Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

June 30, 2025

CohnReznick

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

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Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

June 30, 2025

Mortgagor's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Brighton Beach Housing Development Fund Company, Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Officer

Matthew LoCurto Date
Chief Financial Officer

Telephone Number: (212) 273-5257

Property address: 3161 Brighton 6th Street, Brooklyn, NY 11235

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

June 30, 2025

Managing Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Brighton Beach Housing Development Fund Company, Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Managing Agent

JASA Housing Management Services
for the Aged, Inc.

Donald Manning — Date
Director of Housing

Marcella Leff-Wong
Property Manager

Managing Agent Taxpayer
Identification Number:
13-3078676

Independent Auditor's Report

To the Board of Trustees
Brighton Beach Housing Development Fund Company, Inc.

Report on the Audit of the Financial Statements

We have audited the financial statements of Brighton Beach Housing Development Fund Company, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Brighton Beach Housing Development Fund Company, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Brighton Beach Housing Development Fund Company, Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

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 Brighton Beach Housing Development Fund Company, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Brighton Beach Housing Development Fund Company, Inc.'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 Brighton Beach Housing Development Fund Company, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The HUD-required financial data templates, as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the HUD-required financial data templates and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2026, on our consideration of Brighton Beach Housing Development Fund Company, Inc.'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 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 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 Brighton Beach Housing Development Fund Company, Inc.'s internal control over financial reporting and compliance.

New York, New York
January 16, 2026

Lead Auditor: Michael J. Bisson, CPA

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Statement of Financial Position
June 30, 2025

Assets

Current assets	
Cash - operations	$ 1,570,749
Cash - entity	79,996
Tenant accounts receivable	115,629
Allowance for doubtful accounts	(115,629)
Accounts and notes receivable - operations	2,214
Miscellaneous current assets	2,667
Prepaid expenses	287,009
Total current assets	1,942,635
Deposits held in trust - funded	
Tenant deposits	36,600
Restricted deposits and funded reserves	
Escrow deposits	392,809
Reserve for replacements	989,689
Total restricted deposits and funded reserves	1,382,498
Rental property	
Land	648,023
Buildings	19,370,583
Building equipment - portable	264,834
Furnishings	24,870
Office furniture and equipment	118,872
Maintenance equipment	1,532
	20,428,714
Less accumulated depreciation	(12,279,405)
Total rental property	8,149,309
Total assets	$ 11,511,042

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Statement of Financial Position
June 30, 2025

Liabilities and Net Assets (Deficit)

Current liabilities		
Accounts payable - operations	$	193,849
Accounts payable - construction/development		4,460
Accrued wages payable		61,909
Accrued payroll taxes payable		6,474
Accrued management fee payable		3,976
Accrued interest payable - first mortgage		57,373
Accrued property taxes payable		131,484
Mortgage payable - first mortgage, current maturities		650,021
Prepaid revenue		12,179
Total current liabilities		1,121,725
Deposits liability		
Tenant deposits held in trust (contra)		36,361
Long-term liabilities		
Mortgage payable - first mortgage, net of current and unamortized debt issuance costs		27,742,207
Total long-term liabilities		27,742,207
Total liabilities		28,900,293
Contingency		-
Net assets (deficit)		
Net assets without donor restrictions		(17,469,247)
Net assets with donor restrictions		79,996
Total net assets (deficit)		(17,389,251)
Total liabilities and net assets (deficit)	$	11,511,042

See Notes to Financial Statements.

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenue			
Rental	$ 4,214,279	$ -	$ 4,214,279
Vacancies	(76,991)	-	(76,991)
Net rental revenue	4,137,288	-	4,137,288
Financial	7,547	-	7,547
Other	7,410	-	7,410
Total revenue	4,152,245	-	4,152,245
Expenses			
Administrative	707,835	-	707,835
Utilities	354,475	-	354,475
Operating and maintenance	635,182	-	635,182
Taxes and insurance	851,440	-	851,440
Financial (including interest of $677,862)	751,969	-	751,969
Nursing home/assisted living and other elderly care	129,570	-	129,570
Total cost of operations before depreciation	3,430,471	-	3,430,471
Income before depreciation	721,774	-	721,774
Depreciation	430,154	-	430,154
Operating income (loss)	291,620	-	291,620
Mortgagor entity expenses, net	608,751	-	608,751
Change in net assets	(317,131)	-	(317,131)
Net assets, beginning	(17,152,116)	79,996	(17,072,120)
Net assets, end	$ (17,469,247)	$ 79,996	$ (17,389,251)

See Notes to Financial Statements.

