

**TOWN OF BRINY BREEZES, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**TOWN OF BRINY BREEZES, FLORIDA
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INDEPENDENT AUDITOR'S REPORT

To the Town Commission
Town of Briny Breezes, Florida

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary 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 budgetary comparison schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule are the responsibility of management and were derived from and relate 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 budgetary comparison schedules 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 January 8, 2026, 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, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Town's 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.

Grau & Associates

January 8, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Briny Breezes, Florida ("Town") would like to offer the readers of the Town's financial statements this discussion and analysis of the financial activities of the Town's financial statements for the fiscal year ended September 30, 2025. Please read it in conjunction with the Town's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Town's combined net position increased as a result of this year's operations. The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,985,477 (net position). Of this amount, \$1,725,257 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The general fund revenues were \$1,077,361 for fiscal year 2025. At the end of the 2025 fiscal year, the unassigned fund balance for the general fund was \$372,297 which is approximately 37% of the total 2025 fiscal year general fund expenditures.
- The proprietary fund operating revenues at the close of fiscal year 2025 were \$340,008. When taking into account the operating expenses of \$342,459 and the non-operating revenues and expenses of \$4,269, the net position in the proprietary fund increased by \$1,818.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

1) 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 a private-sector business.

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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.

The statement of activities presents information showing how the government'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 future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, physical environment, transportation and building and engineering. The business-type activities of the Town include the water utility operation.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

2) Fund Financial Statement

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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered a major fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The Town maintains one type of proprietary fund: an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water distribution and plant operations within the Town.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

3) Notes to the Basic Financial Statements

The notes 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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

Key components of the Town's net position are reflected in the following table:

	NET POSITION					
	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,518,894	\$ 1,410,466	\$ 596,127	\$ 520,427	\$ 2,115,021	\$ 1,930,893
Capital assets, net of depreciation	102,717	45,495	868,245	926,423	970,962	971,918
Total assets	1,621,611	1,455,961	1,464,372	1,446,850	3,085,983	2,902,811
Current liabilities	4,809	27,344	11,433	21,008	16,242	48,352
Long-term liabilities	58,985	-	25,279	-	84,264	-
Total liabilities	63,794	27,344	36,712	21,008	100,506	48,352
Net position						
Net investment in capital assets	43,732	45,495	842,966	926,423	886,698	971,918
Restricted	373,522	316,530	-	-	373,522	316,530
Unrestricted	1,140,563	1,066,592	584,694	499,419	1,725,257	1,566,011
Total net position	\$ 1,557,817	\$ 1,428,617	\$ 1,427,660	\$ 1,425,842	\$ 2,985,477	\$ 2,854,459

A portion of the Town's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's other obligations.

The Town's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing revenues exceeded the cost of operations and depreciation expense.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in the Town's net position are reflected in the following table:

	CHANGES IN NET POSITION					
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,					
	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 521,501	\$ 495,633	\$ 340,008	\$ 340,008	\$ 861,509	\$ 835,641
Capital grants and contributions	5,000	321,978	-	-	5,000	321,978
General revenues:						
Property taxes	353,139	310,490	-	-	353,139	310,490
Utility and franchise fees	29,371	34,898	-	-	29,371	34,898
Intergovernmental revenue	128,808	128,581	-	-	128,808	128,581
Investment earnings	39,542	38,318	5,116	65	44,658	38,383
Total revenues	1,077,361	1,329,898	345,124	340,073	1,422,485	1,669,971
Expenses:						
Governmental activities:						
General government	207,070	426,815	-	-	207,070	426,815
Public safety	721,120	696,629	-	-	721,120	696,629
Physical environment	16,517	16,129	-	-	16,517	16,129
Culture and recreation	1,478	1,500	-	-	1,478	1,500
Interest expense	1,976	143	-	-	1,976	143
Business - type activities:						
Water and sewer	-	-	343,306	349,036	343,306	349,036
Total expenses	948,161	1,141,216	343,306	349,036	1,291,467	1,490,252
Transfers	-	-	-	-	-	-
Change in net position	129,200	188,682	1,818	(8,963)	131,018	179,719
Net position - beginning	1,428,617	1,239,935	1,425,842	1,434,805	2,854,459	2,674,740
Net position - ending	\$ 1,557,817	\$ 1,428,617	\$ 1,427,660	\$ 1,425,842	\$ 2,985,477	\$ 2,854,459

Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was \$948,161. These activities were financed primarily through revenues, which consist primarily of charges for services, capital grants, and ad valorem taxes. The decrease in total revenues in fiscal year 2025 is primarily the result of a decrease in capital grants in the current fiscal year. The decrease in current fiscal year expenses is mainly due to lower grant related expenditures.

Business-type activities

Business-type activities reflect the operations of the water facilities within the Town. The cost of operations is covered primarily by charges to customers. Revenues and expenses did not significantly change in the current fiscal year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the Town pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. 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. Actual general fund expenditures for public safety exceeded appropriations by approximately \$2,820 for the fiscal year ended September 30, 2025. The over-expenditure was funded by available fund balance.

CAPITAL ASSETS

At September 30, 2025, the Town had \$323,050 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$220,333 has been taken, which resulted in a net book value of \$102,717. The Town's business-type activities reported net capital assets of \$868,245. More detailed information about the Town's capital assets is presented in the notes of the financial statements.

CAPITAL DEBT

As of September 30, 2025, the Town reported a lease liability of \$58,985 for its governmental activities and \$25,279 for its business-type activities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2026 fiscal year, the general fund adopted expenditure budget increased to \$5,347,469, a \$2,803,161 increase compared to the 2025 fiscal year adopted budget. This is mainly from an anticipated Coastal Resilience and Stormwater Improvements Project that is expected to be largely grant funded. The enterprise fund's 2026 fiscal year adopted expenditure budget increased by \$247,700 to \$558,100, due primarily to an increase in professional services.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the financial resources it manages and the stewardship of the facilities it maintains.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Briny Breezes, 4802 N. Ocean Boulevard Briny Breezes FL 33435.

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 1,158,245	\$ 596,127	\$ 1,754,372
Due from other governments	11,604	-	11,604
Restricted assets:			
Cash	349,045	-	349,045
Noncurrent assets:			
Capital assets:			
Depreciable, net	102,717	868,245	970,962
Total assets	<u>1,621,611</u>	<u>1,464,372</u>	<u>3,085,983</u>
LIABILITIES			
Accounts payable	383	11,433	11,816
Accrued liabilities	4,426	-	4,426
Noncurrent liabilities:			
Due in less than one year:			
Lease payable	13,467	5,772	19,239
Due in more than one year:			
Lease payable	45,518	19,507	65,025
Total liabilities	<u>63,794</u>	<u>36,712</u>	<u>100,506</u>
NET POSITION			
Net investment in capital assets	43,732	842,966	886,698
Restricted for building services	241,222	-	241,222
Restricted for forfeitures and seizures	132,300	-	132,300
Unrestricted	1,140,563	584,694	1,725,257
Total net position	<u>\$ 1,557,817</u>	<u>\$ 1,427,660</u>	<u>\$ 2,985,477</u>

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				Total
	Program Revenues	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:					
Governmental activities:					
General government	\$ 207,070	\$ -	\$ (207,049)	\$ -	\$ (207,049)
Public safety	721,120	-	(199,640)	-	(199,640)
Physical environment	16,517	5,000	(11,517)	-	(11,517)
Culture and recreation	1,478	-	(1,478)	-	(1,478)
Interest	1,976	-	(1,976)	-	(1,976)
Total governmental activities	948,161	5,000	(421,660)	-	(421,660)
Business-type activities:					
Water utilities	343,306	-	-	(3,298)	(3,298)
Total business-type activities	343,306	-	-	(3,298)	(3,298)
Total	1,291,467	5,000	(421,660)	(3,298)	(424,958)
General revenues:					
Property taxes			353,139	-	353,139
Utility taxes			29,371	-	29,371
Intergovernmental revenue			128,808	-	128,808
Unrestricted investment earnings			39,542	5,116	44,658
Total general revenues and transfers			550,860	5,116	555,976
Change in net position			129,200	1,818	131,018
Net position - beginning			1,428,617	1,425,842	2,854,459
Net position - ending			\$ 1,557,817	\$ 1,427,660	\$ 2,985,477

