

# SAN BRUNO

## Community Foundation

*Audit Committee*

Raul Gomez, *Chair* • Jim Ruane, *Member*

Leslie Hatamiya, *Executive Director*

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**PUBLIC COMMENT:** Attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Public comment may also be emailed to [info@sbcf.org](mailto:info@sbcf.org). Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

**ACCESSIBILITY:** In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or [info@sbcf.org](mailto:info@sbcf.org).

### AGENDA

#### SAN BRUNO COMMUNITY FOUNDATION

#### Special Meeting of the Audit Committee

**October 21, 2024**

**3:30 p.m.**

**Meeting Location:**

**San Bruno City Hall, 567 El Camino Real, Room 101, San Bruno**

- 1. Call to Order**
- 2. Roll Call**
- 3. 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.
- 4. Approval of Minutes:** October 16, 2023, Special Meeting
- 5. Conduct of Business**
  - a. Receive Report from Novogradac & Company LLP, Discuss Audited Financial Statements for the Year Ended June 30, 2024, and Adopt Resolution Accepting the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2024

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- b. Review Request for Proposals for Audit and Tax Preparation Services and Provide Direction to Executive Director on Next Steps in the Auditor Selection Process

### **6. Committee Member Comments**

### **7. Adjourn**

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## Community Foundation

*Audit Committee*

Raul Gomez, *Chair* • Irving Torres, *Member*

Leslie Hatamiya, *Executive Director*

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### MINUTES

#### SAN BRUNO COMMUNITY FOUNDATION

##### Special Meeting of the Audit Committee

**October 16, 2023**

**4:00 p.m.**

**Meeting Location:**

**San Bruno City Hall, 567 El Camino Real, Room 101, San Bruno**

1. **Call to Order:** Committee Chair Gomez called the meeting to order at 4:00 p.m.
2. **Roll Call:** Committee Members Gomez and Torres, present.
3. **Public Comment:** None.
4. **Approval of Minutes:** October 17, 2022, Special Meeting: Committee Member Torres moved to approve the minutes of the October 17, 2022, Special Meeting, seconded by Chair Gomez, passed unanimously by roll call vote.
5. **Conduct of Business**
  - a. Receive Report from Novogradac & Company LLP, Discuss Audited Financial Statements for the Year Ended June 30, 2023, and Adopt Resolution Accepting the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2023

The Committee discussed the Audited Financial Statements for the Year Ended June 30, 2023, 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 issuing a clean opinion of the Foundation's financial statements. He reviewed the audited financial statements with the Committee. He noted that a new presentation with regard to the Foundation's office lease to reflect a new accounting standard by which such lease obligations are shown on the balance sheet as a right-to-use asset and a liability (office lease payable). He also remarked that the more notable change in this year's figures is the decrease in investments and corresponding decrease in grants payable, which are expected and reflect ongoing

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*Audit Committee*

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grant payments for the San Bruno Recreation and Aquatic Center. Mr. Smith noted that the firm would issue an AU-C 260 letter similar to last year.

In response to questions from Committee members, Mr. Smith explained the figures for payroll taxes and benefits and stated that he does not anticipate any accounting standards changes for next year. He also confirmed that he would be at the November 1 Foundation Board meeting.

Committee Member Torres moved to adopt the resolution accepting the San Bruno Community Foundation's audited financial statements for the year ended June 30, 2023, seconded by Committee Chair Gomez, approved unanimously by roll call vote.

**6. Committee Member Comments:** None.

**7. Adjourn:** Committee Chair Gomez adjourned the meeting at 4:18 p.m.

Respectfully submitted for approval at the Special Audit Committee Meeting of October 21, 2024, by Audit Committee Chair Raul Gomez.

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Raul Gomez, Audit Committee Chair

# SAN BRUNO

## Community Foundation

### Memorandum

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**DATE:** October 16, 2024

**TO:** Audit Committee, San Bruno Community Foundation

**FROM:** Leslie Hatamiya, Executive Director

**SUBJECT:** October 21, 2024, Audit Committee Meeting

The Audit Committee of the San Bruno Community Foundation will hold a special meeting at 3:30 p.m. on Monday, October 21, 2024, at San Bruno City Hall, Room 101, 567 El Camino Real, San Bruno.

**1. Review of Report from Novogradac and Company LLP on Audited Financial Statements for Year Ended June 30, 2024**

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 March 6, 2024, the Foundation is using Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2024, 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 the requested materials by August 18. 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 review and discuss the audited financial statements for the year ended June 30, 2024, which are included in this packet, and will have the opportunity to provide comments and feedback. The audited financial statements reflect comments Mr. Bittner and I provided to the Novogradac team in response to an earlier draft. Of note, the Novogradac team acknowledged that the Statement of Cash Flows in the fiscal year 2022-2023 audited financial statements

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incorrectly titled net realized/unrealized gains as a loss. This has been corrected in this year's audited financial statements, which includes the fiscal 2022-2023 numbers for comparison.

The Committee will consider the attached resolution accepting the audited financial statements for the year ended June 30, 2024, at the meeting. Assuming the Committee accepts the audited financial statements, Novogradac will finalize the audited financial statements for presentation to the Board.

Mr. Smith is scheduled to present the audited financial statements to the Board at its November 6, 2024, 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, 2024.