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Rental receipts	$ 4,081,314
Interest receipts	7,547
Other operating receipts	7,410
Total receipts	4,096,271
Administrative expenses paid	(126,788)
Management fees paid	(223,461)
Utilities paid	(354,475)
Salaries and wages paid	(507,157)
Operating and maintenance paid	(78,306)
Real estate taxes paid	(380,340)
Property insurance paid	(261,201)
Miscellaneous taxes and insurance paid	(3,227)
Net tenant security deposits received (paid)	(3,085)
Other operating expenses paid	(233,525)
Interest paid on first mortgage	(666,033)
Mortgage insurance premium paid	(71,195)
Miscellaneous financial expenses paid	(1,317)
Entity/construction expenses paid (include detail)	
Distribution expense paid to JASA	(608,751)
Total disbursements	(3,518,861)
Net cash provided by operating activities	577,410
Cash flows from investing activities	
Net withdrawals from mortgage escrows	266,038
Net deposits to reserve for replacements	468,391
Net withdrawals from other reserves	152,510
Net purchases of fixed assets	(454,025)
Net cash provided by investing activities	432,914
Cash flows from financing activities	
Mortgage principal payments - first mortgage	(635,255)
Net cash used in financing activities	(635,255)
Net increase in cash and restricted cash	375,069
Cash and restricted cash, beginning	1,312,276
Cash and restricted cash, end	$ 1,687,345

See Notes to Financial Statements.

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Notes to Financial Statements
June 30, 2025

Note 1 - Organization

Brighton Beach Housing Development Fund Company, Inc. (the "Corporation") was organized in 1980 as a nonstock, nonprofit corporation for the purpose of developing and operating housing and auxiliary facilities for aged persons of low-income. Such projects are regulated by the U.S. Department of Housing and Urban Development ("HUD") as to rent charges and operating methods. The Project consists of 154 units located in Brooklyn, New York and is currently operating under the name Scheuer House of Brighton Beach (the "Project"). The Corporation receives a significant portion of its revenue from government subsidy payments.

The Corporation has entered into a regulatory agreement with HUD governing the operations of the Project.

The Corporation is wholly controlled by the JASA Corporation, its sole member. JASA Corporation also wholly controls the Jewish Association Serving the Aging ("JASA"), JASA Housing Management Services for the Aged, Inc. ("JHM") and other housing companies, in its capacity as their sole member. The Corporation is related to JASA, JHM and the other housing companies by virtue of this control.

Cash distributions are limited by agreements between the Corporation and HUD to the extent of surplus cash as defined by HUD.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP").

The Corporation presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Corporation conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions.

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 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and bad debts
Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025, the balance of the allowance for doubtful accounts was $0.

Rental property
Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by use of the straight-line method. It is the Corporation's policy to capitalize items of $5,000 or greater and items purchased with replacement reserves that have a useful life that is greater than one year.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Property classification	Estimated useful lives
Buildings	40 years
Land improvements	20 years
Equipment	5 - 10 years
Furniture	10 years

Deferred issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Impairment of long-lived assets
The Corporation reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended June 30, 2025.

Income taxes
The Corporation has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2025. Due to its tax-exempt status, the Corporation is not subject to income taxes. The Corporation is required to file and does file tax returns with the IRS and other taxing authorities. Management has analyzed the tax positions taken by the Corporation and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these financial statements do not reflect a provision for income taxes and the Corporation has no other tax positions which must be considered for disclosure. Income tax returns filed by the Corporation are subject to

examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2021 remain open.

Rental income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Corporation and the tenants of the property are operating leases.

Grant income
The Corporation was awarded a cost reimbursed grant from HUD (see Note 8). Revenue is recognized as costs are incurred.

Functional expenses
The costs of providing programs and other activities are summarized on a functional basis in Note 12. Accordingly, certain costs are allocated among program services and supporting services benefitted.

Note 3 - Liquidity and availability

The Corporation has $1,688,432 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $1,570,749 and accounts receivable of $117,683. Only amounts related to restricted deposits and funded reserves anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

As regulated by HUD, financial assets of the Corporation are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break-even and not result in either surplus cash or a deficit in surplus cash.

