

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

In planning and performing our audit of the financial statements of the City of Cupertino, California ("City") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the City's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain matters that we wish to communicate to you. Matters communicated in this letter are classified as follows:

- Deficiency – A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

<b>Immaterial Noncompliance over Procurement – Highway Planning and Construction Cluster</b>		<b>Deficiency</b>
Control Deficiency:	Per the Part III of the Annual Compliance Supplement, the City's procurement policies and procedures are required to conform to 2 CFR 200.318 of the Uniform Guidance, which detail the federal procurements requirements.  The City's documented procurement policies provide specific references to state and local procurement requirements. However, there are no references to federal requirements under the Uniform Guidance.	
Context:	Although the City's documented procurement policies and procedures do not specifically reference the federal requirements, the results of our compliance testing did not note any specific noncompliance with the applicable federal regulations.	
Potential Effect:	As the City's procurement policies and procedures do not reference the Uniform Guidance, the City may be susceptible to non-compliance with federal requirements.	
Recommendation:	We understand that the City has been updating its policies and procedures related to procurement as part of a pre-existing City-wide project. We recommend that the City continue its efforts to update its policies and procedures and ensure that applicable federal requirements are reflected in the updated documentation.	

The purpose of this letter is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.

Costa Mesa, California

Preliminary Draft