



**Irving Lake Association, Inc.
Governance, Financial & Special Meeting Update**

Dear Members,

This communication provides an update regarding the upcoming Special Meeting, current litigation, financial position, recent projects, and questions raised by members. All actions are grounded in the Irving Lake Association Bylaws and applicable Texas law.

We extend our sincere appreciation to all members who exercised their right to vote and expressed confidence in the current Board. We are thankful for your trust and believe this decision supports stability moving forward. The Board serves every household in this Association, not just the most vocal participants, and we care deeply about the long-term well-being of our entire community.

I. Special Meeting of Members

Pursuant to Article XIII of the ILA Bylaws and in compliance with the Temporary Injunction issued by the 298th Judicial District Court of Dallas County, a Special Meeting of Members has been called.

Under:

- **Article V, Section 2 (Removal of Directors)**
- **Texas Business Organizations Code §22.211**

Director removal must occur at a membership meeting.

Vacancies may only be filled if lawfully existing under:

- **Texas Business Organizations Code §22.212**

Voting Procedure & Legal Compliance

To ensure the process is legally defensible and compliant with the governing documents and applicable law:

- The Association sought formal legal guidance regarding proxy structure, quorum, and submittal procedures.
- The vote will utilize a single consolidated proxy form listing each director separately with independent "Remove / Do Not Remove" options.
- Proxies may be submitted in accordance with the Bylaws and applicable law.
- Each director's removal will be decided independently based on the vote outcome.

The Association will comply fully with the Court's Order.

II. Operational & Financial Impact of Director Removal

Members should clearly understand the operational and financial implications of removing three directors simultaneously during active litigation.

Such action could result in:

2026 BOARD OF DIRECTORS

Steve Martin	Peter Kang	Scott Rose	Angel Pilarski	Sonny San
President	Vice President	Secretary	Treasurer	Director
ila.president.2@gmail.com	ila.2nd.vice.president@gmail.com	ila.secretary@gmail.com	ila.treasurer@gmail.com	ila.1st.vice.president@gmail.com

- **Immediate disruption of legal strategy and continuity during pending litigation.**
- **Increased legal fees associated with onboarding new directors, reviewing prior decisions, and potential strategic resets.**
- **Loss of institutional knowledge critical to defending the Association in court.**
- **Delay in financial oversight, reserve monitoring, and liquidity stabilization efforts.**
- **Increased risk of insurance complications or coverage disputes due to leadership transition during active claims.**
- **Vendor and contractor uncertainty that may delay projects or increase contract pricing.**
- **Potential lender or banking relationship review due to sudden governance instability.**
- **Additional professional fees for legal, accounting, and administrative transition support.**
- **Heightened exposure to adverse litigation positioning due to perceived governance instability.**

Leadership transitions are routine under normal circumstances. They are materially more complex and financially risky during active litigation.

The Association is currently incurring significant legal defense costs. Any disruption that prolongs litigation, increases attorney time, or requires duplication of review efforts, will directly increase expenses borne by the membership.

This is not a theoretical risk. It is a measurable financial exposure.

Members retain the right to vote as provided under the Bylaws. The Board's responsibility is to ensure members understand the practical consequences of governance changes during ongoing litigation.

III. Litigation Status

The Court has issued a Temporary Injunction requiring the Special Meeting to proceed. Trial on the merits is scheduled for July 21, 2026.

The Association will comply with the Order and continue to defend the case under Texas law.

IV. Financial Position Summary (2025)

Starting Balance (January 2025): \$290,349
Ending Balance (December 2025): \$151,014
Net Change: -\$139,335

The reduction reflects planned reserve utilization for capital improvements, professional services, and legal compliance — not operational insolvency.

Primary income sources:

- Membership dues (Which can now be paid through Zelle!)
- Interest and investment income
- Boat registrations
- Transfer fees

Major expenditures:

- Lake dredging
- Park repairs

2026 BOARD OF DIRECTORS

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- CD redemption
- Legal and professional services
- Insurance

Advance 2026 dues collected in December strengthened year-end liquidity.

V. Treasurer Transition & Financial Access

Following the prior Treasurer's departure, financial access was obtained directly from institutions in accordance with fiduciary duties under Texas Business Organizations Code §22.221.

Requests for records began February 11, 2025.

Independent CPA review confirms financial accuracy. Identified issues related to workflow and reporting clarity. Missing funds prior to 2025 were located.