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2025**

	Major Funds	Total Governmental Funds
	General	Funds
ASSETS		
Cash and cash equivalents	\$ 1,158,245	\$ 1,158,245
Due from other governments	11,604	11,604
Restricted cash and cash equivalents	349,045	349,045
Total assets	\$ 1,518,894	\$ 1,518,894
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	383	383
Accrued liabilities	4,426	4,426
Total liabilities	4,809	4,809
Fund balance:		
Restricted:		
Road and transportation	132,300	132,300
Infrastructure	241,222	241,222
Assigned:		
Subsequent year's expenditures	768,266	768,266
Unassigned	372,297	372,297
Total fund balance	1,514,085	1,514,085
Total liabilities and fund balances	\$ 1,518,894	\$ 1,518,894

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund balance - governmental funds \$ 1,514,085

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	323,050	
Accumulated depreciation	<u>(220,333)</u>	102,717

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Lease payable		<u>(58,985)</u>
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Net position of governmental activities		<u><u>\$ 1,557,817</u></u>
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See notes to the financial statements

TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds	Total Governmental Funds
	General	Funds
REVENUES		
Property taxes	\$ 353,139	\$ 353,139
Charges for services	489,117	489,117
Licenses and permits	29,877	29,877
Utility taxes	29,371	29,371
Intergovernmental	128,808	128,808
Grant revenue	5,000	5,000
Fines and forfeitures	2,507	2,507
Net investment earnings	39,542	39,542
Total revenues	1,077,361	1,077,361
EXPENDITURES		
Current:		
General government	192,650	192,650
Public safety	721,120	721,120
Physical environment	16,517	16,517
Culture and recreation	1,478	1,478
Debt service:		
Principal payment	12,657	12,657
Interest expense	1,976	1,976
Capital outlay	71,642	71,642
Total expenditures	1,018,040	1,018,040
Excess (deficiency) of revenues over (under) expenditures	59,321	59,321
OTHER FINANCING SOURCES (USES)		
Debt proceeds	71,642	71,642
Total other financing sources (uses)	71,642	71,642
Net change in fund balances	130,963	130,963
Fund balance - beginning	1,383,122	1,383,122
Fund balance - ending	\$ 1,514,085	\$ 1,514,085

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balance - total governmental funds \$ 130,963

Amounts reported for governmental activities in the statement of activities are difference because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is eliminated and are capitalized and reported as capital assets in the statement of net position. 80,572

Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. 12,657

Depreciation on capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities. (23,350)

Governmental funds report the face amount of debt issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position. (71,642)

Change in net position of governmental activities \$ 129,200

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2025**

	Enterprise Fund
	Water and sewer
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 596,127
Total current assets	596,127
Noncurrent assets:	
Capital assets:	
Infrastructure	2,127,581
Equipment and furniture	62,737
Right-to-use-asset-building	30,703
Less accumulated depreciation	(1,352,776)
Total capital assets, net	868,245
Total noncurrent assets	868,245
Total assets	1,464,372
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	11,433
Current portion of lease payable	5,772
Total current liabilities	17,205
Noncurrent liabilities:	
Lease payable	19,507
Total noncurrent liabilities	19,507
Total liabilities	36,712
NET POSITION	
Net investment in capital assets	842,966
Unrestricted	584,694
Total net position	\$ 1,427,660

