



Financial Statements Regulatory Basis and Independent Auditor's Report

White Bear Lake Area Hockey Association Lawful Gambling Fund

License Number 03111
Minnesota Identification Number 6372276
Federal Identification Number 23-7003827

White Bear Lake, MN

For the years ended April 30, 2022



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090
F 952.835.3261

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727
F 507.388.9139

White Bear Lake Area Hockey Association
Lawful Gambling Fund
License Number 03111
Table of Contents
For the Years Ended
April 30, 2022 and 2021

	<u>Page No.</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Assets, Liabilities and Profit Carryover - Regulatory Basis	6
Statements of Revenue, Expenses and Changes in Profit Carryover - Regulatory Basis	7
Notes to the Financial Statements	8
Supplementary Information	
Independent Auditor's Report on Supplementary Information	13
Analysis of Allowable Expenses and Star Rating - Regulatory Basis	14
Reconciliation of Games Used - Regulatory Basis	15
Reconciliation of Profit Carryover - Regulatory Basis	16
Independent Auditor's Report on Compliance with Regulatory Checklist Questionnaire	17
Regulatory Checklist Questionnaire	18
Other Required Report	
Independent Auditor's Report on Internal Control	20

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of White Bear Lake Area Hockey Association Lawful Gambling Fund (the Association), which comprise the statements of assets, liabilities, and profit carryover – regulatory basis as of April 30, 2022 and 2021, and the related statements of support, revenue, and changes in profit carryover – regulatory basis for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of relying on the service organization for electronic pull-tabs and electronic bingo, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of April 30, 2022 and 2021, and the results of its operations for the years then ended in accordance with the regulatory basis of accounting as described in Notes 2 and 3.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Association sells electronic pull-tabs and electronic bingo. The distributor of these games electronically calculates the fees, receipts, and prizes paid as a service organization. We were unable to obtain sufficient appropriate audit evidence to ensure the accuracy of the data provided by the service organization.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. As described in Note 2 to the financial statements, the financial statements are prepared by the Association in accordance with the financial reporting practices prescribed or permitted by the Minnesota Gambling Control Board, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Minnesota Gambling Control Board. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting practices prescribed or permitted by the Minnesota Gambling Control Board. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the board of trustees and management of the Association and Minnesota Gambling Control Board and is not intended to be and should not be used by anyone other than these specified parties.



Abdo
Minneapolis, Minnesota
October 31, 2022

FINANCIAL STATEMENTS

White Bear Lake Area Hockey Association
 Lawful Gambling Fund
 License Number 03111
 Statements of Assets, Liabilities and Profit Carryover - Regulatory Basis
 April 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash		
Gambling bank accounts	\$ 482,088	\$ 765,968
Starting game banks	85,641	81,044
Cash received but not deposited from sale of games	85,477	26,471
Deferred fund loss	18,741	-
Total Cash	671,947	873,483
Prepaid prizes	8,440	7,340
Total Assets	\$ 680,387	\$ 880,823
Liabilities and Profit Carryover		
Current Liabilities		
Cost of prizes payable	\$ 5,260	\$ 5,260
Payable to e-gaming provider	2,678	4,021
Receipts pre-deposited	-	180
Total Liabilities	7,938	9,461
Profit Carryover	672,449	871,362
Total Liabilities and Profit Carryover	\$ 680,387	\$ 880,823

See Independent Auditor's Report and Notes to the Financial Statements.

White Bear Lake Area Hockey Association

Lawful Gambling Fund

License Number 03111

Statements of Revenue, Expenses and Changes in Profit Carryover - Regulatory Basis

