



Crowe LLP
Independent Member Crowe Global

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

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the City of Cupertino, California (City) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE CITY

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the City under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have the following relationships with the City that do not impair our independence but which, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

Relationship	Safeguards
Non-Audit Services: We were engaged to perform the following non-audit services during your last fiscal year: • Assistance with preparation of your financial statements • Assistance with the preparation of the State of California Annual State Controller's Report • Preparation of the Schedule of Expenditures of Federal Awards • Assistance with the preparation of the Data Collection Form	We believe the City's management is capable of evaluating and taking responsibility for their management decisions regarding our services, and we did not assume the role of an employee or of management of the City in performing and reporting on our services.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with the Audit Committee on September 26, 2022.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: The City Council should be informed of the initial selection of and changes in significant accounting policies or their application. Also, the City Council should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform the City Council about such matters. To assist the City Council in its oversight role, we also provide the following.

Accounting Standard	Impact of Adoption
GASB Statement No. 87, "Leases" This Statement was issued to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources. Lessees and lessors should recognize short-term lease payments as outflows of resources and inflows of resources, respectively, based on the payment provisions of the lease contract.	Upon adoption of this Statement, the City included its applicable leases in the financial statements and included the new required disclosures in the notes to the financial statements. The activity was reported as of the implementation date of July 1, 2021 but did not require a restatement of beginning fund balance/net position due to the change in accounting principle.
GASB Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period" This Statement was issued to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.	Adoption of this Statement did not have a material impact on the City's financial position or results of operations.
GASB Statement No. 92, "Omnibus 2020" This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.	Adoption of this Statement did not have a material impact on the City's financial position or results of operations.

Accounting Standard	Impact of Adoption
GASB Statement No. 93, "Replacement of Interbank Offered Rates" This Statement was issued to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).	Adoption of this Statement did not have a material impact on the City's financial position or results of operations.
GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" This Statement was issued to increase consistency and comparability related to the reporting of fiduciary component units and IRC Section 457 deferred compensation plans. This Statement is designed to mitigate costs of financial reporting associated with certain defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans when an organization does not have a governing board and the primary government performs the duties that a governing board typically performs.	Adoption of this Statement did not have a material impact on the City's financial position or results of operations.
Significant Unusual Transactions.	No such matters noted
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the City's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Useful Lives of Capital Assets	Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City.	We tested the propriety of information underlying management's estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Loss Contingencies	The City consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the consolidated financial statements.	Based on information obtained from the City's legal counsel regarding this matter and discussions with management, we concur with management's determination that the loss contingency does not meet conditions for accrual of being both probable and estimable, and, thus, no accrual is recorded and no specific disclosures are required.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the City's accounting policies and financial statement disclosures.

- The accounting policies to the particular circumstances of the City, considering the need to balance the cost of providing information with the likely benefit to users of the City's financial statements.
- Overall, the disclosures in the financial statements are neutral, consistent, and clear.
- The effect of the timing of transactions in relation to the period in which they are recorded is appropriate.
- There were no significant risks and exposures, or uncertainties that are disclosed in the financial statements.
- There were no unusual transactions including nonrecurring amounts recognized during the period.
- There were no particularly sensitive financial statement disclosures.
- There were no factors affecting asset and liability carrying values, including the City's basis for determining useful lives assigned to tangible and intangible assets.
- There was no selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements. There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that: • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.	We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof. • Management's Discussion and Analysis • Information in Supplemental Section
Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	There were no significant difficulties encountered in dealing with management related to the performance of the audit.
Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the City's financial statements or the auditor's report.	During our audit, there were no such disagreements with management.
Difficulties or Contentious Matters We are required to discuss with the City Council any difficulties or contentious matters for which we consulted outside of the engagement team.	During the audit, there were no such issues for which we consulted outside the engagement team.
Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.	The following circumstances affect the form and content of the auditor's report: With the implementation of GASB Statement 87 as previously discussed, we consider it necessary to include an emphasis-of-matter paragraph in accordance with the applicable auditing standards as issued by the American Institute of Certified Public Accountants.

Communication Item	Results
Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.	We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.
Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.	We direct your attention to a copy of the letter of management's representation to us provided separately.
Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the City's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

We are pleased to serve the City as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Mayor and City Council and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.