Note 4 - Mortgage payable

On January 22, 2021, the Corporation entered into a mortgage agreement with Greystone Funding Company, LLC. The mortgage, in the original amount of $31,263,000, is insured by HUD under section 207, pursuant to section 223(f) of the National Housing Act. The mortgage note is collateralized by a deed of trust on the rental property. Tahe note bears interest at the rate of 2.3% per annum. During the year ended June 30, 2025, interest expense of $677,862, inclusive of $10,514 of amortization of debt issuance costs, was incurred and charged to operations. Principal and interest are payable by the Corporation in monthly installments of $108,441 through maturity on February 1, 2056. As of June 30, 2025, the outstanding principal and accrued interest balances were $28,612,621 and $57,373, respectively.

Debt issuance costs, net of accumulated amortization, totaled $220,393 as of June 30, 2025 and are related to the mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 2.35%.

As a provision of refinancing the Corporation's original mortgage in 2006, the Corporation is also required by HUD to use the funds saved by a reduction in the debt service cost for programs and building improvements for the benefit of the tenants, as outlined in the agreement. Annual required expenditures are $264,102, with any unspent funds required to be deposited to the replacement reserve in the subsequent year. For the year ended June 30, 2025, $129,570 was incurred and

used for program services and is included in the statement of activities and changes in net assets as nursing home/assisted living and other elderly care expenses.

Under agreements with the mortgage lender and HUD, the Corporation is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and distributions. The Corporation is also required by HUD to use the funds saved by a reduction in the debt service cost for programs and building improvements for the benefit of the tenants.

Aggregate annual maturities of the mortgage payable over each of the next five years and thereafter are as follows:

June 30, 2026	$	650,021
2027		665,130
2028		680,590
2029		696,410
2030		712,597
Thereafter		25,207,873
Total balance due		28,612,621
Current maturities		(650,021)
Unamortized debt issuance costs		(220,393)
Net long-term balance	$	27,742,207

Note 5 - Restricted deposits and funded reserves

Replacement reserve

The Corporation is required by HUD to fund a replacement reserve, to be used for the replacement of property and equipment. The use of the funds requires prior approval from HUD. From January 22, 2021 through December 31, 2024, required monthly deposits were $3,208. Effective January 1, 2025, required monthly deposits are $3,451. As of June 30, 2025, the balance in the reserve for replacements was $989,689.

Escrow deposits

Under agreements with the mortgage lender and HUD, the Corporation is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and distributions. As of June 30, 2025, the balance in the escrows was $392,809.

Note 6 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows:

Cash	$ 1,650,745
Tenant deposits	36,600
Total cash and restricted cash shown in the statement of cash flows	$ 1,687,345

The amount included in restricted cash consists of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by regulatory authority.

Note 7 - Related party transactions

JASA

The Corporation is a participant in a general insurance plan with JASA, which also includes health insurance and workmen's compensation. Property and liability insurance expense for the year ended June 30, 2025 was $261,201. Workmen's compensation and health insurance and other employee benefits for the year ended June 30, 2025 were $51,598. Insurance is allocated to the various properties based on the unit counts. As of June 30, 2025, $41,024 remains payable to JASA and is included on the statement of financial position in accounts payable - operations.

The Corporation also pays JASA for elderly and congregate services conducted by JASA for the tenants. Expenses related to these services for the year ended June 30, 2025 were $129,570. The Corporation is a participant in a multiemployer, defined benefit retirement plan sponsored by the UJA-Federation. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the plan. For the year ended June 30, 2025, the Corporation did not make any direct contributions into the plan on behalf of its employees; contributions to the plan were made by JASA. For the year ended June 30, 2025, the Corporation reimbursed JASA for $27,457 for pension costs.

JASA pays the Corporation a license fee for the use of space for community services facility located at the site. License fee revenue for the year ended June 30, 2025 was $0 and is included in other revenues on the statement of activities and changes in net assets.

JHM

The property is managed by an affiliate of the Corporation, JHM, pursuant to a management agreement approved by HUD. The current management agreement provides for a fee of 5.235% of residential income collected monthly. Management fees incurred for the year ended June 30, 2025 were $210,545. As of June 30, 2025, $3,976 remains payable inclusive of accrued management fees from a prior year.

