

***BLAINE YOUTH HOCKEY ASSOCIATION
BLAINE, MINNESOTA***

***FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018***

CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-11
Supplementary Information	
Independent Auditor's Report on Supplementary Information	12
Schedule of Lawful Gaming Activities	13

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Blaine Youth Hockey Association
Blaine, Minnesota

We have audited the accompanying financial statements of Blaine Youth Hockey Association, (a non-profit organization), which comprise the statement of financial position as of March 31, 2018, and the related statements of activities, functional expenses, cash flows and lawful gaming activities for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blaine Youth Hockey Association as of March 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Shidell Mair & Richardson PLLP

January 15, 2019
St. Paul, Minnesota

**BLAINE YOUTH HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2018**

	<u>2018</u>
ASSETS	
ASSETS	
Cash and cash equivalents	\$ 294,449
Accounts receivable	35,203
Deferred fund loss	5,643
Arena agreements - net of accumulated amortization of \$1,634,708	<u>920,398</u>
Total assets	<u><u>\$ 1,255,693</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 12,220
Accrued gambling taxes	82,493
Deferred revenue	17,688
Long-term debt	<u>247,268</u>
Total liabilities	<u>359,669</u>
NET ASSETS	
Unrestricted net assets	<u>896,024</u>
Total liabilities and net assets	<u><u>\$ 1,255,693</u></u>

**BLAINE YOUTH HOCKEY ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2018**

	2018
SUPPORT AND REVENUE	
Registration fees	\$ 469,526
Contributions	28,703
Total support and revenue	498,229
OTHER REVENUE	
Exchange transactions	
Gross gaming revenue	14,236,919
Less: cost of gaming revenue	(13,503,394)
Net gaming revenue	733,525
Fundraising income, net of expenses	19
Other income	7,075
Interest income	324
Total other revenue	740,943
Total support, revenue, and other revenue	1,239,172
EXPENSES	
Program services:	
Hockey activities	1,126,012
Support services:	
General and administration	103,661
Total support services	103,661
Total expenses	1,229,673
CHANGE IN NET ASSETS	9,499
NET ASSETS - Beginning of year	886,525
NET ASSETS - End of year	\$ 896,024

**BLAINE YOUTH HOCKEY ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2018**

	2018		
	Program Activities	Management & General	Total
Accounting fees	\$ -	\$ 22,055	\$ 22,055
Advertising	-	4,598	4,598
Amortization	112,755	-	112,755
Association assessments	44,046	-	44,046
Awards & trophies	13,631	-	13,631
Bad debts	-	5,504	5,504
Bank & credit card fees	-	4,674	4,674
Board Expenses	-	22,675	22,675
Coaches expense	126,176	-	126,176
Computer	-	8,596	8,596
Donations	71,547	-	71,547
Equipment, supplies & uniforms	87,787	-	87,787
Ice rental & arena costs	437,346	-	437,346
Insurance	2,116	-	2,116
Interest expense	-	11,192	11,192
Meetings & events	-	22,873	22,873
Office expense	-	1,494	1,494
Officials, referees & evaluators	12,730	-	12,730
Tournaments	111,808	-	111,808
Training & development	106,070	-	106,070
Total expenses	\$1,126,012	\$ 103,661	\$ 1,229,673

**BLAINE YOUTH HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018**

	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 9,499
Adjustments to reconcile change in net assets to cash flows provided by operating activities:	
Amortization	112,755
Adjustments:	
(Increase) decrease in accounts receivable	83,307
(Increase) decrease in prepaid expenses	180
(Increase) decrease in inventory	2,545
(Increase) decrease in deferred fund loss	(5,643)
(Decrease) increase in accounts payable	(69,208)
(Decrease) increase in accrued gambling taxes	9,443
(Decrease) increase in deferred revenue	(53,425)
Total cash flows provided by operating activities	89,453
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on debt obligations	(59,676)
Total cash flows used in financing activities	(59,676)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,777
CASH AND CASH EQUIVALENTS - Beginning of year	264,672
CASH AND CASH EQUIVALENTS - End of year	\$ 294,449
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for interest	\$ 11,192

**BLAINE YOUTH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1. NATURE OF ORGANIZATION

Blaine Youth Hockey Association (the Association) is a 501(c)(3) not-for-profit organization. The Association provides youth hockey training, instruction, team and tournament participation for youth in the City of Blaine and its neighboring communities.

The Association operates lawful gaming operations, which are sanctioned by the State of Minnesota. In order to conduct lawful gaming operations, the Association is required to fulfill certain conditions as set forth in Minnesota law and rules covering lawful gaming. State law requires that the gaming proceeds be used only for lawful purpose expenditures, as defined in Minnesota Statute 349, and places certain restrictions on the amount and type of operating expenses that can be paid for with such funds.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below.

