

SAN BRUNO

Community Foundation

Audit Committee

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

Leslie Hatamiya, *Executive Director*

MINUTES

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:** Committee Chair Gomez called the meeting to order at 3:30 p.m.
2. **Roll Call:** Committee Members Gomez and Ruane, present.
3. **Public Comment:** None.
4. **Approval of Minutes:** October 16, 2023, Special Meeting: Committee Member Ruane moved to approve the minutes of the October 16, 2023, Special Meeting, seconded by Chair Gomez, passed unanimously.
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

The Committee discussed the Audited Financial Statements for the Year Ended June 30, 2024, 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 decreases in grants payable, which was expected and reflects grant payments for the San Bruno Recreation and Aquatic Center (RAC), and in grant expenses, as the fiscal year 2022-23 figure included a \$1.5 million RAC grant. He also noted that investment income and liquidity remained fairly consistent with the

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previous fiscal year's figures. 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 stated that he does not anticipate any accounting standards changes for next year and confirmed that he would be at the November 6 Foundation Board meeting.

Committee Member Ruane moved to adopt the resolution accepting the San Bruno Community Foundation's audited financial statements for the year ended June 30, 2024, seconded by Committee Chair Gomez, approved unanimously.

- 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

Executive Director Hatamiya explained that 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. She noted that the Foundation last issued such an RFP in 2019-2020, and since Novogradac has now prepared the Foundation's audited financial statements and tax returns for five consecutive years since then, the Foundation must issue a new RFP for the fiscal year 2024-2025 audit and tax preparation. She reminded the Committee that 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, and that in 2020, the Board approved the selection of Novogradac to continue to serve as the Foundation's auditor after serving in the same role the previous five years, on the condition that Novogradac assign a new set of staff accountants to work on the Foundation's account.

Executive Director Hatamiya shared with the Committee a draft RFP for audit and tax preparation services and outlined a proposed timeline that includes issuing the RFP in mid-November after sharing the RFP with the Board at its November 6 meeting, setting a January 10, 2025, deadline for receiving responses to the RFP, having the Audit Committee review the RFP responses, select a list of finalists, conduct interviews, check references, and makes a recommendation during January and February, and bringing the Committee's recommendation to the full Board for consideration at its March 2025 meeting.

By consensus, the Committee directed the Executive to proceed with the draft RFP and proposed timeline.

6. Committee Member Comments: None.

7. Adjourn: Committee Member Ruane moved to adjourn the meeting at 3:48 p.m., seconded by Chair Gomez, approved unanimously.

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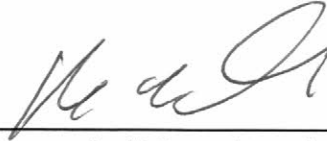
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Respectfully submitted for approval at the Special Audit Committee Meeting of January 24, 2025, by
Audit Committee Chair Raul Gomez.



Raul Gomez, Audit Committee Chair