

# City of Cupertino

Cupertino, California

## **Independent Accountants' Report on Applying Agreed-Upon Procedures to Investments**

*For the Year Ended June 30, 2024*





## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and the Members of the City Council  
of the City of Cupertino  
Cupertino, California

We have performed the procedures enumerated below on the investments of the City of Cupertino, California (the "City") for the year ended June 30, 2024. The City's management is responsible for the investments.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, which is assisting users in understanding the Investment Policy. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report, and as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Obtained the Investment Policy (policy), applicable for the fiscal year, approved by the Honorable Mayor and the City Council, and compared the investments authorized by the policy with the investments listed in the June 2024 Treasurer's Investment Report to determine if all investment types are allowed by the investment policy.

*Findings:* No exceptions were noted as a result of our procedures.

2. Compared the City's Investment Policy with California Government Code Section 53601 to determine whether the City's Investment Policy complied with California Government Code Section 53601.

*Findings:* No exceptions were noted as a result of our procedures.

3. Compared the June 2024 Treasurer's Investment Report with California Government Code Section 53646 to ensure that the June 2024 Treasurer's Investment Report complied with California Government Code Section 53646.

*Findings:* No exceptions were noted as a result of our procedures.

4. Inquired of the Finance Manager and verify whether investment performance statistics and activity reports are generated on a quarterly basis for presentation to the oversight (audit) committee, City Manager and the Honorable Mayor and the City Council, as required by the Investment Policy.

*Findings:* No exceptions were noted as a result of our procedures.

5. Inquired of the Finance Manager and document our understanding of the wire transfer procedures.

*Findings:* No exceptions were noted as a result of our procedures.

6. Randomly selected three investment sales/maturities from various quarters of Treasurer's Reports and perform the following:
  - Traced investment type to the supporting broker's confirmation and the Chandler Report.
  - Traced the maturity date to the supporting broker's confirmation and the Chandler Report.
  - Traced the amount of the investment sold to the supporting broker's confirmation and the Chandler Report.

*Findings:* No exceptions were noted as a result of our procedures.

7. Randomly selected two investments purchased during the year from the City's investment files, and performed the following:
  - Traced the purchased investments to the corresponding Treasurer's Investment Report for the month in which the investments were acquired.
  - Agreed the amount, terms, and interest rate to the Treasurer's Investment Report.
  - Verified that the investment type is authorized by the Investment Policy by comparing the type of investment to the allowable types per the Investment Policy.

*Findings:* No exceptions were noted as a result of our procedures.

8. Obtained the Chandler Asset Management report and confirm the investment details (investment description, par value/units, coupon rate), and the amounts reported in the Treasurer's investment report and verify the amount reported in the general ledger.

*Findings:* No exceptions were noted as a result of our procedures.

9. Traced three randomly selected Federal Agency investments that were purchased in fiscal year 2024 and traced the reported ratings to Moody's rating online.

*Findings:* No exceptions were noted as a result of our procedures.

10. Obtained independently third-party corroborating evidence from Chandler and Principal of the City's investments as of June 30, 2024, and verified that investment types are matching on the two (2) reports.

*Findings:* No exceptions were noted as a result of our procedures.

11. Randomly picked five (5) samples and determined if the type of investments, which occurred during the Fiscal Year, complied with the Investment Policy's 'Authorized Investments' section.

*Findings:* No exceptions were noted as a result of our procedures.

To the Honorable Mayor and the Members of the City Council  
of the City of Cupertino  
Cupertino, California  
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We were engaged by the City to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on investments. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Members of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

*The PwC Group, LLP*

Santa Ana, California  
April 13, 2025