VI. Dredging Clarifications

Dredging has been discussed for over a decade, primarily regarding water flow and lake health.

Hydrology data provided by contractors confirms:

- 807-acre drainage basin
- 250+ inlets
- Sediment accumulation is recurring
- Dredging requires periodic maintenance

Permitting requirements under the Irving Code of Ordinances require written approvals. No verbal authorizations were relied upon.

Contracts and presentations were provided to membership prior to commencement.

VII. Board Meeting Procedures

Under:

- Article VI (Board Meetings)
- Article XIII (Meetings of Members)
- Article XV (Records & Reports)

There is no bylaw requirement that the Board provide written responses to member questions.

Structured comment periods are necessary to ensure orderly governance and accurate recordkeeping.

VIII. Commitment to Governance

The Board remains committed to:

- Compliance with ILA Bylaws
- Compliance with Texas Business Organizations Code

2026 BOARD OF DIRECTORS

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ila.president.2@gmail.com	ila.2nd.vice.president@gmail.com	ila.secretary@gmail.com	ila.treasurer@gmail.com	ila.1st.vice.president@gmail.com



- Financial transparency
- Responsible reserve management
- Orderly and lawful governance

Members are encouraged to participate in the Special Meeting and exercise their voting rights.

Respectfully,

Board of Directors
Irving Lake Association, Inc.

2026 BOARD OF DIRECTORS

Steve Martin	Peter Kang	Scott Rose	Angel Pilarski	Sonny San
President	Vice President	Secretary	Treasurer	Director
ila.president.2@gmail.com	ila.2nd.vice.president@gmail.com	ila.secretary@gmail.com	ila.treasurer@gmail.com	ila.1st.vice.president@gmail.com

IRVING LAKE ASSOCIATION, INC.

IRVING, TEXAS

FINANCIAL STATEMENTS

As of

DECEMBER 31, 2024 AND 2023

TOGETHER WITH

INDEPENDENT ACCOUNTANTS' REVIEW REPORT



SCHNAUFER & WALKER
Professional Corporation

Dallas, Texas

IRVING LAKE ASSOCIATION, INC.
Financial Statements
For the Years Ended December 31, 2024 and 2023

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Irving Lake Association, Inc.
Irving, Texas

We have reviewed the accompanying financial statements of **Irving Lake Association, Inc.** (a Texas nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of **Irving Lake Association, Inc.** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Schnauffer & Walker, P.C.

Dallas, Texas

December 19, 2025

IRVING LAKE ASSOCIATION, INC.
Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 113,138	\$ 51,168
Property owner dues receivables	14,407	16,586
Total current assets	<u>127,545</u>	<u>67,754</u>
Long-term assets:		
Investments	120,235	160,028
Restricted cash for property improvements	53,500	53,500
Total long-term assets	<u>173,735</u>	<u>213,528</u>
TOTAL ASSETS	<u><u>\$ 301,280</u></u>	<u><u>\$ 281,282</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 158	\$ 77
TOTAL LIABILITIES	<u>158</u>	<u>77</u>
NET ASSETS		
Without POA restrictions	247,622	227,705
With POA restrictions	53,500	53,500
TOTAL NET ASSETS	<u>301,122</u>	<u>281,205</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 301,280</u></u>	<u><u>\$ 281,282</u></u>

See accompanying notes and independent accountants' review report.

IRVING LAKE ASSOCIATION, INC.
Statements of Activities
For The Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Operating:		
Revenue and other support:		
Property owner dues and fees	\$ 34,549	\$ 15,006
Property owner special assessment fees	-	53,500
Other income	2,614	845
Net assets released from restrictions	-	-
Total operating revenue and other support	<u>37,163</u>	<u>69,351</u>
Expenses:		
Program services:		
Property owner services	<u>10,471</u>	<u>6,656</u>
Total program services	<u>10,471</u>	<u>6,656</u>
Supporting services:		
Management and general	<u>19,801</u>	<u>11,418</u>
Total supporting services	<u>19,801</u>	<u>11,418</u>
Total operating expenses	<u>30,272</u>	<u>18,074</u>
Excess of operating revenue over expenses	<u>6,891</u>	<u>51,277</u>
Nonoperating:		
Other income and expense:		
Interest and dividends	13,184	8,961
Irving ISD property taxes	-	(1,116)
Texas franchise taxes	-	(1,139)
Federal income taxes	(158)	(77)
Total other income and expense	<u>13,026</u>	<u>6,629</u>
Excess of revenue over expenses	<u>19,917</u>	<u>57,906</u>
INCREASE IN NET ASSETS	19,917	57,906
NET ASSETS AT BEGINNING OF YEAR	<u>281,205</u>	<u>223,299</u>
NET ASSETS AT END OF YEAR	<u>\$ 301,122</u>	<u>\$ 281,205</u>

See accompanying notes and independent accountants' review report.