For the Years Ended April 30, 2022 and 2021

	2022	2021
Revenue		
Pull-tab receipts	\$ 26,176,971	\$ 17,527,436
e-Pull-tab receipts	17,676,575	12,748,066
Paddle ticket receipts	632,845	311,455
Raffle receipts	120,616	90,300
Tip board receipts	44,850	33,000
Sports-themed tip board receipts	54,970	25,450
Bingo receipts	1,796,771	1,009,290
e-Bingo receipts	333,980	231,644
Interest income	116	-
Total Revenue	<u>46,837,694</u>	<u>31,976,641</u>
Cost of Revenue		
Pull-tab prizes	22,467,303	14,925,940
e-Pull-tab prizes	15,294,130	11,048,385
Paddle ticket prizes	525,288	253,521
Raffle prizes	57,573	30,379
Tip board prizes	29,800	22,000
Sports-themed tip board prizes	43,350	19,125
Bingo prizes	283,883	812,553
e-Bingo prizes	1,399,042	196,897
Total Cost of Revenue	<u>40,100,369</u>	<u>27,308,800</u>
Net Revenue Collected	6,737,325	4,667,841
Allowable Expenses	<u>2,835,843</u>	<u>1,861,586</u>
Revenue in Excess of Allowable Expenses	<u>3,901,482</u>	<u>2,806,255</u>
Lawful Purpose Expenditures		
Gambling taxes		
State combined receipts tax	2,405,214	1,315,367
State ideal gambling tax	58,103	34,885
Regulatory fee	46,946	23,426
Other state taxes and fees	144,130	16,319
Total Gambling Taxes	<u>2,654,393</u>	<u>1,389,997</u>
Program expenditures	1,446,002	890,684
Total Lawful Purpose Expenditures	<u>4,100,395</u>	<u>2,280,681</u>
Board Approved Adjustments	<u>-</u>	<u>(850)</u>
Excess Revenue (Expense)	(198,913)	526,424
Beginning Profit Carryover	<u>871,362</u>	<u>344,938</u>
Ending Profit Carryover	<u>\$ 672,449</u>	<u>\$ 871,362</u>

See Independent Auditor's Report and Notes to the Financial Statements.

White Bear Lake Area Hockey Association
Lawful Gambling Fund
License Number 03111
Notes to the Financial Statements
April 30, 2022 and 2021

Note 1: Nature of Association

The White Bear Lake Area Hockey Association Lawful Gambling Fund (the Association) was established to account for all lawful gambling activities of the Association. The proceeds from these activities are subject to restrictions imposed by Minnesota Statutes and gambling regulations. The Association operated gambling activities consisting of pull-tabs, electronic pull-tabs, paddle tickets, raffles, tipboards, sports-themed tipboards, bingo, and electronic bingo.

Note 2: Basis of Presentation

The regulatory basis of accounting is the basis of accounting prescribed by the State of Minnesota (the State), which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The regulatory basis of accounting differs from the accrual method of accounting in that under the regulatory method, substantially all costs are expensed when paid. Also, under the regulatory method, the cost of equipment is expensed, whereas under U.S. generally accepted accounting principles, such expenditures are capitalized and depreciated over the asset's estimated useful life.

Note 3: Summary of Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. 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."

C. Starting Game Banks

Starting game banks consist of imprest amounts, which are used to open play of a game.

D. Inventories

The Association accounts for inventory using the cash basis and purchases are expensed when paid. The state of Minnesota revised rule 7861 to require inventory to be recorded using the cash basis.

E. Gambling Revenue Recognition

Revenues from pull-tabs are recognized once the game is completed and reported to state authorities on the monthly lawful gambling tax returns. Deposits made on uncompleted games are reported as deferred revenue. Prizes paid out are expensed when gross revenue is recognized for each game. The cost of a game is expensed when the revenue from the game is recognized.

White Bear Lake Area Hockey Association
 Lawful Gambling Fund
 License Number 03111
 Notes to the Financial Statements
 April 30, 2022 and 2021

Note 3: Summary of Significant Accounting Policies (Continued)

F. Electronic Pull-Tabs

The Association maintains a single starting cash bank for the electronic pull-tabs. At the end of each session, the net receipts in excess of the starting bank are deposited. Net disbursements are carried over and occasionally reimbursed. A report is provided by the distributor of the electronic pull-tabs which includes the expected net receipts or disbursements for the games played. Cash long and short is allocated to games played during the session.

At the end of each month a report is provided by the distributor which calculates the rental and games fees.

