



# Executive Governance Summary

## White Bear Lake Area Hockey Association Gambling Fund

White Bear Lake, Minnesota

For the year ended April 30, 2025



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October 13, 2025

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, 2025 and have issued our report thereon dated October 13, 2025. 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 17, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements of the Association for the year ended April 30, 2025, we considered the Association's system of 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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 Association's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Association's internal control to be material weaknesses.

| <u>Finding</u>         | <u>Description</u>  |
|------------------------|---|
| <b>2025-001</b>        | <b>Material Prior Period Adjustment</b>   |
| <i>Condition:</i>      | During our audit, material adjustments were noted to correct prior period balances. Significant accounts affected include cash, program expenditures, and allowable expenses.                               |
| <i>Criteria:</i>       | Old outstanding checks should be regularly reviewed, and all payments properly validated and assessed for collectability.   |
| <i>Cause:</i>          | As part of a Gaming Control Board (GCB) audit, several outstanding checks dating back to the year ended June 30, 2024, were identified. These checks were subsequently written off the current fiscal year. |
| <i>Effect:</i>         | Adjustments made to correct prior period transactions resulted in a material misstatement of the prior period financial statements.   |
| <i>Recommendation:</i> | We recommend the Association implement internal controls to ensure timely review outstanding checks and regular monitoring of aged items.   |

| <u>Finding</u>         | <u>Description</u>   |
|------------------------|--|
| <b>2025-002</b>        | <b>Beginning Inventory Variance</b>  |
| <i>Condition:</i>      | During our prior year audit for the year ended April 30, 2024, we noted that the Association lacked adequate documentation to support the ending inventory of pull tab games. As a result, the current year audit provided a resolution to last year's game variance, resulting in a restatement of the beginning balance for inventory. |
| <i>Criteria:</i>       | The Association had difficulties with Charitable Gambling Made Easy (CGME) carryover and difficulties accessing historical information in the prior year resulting in a variance in the ending inventory of pull tab games.  |
| <i>Cause:</i>          | During our reconciliation of inventory, it was noted that there was an issue revolving around the transfer of information into CGME in the prior year.   |
| <i>Effect:</i>         | The Associate had a restatement in beginning balance inventory from 310 to 318 pull tab 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, which caused differences in the annual count versus the recalculation performed.

**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. We noted no transactions entered into by the Association 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.

The disclosures in the financial statements are neutral, consistent, and clear.

**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 13, 2025.

## **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.

## **Other Audit Findings or Issues**

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.

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, 2025.

### ***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.

### ***Missing Flare***

In one instance during our audit of the Association, we noted that the flare was not present. We recommend the Association ensures compliance with the correct guidelines on the retention of flare.

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

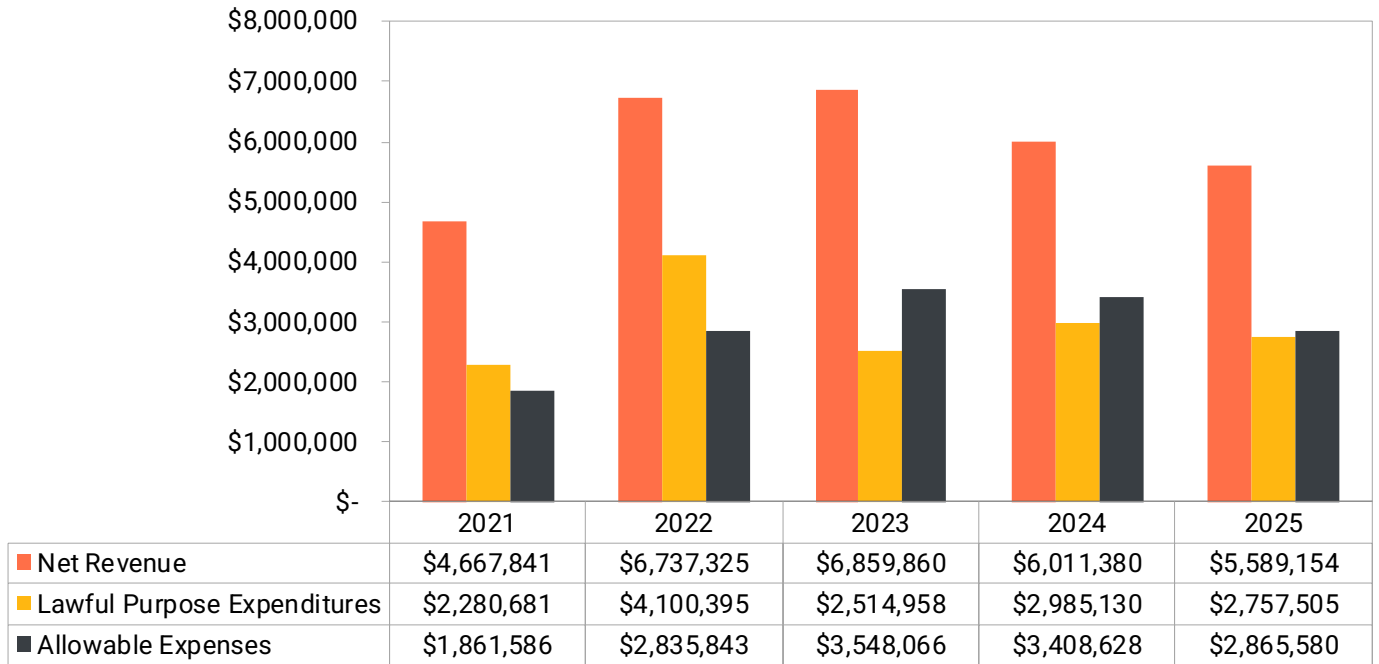
With respect to the supplementary information accompanying the financial statements - regulatory basis, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Department of Revenue of the State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

**Abdo**  
 Minneapolis, Minnesota  
 October 13, 2025

