

TOWN OF BRINY BREEZES, FLORIDA

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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INDEPENDENT AUDITORS' REPORT



Alberni Caballero & Fierman, LLP
4649 Ponce de Leon Blvd
Suite 404
Coral Gables, FL 33146
T: 305.662.7272 F: 305.662.4266
ACF-CPA.COM



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the Town Council
Town of Briny Breezes, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Briny Breezes, Florida (the "Town") as of and for the fiscal year ended September 30, 2016, 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.

Auditors' Responsibility

Our responsibility is to express opinions 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2016, and the respective changes in financial position and cash flows for the fiscal 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 the budgetary comparison information on pages 3-7 and 23-24 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Budget and Actual is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds – Budget and Actual is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2017, 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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

TOWN OF BRINY BREEZES
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

The Town of Briny Breezes' Management's Discussion and Analysis is designed to:

1. Assist the reader in focusing on significant financial issues
2. Provide an overview of the Town's financial position
3. Identify any material deviations from the approved budget
4. Identify changes in the Town's financial position
5. Identify individual fund issues or concerns

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Town's financial statements, which follow this section.

Financial Highlights

The Town's combined net position increased as a result of this year's operations. The assets and deferred outflows of the Town of Briny Breezes exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,529,694 (net position). Of this amount, \$592,582 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The general fund revenues were \$765,489 at the close of fiscal year 2016. During this period and at the end of the 2016 fiscal year, the unassigned fund balance for the general fund was \$214,443 or 39% of the total general fund expenditures.

The proprietary fund revenues at the close of fiscal year 2016 were \$328,296. When taking into account the operating expenses of \$274,327 and the non-operating revenues of \$341, the net position in the proprietary fund increased by \$54,310.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private sector business.

The Statement of Net Position presents information on all of the Town's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Changes in the Town's property tax base will also need to be considered in assessing the overall health of the Town.

TOWN OF BRINY BREEZES
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. In the Statement of Net Position and Statement of Activities, we divide the Town into two types of activities.

Governmental Activities – Most of the Town's basic services are reported here, including public safety and general administration. Property taxes and franchise fees, intergovernmental shared revenues and charges for services finance most of these activities.

Business-type Activities – The Town charges a fee to customers to help it cover the cost of certain services it provides (i.e. water and sewer).

Fund Financial Statements

Fund Financial Statements provide detailed information about the most significant funds, not the Town as a whole. The Town uses the funds to keep track of specific sources of funding and spending for a particular purpose.

The Town's governmental fund includes most of the Town's basic services. The Town's one governmental fund is the General Fund which is the main operating fund for the Town. The Town adopts an annual appropriated budget for the General Fund.

Proprietary Funds are for reporting on services for which the Town charges customers a fee. The Town's Enterprise Fund (one type of proprietary fund) is the same as its business type activities but provides more detail and additional information such as cash flows.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The Town's net position for the fiscal year ending 2016 is reported at \$1,529,694. Net Position for the fiscal year ending 2016 for governmental activities are reported at \$280,847. The net position of our business-type activities is reported at \$1,248,847 for the fiscal year ending 2016.

Overall the financial position of the total primary government increased compared to the prior year, with an increase in net position for the governmental activities and an increase in net position for the business type activities.

The following table shows a summary of the Town's net position at September 30, 2016.

Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total %</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016-2015</u>
Current and other assets	\$ 310,227	\$ 173,314	\$ 378,139	\$ 292,812	\$ 688,366	\$ 466,126	48%
Capital assets	-	-	870,708	911,450	870,708	911,450	-4%
Total assets	310,227	173,314	1,248,847	1,204,262	1,559,074	1,377,576	13%
Current and other liabilities	29,380	20	-	9,725	29,380	9,745	201%
Total liabilities	29,380	20	-	9,725	29,380	9,745	201%
Net position							
Investment in capital assets	-	-	870,708	911,450	870,708	911,450	-4%
Restricted	66,404	66,338	-	-	66,404	66,338	0%
Unrestricted	214,443	106,956	378,139	283,087	592,582	390,043	52%
Total net position	\$ 280,847	\$ 173,294	\$ 1,248,847	\$ 1,194,537	\$ 1,529,694	\$ 1,367,831	12%

The increase in assets is due to resources accumulated for a water pump repair that is expected to be replaced in the near future. Current liabilities decreased due to fewer year end accruals and more payments made.

