

Lakeville ARENAS

LAKEVILLE ARENAS BOARD MEETING
NOVEMBER 15, 2023



Lakeville Arenas Board Meeting Agenda

Wednesday November 15, 2023

3:30 p.m. Hasse Arena Lobby Conference Room

1) **Meeting Call to Order**

2) **Consent Agenda**

1. Approval of Lakeville Arenas Board Minutes for Oct 18, 2023.
2. Receipt of Lakeville Arenas Financial Report for Oct 2023.
3. Receipt of Lakeville Arenas Budget Report for Oct 2023.
4. Receipt of Lakeville Arenas Check Register for Oct 2023.
5. Receipt of Lakeville Arenas Portfolio Holdings for Oct 2023.

Action(s) Needed: Motion to approve the consent agenda.

3) **Arenas Manager's Report**

- a) Arenas Manager Report Review/Discussion.
- b) Acknowledgements/Approvals detailed in Managers Report.
 - i) Update on Pavilion Rink slab solution.

Action(s) Needed: Motion to accept the Arena Managers Reports, Acknowledgements and Approvals as submitted.

4) **Resolution 11152023.1 Approving Depositories for 2024**

- a) Discussion.

Action(s) Needed: Motion to approve Resolution 11232022.1 Approving depositories for 2024.

5) **Resolution 11152023.2 Election of Non-waiver of Statutory Municipal Tort Liability Limits**

- a) Discussion.

Action(s) Needed: Motion to approve Resolution 11152023.2 Electing the Non-Waiver of Statutory Municipal Tort Liability Limits and Declining Excess Liability Insurance Coverage.

6) **Resolution 11152023.3 Approving Healthcare Rates**

- a) Discussion.

Action(s) Needed: Motion to approve Resolution 11152023.3 Approving Depositories for 2024

7) **Approval of agreement for the 2023 Audit from ABDO Solutions**

- a) Discussion.

Action(s) Needed: Motion to approve an agreement with ABDO for the 2023 Audit.

8) **Other Business**

- a) None

9) **Signatures Required**

- a) Lakeville Arenas Board Meeting Minutes for Oct 18, 2023.
- b) Resolution 1115023.1 – Assigning 2024 Depositories
- c) Resolution 1152023.2 – Non-Waiver of Tort Liability
- d) Resolution 1152023.3 – Approving 2024 Healthcare Rates
- e) Abdo agreement for 2023 Audit

10) **Adjourn**

Lakeville Arenas Board of Directors Meetings

Every 3rd Wednesday of the month at 3:30pm, Hasse Arena Lobby Conference Room, 8525 215th Street. Lakeville MN 55044



**CONSENT AGENDA FOR LAKEVILLE ARENAS
BOARD MEETING – NOVEMBER 15, 2023**

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Lakeville Arenas Board Meeting Minutes

Wednesday October 18, 2023

3:30 p.m. Hasse Arena Lobby Conference Room

1) Meeting Call to Order

The Lakeville Arenas Board Meeting was called to order by Board Chair Ms. Keliher at 3:30pm.

Members Present: Keliher, Patterson, Miller, Volk. **Absent:** Van Zyl.

Other Present: Joe Bergquist – Lakeville Arenas Manger.

2) Consent Agenda

Motion to approve the consent agenda for the Lakeville Arenas Board Meeting was made by Ms. Volk. Motion was seconded by Mr. Miller. There was no further discussion. Motion carried 4-0.

3) Arenas Manager’s Report

a) Arenas Manager Report Review/Discussion.

b) Acknowledgements/Approvals detailed in Managers Report.

i) Receipt of letter of response from Sheehy Construction regarding non-conforming slab.

A motion was made by Mr. Miller to accept the Arena Managers Report, Acknowledgements and Approvals as submitted. The motion was seconded by Ms. Volk. No further discussion took place. The motion carried 4-0.

4) Arenas Managers Annual Performance Review

Mr. Miller met with the Arenas Manager and performed his annual performance review. Each board members submitted a review of the Arenas Manager to Mr. Miller who then combined and averaged the scores. Mr. Miller indicated that the review was positive and recommended that the Arenas Manager receive a step increase retroactive to his hire date in September.

A motion to approve Arenas Manager Annual Review & Step Increase was made by Mr. Miller. The motion was seconded by Ms. Volk. There was no further discussion. The motion carried 4-0.

5) Other Business

Mr. Miller informed the board that he and the mayor met with the Hasse Family who is interested in extending their naming rights agreement of Hasse Arena for another 20 years with two 10-year extension options. The family is also interested in having a community fundraising challenge to match the funds. Mr. Miller and the Arenas Manager will be meeting with the presidents of LHA and Heritage Figure Skating Club to brainstorm needs for the facility and a fundraising challenge.

6) Adjourn

A motion to adjourn the meeting was made by Ms. Volk. The motion was seconded by Mr. Miller. There was no further discussion. The motion carried 4-0.

LAKEVILLE ARENAS

By: _____
Board Chair Date

ATTEST:

Board Secretary Date

Lakeville Arenas Board of Directors Meetings

Every 3rd Wednesday of the month at 3:30pm, Hasse Arena Lobby Conference Room, 8525 215th Street. Lakeville MN 55044



Memorandum

To: Lakeville Arenas Board
From: Joseph Bergquist, Arenas Manager
Suzette Hall, Financial Analyst
Copy: Cheri Donovan, Assistant Finance Director
Date: November 9, 2023
Subject: October 31, 2023 Monthly Financial Statements (unaudited)

The October 2023 monthly financial report covers the period January 1, 2023 through October 31, 2023.

STATEMENT OF NET ASSETS
Operating & Capital Project Funds
(Unaudited)

Assets	
Cash	\$ 458
Cash on hand	2,000
Investments	611,793
Market Value Adjustment	(13,492)
Interest receivable	4,322
Accounts receivable	103,238
Accounts receivable - Other	115,608
Inventory	14,814
Prepaid expenses	9,610
Total assets	<u>\$ 848,351</u>
Liabilities	
Salaries payable	\$ 24,246
Accounts payable	186,810
Sales tax payable	4,099
Deferred revenue	12,479
Total liabilities	<u>227,634</u>
Net assets	<u>\$ 620,717</u>

As of October, the Lakeville Arenas had cash balances of \$2,458 and an investment balance of \$611,793. Cash and investment balances reflect the need for liquidity due to impending expenditures.

At the end of October, there were thirteen investments held by Lakeville Arenas. The overall investment strategy is based on cash flow projections. Money not required for short term operations is invested in a manner that ensures safety, liquidity and public trust while maximizing yield.

See the attached investment portfolio as of October 31, 2023.

Accounts receivable at October 31, 2023 amounted to \$103,238.85. The table below shows a breakdown of the accounts receivable.

Days	0-30	31-60	61-90	>90	Total
Amount	85,781	7,996	4,821	4,641	103,239
Percentage	83%	8%	5%	4%	100%

<u>ACCOUNTS RECEIVABLE @ 10/31/2023</u>		<u>PER</u>	<u>Accts Rec.</u>	<u>Late</u>	<u>Accts Rec.</u>	<u>Payment</u>
		<u>ABOVE</u>	<u>Sales Tax</u>	<u>Fees</u>	<u>Rental</u>	<u>Date</u>
FOUR STAR HOCKEY	(07/23 & 08/23)	6,310.00	452.33		6,762.33	
MARK OLSEN (FOUR STAR) - RET PMT	(07/23 & 08/23)	2,520.00	179.55		2,699.55	
PERFECTLY UNIQUE EVENTS - Dry Floor	(09/23)	600.00	42.75		642.75	
MN MENACE - 2012'S	(09/23)	1,260.00	89.78		1,349.78	11/8/2023
MGHCA - PREMIER PREP LEAGUE	(09/23 & 10/23)	9,210.00	-		9,210.00	
MN HOCKEY - HP 18'S	(09/23 & 10/23)	980.00	-		980.00	11/8/2023
PROJECT HOCKEY	(09/23 & 10/23)	2,280.00	162.45		2,442.45	11/2/2023
TIM CONBOY	(09/23 & 10/23)	3,600.00	256.50		3,856.50	11/8/2023
HERITAGE FIGURE SKATING CLUB (HFSC)	(10/23)	11,180.00	-		11,180.00	
LHA - TEAM ICE	(10/23)	520.00	-		520.00	
LHA	(10/23)	50,483.32	-		50,483.32	
HOCKEY FINDER	(10/23)	4,660.00	332.02		4,992.02	
FARMINGTON YOUTH HOCKEY ASSOC	(10/23)	5,655.00	-		5,655.00	
ROSEMOUNT AREA HOCKEY	(10/23)	1,365.00	-		1,365.00	
MN WILD DEAF & HARD OF HEARING	(10/23)	390.00	-		390.00	
ISD 194 (SCHOOL OPEN SKATE)	(10/23)	575.00	-		575.00	
JOHN SCHUMANN	(10/23)	125.00	10.15		135.15	11/1/2023
Total Accounts Receivable		101,713.32	1,525.53	-	103,238.85	-

Inventory is comprised of pro-shop merchandise and concessions at the Ames and Hasse Arenas.

Prepaid expenses include workers compensation (November and December 2023) and general liability insurance (November and December 2023).

Salaries payable of \$ 24,246, represents wages earned through October 31, 2023 to be paid in the following month.

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

General Fund

The statement of revenues and expenses and changes in fund balance is presented on page four (4) and only reports activity in the "General (Operating) Fund."