#### **2. Request for Proposal for Audit and Tax Preparation Services**

The Foundation's Fiscal Policies and Procedures require the Foundation to issue a Request for Proposal (RFP) for audit and tax preparation services at least every five years and charges the Audit Committee, supported by the Executive Director, with creating the RFP, reviewing audit proposals, and recommending a certified public accounting firm to the full Board for approval. Under the Bylaws, the duties of the Audit Committee include "[a]ssisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary."

The Foundation issued an its first RFP for audit and tax preparation services in 2015, when the Board selected Novogradac & Company as its auditor. The Foundation issued another RFP in late 2019, as Novogradac had prepared the Foundation's audited financial statements and tax returns for five consecutive years. While the Fiscal Policies and Procedures require issuing an RFP at least every five years, they do not require that the Board make a change in CPA firms.

After reviewing proposals submitted in early 2020, the Audit Committee recommended that the Board again select Novogradac & Company LLP to continue to serve as the Foundation's auditor. The Committee concluded that Novogradac was the clear choice based on the quality of the submitted proposal, the firm's relevant experience, the proposed fees, and the feedback the Committee received from references. The Committee was comfortable retaining Lance Smith to lead engagement team at Novogradac but recommended requiring that Novogradac rotate the staff accountants working on the Foundation's account, so that the two primary accountants who have been handling the Foundation's activities would be moved off and two new accountants would be assigned to the Foundation. The Committee believed the rotation of the accountants closely reviewing the Foundation's accounting books would bring "fresh eyes" to the audit but still enable the firm to leverage its five years of experience with the Foundation. In March 2020, the Board agreed with the Committee's recommendation and approved selection of Novogradac to continue to serve as the Foundation's auditor on the

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condition that Novogradac assign a new set of staff accountants to work on the Foundation's account.

As Novogradac has now prepared the Foundation's audited financial statements and tax returns for five consecutive years since the last RFP, the Foundation must issue a new RFP for the fiscal year 2024-2025 audit and tax preparation.

Nonprofits generally require annually the following from an auditor:

- Conduct an audit of the organization's records, internal controls, and financial statements in accordance with auditing standards generally accepted in the United States,
- Communicate with the Audit Committee as appropriate, before, during, and after audit fieldwork,
- Complete an audit report of Foundation financial statements with appropriate accompanying notes,
- Complete a report to management, which includes recommendations on strengthening internal controls and/or operations,
- Present the audit report and the report to management to the organization's Board of Directors, and
- Complete federal and state tax forms (IRS-990, CA-199, and RRF-1) by the applicable deadlines.

I recommend that the Foundation, as it did in 2015 and 2019-20, follow this typical process for hiring an auditor:

- Draft an RFP for Audit and Tax Preparation Services
- Send the RFP to CPA firms that provide nonprofit audit and related services, including firms recommended by other nonprofit organizations
- Receive, by a set deadline, responses to the RFP
- Review the responses and select a small number of finalists for consideration
- Interview finalists, request additional information as needed, and check references
- Make a recommendation to the Board for selection of a CPA firm for audit and related services

Consistent with this process, I am proposing the following timeline for the selection of the Foundation's next independent auditor:

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- October 21: Audit Committee reviews and provides feedback on the draft RFP for Audit Services and the list of CPA firms to receive RFP
- October 22-31: Executive Director prepares final drafts of the RFP and the list of CPA firms
- November 6: Audit Committee shares the RFP and reports on the timeline to the Board
- Mid-November: Executive Director begins sending RFP to the list of CPA firms
- January 10: Deadline for receiving responses to the RFP
- Mid-January through February: Audit Committee reviews RFP responses, selects list of finalists, conducts interviews, checks references, and makes recommendation
- March 5: Board considers Audit Committee recommendation

The audit and preparation of tax returns would then take place from late August through early November. The federal and state tax forms are due on November 15 (the Foundation may request a three-month extension if additional time is needed).

As the first step in the process, I have prepared the attached first draft of an RFP for audit services for the Audit Committee to review and edit at its October 21 meeting. The draft RFP provides background information on the Foundation, a list of expected annual audit and tax services deliverables, the list of information sought from responding CPA firms, and the deadline for responses. The goal for the Committee will be to finalize the RFP for presentation to the full Board at its November 6 meeting.

Also attached is the beginning of a list of Bay Area CPA firms known to have nonprofit audit practices to whom the Foundation may want to send the RFP. Many of these firms we contacted in 2015 and/or 2019. I will continue to develop this list, and Committee members will have the opportunity to provide input on the list of CPA firms at the Committee meeting.

#### Attachments:

1. Draft Financial Statements and Report of Independent Auditors for the Year Ended June 30, 2024, with Comparative Totals as of and for the Year Ended June 30, 2023, prepared by Novogradac & Company LLP
2. Audit Committee Resolution Accepting the San Bruno Community Foundation's Audited Financial Statements for the Year Ended June 30, 2024
3. Draft RFP for Audit and Tax Preparation Services
4. Draft List of CPA Firms



# THE SAN BRUNO COMMUNITY FOUNDATION

**Financial Statements and  
Report of Independent Auditors**

**For the year ended June 30, 2024  
with comparative totals as of and  
for the year ended June 30, 2023**

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## Report of Independent Auditors

To the Board of Directors of  
The San Bruno Community Foundation:

### **Opinion**

We have audited the accompanying financial statements of The San Bruno Community Foundation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The San Bruno Community Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The San Bruno Community Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The San Bruno Community Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The San Bruno Community Foundation's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited The San Bruno Community Foundation's financial statements for the year ended June 30, 2023, and our report dated October 19, 2023 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Petaluma, California  
October 10, 2024