 Crowe LLP

Costa Mesa, California
 March 31, 2023



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366
CUPERTINO.ORG

March 31, 2023

Crowe LLP
650 Town Center Drive, Suite 740
Costa Mesa, California 92626-7192

Ladies and Gentlemen:

We are providing this letter in connection with your audit of the financial statements of the City of Cupertino, California (City) as of June 30, 2022 and for purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$323,400 for Governmental Activities; \$134,500 for Business-type Activities; \$274,800 for General Fund; \$83,000 for Aggregate Remaining Fund Information; \$20,800 for Transportation; \$5,900 for Housing Development; \$11,600 for Public facilities Corporation Debt Services; \$39,200 for Capital Improvements Project Capital Project; \$7,200 for Resource Recovery; \$2,300 for Recreation Programs; and \$7,200 for Cupertino Sports Center collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 7, 2022 for the preparation and fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States, and we believe the financial statements are fairly presented and include all properly classified funds and other financial information of the primary government and all component units required by accounting principles generally accepted in the United States to be included in the financial reporting entity.
2. We are responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
3. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
4. We have provided you:
 - a. Access to all financial records, documentation and other information that is relevant to the preparation and fair presentation of the financial statements;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
 - d. All minutes of the City Council and the Audit Committee or summaries of actions of recent meetings for which minutes have not yet been prepared;
 - e. Audit or relevant monitoring reports, if any, received from funding sources;
 - f. Results of the assessment of risk that the financial statements may be materially misstated as a result of fraud.
5. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
6. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements [or the schedule of expenditures of federal awards].
7. We have no plans or intentions that might materially affect the carrying value or classification of assets, deferred outflows, liabilities, and deferred inflows.

8. We have identified all accounting estimates that materially affect recorded amounts and disclosures in the financial statements, and the key factors and significant assumptions underlying those estimates. We believe the methods, data, and significant assumptions used in developing the accounting estimates and the related disclosures are appropriate in the circumstances. These estimates include:
 - a. Valuation of long-lived assets;
 - b. Disclosure of pension plans or other post-retirement benefits;
 - c. Disclosure of fair value of financial instruments.
9. Adequate consideration and provision has been made, when necessary, for any material losses likely to be sustained from:
 - a. Sales commitments;
 - b. Sale of inventory, including excess or obsolete inventories on hand;
 - c. Purchase commitments for inventory quantities in excess of normal requirements or at a price in excess of market;
 - d. Impairment of long-lived assets when the carrying amount may not be recoverable;
 - e. Collection of receivables;
 - f. Environmental remediation liabilities.
10. Except as disclosed in the financial statements, or directly to you, there are or have been no material:
 - a. Arrangements, either written or oral, with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements;
 - b. Oral or written guarantees under which the entity is contingently liable;
 - c. Other financial instruments with significant "off-balance-sheet" risk of accounting loss to which the entity is a party;
 - d. Concentrations that make the entity vulnerable to the risk of a severe impact within one year from the balance sheet date (including, for example, individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, operating areas, or markets);
 - e. Significant accounting estimates that are susceptible to changing materially as a result of an event or change in conditions that is reasonably possible of occurrence within one year from the balance sheet date;
 - f. Liens, encumbrances, or other title impairments, such as pledges as collateral, on entity assets at the balance sheet date;
 - g. Restrictions under borrowing agreements;
 - h. Unrecorded transactions;
 - i. Significant events that have occurred subsequent to the balance sheet date through the date of this letter that would require adjustment to, or disclosure in, the financial statements;
 - j. Declines in market value of investments that are not temporary;

11. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered by management when preparing the financial statements. These matters have been accounted for and disclosed in conformity with accounting principles generally accepted in the United States and GASB 62.
12. All related parties and all related party relationships and transactions, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been disclosed to you and have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of accounting principles generally accepted in the United States.
13. Except as disclosed to you, we have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management, whether material or not;
 - b. Employees who have significant roles in internal control, whether material or not;
 - c. Others when the fraud could have a material effect on the financial statements.
14. Except as disclosed to you, we believe the effects of cybersecurity risks and actual breaches are properly accounted for and disclosed in the financial statements.
15. Except as disclosed to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
16. Except as disclosed to you, there have been no:
 - a. Instances of non-compliance or suspected non-compliance with budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered when preparing the financial statements;
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62;
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements;
 - d. Reservations or designations of fund equity that were not properly authorized and approved;
 - e. Side agreements or other arrangements (either written or oral).
17. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

18. We are responsible for the presentation of the supplementary information in accordance with the applicable criteria and believe the supplementary information, including its form and content, is fairly presented in accordance with these criteria. The methods of measurement and presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement and presentation of the supplementary information have been identified and disclosed to you. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
19. We are responsible for the required supplementary information, including that such information is measured and presented in accordance with prescribed guidelines. The methods of measurement or presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information have been disclosed to you.
20. We understand that during the course of your audit, you have relied on work performed by the following specialists. We confirm that we have no relationships with those specialists that may bear on their objectivity, such as the ability through employment, ownership, contractual right, family relationship or otherwise to directly or indirectly control or significantly influence the specialist.
 - a. BDO LLP
 - b. CalPERS
 - c. Cheiron
 - d. CliftonLarsonAllen LLP
 - e. Bickmore Risk Services
21. We agree with the findings of specialists in evaluating the general and workers comp liability calculation, the disclosure and reporting information required under GASB 68 for the Misc. Plan of the City, the actuarial valuations of the OPEB Plan, the audit opinion on the CALPERS plan, its fiduciary net position, the changes in fiduciary net position, and the related notes of the CALPERS plan and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of matters that have had an effect on the independence or objectivity of the specialists.
22. During the course of your audit, we have provided to you physical or electronic copies of various original documents. We understand that you are relying on such copies as audit evidence in your audit and represent that the copies provided are an accurate

and complete representation of the original documentation and that the copies have not been modified from their original version.

