

**CITY OF PLEASANTON**

**Pleasanton, California**

**HOUSING AUTHORITY OF THE CITY OF PLEASANTON  
FINANCIAL STATEMENTS**

**For the year ended June 30, 2011**

**HOUSING AUTHORITY OF THE  
CITY OF PLEASANTON**

**JUNE 30, 2011**

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VAVRINEK, TRINE, DAY  
& COMPANY, LLP  
*Certified Public Accountants*

VALUE THE DIFFERENCE

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Housing Authority of the City of Pleasanton  
Pleasanton, California

We have audited the accompanying basic financial statements of the Housing Authority of the City of Pleasanton (Authority), a component unit of the City of Pleasanton, California (City), as of and for the year ended June 30, 2011. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2011, the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the Financial Data Schedule for the Housing Authority of the City of Pleasanton, is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development (HUD) and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Varrinek, Trine, Day & Co., LLP.*

Pleasanton, California  
December 23, 2011

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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Our discussion and analysis of the Housing Authority of the City of Pleasanton's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2011. This discussion and analysis is the result of implementing Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. Please read it in conjunction with the Authority's basic financial statements.

### *Financial Highlights*

- The Authority expended federal funds totaling \$253,163 during the year.
- Net assets decreased by \$36,380 or 5.7%.
- Cash receipts from leases during the year totaled \$155,609 which were used to pay operating expenses for fiscal year 2010-11.
- The Authority's cash and investments decreased by \$78,801 from \$376,236 at June 30, 2010 to \$297,435 at June 30, 2011.

### *Financial Statements*

The Authority's financial statements are those of a special-purpose government engaged only in providing low-income housing at one location. The Authority's basic financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### *Comparative Analysis*

The following table indicates the net assets as of June 30, 2011 and June 30, 2010:

	<u>2011</u>	<u>2010</u>
Assets:		
Current assets	\$ 297,435	\$ 376,236
Capital assets	463,118	535,004
Total assets	<u>760,553</u>	<u>911,240</u>
Liabilities:		
Current liabilities	100,266	156,357
Long-term debt outstanding	62,047	120,263
Total liabilities	<u>162,313</u>	<u>276,620</u>
Net Assets:		
Invested in capital assets, net of related debt	342,855	360,129
Unrestricted	255,385	274,491
Total net assets	<u>\$ 598,240</u>	<u>\$ 634,620</u>

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2011

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The following table indicates the changes in net assets for the fiscal years ended June 30, 2011 and June 30, 2010:

	<u>2011</u>	<u>2010</u>
Revenues:		
Operating revenues	\$ 348,291	\$ 430,489
Other non-operating income	66,153	66,153
Interest income	2,446	3,231
Total revenues	<u>416,890</u>	<u>499,873</u>
Expenses:		
Operating expenses	444,131	413,102
Interest expense	9,139	12,669
Total expenses	<u>453,270</u>	<u>425,771</u>
Net income (loss)	<u>\$ (36,380)</u>	<u>\$ 74,102</u>

The current assets decreased 20.9% compared to the prior fiscal year due primarily to a net loss of \$36,380. Current liabilities decreased 35.9% due primarily to the recognition of unspent grant revenue of \$64,399. The non-current liabilities decreased 48.4% because of the amortization of the U.S. Department of Housing and Urban Development (HUD) loan. The net assets invested in capital assets decreased 4.8% due primarily to the normal depreciation of capital assets and amortization of the HUD loan.

### *Long-term Debt*

The amount outstanding at June 30, 2011 was \$120,263. Annual payments are \$66,153.

### *Major Project Activities*

The Authority is currently undertaking project improvements to improve the habitability of the residential units, including the recent installation of energy efficient windows in most of the apartments. In addition, the Authority is studying the potential for a major project rehabilitation or replacement of the development.

### *Request for Information*

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance of the City of Pleasanton, P.O. Box 520, Pleasanton, CA 94566.