TOWN OF BRINY BREEZES
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Changes in Net Position

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (i.e. uncollected taxes).

The net increase for governmental activities totaled \$107,553.

The net increase
in business-type activities was \$54,310.

The following table provides a summary of the Town's changes in net position for the year ended September 30, 2016.

	Governmental Activities		Business-type Activities		Total		Total % Change
	2016	2015	2016	2015	2016	2015	2016-2015
Revenues							
Program revenues							
Charges for services	\$ 312,844	\$ 214,172	\$ 328,296	\$ 211,310	\$ 641,140	\$ 425,482	51%
General revenues							
Property taxes	373,060	344,436	-	-	373,060	344,436	8%
Intergovernmental	51,412	58,774	-	-	51,412	58,774	-13%
Utility taxes	28,013	26,370	-	-	28,013	26,370	6%
Investment and other income	160	139	341	320	501	459	9%
Total revenues	765,489	643,891	328,637	211,630	1,094,126	855,521	28%
Expenses							
General government	78,515	80,840	-	-	78,515	80,840	-3%
Public safety	566,754	551,702	-	-	566,754	551,702	3%
Physical environment	11,417	11,138	-	-	11,417	11,138	3%
Culture and recreation	1,250	1,245	-	-	1,250	1,245	0%
Water and sewer	-	-	274,327	258,553	274,327	258,553	6%
Total expenses	657,936	644,925	274,327	258,553	932,263	903,478	3%
Change in net position	107,553	(1,033)	54,310	(46,923)	161,863	(47,956)	-438%
Net position, beginning	173,294	174,328	1,194,537	1,241,460	1,367,831	1,415,788	-3%
Net position, ending	\$ 280,847	\$ 173,294	\$ 1,248,847	\$ 1,194,537	\$ 1,529,694	\$ 1,367,832	12%

Revenues increased by 28% compared to the prior year primarily due to an increase in state tax revenue and an increase in charges for services in the Town's enterprise fund which increased to \$328,637 from \$211,630.

Expenses remained consistent with prior year.

TOWN OF BRINY BREEZES
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Financial Analysis of the Governmental Fund

As the Town of Briny Breezes completed the year, the general fund reported an unassigned fund balance of \$214,443, an increase of \$107,487 from the previous year.

General Fund Budgetary Highlights

Actual expenditures were \$104,234 less than the anticipated budget and revenues were \$3,319 more than the budgeted amounts. These variations are not expected to have a significant effect on future services or liquidity.

Capital Asset and Debt Administration

The Town had no additions to capital assets during the 2016 fiscal year.

	Governmental Activities		Business-Type Activities		Total		%
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>Change</u>
Leasehold Improvements	\$ 145,557	\$ 145,557	\$ -	\$ -	\$ 145,557	\$ 145,557	<u>0.0%</u>
Furniture and equipment	19,449	19,449	-	-	19,449	19,449	<u>0.0%</u>
Infrastructure	<u>-</u>	<u>-</u>	<u>1,640,139</u>	<u>1,640,139</u>	<u>1,640,139</u>	<u>1,640,139</u>	<u>0.0%</u>
Total	165,006	165,006	1,640,139	1,640,139	1,805,145	1,805,145	<u>0.0%</u>
					-		
Accumulated depreciation	<u>(165,006)</u>	<u>(165,006)</u>	<u>(728,689)</u>	<u>(769,431)</u>	<u>(893,695)</u>	<u>(934,437)</u>	<u>-4.6%</u>
Total Capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 911,450</u>	<u>\$ 870,708</u>	<u>\$ 911,450</u>	<u>\$ 870,708</u>	<u>4.5%</u>

For additional information on the Town's capital assets see note V on page 20.