**THE SAN BRUNO COMMUNITY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2024  
with comparative totals as of June 30, 2023

**ASSETS**

|                                   | <u>2024</u>              | <u>2023</u>              |
|-----------------------------------|--------------------------|--------------------------|
| Cash and cash equivalents         | \$ 235,900               | \$ 418,722               |
| Investments (See Note 4)          | 30,335,486               | 36,314,509               |
| Right-of-use asset - office lease | 13,104                   | 28,905                   |
| Prepaid expenses                  | 14,746                   | 16,605                   |
| Deposits                          | <u>909</u>               | <u>909</u>               |
| <br>Total assets                  | <br><u>\$ 30,600,145</u> | <br><u>\$ 36,779,650</u> |

**LIABILITIES**

|                        |                  |                  |
|------------------------|------------------|------------------|
| Accounts payable       | \$ 23,281        | \$ 35,730        |
| Office lease payable   | 13,104           | 28,905           |
| Accrued scholarships   | 332,500          | 317,500          |
| Accrued grants payable | <u>1,316,994</u> | <u>9,272,687</u> |
| Total liabilities      | 1,685,879        | 9,654,822        |

**NET ASSETS**

|                                      |                          |                          |
|--------------------------------------|--------------------------|--------------------------|
| Without donor restriction            |                          |                          |
| Board designated                     | 23,326,819               | 21,212,980               |
| Non-designated                       | 5,586,247                | 5,810,648                |
| With donor restriction               | <u>1,200</u>             | <u>101,200</u>           |
| Total net assets                     | <u>28,914,266</u>        | <u>27,124,828</u>        |
| <br>Total liabilities and net assets | <br><u>\$ 30,600,145</u> | <br><u>\$ 36,779,650</u> |

see accompanying notes

**THE SAN BRUNO COMMUNITY FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the year ended June 30, 2024  
with comparative totals for the year ended June 30, 2023

|  | 2024                         |                           |                      | 2023                 |
|--|------------------------------|---------------------------|----------------------|----------------------|
|  | Without donor<br>restriction | With donor<br>restriction | Total                | Total                |
| <b>REVENUE AND OTHER SUPPORT</b>       |                              |                           |                      |                      |
| Donations                              | \$ 1,200                     | \$ 1,500                  | \$ 2,700             | \$ 101,736           |
| Investment return, net                 | 2,973,752                    | -                         | 2,973,752            | 2,726,322            |
| Miscellaneous income                   | 30,000                       |                           | 30,000               | -                    |
| Net assets released from restrictions  | 101,500                      | (101,500)                 | -                    | -                    |
|  | <u>3,106,452</u>             | <u>(100,000)</u>          | <u>3,006,452</u>     | <u>2,828,058</u>     |
| <b>EXPENSES</b>                        |                              |                           |                      |                      |
| Program services                       | 1,045,834                    | -                         | 1,045,834            | 2,756,598            |
| Management and general                 | 171,180                      | -                         | 171,180              | 193,812              |
|  | <u>1,217,014</u>             | <u>-</u>                  | <u>1,217,014</u>     | <u>2,950,410</u>     |
| <b>CHANGE IN NET ASSETS</b>            | 1,889,438                    | (100,000)                 | 1,789,438            | (122,352)            |
| <b>NET ASSETS AT BEGINNING OF YEAR</b> | <u>27,023,628</u>            | <u>101,200</u>            | <u>27,124,828</u>    | <u>27,247,180</u>    |
| <b>NET ASSETS AT END OF YEAR</b>       | <u>\$ 28,913,066</u>         | <u>\$ 1,200</u>           | <u>\$ 28,914,266</u> | <u>\$ 27,124,828</u> |

see accompanying notes

**THE SAN BRUNO COMMUNITY FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2024  
with comparative totals for the year ended June 30, 2023

|                                  | <u>Program Services</u> | <u>Management<br/>and General</u> | <u>Total</u>        | <u>2023<br/>Total</u> |
|----------------------------------|-------------------------|-----------------------------------|---------------------|-----------------------|
| <b>PERSONNEL EXPENSES</b>        |                         |                                   |                     |                       |
| Salaries and wages               | \$ 168,069              | \$ 74,250                         | \$ 242,319          | \$ 227,326            |
| Payroll taxes and benefits       | <u>16,309</u>           | <u>7,489</u>                      | <u>23,798</u>       | <u>27,883</u>         |
| Total personnel expenses         | 184,378                 | 81,739                            | 266,117             | 255,209               |
| <b>OTHER EXPENSES</b>            |                         |                                   |                     |                       |
| Scholarships                     | 160,000                 | -                                 | 160,000             | 160,000               |
| Grants                           | 652,500                 | -                                 | 652,500             | 2,375,000             |
| Rent                             | 11,797                  | 5,212                             | 17,009              | 16,349                |
| Insurance                        | -                       | 17,793                            | 17,793              | 18,587                |
| Telecommunications               | 1,691                   | 747                               | 2,438               | 2,548                 |
| Postage and shipping             | 1,749                   | 773                               | 2,522               | 2,234                 |
| Marketing and communications     | 12,206                  | 3,671                             | 15,877              | 15,715                |
| Office supplies                  | 2,187                   | 1,177                             | 3,364               | 1,852                 |
| Legal fees                       | 11,823                  | 17,526                            | 29,349              | 33,959                |
| Accounting and payroll fees      | -                       | 32,970                            | 32,970              | 32,950                |
| Other professional services      | 7,307                   | 3,074                             | 10,381              | 32,778                |
| Travel, meetings and conferences | 196                     | 5,084                             | 5,280               | 1,261                 |
| Miscellaneous                    | -                       | 1,414                             | 1,414               | 1,968                 |
| Total other expenses             | <u>861,456</u>          | <u>89,441</u>                     | <u>950,897</u>      | <u>2,695,201</u>      |
| <b>TOTAL EXPENSES</b>            | <u>\$ 1,045,834</u>     | <u>\$ 171,180</u>                 | <u>\$ 1,217,014</u> | <u>\$ 2,950,410</u>   |