## **BASIC FINANCIAL STATEMENTS**

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## STATEMENT OF NET ASSETS JUNE 30, 2011

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	<u>2011</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 297,435
Total current assets	<u>297,435</u>
Capital assets:	
Non depreciable assets	51,750
Depreciable assets, net	<u>411,368</u>
Total capital assets	<u>463,118</u>
Total assets	<u>760,553</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	24,785
Interest payable	5,293
Tenant security deposits	11,972
Note payable, due within one year	<u>58,216</u>
Total current liabilities	<u>100,266</u>
Note payable, due in more than one year	<u>62,047</u>
Total liabilities	<u>162,313</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	342,855
Unrestricted	<u>255,385</u>
Total net assets	<u>\$ 598,240</u>

See accompanying notes to the financial statements.



# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

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	<u>2011</u>
<b>OPERATING REVENUES:</b>	
Dwelling rental	\$ 155,609
Other income	192,682
Total operating revenues	<u>348,291</u>
<b>OPERATING EXPENSES:</b>	
Administrative	140,420
Repairs and maintenance	145,191
Utilities	63,299
Depreciation	95,221
Total expenses	<u>444,131</u>
Operating loss	<u>(95,840)</u>
<b>NON-OPERATING INCOME (EXPENSES):</b>	
Other income	66,153
Interest income	2,446
Interest expense	(9,139)
Total non-operating income (expenses)	<u>59,460</u>
Net loss	(36,380)
<b>NET ASSETS:</b>	
Beginning of year	634,620
End of year	<u>\$ 598,240</u>

See accompanying notes to the financial statements.

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2011

	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from tenants/other funds	\$ 283,736
Payment for employee services	(140,420)
Payments for suppliers for goods and services	(201,228)
Net cash provided by operating activities	<u>(57,912)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	(23,335)
Net cash used by capital and related financing activities	<u>(23,335)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	2,446
Net cash provided used by investing activities	<u>2,446</u>
Net change in cash and cash equivalents	<u>(78,801)</u>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	376,236
End of year	<u>\$ 297,435</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED IN OPERATING ACTIVITIES:</b>	
Operating loss	\$ (95,840)
Adjustments to reconcile operating income to net cash provided in operating activities:	
Depreciation	95,221
Changes in assets and liabilities:	
Increase (decrease) in accounts payable	7,262
Increase (decrease) in deferred revenue	(64,399)
Increase (decrease) in tenant security deposits	(156)
Net cash provided by operating activities	<u>\$ (57,912)</u>
Non Cash Activity:	
Federal grant for debt service	<u>\$ (66,153)</u>

See accompanying notes to the financial statements.

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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### NOTE 1 - ORGANIZATION

The Housing Authority of the City of Pleasanton (Authority), a component unit of the City of Pleasanton, California (City), was established pursuant to the laws of the State of California to provide housing, transact business and to have those powers as defined by law. The Authority has entered into an annual contribution contract with the U.S. Department of Housing and Urban Development (HUD) pertaining to its Conventional Low Rent Owned Housing Program.

The Authority is an integral part of the City, and the accompanying financial statements are included as an enterprise fund and as part of its business-type activities in the basic financial statements of the City. The financial statements are intended to present the financial position and results of operations for the Authority, and not the City as a whole.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Accounting and Measurement Focus

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Proprietary funds apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

#### B. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to apply restricted net assets first.

#### C. Cash and Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents for purposes of the accompanying statement of cash flows.

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2011

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

#### D. Capital Assets

Capital assets are stated at cost. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	40 years
Equipment	7-10 years

#### E. Deferred Revenue

Deferred revenue is recognized for transactions for which revenues have not yet been earned. Typical transactions recorded as deferred revenues are unspent grant funds.

#### F. Net Assets

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

#### G. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States (GAAP) required management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

#### H. New Pronouncements

In fiscal year ended June 30, 2011, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 59, *Financial Instruments Omnibus*, with no significant impact on the financial statements.