The property pays a HUD-approved monthly fee to JHM for accounting and bookkeeping services. Fees incurred for the year ended June 30, 2025 were $39,336 and are included in bookkeeping fees/accounting services on the statement of activities and changes in net assets. As of June 30, 2025, $0 remains payable to JHM and is included in accounts payable - operations on the accompanying statement of financial position.

Note 8 - Hurricane Sandy

In 2013, the Corporation received a grant from the Fund for the City of New York in the amount of $95,000. Use of the $95,000 is restricted by the grantor for resiliency planning (equipping the Project to reduce the impact of future natural disasters) and is included as net assets with donor restrictions. The remaining balance of the restricted funds as of June 30, 2025 was $79,996.

Note 9 - Housing assistance payment contract agreement

HUD has contracted with the Corporation pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments to the Corporation on behalf of qualified tenants. The agreement expires January 31, 2041. For the year ended June 30, 2025, a rental assistance payment of $3,556,899 was earned under the terms of the agreement.

Note 10 - Concentration of credit risk

The Corporation maintains its cash balances in several accounts in one bank. The cash balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At times, these balances may exceed the federal insurance limits; however, the Corporation has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2025.

Note 11 - Current vulnerability due to certain concentrations

The Corporation's principal asset is a 154-unit apartment facility. The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 12 - Expenses by nature and function

The table below presents expenses by both their nature and function during the year ended June 30, 2025:

	Total program services expense	Total supporting services expense (management and general)	Total
Administrative expenses	$ 432,042	$ 275,793	$ 707,835
Utilities expense	354,475	-	354,475
Operating and maintenance expenses	635,182	-	635,182
Taxes and insurance	851,440	-	851,440
Financial expenses	751,969	-	751,969
Nursing home/assisted living/board and care/other elderly care expenses	129,570	-	129,570
Depreciation	430,154	-	430,154
Corporate or mortgagor entity expenses, net	-	608,751	608,751
Total	$ 3,584,832	$ 884,544	$ 4,469,376

Note 13 - Real estate taxes

The property has been granted a partial exemption from real estate taxes under Section 577 of the Private Housing Finance Law by resolution of the City Council of New York. The exemption shall continue for as long as the housing assistance payment contract remains in effect. Under the terms of the exemption, the property is subject to annual shelter rent payments, which are assessed based on a percentage of contract rents.

Note 14- Mortgagor entity expenses

Mortgagor entity expenses included in the statement of activities and changes in net assets do not represent operating expenses of the Project and, accordingly, cannot be paid and are not paid out of project operations. Rather, they are entity expenses, which can only be paid out of surplus cash or mortgagor entity funds. Such expenses have been segregated from project operations in the statement of activities and changes in net assets for that reason. Unpaid mortgagor entity expenses included in the statement of activities and changes in net assets represent accruals only and are recorded only where required under accounting principles generally accepted in the United States of America. These accruals result only in increased liabilities in the statement of financial position. The liability that results from any accrual is also subject to surplus cash restrictions and is payable only to the extent of surplus cash or mortgagor entity funds. The statement of cash flows reflects those mortgagor entity expenses actually paid during the period.

Below is a summary of mortgagor entity expenses incurred and paid:

Description	Beginning liability	Expensed amount	Paid amount	Ending liability
Distribution expense paid to JASA	$ -	$ 608,751	$ (608,751)	$ -
	$ -	$ 608,751	$ (608,751)	$ -

Note 15 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Corporation through January 16, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Supporting Data Required by HUD

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Assets

Account No.			
Current assets			
1120	Cash - operations		$ 1,570,749
1125	Cash - entity		79,996
1130	Tenant accounts receivable	$ 115,629	
1131	Allowance for doubtful accounts	(115,629)	
1140	Accounts and notes receivable - operations		2,214
1190	Miscellaneous current assets		2,667
1200	Prepaid expenses		287,009
1100T	Total current assets		1,942,635
Deposits held in trust - funded			
1191	Tenant deposits		36,600
Restricted deposits and funded reserves			
1310	Escrow deposits	392,809	
1320	Reserve for replacements	989,689	
1300T	Total deposits		1,382,498
Rental property			
1410	Land	648,023	
1420	Buildings	19,370,583	
1440	Building equipment - portable	264,834	
1460	Furnishings	24,870	
1465	Office furniture and equipment	118,872	
1470	Maintenance equipment	1,532	
1400T	Total fixed assets	20,428,714	
1495	Less accumulated depreciation	(12,279,405)	
1400N	Net fixed assets		8,149,309
1000T	Total assets		$ 11,511,042