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE TEN-MONTH PERIOD ENDING OCTOBER 31, 2023

(unaudited)

	Amended Budget	10/31/2023 Actual	Variance From Amended Budget Pos / (Neg)	%	10/31/2022 Actual	Variance from 2022 Actual Pos / (Neg)
Operating Revenues						
Arena rental	\$ 1,160,371	\$ 802,582	\$ (357,789)	69.2%	\$ 783,578	\$ 19,004
Learn to skate	86,544	72,090	(14,454)	83.3%	58,285	13,805
Admissions-public skating	54,250	37,028	(17,222)	68.3%	27,618	9,410
Arena Programming	29,641	28,555	(1,086)	0.0%	16,562	11,993
Event admissions (net of ISD reimb)	39,110	26,268	(12,842)	67.2%	31,444	(5,176)
Concession sales (net)	111,769	94,347	(17,422)	84.4%	50,283	44,064
Proshop sales (net)	4,732	4,786	54	101.1%	800	3,986
Skate sharpening	7,915	4,363	(3,552)	55.1%	3,677	686
Skate rental	6,026	3,117	(2,909)	51.7%	3,745	(628)
Vending machines	3,852	2,675	(1,177)	69.4%	973	1,702
Other - advertising contract	42,364	41,188	(1,176)	97.2%	25,035	16,153
Other / donations	5,757	1,627	(4,130)	0.0%	1,936	(309)
Interest income	6,378	16,207	9,829	254.1%	2,987	13,220
Net Chg in FV of Investments	(11,240)	3,302	14,542	0.0%	(18,198)	21,500
Total revenues	<u>1,547,469</u>	<u>1,138,135</u>	<u>(409,334)</u>	<u>73.5%</u>	<u>988,725</u>	<u>149,410</u>
Operating Expenses						
Personnel	562,907	435,041	127,866	77.3%	388,586	(46,455)
Commodities	106,524	78,716	27,808	73.9%	39,015	(39,701)
Utilities	324,759	242,585	82,174	74.7%	230,439	(12,146)
Contractual	112,738	65,123	47,615	57.8%	108,310	43,187
Other	280,342	204,597	75,745	73.0%	128,459	(76,138)
Debt service	13,500	12,875	625	0.0%	14,125	1,250
Capital reserve fund	140,000	116,667	23,333	83.3%	116,667	-
Total Expenses	<u>1,540,770</u>	<u>1,155,604</u>	<u>385,166</u>	<u>75.0%</u>	<u>1,025,601</u>	<u>(130,003)</u>
Change in fund balance	6,699	(17,469)	(24,168)		(36,876)	19,407
Fund balance - January 1, 2023		<u>462,882</u>				
Fund balance - October 31, 2023		<u>\$ 445,413</u>				

Capital Maintenance Reserve Fund

The following statement of revenues and expenses and changes in fund balance reflects activity for the "Capital Maintenance Reserve Fund."

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL MAINTENANCE RESERVE FUND
FOR THE TEN-MONTH PERIOD ENDING OCTOBER 31, 2023
(unaudited)**

	2023 Amended Budget	10/31/2023 Actual	Variance from Amended Budget Positive(Negative)
Revenues			
From General Fund	\$ 140,000	\$ 116,667	\$ (23,333)
Interest Revenue	<u>3,464</u>	<u>8,218</u>	<u>\$ 4,754</u>
Total Revenues	143,464	124,885	(18,579)
Expenses	<u>320,000</u>	<u>311,991</u>	<u>8,009</u>
Change in fund balance	(176,536)	(187,106)	10,570
Fund balance - January 1, 2023		<u>362,410</u>	
Fund balance - October 31, 2023		<u>\$ 175,304</u>	

Capital Projects 2023	Budget	Expense	Comments
Indoor Hasse Dasher Brd	320,000	311,991	Becker Arena 5/24/23, 8/29/23 & 9/12/23

A transfer is made from the General Fund to the Capital Maintenance Reserve Fund each year. This transfer finances future capital acquisitions and building improvements.

ARENA DEBT

The Hasse Arena construction was originally financed with a Lease Revenue Bond issued by the Lakeville Housing and Redevelopment Authority in 2006. The debt is repaid with property taxes levied by the City of Lakeville and Independent School District 194. The 2006 bonds were advance refunded by HRA Lease Revenue Refunding Bonds, Series 2016A. The HRA2016A debt was refunded in April 2022. See details below.

In June 2020, the Lakeville City Council authorized the issuance of debt (approximately \$770,000) for the Ames Arena parking lot improvements. The competitive sale took place on July 20 and closed on August 13. The bonds were issued with a premium of \$145,777 which were used to reduce the amount of debt issued to \$620,000. True interest cost was 0.83%. The debt principal will be paid by contributions from the Lakeville Hockey Association (LHA) and the Heritage Figure Skating Club (HFSC). The interest will be paid by Lakeville Arenas. Staff will be calculating an allocation of the premium so LHA and HFSC will be paying the par plus premium.

On November 16, 2020, the Lakeville City Council authorized the issuance of debt (approximately \$8 million) to fund the APEX energy savings improvement projects at both the Hasse and Ames Arenas. The competitive sale took place on January 19, 2021 and closed on February 16, 2021. The bonds were issued with a premium of \$313,284 which was used to reduce the amount of debt issued to \$7,770,000. True interest cost was 1.48%. The debt will be repaid using property taxes and revenues received from Independent School District #194 per a Joint Powers Agreement approved in August 2020. Per the JPA the debt and debt-related costs are paid 50/50 by the City and ISD#194. Lakeville Arenas approved resolution 5172023.1 which approved a commitment to appropriate funding of \$63,460/year for debt service associated with the APEX energy savings improvement project.

On February 7, 2022, the City Council authorized the issuance of Taxable General Obligation Bonds, Series 2022B, to refund the HRA Lease Revenue Refunding Bonds, Series 2016A (noted above) and provide funding for constructing a new outdoor rink at the Hasse Arena. The sale of the bonds was held on March 7, 2022 and closed on April 5, 2022. True interest cost was 2.69%. The refunding resulted in savings of approximately \$130,000 over the term of the bonds. An amended and restated joint powers agreement to address the payment of the refunding portion of the 2022B bonds was approved by ISD#194 and the City of Lakeville in February 2022. Agreements have been approved with Lakeville Hockey Association (LHA) and Heritage Figure Skating Club (HFSC) for additional contributions to be used for debt repayment of the bonds issued for the new outdoor rink.

CAPITAL CONTRIBUTIONS NOT REFLECTED IN ARENA FINANCIAL REPORTS

In 2019, the City of Lakeville entered into gaming revenue/facility use agreements with Lakeville Hockey Association (LHA) and Heritage Figure Skating Club (HFSC). Per the agreements, funds received are recorded in a separate City capital projects fund.

The first amendment to the gaming revenue agreements was approved with both the Lakeville Hockey Association and the Heritage Figure Skating Club on August 15, 2022. The following chart is a summary of the agreements:

Organization	Revised Term	Payments	Total Payments Anticipated
LHA	Twenty-three (23) years; 08/02/2019 – 08/01/2043	2020-2023: \$70,000/year 2024-2043: \$88,500/year	\$2,050,000
HFSC	Twenty-three (23) years; 08/02/2019 – 08/01/2043	2019-2023: \$10,000/year 2024-2043: \$11,500/year	\$280,000

The Lakeville Hockey Association and the Heritage Figure Skating Club have both made their 2023 contributions.

RECOMMENDATION

Lakeville Arena Board “acknowledges” the receipt of the October 31, 2023 Financial Report.



LAKEVILLE ARENAS
Financial Statements as of 10/31/23
(Preliminary and Unaudited)

ASSETS	OPERATIONS	CAPITAL PROJECTS	COMBINED
Current Assets			
Cash & Investments	\$ 440,691	\$ 173,560	\$ 614,251
Market Value Adjustment	(13,492)	-	(13,492)
Interest Receivable	2,578	1,744	4,322
Accounts Receivable - Customers	103,238	-	103,238
Accounts Receivable - Other	115,608	-	115,608
Inventory	14,814	-	14,814
Prepaid Expenses	9,610	-	9,610
Total Current Assets	673,047	175,304	848,351
Total Assets	\$ 673,047	\$ 175,304	\$ 848,351
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Wages Payable	\$ 24,246	\$ -	\$ 24,246
Accounts Payable	186,810	-	186,810
Sales Tax Payable	4,099	-	4,099
Deferred Revenue - Advertising	12,479	-	12,479
Total Current Liabilities	227,634	-	227,634
Retained Earnings			
Reserved for Future Capital Purchases	-	175,304	175,304
Unreserved	445,413	-	445,413
Total Retained Earnings	445,413	175,304	620,717
Total Liabilities and Retained Earnings	\$ 673,047	\$ 175,304	\$ 848,351



LAKEVILLE ARENAS
Financial Statements as of 10/31/2023
(Preliminary and Unaudited) - Operations Only

	2023		Variance from		Variance from	
	Amended	10/31/2023	Amended Budget	Actual	10/31/2022	
	Budget	Actual	Positive (Negative)	Percent	Actual	
					Positive (Negative)	
Operating Revenues						
Ice Rental	\$ 1,150,622	\$ 792,302	\$ (358,320)	68.9%	\$ 764,200	\$ 28,102
Dry Floor Activities	9,749	10,280	531	105.4%	19,378	(9,098)
Learn to Skate	86,544	72,090	(14,454)	83.3%	58,285	13,805
Admissions-Public Skating	54,250	37,028	(17,222)	68.3%	27,618	9,410
Arena Programming	29,641	28,555	(1,086)	96.3%	16,562	11,993
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Donations/Other	5,757	1,627	(4,130)	28.3%	1,936	(309)
Interest Income	6,378	16,207	9,829	254.1%	2,987	13,220
Net Chg in FV of Investments	(11,240)	3,302	14,542	0.0%	(18,198)	21,500
Total Revenues	1,547,469	1,138,135	(409,334)	73.5%	988,725	149,410
Operating Expenses						
Salaries - Full Time	241,818	164,548	77,270	68.0%	186,913	22,365
Salaries - Full Time - Overtime	14,937	21,534	(6,597)	144.2%	13,694	(7,840)
Salaries - Part Time	185,280	181,364	3,916	97.9%	106,028	(75,336)
Pera	20,756	19,742	1,014	95.1%	18,364	(1,378)
FICA	34,708	28,148	6,560	81.1%	23,427	(4,721)
Employee Insurance	-	-	-	-	(5)	(5)
Hospitalization	26,531	4,580	21,951	17.3%	18,015	13,435
Life and Disability	267	(49)	316	0.0%	124	173
Long Term Disability	912	301	611	33.0%	378	77
Unemployment Compensation	13,905	1,371	12,534	0.0%	10,468	9,097
FSA Plan	228	33	195	0.0%	55	22
Dental Insurance	2,515	161	2,354	6.4%	1,186	1,025
Workers Compensation	10,468	13,308	(2,840)	127.1%	9,939	(3,369)
Salary Contingency	10,582	-	10,582	0.0%	-	-
Office Supplies	3,839	3,165	674	82.4%	3,010	(155)
Operating Supplies	34,999	26,394	8,605	75.4%	11,827	(14,567)
Motor Fuels	1,291	882	409	68.3%	801	(81)
Cleaning Supplies	11,811	7,196	4,615	60.9%	6,141	(1,055)
Clothing	2,500	-	2,500	0.0%	36	36
Chemicals	6,000	5,360	640	89.3%	-	(5,360)
Safety Supplies	1,379	929	450	67.4%	625	(304)
Equipment Parts/Building Supplies	33,205	27,296	5,909	82.2%	16,197	(11,099)
Small Tools/Equipment	11,500	7,494	4,006	65.2%	378	(7,116)
Computer Supplies	4,386	468	3,918	0.0%	-	(468)
Fiscal Management Fee	39,312	32,760	6,552	83.3%	30,490	(2,270)
Bank Charges	17,639	175	17,464	1.0%	13,074	12,899
Audit	6,746	7,300	(554)	108.2%	6,695	(605)
Use of Personal Auto	712	-	712	0.0%	122	122
Advertising	6,000	565	5,435	9.4%	6,968	6,403
Insurance	25,895	29,350	(3,455)	113.3%	20,945	(8,405)
Electric Service	215,037	170,312	44,725	79.2%	165,573	(4,739)
Gas Service	109,722	72,273	37,449	65.9%	64,866	(7,407)
Utility Energy Savings (APEX)	63,460	-	63,460	0.0%	-	-
Water and Sewer Service	23,037	21,930	1,107	95.2%	19,242	(2,688)
Waste Disposal	6,164	5,813	351	94.3%	5,916	103
Telephone/Pager	3,143	2,688	455	85.5%	2,493	(195)
Postage	-	19	(19)	-	-	(19)
Other Contractual/Landscaping	41,515	21,900	19,615	52.8%	43,102	21,202
Equipment Repair and Maintenance	15,345	8,559	6,786	55.8%	12,946	4,387
Building Repair and Maintenance	55,878	34,664	21,214	62.0%	52,262	17,598
Contract Cleaning	-	1,922	(1,922)	0.0%	-	(1,922)
Debt Service Payments - Major Maintenance	13,500	12,875	625	95.4%	14,125	1,250
Schools and Conferences	5,323	886	4,437	16.6%	662	(224)
Business Meetings/Misc. Expenses	5,686	271	5,415	4.8%	-	(271)
Dues/Subscriptions/Licenses	11,945	18,488	(6,543)	154.8%	11,789	(6,699)
Snow Removal	29,330	16,995	12,335	57.9%	10,063	(6,932)
Credit Card Fees	-	18,006	(18,006)	-	-	(18,006)
Capital Outlay	31,564	46,961	(15,397)	148.8%	-	(46,961)
Capital Reserve Fund	140,000	116,667	23,333	83.3%	116,667	-
Total Expenses	1,540,770	1,155,604	385,166	75.0%	1,025,601	(130,003)
Net Income (Loss)	\$ 6,699	\$ (17,469)	\$ (24,168)	0.0%	\$ (36,876)	\$ 19,407