Debt

As of September 30, 2016, the Town has no debt.

Economic Factors and Next Year's Budgets and Rates

For the 2017 fiscal year, the general fund expenditure projects have decreased by \$37,213 due to the road improvements in last year's budget. The millage rate was maintained at 10.000 mills and the general fund budget decreased to \$724,957. The enterprise fund's budget decreased to \$260,343 due to a reduction in repairs and maintenance.

TOWN OF BRINY BREEZES
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2016

Contacting the Town's Financial Management

This financial report is designed to provide our residents and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives and disburses. If you have any questions about this report or need additional information, please address them in writing to the Town of Briny Breezes, 4802 N. Ocean Boulevard, Briny Breezes, FL 33435.

BASIC FINANCIAL STATEMENTS

TOWN OF BRINY BREEZES, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 242,530	\$ 378,139	\$ 620,669
Restricted assets:			
Cash and cash equivalents	66,404	-	66,404
Accounts receivable, net	1,293	-	1,293
Capital assets:			
Furniture and equipment	19,449	-	19,449
Leasehold improvements	145,557	-	145,557
Infrastructure	-	1,640,139	1,640,139
Total capital assets	165,006	1,640,139	1,805,145
Less accumulated depreciation	(165,006)	(769,431)	(934,437)
Total capital assets - net	-	870,708	870,708
Total assets	<u>310,227</u>	<u>1,248,847</u>	<u>1,559,074</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	<u>29,380</u>	-	<u>29,380</u>
Total liabilities	<u>29,380</u>	-	<u>29,380</u>
<u>NET POSITION</u>			
Investment in capital assets	-	870,708	870,708
Restricted for:			
Roads and transportation	66,404	-	66,404
Unrestricted	<u>214,443</u>	<u>378,139</u>	<u>592,582</u>
Total net position	<u>\$ 280,847</u>	<u>\$ 1,248,847</u>	<u>\$ 1,529,694</u>

See notes to basic financial statements

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Functions/programs</u>						
Governmental activities:						
General government	\$ 78,515	\$ 19,355	\$ -	\$ (59,160)	\$ -	\$ (59,160)
Public safety	566,754	293,489	-	(273,265)	-	(273,265)
Physical environment	11,417	-	-	(11,417)	-	(11,417)
Culture and recreation	1,250	-	-	(1,250)	-	(1,250)
Total governmental activities	<u>657,936</u>	<u>312,844</u>	<u>-</u>	<u>(345,092)</u>	<u>-</u>	<u>(345,092)</u>
Business-type activities:						
Water and Sewer	<u>274,327</u>	<u>328,296</u>	<u>-</u>	<u>-</u>	<u>53,969</u>	<u>53,969</u>
Total business-type activities	<u>274,327</u>	<u>328,296</u>	<u>-</u>	<u>-</u>	<u>53,969</u>	<u>53,969</u>
Total	<u>\$ 932,263</u>	<u>\$ 641,140</u>	<u>\$ -</u>	<u>\$ (345,092)</u>	<u>\$ 53,969</u>	<u>\$ (291,123)</u>
General revenues:						
Property taxes			\$ 373,060	\$ -	\$ 373,060	
Utility taxes			28,013	-	28,013	
Intergovernmental (unrestricted)			51,412	-	51,412	
Investment income			160	341	501	
Total general revenues			<u>452,645</u>	<u>341</u>	<u>452,986</u>	
Change in net position			<u>107,553</u>	<u>54,310</u>	<u>161,863</u>	
Net position, beginning			<u>173,294</u>	<u>1,194,537</u>	<u>1,367,831</u>	
Net position, ending			<u>\$ 280,847</u>	<u>\$ 1,248,847</u>	<u>\$ 1,529,694</u>	