G. Bingo and Raffle Receipts

Gross bingo receipts represent amounts collected from customers net of bingo coupons and discounts. Raffle receipts and the related prizes are reported in the period the raffle is conducted.

H. Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 31, 2022, the date the financial statements were available to be issued.

Note 4: Cash in Excess of FDIC Insured Limits

The Association maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At April 30, 2022 and 2021, the Association had \$505,497 and \$895,262, respectively, in excess of FDIC insured limits. The Association has not experienced any losses in such accounts.

Note 5: Inventories

The Association expenses the cost of game purchases, including sales tax, on the cash basis. In addition, the Association maintains a perpetual inventory of games on hand. These games are extended at cost excluding sales tax and consist of the following at April 30, 2022 and 2021.

	2022		2021	
	Number of Games	Extended Cost	Number of Games	Extended Cost
Pull-tabs	237	\$ 14,792	311	\$ 16,853
Paddletickets	34	566	37	578
Tipboards	45	264	56	311
Total	316	\$ 15,622	404	\$ 17,742

White Bear Lake Area Hockey Association
Lawful Gambling Fund
License Number 03111
Notes to the Financial Statements
April 30, 2022 and 2021

Note 6: Commitments

As of April 30, 2022, the Association leased space for the site of its lawful gambling. The agreements require rent of 10 to 15 percent of gross profit for the locations, up to a maximum of \$1,750 per location, and can be terminated by either party with a 30 day notice. Rent expense for the years ended April 30, 2022 and 2021 was \$508,050 and \$317,948, respectively.

The Association also leases electronic gaming devices. The lease payments are based on a percentage of sales and can be terminated by either party with a thirty-day notice. Rent expense for the years ended April 30, 2022 and 2021 was \$817,615 and \$497,572, respectively and is shown as part of gaming equipment allowable expense.

Note 7: COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in 2020 and 2021 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the impact of COVID-19 in the U.S. and international economies and, as such, there have been closures of bar operations during parts of March, April, May, and December of 2020 due to government restrictions. There remains uncertainty around any potential long-term impacts to the Association and the uncertainty of future bar closures due to government restrictions.

Note 8: Income Taxes

The Association is exempt under Internal Revenue Service Code 501(c)(3). The Association is required to pay state and federal income taxes on unrelated business income. Under the regulatory method, income taxes are expensed when paid. State and federal income taxes paid for the years ended April 30, 2022 and 2021 were immaterial and paid by the Association's General Fund.

During the years ended April 30, 2022 and 2021, the Association has not incurred any interest or penalties on its tax returns. The Association's tax returns are subject to possible examination by the taxing authorities. For federal tax purposes the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

Note 9: Cash Counts

Two members of the Association conducted a cash count on May 5, 2021 resulting in a cash count balance of \$74,844. On May 1, 2022, two members of the Association conducted a cash count resulting in a cash count balance of \$77,283.

White Bear Lake Area Hockey Association
 Lawful Gambling Fund
 License Number 03111
 Notes to the Financial Statements
 April 30, 2022 and 2021

Note 10: Results of Games Tested

Subsequent to year end, the Association's independent auditor selected forty pull-tab games from all active sites, including games with unsold tickets, ten paddle ticket, twenty bingo, and four tipboard games for testing. Games were selected at random. The exceptions of their testing, as reported to the Association, are as follows:

Game Mfr. #, Part # & Ser.#	Type of Game	Reported on Gambling Tax Return	Amount as Tested	Comments
TP 7391E-MN, 7A62683	Pull-tab	\$ 1,546	\$ 1,555	Counted \$9 worth of unsold tickets more than reported.
AN 3023G-MN, 7C57360	Pull-tab	\$ 1,555	\$ 1,650	Counted \$100 worth of unsold tickets more than reported.
IG 416X, 8724288	Pull-tab	\$ 8,585	\$ 8,560	Counted \$25 worth of unsold tickets fewer than reported.
AN 3847D-MN, 7J14468	Pull-tab	\$ 3,188	\$ 3,178	Counted \$10 worth of prizes paid fewer than reported.
AI XP56-MN, 8L42130	Pull-tab	\$ 1,666	\$ 1,654	Counted \$12 worth of prizes paid fewer than reported.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors and Members
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 years ended April 30, 2022 and 2021 and have issued our report thereon dated October 31, 2022, which contained a qualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on those financial statements - regulatory basis as a whole. The supplementary information starting on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements - regulatory basis. Such information is the responsibility of management and the information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements - regulatory basis. 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 - regulatory basis or to the financial statements - regulatory basis 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 - regulatory basis as a whole.