see accompanying notes

**THE SAN BRUNO COMMUNITY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
For the year ended June 30, 2024  
with comparative totals for the year ended June 30, 2023

|   | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |              |              |
| Change in net assets  | \$ 1,789,438 | \$ (122,352) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: |              |              |
| Net realized/unrealized gain on investments   | (2,012,480)  | (1,421,947)  |
| Decrease in assets:   |              |              |
| Prepaid expenses  | 1,859        | 87           |
| (Decrease) increase in liabilities:   |              |              |
| Accounts payable  | (12,449)     | 7,420        |
| Accrued scholarships  | 15,000       | (2,500)      |
| Accrued grants payable  | (7,955,693)  | (20,513,105) |
| Net cash used in operating activities   | (8,174,325)  | (22,052,397) |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |              |              |
| Net sales of securities   | 7,991,503    | 22,163,141   |
| Net change in cash, and cash equivalents  | (182,822)    | 110,744      |
| Cash and cash equivalents at beginning of year  | 418,722      | 307,978      |
| Cash, cash equivalents and restricted cash at end of year                               | \$ 235,900   | \$ 418,722   |
| <br><b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>                            |              |              |
| Increase in right-of-use asset - office lease and office lease payable                  | \$ -         | \$ 28,905    |

see accompanying notes



## THE SAN BRUNO COMMUNITY FOUNDATION

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

### 1. Organization

The San Bruno Community Foundation (the “Foundation”), a California nonprofit corporation, was organized in 2013 as a public benefit 501(c)(3) nonprofit corporation and has been determined to be a Type I supporting organization under Section 509(a)(3) of the Internal Revenue Code (“IRC”). Pursuant to the settlement agreement dated March 12, 2012, between Pacific Gas & Electric Company (“PG&E”) and the City of San Bruno (the “City”), both parties agreed to resolve and settle all claims arising out of the September 9, 2010 pipeline incident (the “Settlement Agreement”). The terms required PG&E to contribute a total of \$70 million to the City, which comprised of 1) five vacant plots of land in the Glenview (Crestmoor) neighborhood, which had a total fair market value of \$1,250,000 and 2) \$68,750,000 in cash, to transfer to a tax-exempt, nonprofit public purpose entity. Hence, the Foundation was created from the Settlement Agreement. The Foundation engages primarily in the administration of PG&E restitution funds and building community partnerships.

The Foundation’s goals serve the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, the Foundation assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits.

### 2. Summary of significant accounting policies

#### Basis of accounting

The Foundation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America. The Foundation’s year end for tax and financial reporting purposes is June 30.

#### Basis of presentation

The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

#### *Net Assets without donor restrictions:*

Net assets available for use in general operations and not subject to donor restrictions. The Foundation’s governing board has designated, from net assets without donor restriction, long-term funds held in the quasi-endowment pool.

#### *Net assets with donor restrictions:*

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### Prior period comparison

The financial statements include certain prior-period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

#### Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## THE SAN BRUNO COMMUNITY FOUNDATION

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. As of June 30, 2024 and 2023, cash and cash equivalents consist of the following:

|                                 | 2024       | 2023       |
|---------------------------------|------------|------------|
| Cash - operating                | \$ 184,610 | \$ 206,708 |
| Liquidity fund cash             | 51,290     | 212,014    |
| Total cash and cash equivalents | \$ 235,900 | \$ 418,722 |

Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash investments. The Foundation places its temporary cash investments with high credit quality financial institutions and, by policy, limits the amount of credit exposed to any one financial institution. The Foundation has not experienced any losses in such accounts.

Investments

The Foundation carries investments in various investment pools with readily determinable fair values and all investments are stated at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities and Changes in Net Assets.

Accounts receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements

The Foundation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

- Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:* Unobservable inputs that reflect the Foundation's own assumptions.

## THE SAN BRUNO COMMUNITY FOUNDATION

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

### 2. Summary of significant accounting policies (continued)

#### Income taxes

The Foundation is a not-for-profit corporation under Section 501(c)(3) of the IRC and Section 23701(d) of the California Revenue and Taxation Code and therefore, is generally exempt from both federal and state income taxes, except on net income derived from unrelated business activities.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken. Management has determined whether any tax positions have met the recognition threshold and has measured its exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal tax authorities generally have the right to examine and audit the previous three years of tax returns filed. California tax authorities generally have the right to examine and audit the previous four years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

#### Scholarships expense

The Foundation offers three types of scholarships, which are defined as follows:

1. \$5,000 each year for four years, totaling \$20,000, for a high school student to attend a 4-year college.
2. \$2,500 each year for two years, totaling \$5,000, for a high school student to attend a 2-year community college.
3. \$5,000 each year for two years, totaling \$10,000, for a community college student who transfers to a 4-year college.