See notes to basic financial statements

TOWN OF BRINY BREEZES, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2016

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 242,530
Restricted assets:	
Cash and cash equivalents	66,404
Accounts receivable, net	1,293
Total assets	<u>\$ 310,227</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Accounts payable and accrued liabilities	<u>\$ 29,380</u>
<u>FUND BALANCES</u>	
Restricted	66,404
Unassigned	214,443
Total fund balances	<u>280,847</u>
Total liabilities and fund balances	<u>\$ 310,227</u>

Amounts reported for governmental activities in the statement of net position are different as a result of:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	165,006		
Less accumulated depreciation	<u>(165,006)</u>	-	-
Net position of governmental activities (Page 8)		<u>\$ 280,847</u>	

TOWN OF BRINY BREEZES, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	<u>General Fund</u>
Revenues:	
Property taxes	\$ 373,060
Charges for services	293,358
Public service taxes	28,013
Intergovernmental	51,412
Licenses and permits	19,355
Fines and forfeitures	131
Investment income	160
Total revenues	<u>765,489</u>
Expenditures:	
Current:	
General government	78,515
Public safety	566,754
Physical environment	11,417
Culture and recreation	<u>1,250</u>
Total expenditures	<u>657,936</u>
Net change in fund balances	107,553
Fund balances - beginning	<u>173,294</u>
Fund balances - ending	<u><u>\$ 280,847</u></u>

See notes to basic financial statements

TOWN OF BRINY BREEZES, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2016

	<u>ASSETS</u>	<u>Proprietary Fund</u>
Current assets:		
Cash and cash equivalents		\$ 378,139
Non-current assets:		
Capital assets:		
Infrastructure		1,640,139
Less accumulated depreciation		<u>(769,431)</u>
Total capital assets - net		<u>870,708</u>
 Total assets		 <u>1,248,847</u>
	<u>NET POSITION</u>	
Investment in capital assets		870,708
Unrestricted		<u>378,139</u>
Total net position		<u>\$ 1,248,847</u>

See notes to basic financial statements

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Operating revenues:	
Charges for services	\$ 328,296
Total operating revenues	<u>328,296</u>
Operating expenses:	
Administrative costs	22,841
Operations and maintenance	44,194
Water and disposal costs	166,550
Depreciation	<u>40,742</u>
Total operating expenses	<u>274,327</u>
Operating income	<u>53,969</u>
Nonoperating revenues:	
Investment income	<u>341</u>
Total nonoperating revenues	<u>341</u>
Change in net position	54,310
Total net position, beginning	<u>1,194,537</u>
Total net position, ending	<u>\$ 1,248,847</u>

See notes to basic financial statements.

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Cash Flows From Operating Activities:	
Cash received from customers and other governments	\$ 328,112
Cash paid to suppliers	<u>(240,179)</u>
Net cash provided by operating activities	<u>87,933</u>
Cash Flows From Investing Activities:	
Investment income	<u>341</u>
Net cash provided by investing activities	<u>341</u>
Net Increase in Cash and Cash Equivalents	88,274
Cash and Cash Equivalents, October 1	<u>289,865</u>
Cash and Cash Equivalents, September 30	<u><u>\$ 378,139</u></u>
Reconciliation of Operating Income to Cash and Cash Equivalents	
Provided by Operating Activities:	
Operating income	<u>\$ 53,969</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	40,742
Changes in assets and liabilities:	
(Increase) decrease in:	
Prepays	3,131
Increase (decrease) in:	
Accounts payable	(9,725)
Due to other funds	<u>(184)</u>
Total adjustments	<u>33,964</u>
Net cash provided by operating activities	<u><u>\$ 87,933</u></u>

See notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of the Town of Briny Breezes, Florida's (the "Town") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Financial Reporting Entity

The Town of Briny Breezes, Florida (the "Town") is a municipal corporation governed by an elected mayor and five-member council under a Mayor/Council form of government. The Town is located in Palm Beach County, Florida and was incorporated in 1963 under chapter 165.03 of the Florida Statutes. The Town provides the following services to its residents – law enforcement and fire control, protective inspections, sanitation, environmental, public works, civil defense, and general and administrative services. In addition, the Town owns and operates a water distribution system and a sewage collection system.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the Town. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Town's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

b. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

c. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses, 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 and available only when the Town receives cash.

