



# **GREEN LAKE ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Green Lake Association, Inc.  
Green Lake, Wisconsin

### Opinion

We have audited the accompanying financial statements of Green Lake Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Green Lake Association, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits 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 Green Lake Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Green Lake Association, Inc.'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 Green Lake Association, 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 Green Lake Association, 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.

A handwritten signature in cursive script that reads "Vesta".

Fond du Lac, Wisconsin  
February 18, 2026

**GREEN LAKE ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 2,890,286	\$ 1,991,920
Prepaid expenses	32,530	18,261
Endowment receivable	300,000	400,000
Accounts receivable	-	10,100
Grants receivable	22,005	18,750
Pledges receivable, net of discount and allowance of \$156,326 and \$313,179 for the years ended 2025 and 2024, respectively	2,109,364	2,543,057
Beneficial interest in assets held by Community Foundation	828,327	650,849
Operating lease right-of-use asset, net	195,602	210,940
Property and equipment, net	136,862	175,511
<b>Total Assets</b>	<u>\$ 6,514,975</u>	<u>\$ 6,019,388</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Accounts payable	\$ 25,637	\$ 27,432
Accrued expenses	62,833	58,106
Deferred revenue	37,500	-
Operating lease liability	201,916	214,886
<b>Total Liabilities</b>	<u>327,886</u>	<u>300,424</u>
<b>Net Assets:</b>		
Without donor restrictions	3,722,562	2,843,115
With donor restrictions	2,464,527	2,875,849
	<u>6,187,089</u>	<u>5,718,964</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,514,975</u>	<u>\$ 6,019,388</u>

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

**GREEN LAKE ASSOCIATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support:</b>						
Membership dues	\$ 64,500	\$ -	\$ 64,500	\$ 75,351	\$ -	\$ 75,351
Leadership contributions	135,267	-	135,267	147,428	-	147,428
Contributed nonfinancial assets	-	-	-	28,367	-	28,367
Grants	7,255	-	7,255	60,743	-	60,743
Program contribution	25,000	-	25,000	55,000	-	55,000
Fundraiser/contributions	980,132	736,100	1,716,232	664,807	1,984,720	2,649,527
Interest and dividend income	83,888	-	83,888	73,261	-	73,261
Return on beneficial interest in assets held by Community Foundation	-	97,460	97,460	-	41,831	41,831
Miscellaneous	-	-	-	100	-	100
Net assets released from restriction	1,244,882	(1,244,882)	-	1,127,999	(1,127,999)	-
Total Revenues, Gains and Other Support	2,540,924	(411,322)	2,129,602	2,233,056	898,552	3,131,608
<b>Expenses:</b>						
Program services	1,284,278	-	1,284,278	1,092,771	-	1,092,771
Management and general	65,489	-	65,489	34,336	-	34,336
Fundraising	311,710	-	311,710	281,098	-	281,098
Total Expenses	1,661,477	-	1,661,477	1,408,205	-	1,408,205
<b>Change in Net Assets</b>	879,447	(411,322)	468,125	824,851	898,552	1,723,403
<b>Net Assets:</b>						
Beginning of year	2,843,115	2,875,849	5,718,964	2,018,264	1,977,297	3,995,561
End of year	<u>\$ 3,722,562</u>	<u>\$ 2,464,527</u>	<u>\$ 6,187,089</u>	<u>\$ 2,843,115</u>	<u>\$ 2,875,849</u>	<u>\$ 5,718,964</u>

