



# Executive Governance Summary

## White Bear Lake Area Hockey Association Gambling Fund

White Bear Lake, Minnesota

For the year ended April 30, 2024



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October 15, 2024

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

We have audited the financial statements of the White Bear Lake Area Hockey Association Gambling Fund (the Association) as of and for the year ended April 30, 2024 and have issued our report thereon dated October 15, 2024. 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 April 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **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 15, 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 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.

Through the course of the audit, we came across items not considered a significant deficiency or material weakness, but we thought would be beneficial to the Association. Our principal observations and recommendations are summarized below. These recommendations resulted from our observations made in connection with our audits of the Association's financial statements for the year ended April 30, 2024. We did identify one deficiency in internal control over financial reporting. We consider finding 2024-001 to be a significant deficiency in internal control over financial reporting.

<u>Finding</u>	<u>Description</u>
<b>2024-001</b>	<b>Ending Inventory Variance</b>
<i>Condition:</i>	During our audit we reconciled the inventory balance and cost of games played for the year ended 6/30/2024. The Association did not have adequate documentation to support the ending inventory of pulltab and paddle ticket games.
<i>Criteria:</i>	The Association had difficulties with Charitable Gambling Made Easy (CGME) carryover and difficulties accessing historical information.
<i>Cause:</i>	During our reconciliation of inventory, it was noted that there was an issue revolving around the transfer of information into CGME.
<i>Effect:</i>	The Association had a variance in the ending inventory of 9 pulltab games and 4 paddle ticket games.
<i>Recommendation:</i>	We recommend the Association follow and implement internal controls around document retention and accurate representation of games counts.

### *Managements Response:*

It was noted by Kevin that there was an issue when the Association transferred information into CGME in December, which caused differences in the annual count versus the recalculation performed.

## Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions. We noted no instances of noncompliance with Minnesota Statutes.



## **Other Matters**

Our principal observations and recommendations are summarized below. These recommendations resulted from our observations made in connection with our audit of the Association's financial statements for the year ended April 30, 2024.

### ***Required Identification***

In a few instances during our audit of the Association, we noted prize receipts that were missing information required by the Minnesota Gambling Manual. Some missing items included clear driver license imprints and missing driver license ID numbers on prize receipts. We recommend that the Association review its procedures for completing prize receipts and ensure all gambling employees are aware of rules regarding the prize receipt form.

### ***Defacing of Prize Tickets***

In an instance during our audit of the Association, we noted that a winning pull tab ticket had not been defaced. We recommend that the Association review its procedures for defacing winning tickets and make sure all gambling employees are made aware of the rules regarding the defacing of prize tickets.

### ***Late Deposits***

In one instance during our audit of the Association, we noted that the date of deposit was more than four days after the date of removal of the pull tab from pay. We recommend the Association ensures that they are following the correct guidelines when it comes to the deposit and removal date.

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

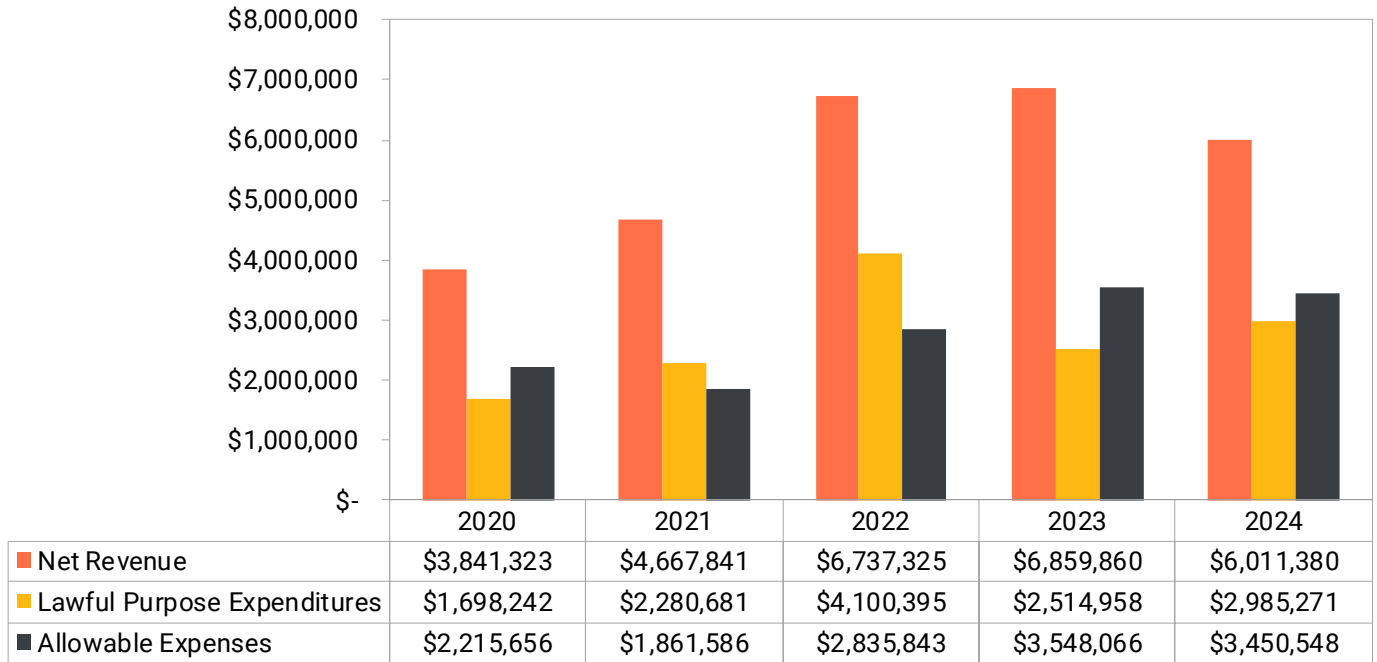
With respect to the supplementary information accompanying the financial statements - regulatory basis, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Department of Revenue of the State 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 five years.



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This report is intended solely for the information and use of the management, others within the Association and for filing with the Minnesota Revenue and Minnesota Gambling Control Board 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**  
 Minneapolis, Minnesota  
 October 15, 2024