The Town reports the following major governmental fund:

The **general fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The **water and sewer fund** accounts for the operating activities of the Town's water and sewer service.

The financial statements of the Town have been prepared in accordance 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. The financial statements of the Town follow the guidance of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The Town has elected not to follow subsequent FASB guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund is charges to customers for services.

Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is Town policy to use restricted resources first, and then unrestricted resources as needed.

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

d. Assets, liabilities and net position

1. Deposits

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e, the current portion of interfund loans) or as advances to/from other funds (i.e, the non-current portion of interfund loans). All other outstanding balances between funds are reported as a due to/from other funds at the fund level and internal balances at the government wide level.

All receivables due from external sources are considered to be fully collectible and as such, an allowance for doubtful accounts has not been established.

3. Property Taxes

Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the Town by Palm Beach County (the "County") on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Palm Beach County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for Ad Valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the Town.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the Town is established by the Town council and the Palm Beach County Property Appraiser incorporates the Town's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the Town for the fiscal year ended September 30, 2016 was 10.0 mills (\$10.00 per \$1,000 of taxable assessed valuation).

4. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, light poles, and similar items), are reported in the applicable columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$750 for equipment and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as they are completed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Infrastructure	40
Furniture and equipment	5-10

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and a resulting gain or loss is recorded in the government-wide financial statements.

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

4. Net Position/Fund Balance

Total equity as of September 30, 2016, is classified into three components of net position:

- **Net investment in capital assets:** This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.
- **Restricted net position:** This category consists of net position restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law, through constitutional provisions or enabling legislation.
- **Unrestricted net position:** This category includes all of the remaining net position that does not meet the definition of the other two categories.

As of September 30, 2016, 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 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. Ordinances and resolutions of the Town Council are 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. Ordinances and resolutions are equally binding.

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.

Unassigned — All other spendable amounts.

The Town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the Town is subject to various federal, state, and local laws and contractual regulations. The Town has no material violations of finance-related legal and contractual obligations.

Fund Accounting Requirements- A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related requirements, and segregation for management purposes.

Revenue Restrictions- The Town has various restrictions placed over certain revenue sources from federal, state, or local requirements. The primary revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Gas Tax	Roads, sidewalks, streets
Transportation Tax	Transportation and roads

For the fiscal year ended September 30, 2016, the Town complied, in all material respects, with these revenue restrictions.

III. DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are deemed as insured or collateralized. The book value of the Town's deposits on the balance sheet date was \$687,073.

IV. RECEIVABLES

Accounts receivable at year-end consisted of \$1,293 pertaining to taxes receivable.

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

V. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2016 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities				
Capital assets being depreciated:				
Leasehold improvements	\$ 145,557	\$ -	\$ -	\$ 145,557
Furniture and equipment	<u>19,449</u>	<u>-</u>	<u>-</u>	<u>19,449</u>
Total capital assets being depreciated	<u>165,006</u>	<u>-</u>	<u>-</u>	<u>165,006</u>
Less accumulated depreciation for:				
Leasehold improvements	(145,557)	-	-	(145,557)
Furniture and equipment	<u>(19,449)</u>	<u>-</u>	<u>-</u>	<u>(19,449)</u>
Total accumulated depreciation	<u>(165,006)</u>	<u>-</u>	<u>-</u>	<u>(165,006)</u>
Governmental activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-type activities				
Capital assets being depreciated:				
Infrastructure	<u>\$1,640,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,640,139</u>
Total capital assets being depreciated	<u>1,640,139</u>	<u>-</u>	<u>-</u>	<u>1,640,139</u>
Less accumulated depreciation for:				
Infrastructure	<u>(728,689)</u>	<u>(40,742)</u>	<u>-</u>	<u>(769,431)</u>
Total accumulated depreciation	<u>(728,689)</u>	<u>(40,742)</u>	<u>-</u>	<u>(769,431)</u>
Business-type activities capital assets, net	<u>\$ 911,450</u>	<u>\$(40,742)</u>	<u>\$ -</u>	<u>\$ 870,708</u>

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

VI. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has joined with other municipalities in the State participating in the Florida League of Cities Municipal Self Insurance Program, (the "Program") a public entity risk pool currently operating as a common risk management and insurance program. The inter-local agreement with the Florida League of Cities Municipal Self Insurance Program provides that the Program will be self-sustaining through member premiums and will reinsure through commercial companies. During the past three years, the Town has not incurred any significant claims nor have there been any significant reductions in coverage.