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	<u>Enterprise Fund Water and sewer</u>
OPERATING REVENUES	
Charges for services	\$ 340,008
Total operating revenues	<u>340,008</u>
OPERATING EXPENSES	
Administrative costs	40,767
Operations and maintenance	29,533
Water and disposal costs	174,348
Depreciation and amortization	97,811
Total operating expense	<u>342,459</u>
Operating income	<u>(2,451)</u>
NON OPERATING REVENUES (EXPENSES)	
Interest and net investment earnings	5,116
Interest expense	<u>(847)</u>
Total non operating revenue (expenses)	<u>4,269</u>
Change in net position	1,818
Net position - beginning	<u>1,425,842</u>
Net position - ending	<u>\$ 1,427,660</u>

See notes to the financial statements

**TOWN OF BRINY BREEZES, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Enterprise Fund
	Water and sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 340,008
Payments to suppliers of goods and services	(256,057)
Net cash provided (used) by operating activities	83,951
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(8,930)
Principal paid	(5,424)
Interest paid	(847)
Net cash provided (used) by capital and related financing activities	(15,201)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	5,116
Net cash provided (used) by investing activities	5,116
Net increase (decrease) in cash and cash equivalents	73,866
Cash and cash equivalents - October 1	522,261
Cash and cash equivalents - September 30	\$ 596,127
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (2,451)
Adjustments to reconcile operating income (loss) to net cash provided (used) by Operating Activities:	
Depreciation and amortization	97,811
Increase (decrease) in accounts payable	(9,575)
Increase (decrease) in due to other funds	(1,834)
Total adjustments	86,402
Net cash provided (used) by operating activities	\$ 83,951
NONCASH INVESTING, CAPITAL OR FINANCING ITEM:	
Lease of Town Hall	30,703
Net noncash investing, capital or financing item	\$ 30,703

See notes to the financial statements

TOWN OF BRINY BREEZES, FLORIDA NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND 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 Council/Manager 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, library, and general and administrative services. In addition, the Town owns and operates a water distribution system and a sewage collection system.

The financial statements were prepared in accordance with Governmental Accounting Standards Board (“GASB”) Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Town is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that, if excluded, the financial statements of the Town would be considered incomplete or misleading. There are no entities considered to be component units of the Town; therefore, the financial statements include only the operations of the Town.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 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. Other items not included among program revenues are reported instead as *general revenues*.

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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property Taxes

Property taxes are ad valorem and levied each November 1 on property as of the previous January 1. The Palm Beach County, Florida Tax Collector's Office bills and collects ad valorem taxes on behalf of the Town. The ad valorem tax rate for fiscal year ended September 30, 2025 was \$3.75 per \$1,000 of assessed taxable property value. Ad valorem taxes are due for payment on March 31 and become delinquent April 1. Tax certificates are sold to satisfy liens on delinquent assessments in July. Property taxes relating to the current budget and collected within 60 days after the year end of the budget period are recognized as revenue.

In the governmental fund, property taxes, assessments franchise fees, licenses and permits, 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. The portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue for the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town. In the government-wide financial statements property taxes are recorded when assessed and levied.

The Town reports the following major governmental 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.

The Town reports the following major proprietary fund:

Water and Sewer Fund

This enterprise fund is used to account for the operations of the water and sewer utility services within the Town. The costs of providing services to the residents are recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's various utility functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to debt covenants or other contractual restrictions.

Deposits and Investments

The Town considers cash on hand, demand deposits, and all other short-term investments that are highly liquid as cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash, and at the day of purchase, have a maturity date no longer than three months.

The Town has adopted a written investment policy, which complies with the requirements of Section 218.415 Florida Statutes in material respects. All investments comply with the requirements of the written investment policy. The Town may invest any surplus public funds in Interest bearing time deposits or savings accounts in qualified public depositories, including:

- a) Municipal Money Market Accounts
- b) High Yield Interest Check Accounts
- c) High Yield Interest Savings Accounts

In addition, surplus funds may be deposited into certificates of deposit which are insured.

