



**LAKE LEELANAU LAKE ASSOCIATION
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2025**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
<u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Leelanau Lake Association

Opinion

We have audited the accompanying financial statements of Lake Leelanau Lake Association (the "Association") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 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. 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 Association 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 the Association's ability to continue as a going concern within 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 generally

accepted 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 generally accepted 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 the Association'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 Association'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.



Gabridge & Company, PLC
Grand Rapids, Michigan
April 20, 2026

Lake Leelanau Lake Association
Statement of Financial Position
As of December 31, 2025

	<u>2025</u>
ASSETS	
<i>Current Assets</i>	
Cash and Cash Equivalents	\$ 56,882
Investments	719,202
Prepaid Expenses	365
Total Current Assets	<u>776,449</u>
<i>Noncurrent Assets</i>	
Capital Assets, net	141,054
Total Assets	<u>917,503</u>
LIABILITIES AND NET ASSETS	
Accounts Payable	1,038
Total Liabilities	<u>1,038</u>
NET ASSETS	
Without Donor Restrictions	
<i>Board Designated - Operating Reserve</i>	375,000
<i>Undesignated</i>	537,169
With Donor Restrictions	
<i>Kids Fish Day</i>	4,296
Total Net Assets	<u>916,465</u>
Total Liabilities and Net Assets	<u>\$ 917,503</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

Lake Leelanau Lake Association
Statement of Activities
For the Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Membership Dues	\$ 128,907	\$ -	\$ 128,907
Contributions	34,573	-	34,573
Grant Revenue	293,780	-	293,780
Fundraising	79,285	-	79,285
Other Revenues	1,173	9,893	11,066
Investment Income	28,392	-	28,392
Net Assets Released from Restrictions	-	-	-
<i>Total Revenues, Gains, and Other Support</i>	566,110	9,893	576,003
Expenses			
Program Services	343,251	-	343,251
Management and General	98,618	-	98,618
Fundraising & Membership	68,708	9,921	78,629
<i>Total Expenses</i>	510,577	9,921	520,498
<i>Change In Net Assets</i>	55,533	(28)	55,505
<i>Net Assets at Beginning of Period</i>	856,636	4,324	860,960
<i>Net Assets at End of Period</i>	\$ 912,169	\$ 4,296	\$ 916,465

The Notes to the Financial Statements are an integral part of these Financial Statements

Lake Leelanau Lake Association
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025
Cash Flows from Operating Activities	
Cash Received from Donors and Dues	\$ 549,900
Cash Payments to Suppliers for Goods and Services	(205,524)
Cash Payments to Employees for Services	(296,154)
<i>Total Cash Flows Provided by Operating Activities</i>	48,222
 Cash Flows from Capital and Related Financing Activities	
Fixed Asset Acquisitions	(12,290)
<i>Total Cash Flows Used by Capital and Related Financing Activities</i>	(12,290)
 Cash Flows from Investing Activities	
Changes in Investment	(31,786)
<i>Total Cash Flows Used by Investing Activities</i>	(31,786)
Net Decrease in Cash and Equivalents	4,146
<i>Cash and Cash Equivalents - Beginning of Year</i>	52,736
<i>Cash and Cash Equivalents - End of Year</i>	\$ 56,882
 Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities	
Change in Net Assets	\$ 55,505
Adjustments to Reconcile change in Net Assets to Net Cash	
Provided by Operating Activities	
Depreciation Expense	23,739
Interest and Dividends on Investments	(28,392)
Changes in Assets and Liabilities	
Accounts Receivable	2,289
Pledges Receivable	-
Prepays	(365)
Accounts Payable	(25)
Payroll Liabilities	(4,529)
<i>Net Cash Provided by Operating Activities</i>	\$ 48,222

The Notes to the Financial Statements are an integral part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Nature of the Organization and Significant Accounting Policies

The Lake Leelanau Lake Association (the "Association") is a nonprofit organization established on November 24, 1981 and operates under Section 501(c)(3) of the Internal Revenue Code. The Association's mission is dedicated to protecting and enhancing the quality and beauty of Lake Leelanau and its surrounding watershed for current and future generations.

The Association carries out its mission through a variety of programs and initiatives, including:

- ***Aquatic Invasive Species (AIS) Management:*** The Association conducts monitoring, prevention, and control of invasive species in Lake Leelanau, such as Eurasian watermilfoil.
- ***Stewardship:*** The Association is involved in numerous stewardship activities such as education and control of terrestrial invasive species, promotion of protection and restoration of shorelines, water quality monitoring, and educating local government entities on best land use policies to protect the water.
- ***Community Outreach and Education:*** The Association engages the community through educational programs and events, such as the Landing Blitz, to raise awareness about environmental stewardship and the importance of lake preservation.

