



Fronteer Professional Services Inc  
 1838 E Interstate Ave Ste B  
 Bismarck, ND 58503

Date: August 31, 2023  
 Invoice #: 0000003431  
 Terms: Net

Lions Foundation of North Dakota  
 1820 E BROADWAY AVE  
 BISMARCK, ND 58501-

**Total Due: \$2,520.00**

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Detach And Return With Payment

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Fronteer Professional Services Inc 1838 E Interstate Ave Ste B, Bismarck, ND 58503

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Description	Amount	Total
Bank Reconciliation services performed - 28.0 hrs @ \$90	\$2,520.00	\$2,520.00
<b>Total:</b>		<b>\$2,520.00</b>

Thank you for your business!

**From:** Wendy Egli <[wendy@fspayroll.com](mailto:wendy@fspayroll.com)>  
**Sent:** Thursday, August 31, 2023 1:53 PM  
**To:** Mark Western <[Mark@fremstadlaw.com](mailto:Mark@fremstadlaw.com)>  
**Subject:** RE: Lions Foundation of North Dakota project

Good Afternoon Mark,

I have completed the reconciliations of the bank accounts for the last 5 years. I am attaching the reports for them to this email.

In the paperwork I received there was a printout of an excel spreadsheet for the two bank accounts. These spreadsheets matched what I found and reconciled. However, the quarterly reports that were given to me had some differences from the spreadsheets. I have these differences detailed in the first attachment titled "Lions Club Notes". Please go over these and ask any questions you may have.

Just a reminder, our work on this project is not meant to be an audit or verification of any balances. We were not engaged to and will not prepare financial statements. Thus, we are unable to offer any opinion on the accuracy of any financial statements.

If you have any questions at all, please don't hesitate to give me a call.

Thank You,

Wendy Egli

Accounting Manager

Certified Quickbooks ProAdvisor



1838 E Interstate Ave, Ste B

Bismarck, ND 58503

Main Office Number: (701) 258-9848

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# MEMORANDUM

DATE: October 28, 2023  
TO: File  
SUBJECT: Lions Foundation of North Dakota 5-Year Audit (FYs 2017-2018 through 2021-2022)

Lion Jed Geer resigned as Foundation treasurer effective 6/30/22 after serving for five years. I was elected to the office effective 7/1/22. Geer served one final year as a board member after resigning as treasurer.

At its 7/16/22 meeting, the Foundation's board of directors voted to commission a 5-year financial review of the Foundation's records. They authorized hiring a firm to perform the review with fee not to exceed \$3,000.

I was approached by board member Geer, suggesting a firm to use for the review. I agreed in principle with the suggestion and encouraged him to act as a go-between in pursuing arrangements.

At the 10/21/22 board meeting, Geer reported that the firm he had made arrangements with was Fronteer Professional Services. The cost of the review was to be \$90/hr. of work performed. I asked Geer on several occasions for a Letter of Engagement or Statement of Work between the Foundation and Fronteer, but one was never provided. Looking back, I now believe there never was a written agreement. In the meantime, Geer began reporting to the board of directors (1/21/23 and 4/29/23 ) on progress of the review. Geer left the board of directors on 6/30/23 after expiration of his second three-year term.

In changing over Foundation treasurer responsibilities from Geer to me (effective 1 Jul 2022), I recommended to the board of directors that we move and consolidate the two Union Bank checking accounts into a single Gate City Bank checking account. The theory was that Gate City has a statewide presence and it was likely future Foundation treasurers would have a local Gate City branch in their cities.

In the process of closing the two Union Bank checking accounts and establishing a new Gate City Bank checking account, I discovered a discrepancy between the balance in the Union Bank account xxx280 and the corrected subaccount totals reported to the Foundation's board of directors as of 6/30/22. The funds reported in the 4<sup>th</sup> quarter financial report exceeded funds in the Union Bank account xxx280 by \$1,028.80. I also noted that funds reported in the Grant Account exceeded deposits in the Union Bank account xxx by \$.02.