23. The financial statements include all component units that meet the criteria of financial accountability or which are otherwise considered misleading to exclude, the classification of these component units as discretely presented or blended is appropriate, and the relationships and criteria for inclusion are properly disclosed.
24. The financial statements properly classify all funds and activities.
25. All funds that meet the quantitative criteria in GASB Statements Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to the financial statement users.
26. Net position components (invested in capital assets, restricted, and unrestricted) are properly classified and fund balance types (including minimum fund balance policies and/or stabilization agreements, if applicable) are properly presented and disclosed pursuant to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
27. Expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
28. Revenues are properly classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
29. Interfund, internal, and intra-entity activity and balances have been properly classified and reported.
30. Special and extraordinary items are properly classified and reported.
31. Deposits and investment securities are properly classified in category of custodial credit risk.
32. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
33. All suggested adjusting journal entries, as discussed and approved, will be recorded in the accounting records.
34. We understand that you have assisted us with the preparation of our financial statements and footnotes and we have reviewed and approved the financial statements and footnotes and take full responsibility for them.

35. We have considered the effects of the Coronavirus pandemic on our business. In all material respects, the financial statements appropriately reflect the impact of this pandemic on our business, including appropriate disclosure of related risks and uncertainties. In addition, the financial statements include assumptions and estimates we believe are reasonable in light of the pandemic.

36. With respect to the audit in accordance with *Government Auditing Standards*:

- a. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Entity.
- b. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of laws and regulations that have a material effect on the determination of financial statement amounts, and that warrant the attention of those charged with governance.
- c. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- d. We have identified and disclosed to you all instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements.
- e. If applicable, we have identified for you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- f. In regards to the following non-audit services performed by you (Financial Statement preparation and preparation of the CA Comptroller Report) we acknowledge our responsibilities as follows:
 - we assume all management responsibilities for these services;
 - we oversaw these services by designating an individual within senior management who possessed suitable skill, knowledge, or experience;
 - we have evaluated the adequacy and results of the services performed;
 - we accept responsibility for the results of these services

37. With respect to the requirements of the Office of Management and Budget Uniform Guidance related to federal awards:

- a. We are responsible for complying, and have complied, with the requirements of the Uniform Guidance.
- b. We are responsible for the presentation of the Schedule of Expenditures of Federal Awards (SEFA) in accordance with the Uniform Guidance and believe the SEFA, including its form and content, is fairly presented in accordance with these criteria. The methods of measurement and presentation have not changed from those used in the prior period. All significant assumptions or interpretations underlying the measurement and presentation of the SEFA have been identified and disclosed to you. If the SEFA is not presented with the audited financial

statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

- c. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of its federal programs.
- d. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the we are managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.
- e. We have identified and disclosed all government programs and related activities subject to the Uniform Guidance compliance audit.
- f. We have identified and disclosed the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- g. We have made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
- h. We have identified and disclosed all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or have indicated there was no such noncompliance.
- i. We believe that we have complied with the direct and material compliance requirements (except for noncompliance which has otherwise been disclosed).
- j. We have made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- k. If applicable, we have provided to our interpretations of any compliance requirements that are subject to varying interpretations.
- l. We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- m. We have disclosed findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- n. We have provided all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- o. If applicable, we have disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

- p. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or have indicated there were no such known instances.
- q. We have disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance.
- v. The reporting package does not contain protected personally identifiable information.
- w. We have accurately completed the appropriate sections of the data collection form, or have reviewed those sections as prepared by you.
- x. If applicable, we have disclosed all contracts or other agreements with service organizations.
- y. If applicable, we have disclosed all communications from service organizations relating to noncompliance at those organizations.