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

10/1/2023 - 10/31/2023

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div	
14546	10/11/2023		100572 ACE HARDWARE													
		10.98	CABLE TIES, CHAIN LINK		428244	301116-202309	8979	6133			BUILDING REPAIR SUPPLIES	AMES GENERAL	08970	90	90	
		34.99	HD CABLE		428244	301116-202309	8979	6133			BUILDING REPAIR SUPPLIES	AMES GENERAL	08970	90	90	
		9.99	DRILL BIT		428244	301116-202309	8979	6133			BUILDING REPAIR SUPPLIES	AMES GENERAL	08970	90	90	
		7.99	JOINT TAPE		428244	301116-202309	8989	6133			BUILDING REPAIR SUPPLIES	HASSE GENERAL	08970	90	90	
		63.96	SHOE GUARDS(2), PAINTBRUSH(2)		428244	301116-202309	8989	6120			OPERATING SUPPLIES	HASSE GENERAL	08970	90	90	
		12.99	UTILITY KNIFE BLADES(50)-STOCK		428244	301116-202309	8989	6133			BUILDING REPAIR SUPPLIES	HASSE GENERAL	08970	90	90	
		48.58	POWER STRIP, PAINT ROLLERS		428244	301116-202309	8989	6133			BUILDING REPAIR SUPPLIES	HASSE GENERAL	08970	90	90	
		24.97	CABLE TIES, ELECTRIC TAPE		428244	301116-202309	8989	6133			BUILDING REPAIR SUPPLIES	HASSE GENERAL	08970	90	90	
		<u>214.45</u>														
14574	10/11/2023		133853 CINTAS													
		8.23	RUG & TOWEL SERVICE 9/25/23		428007	4168799449	8979	6280			OTHER CONTRACTUAL	AMES GENERAL	08970	90	90	
		<u>8.23</u>														
14594	10/11/2023		114176 FASTENAL COMPANY													
		529.22	JANITORIAL SUPPLIES		428008	MNLAK199904	8989	6123			CLEANING SUPPLIES	HASSE GENERAL	08970	90	90	
		<u>529.22</u>														
14610	10/11/2023		139809 INDUSTRIAL BATTERY PRODUCTS, INC													
		442.22	ZAM CHARGER REPAIRS		428009	80060073	8989	6282			CONTRACT EQUIPMENT REPAIR	HASSE GENERAL	08970	90	90	
		<u>442.22</u>														
14661	10/11/2023		100841 SOUTH METRO RENTAL INC													
		785.51	LIFT CYLINDER,CLEVIS PIN,CLIP		428011	130643	8979	6282			CONTRACT EQUIPMENT REPAIR	AMES GENERAL	08970	90	90	
		<u>785.51</u>														
14684	10/11/2023		136576 VONAGE BUSINESS													
		99.98	PHONE SERVICE OCT 2023		428310	INV09812417	8979	6276			TELEPHONE	AMES GENERAL	08970	90	90	
		72.44	PHONE SERVICE OCT 2023		428310	INV09812417	8989	6276			TELEPHONE	HASSE GENERAL	08970	90	90	
		<u>172.42</u>														
14689	10/11/2023		138985 WATSON COMPANY, MN													
		841.28	CONCESSIONS INVENTORY		428232	137209	8970	5532			ICE ARENA CONCESSIONS COGS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		<u>841.28</u>														
14722	10/25/2023		133853 CINTAS													
		24.15	TOWEL & MOP SERVICE 10/9/23		429149	4170207138	8979	6280			OTHER CONTRACTUAL	AMES GENERAL	08970	90	90	
		<u>24.15</u>														
14737	10/25/2023		100303 DICK'S SANITATION													
		377.83	OCT 2023 SERVICE		429152	9746159T460	8979	6275			WASTE DISPOSAL	AMES GENERAL	08970	90	90	
		<u>377.83</u>														
14743	10/25/2023		100387 ECOLAB PEST ELIM													
		109.71	PEST CONTROL 9/29/23		429153	3441365	8979	6280			OTHER CONTRACTUAL	AMES GENERAL	08970	90	90	
		115.82	PEST CONTROL 10/9/23		429154	3672647	8989	6280			OTHER CONTRACTUAL	HASSE GENERAL	08970	90	90	

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

10/1/2023 - 10/31/2023

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div	
		565.00	COOLING TWR WTR PROG 10/10/23		429148	8420363	8979	6126			CHEMICALS	AMES GENERAL	08970	90	90	
		565.00														
320608	10/24/2023		100025 CITY OF LAKEVILLE													
		3,276.00	OCT 2023 FISCAL AGENT FEES		429150	34608	8970	6214			FISCAL CONSULTANT FEES	LAKEVILLE ARENAS ADMIN	08970	90	90	
		3,276.00														
320633	10/24/2023		100341 FRONTIER COMMUNICATIONS													
		115.56	SEPT 2023 HASSE ELEVATOR		429157	91807-09	8989	6276			TELEPHONE	HASSE GENERAL	08970	90	90	
		115.56														
320667	10/24/2023		135432 MARCO TECHNOLOGIES LLC													
		277.17	ARENAS-COPIER MAINT		429136	512519257	8979	6110			OFFICE SUPPLIES	AMES GENERAL	08970	90	90	
		277.17														
320679	10/24/2023		119725 MN ENERGY RESOURCES CORP													
		2,835.38	AMES ARENA		429397	202309	8979	6272			GAS SERVICE	AMES GENERAL	08970	90	90	
		2,310.52	HASSE ARENA		429397	202309	8989	6272			GAS SERVICE	HASSE GENERAL	08970	90	90	
		5,145.90														
320683	10/24/2023		141544 MN UI FUND													
		693.00	2023 QTR 3 UNEMPLOYMENT		429124	16529632	8970	6056			UNEMPLOYMENT COMPENSATION	LAKEVILLE ARENAS ADMIN	08970	90	90	
		693.00														
20230498	10/6/2023		137859 CITY OF LAKEVILLE-ARENAS													
		12,104.62	ARENAS PAYROLL PPE 10/01/23		428383	20231001	8970	1010			CASH - GENERAL	LAKEVILLE ARENAS ADMIN	08970	90	90	
		5,381.64	ARENAS PAYROLL PPE 10/01/23		428383	20231001	8970	2030			ACCRUED SALARIES PAYABLE	LAKEVILLE ARENAS ADMIN	08970	90	90	
		64.98	ARENAS LIFE INS PPE 10/01/23		428383	20231001	8970	6052			LIFE AND DISABILITY INSURANC	LAKEVILLE ARENAS ADMIN	08970	90	90	
		17,421.28														
20230501	10/10/2023		136242 WELLS FARGO PCARD-ARENAS													
		420.80	MENARDS-SOFTENER SALT		428388	202309	8970	6126			CHEMICALS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		149.20	SAMS-CONCESSIONS INVENTORY		428388	202309	8970	5532			ICE ARENA CONCESSIONS COGS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		457.50	DAK CO-TRUCKS-TABS & PLATES		428388	202309	8970	6314			LICENSES AND TAXES	LAKEVILLE ARENAS ADMIN	08970	90	90	
		11.39	DAK CO-TRUCKS-TABS & PLATES		428388	202309	8970	6314			LICENSES AND TAXES	LAKEVILLE ARENAS ADMIN	08970	90	90	
		440.48	SAMS-CONCESSIONS INVENTORY		428388	202309	8970	5532			ICE ARENA CONCESSIONS COGS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		82.73	WEBSTRT-CONCESSIONS INVENTORY		428388	202309	8970	5532			ICE ARENA CONCESSIONS COGS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		137.91	GETSLING-EE SCHEDULE APP SUBS		428388	202309	8970	6313			DUES AND SUBSCRIPTIONS	LAKEVILLE ARENAS ADMIN	08970	90	90	
		8,605.23	SEPT 2023 WELLS FARGO STMT		428388	202309	8970	1010			CASH - GENERAL	LAKEVILLE ARENAS ADMIN	08970	90	90	
		8,605.23	SEPT 2023 WELLS FARGO STMT		428388	202309	8970	1022			CASH - LAKEVILLE AMES ARENA	LAKEVILLE ARENAS ADMIN	08970	90	90	
		18.38	AMZN-AMES CONCESSIONS SUPPLIES		428388	202309	8979	6120			OPERATING SUPPLIES	AMES GENERAL	08970	90	90	
		44.40	MENARDS-AMES CONCESSIONS RENO		428388	202309	8979	6133			BUILDING REPAIR SUPPLIES	AMES GENERAL	08970	90	90	
		95.13	KWIK TRIP-TRUCK FUEL 23 GAL		428388	202309	8979	6121			MOTOR FUELS	AMES GENERAL	08970	90	90	
		332.35	MENARDS-AMES CONCESSIONS RENO		428388	202309	8979	6133			BUILDING REPAIR SUPPLIES	AMES GENERAL	08970	90	90	
		49.98	AMZN-LAPTOP DOCKING STATION		428388	202309	8979	6180			COMPUTER SUPPLIES	AMES GENERAL	08970	90	90	
		10.35	KWIK TRIP-SMALL ENGINE FUELS		428388	202309	8979	6121			MOTOR FUELS	AMES GENERAL	08970	90	90	