The Association relies on the support of its members, donors, and grants to fund these activities.

The Association is governed by a Board of Directors and is headquartered in Leland, Michigan.

Basis of Accounting and Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of cash flows.

Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents include checking accounts, savings accounts, and money market accounts that are readily convertible to cash and are not subject to significant risk of changes in value. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these instruments.

Investments

Investments consist of a government money market mutual fund. The money market mutual fund is reported at fair value in accordance with generally accepted accounting principles.

Interest income is recorded when earned and is included in the statement of activities. Investments are subject to credit risk. The Association holds its investments at a brokerage institution that is a member of SIPC, which provides limited protection in the event of broker insolvency. Management monitors the creditworthiness of financial institutions and the safety and liquidity of the underlying investment vehicles.

Prepays

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid.

Receivables

Receivables consist primarily of amounts due from contributions, grants, and other sources. Receivables are recorded at their net realizable value, which represents the amount management expects to collect. Management evaluates the collectability of receivables based on historical collection experience and specific account circumstances. The Association uses the allowance method to account for uncollectible receivables when necessary. As of December 31, 2025, management believes that all receivables are fully collectible and, therefore, no allowance for doubtful accounts has been recorded.

Pledge Receivables

Pledge receivables are recognized when a donor makes an unconditional promise to give that is, in substance, a receivable. Pledge receivables that are expected to be collected within one year are recorded at net realizable value. Pledge receivables expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. Amortization of the discount is included in contribution revenue.

Property and Equipment

Property and equipment are stated at historical cost if purchased or estimated fair market value if donated, net of accumulated depreciation. The Association generally capitalizes outlays exceeding \$3,000. Expenses for maintenance and repairs are charged to expenses as incurred. Management annually reviews these assets to determine whether carrying values have been impaired.

Lake Leelanau Lake Association

Notes to the Financial Statements

Depreciation is computed using the straight-line method over the assets' useful lives, which are as follows:

	<u>Years</u>
Boats and Trailers	5
Boat Washes	15

Net Asset Classifications

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. The governing board has designated, from net assets without donor restrictions, net assets for a board designated operating reserve in the amount of \$375,000. This reserve is intended to ensure long-term financial stability and is available for general operations if authorized by the Board.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

As of December 31, 2025, the Association has net assets with donor restrictions totaling \$4,296 restricted for the Kids Fish Day program.

Revenue Recognition

The Association recognizes revenue in accordance with Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, and ASC 958-605, Revenue Recognition for Not-for-Profit Entities. The Association's revenue streams are derived from contributions, membership dues, program services, fundraising activities, and investment income. Revenue is recognized when control of the promised goods or services is transferred to the customer or when the donor-imposed conditions and restrictions are met.

Contributions and Grants

Contributions are recognized as revenue when received or unconditionally promised. All contributions are considered to be available for general use unless specifically restricted by the donor.

Lake Leelanau Lake Association

Notes to the Financial Statements

- **Conditional contributions** are recognized as revenue when the conditions on which they depend are substantially met. For example, grants received for aquatic invasive species control and water quality monitoring are subject to conditions that require funds to be spent on specific programs (e.g., the eradication of Eurasian Watermilfoil).
- **Unconditional contributions** are recognized as revenue when received or promised. For example, unrestricted contributions and grants totaling \$34,573 and \$293,780, respectively, were recognized in 2025 for general operational purposes without donor restrictions.

Membership Dues

Membership dues are recognized as revenue when received. Membership dues are used to fund the work of the Association and are not subject to significant donor restrictions. Membership categories include individual and business supporters, the latter of whom are non-voting participants. Membership dues revenue for the year ended December 31, 2025, totaled \$128,907, consisting of \$115,907 from individual members and \$13,000 from business supporters.

Fundraising Events

Revenue from fundraising events, including the year-end appeal, is recognized when the event occurs, or when funds are received if no event is tied to the contribution. The year-end appeal raised \$79,285 and was recognized as revenue without donor restrictions as it supported the general operations of the Association.

Program Revenues

Program service revenue includes donations and sponsorships for participation in events or services, such as Kids Fish Day. Revenue is recognized when the event takes place or when services are rendered. For the year ended December 31, 2025, the Association recognized \$9,893 of program service revenue restricted to supporting Kids Fish Day activities.