Not having the ability to determine when, where, or how this discrepancy was created, I felt it was critical at this point to make and document an adjusting entry so the actual funds in the Union xxx280 and xxx2518 checking accounts matched the reports being furnished to the board. Knowing that the ongoing audit would surface the cause of the disparity, I arbitrarily made an adjusting entry (-\$1,028.80) to the Administration subaccount in Union xxx280 checking account and an adjusting entry (-\$.02) to the Union xxx2518 checking account on 7/31/22. These entries would ensure that future quarterly subaccount balances reported to the board of directors would match the funds in the newly-established Gate City checking account.

When Geer's term on the board of directors ended on 6/30/23, he stopped reporting on Fronteer progress. Board president Western began communicating with Fronteer. Western came to understand that the Foundation was not receiving a "financial audit" per se from Fronteer, rather it was receiving a 5-year reconciliation of the Foundation's checking accounts with review of the quarterly financial reports made to the board of directors.

The board of directors discussed this and decided to allow Fronteer to proceed, believing whatever they produced was better than having no audit at all for the 5-year period.

On 8/31/23 board president Western received email from Frontier's Wendy Egli. The email included files of each of the five year's checking account reconciliations and a comparison of the checking subaccount balances with the quarterly financial reports prepared for the board of directors.

Reviewing a comprehensive spreadsheet prepared by past treasurer Geer and Union Bank checking account statements, Egli found no irregularities/errors in the checking account reconciliations. However, she did find about a dozen clerical errors in translating checking account information into the quarterly financial reports prepared for the board of directors. The file containing a list of errors was titled "Lions Club Notes" and is shown below.

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## **Lions Club Notes**

### **Administration Checking:**

#### **Newspaper Account:**

9/30/17 – Balance at end of quarter was misstated on the report, it should have been \$6791.27 not \$6721.97. Add \$69.30

3/31/19 – Beginning balance for this quarter was way off, should have been \$3871.06, not \$906.31. Add \$2964.75

4/22/19 – May’s BHG payment is missing on the quarterly reports. Deduct 956.01.

10/24/19 – October’s BHG payment of \$960.45 is doubled up, add \$960.45.

11/27/19 – November’s BHG payment of \$1101.55 is missing. Deduct \$1101.55.

06/30/2022 - Total for Newspaper Account – **Add \$1936.94.**

**Vision Grant Account:**

6/30/20 – Beginning balance is off for the quarter. It should be \$71,217.29. Deduct \$500.00.

1/16/21 – Check to West Fargo Lions is missing from spreadsheet, Deduct \$500.00

3/31/21 – Beginning balance for this quarter is off. It should be \$67,351.29 not \$67376.29. Deduct \$25.00

6/30/22 – Total For Vision Grant Account – **Deduct \$1025.00**

**Permanent Funds Account:**

3/31/18 – balance at the end of the quarter was misstated as \$44955.60. It should have been \$44955.30. Deduct \$0.30

6/30/22 – Total For Permanent Funds Account – **Deduct \$0.30**

**Operating Funds Account:**

3/31/22 Balance on quarterly spreadsheet is off \$1028.81. for the total union bank balance. It was not adjust correctly and is the same as the beginning balance. Deduct \$1028.81

**6/30/22 Total adjustment to Administration Accounts result in an adjustment to operating funds of – Deduct \$1940.45**

**Grant Account should be \$14218.99. A deduction of \$0.02. (Interest for 2<sup>nd</sup> Quarter 2022 was only \$2.01, not \$2.03.)**

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After follow-on discussion with Egli, she emailed me on 10/10/23 (below) summarizing the adjustments needed:  
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Good Morning Steve,

So here is what I show:

Permanent Funds balance needs to be decreased \$0.30  
Newspaper Accounts needs to be increase \$1936.94  
Vision Grant needs to be decreased \$1025.00  
Operating Balance needs to be decreased \$1940.45  
Grant balance needs to be decreased \$0.02.

The total of these adjustments is the \$1028.83 that you were off when you closed the account.

Feel free to give me a call when you have time.

Thanks,

Wendy Egli

Accounting Manager

Certified Quickbooks ProAdvisor



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The board of directors at a special meeting on 10/9/23 approved subaccount adjustments which were posted on 10/10/23. It should be noted that the Administration subaccount was only reduced by \$911.64 on 10/10/23 because it had already been reduced by \$1028.80 on 7/31/22.

*signed*

Stephen Johnson

LFND Treasurer