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Council Check Summary

10/1/2023 - 10/31/2023

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Supplier / Explanation</u>	<u>PO#</u>	<u>Doc No</u>	<u>Inv No</u>	<u>BU</u>	<u>Obj</u>	<u>Sub</u>	<u>Subledger</u>	<u>Account Description</u>	<u>BU Description</u>	<u>Co</u>	<u>Dept</u>	<u>Div</u>
08970			LAKEVILLE ARENAS - OPERATIONS	77,995.44											
			Report Totals	77,995.44											

City of Lakeville
Portfolio Holdings
Investment Portfolio - by Portfolio
Report Format: By Transaction
Group By: Portfolio Name
Average By: Face Amount / Shares
Portfolio / Report Group: Lakeville - Arenas
As of 10/31/2023

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Lakeville - Arenas											
4M General LGIP	LGIP6101M	4/1/2019	5.321	76,793.49	76,793.49	76,793.49	76,793.49	N/A	1		12.55
Key Bank, Cleveland OH 4.9 11/6/2023	49306SK47	4/24/2023	4.900	40,000.00	40,000.00	40,000.00	39,996.57	11/6/2023	6	1,020.27	6.54
Charles Schwab Bank, Westlake TX 4.75 2/2/2024	15987UAN8	2/2/2023	4.750	40,000.00	40,000.00	40,000.00	39,917.01	2/2/2024	94	1,410.68	6.54
BMO Harris Bank, N.A. 4.7 2/29/2024	05600XLN8	1/31/2023	4.700	40,000.00	40,000.00	40,000.00	39,900.31	2/29/2024	121	473.86	6.54
Luana Savings Bank, Luana IA 0.3 7/1/2024	549104VB0	12/30/2020	0.300	50,000.00	50,000.00	50,000.00	48,284.77	7/1/2024	244	50.55	8.17
Ally Bank, Sandy UT 3.35 8/12/2024-23	02007GXT5	8/11/2022	3.350	40,000.00	40,000.00	40,000.00	39,287.29	8/12/2024	286	297.37	6.54
Morgan Stanley Bank, N.A. 4.9 9/3/2024	61690U2D1	3/2/2023	4.900	50,000.00	50,000.00	50,000.00	49,695.47	9/3/2024	308	396.03	8.17
Luana Savings Bank, Luana IA 0.25 10/7/2024	549104XE2	4/7/2021	0.250	40,000.00	40,000.00	40,000.00	38,031.81	10/7/2024	342	6.58	6.54
Burke & Herbert B&T, Alexandria VA 4.6 8/6	121331AQ5	2/6/2023	4.600	50,000.00	50,000.00	50,000.00	49,045.01	8/6/2025	645	157.53	8.17
BMW Bank, N.A. 5.1 9/17/2025	05580AX58	3/17/2023	5.100	40,000.00	40,000.00	40,000.00	39,594.12	9/17/2025	687	245.92	6.54
Luana Savings Bank, Luana IA 0.45 10/7/2025	549104XD4	4/7/2021	0.450	40,000.00	40,000.00	40,000.00	36,221.42	10/7/2025	707	11.84	6.54
Live Oak Banking, Wilmington NC 0.65 10/20/2025	538036PS7	4/20/2021	0.650	25,000.00	25,000.00	25,000.00	22,673.39	10/20/2025	720	13.36	4.09
Discover Bank, Greenwood DE 5.1 3/23/2026	2546733A2	3/22/2023	5.100	40,000.00	40,000.00	40,000.00	39,672.10	3/23/2026	874	217.97	6.54
Morgan Stanley Bank, N.A., Salt Lake City UT 4.55	61690U4Z0	4/27/2023	4.550	40,000.00	40,000.00	40,000.00	39,188.35	4/27/2026	909	19.95	6.54
Sub Total / Average Lakeville - Arenas			3.663	611,793.49	611,793.49	611,793.49	598,301.11		391	4,321.91	100.00
Total / Average			3.663	611,793.49	611,793.49	611,793.49	598,301.11		391	4,321.91	100

Lakeville ARENAS

LAKEVILLE ARENAS NOVEMBER 2023 MANAGER'S REPORT



Date: November 13, 2023

To: Lakeville Arenas Board of Directors

Fr: Joe Bergquist – Lakeville Arenas General Manager

Re: Lakeville Arenas Managers November 2023 Report

I. OPERATIONS

A. Customer News & Updates

1. **LHA** – No news to report.
2. **High Schools** – Both the boys and girl’s seasons are underway. The girls begin league play later this week while the boys start at the end of the month.
3. **Heritage Figure Skating Club** – We finalized this season’s concessions fundraising details. HFSC will not be helping with tournaments this season due to a reduction of members and available workers. They will be providing workers for all High Schools games.

B. Arena Programs

1. **Learn To Skate** – No news to report.
2. **New Year’s Adult Tournament.** – LHA is taking the new year’s weekend off so Lakeville Arenas will be hosting our first internal adult tournament if there is enough interest. We are working with Hockey Finder which is a league that we sell ice to. They did a survey of their membership, which showed interest so we are hopeful that there will be enough registrations despite the holiday to host the tournament.

C. Ice Rental Hours

<u>ICE HOURS</u>	<u>Sep-23</u>	<u>Sep-23 YTD</u>	<u>Sep-22</u>	<u>Sep-22 YTD</u>
LHA	204	1220	236	1192
Clinic/Camps	26	680	30	693
Other Ice	137	743	138	807
ISD 194	10	443	5	436
HFSC	43	323	39	317
Adult Hockey	28	248	23	170
<u>Misc Pickup Ice</u>	<u>3</u>	<u>66</u>	<u>18</u>	<u>84</u>
Total Hours	451	3723	489	3699

D. Welcome Center Operations

We have been unable to find a cleaning company to take on our account because we do not contract enough hours. We have posted a part time custodial position as a potential option to help us with our cleaning needs.

E. Staffing

1. Full Time Staffing

The last posting for full time positions was slightly more successful. We currently have 3 applicants for the 2 driver positions we have available and 4 applicants for the 1 supervisor position that is available. Interviews will be taking place at the end of this week.

2. Part Time Staffing

We are currently receiving 1-2 applications per week operations workers and part-time drivers.

F. REPAIR & MAINTENANCE

10/10/2023	370.86	RAINBOWTREE-A	SH TREE TREATMENT
10/10/2023	785.51	SOUTH METRO RENTAL INC	LIFT CYLINDER,CLEVIS PIN,CLIP
10/10/2023	442.22	INDUSTRIAL BATTERY PRODUCTS, I	ZAM CHARGER REPAIRS
11/7/2023	107.25	R & R SPECIALTIES INC	ZAM BLADE SHARPENING
11/7/2023	57.75	R & R SPECIALTIES INC	ZAM BLADE SHARPENING
10/24/2023	130.00	SCR INC	HASSE CONTRACT BLDG R&M
10/24/2023	648.65	SCR INC	HASSE CONTRACT BLDG R&M
11/7/2023	578.28	RETROFIT COMPANIES, INC	WIRELESS CONTROL RINK 1 LIGHTS
11/7/2023	1,367.15	RINK TEC INTERNATIONAL INC	ICE PLANT MAINT 10/20/23
11/7/2023	450.68	SCR INC	LOBBY TRU REPAIR 10/20/23

II. CONSTRUCTION & STAFF PROJECTS

A. Pavilion Rink

1. Roof & Sitework

- a. **Perimeter Slab** – We met with the vice president of Sheehy Construction and Owner of Day-Co Concrete last week. Because there is no conclusive evidence that the slab will fail in the future, they will not replace the entire slab as they believe that the repairs will address the problems that our engineers have identified. As an alternative our engineers recommended an extended 5-year warranty on the repairs and the entire slab. They believe that if the slab were to fail it will do so within the 5-year time frame. In addition to the original repair recommended by Dayco they have also agreed to waterproof and seal all cracks throughout the slab, cut or grind any surface flaws around the radiuses that exist, and assist Rink Tec with the installation of the expansion joint to make additional repairs as needed while the expansion joint is being installed. Our contract does require us to allow the contractor an opportunity to make repair provided the engineers agree to them. The extended warranty is considered a reasonable request and acceptable to the engineers and architects so we will need to accept this or proceed with litigation.

We will be meeting this Friday with our engineers, architect, and construction managers to determine the structural details that need to be included in the warranty. After that we will send it to our attorney to write the actual warranty and terms.

The slab will be repaired in the spring as weather allows and then Rink Tec will build the rink
 Ames Arena 19900 Ipava Ave | Hasse Arena 8525 215th Street West | Lakeville MN 55044

floor. All of Sheehy's work except the slab repair, sidewalk between the buildings, and final grading will be completed later this week and the site will be secured for the winter until work can commence again next spring.

2. Refrigeration & Rink Construction

- a. **Ice Plant** – The ice plant completion is still reliant on the arrival of the motor controls center, which has not arrived yet. Other work continues so when it does arrive it should be able to be installed and programmed within a month or less. The temporary chiller has been sufficient for operating the indoor plant and will continue to be as long as needed.

3. Pavilion Rink Other Items

- a. An updated copy of the budget is attached. We are currently expected to come in under budget, which is important as we have already exceeded the dollar amount allotted in referendum, as was expected after the drastic rise in construction costs between the referendum vote and bidding of actual the projects.

B. Staff Projects

1. **Sound Systems** – Staff has completed the wiring and installation of the speakers for the new sound systems at Ame and Hasse. The sound company is scheduled to complete the install and programming next week.
2. **Sound & Light Show** – Staff has begun pulling wires and installing the new sound and light system at Ames. Work should be completed in time for the boy's home opener on November 28th.
3. **Ames Zam Room Plumbing Project:** Staff has repaired and replaced the Zam filling station for rink 2 and will be working on Rink 1 soon. When completed the filling stations will have hoses that hang down from the ceiling that will easily dislodge if a driver forgets to remove them before backing out the Zamboni.

III. FINANCIALS SUMMARY

Total revenue for October was down 5,700 but ahead of budget by 42,779 YTD. LHA rentals are now expected to be below budget due to cost cutting measures. They have moved to having 2 teams share the ice for all practices rather having both shared and solo ice practices, which will reduce the hours of ice that they purchase. Overall, we are forecasting that other organizations will pick up some of the unused ice so it should not have a major impact overall.