Investment Income

Investment income, primarily consisting of interest earned on investments, money market accounts, and certificates of deposit, is recognized as revenue when earned. Investment income for the year ended December 31, 2025, totaled \$28,392. These funds are considered unrestricted unless subject to donor-imposed restrictions.

Revenue from Contracts with Customers

The Association recognizes revenue from contracts with customers when services are provided, in accordance with ASC 606. These services primarily include memberships, program services, and event fees. Revenue is recognized over the period the services are provided or when the performance obligation is satisfied. The Association had no significant contract liabilities as of December 31, 2025.

Income Taxes

The Association is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. Contributions to the Association qualify for the charitable contribution deduction under Section 170 of the Internal Revenue Code. The Association is also exempt from state income taxes under similar provisions of state law.

However, the Association is subject to federal income tax on any unrelated business income, as defined by the Internal Revenue Code. For the year ended December 31, 2025, the Association did not have any unrelated business income and, therefore, has made no provision for income taxes in the accompanying financial statements.

The Association follows the provisions of ASC 740, Income Taxes, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Association has evaluated its tax positions and has concluded that it does not have any material uncertain tax positions that require recognition or disclosure in the financial statements.

The Association's tax filings are subject to examination by federal and state taxing authorities. The federal returns for tax years 2022 through 2025 remain open to examination. No income tax-related penalties or interest have been incurred during the years presented in the financial statements.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Actual amounts could differ from those estimates.

Lake Leelanau Lake Association

Notes to the Financial Statements

Note 2 - Liquidity and Availability

The Association's financial assets available for general expenditure within one year of the statement of financial position date are as follows:

Financial assets available within one year:

Cash and cash equivalents	\$ 56,882
Investments	719,202
Total Financial Assets	776,084
Less:	
Donor-restricted for Kids Fish Day	(4,296)
Board Designated - Operating Reserve *	(375,000)
Total financial assets available within one year	\$ 396,788

* While the Board has designated \$375,000 for operating reserves, these funds could be made available for general operations, if necessary, through Board action.

The Association manages its liquidity by maintaining sufficient cash and short-term investments to meet operating needs and ensure the availability of funds for general expenditures, liabilities, and other obligations as they come due.

Note 3 - Cash, Investments, and Fair Value Disclosures

The following is a reconciliation of deposit and investment balances as of December 31, 2025:

Checking Accounts	\$ 56,882
Money Market Mutual Fund	719,202
Total Cash and Investments	\$ 776,084

Custodial Credit Risk - Deposits

The Association maintains bank accounts at two financial institutions. Balances at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2025, the bank balance was \$48,919, all of which was insured.

Investments

The Association held investments in a money market mutual fund totaling \$719,202 as of year-end. These investments are not subject to FDIC or NCUA insurance coverage, as they are held in pooled investment vehicles. Investments are measured at fair value and classified as Level 1 under the fair value hierarchy of FASB ASC 820, using quoted prices in active markets.

Lake Leelanau Lake Association

Notes to the Financial Statements

Investment Income

Investment income recognized in 2025 consisted of:

Interest Income (Deposit Accounts)	\$	706
Interest and Dividends		27,686
<i>Total Investment Income</i>	\$	<u>28,392</u>

Fair Value Measurements

The Association accounts for investments in accordance with FASB Accounting Standards Codification (ASC) 820, Fair Value Measurement, which establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements, a three-level hierarchy is used to classify assets based on the inputs used in the valuation:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the Association has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets or inputs derived principally from observable market data.
- Level 3: Unobservable inputs that reflect the Association's own assumptions about the assumptions market participants would use in pricing the asset, based on the best information available in the circumstances.

Investments are measured at fair value on a recurring basis. The Association uses quoted market prices in active markets to determine the fair value of all investments, which are classified as Level 1. The valuation techniques used to measure fair value are consistently applied.

The following table presents the fair value of investments as of December 31, 2025, by fair value hierarchy level:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Investment Type				
Money Market Mutual Fund	\$ 719,202	\$ -	\$ -	\$ 719,202

Lake Leelanau Lake Association

Notes to the Financial Statements

All investments held at year-end were valued using Level 1 inputs and consist of money market mutual funds. These investments are fully liquid and redeemable without restriction. No Level 2 or Level 3 investments were held during the year.