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2011

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### NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2011, the Authority's cash and investments including restricted funds consisted of the following:

	2011 Fair Value
<b>Authority's Treasury</b>	
Cash deposits with banks	\$ 100,351
Cash on hand	200
Certificates of Deposits	196,884
<b>Total cash and cash equivalents</b>	<b>\$ 297,435</b>

#### A. Deposits

The carrying amount of the Authority's cash deposits was \$297,435 at June 30, 2011. Bank balances before reconciling items were \$307,741. The total bank balance was collateralized or insured with securities held by the pledging financial institutions in the Authority's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Authority's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Authority's name.

The market value of pledged securities must equal at least 110% of the Authority's cash deposits. California law also allows institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total cash deposits. The Authority may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

#### B. Investments

Under the provisions of the Authority's investment policy, and in accordance with Section 53601 of California Government Code, the Authority may invest or deposit in the following:

- Bankers' acceptances
- Commercial paper
- Local Agency Investment Fund Mutual funds
- Medium-term corporate notes
- Money market funds
- Negotiable certificates of deposit Repurchase agreements
- Securities of the Federal government or its agencies

# HOUSING AUTHORITY OF THE CITY OF PLEASANTON

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2011

### NOTE 4 - CAPITAL ASSETS

A summary of the changes in capital assets during the year ended June 30, 2011, were as follows:

	Balance July 1, 2010	Additions	Adjustments/ Deletions	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 51,750	\$ -	\$ -	\$ 51,750
Total capital assets, not being depreciated	<u>51,750</u>	<u>-</u>	<u>-</u>	<u>51,750</u>
Capital assets, being depreciated:				
Buildings	1,784,390	11,957	-	1,796,347
Machinery and equipment	119,713	11,378	-	131,091
Total capital assets, being depreciated	<u>1,904,103</u>	<u>23,335</u>	<u>-</u>	<u>1,927,438</u>
Less accumulated depreciation for:				
Buildings	(1,354,077)	(84,735)	-	(1,438,812)
Machinery and equipment	(66,772)	(10,486)	-	(77,258)
Total accumulated depreciation	<u>(1,420,849)</u>	<u>(95,221)</u>	<u>-</u>	<u>(1,516,070)</u>
Total capital assets, being depreciated, net	<u>483,254</u>	<u>(71,886)</u>	<u>-</u>	<u>411,368</u>
Total capital assets, net	<u>\$ 535,004</u>	<u>\$ (71,886)</u>	<u>\$ -</u>	<u>\$ 463,118</u>

### NOTE 5 - NOTES PAYABLE

The note payable is collateralized by a deed of trust on land and building. Principal and interest at 6.6% are due in annual installments of \$66,153 through November 2012. Changes to the Authority's notes payable were as follows:

	Balance		Balance		Classification	
					Amount Due Within One Year	Amount Due in More Than One Year
	June 30, 2010	Additions	Deletions	June 30, 2011	One Year	Than One Year
Notes Payable	\$ 174,875	\$ -	\$ (54,612)	\$ 120,263	\$ 58,216	\$ 62,047

Future note payments due are as follows:

For the Years Ending June 30,	Principal	Interest	Total
	2012	\$ 58,216	\$ 7,937
2013	62,047	4,106	66,153
Total	<u>\$ 120,263</u>	<u>\$ 12,043</u>	<u>\$ 132,306</u>

# **HOUSING AUTHORITY OF THE CITY OF PLEASANTON**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2011**

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### **NOTE 6 - CONTINGENCIES**

Grants have been received by the Authority for specific purposes that are subject to review and additional audit by HUD. Such audits could lead to a request for reimbursement for expenditures disallowed under the terms of the grant. The amount, if any, of expenditures that may be disallowed by HUD cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

### **NOTE 7 - ECONOMIC DEPENDENCE**

The Authority is dependent upon grant funding from HUD for a significant portion of the funding for the continued servicing of the notes payable. Grant receipts from HUD are subject to audits to determine if the monies were expended in accordance with appropriate statutes, grant terms and regulations.