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

**GREEN LAKE ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2025**

	<b>Program Services</b>	<b>Management</b>	<b>Fundraising</b>	<b>Total</b>
Postage	\$ 5,146	\$ -	\$ 1,175	\$ 6,321
Telephone and internet	990	-	-	990
Rent	17,852	5,475	476	23,803
Insurance	18,391	-	-	18,391
Salaries	437,408	12,095	150,859	600,362
Payroll taxes	35,702	952	10,948	47,602
Employee benefits	68,980	24,857	-	93,837
Meetings and mileage	23,858	-	493	24,351
Office supplies, printing, and payroll service	41,651	91	1,975	43,717
Professional services - accounting	-	19,070	-	19,070
Professional services - graphic Design	1,811	64	5,148	7,023
Professional services - IT	5,095	-	-	5,095
Professional services - HR consultant	-	2,673	-	2,673
Dues and fees	24,554	165	12	24,731
Communication - annual meeting	8,058	-	-	8,058
Bad debt expense	10,100	-	-	10,100
Miscellaneous	7,792	47	201	8,040
Program - aqweed	1,000	-	-	1,000
Program - fish rearing	1,000	-	-	1,000
Program - community engagement	20,659	-	-	20,659
Phosphorus reduction	25,968	-	-	25,968
LMP phase 1 & 2	202,619	-	-	202,619
AIS prevention	4,409	-	-	4,409
Clean streams	254,667	-	-	254,667
Invader defense	5,454	-	-	5,454
Community discretionary	3,375	-	-	3,375
GLA initiatives	660	-	-	660
Gala	-	-	135,628	135,628
Professional fees	18,430	-	4,795	23,225
Depreciation	38,649	-	-	38,649
	<u>\$ 1,284,278</u>	<u>\$ 65,489</u>	<u>\$ 311,710</u>	<u>\$ 1,661,477</u>

**GREEN LAKE ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	<b>Program Services</b>	<b>Management</b>	<b>Fundraising</b>	<b>Total</b>
Postage	\$ 6,701	\$ -	\$ -	\$ 6,701
Telephone and internet	1,170	-	-	1,170
Rent	23,884	-	-	23,884
Insurance	15,150	-	-	15,150
Salaries	384,886	9,581	125,121	519,588
Payroll taxes	30,524	760	9,923	41,207
Employee benefits	49,357	1,285	8,768	59,410
Meetings and mileage	20,848	-	1,066	21,914
Office supplies, printing, and payroll service	17,562	-	543	18,105
Professional services - accounting	-	16,500	-	16,500
Professional services - graphic design	4,454	-	1,714	6,168
Professional services - HR consultant	-	5,870	-	5,870
Professional services - videography	4,100	-	-	4,100
Administrative expense: professional fees: legal	404	-	-	404
Administrative expense: office expansion/relocation	1,697	-	-	1,697
Dues and fees	18,962	62	-	19,024
Communication - annual meeting	7,708	-	-	7,708
Capital expenses	1,293	-	-	1,293
Bad debt expense	45,000	-	-	45,000
Miscellaneous	591	278	-	869
Program - aqweed	1,000	-	-	1,000
Program - fish rearing	1,000	-	-	1,000
Program - community engagement	23,552	-	-	23,552
Phosphorus reduction	50,481	-	-	50,481
LMP phase 1 & 2	163,642	-	-	163,642
AIS prevention	7,598	-	-	7,598
Clean streams	90,810	-	-	90,810
Invader defense	46,811	-	-	46,811
Community discretionary	371	-	-	371
GLA initiatives	29	-	-	29
Gala	28,367	-	129,258	157,625
Professional fees	8,400	-	4,705	13,105
Depreciation	36,419	-	-	36,419
	<u>\$ 1,092,771</u>	<u>\$ 34,336</u>	<u>\$ 281,098</u>	<u>\$ 1,408,205</u>

**GREEN LAKE ASSOCIATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 468,125	\$ 1,723,403
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Amortization of operating lease right-of-use asset	15,338	14,872
Depreciation	38,649	36,419
Bad debt expense	10,100	45,000
Return on beneficial interest in assets held by Community Foundation	(97,460)	(41,831)
Present value adjustment on pledges receivable	(111,853)	67,264
Effects of changes in operating assets and liabilities:		
Prepaid expenses	(14,269)	(9,451)
Endowment receivable	100,000	(158,528)
Accounts receivable	10,100	(10,100)
Grants receivable	(3,255)	23,500
Pledges receivable	535,447	(712,047)
Accounts payable	(1,795)	(4,728)
Accrued expenses	4,727	4,947
Deferred revenue	37,500	(13,493)
Operating lease liability	(12,970)	(12,504)
Net Cash Flows from Operating Activities	<u>978,384</u>	<u>952,723</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	-	(53,610)
Distribution of beneficial interest in assets held by Community Foundation	19,982	-
Purchase of beneficial interest in assets held by Community Foundation	(100,000)	(342,897)
Net Cash Flows from Investing Activities	<u>(80,018)</u>	<u>(396,507)</u>
<b>Net Change in Cash</b>	<b>898,366</b>	<b>556,216</b>
<b>Cash and Cash Equivalents:</b>		
Beginning of year	1,991,920	1,435,704
End of year	<u>\$ 2,890,286</u>	<u>\$ 1,991,920</u>