The Town records all interest revenue related to investment activities in the respective funds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Receivables and Payables

During the course of operations, transactions occur between individual funds. Any residual balances outstanding between governmental activities and business-type activities for internal borrowing are reported in the government-wide financial statements as "internal balances".

Accounts and property tax receivables are shown net of an allowance for uncollectible balances. These receivables will be recognized as revenue if they are collected within 60 days of the year end, otherwise they will be deferred at the fund level.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and a cost greater than \$5,000, except for intangible right-to-use assets, discussed in Leases below. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, except for intangible right-to-use assets, the measurement of which is discussed in Leases below. Donated capital assets are recorded at acquisition value.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

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 projects are constructed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Leasehold improvements	30
Right-to-use-asset	5
Furniture and equipment	5-10

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets, including right to use leased assets, are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Leases

The Town is a lessee for a non-cancellable lease of a building. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements and the statement of net position – proprietary fund. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Premiums and discounts are deferred and amortized ratably over the life of the loan. Long-term obligations are reported net of applicable premiums or discounts. Issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Town can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Town Commission. Commitments may be changed or lifted only by the Town Commission taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Town Commission may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The Town first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the Town's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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

- a) Each year the Town Manager submits to the Town Commission a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the Town Commission.
- d) All budget changes must be approved by the Town Commission.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS

Deposits

The Town’s cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The book value of the Town’s deposits on September 30, 2025 was \$2,103,387 and the bank balance was \$2,151,774. The Town also had \$30 in petty cash on September 30, 2025.

NOTE 5 – RECEIVABLES

Receivables other than leases receivable at September 30, 2025 are as follows:

	General	Water and Sewer	Total
Utility taxes	\$ 2,217	\$ -	\$ 2,217
Intergovernmental	9,387	-	9,387
Gross receivables	11,604	-	11,604
Less: Allowance for uncollectible accounts	-	-	-
Receivables, net	<u>\$ 11,604</u>	<u>\$ -</u>	<u>\$ 11,604</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Infrastructure	\$ 42,500	\$ -	\$ -	\$ 42,500
Leasehold improvements	145,557	-	-	145,557
Right-to-use-asset	-	71,642	-	71,642
Furniture and equipment	54,421	8,930	-	63,351
Total capital assets, being depreciated	<u>242,478</u>	<u>80,572</u>	<u>-</u>	<u>323,050</u>
Less accumulated depreciation for:				
Infrastructure	4,251	1,417	-	5,668
Leasehold improvements	145,557	-	-	145,557
Right-to-use-asset	-	14,328	-	14,328
Furniture and equipment	47,175	7,605	-	54,780
Total accumulated depreciation	<u>196,983</u>	<u>23,350</u>	<u>-</u>	<u>220,333</u>
Total capital assets, being depreciated, net	<u>45,495</u>	<u>57,222</u>	<u>-</u>	<u>102,717</u>
Governmental activities capital assets, net	<u>\$ 45,495</u>	<u>\$ 57,222</u>	<u>\$ -</u>	<u>\$ 102,717</u>

Depreciation expense was charged to the general government function/programs.

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-type Activities</u>				
Capital assets, being depreciated				
Infrastructure	\$ 2,127,581	\$ -	\$ -	\$ 2,127,581
Right-to-use-asset	-	30,703	-	30,703
Equipment and furniture	53,808	8,929	-	62,737
Total capital assets, being depreciated	<u>2,181,389</u>	<u>39,632</u>	<u>-</u>	<u>2,221,021</u>
Less accumulated depreciation for:				
Infrastructure	1,218,321	80,164	-	1,298,485
Right-to-use-asset	-	6,141	-	6,141
Equipment and furniture	36,645	11,505	-	48,150
Total accumulated depreciation	<u>1,254,966</u>	<u>97,810</u>	<u>-</u>	<u>1,352,776</u>
Total capital assets, being depreciated, net	<u>926,423</u>	<u>(58,178)</u>	<u>-</u>	<u>868,245</u>
Business-type activities capital assets, net	<u>\$ 926,423</u>	<u>\$ (58,178)</u>	<u>\$ -</u>	<u>\$ 868,245</u>