Members of the San Bruno community are eligible to apply for a scholarship. Scholarships are recognized when they have been awarded. Recipients are required to renew their scholarships for each year by submitting proof of full-time enrollment for the following fall and certification of status as a student in good standing, by June 1 of each year. For each of the years ended June 30, 2024 and 2023, scholarship expense was \$160,000. As of June 30, 2024 and 2023, accrued scholarships payable was \$332,500 and \$317,500, respectively.

#### Grant expense

Grants are recognized when they are approved by the board, all significant conditions are met, all due diligence has been completed, and grant agreements have been executed. Grant refunds are recorded as a reduction of grant expense if the refund or notice of refund is received in the same fiscal year as the grant was expensed. For the years ended June 30, 2024 and 2023, grant expense was \$652,500 and \$2,375,000, respectively. As of June 30, 2024, \$589,501 was payable toward the San Bruno community recreation and aquatic center. Grant expense for the year ended June 30, 2023, included \$1,500,000 for the construction of the San Bruno community recreation and aquatic center and related costs, of which \$8,612,687 was payable as of June 30, 2023. As of June 30, 2024 and 2023, accrued grants payable was \$1,316,994 and \$9,272,687, respectively.

#### Functional allocation of expenses

The Statement of Functional Expenses reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. Other expenses have been allocated to programs and management and general based on estimates of time and effort.

**THE SAN BRUNO COMMUNITY FOUNDATION**

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

2. Summary of significant accounting policies (continued)

Leases

The Foundation determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation uses a risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the leases when it is reasonably certain that the Foundation will exercise that option. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease terms.

The office space lease agreement with San Bruno Office Associates, LLC includes monthly predetermined rental payments. Lease liabilities are not remeasured throughout the life of the lease since all predetermined changes in the monthly rent payments have already been considered in the lease liability calculation.

Subsequent events

Subsequent events have been evaluated through October 10, 2024, which is the date the consolidated financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Liquidity and availability of financial assets

The following represents the Foundation's financial assets as of June 30:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Financial assets at year end:  |              |              |
| Cash and cash equivalents  | \$ 184,610   | \$ 418,722   |
| Investments  | 30,335,486   | 36,314,509   |
| Total financial assets   | 30,571,386   | 36,733,231   |
| Less amounts not available due to:   |              |              |
| Net assets with donor restrictions   | 1,200        | 101,200      |
| Board designated quasi-endowment fund  | 23,326,819   | 21,212,980   |
| Grants payable   | 1,316,994    | 9,272,687    |
| Scholarships payable   | 332,500      | 317,500      |
|  | 24,977,513   | 30,904,367   |
| Financial assets available to meet general expenditures<br>over the next twelve months | \$ 5,593,873 | \$ 5,828,864 |

The Foundation's goal is generally to maintain financial assets to meet its operating and budgeted needs. As part of its liquidity plan, excess cash is invested in short-term investments, including mutual funds.

## THE SAN BRUNO COMMUNITY FOUNDATION

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

4. Investments

The following tables present the Foundation's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2024 and 2023:

|                                   |           | June 30, 2024     |             |             |                         |
|-----------------------------------|-----------|-------------------|-------------|-------------|-------------------------|
|                                   |           | Level 1           | Level 2     | Level 3     | Fair Value Measurements |
| Assets                            |           |                   |             |             |                         |
| <b>Liquidity pool</b>             |           |                   |             |             |                         |
| Mutual funds                      | \$        | 608,156           | \$ -        | \$ -        | \$ 608,156              |
| Exchange traded products and ETFs |           | 650,893           | -           | -           | 650,893                 |
| Total liquidity pool              |           | 1,259,049         | -           | -           | 1,259,049               |
| <b>Strategic pool</b>             |           |                   |             |             |                         |
| Cash reserves                     |           | 50,941            | -           | -           | 50,941                  |
| Mutual funds                      |           | 3,031,553         | -           | -           | 3,031,553               |
| Exchange traded products and ETFs |           | 2,667,124         | -           | -           | 2,667,124               |
| Total strategic pool              |           | 5,749,618         | -           | -           | 5,749,618               |
| <b>Quasi-endowment pool</b>       |           |                   |             |             |                         |
| Cash reserves                     |           | 195,224           | -           | -           | 195,224                 |
| Mutual funds                      |           | 7,356,128         | -           | -           | 7,356,128               |
| Exchange traded products and ETFs |           | 15,775,467        | -           | -           | 15,775,467              |
| Total quasi-endowment pool        |           | 23,326,819        | -           | -           | 23,326,819              |
| <b>Total assets</b>               | <b>\$</b> | <b>30,335,486</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 30,335,486</b>    |
|                                   |           | June 30, 2023     |             |             |                         |
|                                   |           | Level 1           | Level 2     | Level 3     | Fair Value Measurements |
| Assets                            |           |                   |             |             |                         |
| <b>Liquidity pool</b>             |           |                   |             |             |                         |
| Mutual funds                      | \$        | 5,104,835         | \$ -        | \$ -        | \$ 5,104,835            |
| Exchange traded products and ETFs |           | 3,693,822         | -           | -           | 3,693,822               |
| Total liquidity pool              |           | 8,798,657         | -           | -           | 8,798,657               |
| <b>Strategic pool</b>             |           |                   |             |             |                         |
| Cash reserves                     |           | 78,222            | -           | -           | 78,222                  |
| Mutual funds                      |           | 3,151,317         | -           | -           | 3,151,317               |
| Exchange traded products and ETFs |           | 3,073,333         | -           | -           | 3,073,333               |
| Total strategic pool              |           | 6,302,872         | -           | -           | 6,302,872               |
| <b>Quasi-endowment pool</b>       |           |                   |             |             |                         |
| Cash reserves                     |           | 219,056           | -           | -           | 219,056                 |
| Mutual funds                      |           | 5,868,233         | -           | -           | 5,868,233               |
| Exchange traded products and ETFs |           | 15,125,691        | -           | -           | 15,125,691              |
| Total quasi-endowment pool        |           | 21,212,980        | -           | -           | 21,212,980              |
| <b>Total assets</b>               | <b>\$</b> | <b>36,314,509</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 36,314,509</b>    |