### **NOTE 8 - RISK MANAGEMENT**

The Authority is a component unit of the City of Pleasanton, as such it is subject to the insurance programs and policies of the City. All individuals involved in the operation of the Authority are City officials or employees, and are subject to the City's workers' compensation, as well as its errors and omissions coverage. Similarly, the Authority is covered under the City's policies with regard to the general liability exposures, and its housing project is listed on the City's schedule of covered properties with respect to property insurance. Finally, any private company contracted to manage and administer the housing project is required to carry workers' compensation and liability insurance and to indemnify the Authority and the City in case of a third party claim. For more information regarding the City's risk management, please see the related footnote in the City of Pleasanton Comprehensive Annual Financial Report (CAFR).



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
of the Housing Authority of the City of Pleasanton  
Pleasanton, California

We have audited the basic financial statements of the Housing Authority of the City of Pleasanton (Authority), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* 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. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its 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. 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*.

This report is intended solely for the information and use of management, the Board of Directors of the Authority, others within the entity, State Controller and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Varrinck, Trine, Day & Co., LLP.

Pleasanton, California  
December 23, 2011



**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
of the Housing Authority of the City of Pleasanton  
Pleasanton, California

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Pleasanton (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Circular A-133 reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

Procedures	UFRS Rule Information	Hard Copy Documents	Agreed	Does Not Agree
1	Balance Sheet, Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, if applicable	X	
2	Footnotes (data element G5000-010)	Footnotes to audited Basic Financial Statements	X	
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	X	
4	Audit finding narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	X	
5	General information (data element G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	X	
6	Financial Statement Report Information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal Program Report Information (G4000-020 & G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of compliance requirement (G4200-020 & G4000-030)	OMB Data Collection Form	X	
9	Basic financial statements and auditor's reports required to be submitted electronically	Basic financial statements (inclusive auditor's reports)	X	

We were engaged to perform an audit in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, for the Housing Authority as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated December 23, 2011, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the reporting package required by OMB Circular A-133, which includes the auditor's reports, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Varrinet, Trine, Day & Co., LLP.

Pleasanton, California  
December 23, 2011

**SUPPLEMENTARY INFORMATION**

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
111 Cash - Unrestricted	\$285,464	\$285,464
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted		
114 Cash - Tenant Security Deposits	\$11,971	\$11,971
115 Cash - Restricted for Payment of Current Liabilities		
100 Total Cash	\$297,435	\$297,435
121 Accounts Receivable - PHA Projects		
122 Accounts Receivable - HUD Other Projects		
124 Accounts Receivable - Other Government		
125 Accounts Receivable - Miscellaneous		
126 Accounts Receivable - Tenants		
126.1 Allowance for Doubtful Accounts - Tenants		
126.2 Allowance for Doubtful Accounts - Other		
127 Notes, Loans, & Mortgages Receivable - Current		
128 Fraud Recovery		
128.1 Allowance for Doubtful Accounts - Fraud		
129 Accrued Interest Receivable		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0
131 Investments - Unrestricted		
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets		
143 Inventories		
143.1 Allowance for Obsolete Inventories		
144 Inter Program Due From		

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
145 Assets Held for Sale		
150 Total Current Assets	\$297,435	\$297,435
161 Land	\$51,750	\$51,750
162 Buildings	\$1,796,346	\$1,796,346
163 Furniture, Equipment & Machinery - Dwellings	\$131,091	\$131,091
164 Furniture, Equipment & Machinery - Administration		
165 Leasehold Improvements		
166 Accumulated Depreciation	-\$1,516,070	-\$1,516,070
167 Construction in Progress		
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation	\$463,117	\$463,117
171 Notes, Loans and Mortgages Receivable - Non-Current		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		
173 Grants Receivable - Non Current		
174 Other Assets		
176 Investments in Joint Ventures		
180 Total Non-Current Assets	\$463,117	\$463,117
190 Total Assets	\$760,552	\$760,552
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$24,785	\$24,785
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable		
322 Accrued Compensated Absences - Current Portion		
324 Accrued Contingency Liability		