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Account No.			
	Liabilities and Net Assets (Deficit)		
Current liabilities			
2110	Accounts payable - operations		$ 193,849
2111	Accounts payable - construction/development		4,460
2120	Accrued wages payable		61,909
2121	Accrued payroll taxes payable		6,474
2123	Accrued management fee payable		3,976
2131	Accrued interest payable - first mortgage		57,373
2150	Accrued property taxes payable		131,484
2170	Mortgage payable - first mortgage (short-term)		650,021
2210	Prepaid revenue		12,179
2122T	Total current liabilities		1,121,725
Deposits liability			
2191	Tenant deposits held in trust (contra)		36,361
Long-term liabilities			
2320	Mortgage payable - first mortgage	$ 27,742,207	
2300T	Total long-term liabilities		27,742,207
2000T	Total liabilities		28,900,293
3131	Net assets without donor restrictions	(17,469,247)	
3133	Net assets with donor restrictions	79,996	
3130	Total net assets (deficit)		(17,389,251)
2033T	Total liabilities and net assets (deficit)		$ 11,511,042

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Rental revenue			
5120	Rent revenue - gross potential	$ 655,242	
5121	Tenant assistance payments	3,556,899	
5170	Garage and parking spaces	2,138	
5100T	Total rental revenue		$ 4,214,279
Vacancies			
5220	Apartments	(76,991)	
5200T	Total vacancies		(76,991)
5152N	Net rental revenue		4,137,288
Financial revenue			
5440	Revenue from investments - replacement reserve	6,968	
5490	Revenue from investments - miscellaneous	579	
5400T	Total financial revenue		7,547
Other revenue			
5910	Laundry and vending	6,810	
5920	Tenant charges	600	
5900T	Total other revenue		7,410
5000T	Total revenue		4,152,245

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Administrative expenses			
6203	Conventions and meetings	2,162	
6210	Advertising and marketing	904	
6310	Office salaries	115,938	
6311	Office expenses	50,649	
6320	Management fee	210,545	
6330	Manager or superintendent salaries	50,508	
6331	Administrative rent free unit	27,465	
6340	Legal expense - project	5,750	
6350	Auditing expense	12,350	
6351	Bookkeeping fees/accounting services	52,898	
6370	Bad debts	176,591	
6390	Miscellaneous administrative expenses	2,075	
6263T	Total administrative expenses		707,835
Utilities expense			
6450	Electricity	52,940	
6451	Water	56,480	
6452	Gas	155,265	
6453	Sewer	89,790	
6400T	Total utilities expense		354,475
Operating and maintenance expenses			
6510	Payroll	136,217	
6515	Supplies	56,180	
6520	Contracts	186,484	
6530	Security payroll/contract	205,907	
6546	Heating/cooling repairs and maintenance	48,166	
6590	Miscellaneous operating and maintenance expenses	2,228	
6500T	Total operating and maintenance expenses		635,182

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Taxes and insurance			
6710	Real estate taxes	482,376	
6711	Payroll taxes	24,981	
6720	Property and liability insurance	261,201	
6722	Workmen's compensation	5,196	
6723	Health insurance and other employee benefits	74,459	
6790	Miscellaneous taxes, licenses, permits and insurance	3,227	
6700T	Total taxes and insurance		851,440
Financial expenses			
6820	Interest on first mortgage payable	677,862	
6850	Mortgage insurance premium/service charge	72,790	
6890	Miscellaneous financial expenses	1,317	
6800T	Total financial expenses		751,969
6900	Nursing home/Assisted living/Board and care/Other elderly care expenses		129,570
6000T	Total cost of operations before depreciation		3,430,471
5060T	Income (loss) before depreciation		721,774
Depreciation			
6600	Depreciation expense	430,154	
	Total depreciation		430,154
5060N	Operating income (loss)		291,620
Corporate or mortgagor entity revenue and expenses			
7190	Other expenses	608,751	
7100T	Net entity expenses		608,751
	Total expenses		4,469,376
3250	Change in net assets		$ (317,131)

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.		
S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	$ 635,255
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	$ 39,955
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of activities.	$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of activities.	$ -

