



# Management Letter

## White Bear Lake Area Hockey Association Lawful Gambling Fund

White Bear Lake, Minnesota

For the year ended April 30, 2022



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October 31, 2022

Board of Directors and Members of the  
White Bear Lake Area Hockey Association  
Lawful Gambling Fund  
White Bear Lake, Minnesota

We have audited the financial statements of the White Bear Lake Area Hockey Association Lawful Gambling Fund (the Association) as of and for the year ended April 30, 2022 and have issued our report thereon dated October 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 8, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Internal Controls over Financial Reporting**

In planning and performing our audit of the financial statements of the Association as of and for the year ended April 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 3 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the change in accounting for inventory to the cash basis. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## **Difficulties Encountered in Performing the Audit**

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

## **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit

## **Disagreements with Management**

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

## **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated October 31, 2022.

## **Management Consultations with Other Independent Accountants**

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

## **Issues Discussed Prior to Retention of Independent Auditors and Other Audit Findings**

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

A test of Bingo paper revealed that a Bingo paper serial number reported in Bingo game documentation did not match the serial number of the Bingo paper reported elsewhere in internal inventory systems. Bingo paper played must be correctly recorded and records must be maintained of paper played. We recommend checking to ensure that Bingo paper reported in game documentation matches internal inventory records and Bingo paper actually played.

## **Other Information in Documents Containing Audited Financial Statements**

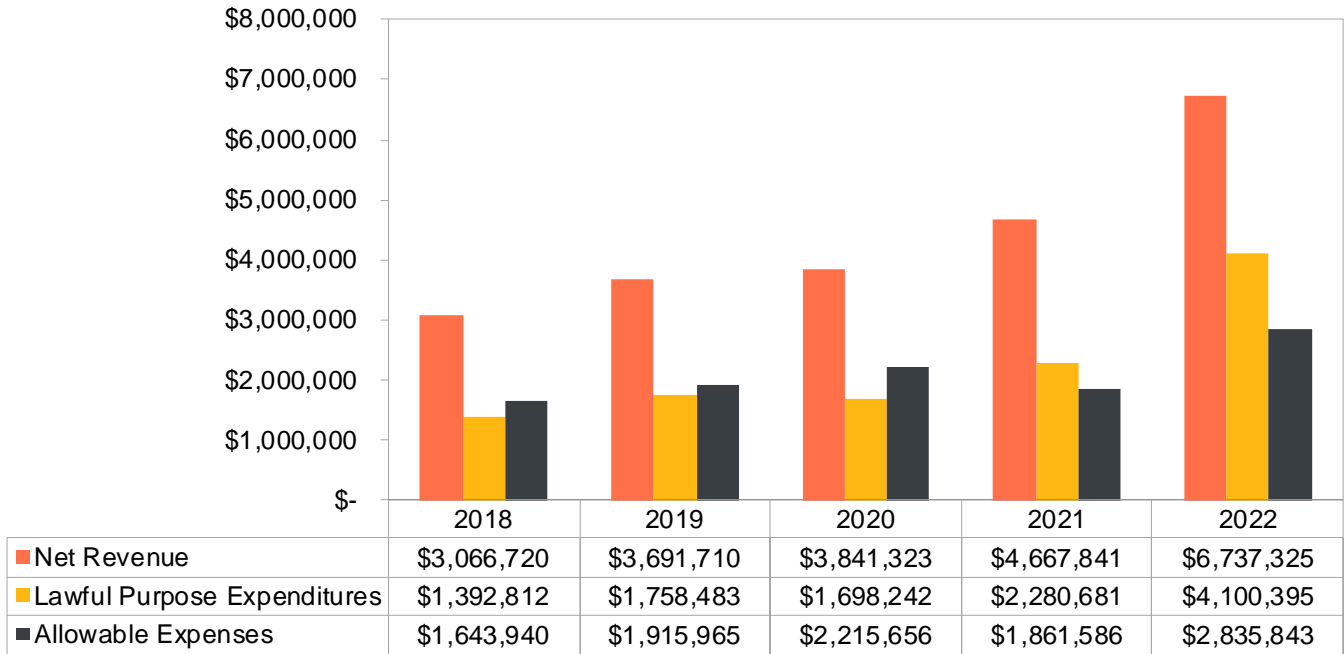
With respect to the supplementary information accompanying the financial statements - regulatory basis, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Department of Revenue of the State of Minnesota "regulatory basis," the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements - regulatory basis. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements - regulatory basis or to the financial statements themselves.

The financial statements - regulatory basis include a compliance checklist completed based on information provided by management. As part of obtaining reasonable assurance about whether the financial statements - regulatory basis are free of material misstatement, we completed the Regulatory Checklist Questionnaire that is attached to a report on the checklist. The objective of our audit of the financial statements - regulatory basis was not to provide an opinion on compliance with such provisions. Accordingly, we did not express an opinion on compliance.



**Summary of Operations**

The following graph summarizes the results of operations for the past four years.



\* \* \* \* \*

This report is intended solely for the information and use of the management, others within the Association and the State of Minnesota and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

*Abdo*

**Abdo**  
 Minneapolis, Minnesota  
 October 31, 2022

