

SAN BRUNO

Community Foundation

Audit Committee

John P. McGlothlin, *Chair* • Patricia Bohm, *Member*
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Audit Committee

October 23, 2018

4:00 p.m.

Meeting Location:

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

1. **Call to Order:** Committee Chair McGlothlin called the meeting to order at 4:06 p.m.
2. **Roll Call:** Committee Members McGlothlin and Bohm, present.
3. **Approval of Minutes:** October 23, 2017, Special Meeting: Committee Member Bohm moved to approve the minutes of the October 23, 2017, Special Meeting, seconded by Chair McGlothlin, passed unanimously.
4. **Conduct of Business**
 - a. Review Report from Novogradac & Company LLP on Audited Financial Statements for Year Ended June 30, 2018

The Committee discussed the Audited Financial Statements for the Year Ended June 30, 2018, that were prepared by the team of auditors from Novogradac & Company LLP headed by Lance Smith, CPA. Participating by teleconference, 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 an unmodified, clean opinion of the Foundation's financial statements. He said the audit process went very smoothly. He noted a positive change in assets based on investment income, an increase in program expenses corresponding with an increase in program activity, and relatively flat administrative expenses. He noted a new addition to this year's statements is the inclusion of temporarily restricted net assets in the Statement of Financial Position. He also highlighted for the Committee several reporting changes that will take place in 2019, including a renaming of "temporarily restricted net assets" to "donor restricted net assets," the integration of the Statement of Activities and the Statement of Functional Expense, the treatment of investment expenses to be net of investment income, and, most significantly,

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a liquidity disclosure requirement. Mr. Smith said that Novogradac would issue its standard letter (AU-260) to accompany the audited financials and reported a clean set of books with no major difficulties or misstatements/misclassifications. He said that his team intends to have a draft of the Foundation's tax returns prepared within the next week and confirmed that he would be at the November 7 Foundation Board meeting.

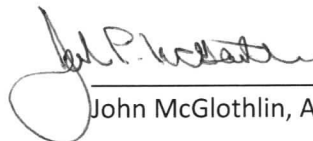
Chair McGlothlin and Committee Member Bohm thanked Mr. Bittner for his work closing the 2017-2018 accounting books and preparing for the audit; they also thanked Mr. Smith and his team for their work on the audit.

4. Public Comment: None.

5. Committee Member Comments: None.

6. Adjourn: Committee Member Bohm moved to adjourn the meeting at 4:31 p.m., seconded by Chair McGlothlin, approved unanimously.

Respectfully submitted for approval at the Special Audit Committee Meeting of October 18, 2019, by Audit Committee Chair John McGlothlin.



John McGlothlin, Audit Committee Chair