



Thomas M. Kotulak, CPA, PFS – tkotulak@kotulakcpa.com
Jonathan T. Kotulak, CPA, MBA – jkotulak@kotulakcpa.com
David Armstrong, CPA – darmstrong@kotulakcpa.com
Marina Kosoy-Shushkovsky, CPA, MBA – mkosoy@kotulakcpa.com

1035 Route 46 East, Suite B-107, Clifton, New Jersey 07013

Phone (973) 773-5050 Fax (973) 773-5266

www.kotulakcpa.com

Audit Communication – November 26, 2024

Dear Audit Committee Members:

We have audited the financial statements of Brighton Beach District Management Association, Inc. for the years ended June 30, 2024 and 2023, and have issued our report hereon dated November 26, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Brighton Beach District Management Association, Inc. as described in Note 2 to the financial statements. New accounting policies were adopted to be in compliance with ASC 606 and ASC 842 and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Internal Controls

In planning and performing our audit of the financial statements of Brighton Beach District Management Association, Inc. as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered Brighton Beach District Management Association, Inc.'s internal control over financial reporting (internal control) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 26, 2024.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing board and management of Brighton Beach District Management Association, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kotulak & Company", written in a cursive, flowing style.

Kotulak & Company, CPA, PC