## THE SAN BRUNO COMMUNITY FOUNDATION

Notes to Financial Statements

June 30, 2024

with comparative totals as of and for the year ended June 30, 2023

4. Investments (continued)

The Foundation's investments consisted of the following cost basis when originally acquired:

|                      | 2024          | 2023          |
|----------------------|---------------|---------------|
| Liquidity pool       | \$ 644,886    | \$ 3,682,523  |
| Strategic pool       | 5,879,124     | 6,428,033     |
| Quasi-endowment pool | 19,331,189    | 18,264,698    |
| Total securities     | \$ 25,855,199 | \$ 28,375,254 |

5. Office lease

The Foundation entered into an amended office lease with San Bruno Office Associates, LLC, which expires on March 31, 2025. Current monthly payments are \$1,394. The monthly rent increases annually at a rate of 3% on April 1 of each year. For the years ended June 30, 2024 and 2023, office lease payments were \$17,009 and \$16,349, respectively. As of June 30, 2024, right-of-use asset – office lease and office lease payable were \$13,104 and \$13,104, respectively. As of June 30, 2023, right-of-use asset – office lease and office lease payable were \$28,905 and \$28,905, respectively.

6. Employee benefit plan

Effective January 1, 2015, the Foundation established a tax-deferred annuity plan qualified under Section 403(b) of the IRC for its employees. The Foundation makes non-matching contributions equal to 5% of the gross salary for individual employees. For the years ended June 30, 2024 and 2023, \$10,607 and \$10,102, respectively, was contributed by the Foundation on behalf of its employees.

7. Net assets with donor restriction

Net assets with donor restriction consist of the following as of June 30:

|   | 2024     | 2023       |
|---|----------|------------|
| Community Grants Fund                   | \$ -     | \$ 100,000 |
| Recreation & Aquatic Memorial Bench     | 1,200    | 1,200      |
| Total net assets with donor restriction | \$ 1,200 | \$ 101,200 |

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time as follows:

|   | 2024       | 2023       |
|---|------------|------------|
| Community Grants Fund                       | \$ 100,000 | \$ 100,000 |
| CNM Scholarships                            | 1,500      | 1,500      |
| Total net assets released from restrictions | \$ 101,500 | \$ 101,500 |

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION AUDIT COMMITTEE  
ACCEPTING THE SAN BRUNO COMMUNITY FOUNDATION'S AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**WHEREAS**, Article XIII, Section 4, of the Bylaws of the San Bruno Community Foundation calls for the retention of an independent auditor to conduct an annual audit of the Foundation's financial statements and records;

**WHEREAS**, Article VII, Section 4, of the Bylaws states that that duties of the Audit Committee include reviewing and accepting the annual audit;

**WHEREAS**, on March 6, 2024, the Board of Directors authorized President Malissa Netane-Jones to execute a contract with Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2024, and to prepare the Foundation's annual federal and state tax returns;

**WHEREAS**, on March 6, 2024, President Netane-Jones executed a contract with Novogradac & Company LLP to conduct an audit of the Foundation's financial statements for the year ended June 30, 2024, and to prepare the Foundation's federal and state tax returns;

**WHEREAS**, Novogradac & Company LLP examined the Foundation's financial records, accounts, business transactions, accounting practices, and internal controls;

**WHEREAS**, Novogradac has produced audited financial statements for the Foundation for the year ended June 30, 2024, and issued an unqualified opinion that the Foundation's financial statements present fairly, in all material respects, the Foundation's financial position as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States; and

**WHEREAS**, the Audit Committee has reviewed and discussed the audited financial statements with Lance Smith, the Novogradac engagement partner assigned to the Foundation's account, at its October 21, 2024, special meeting.

**NOW, THEREFORE, BE IT RESOLVED** that the San Bruno Community Foundation Audit Committee accepts the audited financial statements for the year ended June 30, 2024, as prepared by Novogradac & Company LLP, including any adjustments recommended by the Committee and agreed with by Novogradac & Company LLP to reflect the Committee's discussion at its October 21, 2024, special meeting.

Dated: October 21, 2024

ATTEST:

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Raul Gomez, Audit Committee Chair

I, Raul Gomez, Audit Committee Chair, do hereby certify that the foregoing Resolution No. 2024-\_\_ was duly and regularly passed and adopted by the Audit Committee of the San Bruno Community Foundation on this 21<sup>st</sup> day of October, 2024, by the following vote:

AYES:           Committee members:

NOES:           Committee members:

ABSENT:        Committee members:



# **SAN BRUNO**

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## **Community Foundation**

### **REQUEST FOR PROPOSAL FOR NONPROFIT AUDIT AND TAX PREPARATION SERVICES**

**DRAFT October 15, 2024**

The San Bruno Community Foundation (“Foundation”) requests a proposal for the annual audit of its financial statements and preparation of state and federal information tax returns (IRS-990, CA-199, and RRF-1).