IRVING LAKE ASSOCIATION, INC.
Statement of Functional Expenses
For The Year Ended December 31, 2024

Expenses	Program services	Supporting services	Totals
	Property owner services	Management and general	
Accounting	\$ -	\$ 712	\$ 712
Bank fees	-	64	64
Donations	-	100	100
Events	777	-	777
Insurance	-	3,929	3,929
Legal fees	-	8,437	8,437
Office supplies	-	1,449	1,449
Other professional services	-	3,400	3,400
Postage and delivery	-	1,602	1,602
Repairs and maintenance	9,694	-	9,694
Software	-	108	108
Totals	<u>\$ 10,471</u>	<u>\$ 19,801</u>	<u>\$ 30,272</u>

See accompanying notes and independent accountants' review report.

IRVING LAKE ASSOCIATION, INC.
Statement of Functional Expenses
For The Year Ended December 31, 2023

Expenses	Program services	Supporting services	Totals
	Property owner services	Management and general	
Accounting	\$ -	\$ 650	\$ 650
Events	960	-	960
Insurance	-	2,874	2,874
Legal fees	-	2,564	2,564
Office supplies	-	485	485
Other professional services	-	3,400	3,400
Printing	-	57	57
Postage and delivery	-	832	832
Repairs and maintenance	5,696	-	5,696
Software	-	108	108
Website	-	448	448
Totals	<u>\$ 6,656</u>	<u>\$ 11,418</u>	<u>\$ 18,074</u>

See accompanying notes and independent accountants' review report.

IRVING LAKE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 19,917	\$ 57,906
Interest and dividends reinvested	(13,184)	(8,961)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	2,179	(16,586)
Increase (decrease) in accounts payable	81	(6,948)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,993</u>	<u>25,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments, net	-	(151,067)
Sales of investments, net	52,977	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>52,977</u>	<u>(151,067)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Increase) in restricted cash for property improvements	-	(53,500)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>-</u>	<u>(53,500)</u>
INCREASE (DECREASE) IN CASH	61,970	(179,156)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	51,168	230,324
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 113,138</u></u>	<u><u>\$ 51,168</u></u>

The accompanying notes are an integral part of these financial statements.

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – ASSOCIATION AND NATURE OF ACTIVITIES

Irving Lake Association, Inc. (the Association), a property owners association (POA), is a Texas not-for-profit corporation and located in Irving, Texas. The Association was established in December 1983. The Association's active board members are required to review all association details, including contact information for the board members, property manager, fees, maintenance requests, estoppel, complaints, rules and regulations, documents, and amenities. The Association's revenue primarily comes from property owner dues.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, prepaids, payables, refundable advances, and other liabilities. Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when incurred, irrespective of when paid. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Income Taxes

The Organization is required to file an annual *Form 1120, U.S. Corporation Income Tax Return*, with the Internal Revenue Service; file a franchise tax report with the State of Texas; and pay property taxes to the City of Irving, Texas. The Organization is in compliance with all federal, state, and local income tax filings as of December 31, 2024 and 2023.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with United States generally accepted accounting principles (GAAP) and include all accounts of the Association. For financial reporting purposes, the Association follows the reporting requirements of GAAP, which requires that resources be classified for accounting and reporting purposes based on the existence or absence of property owner-imposed restrictions. This is accomplished by the classification of net asset balances into two classes of net assets: without property owner restrictions and with property owner restrictions.

The Association accounts for its funding in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958)*, which establishes standards for external financial reporting by not-for-profit Associations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to property owner imposed restrictions. ASC Topic 958 requires that the Association distinguish between property owner dues received for each net asset category in accordance with property owner-imposed

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation, continued

restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Descriptions of the two net asset categories are as follows:

Without property owner restrictions – Net assets that are not subject to property owner-imposed restrictions.

