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Board of Directors
Independent Lubricant Manufacturers Association and Affiliate
Alexandria, Virginia

We have audited the consolidated financial statements of Independent Lubricant Manufacturers Association and Affiliate (ILMA) as of and for the year ended December 31, 2023, and have issued our report thereon dated May 10, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated January 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ILMA are described in Note 1 to the consolidated financial statements.

As described in Note 1, ILMA adopted Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* during the year ended December 31, 2023 using the modified-retrospective transition method. The adoption of this standard did not have a material impact on ILMA's consolidated financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the consolidated 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 consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidated financial statements were:

- Management's estimate of the allowance for credit losses is based on an analysis of the collectability of individual accounts using historical loss experience, current economic conditions, and economic indicators. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

- Management's estimate of depreciation is based on the estimated useful lives of the property and equipment. We evaluated the key factors and assumptions used to compute depreciation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

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- Management's estimate of the functional allocation of expenses shared between programs, management and general is based on a reasonable and consistent basis using timesheets for direct payroll allocation. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the consolidated financial statements taken as a whole.

Financial statement disclosures

Certain consolidated financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive consolidated financial statement disclosures.

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

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

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

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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

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 consolidated financial statements taken as a whole.

Disagreements with management

For purposes of this communication, 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 consolidated financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated May 10, 2024.

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 entity’s consolidated financial statements or a determination of the type of auditors’ 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.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Supplementary information in relation to the consolidated financial statements as a whole

With respect to the consolidating statements of financial position and the consolidating statements of activities (collectively, the supplementary information) accompanying the consolidated financial statements, on which we were engaged to report in relation to the consolidated financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. We have issued our report thereon dated May 10, 2024.

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This communication is intended solely for the information and use of the Board of Directors and management of ILMA and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
May 10, 2024

SUMMARY OF UNCORRECTED MISSTATEMENTS
Independent Lubricant Manufacturers Association
Year Ended December 31, 2023

UNCORRECTED MISSTATEMENTS OF AMOUNTS	**Effect of misstatements on:**			
Description	**Assets**	**Liabilities**	**Net Assets**	**Change in Net Assets**
Equipment lease excluded from ASC 842 accounting	$ 20,145	$ (20,145)	$ -	$ -
Subtotals	20,145	(20,145)	-	-
Income tax effect				
Net current year misstatements (Iron Curtain Method)	20,145	(20,145)	-	-
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	$ 20,145	$ (20,145)	$ -	$ -
Financial statement totals	$ 8,550,126	$ (1,486,561)	$ (7,063,565)	$ (1,197,281)
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	1%		
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	1%		