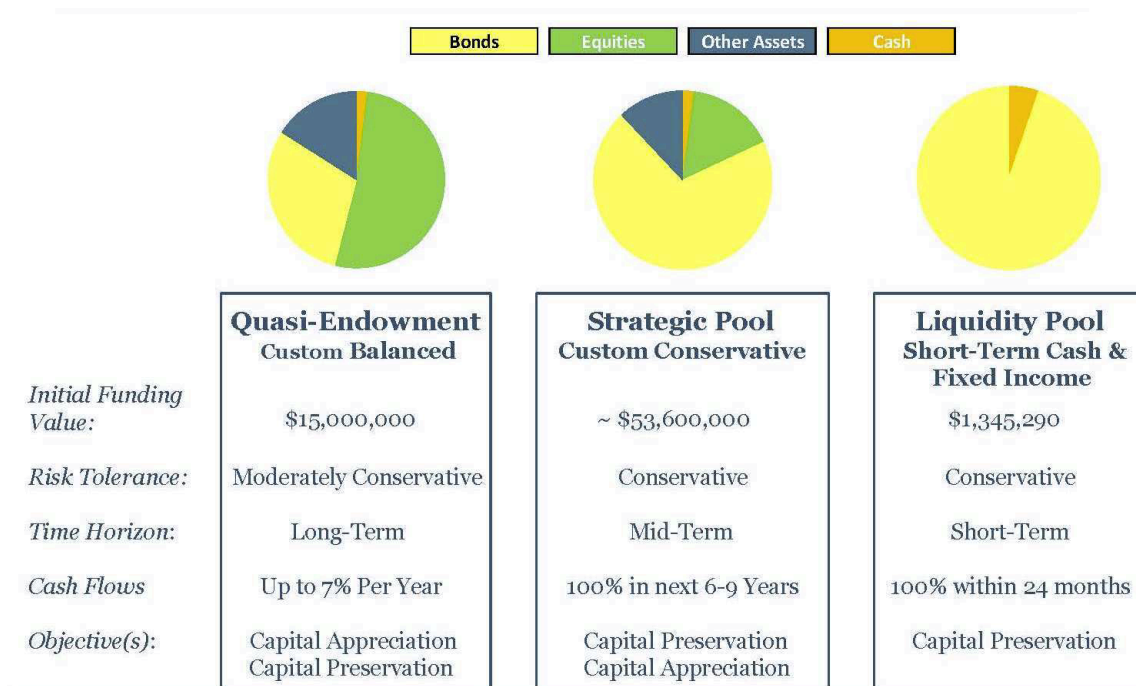
The Foundation is a nonprofit entity incorporated in California, with federal income tax exemption issued under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Foundation is classified as a public charity and, under Section 509(a)(3), as a Type I supporting organization.

The San Bruno City Council created the Foundation to administer the \$70 million in restitution funds resulting from the devastating 2010 gas pipeline explosion in San Bruno’s Crestmoor neighborhood. As stated in the Foundation’s Bylaws, the primary purpose of the Foundation is “to benefit the San Bruno community through enduring and significant contributions to, and investments in, charitable and community programs, and publicly owned community facilities, over the long term.”

The Foundation currently runs three main programs: the Crestmoor Neighborhood Memorial Scholarship (multi-year college scholarships to San Bruno students who have been actively engaged in the San Bruno community), the Community Grants Fund (community organizations are able to apply for grants of up to \$25,000 for programs benefiting San Bruno), and a portfolio of strategic grants. Of note, the Foundation has awarded a series of strategic grants totaling \$51.5 million to the City of San Bruno to fund the design and construction of a new Recreation and Aquatic Center (RAC) in San Bruno City Park. The RAC opened this past summer, and the Foundation is nearly done disbursing the grant funds to the City.

A seven-member Board of Directors appointed by the City Council governs the Foundation. The Board has a two-member Audit Committee that is overseeing the auditor selection process.

The Foundation was founded in 2013 and began independent operations in early 2015. In 2016, the Foundation developed its Investment Policy Statement; established three investment accounts, each with its own strategy, for holding the funds; hired an investment management firm (Sand Hill Global Advisors, LLC); and took possession of the restitution funds. The three investment accounts are as follows:



The Foundation’s fiscal year runs from July 1 to June 30. In fiscal year 2023-2024, the Foundation reported revenues of \$3,006,452 (primarily investment income), expenses of \$1,217,015, and total year-end assets of \$30,600,145. Currently, the Foundation’s activities are primarily funded by investment income (from the Quasi-Endowment for the Crestmoor Scholarship and the Community Grants Fund, and from the Strategic Pool for other grants and operating expenses). Funding for the San Bruno RAC has significantly reduced the Strategic Pool from its initial funding value. For 2024-2025, total budgeted expenses are \$3,444,339 (\$2,975,000 for direct program expenses and \$469,339 for support costs). Most revenue is investment income, which is not projected or budgeted.

In 2025, the Foundation Board intends to conclude a strategic planning process to determine the organization’s post-RAC program and investment strategies. It is possible that the three-pool investment strategy highlighted above will be restructured to support the amended program strategy, beginning in fiscal year 2025-2026.

The Foundation employs one full-time (executive director) and one part-time (program manager) staff members and has one part-time contractor (accounting consultant/full charge bookkeeper). For the first three months of fiscal year 2024-2025, accounts payable payments have averaged \$114,030 per month. In addition to payroll and general checking bank accounts, the Foundation has a credit card account in the name of the Foundation and the Executive Director.