- a. Classes of Net Assets** - The financial statements report amounts separately by class of net assets:
1. Unrestricted amounts are those currently available at the discretion of the Board for use in the Association's programs and those resources invested in land, buildings, and equipment.
 2. Temporarily restricted amounts are those restricted by donors for specific operating purposes or for the acquisition of land, buildings and equipment. The Association had no temporarily restricted net assets at March 31, 2018.
 3. Permanently restricted amounts are those restricted by donors in perpetuity as endowments or irrevocable trusts. The Association had no permanently restricted net assets at March 31, 2018.
- b. Revenue and Expense Recognition** - Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction.
- c. Arena Agreements** - The Association purchased priority rights to ice time arenas. The agreements are being amortized on a straight-line basis over the estimated useful lives.

**BLAINE YOUTH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

- d. Income Taxes** - The Internal Revenue Service has recognized the Association as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. It has been classified as an Association that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible.

The Association conducts lawful gaming under Minnesota's lawful gaming statutes. Lawful gaming operations may be subject to Federal and State income tax as an unrelated business activity.

- e. Accounts Receivable** - Accounts and loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to trade accounts receivable or loans receivable. There was no allowance for doubtful accounts for the year ended March 31, 2018.
- f. Functional Allocation of Expense** - Expenses which are not directly identifiable by program or support service are allocated based on the best estimates of management.
- g. 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. The Association maintains its cash balances at one bank located in the metro area. The Association had cash at the financial institution in excess of FDIC insured limitations on March 31, 2018, of \$127,679.
- h. Gaming Revenue Recognition** - Revenue from pulltab, paddlewheel, tipboard, bingo and raffle games is recognized once the game is completed and reported to state authorities on the monthly lawful gambling tax return. Prizes paid out are expensed when gross revenue is recognized for each game.
- i. Subsequent Events** - The Association recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including estimates inherent in the process of preparing financial statements. Subsequent events were evaluated through January 15, 2019, which is the date the financial statements were available to be issued.

**BLAINE YOUTH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

- j. Use of Estimates** - The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- k. Advertising Costs** - Advertising costs are expensed as incurred. Advertising costs for the years ended March 31, 2018, were \$4,598 for the organization and \$15,211 for the gaming activities, respectively.

NOTE 3. EXCHANGE TRANSACTIONS

The Association holds a charitable gambling license and conducts lawful gaming operations. The use of the proceeds from these activities is limited by state and local regulations but can be used to promote the Association's mission.

NOTE 4. ARENA AGREEMENTS

Arena agreements consist of the following at March 31, 2018:

Cost	Useful Life in Months	2018
Centennial Sports Arena	Indefinite	\$ 300,000
Fogerty Ice Arena	240	1,366,106
Fogerty Dryland Facility	240	111,000
National Sports Center	240	<u>778,000</u>
		\$ 2,555,106
Accumulated amortization		<u>(1,634,708)</u>
Net arena agreements		<u>\$ 920,398</u>

Amortization expense was \$112,755 for the year ended March 31, 2018. Future amortization for each of the next five years is expected to be \$112,700.

**BLAINE YOUTH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4. ARENA AGREEMENTS – (Continued)

Detail of the arena agreement are as follows:

Centennial Sports Arena - In exchange for providing \$300,000 to the Centennial School District to assist in the construction of the Centennial Sports Arena, the Association receives at least 26% of prime ice time per year, as long as the arena is used for skating. The Association believes its interest in the right to the use of the arena can be sold to a third party at a price at least equal to the \$300,000 invested.

Fogerty Ice Arena - In the year ended March 31, 2001, the Association agreed to contribute \$299,500 (50% of the down payment and debt service) related to the acquisition and construction of an additional sheet of ice at Fogerty Ice Arena (Fogerty). The Association also entered into an agreement for the payment of two debt agreements totaling \$1,066,606 to finance locker rooms, storage areas, and primary area construction. In exchange for the above payments, the Association has an option to purchase 60% of the available ice time at Fogerty. Long-term debt at March 31, 2018, represents the remaining balance of the Association's payments due under these agreements.

Fogerty Dryland Facility - The Association acquired the option to use 60% of total available time, both prime and non-prime, of the dryland training facility in exchange for providing 60% of the capital cost of the acquisition and construction of the facility.

National Sports Center - The Association acquired the opportunity to purchase prime ice time in exchange for providing \$778,000 of the capital cost for the acquisition and construction of an additional sheet of ice at the Sports Center.

There are no provisions in the above agreement requiring return of funds provided if the arenas cease being used as ice arena or as a dryland facility.

NOTE 5. LONG-TERM DEBT

The Association entered into a long-term debt agreement with Fogerty Ice Arena for the purchase of rink rights. The agreement calls for monthly payments of \$5,906, including interest at 4%. The agreement matures on December 20, 2021. The balance of the note payable at March 31, 2018 was \$247,268. Interest expense for the year ended March 31, 2018 was \$11,192.