NOTE 7 – LEASES

The Town entered into a lease on April 1, 2008, for office space for a period of five years and nine months which provided an option for a five-year extension. During March of 2013, the lease was extended by the Parties through a commercial lease extension, to the period ending September 30, 2019. The commercial lease extension provided an option for an additional five-year extension. During September 2020, the lease was extended for a second time by the Parties through an additional commercial lease extension, which extended the lease for five years through September 30, 2024. Effective October 1, 2024 the lease renewed for five years terminating September 30, 2029, with a option to extend for five years. As a result, an initial lease liability and intangible right-to-use leased building asset was recorded in the amount of \$102,345. The lease liability was measured using a discount rate of 3%. The lease require initial monthly payments of \$1,742 to be increased by \$50 per month for each succeeding year. The value of the right-to-use asset as of the end of the current fiscal year was \$102,345 and had accumulated amortization of \$20,469.

Lease activity during the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in less than one year
<u>Governmental activities</u>					
Lease payable	\$ -	\$ 71,642	\$ (12,657)	\$ 58,985	\$ 13,467
	<u>\$ -</u>	<u>\$ 71,642</u>	<u>\$ (12,657)</u>	<u>\$ 58,985</u>	<u>\$ 13,467</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due in less than one year
<u>Business-type activities</u>					
Lease payable	\$ -	\$ 30,703	\$ (5,424)	\$ 25,279	\$ 5,772
	<u>\$ -</u>	<u>\$ 30,703</u>	<u>\$ (5,424)</u>	<u>\$ 25,279</u>	<u>\$ 5,772</u>

The future principal and interest lease payments as of September 30, 2025, were as follows:

	Principal	Interest	Total
2026	\$ 19,239	\$ 2,265	\$ 21,504
2027	20,433	1,671	22,104
2028	21,662	1,042	22,704
2029	22,930	374	23,304
Total	<u>\$ 84,264</u>	<u>\$ 5,352</u>	<u>\$ 89,616</u>

NOTE 8 – COMMITMENTS

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, 2022 to September 30, 2025. The agreement calls for an annual fee of \$180,000 payable in twelve equal monthly installments, the compensation payable by the Town of Briny Breezes to the Town of Ocean Ridge shall be adjusted, effective October 1 of each year of the Agreement, by 3%. The Town paid \$208,669 for police services for the fiscal year ended September 30, 2025.

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, 2016, to September 30, 2028. The current year's expenditure was \$488,203 and will increase each year of the contract by the greater of CPI or 4%.

NOTE 8 – COMMITMENTS (Continued)

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 August 26, 2009 through September 30, 2019. The agreement automatically renews for successive 5 year periods unless written notice to terminate the agreement is provided by the preceding April 30th. The agreement was extended to September 30, 2025. 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.

NOTE 9 – 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. This lease was extended to September 30, 2029. The Town paid \$20,904 for rent and expenses for the fiscal year.

The Town charged the Corporation \$342,300 for fire and emergency medical services and \$146,796 for police services during the fiscal year.

The Manager 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.