With property owner restrictions – Net assets subject to property owner-imposed restrictions that will be met either by actions of the Association or the passage of time.

Property owner dues and other income are recorded when the revenue is earned, not when received. Property owners dues are recognized as revenue when earned and are recorded as net assets with property owner restrictions and net assets without property owner restrictions depending on the existence or nature of any property owner restrictions. When a property owner restriction expires, that is, when a stipulated time restriction ends or purpose of the property owner dues is accomplished, net assets with property owner restrictions are classified to net assets without property owner restrictions and reported in the statement of activities as net assets released from restrictions.

At December 31, 2024 and 2023, there were \$53,500 and \$53,500 net assets with property owner restrictions, respectively. At December 31, 2024 and 2023, net assets without property owner restrictions were \$247,622 and \$227,705, respectively, and have been designated to be used with the permission of the Board of Directors (the “Board”).

Fair Value of Financial Instruments

The Association’s financial instruments consisted of cash and cash equivalents, and accounts receivables. Accounts receivables are stated at approximately fair value. Cash and cash equivalents are stated at fair value.

Cash and Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents.

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts receivables

Accounts receivables consist of property owners dues as of December 31, 2024 and 2023. Almost all of the property owner dues receivables were collected in 2024 and 2025 and management believes that the remaining will be collected. Therefore, no allowance for uncollectable accounts was recorded.

Investments

Investments in marketable equity securities and all debt securities are recorded at fair value, which is based on quoted market prices or dealer quotes. Interest and dividends, realized gains and losses and unrealized gains and losses are reported under investment income on the statement of activities. Investments are exposed to certain market risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility in the capital markets, changes in the value of investment securities could occur in the near term, and those investment values could materially differ from the amounts reported in the financial statements.

Classification of Revenue and Expense

Operating activities include items which are directly related to the Association or are essential support elements of those programs. The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program activities and supporting services as shown in the statement of functional expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted 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.

Leases

The Association had no leases for the years ended December 31, 2024 and 2023.

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated based upon the amount expended on property owners services or management and general as shown in the statements of functional expenses. Expenses are recorded when incurred in accordance with accrual basis of accounting.

NOTE D – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, such as ongoing operations and expansion efforts were as follows:

	2024	2023
Cash and cash equivalents, total	\$ 166,638	\$ 104,668
Property owner dues receivables	14,407	16,586
Total financial assets, at year end	181,045	121,254
Less those unavailable for general expenditures within one year, due to:		
Restricted by property owners with purpose restriction	(53,500)	(53,500)
Financial assets available to meet cash needs for general expenditures within one year	\$ 127,545	\$ 67,754

Expenses for ongoing operations are covered by a combination of monthly property owner dues and other income. Average monthly revenue from operating income in 2024 and 2023 was \$3,097 and \$5,779. Average monthly expenses for ongoing operations in 2024 and 2023 were \$2,529 and \$1,694. Thus, average monthly revenue from operating income covered 122% of average monthly expenses in 2024 and 341% of average monthly expenses in 2023.

NOTE E – RESTRICTED CASH

In 2023, the Association assessed a special assessment fee on the property owners to raise funds to dredge the Irving Lake. The funds are held in a savings account with a financial institution and have been recorded by the Association as restricted cash and temporarily restricted net assets. The restricted cash was \$53,500 and \$53,500 for the years ended December 31, 2023 and 2024, respectively.

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – INVESTMENTS

Investments as of December 31, 2024 and 2023, consist of the following:

	<u>2024</u>	<u>2023</u>
Certificate of deposits	\$ 120,235	\$ 160,028
Total investments	<u><u>\$ 120,235</u></u>	<u><u>\$ 160,028</u></u>

Investment income for the years ended December 31, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Investment fees and expenses	\$ (-)	\$ (-)
Interest and dividends	13,184	8,961
Net unrealized gains and losses	-	-
Net realized gains and losses	-	-
Total investment income, net	<u><u>\$ 13,184</u></u>	<u><u>\$ 8,961</u></u>

Overall Investment Objective

The overall investment objective of the Association is to invest its assets in a prudent manner that will achieve a long-term rate of return while diversifying risk to an acceptable minimum level given the fluctuations of the markets. The funds are to be used for the Association's expenditures when needed and with Board approval.