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

**GREEN LAKE ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Green Lake Association, Inc. is a nonprofit association and its purpose is to promote the conservation of Big Green Lake and its watershed.

Green Lake Association, Inc. (the “Association”) is on the accrual basis of accounting under which revenues are recognized when earned and expenses are recorded when they are incurred. Other contributions from members are recognized when received.

**Cash and Cash Equivalents**

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

**Accounts Receivable**

Accounts receivable are stated as unpaid balances, less an allowance for credit losses that reflects management's best estimate of current expected credit losses. The Association provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of grantors or purchasers of services to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Management has determined that the allowance for credit losses is \$0 at December 31, 2025 and 2024.

**Contributions, Grants, Endowment and Pledges Receivable**

Contributions, grants, endowment and pledges receivable are recognized as contribution revenue in the period promised and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Pledges receivable are recognized only when the conditions on which they depend are substantially met.

Pledges receivable that are to be received in one year or less are reported at net realizable value. Pledges receivable that are to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value at a risk-adjusted rate. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors. Management has determined that the allowance for doubtful accounts is \$0 and \$45,000 at December 31, 2025 and 2024, respectively.

**Fair Value Measurements**

In accordance with accounting standards, the Association defines fair value as the exchange price (an exit 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 at the measurement date. Accounting standards establish a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Fair Value Measurements – Continued**

The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

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. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

**Property and Equipment**

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation for financial statement purposes has been computed using a straight-line method over estimated service lives as listed below.

Equipment	5-10 years
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**Leases**

A lease is defined as a contract that conveys controls of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction based on FASB ASC 842, *Leases*. By definition, a short-term lease has a maximum term of 12 months or less and does not include a purchase option that the lease is reasonably certain to exercise. The Association has elected not to apply ASC 842 to short-term leases. Lease payments are recognized as operating expense straight-line over the lease term.

**Right-of-Use Leased Assets and Liabilities**

Right-of-use leased assets and the related liabilities are recognized at the lease commencement date and represent the Association's right to use an underlying asset and lease obligations for the lease term. Right-of-use assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

**GREEN LAKE ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Net Assets**

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) restrictions.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are 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 that 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 resource was restricted has been fulfilled, or both.

**Public Support and Revenue**

All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Revenue received in the form of grants is considered a contribution if the resource provider does not receive commensurate value in exchange for the asset transferred, if the value received is incidental to the potential public benefit to be provided by using the assets, if the Association will plan and carry out the activity specified by the grant, and if it has the right to the benefits of carrying out that activity. A grant is considered an exchange transaction if the potential public benefit to be derived from the activity is secondary to the potential benefit received by the resource provider.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Liquidity and Availability of Resources**

The Association is responsible for the development and management of the Association's liquidity policy. This includes but is not limited to: monitoring available funding to pay all expenses in a timely manner (operational funding as well as funding for capital expenditures, emergency situations, opportunities for growth and expansion, and developing and monitoring a balanced budget). The Association is responsible for developing and maintaining board-designated reserve accounts which can all be used to meet operational needs through a simple board resolution, if desired.

**GREEN LAKE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025 AND 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Liquidity and Availability of Resources – Continued**

The Association has two endowments, both held and managed under a single fund by the Oshkosh Area Community Foundation. Income from the 'General Operating' endowment is available annually based on the spending policy of either the fund or the Foundation, with requirements monitored by the Community Foundation. Similarly, income from the 'Educational' endowment is also available each year under the same spending policy guidelines and oversight.

