



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City Council and the management of the City of Corona, California (the City), solely to assist the City in evaluating the Investment Portfolio Report for the month ended June 30, 2019, for compliance with the provisions of the California Government Code and with the City's investment policy dated August 1, 2018. The management of the City of Corona is responsible for the Investment Portfolio Report for the month ended June 30, 2019. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Scope of the Procedures Performed and Related Findings

The procedures performed and the results obtained from the performance thereof were as follows:

1. We obtained a copy of the Investment Portfolio Report as of June 30, 2019 and agreed individual investments/deposits to supporting documentation obtained from the City and reconciled such to the Investment Portfolio Report. We traced total investments listed on the Investment Portfolio Report to the City's general ledger.

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

2. We compared the investments listed in the Investment Portfolio Report as of June 30, 2019, to the types of investments authorized for the City by the City's investment policy and California Government Code §53601.

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

3. We compared the market value of the investments listed in the Investment Portfolio Report as of June 30, 2019 to bank statements and other supporting documentation.

Recommendation: We noted one exception as a result of our procedures. The Investment Portfolio Report reported one investment, in the amount of \$144,125.00, not noted on the Trustee's bank statement as of June 30, 2019. Per further investigation, it was noted that it was due to a timing difference since the investment was purchased on June 30. As a result, the transaction did not go through the Trustee until July 1. Due to the timing difference, this transaction is considered a reconciling item at June 30, 2019. We recommend a reconciliation of the two reports be prepared at the end of the fiscal year to ensure the market value of investments is properly recorded.



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

4. We read the Investment Portfolio Report to ascertain if it contained the information/data required by California Government Code §53646 and met the timing requirements of California Government Code §53646, as follows:
 - a. Included type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the City.
 - b. Included those funds under management of contracted parties.
 - c. Included market value (and source) as of the date of the report of all securities held by the City or under management of contracted parties.
 - d. Stated compliance of the portfolio to the investment policy of the City.
 - e. Included a statement addressing the ability of the City to meet the pool's expenditure requirements for the next six months.

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

5. We compared the investments listed in the Investment Portfolio Report as of June 30, 2019, to the prohibited investments listed in California Government Code §53601.6.

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

6. We calculated the totals (cost basis) for the investment types listed in the Investment Portfolio Report as of June 30, 2019 and compared those totals to the limitations imposed by the City's investment policy and California Government Code §53601 for specified investment types.

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

7. We agreed individual investment maturity dates listed in the Investment Portfolio Report as of June 30, 2019, to the City's copies of investment statements to determine if they conformed to the maturity requirements of the City's investment policy and California Government Code §53601.

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

8. We obtained and read the third-party custodial agreements and broker/dealer agreements in effect at the date of the Investment Portfolio Report to determine if the agreements contained a clause addressing delivery of securities and that the delivery method conformed to California Government Code §53601.

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

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Investment Portfolio Report dated June 30, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



CPAs AND ADVISORS

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

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

Lance, Solt & Lingham, LLP

Brea, California
November 7, 2019