NOTE G – FAIR VALUE MEASUREMENT

Investment Strategy

Cash equivalent investments include cash equivalents in a U.S. money market account and are valued based on quoted market prices in active markets. U.S. equity investments and global equity investments consists of investments in mutual and exchange traded funds and are valued based on quoted market prices in active markets. Real estate investments are in a real estate investment trust (REIT) that is not listed on a national securities exchange, and are generally illiquid, and if the Association was able to sell the securities, the price received may be less than the recorded value. The investments are managed by a professional wealth management company. The Association monitors the investment practices and investment results of the investment manager on a quarterly basis, if not daily.

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, ("ASC 820") provides the framework for measuring and reporting fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Those fair value measurements maximize the use of observable inputs.

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – FAIR VALUE MEASUREMENT, continued

The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quotes prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value hierarchy for the Association's financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2024:

<u>2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificate of deposits	\$ 120,235	\$ 120,235	\$ -	\$ -
Total investments	\$ 120,235	\$ 120,235	\$ -	\$ -

The following table presents the fair value hierarchy for the Association's financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2023:

<u>2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Certificate of deposits	\$ 160,028	\$ 160,028	\$ -	\$ -
Total investments	\$ 160,028	\$ 160,028	\$ -	\$ -

NOTE H – NET ASSETS

The Association's net assets for the years ended December 31, 2024 and 2023 were as follows:

<u>2024</u>		<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
Without restrictions	POA	\$ 227,705	\$ 19,917	\$ 247,622
With POA restrictions		53,500	-	53,500
	Totals	\$ 281,205	\$ 19,998	\$ 301,122

IRVING LAKE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE H – NET ASSETS, continued

<u>2023</u>		<u>Beginning Balance</u>	<u>Increase (Decrease)</u>	<u>Ending Balance</u>
Without	POA	\$ 223,299	\$ 4,406	\$ 227,705
restrictions				
With POA restrictions		-	53,500	53,500
	Totals	\$ 223,299	\$ 57,906	\$ 281,205

NOTE I – SUBSEQUENT EVENTS

FASB ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. That is, whether that date represents the date the financial statements were issued or were available to be issued. The Association has evaluated subsequent events for potential recognition and/or disclosure in these financial statements through December 19, 2025, the date that the financial statements were available to be issued.



P.O. Box 171111, Irving, Texas 75017-1111

www.lakevilbig.com

January 2, 2026

Dear ILA Members,

An independent accounting review was recently completed covering the Irving Lake Association's finances for 2023 and 2024. The purpose of this message is to share what that review shows and why it matters to all of us as homeowners.

The report indicates that the Association's financial records for multiple years required numerous accountant adjustments to reconcile. These adjustments included the reclassification of cash and investment accounts, corrections to revenue and expense categories, and the cleanup of balances that were not clearly tracked year-to-year. This means the books, as originally kept, did not accurately reflect the Association's financial position without professional correction.

The review also shows that in 2022 an accounts-receivable balance of approximately \$7,000 existed, which was later adjusted out of the records without documentation in the review explaining when or how it was collected, written off, or formally resolved. This represents a documented discrepancy that warrants further clarification.

In addition, the Association experienced significant net losses, particularly in 2023, followed by another loss in 2024, despite increased dues and special assessments during that period. The report also reflects rising legal and operating expenses, which contributed to the reduction of reserves.

Importantly, this accounting review demonstrates weak financial controls, insufficient oversight, and a lack of clear documentation over multiple years, all while under the watchful eye of an eight-member finance team. These conditions increase financial risk and are not consistent with best practices for homeowner association governance.

As members, we all share an interest in transparency, accountability, and protecting the long-term financial health of our community. The findings in this report underscore the importance of improved financial controls, clear recordkeeping, independent oversight, and responsible leadership going forward.

This information is being shared so members can make informed decisions and so the Association can move toward stronger, and with more transparent financial management.

Respectfully,
Irving Lake Association Board of Directors

2025 Board of Directors

Steve Martin
President

ILA.President.2@gmail.com

Daniel Hernandez
Vice President

ILA.1st.vice.president@gmail.com

Peter Kang
Vice President

ILA.2nd.vice.president@gmail.com

Angel Pilarski
Treasurer

ILA.Treasurer@gmail.com

Hanna Beauchamp
Secretary

ILA.Secretary@gmail.com

Dear Residents,

The Irving Lake Association Board of Directors would like to take a moment to **“Thank You”** for entrusting us with the leadership and stewardship of our community. Since our inception on **February 11, 2025**, a great deal has been accomplished — all with the goal of improving our neighborhood and fostering a stronger, more unified community.

