

**CITY OF CUPERTINO, CALIFORNIA**  
**2021 AGREED UPON PROCEDURES PLANNING**

**GANN – PROPOSED PROCEDURES**

1. We will obtain the Worksheet provided by the City and determine that the 2020-2021 Limit and annual adjustment factors were adopted by Resolution of the Honorable Mayor and City Council. We will also determine whether the population and inflation options were selected by a recorded vote of the Honorable Mayor and City Council.
2. We will recalculate the 2020-2021 Appropriations Limit by multiplying the 2019-2020 Appropriations Limit by the adjustment factors.
3. For the Worksheet, we will agree the Per Capita Income, County and City Population Factors to California State Department of Finance Worksheets.

**INVESTMENTS – PROPOSED PROCEDURES**

1. We will obtain the Investment Policy (policy), dated May 2020, approved by the Honorable Mayor and the City Council. We will compare the investments authorized by the policy with the investments listed in the March 2021 Treasurer's Investment Report to determine if all investment types are allowed by the investment policy.
2. We will compare 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.
3. We will compare the March 2021 Treasurer's Investment Report with California Government Code Section 53646 to ensure that the March 2021 Treasurer's Investment Report complied with California Government Code Section 53646.
4. We will inquire of the Finance Manager 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.
5. We will inquire of the Finance Manager and document our understanding of the wire transfer procedures.
6. We will randomly select three investment sales/maturities from various quarters of Treasurer's Reports and perform the following:
  - Trace investment type to the supporting broker's confirmation and the Chandler Report.
  - Trace the maturity date to the supporting broker's confirmation and the Chandler Report.
  - Trace the amount of the investment sold to the supporting broker's confirmation and the Chandler Report.
7. We will randomly select two investments purchased (one as of October 2020 and one as of March 2021) for fiscal 2021 from the City's investment files and perform the following:
  - Trace the purchased investments to the corresponding Treasurer's Investment Report for the month in which the investments were acquired.
  - Agree the amount, terms and interest rate to the Treasurer's Investment Report.
  - Verify that the investment type is authorized by the Investment Policy by comparing the type of investment to the allowable types per the Investment Policy.
8. We will obtain the Wells Fargo Bank Market/Cost Value Comparison Report, the City's third party investment safekeeping custodian, for March 2020 and trace the following from each investment listed in the Wells Fargo statement or other Wells Fargo document in the case of the Purchase Date to the City's March 2021 Treasurer's Investment Report:
  - Investment description
  - Market value
  - Purchase date
  - Maturity date
  - Coupon rate
9. We will trace three randomly selected Federal Agency investments that were purchased in fiscal 2021 and traced the reported ratings to Moody's rating online.
10. For the March 2021 Treasurer's Investment Report (the Chandler Report), we will re-compute or obtain third-party corroborating evidence of the correct listing of:
  - Average Yield
  - Market value
  - Purchase date
  - Duration