VII. COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Town. 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.

Contractual Obligations

Police Services

The Town entered into an agreement with the Town of Ocean Ridge for professional law enforcement services for the period October 1, 2014 to September 30, 2016. The agreement calls for an annual fee of \$203,500 payable in twelve equal monthly installments before July 1, 2014 and annually before July 1 of each succeeding year of this Agreement, the compensation payable by Briny Breezes to Ocean Ridge shall be adjusted, effective October 1 of each year of the Agreement, by the annual Consumer Price Index-United States All Items for Urban Consumer (CPI), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, plus 1.5%. The Town paid \$213,145 for police services for the fiscal year ended September 30, 2016.

Fire and Emergency Medical Services

The Town entered into an agreement with the City of Boynton Beach for fire and emergency medical services for the period October 1, 2004, to September 30, 2016. The current year's expenditure was \$343,005, and will increase each year of the contract by the greater of CPI or 4%.

Municipal Revenue Sharing Recycling Program

The Town entered into an agreement with the Solid Waste Authority of Palm Beach County (the "Authority") to establish a recycling program and carry out recycling activities within the Town from October 1, 2009 through September 30, 2016. The agreement automatically renews for successive 5 year periods unless written notice to terminate the agreement is provided by the preceding April 30th. Within the agreement, the Authority agreed to pay the Town a minimum of 50% of the net revenues earned from the sale of residential recovered material attributable to the Town on a quarterly basis. Net revenues are defined as recovered residential materials revenue less the processing cost. The actual percentage paid to the Town will be determined annually through the Authority's budget process.

VIII. RELATED PARTY TRANSACTIONS

Briny Breezes, Inc. (the "Corporation") is the company that manages and owns all of the property in the Town. The property owners of the Town of Briny Breezes are all shareholders of the Corporation. The Town rents an office from Briny Breezes, Inc. for its Town Council meetings and business. The Town entered into an agreement with Briny Breezes Inc. for a term of five years (5) and nine (9) months, commencing April 1, 2008 and ending December 31, 2013. The Town paid \$15,354 for rent for the fiscal year. This lease was extended to September 30, 2019.

The Town charged the Corporation \$169,272 for fire and emergency medical services and \$122,628 for police services during the fiscal year.

TOWN OF BRINY BREEZES, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2016

VIII. RELATED PARTY TRANSACTIONS (CONTINUED)

The Town Clerk Pro Tem submits an annual budget to the Town Council in accordance with the Town Charter and the Florida Budget Act. The budget is presented to the Town Council for review, and public hearings are held to address priorities and the allocation of resources. In September, the Town Council adopts the annual fiscal year appropriated budgets for the Town funds. Once approved, the Town Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Annually appropriated budgets are also approved for the proprietary fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BRINY BREEZES, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		Variance with Final Budget <u>Positive/(Negative)</u>
	<u>Original/Final</u>	<u>Actual</u>	
Revenues:			
Property taxes	\$ 367,000	\$ 373,060	\$ 6,060
Charges for services	293,965	293,358	(607)
Public service taxes	27,100	28,013	913
Intergovernmental	58,100	51,412	(6,688)
Fine and Forfeitures	120	131	11
Licenses and permits	15,750	19,355	3,605
Investment income	135	160	25
Total revenues	<u>\$ 762,170</u>	<u>\$ 765,489</u>	<u>\$ 3,319</u>
Expenditures:			
General government	99,750	78,515	21,235
Public safety	574,000	566,754	7,246
Physical environment	87,170	11,417	75,753
Culture and recreation	1,250	1,250	-
Total expenditures	<u>\$ 762,170</u>	<u>\$ 657,936</u>	<u>\$ 104,234</u>
Net change in fund balance		107,553	
Fund balances, October 1		<u>173,294</u>	
Fund balances, September 30		<u><u>\$ 280,847</u></u>	

TOWN OF BRINY BREEZES, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2016

I. Basis of budgeting

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: general government, public safety, physical environment, transportation, cultural and recreational, and capital outlay. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the Town Council. Within these control levels, the Council may transfer appropriations.