We’re proud to share the following key achievements:

- **✓ Dredging Project Completed** – Over a decade long-standing initiative completed with a **cost savings of \$45,000**
- **✓ Cypress Cove Park Repairs Finalized** – Upgraded for more comfortable resident use
- **✓ Lake Water Testing Completed – Healthy Lake Status Confirmed** with a **cost savings of \$4,525**
- **✓ Revised ILA Website Launched** – A more user-friendly experience www.lakevilbig.com
- **✓ Delinquent Accounts Collected** – **75%** of past-due balances recovered
- **✓ Outstanding Association Bills Resolved**
- **✓ Increased Financial Transparency** – Monthly bank transactions posted on website and electronic payments instituted.
- **✓ Reduced Overall Association Expenses**
- **✓ "Yard of the Month" Program Reinstated** – Funded and supported
- **✓ Community Events Sponsored & Attended:**
 - Easter Egg Hunt
 - Casbeer Kids Fishing Classic
 - National Night Out
- **✓ Ongoing Commitment to Unity & Fairness** for ALL residents

We encourage everyone to stay informed by visiting the **Official ILA Website** regularly www.lakevilbig.com. All board activities, updates, and financial reports are posted there to ensure **full transparency**.

If you have **questions or concerns**, we kindly ask that you email your Board Members directly. We promise to respond **truthfully** and **promptly as appropriate**. Please note that **all inquiries and responses are shared publicly** on the website to keep communication open and accountable.

Lastly, we sincerely ask for your continued **prayers and support**. While we remain focused on serving our community, we have been the target of ongoing **criticism, harassment, and threats of litigation on unofficial social media platforms (e.g., Facebook)**, often led by former board members and their affiliates, which could ultimately lead to ILA funds being depleted, for unnecessary litigation. Please be aware that **we do not authorize, condone, endorse, or affiliate** with these outlets.

Thank you again for your trust and support. We hope to see you at the next annual membership meeting.

Gracefully submitted,

Your 2025 Irving Lake Association Board of Directors



TTI ENVIRONMENTAL
LABORATORIES

TEST REPORT

TTI Lab No: T019697

Customer ID: CK

PO #: N/A

Date Collected: 09/10/25

Date Received: 09/10/25

Date Reported: 09/24/25

Chan Kang
Chang Kang
1916 Pebblebrook Trail
Irving, TX 76060

Dear Chan Kang:

Please find the enclosed analytical results for the samples you submitted to TTI Environmental Laboratories.

The as-is-received samples were suitably preserved and prepared as per EPA approved methodology. The determinations were carried out using EPA approved methods. The test results are tabulated in the attached tables. The analytical data contained in these tables has undergone a thorough review and is deemed to be accurate and complete.

Everyone in our organization will work hard to earn your continued support. We appreciate the opportunity to do business with you and look forward to a growing relationship in the future.

Please do not hesitate to contact us, if we can be of any service to you or if you have any questions, at (817) 861-5322.

Hardy Pabley
Hardy Pabley, Operations



TTI ENVIRONMENTAL
LABORATORIES

Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

Client Sample ID

Lake Irving Sample

Laboratory ID

T019697-01

Matrix

Water

Sampled:

09/10/2025



Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

Sample ID: Lake Irving Sample
TTI Sample No.: T019697-01

Sampled Date: 09/10/2025

CLASSICAL CHEMISTRY PARAMETERS

ANALYTE	METHOD NUMBER	SDL	MQL	DF	SAMPLE RESULTS	UNITS	FLG	ANALYSIS DATE
Total Algae	SM10900B			1	0.00	col./ml	U	09/10/25
Chloride	SM4500-CL	0.0300	0.100	1	24.3	mg/L		09/18/25
Nitrate/Nitrite as N	EPA 300.0	0.03	0.10	1	2.26	mg/L		09/16/25
Nitrate as N	EPA 300.0	0.03	0.10	1	2.26	mg/L		09/16/25
Nitrite as N	EPA 300.0	0.03	0.10	1	< 0.03	mg/L	U	09/16/25
Total Plate Count	SM9230M	1	1	1	1625	col./100ml		09/10/25

