

SAN BRUNO

Community Foundation

Audit Committee

Raul Gomez, Chair • Melissa Moreno, Member
Leslie Hatamiya, Executive Director

AB-361 CORONAVIRUS COVID-19

On September 16, 2021, the Governor of California signed AB-361 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. To reduce the spread of COVID-19, meetings of the San Bruno Community Foundation's Audit Committee are being conducted electronically. The meeting is not available for in-person attendance. Members of the public may attend the meeting by video or phone following the links below in this agenda.

If you would like to make a Public Comment on an item not on the agenda, or comment on a particular agenda item, you may address the Committee orally during the meeting, or you may email us at info@sbcf.org. The length of all emailed comments should be commensurate with the three minutes customarily allowed per speaker, which is approximately 300 words total. Emails received before the special or regular meeting start time will be forwarded to the Foundation Audit Committee, posted on the Foundation's website and become part of the public record for that meeting. If emailed comments are received after the meeting start time, or after the meeting ends, they will be forwarded to the Foundation Audit Committee and filed with the agenda packet becoming part of the public record for that meeting. Emails received will not be read aloud during the meeting.

Individuals who require special assistance of a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, agenda packet or other writings that may be distributed at the meeting, should contact Leslie Hatamiya, Executive Director, 48 hours prior to the meeting at (650) 763-0775 or by email at info@sbcf.org. Notification in advance of the meeting will enable the San Bruno Community Foundation to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Audit Committee

October 17, 2022

3:00 p.m.

Zoom Meeting Details:

<https://us02web.zoom.us/j/81309234445?pwd=Vk85OWN6b05RV3E4emp6bE1ORjRUT09>

Webinar ID: 813 0923 4445

Passcode: 197000

Dial-in: (669) 900-6833

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1. Call to Order

2. Roll Call

- 5. Public Comment:** Individuals are allowed three minutes. It is the Committee's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Committee from discussing or acting upon any matter not agendaized pursuant to State Law.

3. Approval of Minutes: October 15, 2021, Special Meeting

4. Conduct of Business

- a. Receive Report from Novogradac & Company LLP and Discuss Draft Audited Financial Statements for Year Ended June 30, 2022

6. Committee Member Comments

7. Adjourn

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Audit Committee

October 15, 2021

3:00 p.m.

Meeting Conducted via Zoom

1. **Call to Order:** Committee Chair Gomez called the meeting to order at 3:03 p.m.
2. **Roll Call:** Committee Members Gomez and Netane-Jones, present.
3. **Public Comment:** None.
4. **Approval of Minutes:** October 16, 2020, Special Meeting: Committee Member Netane-Jones moved to approve the minutes of the October 16, 2020, Special Meeting, seconded by Chair Gomez, passed unanimously.
5. **Conduct of Business**
 - a. Review Report from Novogradac & Company LLP on Audited Financial Statements for Year Ended June 30, 2021

The Committee discussed the Audited Financial Statements for the Year Ended June 30, 2021, which were prepared by the team of auditors from Novogradac & Company LLP headed by Lance Smith, CPA. Mr. Smith thanked Executive Director Leslie Hatamiya and Accounting Consultant Frank Bittner for their work preparing for the audit and said his firm is planning to issue a clean opinion of the Foundation's financial statements. He remarked that this was a fairly standard year for the Foundation's financial statements, consistent with previous years.

Mr. Smith reviewed the draft audited financial statements with the Committee. He also recommended adding a "subsequent events" note mentioning that soon after the close of the fiscal year, the Foundation executed a grant agreement with the City for the \$40.5 million Recreation and Aquatic Center construction grant, which was approved by the Board just prior to the end of the 2020-2021

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fiscal year and would be included in the 2021-2022 financial statements. The Committee agreed to add that note. Mr. Smith said his team would draft the note and send back a revised draft of the audited financials prior to preparing the final draft for the Board to approve. He said that his team intends to have a draft of the Foundation's tax returns prepared in the next week and confirmed that he would be at the November 3 Foundation Board meeting.

6. Committee Member Comments: None.

7. Adjourn: Committee Chair Gomez moved to adjourn the meeting at 3:20 p.m., seconded by Committee Member Netane-Jones, approved unanimously.

Respectfully submitted for approval at the Special Audit Committee Meeting of October 17, 2022, by Audit Committee Chair Raul Gomez.

Raul Gomez, Audit Committee Chair

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Memorandum

DATE: October 12, 2022

TO: Audit Committee, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: October 17, 2022, Audit Committee Meeting

The Audit Committee of the San Bruno Community Foundation will hold a special meeting at 3:00 p.m. on Monday, October 17, 2022, via Zoom.

1. Report from Novogradac and Company LLP and Draft Audited Financial Statements for Year Ended June 30, 2022

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws states that the Foundation "shall retain an independent auditor and conduct annual independent audits in accordance with the applicable provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act (commencing with Section 12586 of the California Government Code)." As authorized by the Board on April 4, 2022, the Foundation is using Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2022, and to prepare the Foundation's annual federal and state tax returns. Engagement partner Lance Smith is heading up the Novogradac team assigned to the Foundation.

In July, Accounting Consultant Frank Bittner and I began preparing the financial reports and documentation Novogradac requested to begin work on the audit. We submitted all of the requested materials by August 22. Since then, the Novogradac team has examined the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls. Mr. Bittner and I have responded to several follow-up requests for additional information from the Novogradac team.

At the meeting, Mr. Smith will provide a report of the audit process, and the Committee will discuss the draft audited financial statements. The Novogradac team recently provided a draft of the audited financials. Mr. Bittner and I are in the process of reviewing the draft financials and will share our comments with the Novogradac team; we expect to receive a new draft prior to October 17 and will provide that to the Committee for discussion at the meeting as well as make it available to the public upon request.

Mr. Smith is scheduled to present the audited financial statements to the Board at its November 2, 2022, meeting. The firm is also in the process of preparing the Foundation's tax returns, which are due to the relevant federal and state agencies by November 15, 2022.