**BLAINE YOUTH HOCKEY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 5. LONG-TERM DEBT – (Continued)

Maturities of long-term debt are as follows:

Year ending March 31:	
2019	\$ 62,107
2020	64,637
2021	67,271
2022	53,253
	<u>\$ 247,268</u>

NOTE 6. COMMITMENTS

The Association leases space for its lawful gambling activities. The lease agreements require 10% of gross profit with a maximum of \$1,750 per month. The lease agreements can be cancelled by either party without cause with a 30-day written notice. Rent expense for the year ended March 31, 2018 was \$71,058.

The Association entered into participation agreements with four arenas. The agreement with National Sports Center Super Rink is to rent prime ice time for 20 years. The Centennial Sports Arena agreement is to rent at least 26% of prime ice time per year for an indefinite time period. The Fogerty Ice Arena and Fogerty Dryland Facility agreements are to rent 60% of ice time for 20 years. Total ice rental expense for the year ended March 31, 2018, was \$437,346.

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION

Board of Directors
Blaine Youth Hockey Association
Blaine, Minnesota

We have audited the financial statements of Blaine Youth Hockey Association as of and for the year ended March 31, 2018, and our report thereon dated January 15, 2019, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of lawful gaming activities is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Shidell Mair & Richardson PLLP

January 15, 2019
St. Paul, Minnesota

**BLAINE YOUTH HOCKEY ASSOCIATION
SCHEDULE OF LAWFUL GAMING ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2018**

	2018
GAMING REVENUE	\$ 14,236,919
COST AND OPERATING EXPENSES	
Prizes paid	11,994,953
Cost of games	157,369
Taxes and licenses	852,167
Compensation and payroll taxes	354,804
Advertising	15,211
Professional fees	31,497
Bank charges, office and miscellaneous	15,477
Purchase/maintenance of equipment	665
Rent	71,058
Insurance and permits	478
Cash short	3,640
Other lawful purpose expenses	6,075
Total cost and operating expenses	13,503,394
Net revenue from lawful gaming activities	\$ 733,525

**SHIDELL
MAIR &
RICHARDSON PLLP**
— Certified Public Accountants

Board of Directors
Blaine Youth Hockey Association
Blaine, MN 55434

We have audited the financial statements of Blaine Youth Hockey Association for the year ended March 31, 2018 and have issued our report thereon dated January 15, 2019. 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 engagement letter to you dated April 4, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope identified in our engagement letter and within the anticipated time frame discussed during the planning stage.

Significant Audit Findings

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by Blaine Youth Hockey Association are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended March 31, 2018. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. We believe the Association's most sensitive estimate is the functional allocation of expenses. We evaluated the key factors and assumptions used to develop this accounting estimate in determining that it is reasonable in relation to the financial statements as a whole.

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, 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 financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, 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 January 15, 2019.

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.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, 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. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Blaine Youth Hockey Association and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to respond to any questions you have about our audit or the items presented in this communication. We appreciate the opportunity to be of service to the Blaine Youth Hockey Association and we thank the staff for the courtesies and the cooperation they extended to us during our audit.

Shidell Mair & Richardson PLLP

January 15, 2019
St. Paul, Minnesota

SHIDELL
MAIR &
RICHARDSON PLLP
— *Certified Public Accountants*

Board of Directors
Blaine Youth Hockey Association
Blaine, MN 55434

In planning and performing our audit of the financial statements of the Blaine Youth Hockey Association as of and for the year ended March 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting (internal control) as a basis for designing our auditing 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 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Association's internal control to be significant deficiencies:

Oversight of the Financial Reporting Process

The board of directors and management share the ultimate responsibility for the Association's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Association engages Shidell Mair & Richardson PLLP to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, Shidell Mair & Richardson PLLP cannot be considered part of the Association's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Association has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Association's activities and operations.

The Association's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Association's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Segregation of Duties

Segregation of duties is an internal control procedure which states that the responsibilities of authorizing transactions, recording transactions and maintaining custody of assets should be distributed to different people. In financial processes that have effective separation of duties, the expectation is that at least one individual involved in the process will identify and/or prevent a transaction processing error, misappropriation, or fraud from occurring.

The size of the Association prevents a proper segregation of accounting functions necessary to assure adequate internal control due to cost effectiveness. A lack of proper segregation of duties is not uncommon in Associations the size of Blaine Youth Hockey Association and, even though we noted no instances of breach of internal control due to this lack of segregation of duties, the Association's management should be constantly aware of this condition and realize that the concentration of duties and responsibilities with a limited number of individuals is not desirable from a control perspective. The most effective control lies with continued active involvement by the board of directors in reviewing significant Associational financial activities.

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

Shidell Mair & Richardson PLLP

January 15, 2019
St. Paul, Minnesota