TOTAL METALS

ANALYTE	METHOD NUMBER	SDL	MQL	DF	SAMPLE RESULTS	UNITS	FLG	ANALYSIS DATE
Arsenic	EPA 200.7	0.007	0.05	1	< 0.007	mg/L	U	09/16/25
Barium	EPA 200.8	0.003	0.05	1	0.044	mg/L	J	09/16/25
Cadmium	EPA 200.7	0.007	0.05	1	< 0.007	mg/L	U	09/16/25
Chromium	EPA 200.7	0.008	0.05	1	< 0.008	mg/L	U	09/16/25
Lead	EPA 200.7	0.009	0.05	1	< 0.009	mg/L	U	09/16/25
Mercury	EPA 245.1	0.0002	0.0002	1	< 0.0002	mg/L	U	09/12/25
Selenium	EPA 200.7	0.005	0.05	1	< 0.005	mg/L	U	09/16/25
Silver	EPA 200.7	0.006	0.025	1	< 0.006	mg/L	U	09/16/25



Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

CLASSICAL CHEMISTRY PARAMETERS - Quality Control
TTI ENVIRONMENTAL LABORATORIES

Analyte	Result	MDL	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 5091216 - Default Prep GenChem

Blank (5091216-BLK1)					Prepared: 09/17/25 Analyzed: 09/18/25						
Chloride	< 0.0300	0.0300	0.100	mg/L							U
LCS (5091216-BS1)					Prepared: 09/17/25 Analyzed: 09/18/25						
Chloride	10.2	0.0300	0.100	mg/L	10.0		102	80-120			
LCS Dup (5091216-BSD1)					Prepared: 09/17/25 Analyzed: 09/18/25						
Chloride	10.3	0.0300	0.100	mg/L	10.0		103	80-120	0.681	20	

Batch 5091218 - Default Prep GenChem

Blank (5091218-BLK1)					Prepared: 09/12/25 Analyzed: 09/16/25						
Nitrate as N	< 0.03	0.03	0.10	mg/L							U
Nitrate/Nitrite as N	< 0.03	0.03	0.10	"							U
Nitrite as N	< 0.03	0.03	0.10	"							U
LCS (5091218-BS1)					Prepared: 09/12/25 Analyzed: 09/16/25						
Nitrate as N	10.7	0.03	0.10	mg/L	10.0		107	80-120			
Nitrate/Nitrite as N	21.3	0.03	0.10	"	20.0		106	80-120			
Nitrite as N	10.6	0.03	0.10	"	10.0		106	80-120			
LCS Dup (5091218-BSD1)					Prepared: 09/12/25 Analyzed: 09/16/25						
Nitrate as N	10.7	0.03	0.10	mg/L	10.0		107	80-120	0.560	20	
Nitrate/Nitrite as N	19.9	0.03	0.10	"	20.0		99.3	80-120	7.00	20	
Nitrite as N	9.12	0.03	0.10	"	10.0		91.2	80-120	15.2	20	

Batch 5091231 - Default Prep GenChem

Blank (5091231-BLK1)					Prepared & Analyzed: 09/10/25						
Total Plate Count	< 1	1		1 col./100ml							U

Batch 5091232 - Default Prep GenChem

Blank (5091232-BLK1)					Prepared & Analyzed: 09/10/25						
Total Algae	0.00			col./ml							U
Duplicate (5091232-DUP1)					Source: T019697-01 Prepared & Analyzed: 09/10/25						
Total Algae	0.00			col./ml		0.00				200	U



Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

TOTAL METALS - Quality Control
TTI ENVIRONMENTAL LABORATORIES

Analyte	Result	MDL	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 5091004 - EPA 245.1/245.2 Prep

Blank (5091004-BLK1)					Prepared & Analyzed: 09/12/25						
Mercury	< 0.0002	0.0002	0.0002	mg/L							U
LCS (5091004-BS1)					Prepared & Analyzed: 09/12/25						
Mercury	0.0045	0.0002	0.0002	mg/L	0.00500		90.0	80-120			
LCS Dup (5091004-BSD1)					Prepared & Analyzed: 09/12/25						
Mercury	0.0051	0.0002	0.0002	mg/L	0.00500		102	80-120	12.5	25	
Matrix Spike (5091004-MS1)					Source: T019656-01		Prepared & Analyzed: 09/17/25				
Mercury	0.0054	0.0002	0.0002	mg/L	0.00500	<	108	70-130			
Matrix Spike Dup (5091004-MSD1)					Source: T019656-01		Prepared & Analyzed: 09/12/25				
Mercury	0.0053	0.0002	0.0002	mg/L	0.00500	<	106	70-130	1.87	25	