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



Abdo
Minneapolis, Minnesota
October 31, 2022

White Bear Lake Area Hockey Association
 Lawful Gambling Fund
 License Number 03111
 Supplementary Information
 Analysis of Allowable Expenses and Star Rating - Regulatory Basis
 For the Years Ended April 30, 2022 and 2021

	2022		2021	
	Amount	Percent	Amount	Percent
Net Revenue	<u>\$ 6,737,325</u>	<u>100.00 %</u>	<u>\$ 4,667,841</u>	<u>100.00 %</u>
Allowable Expenses				
Cost of games	\$ 419,307	6.22 %	\$ 262,568	5.63 %
Compensation and payroll taxes	748,374	11.11	576,822	12.36
Penalty and interest paid on taxes	8	-	660	0.01
Miscellaneous allowable expenses	266,368	3.95	142,585	3.05
Rent	508,050	7.54	317,948	6.81
Bond, license and permit expense	126	-	126	-
Accounting and legal	49,981	0.74	49,579	1.06
Gaming equipment	825,401	12.25	501,732	10.75
Cash short	<u>18,228</u>	<u>0.27</u>	<u>9,566</u>	<u>0.20</u>
Total Allowable Expenses	<u>\$ 2,835,843</u>	<u>42.08 %</u>	<u>\$ 1,861,586</u>	<u>39.87 %</u>
Lawful Purpose Expenditures	<u>\$ 4,100,395</u>	<u>60.86 %</u>	<u>\$ 2,280,681</u>	<u>48.86 %</u>
Star Rating	<u>5</u>		<u>4</u>	

Note: The above star rating is based on the entity's fiscal year. State statute determines the star rating based on the year ending June 30. Accordingly, the reportable star rating may be different.

% Spent on Lawful Purpose	Rating
more than 50%	5 star
more than 40%	4 star
more than 30%	3 star
more than 20%	2 star
less than 20%	1 star

White Bear Lake Area Hockey Association
Lawful Gambling Fund
License Number 03111
Supplementary Information
Reconciliation of Games Used - Regulatory Basis
For the Years Ended April 30, 2022 and 2021

	2022		2021	
	Amount	Games	Amount	Games
Pull-tabs				
Cost of Games Used				
Beginning inventories	\$ 16,853	311	\$ 11,508	239
Purchases	387,860	6,332	247,575	4,543
Less Ending Inventories	<u>(14,792)</u>	<u>(237)</u>	<u>(16,853)</u>	<u>(311)</u>
Total Cost of Games	<u>\$ 389,921</u>	6,406	<u>\$ 242,230</u>	4,471
Reconciliation of Games Used				
Games used and reported per gross revenue by month		<u>6,406</u>		<u>4,471</u>
Difference or possible unreported games		<u>-</u>		<u>-</u>
Tipboards				
Cost of Games Used				
Beginning inventories	\$ 311	56	\$ 540	108
Purchases	1,855	288	940	168
Less Ending Inventories	<u>(264)</u>	<u>(45)</u>	<u>(311)</u>	<u>(56)</u>
Total Cost of Games	<u>\$ 1,902</u>	299	<u>\$ 1,169</u>	220
Reconciliation of Games Used				
Games used and reported per gross revenue by month		<u>299</u>		<u>220</u>
Difference or possible unreported games		<u>-</u>		<u>-</u>
Paddle Tickets				
Cost of Games Used				
Beginning inventories	\$ 578	37	\$ 406	26
Purchases	19,020	1,141	9,075	594
Less Ending Inventories	<u>(566)</u>	<u>(34)</u>	<u>(578)</u>	<u>(37)</u>
Total Cost of Games	<u>\$ 19,032</u>	1,144	<u>\$ 8,903</u>	583
Reconciliation of Games Used				
Games used and reported per gross revenue by month		<u>1,144</u>		<u>583</u>
Difference or possible unreported games		<u>-</u>		<u>-</u>