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Changes in Net Assets (Deficit) Data
Year Ended June 30, 2025

Account No.		Net Assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions
S1100-050	Net assets (deficit)			
S1100-060/080	June 30, 2024	$ (17,152,116)	$ 79,996	$ (17,072,120)
3247/3249	Change in net assets	(317,131)	-	(317,131)
3130	Net assets (deficit)			
3131/3133	June 30, 2025	$ (17,469,247)	$ 79,996	$ (17,389,251)

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.			
	Cash flows from operating activities		
S1200-010	Rental receipts		$ 4,081,314
S1200-020	Interest receipts		7,547
S1200-030	Other operating receipts		7,410
S1200-040	Total receipts		4,096,271
S1200-050	Administrative expenses paid		(126,788)
S1200-070	Management fees paid		(223,461)
S1200-090	Utilities paid		(354,475)
S1200-100	Salaries and wages paid		(507,157)
S1200-110	Operating and maintenance paid		(78,306)
S1200-120	Real estate taxes paid		(380,340)
S1200-140	Property insurance paid		(261,201)
S1200-150	Miscellaneous taxes and insurance paid		(3,227)
S1200-160	Net tenant security deposits received (paid)		3,688
S1200-170	Other operating expenses paid		(233,525)
S1200-180	Interest paid on first mortgage		(666,033)
S1200-210	Mortgage insurance premium paid		(71,195)
S1200-220	Miscellaneous financial expenses paid		(1,317)
S1200-225	Entity/construction expenses paid (include detail)		
S1200-226	Distribution expense paid to JASA	$ (608,751)	
			(608,751)
S1200-230	Total disbursements		(3,512,088)
S1200-240	Net cash provided by operating activities		584,183
	Cash flows from investing activities		
S1200-245	Net withdrawals from mortgage escrows		266,038
S1200-250	Net withdrawals from reserve for replacements		468,391
S1200-255	Net withdrawals from other reserves		
S1200-256	Operating reserve	2,310	
S1200-256	Repair reserve	73,553	
S1200-256	Latent defect escrow	65,385	
S1200-256	Residual receipts	11,262	
			152,510
S1200-330	Net purchases of fixed assets		(454,025)
S1200-350	Net cash provided by investing activities		432,914

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.		
	Cash flows from financing activities	
S1200-360	Mortgage principal payments - first mortgage	(635,255)
S1200-460	Net cash used in financing activities	(635,255)
S1200-470	Net increase in cash	381,842
S1200-480	Cash, beginning	1,268,903
S1200T	Cash, end	$ 1,650,745

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Reserve for Replacements

Account No.		
1320P	Balance at June 30, 2024	$ 1,458,080
1320DT	Total monthly deposits	39,955
1320INT	Interest income	6,968
1320WT	Approved withdrawals	(515,314)
1320	Balance at June 30, 2025	$ 989,689

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Computation of Surplus Cash, Distributions and Residual Receipts

Account No.	Part A - Compute Surplus Cash		
S1300-010	Cash (Accounts 1120, 1170 and 1191)	$	1,607,349
1135	Accounts receivable - HUD		-
S1300-040	Total cash		1,607,349
S1300-050	Accrued mortgage interest payable		57,373
S1300-060	Delinquent mortgage principal payments		-
S1300-070	Delinquent deposits to reserve for replacements		-
S1300-075	Accounts payable (due within 30 days)		193,849
S1300-080	Loans and notes payable (due within 30 days)		-
S1300-090	Deficient tax, insurance or MIP escrow deposits		-
S1300-100	Accrued expenses (not escrowed)		72,359
2210	Prepaid revenue (Account 2210)		12,179
2191	Tenant security deposits liability (Account 2191)		36,361
S1300-140	Less total current obligations		372,121
S1300-150	Surplus cash (deficiency)	$	1,235,228
S1300-200	Amount available for distribution during next fiscal period	$	1,235,228

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Changes in Fixed Asset Accounts

	Assets			
	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Land	$ 648,023	$ -	$ -	$ 648,023
Buildings	18,942,892	427,691	-	19,370,583
Building equipment - portable	238,500	26,334	-	264,834
Furnishings	24,870	-	-	24,870
Office furniture and equipment	118,872	-	-	118,872
Maintenance equipment	1,532	-	-	1,532
	$ 19,974,689	$ 454,025	$ -	$ 20,428,714
Accumulated depreciation	$ 11,849,251	$ 430,154	$ -	$ 12,279,405
Total net book value				$ 8,149,309