Batch 5091101 - EPA 200.7

Blank (5091101-BLK1)					Prepared: 09/11/25 Analyzed: 09/16/25						
Arsenic	< 0.007	0.007	0.05	mg/L							U
Barium	< 0.003	0.003	0.05	"							U
Cadmium	< 0.007	0.007	0.05	"							U
Chromium	< 0.008	0.008	0.05	"							U
Lead	< 0.009	0.009	0.05	"							U
Selenium	< 0.005	0.005	0.05	"							U
Silver	< 0.006	0.006	0.025	"							U
LCS (5091101-BS1)					Prepared: 09/11/25 Analyzed: 09/16/25						
Arsenic	1.059	0.007	0.05	mg/L	1.00		106	85-115			
Barium	0.9656	0.003	0.05	"	1.00		96.6	85-115			
Cadmium	1.037	0.007	0.05	"	1.00		104	85-115			
Chromium	1.062	0.008	0.05	"	1.00		106	85-115			
Lead	0.9969	0.009	0.05	"	1.00		99.7	85-115			
Selenium	1.011	0.005	0.05	"	1.00		101	85-115			
Silver	0.4744	0.006	0.025	"	0.500		94.9	85-115			
LCS Dup (5091101-BSD1)					Prepared: 09/11/25 Analyzed: 09/16/25						
Arsenic	1.072	0.007	0.05	mg/L	1.00		107	85-115	1.22	20	
Barium	0.9797	0.003	0.05	"	1.00		98.0	85-115	1.45	20	



Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

TOTAL METALS - Quality Control
TTI ENVIRONMENTAL LABORATORIES

Analyte	Result	MDL	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 5091101 - EPA 200.7

LCS Dup (5091101-BSD1)

Prepared: 09/11/25 Analyzed: 09/16/25

Cadmium	1.046	0.007	0.05	mg/L	1.00		105	85-115	0.864	20
Chromium	1.077	0.008	0.05	"	1.00		108	85-115	1.40	20
Lead	1.003	0.009	0.05	"	1.00		100	85-115	0.610	20
Selenium	1.022	0.005	0.05	"	1.00		102	85-115	1.08	20
Silver	0.4841	0.006	0.025	"	0.500		96.8	85-115	2.02	20

Matrix Spike (5091101-MS1)

Source: T019691-01

Prepared: 09/11/25 Analyzed: 09/16/25

Arsenic	1.071	0.007	0.05	mg/L	1.00	<	107	70-130		
Barium	0.9772	0.003	0.05	"	1.00	<	97.7	70-130		
Cadmium	1.041	0.007	0.05	"	1.00	<	104	70-130		
Chromium	1.075	0.008	0.05	"	1.00	<	108	70-130		
Lead	1	0.009	0.05	"	1.00	<	100	70-130		
Selenium	1.017	0.005	0.05	"	1.00	<	102	70-130		
Silver	0.3793	0.006	0.025	"	0.500	<	75.9	70-130		

Matrix Spike Dup (5091101-MSD1)

Source: T019691-01

Prepared: 09/11/25 Analyzed: 09/16/25

Arsenic	1.067	0.007	0.05	mg/L	1.00	<	107	70-130	0.374	20
Barium	0.9796	0.003	0.05	"	1.00	<	98.0	70-130	0.245	20
Cadmium	1.041	0.007	0.05	"	1.00	<	104	70-130	0.00	20
Chromium	1.084	0.008	0.05	"	1.00	<	108	70-130	0.834	20
Lead	0.9964	0.009	0.05	"	1.00	<	99.6	70-130	0.361	20
Selenium	1.015	0.005	0.05	"	1.00	<	102	70-130	0.197	20
Silver	0.425	0.006	0.025	"	0.500	<	85.0	70-130	11.4	20



Project Name: Lake Irving
Project No: N/A

TTI Lab No: T019697
Date Received: 09/10/2025
Date Reported: 09/24/2025

Notes and Definitions

U	Analyte included in the analysis, but not detected
J	Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference
SDL	Sample Detection Limit
MQL	Method Quantitation Limit
DF	Dilution Factor

Page 1 of 1
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