Total salaries & benefits YTD continue to remain on track and just slightly under budget in October and YTD. Percent of revenue is at 38% which is slightly better than our target of the 40%. Overall commodities YTD are below budget by approximately 31,000 and forecasted to be approximately 20,000 at year end. Professional services YTD are up 11,392 YTD due to cc fees and insurance and are expected to end the year near that amount. Contracted expenses are currently below budget by approximately 22,000 and forecasted to be 12,000 below budget at year end provided there are no major breakdowns of equipment. Utilities are currently 5% over budget. Total operating expenses in October were 13,114 below budget, 31,622 below budget YTD, and forecasted at 11,380 below budget at year end.

Earnings before Interest, Debt, and Capital Expenses in October was 7,400 over budget at 48,062. YTD in October was 147,356 over budgeted and forecasted to be 51,938 over budget at year end.

Debt and capital expenses are currently 15,396 over budget YTD and are now expected to be 55,581 over budget at year end. We recently learned that Lakeville Arenas will be sharing in the city's expense for new financial and payroll software. We are responsible for 10% of the financial software and 12% of the payroll software. This year we will be charged 40,185 for our share, 53,165 next year, and then an estimated 12,000 each year thereafter. We are hopeful that our operating fund budget will stay on track as forecasted or improve even more so that this added expense can be absorbed in our operating budget without impacting our fund balance at the end of the year, which is lower than we like due to losses during COVID. We also do not want to use our capital fund as that is currently lower than we like due to the new dasher boards purchased this year, and the new Zamboni coming next year.

Net income for October was 36,395 and was 7,409 over budget. YTD Net Income was better than budget at negative 29,147 compared to negative 88,777 budgeted. We are now forecasting a small loss at year end of approximately 3,018 and optimistic we can make cuts these last 2 months to end the year positive.

- A. **Managers P&L-Forecasting Report Attached.**
- B. **Hasse Pavilion Rink Updated Budget Attached.**

Manager's Report Respectfully Submitted by



Joe Bergquist - Lakeville Arenas Manager - 11/13/23

Managers P&L Statement
(Preliminary and Unaudited)
- Operations Use Only

	October 2022 Actual	October 2023 Actual	October 2023 Budget-2	October 2022 YTD Actual	October 2023 YTD Actual	October 2023 YTD Budget-2	November Budget - 2 Forecast Change	December Budget - 2 Forecast Change	PE 2023 Forecast	PE 2023 Budget	Forecasted Budget Variance +/-
OPERATING REVENUE											
<i>Ice & Facility Rentals</i>											
5211 Ice Rental - LHA	56,021	51,003	61,100	283,440	299,803	309,140	92,000	91,000	482,803	511,550	(28,747)
5212 Ice Rental - ISD 194	-	-	1,300	105,431	109,288	110,587	50,495	57,525	217,308	209,778	7,530
5213 Ice Rental Other	58,881	60,022	69,875	375,329	383,211	378,972	29,199	32,559	444,969	429,295	15,674
5216 ISD 194 HS Game Gate Share	-	-	-	31,444	26,268	26,604	-	12,506	38,774	39,110	(336)
<u>5223 Dry floor Rentals</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,378</u>	<u>10,280</u>	<u>9,106</u>	<u>-</u>	<u>643</u>	<u>10,923</u>	<u>9,749</u>	<u>1,174</u>
Total Ice & Facility Rentals	<u>114,902</u>	<u>111,025</u>	<u>132,275</u>	<u>815,022</u>	<u>828,850</u>	<u>834,409</u>	<u>171,694</u>	<u>194,233</u>	<u>1,194,777</u>	<u>1,199,482</u>	<u>(4,705)</u>
<i>Programing & Public Events Revenue</i>											
5214 Learn to Skate	4,768	3,917	-	58,285	72,090	64,024	-	22,520	94,610	86,544	8,066
5215 Admissions-Public Skating	3,370	7,227	3,539	27,618	37,028	45,498	3,500	3,300	43,828	54,250	(10,422)
<u>5221 Arena Programming</u>	<u>(475)</u>	<u>3,186</u>	<u>500</u>	<u>16,562</u>	<u>28,555</u>	<u>27,641</u>	<u>1,500</u>	<u>500</u>	<u>30,555</u>	<u>29,641</u>	<u>914</u>
Total Programs & Public Events	<u>7,663</u>	<u>14,330</u>	<u>4,039</u>	<u>102,465</u>	<u>137,673</u>	<u>137,163</u>	<u>5,000</u>	<u>26,320</u>	<u>168,993</u>	<u>170,435</u>	<u>(1,442)</u>
<i>Concessions Sales</i>											
<u>5218 Net Food & Beverage Sales</u>	<u>8,905</u>	<u>10,855</u>	<u>9,000</u>	<u>50,283</u>	<u>94,347</u>	<u>85,369</u>	<u>12,000</u>	<u>14,400</u>	<u>120,747</u>	<u>111,769</u>	<u>8,978</u>
Concessions Net Revenue	<u>8,905</u>	<u>10,855</u>	<u>9,000</u>	<u>50,283</u>	<u>94,347</u>	<u>85,369</u>	<u>12,000</u>	<u>14,400</u>	<u>120,747</u>	<u>111,769</u>	<u>8,978</u>
<i>Pro Shop Products & Services</i>											
5219 Net Pro Shop Product Sales	(130)	968	350	800	3,482	2,359	1,000	1,373	5,855	4,732	1,123
5220 Skate Sharpening	664	-	764	3,677	4,363	6,068	846	1,001	6,210	7,915	(1,705)
<u>5222 Skate Rental</u>	<u>442</u>	<u>-</u>	<u>508</u>	<u>3,745</u>	<u>3,117</u>	<u>4,331</u>	<u>796</u>	<u>899</u>	<u>4,812</u>	<u>6,026</u>	<u>(1,214)</u>
Total Pro Shop Products & Services	<u>976</u>	<u>968</u>	<u>1,622</u>	<u>8,222</u>	<u>10,962</u>	<u>12,758</u>	<u>1,642</u>	<u>1,900</u>	<u>11,022</u>	<u>13,941</u>	<u>(2,919)</u>
<i>Other Misc. Arena Revenues</i>											
5022 Games-Vending Machines	34	246	250	973	2,675	3,077	442	333	3,450	3,852	(402)
5217 Advertising Sales / Other	2,645	3,800	2,645	25,035	41,188	28,252	2,645	11,467	55,300	42,364	12,936
4390 Rebates & Dividends	-	-	-	-	-	-	-	-	-	0	-
5026 Donations/Other Misc.	-	-	-	1,936	1,627	1,491	-	4,266	5,893	5,757	136
4910 Interest on Investments	468	1,332	468	2,987	16,207	5,048	557	773	17,537	6,378	11,159
4912 Net Change in FV of Investments	(1,266)	835	(1,203)	(18,198)	3,302	(13,515)	(86)	2,361	5,577	-11,240	16,817
<u>5024 Cash Over/(Short)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>

Lakeville ARENAS

Managers P&L Statement
(Preliminary and Unaudited)
- Operations Use Only

	October 2022 Actual	October 2023 Actual	October 2023 Budget-2	October 2022 YTD Actual	October 2023 YTD Actual	October 2023 YTD Budget-2	November Budget - 2 Forecast Change	December Budget - 2 Forecast Change	PE 2023 Forecast	PE 2023 Budget	Forecasted Budget Variance +/-
Total Other Arena Revenues	<u>1,881</u>	<u>6,213</u>	<u>2,160</u>	<u>12,733</u>	<u>64,999</u>	<u>24,353</u>	<u>3,558</u>	<u>19,200</u>	<u>87,757</u>	<u>47,111</u>	<u>40,646</u>
TOTAL REVENUE	<u>134,327</u>	<u>143,391</u>	<u>149,096</u>	<u>988,725</u>	<u>1,136,831</u>	<u>1,094,052</u>	<u>193,894</u>	<u>256,053</u>	<u>1,583,296</u>	<u>1,542,738</u>	<u>40,558</u>

OPERATING EXPENDITURES

PERSONNEL SERVICES

Employee Salary Expenses

6012 Salaries - Full Time	20,199	19,518	30,614	186,913	164,548	182,188	29,706	29,923	224,177	241,817	(17,640)
6015 Salaries - Full Time - Overtime	3,396	568	972	13,695	21,534	12,318	979	1,640	24,153	14,937	9,216
<u>6030 Salaries - Part Time/Temporary</u>	<u>12,245</u>	<u>22,684</u>	<u>7,459</u>	<u>106,028</u>	<u>181,364</u>	<u>150,316</u>	<u>15,216</u>	<u>19,748</u>	<u>216,328</u>	<u>185,280</u>	<u>31,048</u>
Total Employee Salaries	<u>35,840</u>	<u>42,770</u>	<u>39,045</u>	<u>306,636</u>	<u>367,446</u>	<u>344,822</u>	<u>45,901</u>	<u>51,311</u>	<u>464,658</u>	<u>442,034</u>	<u>22,624</u>

Employee Benefit Expenses

6041 Pera (State Retirement Pension)	2,059	2,111	2,369	18,364	19,742	16,088	2,301	2,367	24,410	20,756	3,654
6051 Hospitalization Insurance	1,263	-	3,935	18,015	4,580	18,663	3,935	3,933	12,448	26,531	(14,083)
6052 Life and Disability	64	8	44	124	(49)	179	44	44	39	267	(228)
6053 Long Term Disability	39	34	152	378	301	606	152	154	607	912	(305)
5057 FSA Plan	-	-	40	55	33	148	40	40	113	228	(115)
<u>6054 Dental Insurance</u>	<u>-</u>	<u>-</u>	<u>428</u>	<u>1,186</u>	<u>161</u>	<u>1,659</u>	<u>428</u>	<u>428</u>	<u>1,017</u>	<u>2,515</u>	<u>(1,498)</u>
Total Employee Benefits	<u>3,425</u>	<u>2,153</u>	<u>6,968</u>	<u>38,117</u>	<u>24,768</u>	<u>37,343</u>	<u>6,900</u>	<u>6,966</u>	<u>38,634</u>	<u>51,209</u>	<u>(12,575)</u>

Employee Withholdings-Other Expenses

6044 FICA	2,740	3,130	2,987	23,427	28,148	27,279	3,511	3,918	35,577	34,708	869
6056 Unemployment Compensation	434	693	434	10,468	1,371	10,468	-	-	1,371	10,468	(9,097)
6055 Workers Compensation Insurance	954	1,331	1,244	9,939	13,308	10,811	1,463	1,631	16,402	13,905	2,497
<u>6058 Salary Contingency</u>	<u>-</u>	<u>-</u>	<u>1,171</u>	<u>-</u>	<u>-</u>	<u>7,669</u>	<u>1,377</u>	<u>1,536</u>	<u>2,913</u>	<u>10,582</u>	<u>(7,669)</u>
Employee Withholdings/Other	<u>4,128</u>	<u>5,154</u>	<u>5,836</u>	<u>43,834</u>	<u>42,827</u>	<u>56,227</u>	<u>6,351</u>	<u>7,085</u>	<u>56,263</u>	<u>69,663</u>	<u>(13,400)</u>