Fixed Asset Detail

Additions to Buildings Account

Item and quantity	Amount
Building renovations	$ 427,691

Additions to Building Equipment - Portable Account

Item and quantity	Amount
Air conditioners	$ 26,334

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Financial Position

Accounts and Notes Receivable - Operations (Account No. 1140)

Insurance escrow reimbursement	$ 2,214
	$ 2,214

Miscellaneous Current Assets (Account No. 1190)

Software/licenses	$ 2,667

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Activities

Other Entity Expenses (Account No. 7190)

Distribution expense	$ 608,751

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Supplementary Information
Year Ended June 30, 2025

Other Information

Related party transactions detail:

Account No.	Entity name	Amount paid
S3100-210	JASA - service coordinator	$ 58,104
S3100-210	JHM - bookkeeping fees	42,534
S3100-210	JHM - management fees	223,461
S3100-210	JASA - distribution expense	608,751
		$ 932,850

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development direct programs			
Mortgage Insurance For the Purchase or Refinancing of Existing Multifamily Housing Projects: Sections 207/223(f)	14.155	N/A	$ 29,247,876
Section 8 Project Based Cluster, Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	3,556,899
Total U.S. Department of Housing and Urban Development			32,804,775
Total expenditures of federal awards			$ 32,804,775

See Notes to Schedule of Expenditures of Federal Awards.

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Notes to Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Brighton Beach Housing Development Fund Company, Inc., HUD Project No. 012-11279, under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Brighton Beach Housing Development Fund Company, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Brighton Beach Housing Development Fund Company, Inc. For the year ended June 30, 2025, no awards were passed through to subrecipients.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursements.

Note 3 - Indirect cost rate

Brighton Beach Housing Development Fund Company, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - U.S. Department of Housing and Urban Development loan program

Brighton Beach Housing Development Fund Company, Inc. has received a U.S. Department of Housing and Urban Development ("HUD") direct loan under Section 207/223(f) of the National Housing Act. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Brighton Beach Housing Development Fund Company, Inc, Inc. received no additional loans during the year. The balance of the loan outstanding at June 30, 2025 consists of the following:

Assistance Listing Number	Program Name	Outstanding Balance June 30, 2025
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects: Sections 207/223(f)	$ 28,612,621

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 Board of Trustees
Brighton Beach Housing Development Fund Company, Inc.

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 Brighton Beach Housing Development Fund Company, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brighton Beach Housing Development Fund Company, Inc.'s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Brighton Beach Housing Development Fund Company, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Brighton Beach Housing Development Fund Company, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Brighton Beach Housing Development Fund Company, Inc.'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 financial statements. 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 is 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

New York, New York
January 16, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Brighton Beach Housing Development Fund Company, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major HUD Program

We have audited Brighton Beach Housing Development Fund Company, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Brighton Beach Housing Development Fund Company, Inc.'s major federal programs for the year ended June 30, 2025. Brighton Beach Housing Development Fund Company, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Brighton Beach Housing Development Fund Company, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Brighton Beach Housing Development Fund Company, Inc. 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Brighton Beach Housing Development Fund Company, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or and grant agreements applicable to Brighton Beach Housing Development Fund Company, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Brighton Beach Housing Development Fund Company, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Brighton Beach Housing Development Fund Company, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Brighton Beach Housing Development Fund Company, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Brighton Beach Housing Development Fund Company, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

New York, New York
January 16, 2026

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Schedule of Findings and Questioned Costs
June 30, 2025

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes X No
- Significant deficiency identified? ____ Yes X No

Noncompliance material to financial statements noted? ____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____ Yes X No
- Significant deficiency(ies) identified? ____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ____ Yes X No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.155	Mortgage Insurance For the Purchase or Refinancing of Existing Multifamily Housing Program: Sections 207/223(f)
14.856	Section 8 Project- Based Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee ____ Yes X No

Brighton Beach Housing Development Fund Company, Inc.
HUD Project No.: 012-11279

Schedule of Findings and Questioned Costs
June 30, 2025

B. Financial Statement Findings

None reported

C. Federal Award Findings and Questioned Costs

None reported

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