The Town's Council may make by ordinance supplemental appropriations during the fiscal year. There were no supplemental appropriations for the fiscal year ended September 30, 2016.

The budgets for the general fund and proprietary fund operations are prepared on the basis of generally accepted accounting principles in the United States of America. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	<u>Budgeted Amounts</u>		Variance with Final Budget <u>Positive/(Negative)</u>
	<u>Original/Final</u>	<u>Actual</u>	
Operating revenues:			
Charges for services	\$ 328,300	\$ 328,296	\$ (4)
Total operating revenues	<u>328,300</u>	<u>328,296</u>	<u>(4)</u>
Operating expenses:			
Administrative costs	39,300	22,841	16,459
Operations and maintenance	130,300	44,194	86,106
Water and disposal costs	159,000	166,550	(7,550)
Depreciation	-	40,742	(40,742)
Total operating expenses	<u>\$ 328,600</u>	<u>\$ 274,327</u>	<u>\$ 54,273</u>
Operating income (loss)	<u>(300)</u>	<u>53,969</u>	<u>(54,277)</u>
Nonoperating revenues:			
Investment income	<u>300</u>	<u>341</u>	<u>41</u>
Total nonoperating revenues	<u>300</u>	<u>341</u>	<u>41</u>
Change in net position	<u>\$ -</u>	<u>\$ 54,310</u>	<u>\$ 54,310</u>
Total net position, October 1		<u>1,194,537</u>	
Total net position, September 30		<u>\$ 1,248,847</u>	

COMPLIANCE SECTION



Alberni Caballero & Fierman, LLP
4649 Ponce de Leon Blvd
Suite 404
Coral Gables, FL 33146
T: 305.662.7272 F: 305.662.4266
ACF-CPA.COM



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the Town Council
Town of Briny Breezes, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Briny Breezes, Florida (the "Town"), as of and for the fiscal year ended September 30, 2016, 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 29, 2017.

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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 29, 2017

TOWN OF BRINY BREEZES, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
FISCAL YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

I - CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

None

II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS

The following addresses the status of the financial statement finding reported in the fiscal year ended September 30, 2015 Schedule of Findings and Responses.

Matters that are not repeated in the current year:

- 2015-01 Dating of Checks



Alberni Caballero & Fierman, LLP
4649 Ponce de Leon Blvd
Suite 404
Coral Gables, FL 33146
T: 305.662.7272 F: 305.662.4266
ACF-CPA.COM



**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and Members of the Town Council
Town of Briny Breezes, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities and each major fund, information of the Town of Briny Breezes, Florida (the "Town"), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated March 29, 2017.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with the Requirements of Section 218.415 Florida Statutes. Disclosures in those reports, which are dated March 29, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In conjunction with our audit all findings and recommendations made in the preceding annual financial audit report have been corrected as noted in the accompanying summary schedule of prior year audit findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the review of financial information provided by same

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Town for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. We did not have any such findings.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 29, 2017



Alberni Caballero & Fierman, LLP
4649 Ponce de Leon Blvd
Suite 404
Coral Gables, FL 33146
T: 305.662.7272 F: 305.662.4266
ACF-CPA.COM

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION
218.415 FLORIDA STATUTES**

Honorable Mayor and Members of the Town Council
Town of Briny Breezes, Florida

We have examined Town of Briny Breezes, Florida (the "Town") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2016. 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 fiscal year ended September 30, 2016.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 29, 2017