The Association receives significant contributions each year from its members and from grant funding. These contributions allow the Association to meet annual cash needs for general expenditures. The Association strives to maintain liquid financial assets sufficient to cover at least 180 days of general expenditures and to maintain a checking account and money market with a balance generally sufficient to pay 30 days of general expenditures.

**Functional Expense Allocations**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributed to program services, management, or fundraising. General ledger accounts that can be directly attributed to either category is assigned to either category. Payroll related accounts are allocated based on where employees spend their time. All other general accounts that cannot be directly allocated to either category is allocated based on the discretion of management.

**Revenue Recognition**

The Association recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Accordingly, revenue is recognized when services are rendered in an amount that reflects the consideration to which the Association expects to be entitled in exchange for the goods or services.

The Association satisfies a performance obligation by transferring services to the customers which is satisfied over the performance period on a straight-line basis. See Note H of the Notes to Financial Statements for information regarding the Association's revenue recognition practices.

**Deferred Revenue**

Deferred revenue represents grant funds received in advance for which the related requirements have not yet been met. These amounts are recognized as revenue when the applicable grant conditions are satisfied or the eligible expenditures are incurred. The Association's deferred revenue was \$37,500 and \$0 as of December 31, 2025 and 2024, respectively.

**Contributed Nonfinancial Assets**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Association.

Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as contributed support are offset by a like amount included in expenses.

**GREEN LAKE ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2025 AND 2024**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Income Taxes**

The Association is a not-for-profit Association that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (vi). The Association is subject to a tax on income from unrelated business.

The Association has evaluated tax positions taken for filing with the Internal Revenue Service and all state tax jurisdictions where it operates. The Association believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Association’s financial condition, results of operations or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2025 and 2024.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**NOTE B – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure, that is, without donor-imposed or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	<u>2025</u>	<u>2024</u>
Financial assets, at year end	\$ 6,149,981	\$ 5,614,676
Less those unavailable for general expenditure within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	54,000	-
Earnings restricted by donor with time restrictions	128,327	51,271
Restricted by donor with time restrictions	1,582,200	2,225,000
Not subject to appropriation or expenditure	<u>700,000</u>	<u>600,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,685,454</u>	<u>\$ 2,738,405</u>

**GREEN LAKE ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2025 AND 2024**

**NOTE C – PLEDGES RECEIVABLE**

Pledges receivable consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Capital Campaign	<u>\$ 2,109,364</u>	<u>\$ 2,543,057</u>
Receivable in less than one year	\$ 983,490	\$ 1,031,236
Receivable in one to five years	<u>1,282,200</u>	<u>1,825,000</u>
	2,265,690	2,856,236
Less discount to present value	156,326	268,179
Less allowance for doubtful promises to give	-	45,000
	<u>\$ 2,109,364</u>	<u>\$ 2,543,057</u>

Pledges receivable more than one year are discounted at 3.79% and 4.18% for the years ended December 31, 2025 and 2024, respectively.

**NOTE D – BENEFICIAL INTEREST HELD BY THE COMMUNITY FOUNDATION AND ENDOWMENT**

**Endowed Beneficial Interest in Assets Held by Community Foundation**

The Association has established two funds at the Oshkosh Area Community Foundation. The Foundation invests the assets held in the fund. The income and principal may be distributed as follows:

Green Lake Association, Inc. General Operations Fund – The Foundation may annually distribute to the Association, the net income, after deducting expenses of administering the fund, according to the spending policy of the Foundation. Distributions are to be used for the operations of the Association. None of the principal in the fund may be distributed except that all or a portion of the principal in the fund may be distributed to the Association, as approved in writing by two-thirds of the members of the governing body of the Association and a majority of the Board of Governors of the Foundation.