Pamela Wu

Pamela Wu, City Manager

Kristina Alfaro

Kristina Alfaro, Director of Administrative Services



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366
CUPERTINO.ORG

March 31, 2023

Crowe LLP
650 Town Center Drive, Suite 740
Costa Mesa, California 92626-7192

Ladies and Gentlemen:

We are providing this letter relative to your engagement to perform certain agreed-upon-procedures in connection with Appropriations Limit Worksheet (Worksheet) of the City of Cupertino, California (the City) solely to assist in evaluating the City's compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution (specified requirements) during the fiscal year ended June 30, 2022.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your agreed-upon procedures:

1. We are responsible for the compliance with the specified requirements of the Worksheet (herein "subject matter").
2. We have provided all relevant information and access, as applicable.
3. We have disclosed all known matters contradicting the subject matter and any communication from regulatory agencies or others affecting the subject matter, including communications received between the end of the period addressed by the subject matter and the date of the report.
4. We are not aware of any material misstatements in the subject matter.
5. We have disclosed all known matters and events subsequent to the period of the subject matter being reported on that would have a material effect on the subject matter.
6. We are responsible for establishing and maintaining effective internal control over compliance

7. We have performed an evaluation of the compliance with the specified requirements and/or the controls for ensuring compliance and detecting noncompliance with requirements
8. We have disclosed to you all known instances of noncompliance.
9. We have disclosed to you any known noncompliance occurring subsequent to the period covered by the agreed-upon procedures.
10. We have disclosed any communications from regulatory agencies and other practitioners concerning possible noncompliance with section 1.5 of Article XIIB of the California Constitution, including communications received between the end of the period and the date of the agreed-upon procedures report.

Pamela Wu

Pamela Wu, City Manager

Kristina Alfaro

Kristina Alfaro, Director of Administrative Services



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366
CUPERTINO.ORG

March 31, 2023

Crowe LLP
650 Town Center Drive, Suite 740
Costa Mesa, California 92626-7192

Ladies and Gentlemen:

We are providing this letter relative to your engagement to perform certain agreed-upon-procedures in connection with the Investment Policy of the City of Cupertino, California (City), solely to assist in evaluating the City's compliance with the Investment Policy and California Government Code §53601 and §53646 ("specified requirements") during the year ended June 30, 2022.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your agreed-upon-procedures:

1. We are responsible for the compliance with the specified requirements of the investment policy (herein "subject matter").
2. We have provided all relevant information and access, as applicable.
3. We have disclosed all known matters contradicting the subject matter and any communication from regulatory agencies or others affecting the subject matter, including communications received between the end of the period addressed by the subject matter and the date of the report.
4. We are not aware of any material misstatements in the subject matter.
5. We have disclosed all known matters and events subsequent to the period of the subject matter being reported on that would have a material effect on the subject matter.

6. We are responsible for establishing and maintaining effective internal control over compliance.
7. We have performed an evaluation of the compliance with the specified requirements and/or the controls for ensuring compliance and detecting noncompliance with requirements.
8. We have disclosed to you all known instances of noncompliance.
9. We have disclosed to you any known noncompliance occurring subsequent to the period covered by the agreed-upon procedures.
10. We have disclosed any communications from regulatory agencies, internal auditors, and other practitioners concerning possible noncompliance with the specified requirements, including communications received between the end of the period addressed in the written assertion and the date of the agreed-upon procedures report.

Pamela Wu

Pamela Wu, City Manager

Kristina Alfaro

Kristina Alfaro, Director of Administrative Services



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3212 • FAX: (408) 777-3366
CUPERTINO.ORG

March 31, 2023

Crowe LLP
650 Town Center Drive, Suite 740
Costa Mesa, California 92626-7192

Ladies and Gentlemen:

We are providing this letter relative to your engagement to perform certain agreed-upon-procedures in connection with the City of Cupertino, California (City), solely to assist in evaluating the City's compliance with the requirements of its Clean Water and Storm Protection Fee during the calendar year ended December 31, 2021.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your agreed-upon-procedures:

1. We are responsible for the compliance with the specified requirements of the Clean Water and Storm Protection Fee (herein "subject matter").
2. We have provided all relevant information and access, as applicable.
3. We have disclosed all known matters contradicting the subject matter and any communication from regulatory agencies or others affecting the subject matter, including communications received between the end of the period addressed by the subject matter and the date of the report.
4. We are not aware of any material misstatements in the subject matter.
5. We have disclosed all known matters and events subsequent to the period of the subject matter being reported on that would have a material effect on the subject matter.
6. We are responsible for establishing and maintaining effective internal control over compliance.

7. We have performed an evaluation of the compliance with the specified requirements and/or the controls for ensuring compliance and detecting noncompliance with requirements.
8. We have disclosed to you all known instances of noncompliance.
9. We have disclosed to you any known noncompliance occurring subsequent to the period covered by the agreed-upon procedures.
10. We have disclosed any communications from regulatory agencies, internal auditors, and other practitioners concerning possible noncompliance with the specified requirements, including communications received between the end of the period addressed in the written assertion and the date of the agreed-upon procedures report.

Pamela Wu

Pamela Wu, City Manager

Kristina Alfaro

Kristina Alfaro, Director of Administrative Services