Total Salary & Benefit Expenses

Percent of Revenue

Total Salary & Benefit Expenses	<u>43,393</u>	<u>50,077</u>	<u>51,849</u>	<u>388,587</u>	<u>435,041</u>	<u>438,392</u>	<u>59,152</u>	<u>65,362</u>	<u>559,555</u>	<u>562,906</u>	<u>(3,351)</u>
Percent of Revenue	32%	35%	35%	39%	38%	40%	31%	26%	35%	36%	

COMMODITIES

Managers P&L Statement (Preliminary and Unaudited) - Operations Use Only		October	October	October	October	October	October	November	December			Forecasted
		2022 Actual	2023 Actual	2023 Budget-2	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget-2	Budget - 2 Forecast Change	Budget - 2 Forecast Change	PE 2023 Forecast	PE 2023 Budget	Forecast Budget Variance +/-
6110	Office Supplies / Equipment	294	383	297	3,010	3,165	3,112	430	297	3,892	3,839	53
6120	Operating Supplies & Equipment	1,677	4,067	950	11,827	26,394	33,399	5,000	950	32,344	34,999	(2,655)
6121	Motor Fuels	18	106	100	801	882	1,061	100	130	1,112	1,291	(179)
6123	Cleaning Supplies / Equipment	1,387	289	1,000	6,141	7,196	9,811	1,000	1,000	9,196	11,811	(2,615)
6124	Clothing	-	-	-	36	-	2,500	1,000	-	1,000	2,500	(1,500)
6126	Chemicals (Condensing Towers)	-	986	500	-	5,360	5,000	700	700	6,760	6,000	760
6127	Safety Supplies & Equipment	-	-	100	625	929	1,179	100	100	1,129	1,379	(250)
6131	Equipment Parts & Supplies	6	-	100	230	1,391	1,000	100	100	1,591	1,200	391
6132	Tires	-	-	-	-	-	-	-	-	-	0	-
6133	Building Repair Supplies & Equipment	751	2,992	500	14,599	25,904	31,005	5,000	500	31,404	32,005	(601)
6134	Parking Lot Maintenance Supplies	-	-	-	-	-	-	-	-	-	0	-
6135	Landscaping Materials & Equipment	-	-	-	-	-	7,000	-	-	-	7,000	(7,000)
6136	Signs (Advertising Sales Sign Expenses)	-	-	500	-	264	5,000	500	500	1,264	6,000	(4,736)
6140	Small Tools/Equipment	-	-	500	378	7,494	10,500	500	500	8,494	11,500	(3,006)
<u>6180</u>	<u>Computer Supplies</u>	<u>-</u>	<u>87</u>	<u>-</u>	<u>-</u>	<u>468</u>	<u>105</u>	<u>3,963</u>	<u>318</u>	<u>4,749</u>	<u>4,386</u>	<u>363</u>
Total Commodities		4,134	8,910	4,547	37,647	79,448	110,672	18,393	5,095	102,936	123,910	(20,974)

OTHER CHARGES & SERVICES

Admin & Overhead

Professional Services Expenses

6210	Professional Fees	-	-	-	-	-	-	-	-	-	0	-
6211	Attorney Fees	-	-	-	-	-	-	-	-	-	0	-
6214	Fiscal Management Fee	3,049	3,276	3,276	30,490	32,760	32,760	3,276	3,276	39,312	39,312	-
6218	Bank Charges	921	810	921	13,074	18,181	14,143	939	2,557	21,677	17,639	4,038
6221	Audit	-	-	-	6,695	7,300	6,746	-	-	7,300	6,746	554
6255	Advertising (Old Dashers/New Media Exp)	-	-	-	6,968	565	-	-	-	565	0	565
6261	Insurance	2,094	2,935	2,158	20,947	29,350	23,134	2,158	603	32,111	25,895	6,216
<u>6277</u>	<u>Postage & Shipping</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>0</u>	<u>19</u>
Total Professional Expenses		6,064	7,021	6,355	78,174	88,175	76,783	6,373	6,436	100,984	89,592	11,392

Training & Education Expenses

Managers P&L Statement (Preliminary and Unaudited) - Operations Use Only	October	October	October	October	October	October	November	December			Forecasted
	2022 Actual	2023 Actual	2023 Budget-2	2022 YTD Actual	2023 YTD Actual	2023 YTD Budget-2	Budget - 2 Forecast Change	Budget - 2 Forecast Change	PE 2023 Forecast	PE 2023 Budget	Budget Variance +/-
6308 Tuition Reimbursement		-	-	-	-	-	-	-	-	0	-
<u>6311 Schools and Conferences</u>	<u>315</u>	<u>-</u>	<u>347</u>	<u>662</u>	<u>886</u>	<u>5,323</u>	<u>-</u>	<u>-</u>	<u>886</u>	<u>5,323</u>	<u>(4,437)</u>
<u>Total Education Expenses</u>	<u>315</u>	<u>-</u>	<u>347</u>	<u>662</u>	<u>886</u>	<u>5,323</u>	<u>-</u>	<u>-</u>	<u>886</u>	<u>5,323</u>	<u>(4,437)</u>
<i>Other Admin & Overhead Expenses</i>											
6231 Travel Expenses		-	-	-	-	1,450	-	-	-	1,450	(1,450)
6234 Use of Personal Auto	-	-	-	122	-	712	-	-	-	712	(712)
6312 Misc. - Meetings (Commissions-Donations)	-	-	-	-	271	-	-	4,236	4,507	4,236	271
6313 Dues/Subscriptions	1,199	607	3,298	11,969	18,360	11,155	270	520	19,150	11,945	7,205
<u>6314 Licenses & Taxes</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>0</u>	<u>128</u>
<u>Total Other Admin Expenses</u>	<u>1,199</u>	<u>607</u>	<u>3,298</u>	<u>12,091</u>	<u>18,759</u>	<u>13,317</u>	<u>270</u>	<u>4,756</u>	<u>23,785</u>	<u>18,343</u>	<u>5,442</u>
Total Overhead Expenses	<u>7,578</u>	<u>7,628</u>	<u>10,000</u>	<u>90,927</u>	<u>107,820</u>	<u>95,423</u>	<u>6,643</u>	<u>11,192</u>	<u>125,655</u>	<u>113,258</u>	<u>12,397</u>
<i>Contracted Expenses</i>											
6280 Other Contractual	2,480	620	153	43,102	21,675	27,730	2,128	457	24,260	30,315	(6,055)
6281 Contract Auto Repair		-	-	-	-	1,500	-	-	-	1,500	(1,500)
6282 Equipment Repair and Maintenance	3,276	628	500	12,946	8,559	12,845	500	500	9,559	13,845	(4,286)
6283 Building Repair and Maintenance	746	3,401	3,707	52,262	34,664	45,870	7,500	7,500	49,664	55,878	(6,214)
6285 Contract Landscaping		-	-	1,733	225	-	-	-	225	0	225
6286 Contract Cleaning		-	-	-	1,922	-	2,500	2,500	6,922	0	6,922
<u>6322 Snow Removal</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,063</u>	<u>16,995</u>	<u>18,530</u>	<u>3,300</u>	<u>7,500</u>	<u>27,795</u>	<u>29,330</u>	<u>(1,535)</u>
<u>Total Contracted Expenses</u>	<u>6,502</u>	<u>4,649</u>	<u>4,360</u>	<u>120,106</u>	<u>84,040</u>	<u>106,475</u>	<u>15,928</u>	<u>18,457</u>	<u>118,425</u>	<u>130,868</u>	<u>(12,443)</u>
<i>Utility Service Expenses</i>											
6271 Electric Service	25,736	16,068	28,310	165,573	170,312	163,834	36,819	14,384	221,515	215,037	6,478
6272 Gas Service	6,765	5,146	7,103	64,866	83,066	77,203	6,975	25,544	115,585	109,722	5,863
6274 Water	1,600	2,183	1,680	19,243	21,248	21,238	1,664	135	23,047	23,037	10
6275 Waste Disposal	306	378	312	5,916	5,813	5,263	330	571	6,714	6,164	550
<u>6276 Telephone/IS</u>	<u>276</u>	<u>290</u>	<u>282</u>	<u>2,493</u>	<u>2,688</u>	<u>2,597</u>	<u>157</u>	<u>389</u>	<u>3,234</u>	<u>3,143</u>	<u>91</u>
<u>Total Utility Expenses</u>	<u>34,683</u>	<u>24,065</u>	<u>37,687</u>	<u>258,091</u>	<u>283,127</u>	<u>270,135</u>	<u>45,945</u>	<u>41,023</u>	<u>370,095</u>	<u>357,103</u>	<u>12,992</u>

Lakeville ARENAS

Managers P&L Statement (Preliminary and Unaudited) - Operations Use Only	October 2022 Actual	October 2023 Actual	October 2023 Budget-2	October 2022 YTD Actual	October 2023 YTD Actual	October 2023 YTD Budget-2	November Budget - 2 Forecast Change	December Budget - 2 Forecast Change	PE 2023 Forecast	PE 2023 Budget	Forecasted Budget Variance +/-
TOTAL OPERATING EXPENSE	<u>96,290</u>	<u>95,329</u>	<u>108,443</u>	<u>895,358</u>	<u>989,475</u>	<u>1,021,097</u>	<u>146,061</u>	<u>141,129</u>	<u>1,276,665</u>	<u>1,288,045</u>	(11,380)
<u>Earnings before Interest-Debt-Capital</u>	<u>38,038</u>	<u>48,062</u>	<u>40,653</u>	<u>93,368</u>	<u>147,356</u>	<u>72,955</u>	<u>47,833</u>	<u>114,924</u>	<u>306,631</u>	<u>254,693</u>	<u>51,938</u>
<i>Interest and Debt Expenses</i>											
6295 Debt Service Payments - Major Maintena (APEX) Energy Savings Project - Debt Commitment	6,750	-	-	14,125	12,875	13,500	-	-	12,875	13,500	(625)
6613 Debt Service	-	-	-	-	-	-	-	-	-	0	-
6420 <u>Bad Debts</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<u>Total Debt & Other Fiscal Expenses</u>	<u>6,750</u>	<u>-</u>	<u>-</u>	<u>14,125</u>	<u>12,875</u>	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>76,335</u>	<u>76,960</u>	<u>(625)</u>
<i>Capital Expenses</i>											
6520 Capital Outlay Buildings	-	-	-	-	17,192	19,564	-	-	17,192	19,564	(2,372)
6540 Capital Outlay Machinery & Equipment	-	-	-	-	28,205	12,000	40,185	-	68,390	12,000	56,390
6541 Capital Outlay Other Improvements	-	-	-	-	-	-	-	-	-	0	-
6542 Capital Outlay Computers	-	-	-	-	1,564	-	-	-	1,564	0	1,564
7417 <u>Transfer to Capital Reserve Fund</u>	<u>11,667</u>	<u>11,667</u>	<u>11,667</u>	<u>116,663</u>	<u>116,667</u>	<u>116,668</u>	<u>11,668</u>	<u>11,664</u>	<u>139,999</u>	<u>140,000</u>	<u>(1)</u>
<u>Total Capital Expenses</u>	<u>11,667</u>	<u>11,667</u>	<u>11,667</u>	<u>116,663</u>	<u>163,628</u>	<u>148,232</u>	<u>51,853</u>	<u>11,664</u>	<u>227,145</u>	<u>171,564</u>	<u>55,581</u>
TOTAL EXPENSES	<u>114,707</u>	<u>106,996</u>	<u>120,110</u>	<u>1,026,146</u>	<u>1,165,978</u>	<u>1,182,829</u>	<u>197,914</u>	<u>152,793</u>	<u>1,580,145</u>	<u>1,536,569</u>	<u>43,576</u>
<u>NET INCOME (LOSS)</u>	<u>19,621</u>	<u>36,395</u>	<u>28,986</u>	<u>(37,421)</u>	<u>(29,147)</u>	<u>(88,777)</u>	<u>(4,020)</u>	<u>103,260</u>	<u>3,151</u>	<u>6,169</u>	<u>(3,018)</u>