Green Lake Association, Inc. Education Fund – The Foundation may annually distribute to the Association, the net income, after deducting expenses of administering the fund, according to the spending policy of the Foundation. Distributions are to be used for education initiatives for the Association. None of the principal in the fund may be distributed except that all or a portion of the principal in the fund may be distributed to the Association, as approved in writing by two-thirds of the members of the governing body of the Association and a majority of the Board of Governors of the Foundation.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of Directors of the Association has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds and any subsequent gift amounts. As a result of this interpretation, the Association retains perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by WUPMIFA.

**GREEN LAKE ASSOCIATION, INC.  
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**NOTE D – BENEFICIAL INTEREST HELD BY THE COMMUNITY FOUNDATION AND ENDOWMENT –**  
Continued

In accordance with WUPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Association and the donor restricted endowment fund,
- The possible effect of inflation and deflation,
- Other resources of the Association
- The investment policies of the Association
- The expected total return from income and the appreciation of investments, and
- General economic conditions.

**Endowment Net Asset Composition by Type of Fund as of December 31:**

	<u>2025</u>	<u>2024</u>
	<u>With Donor Restrictions</u>	<u>With Donor Restrictions</u>
Beneficial interest in Community Foundation		
General Operating Endowment	\$ 610,464	\$ 551,271
Educational Endowment	217,863	99,578
	<u>\$ 828,327</u>	<u>\$ 650,849</u>

**Changes in Endowment Net Assets for the Years Ended December 31:**

	<u>2025</u>		
	<u>Net Assets With Donor Restrictions</u>		
	<u>General Operating Endowment</u>	<u>Educational Endowment</u>	<u>Total</u>
Endowed beneficial interest, beginning of year	\$ 551,271	\$ 99,578	\$ 650,849
Contributions	-	100,000	100,000
Disbursements	(19,982)	-	(19,982)
Return on beneficial interest:			
Unrealized gains/(loss)	54,218	10,915	65,133
Realized gains	15,204	4,411	19,615
Investment income	15,007	4,202	19,209
Administrative fees	(5,254)	(1,243)	(6,497)
Net return on beneficial interest	<u>79,175</u>	<u>18,285</u>	<u>97,460</u>
Endowed beneficial interest, end of year	<u>\$ 610,464</u>	<u>\$ 217,863</u>	<u>\$ 828,327</u>

**GREEN LAKE ASSOCIATION, INC.  
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**NOTE D – BENEFICIAL INTEREST HELD BY THE COMMUNITY FOUNDATION AND ENDOWMENT –**  
 Continued

	<b>2024</b>		
	<b>Net Assets With Donor Restrictions</b>		
	<b>General Operating Endowment</b>	<b>Educational Endowment</b>	<b>Total</b>
Endowed beneficial interest, beginning of year	\$ 266,121	\$ -	\$ 266,121
Contributions	242,897	100,000	342,897
Return on beneficial interest:			
Unrealized gains	13,780	(3,372)	10,408
Realized gains	19,912	888	20,800
Investment income	13,527	2,294	15,821
Administrative fees	(4,966)	(232)	(5,198)
Net return on beneficial interest	42,253	(422)	41,831
Endowed beneficial interest, end of year	<u>\$ 551,271</u>	<u>\$ 99,578</u>	<u>\$ 650,849</u>

**Funds with Deficiencies**

The educational endowment fund had deficiencies of \$0 and \$422 for the years ended December 31, 2025 and 2024, respectively. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the initial investment in the fund. The general operating endowment had no such deficiencies for the years ended December 31, 2025 and 2024, respectively.

**Return Objectives and Risk Parameters**

The Association has adopted the investment and spending policies of the Community Foundation where the endowment assets are held that attempt to provide a predictable stream of available funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under agreements with the Community Foundation, as approved by the Board of Directors, the endowment assets held are invested in a manner that is intended to produce results benchmarked on appropriate market indices based on the level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation shall make distributions from the endowment fund in accordance with an adopted spending policy approved by the Foundation’s Board of Directors. The Foundation’s spending policy is reviewed annually, and the Foundation’s Board of Directors approves the spending rate for the following fiscal year. The spending rate generally permits the Association to spend four to five percent annually. The Association monitors the spending of endowment assets and makes requests for distributions, if necessary. No distributions are made if endowment assets fall below specified amounts.