In accordance with the Foundation’s Bylaws and Fiscal Policies and Procedures, the Foundation has its financial statements audited on an annual basis by an independent CPA. The Fiscal

Policies and Procedures require the Foundation to issue a Request for Proposal (RFP) for nonprofit audit and tax preparation services at least every five years.

The Foundation's audited financial statements and federal tax returns can be downloaded at <https://www.sbcf.org/financials>.

### **EXPECTED ANNUAL AUDIT & TAX SERVICES DELIVERABLES**

The selected auditor or CPA firm will be expected to do the following annually:

1. Conduct an audit of the Foundation's records, internal controls, and financial statements in accordance with auditing standards generally accepted in the United States of America.
2. Communicate with the Audit Committee as appropriate, before, during, and after audit fieldwork.
3. Complete audited financial statements report with appropriate accompanying notes by October 10.
4. Complete report or communication related to audit findings with Board of Directors (e.g., AU-C 260 letter) by October 10.
5. Present in person both reports mentioned in numbers 3 and 4 above to the Foundation Board of Directors at its November meeting (typically the first Wednesday in November in person in San Bruno).
6. Complete IRS-990, CA-199, and RRF-1 by November 1, thereby allowing for timely filing of these forms on or before November 15 (or such extension as mutually agreed).

### **INFORMATION AND/OR RESPONSES TO BE PROVIDED**

In order to assist the Board of Directors in its search for an auditor to provide the services described above, please provide, by January 10, 2025, a proposal that includes responses to the following:

1. Please describe your firm's background, history, and areas or industries of specialization. Highlight your experience with 501(c)(3) nonprofit organizations, particularly those with assets of at least \$25 million. Please include the names of any principals of the firm and their backgrounds who work with your firm's nonprofit clients. Also, provide a copy of your firm's annual report (if any) and/or other literature about your firm.
2. What makes your firm superior to other firms that the Foundation may be considering?

3. Provide a list of other nonprofit 501(c)(3) clients for whom your firm provides annual audit services. Also, please provide a sample of your audit reports for such organizations.
4. Please provide a reference to three of your nonprofit 501(c)(3) clients that have contracted with your firm for annual audit and tax preparation services during the past five years (organization, contact name, and phone number and email address for contact).
5. Please provide the location of your office(s) and the names and titles of personnel that are expected to be involved in the Foundation's annual audit and tax services.
6. Please provide a proposed timeline for fieldwork (including submission of all pre-audit requests for information) and final reporting for all services requested, assuming an on-time November 15 tax filing for fiscal year 2024-2025.
7. Include a copy of your firm's pre-audit requests for information that your clients are required to provide, including any worksheets and questionnaires.
8. What will be your projected fee for completing all services described above in the "Expected Annual Audit & Tax Services Deliverables" section of this RFP for fiscal year 2024-2025? Indicate how these fees may change for fiscal years 2025-2026, 2026-2027, and beyond. Do you provide any financial incentives for clients who are particularly well prepared and organized in preparing for the audit?
9. Does the fee described above differ from fees charged to other clients? If yes, please explain.
10. Describe any other potential fees the Foundation may be charged, based upon common situations with other clients.
11. Does your firm have a written Code of Conduct, Ethics Policy, or Conflict of Interest Policy? If so, please provide a copy of each.
12. Please describe the level of coverage for errors and omissions and professional liability insurance your firm carries. List the insurance carrier(s) supplying the coverage.
13. Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.
14. Has your firm, or anyone in your firm, provided any gifts, travel and room expenses, entertainment, or meals to any Foundation Board member or employee during the past 12 months? If yes, please describe in detail.
15. Provide any additional information that you believe to be relevant to the Request for Proposal and your capability to provide the services requested.

Basis for award of contract will include but not be limited to responsiveness to the RFP, interview performance, quality and timeliness of service, and price.

Only licensed Certified Public Accountants or firms may respond to this RFP. The Foundation reserves the right to reject all proposals or request additional information from one or more proposers. All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the proposer and will not be reimbursed by the Foundation.

The successful proposer agrees to execute a professional services agreement for the work in a form substantially similar to the agreement provided in Attachment A of this RFP. The successful proposer must also obtain a City of San Bruno business license during the term of the agreement.

Proposals must not be marked as confidential or proprietary. Information in submitted proposals shall be subject to public disclosure laws. All proposals shall become the property of the Foundation.

Submit proposals (three hard copies along with an electronic copy) by January 10, 2025, to:

San Bruno Community Foundation  
Attn: Audit Committee  
901 Sneath Lane, Suite 209  
San Bruno, CA 94066  
[lhatamiya@sbcf.org](mailto:lhatamiya@sbcf.org)

Questions? Please contact Leslie Hatamiya, Executive Director, at [lhatamiya@sbcf.org](mailto:lhatamiya@sbcf.org) or (650) 763-0775.

RFP for Audit and Tax Preparation Services  
Distribution List

DRAFT as of 10/9/2024

| <b>CPA Firm</b>                  |
|----------------------------------|
| Armanino                         |
| Boman Accounting Group, Inc.     |
| Bunker & Company                 |
| Crosby & Kaneda                  |
| Frank, Rimerman + Co. LLP        |
| Harrington Group                 |
| Hiep Pham, CPA Inc.              |
| Hood & Strong                    |
| Lamorena & Chang CPA             |
| Lindquist, von Husen & Joyce LLP |
| Novogradac & Company LLP         |
| O'Connor & Company               |
| SD Mayer & Associates LLP        |
| Singer Lewak                     |