13)	41,743	-	-	-	41,743
Refundable deposits	5,527	-	-	-	5,527
<b>Total liabilities</b>	<b>135,582</b>	<b>45,839</b>	<b>-</b>	<b>-</b>	<b>181,421</b>
<b>Stockholders' equity</b>					
Common stock, \$1 par value, 15,703 shares authorized, issued and outstanding at September 30, 2018 and 2017	15,703	-	-	-	15,703
Additional paid-in capital	1,882,705	-	-	-	1,882,705
Fund balances	1,668,129	462,854	185,546	116,889	2,433,418
<b>Total stockholders' equity</b>	<b>3,566,537</b>	<b>462,854</b>	<b>185,546</b>	<b>116,889</b>	<b>4,331,826</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,702,119</b>	<b>\$ 508,693</b>	<b>\$ 185,546</b>	<b>\$ 116,889</b>	<b>\$ 4,513,247</b>

See notes to financial statements.