Updated 11/16/2023

EXPENDITURES - DESIGN	BUDGET	ESTIMATE	ACTUAL
Apex Energy Contract CO - 12/6/21	\$242,070.00	\$242,070.00	EXPENDITURES
HASSE SHEET 2 DESIGN PE2/25/22			\$108,931.50
HASSE SHEET 2 DESIGN PE5/31/22			\$108,931.50
HASSE SHEET 2 DESIGN PE8/11/22			\$24,207.00
TOTAL	\$242,070.00	\$242,070.00	\$242,070.00
EXPENDITURES - CONSTRUCTION MANAGER	BUDGET	ESTIMATE	ACTUAL
Apex Hasse 2nd Rink Contract 9/2022	\$620,380.00	\$620,380.00	EXPENDITURES
10% Contingency	\$62,038.00	\$62,038.00	AND CREDITS
Apex INV 1 - Engineering fees			\$104,748.00
Apex INV 2 - Billable Time & Expenses			\$4,877.12
Apex INV 3 - Billable Time & Expenses			\$17,689.19
Apex Change Order 1 (SCR Move BAS Equipment)			\$2,502.06
Apex Change Order 2 (Special Inspections & Testing)			\$21,578.65
Apex Change Order 3 (Rink Area Subcut)			\$32,848.57
Apex INV 4 - Billable Time & Expenses			\$73,344.85
Apex INV 5 - Billable Time & Expenses			\$63,421.37
Apex INV 6 - Billable Time & Expenses			\$41,850.36
Apex INV 7 - Billable Time & Expenses			\$68,016.93
Apex INV 8 - Billable Time & Expenses			\$43,493.58
TOTAL	\$682,418.00	\$682,418.00	\$474,370.68
		Completed	70%
		Remaining	\$208,047.32
EXPENDITURES - ICE PLANT & OUTDOOR RINK FLOOR	BUDGET	ESTIMATE	ACTUAL
Rink Tec	\$3,261,429.00	\$3,261,429.00	EXPENDITURES
10% Contingency	\$326,142.90	\$326,142.90	AND CREDITS
Rink Tec INV 1			\$190,167.20
Rink Tec INV 2			\$389,500.00
Rink Tec INV 3			\$9,500.00
Rink Tec INV 4			\$188,100.00
Rink Tec INV 5			\$85,500.00
Rink Tec INV 6			\$95,000.00
Rink Tec INV 7			\$147,250.00
Rink Tec INV 8			\$75,000.00
Rink Tec INV 9			\$194,750.00
Rink Tec INV 10			\$265,192.50
Rink Tec INV 11			\$262,675.00
Rink Tec INV 12			\$148,675.00
Rink Tec INV 13			\$181,925.00
TOTAL	\$3,587,571.90	\$3,587,571.90	\$2,233,234.70
		Completed	62%
		Remaining	\$1,354,337.20

EXPENDITURES - SITEWORK & ROOF STRUCTURE	BUDGET	ESTIMATE	ACTUAL
Sheehy Construction Low Bid 11.22.22	\$2,570,000.00	\$2,570,000.00	EXPENDITURES
10% Contingency	\$257,000.00	\$257,000.00	AND CREDITS
Sheehy INV 1			\$51,699.00
Sheehy INV 2			\$124,050.00
Sheehy INV 3			\$195,815.25
Sheehy INV 4			\$985,373.25
Sheehy INV 5			\$268,574.50
Sheehy Change Order 1 (Soil Corrections Budgeted)			\$113,163.63
Sheehy INV 6			\$447,411.63
Sheehy INV 7			\$65,512.00
Sheehy Change Order 2 (SprinklerSystem/Other Credits)			-\$162,683.71
Sheehy INV 8			\$142,756.95
TOTAL	\$2,827,000.00	\$2,827,000.00	\$2,231,672.50
		Completed	79%
		Remaining	\$595,327.50
EXPENDITURES - OTHER MISC	BUDGET	ESTIMATE	ACTUAL
Contractor	\$0.00	\$0.00	EXPENDITURES
Campbell Knutson, CP22-18 Hasse Arena-Mar22			\$97.00
ECM Publishers Inc. Hasse Sheet2 Outdoor Rink			\$110.00
Campbell Knutson, Hasse Arena-Jul-Oct 2022			\$4,095.50
TOTAL	\$0.00	\$0.00	\$4,302.50
		Completed	
		Remaining	
EXPENDITURES - DASHER BOARDS	BUDGET	ESTIMATE	ACTUAL
Contractor (Sourcewell Coopertive Bidding)	\$306,522.00	\$306,523.00	EXPENDITURES
10% Contingency	\$30,652.20	\$30,652.30	AND CREDITS
Becker Arena Products INV 1 (Dasher Deposit)			\$113,594.40
Becker Arena Products INV 2 (Dasher Deposit)			\$113,594.40
TOTAL	\$337,174.20	\$337,175.30	\$227,188.80
		Completed	67%
		Remaining	\$109,985.40
OVERALL PROJECT	BUDGET	ESTIMATE	ACTUAL
TOTAL PROJECT	\$7,676,234.10	\$7,676,235.20	\$5,412,839.18
		Completed	71%
		Remaining	\$2,263,396.02



Memorandum

To: Lakeville Arenas Board
From: Julie Stahl, Finance Director
Date: November 15, 2023
Subject: Appoint Depositories

Minnesota Statute §118A.02 states that the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions, and that the governing body may authorize the treasurer or chief financial officer to make investments of funds under sections 118A.01 to 118A.06 or other applicable law. The governing body is responsible for deciding where public funds will be deposited. Most government entities designate a depository on either an annual or biennial basis.

The City of Lakeville is the fiscal agent for the Lakeville Arenas, per the Financial Management Services agreement approved on February 18, 2015. In November 2023, the City of Lakeville approved the banking services contract with U.S. Bank for an additional three-year period which utilizes the 4M Fund for investment of funds.

Investments are made in accordance with Minnesota State Statutes and Lakeville Arenas Investment Policy.

The resolution to appoint depositories reflects U.S. Bank as the primary depository for 2024 and includes the current financial security dealers as depositories, as well.

Attachment: Resolution – Appointing Depositories

LAKEVILLE ARENAS

RESOLUTION NO. 11152023.1

RESOLUTION APPOINTING THE 2024 DEPOSITORIES FOR LAKEVILLE ARENAS

WHEREAS, Minnesota Statute §118A.02, subd. 1 states that the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions, and that the governing body may authorize the treasurer or chief financial officer to make investments of funds under sections 118A.01 to 118A.06 or other applicable law; and

WHEREAS, all deposits of public funds will be insured or secured in accordance with Minnesota Statute §118A.03; and

WHEREAS, an Agreement between the Lakeville Arenas and the City of Lakeville for Financial Management Services, was approved on February 18, 2015.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Lakeville Arenas, Lakeville, Minnesota as follows:

1. The Chair or Vice-Chair are hereby authorized to execute any required documents with depositories named below, including signature cards and agreements.
2. The City of Lakeville Finance Director (or designee) is hereby authorized to invest Lakeville Arenas funds under sections 118A.01 to 118A.06 or other applicable law with depositories named below.
3. U.S. Bank N.A. will be the primary depository of the City.
4. The following institutions are hereby named additional depositories subject to legal compliance with maximum deposit and collateral requirements:

Minnesota Municipal Money Market Fund (4M Fund)
PMA Financial Network, Inc.
RBC Capital Markets
UBS Financial Services Inc.

ADOPTED by the Lakeville Arenas Board of Directors this 15th day of November 2023.

LAKEVILLE ARENAS

By: _____

Chair

ATTEST:

By: _____

ELECTION OF NON-WAIVER OF STATUTORY MUNICIPAL TORT LIABILITY LIMITS
AND DECLINING EXCESS LIABILITY INSURANCE COVERAGE

Proposed Action

Staff recommends adoption of the following motion: Move to approve Resolution Electing the Non-Waiver of Statutory Municipal Tort Liability Limits and Declining Excess Liability Insurance Coverage.

Overview

The Lakeville Arenas participates in the League of Minnesota Cities Insurance Trust (LMCIT) for the purpose of securing its liability, property, casualty, automobile and workers compensation insurance coverage. As a consideration of insurance policy renewal, the Lakeville Arenas must annually execute an “*LMCIT Liability Coverage Waiver Form*” and:

1. Determine whether to waive the statutory liability limits; and
2. Determine whether to acquire excess liability insurance coverage.

If the Lakeville Arenas does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the Lakeville Arenas purchases the optional excess liability coverage. A tort is a civil wrong whereby an injured party may be entitled to compensation.

If the Lakeville Arenas waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option the tort cap liability limits are waived to the extent of the member’s liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2 million, regardless of the number of claimants.

If the Lakeville Arenas waives the statutory tort limits and purchases excess liability coverage a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

For coverage written or renewed on or after November 15, 2014 LMCIT's liability coverage will provide a limit of \$2 million per occurrence. The LMCIT is providing higher coverage limits than the statutory limit in order to give member cities better protection. The statutory liability limit caps the Lakeville Arenas' liability for many types of claims but some liability claims aren't covered by the statutory limit so the Lakeville Arenas' potential liability is unlimited. The higher limit also protects against a major incident in which many people might be injured. Another reason to provide higher limits is because it is increasingly more common to see contracts requiring more than the statutory limit of \$1.5 million; a more common figure is the \$2 million limit.