**GREEN LAKE ASSOCIATION, INC.  
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**NOTE E – FAIR VALUE MEASUREMENTS**

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds – Valued at the net asset value (NAV) of shares on the last trading day of the year, which is the basis for transactions at that date.

Beneficial interests in assets held by Community Foundation are valued by the respective Community Foundation as a pro-rata share of the investment pool held by the Foundation. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Association’s beneficial interest at fair value as of December 31:

	<b>2025</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in Community Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,327</u>	<u>\$ 828,327</u>

  

	<b>2024</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in Community Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650,849</u>	<u>\$ 650,849</u>

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2025 and 2024.

Information regarding the changes in the fair value of the Association’s Level 3 investment as of December 31:

	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 650,849	\$ 266,121
Contributions	100,000	342,897
Disbursements	(19,982)	-
Net gains, realized and unrealized included in change in net assets, net of fees	97,460	41,831
End of year	<u>\$ 828,327</u>	<u>\$ 650,849</u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 260,831	\$ 260,831
Less accumulated depreciation	123,969	85,320
	<u>\$ 136,862</u>	<u>\$ 175,511</u>

**GREEN LAKE ASSOCIATION, INC.  
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**NOTE G – NET ASSET RESTRICTIONS**

The Association’s net asset with donor restrictions are subject to the following restrictions at December 31:

	<u>2025</u>	<u>2024</u>
<b>Subject to purpose restriction:</b>		
Phase 3 of Green Lake management plan	\$ 25,000	\$ -
Lake Ball 2026	<u>29,000</u>	<u>-</u>
Total subject to purpose restriction	54,000	-
<b>Subject to time restriction:</b>		
Pledge receivable	1,282,200	1,825,000
Endowment receivable	<u>300,000</u>	<u>400,000</u>
Total subject to time restriction	1,582,200	2,225,000
<b>Endowments:</b>		
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
General operating	110,464	51,271
Educational program (underwater endowment)	<u>17,863</u>	<u>(422)</u>
Total endowments	128,327	50,849
<b>Perpetual in nature, not subject to spending policy or appropriation:</b>		
Beneficial interest to be used as endowment in perpetuity	<u>700,000</u>	<u>600,000</u>
<b>Total net assets with donor restrictions</b>	<u>\$ 2,464,527</u>	<u>\$ 2,875,849</u>

**NOTE H – REVENUE FROM CONTRACTS WITH CUSTOMERS**

In accordance with Topic 606, the Association accounts for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party’s rights can be identified, payment terms can be identified, the contract has commercial substance, and it is probable that the Association will collect substantially all of the consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised product or service to a customer.

The Association generates revenue from the following primary activity:

- Membership dues - promote the conservation of Big Green Lake and its watershed

Membership dues performance obligations are stand-ready and satisfied over time. Dues are renewed annually and include multiple distinct performance obligations, including access to the Association’s annual meeting and opportunity to take part in programmatic and volunteer opportunities throughout the year during the membership period.

**GREEN LAKE ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE H – REVENUE FROM CONTRACTS WITH CUSTOMERS – Continued**

Disaggregation of Revenue

The table below presents net sales disaggregated by timing of revenue recognition and segment:

<b>Segments</b>	<b>2025</b>	<b>2024</b>
	<b>Memberships</b>	<b>Memberships</b>
Timing of revenue recognition		
Services transferred over time	\$ 64,500	\$ 75,351

Opening and Closing Balance of Accounts Receivable

The following table provides information about accounts receivable balance:

	<b>At December 31, 2025</b>	<b>At December 31, 2024</b>	<b>At January 1, 2024</b>
Accounts receivable	\$ -	\$ 10,100	\$ -

Practical Expedients

The Association has elected to apply the following practical expedients when determining revenue from contracts with customers and capitalization of related costs:

- The Association has elected to not adjust revenue for the effects of a significant finance component when the timing difference between receipt of payment and recognition of revenue is less than one year.
- The Association has elected to expense incremental costs to obtain a contract when the amortization period of the related asset is expected to be less than one year.