The Association did not change its valuation techniques during the year. The valuation techniques described above are consistent with those used in prior periods.

Note 4 - Risk Management

The Association is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, and natural disasters. To mitigate these risks, the Association purchases standard insurance policies, including general liability, cyber, marine, volunteer, and directors and officers liability insurance, through commercial insurers. These insurance policies are considered adequate to cover potential losses.

The Association pays annual premiums for this insurance coverage, and there were no significant claims or settlements during the year ended December 31, 2025, that exceeded the limits of the insurance policies in place.

Management regularly reviews the adequacy of insurance coverage and believes that the current policies are sufficient to manage the risks faced by the Association.

Note 5 - Property and Equipment

Property and equipment consisted of the following at December 31, 2025:

	December 31, 2024	Additions	Reductions	December 31, 2025
Capital Assets Being Depreciated				
Boats and Trailers	\$ 68,708	\$ 12,290	\$ -	\$ 80,998
Boat Wash	119,135	-	-	119,135
Equipment	8,262	-	-	8,262
Less Accumulated Depreciation	(43,602)	(23,739)	-	(67,341)
Total Capital Assets, Net	\$ 152,503	\$ (11,449)	\$ -	\$ 141,054

Total depreciation expense charged to operations was \$23,739 for the year end December 31, 2025, and was entirely allocated to program services.

Note 6 - Functional Expense Allocation

The costs of providing programs and other supporting activities have been summarized on the functional basis below. Accordingly, certain costs have been allocated among programs and supporting services benefitted. Such allocations are determined by management on an equitable basis. The

Lake Leelanau Lake Association

Notes to the Financial Statements

expenses that are allocated include the following:

	Program Services	Management and General	Fundraising & Membership	Total
Payroll	\$ 158,554	\$ 44,358	\$ 43,449	\$ 246,361
Payroll Taxes	14,186	3,618	3,562	21,366
Benefits	11,133	9,720	3,045	23,898
Member and Board Activities	-	-	-	-
Communication and Fundraising	-	-	7,021	7,021
Insurance	-	1,814	-	1,814
Office Expenses	-	12,870	785	13,655
Office Supplies	-	2,285	167	2,452
Professional Fees	13,562	21,678	1,526	36,766
Lake Stewardship	20,310	-	-	20,310
Fish Day	-	-	9,921	9,921
Other Events	-	-	8,121	8,121
Mileage	3,651	1,808	1,012	6,471
Training	-	467	20	487
Aquatic Invasive Species	98,116	-	-	98,116
Depreciation	23,739	-	-	23,739
Total Functional Expenses	\$ 343,251	\$ 98,618	\$ 78,629	\$ 520,498

Note 7 - Defined Contribution Plan

The Association sponsors a Savings Incentive Match Plan for Employees (SIMPLE) IRA under Section 408(p) of the Internal Revenue Code. The plan allows eligible employees to defer a portion of their compensation and contribute it to individual retirement accounts. The plan is administered under Form 5304-SIMPLE and allows for salary reduction contributions by employees and matching contributions by the Association.

For the year ended December 31, 2025, the Association matched employee contributions to the plan, resulting in employer contributions totaling \$7,006. These contributions were fully vested at the time of funding and were made in accordance with the plan's matching formula, which provides for a dollar-for-dollar match up to 3% of each participating employee's compensation.

Participation and contribution eligibility are governed by the Association's SIMPLE IRA agreement, which is available to employees who are reasonably expected to earn at least \$5,000 during the calendar year.

Lake Leelanau Lake Association

Notes to the Financial Statements

Note 8 - Subsequent Events

The Association has evaluated events and transactions occurring subsequent to the statement of financial position date through April 20, 2026, which is the date the financial statements were available to be issued. Based on this evaluation, the Association has determined that there were no events that occurred subsequent to December 31, 2025, that require disclosure in the financial statements.

April 20, 2026

To the Board of Directors
Lake Leelanau Lake Association
Leland, MI

We have audited the financial statements of Lake Leelanau Lake Association (the “Association”) for the year ended December 31, 2025, and we will issue our report thereon dated April 20, 2026. 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 January 28, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Association 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 most sensitive estimates affecting the financial statements were:

- Management’s estimate of the useful lives of capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s allocation of the classification of functional expenses between program, management and general, and fundraising expenses. The allocations were based on analysis and past experience.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

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

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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 April 20, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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 Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restrictions of Use

This information is intended solely for the use of the Board of Directors of the Association 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 cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC
Grand Rapids, MI