The bottom line is the Board must decide if it wishes to allow a higher recovery amount if an individual was successful under a tort liability claim against the Lakeville Arenas. The advantage of the waiver option is that it allows in some cases for a claimant with a legitimate claim to recover more of their actual damages. The disadvantage is that the Lakeville Arenas' liability exposure is greater if it waives the statutory limits and the Lakeville Arenas' liability insurance premium would increase. The cost to waive the statutory limits would be about 5.5% of our base liability premium or approximately \$1,155 annually.

Also available to the Lakeville Arenas as optional coverage is what is known as excess liability insurance that provides an additional \$1 million of liability insurance over and above the \$2 million dollar policy limit on non-tort claims. This additional coverage basically acts as an umbrella and would provide the Lakeville Arenas additional insurance protection for claims that would be exempt from statutory tort limits. Estimated annual premium cost increase would be approximately \$1,180.

Primary Issues to Consider

- Statutory tort limits and excess liability coverage
- Cost

Supporting Information

- 2024 LMCIT Waiver Form

Joe Bergquist

Arena Manager

LAKEVILLE ARENAS

RESOLUTION NO. 11152023.2

ELECTION OF NON-WAIVER OF STATUTORY MUNICIPAL TORT LIABILITY LIMITS AND
DECLINING EXCESS LIABILITY INSURANCE COVERAGE

WHEREAS, Minnesota Statutes 466.04 imposes limits on municipal tort liability; and

WHEREAS, Lakeville Arenas has the option to waive the protection of statutorily imposed limits on what a claimant can recover in a tort liability action; and

WHEREAS, The League of Minnesota Cities Insurance Trust offers municipalities the option to purchase excess liability insurance; and

WHEREAS, The Lakeville Arenas Board has evaluated whether to waive the limit on tort liability and whether to purchase excess liability coverage for non-tort claims.

NOW THEREFORE, BE IT RESOLVED, that the Lakeville Arenas Board hereby exercises the following elections with respect to the available LMCIT insurance options:

1. Lakeville Arenas DOES NOT WAIVE the monetary limits on municipal tort liability established by Minnesota Statutes Section 466.04 effective for the 2024 policy year.
2. Lakeville Arenas declines excess liability coverage effective for the 2024 policy year.

ADOPTED by the Lakeville Arenas Board of Lakeville, Minnesota, this 15th day of November 2023.

LAKEVILLE ARENAS

By: _____
Judy Keliher, Board Chair

Troy Patterson, Secretary

LAKEVILLE ARENAS

RESOLUTION NO. 11152023.3

Resolution Approving Employee Health and Dental Insurance Rates for 2024

WHEREAS, the Lakeville City Council and the Lakeville Arenas Board will establish insurance plans that will be provided; and

WHEREAS, the Lakeville City Council and the Lakeville Arenas Board will establish the costs the City will pay for employee and dependent coverage under City group health and dental insurance programs; and

WHEREAS, the Lakeville City Council and the Lakeville Arenas Board chooses to promote employee wellness;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Lakeville Arenas that the following monthly cost responsibility is approved for the Minnesota Healthcare Consortium (MHC) health insurance plans (A) and Health Partners dental insurance plan (B) effective January 1, 2024:

<i>A. Minnesota Healthcare Consortium (MHC) Health Insurance Plans</i>				
Park Nicollet First ACO	MONTHLY PREMIUM COSTS			
	Employee	Employer	Total Premium	VEBA/HSA Funds
High Deductible/VEBA				
Employee	37.66	724.82	762.48	176.67
EE + Child(ren)	509.23	1012.78	1,522.01	218.33
EE + Spouse	549.49	1,092.87	1,642.36	218.33
Family	671.17	1,334.89	2,006.06	238.33
High Deductible/HSA				
Employee	0.00	724.82	724.82	176.67
EE + Child(ren)	434.05	1,012.78	1,446.83	218.33
EE + Spouse	468.37	1,092.87	1,561.24	218.33
Family	572.09	1,334.89	1,906.98	238.33
VantagePlus ACO				
VantagePlus ACO	MONTHLY PREMIUM COSTS			
	Employee	Employer	Total Premium	VEBA/HSA Funds
High Deductible/VEBA				
Employee	54.99	724.82	779.81	176.67
EE + Child(ren)	543.83	1,012.78	1,556.61	218.33
EE + Spouse	586.81	1,092.87	1,679.68	218.33
Family	716.76	1,334.89	2,051.65	238.33
High Deductible/HSA				
Employee	16.48	724.82	741.30	176.67
EE + Child(ren)	466.94	1,012.78	1,479.72	218.33
EE + Spouse	503.85	1,092.87	1,596.72	218.33
Family	615.43	1,334.89	1,950.32	238.33

<i>Medica Elect</i>	MONTHLY PREMIUM COSTS			
	Employee	Employer	Total Premium	VEBA/HSA Funds
High Deductible/VEBA				
Employee	80.98	724.82	805.80	176.67
EE + Child(ren)	595.73	1,012.78	1,608.51	218.33
EE + Spouse	642.82	1,092.87	1,735.69	218.33
Family	785.16	1,334.89	2,120.05	238.33
High Deductible/HSA				
Employee	41.18	724.82	766.00	176.67
EE + Child(ren)	516.26	1,012.78	1,529.04	218.33
EE + Spouse	557.07	1,092.87	1,649.94	218.33
Family	680.45	1,334.89	2,015.34	238.33

<i>Medica Choice Passport</i>	MONTHLY PREMIUM COSTS			
	Employee	Employer	Total Premium	VEBA/HSA Funds
High Deductible/VEBA				
Employee	141.63	724.82	866.45	176.67
EE + Child(ren)	716.78	1,012.78	1,729.56	218.33
EE + Spouse	773.45	1,092.87	1,866.32	218.33
Family	944.73	1,334.89	2,279.62	238.33
High Deductible/HSA				
Employee	98.84	724.82	823.66	176.67
EE + Child(ren)	631.35	1,012.78	1,644.13	218.33
EE + Spouse	681.27	1,092.87	1,774.14	218.33
Family	832.13	1,334.89	2,167.02	238.33

The 2024 VEBA and HSA funding will be deposited in two installments. The first six months of funding will be deposited in January and the second six months of funding will be deposited in July. Deposits for new employees will be prorated.

Employer 6-month contribution	January and July
Employee	\$1,060.00
Employee + child(ren)	\$1,310.00
Employee + spouse	\$1,310.00
Family	\$1,430.00

<i>B. HealthPartners Dental Insurance</i>			
	MONTHLY PREMIUM COSTS		
	Employee	Employer	Total Premium
Employee	0.00	55.69	55.69
EE + 1	44.83	55.69	100.52
Family	109.42	55.69	165.11

ADOPTED by Lakeville Arenas Board this 15rd day of November 2023.

Board Chair Judy Keliher

Board Secretary – Troy Patterson



October 30, 2023

Board of Directors
Lakeville Arenas
Lakeville, Minnesota

We are pleased to confirm our understanding of the services we are to provide the Lakeville Arenas (the Organization) for the year ended December 31, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Organization as of and for the year ended December 31, 2023. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the Organization’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Organization’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management’s Discussion and Analysis
- Schedule of Funding Progress, Employer’s Share of Net Pension Liability and Employer’s Contributions
- Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. .

- Introductory Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Edina Office

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

Mankato Office

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

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of certain assets, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.



Audit Procedures-Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning, however, it should be noted that our planning procedures are not concluded and therefore additions or modifications may be made to the below significant risks:

- Management Override of Controls
- Improper Revenue Recognition

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance.

We will perform the above services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America, with the oversight of those charged with governance.



Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Abdo, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.



Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Abdo and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Abdo personnel. Furthermore, upon request, we may provide copies of selected audit documentation to any Regulator or its designee. The Regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Andrew K. Berg, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in February, 2024 and to issue our reports no later than June 30, 2024.

Our fee for these services will be as follows:

Audit	\$ <u>8,000</u>
GASB 96 Implementation (<i>if applicable</i>)	\$ 2,000

There have been several new accounting standards issued in recent years which will begin taking effect in the current and following years. These new standards may require substantial changes to your financial statements. We will review with you during the planning stage and if changes are substantial and you would like our firm to complete this work we will agree at that time to a separate fee and engagement to complete that work.

The newest standard that will have an effect on the Organization that is effective for this year's financial statement is GASB's Accounting Standards number 96 - Accounting for subscription-based information technology arrangements (SBITA). This new standard is effective for fiscal years starting after June 15, 2022. Given this new standard will have an effect on your financial statements, there will be additional time spent to adopt this standard in year one. We will assist management with the implementation of this standard and anticipate that our non-recurring implementation fee for these procedures will not exceed the total shown above. In addition, Abdo has partnered with an accounting software known as "LeaseCrunch" to assist in the implementation of the new standard and to be utilized on an ongoing basis to ensure you are in compliance with the new standard post-implementation. The cost of this service is a discounted price of \$78 per SBITA that is in the "LeaseCrunch" system and is billed directly to Abdo from LeaseCrunch on an annual basis. Abdo will bill you the same amount charged from LeaseCrunch based on the number of SBITA's in your account. Abdo plans to utilize this software as part of our procedures and Abdo can either enter information into the system for you to review or we can give you access to the system to input your own data for which we will review and ensure it is correct. We will discuss this with you as part of our planning procedures.

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report. To receive one (1) paper report, you will be charged \$150 for a set-up fee. Additional paper copies will be charged at the rate of \$50 per report.



You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

Should Lakeville Arenas desire to employ the Firm's partner(s) or employee(s) involved in the performance of any audit, review or attest service for or relating to the Organization at any time during the then current fiscal year of the Organization up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year, it must have the written consent of the Firm to enter into an employment contract with the Firm partner or employee. Should the Firm agree to such arrangement, the agreement will include a payment equal to 200% of the partner or employee's current annual salary.

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Organization in the performance of our services. The Organization shall not, during the term of this agreement and for the twelve months following its termination for any reason, without the prior written consent of the Firm, solicit for employment, or hire any current or former partner or professional employee of the Firm, or any affiliate thereof, if such partner or professional employee has been involved in the performance of any audit, review, or attest service for or relating to the Organization at any time during the then current fiscal year of the Organization up to and including the date of the audit report for that year, or in the twelve months preceding the audit report date for the immediately preceding year.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.



We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the Organization and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please electronically sign this letter.

Sincerely,



Abdo

RESPONSE:

This letter correctly sets forth the understanding of the **Lakeville Arenas**.

By: _____

Title: _____