NOTE 10 – 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

NOTE 11 – 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; 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.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BRINY BREEZES, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>	Actual	Variance with
	<u>Original & Final</u>	Amounts	Final Budget -
			Positive
			(Negative)
REVENUES			
Property taxes	\$ 342,922	\$ 353,139	\$ 10,217
Charges for services	489,290	489,117	(173)
Licenses and permits	20,000	29,877	9,877
Utility taxes	30,788	29,371	(1,417)
Intergovernmental	115,618	128,808	13,190
Grant revenue	690,000	5,000	(685,000)
Fines and forfeitures	2,600	2,507	(93)
Net investment earnings	3,090	39,542	36,452
Total revenues	<u>1,694,308</u>	<u>1,077,361</u>	<u>(616,947)</u>
EXPENDITURES			
Current:			
General government	239,758	192,650	47,108
Public safety	718,300	721,120	(2,820)
Physical environment	20,150	16,517	3,633
Culture and recreation	1,500	1,478	22
Debt service:			
Principal payment	14,600	12,657	1,943
Interest expense	-	1,976	(1,976)
Capital outlay	<u>1,550,000</u>	<u>71,642</u>	<u>1,478,358</u>
Total expenditures	<u>2,544,308</u>	<u>1,018,040</u>	<u>1,526,268</u>
Excess (deficiency) of revenues over (under) expenditures	(850,000)	59,321	909,321
OTHER FINANCING SOURCES			
Use of fund balance reserves	850,000	-	(850,000)
Loan proceeds	-	71,642	71,642
Total other financing sources	<u>850,000</u>	<u>71,642</u>	<u>(778,358)</u>
Net change in fund balances	<u>-</u>	<u>130,963</u>	<u>130,963</u>
Fund balance - beginning		<u>1,383,122</u>	
Fund balance - ending		<u>\$ 1,514,085</u>	

See notes to required supplementary information

TOWN OF BRINY BREEZES, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Town is required to establish a budgetary system and an approved Annual Budget for the general fund. The Town's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Commission. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

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. Actual general fund expenditures for public safety exceeded appropriations by approximately \$2,820 for the fiscal year ended September 30, 2025. The over-expenditure was funded by available fund balance.

SUPPLEMENTARY INFORMATION

**TOWN OF BRINY BREEZES
SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND NET POSITION - BUDGET AND ACTUAL – PROPRIETARY FUND**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original & Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
			<u>Positive</u>
			<u>(Negative)</u>
OPERATING REVENUES			
Charges for services	\$ 340,000	\$ 340,008	\$ 8
Total operating revenues	340,000	340,008	8
OPERATING EXPENSES			
Administrative costs	40,100	40,767	(667)
Operations and maintenance	82,300	29,533	52,767
Water and disposal costs	188,000	174,348	13,652
Depreciation and amortization	-	97,811	(97,811)
Total operating expense	310,400	342,459	(32,059)
Operating income	29,600	(2,451)	(32,051)
NON OPERATING REVENUES (EXPENSES)			
Interest and net investment earnings	100	5,116	5,016
Interest expense	-	(847)	(847)
Total non operating revenue (expenses)	100	4,269	4,169
Change in net position	\$ 29,700	1,818	\$ (27,882)
Net position - beginning		1,425,842	
Net position - ending		\$ 1,427,660	

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

To the Town Commission
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, business type activities, and each major fund of the Town of Briny Breezes, Florida ("Town") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our opinion thereon dated January 8, 2026.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 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.

Grau & Associates

January 8, 2026



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Town Commission
Town of Briny Breezes, Florida

We have examined the Town of Briny Breezes, Florida's ("Town") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for Town's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report 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, management, and the Town Commission of the Town of Briny Breezes, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

January 8, 2026



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Town Commission
Town of Briny Breezes, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Town of Briny Breezes, Florida ("Town") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated January 8, 2026.

Auditor's 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 8, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Town Commission of the Town of Briny Breezes, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Town of Briny Breezes, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

January 8, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND CURRENT YEAR STATUS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

4. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.

5. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2025. It is management's responsibility to monitor 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.

7. A statement as to whether or not a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the county, municipality, or dependent special district geographical boundaries during the fiscal year under audit, regardless of whether any new financing arrangements were initiated during the period under audit or whether only preexisting financing arrangements were administered.

A PACE program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the municipality's geographical boundaries during the fiscal year ending September 30, 2025.

REPORT TO MANAGEMENT (Continued)

8. If a PACE program was operating within the geographical area of the county, municipality, or dependent special district during the period under audit, a list of all program administrators and third-party administrators that administered the program and the full legal names and contact information of each such program administrator and third-party administrator.

Not applicable.