**NOTE I – CONTRIBUTED NONFINANCIAL ASSETS**

For the year ended December 31, 2025 there was no contributed nonfinancial assets recognized within the statements of activities. For the year ended December 31, 2024, contributed nonfinancial assts recognized within the statements of activities include:

	<b>Revenue Recognized</b>	<b>2024 Utilization in Programs/activities</b>
Research services	\$ 27,000	Program
Winterize Boat Motor	1,367	Program
	\$ 28,367	

The Association used the following valuation techniques and inputs to recognize contributed nonfinancial assets:

Wintered Boat Motor – valued at the estimated fair value based on market rates for similar items.

Research services – value the research organization would have charged them had the services not been donated.

For the years ended December 31, 2025 and 2024, there was no donor restrictions on any of the contributed nonfinancial assets received.

**GREEN LAKE ASSOCIATION, INC.**  
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**NOTE J – SHORT-TERM LEASES**

The Association rented a storage shed for the years ended December 31, 2025 and 2024 in the amount of \$960, which included the security deposit. The terms of the lease is on a month-to-month basis. In July 2025 the Association entered into a lease agreement for one additional office space on a year-to-year basis paying \$262 with a lease term through June 30, 2026, converting to a month-to-month arrangement thereafter, and subject to a 3% annual rent increase. For the year ended December 31, 2025 total amount charged to operations were \$1,572.

**NOTE K – OPERATING LEASES**

In May 2023 the Association signed two operating lease agreements of six office suites that are located in the City of Green Lake, Wisconsin. The term of those lease agreements is three years and expire in April 2026. The Association has the option to extend the leases for two additional terms of five years each commencing at the expiration of the initial lease term. The lease payments are \$1,713 per month for the first three years, increase to \$1,884 per month for years 4-8, and increase to \$2,055 per month for years 9-13. Total lease payments charged to operations were \$22,924 and \$20,556 for the years ended December 31, 2025 and 2024, respectively.

The discount rates are based on the discount rates implicit in the lease, if applicable. The Association has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the equipment and leasehold improvements classes of assets.

The Association also elected the practical expedient to not separate lease and non-lease components for building leases.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years for operating lease	10.33	11.33
Weighted-average discount rate for operating lease	3.66%	3.66%

The following table summarizes the supplemental cash flow information for the year ended December 31:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 20,556	\$ 22,923

The following table summarizes the classification in the statements of financial position for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Current		
Operating lease liabilities - current operating lease liabilities	\$ 14,840	\$ 12,970
Noncurrent		
Operating lease liabilities - operating lease liabilities	<u>187,076</u>	<u>201,916</u>
Total lease liabilities	<u>\$ 201,916</u>	<u>\$ 214,886</u>

**GREEN LAKE ASSOCIATION, INC.**  
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**NOTE K – OPERATING LEASES – Continued**

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2025:

	2026	\$ 21,924
	2027	22,608
	2028	22,608
	2029	22,608
	2030	22,608
	Thereafter	<u>130,836</u>
	Total undiscounted cash flows	243,192
	Less: present value discount	<u>(41,276)</u>
	Total lease liabilities	<u><u>\$ 201,916</u></u>

**NOTE L – EMPLOYEE BENEFIT PLANS**

The Association provides a SIMPLE Retirement Plan for employees who received at least \$5,000 in compensation. The Association matches employee’s contributions up to 3% of compensation. The Association contributed \$15,459 and \$14,620 for the years ended December 31, 2025 and 2024, respectively.

The Association provides a medical reimbursement plan for full time employees. The Association contributed \$23,372 and \$21,789 to the plan for the years ended December 31, 2025 and 2024, respectively.

**NOTE M – SIGNIFICANT CONCENTRATIONS**

Generally accepted accounting principles require disclosure of information about current vulnerabilities due to certain concentrations. The Association received approximately 14% of its support from one donor and 45% of its support from three donors for the year ended December 31, 2025 and 2024, respectively.

**NOTE N – SUBSEQUENT EVENTS**

The Association has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through February 18, 2026, the date on which the financial statements were available for issuance.