

SAN BRUNO

Community Foundation

Audit Committee

Raul Gomez, Chair • Malissa Netane-Jones, Member
Leslie Hatamiya, Executive Director

GOVERNOR'S EXECUTIVE ORDER N-25-20** CORONAVIRUS COVID-19**

On March 17, 2020, the Governor of California issued Executive Order N-29-20 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. Pursuant to the CDC's social distancing guidelines which discourage large public gatherings, the Audit Committee of the San Bruno Community Foundation is now holding meetings via Zoom.

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 Council 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 will 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.

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 15, 2021

3:00 p.m.

Zoom Meeting Details:

<https://us02web.zoom.us/j/81201603867?pwd=VFNBQ1VUcGtpMHJGdjR4Qkt2Y2drUT09>

Webinar ID: 812 0160 3867

Passcode: 030365

Dial-in: (669) 900-6833

1. Call to Order

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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 16, 2020, Special Meeting

4. Conduct of Business

- a. Review Report from Novogradac & Company LLP on Audited Financial Statements for Year Ended June 30, 2021

6. Committee Member Comments

7. Adjourn

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Audit Committee

October 16, 2020

2:00 p.m.

Meeting Conducted via Zoom

1. **Call to Order:** Committee Chair Gomez called the meeting to order at 2:01 p.m.
2. **Roll Call:** Committee Members Gomez and Netane-Jones, present.
3. **Public Comment:** None.
4. **Approval of Minutes:** February 19, 2020, Special Meeting: Committee Member Netane-Jones moved to approve the minutes of the February 19, 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, 2020

The Committee discussed the Audited Financial Statements for the Year Ended June 30, 2020, that 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 an unmodified, clean opinion of the Foundation's financial statements. He remarked that even with the pandemic, 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 grants awarded, and an increase in grants payable, as several of the larger grants are being paid out over time.

Mr. Smith noted that there were no significant reporting changes required in 2020. He said that Novogradac would issue its standard letter (AU-C 260) to accompany the audited financials and reported

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a clean set of books with no major difficulties or misstatements/misclassifications. He said that 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 4 Foundation Board meeting.

In discussing the audit process, Mr. Bittner noted that Novogradac was well-positioned to handle the challenges of the pandemic since the firm already had in place processes for conducting the audit remotely.

6. Committee Member Comments: None.

7. Adjourn: Committee Chair Gomez moved to adjourn the meeting at 2:29 p.m., seconded by Committee Member Netane-Jones, approved unanimously.

Respectfully submitted for approval at the Special Audit Committee Meeting of October 15, 2021, by Audit Committee Chair Raul Gomez.

Raul Gomez, Audit Committee Chair

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Memorandum

DATE: October 8, 2021

TO: Audit Committee, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: October 15, 2021, Audit Committee Meeting

The Audit Committee of the San Bruno Community Foundation will hold a special meeting at 3:00 p.m. on Friday, October 15, 2021, via Zoom.

Zoom Meeting Details:

<https://us02web.zoom.us/j/81201603867?pwd=VFNBQ1VUcGtpMHJGdjR4Qkt2Y2drUT09>

Webinar ID: 812 0160 3867

Passcode: 030365

Dial-in: (669) 900-6833

1. Review of Report from Novogradac and Company LLP on Audited Financial Statements for Year Ended June 30, 2021

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 3, 2021, the Foundation is using Novogradac & Company LLP to conduct the audit of the Foundation's financial statements for the year ended June 30, 2021, 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 20. 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 follow-up requests for additional information from the Novogradac team.

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 hope to receive a new draft prior to October 15 and will provide that to the Committee for discussion at the meeting.

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Memorandum

At the meeting, the Committee will discuss the draft financials with the Novogradac team including Mr. Smith. The Committee will also speak with Mr. Smith about his preparations for presenting the audited financials to the Board at its November 3, 2021, meeting, and inquire about the firm's progress on preparing the Foundation's tax returns.