White Bear Lake Area Hockey Association
 Lawful Gambling Fund
 License Number 03111
 Supplementary Information
 Reconciliation of Profit Carryover - Regulatory Basis
 April 30, 2022 and 2021

	2022	2021
Additions		
Cash in gambling bank accounts	\$ 482,088	\$ 765,968
Cash in starting banks	85,641	81,044
Cash received but not deposited from sale of games	85,477	26,471
Deferred fund loss	18,741	-
Prepaid prizes	8,440	7,340
Total Additions	680,387	880,823
Subtractions		
Cost of prizes payable	5,260	5,260
Payable to e-gaming provider	2,678	4,021
Receipts pre-deposited	-	180
Total Subtractions	7,938	9,461
Profit Carryover from Financial Statements	672,449	871,362
Profit Carryover from Tax Report	672,449	871,362
Variance from Balance	\$ -	\$ -

**INDEPENDENT AUDITOR’S REPORT ON
COMPLIANCE WITH REGULATORY CHECKLIST QUESTIONNAIRE**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements - regulatory basis of the White Bear Lake Area Hockey Association Lawful Gambling Fund (the Association), which comprise the statement of assets, liabilities and profit carryover - regulatory basis as of April 30, 2022 and 2021 and the related statements of revenue, expenses and changes in profit carryover - regulatory basis for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the Association failed to comply with the terms, covenants, provision, or conditions of the regulatory checklist questionnaire per Minnesota Rule 8122.055 Subp. 6B, inclusive, as included on page 18, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Association’s noncompliance with the above-referenced terms, covenants, provision, or conditions of the indenture, insofar as they relate to accounting matters.

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



Abdo
Minneapolis, Minnesota
October 31, 2022

White Bear Lake Area Hockey Association
Lawful Gambling Fund
License Number 03111
Supplementary Information
Regulatory Checklist Questionnaire
Minnesota Rule 8122.0550 Subp. 6b
For the Year Ended April 30, 2022

Name of the Organization: White Bear Lake Area Hockey Association

Organization License Number: 03111

Date of Audit or Review: October 31, 2022

Instructions: Based on the information obtained during the course of the audit, respond to the following 9 statements for the period being audited. If there was not sufficient information available during the audit to respond to a statement, circle "N/A" for that statement.

- | | | |
|----|--|-----|
| 1. | The Association conducted gambling only at sites for which it had obtained a premise permit or a one-day off-site permit. | Yes |
| 2. | The Association had a licensed gambling manager at all times gambling was conducted. | Yes |
| 3. | A lessor, a member of a lessor's immediate family, or an employee of a lessor was not a gambling manager of the Association. | Yes |
| 4. | The Association's gambling manager was bonded for an amount of at least \$10,000. | Yes |
| 5. | Checks for the expenditure of gross profits from gambling were signed by at least two active members of the Association who have been authorized to sign checks. | Yes |
| 6. | The Association did not pre-sign gambling account checks. | Yes |
| 7. | The Association did not use signature stamps to sign gambling account checks. | Yes |
| 8. | If the Association has terminated all gambling activity, a termination plan has been filed with the Gambling Control Board. | N/A |
| 9. | The Association has paid all rent for the lease of premises in accordance with its lease agreement(s). | Yes |

OTHER REQUIRED REPORT

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL

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

In planning and performing our audit of the financial statements - regulatory basis of the White Bear Lake Area Hockey Association Lawful Gambling Fund (the Association) as of and for the years ended April 30, 2022 and 2021, 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 - regulatory basis, 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 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a 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 did not identify any deficiencies in internal control that we consider to be significant deficiency.

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.



Abdo
Minneapolis, Minnesota
October 31, 2022