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA  
 Project Balance Sheet Summary

Submission Type: Audited/A-133 Fiscal Year End: 06/30/2011

	CA081000001	Total
325 Accrued Interest Payable	\$5,293	\$5,293
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government		
341 Tenant Security Deposits	\$11,971	\$11,971
342 Deferred Revenues		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage	\$58,216	\$58,216
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$100,265	\$100,265
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$62,047	\$62,047
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		
354 Accrued Compensated Absences - Non Current		
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$62,047	\$62,047
300 Total Liabilities	\$162,312	\$162,312
508.1 Invested In Capital Assets, Net of Related Debt		
509.2 Fund Balance Reserved	\$342,855	\$342,855
511.2 Unreserved, Designated Fund Balance		

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Balance Sheet Summary

Fiscal Year End: 06/30/2011

Submission Type: Audited/A-133

	CA081000001	Total
511.1 Restricted Net Assets		
512.1 Unrestricted Net Assets	\$255,385	\$255,385
512.2 Unreserved, Undesignated Fund Balance		
513 Total Equity/Net Assets	\$598,240	\$598,240
600 Total Liabilities and Equity/Net Assets	\$760,552	\$760,552



Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
70300 Net Tenant Rental Revenue	\$155,609	\$155,609
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	\$155,609	\$155,609
70600 HUD PHA Operating Grants	\$55,679	\$55,679
70610 Capital Grants	\$131,323	\$131,323
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue		
70800 Other Government Grants		
71100 Investment Income - Unrestricted	\$2,447	\$2,447
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery		
71500 Other Revenue	\$71,833	\$71,833
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted		
70000 Total Revenue	\$416,891	\$416,891
91100 Administrative Salaries	\$50,656	\$50,656
91200 Auditing Fees	\$7,420	\$7,420
91300 Management Fee	\$26,800	\$26,800

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
91310 Book-keeping Fee		
91400 Advertising and Marketing		
91500 Employee Benefit contributions - Administrative	\$11,455	\$11,455
91600 Office Expenses	\$16,856	\$16,856
91700 Legal Expense		
91800 Travel		
91810 Allocated Overhead		
91900 Other		
91000 Total Operating - Administrative	\$113,187	\$113,187
92000 Asset Management Fee		
92100 Tenant Services - Salaries	\$7,895	\$7,895
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other	\$1,188	\$1,188
92500 Total Tenant Services	\$9,083	\$9,083
93100 Water	\$9,649	\$9,649
93200 Electricity	\$17,814	\$17,814
93300 Gas	\$21,622	\$21,622
93400 Fuel		
93500 Labor		
93600 Sewer	\$9,373	\$9,373
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense	\$4,840	\$4,840
93000 Total Utilities	\$63,298	\$63,298
94100 Ordinary Maintenance and Operations - Labor	\$33,332	\$33,332

Housing Authority of the City of Pleasanton (CA081)  
PLEASANTON, CA

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
94200 Ordinary Maintenance and Operations - Materials and Other	\$15,958	\$15,958
94300 Ordinary Maintenance and Operations Contracts	\$95,902	\$95,902
94500 Employee Benefit Contributions - Ordinary Maintenance	\$11,367	\$11,367
94000 Total Maintenance	\$156,559	\$156,559
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$0	\$0
96110 Property Insurance		
96120 Liability Insurance		
96130 Workmen's Compensation	\$6,784	\$6,784
96140 All Other Insurance		
96100 Total insurance Premiums	\$6,784	\$6,784
96200 Other General Expenses		
96210 Compensated Absences		
96300 Payments in Lieu of Taxes		
96400 Bad debt - Tenant Rents		
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$9,139	\$9,139
96720 Interest on Notes Payable (Short and Long Term)		

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Revenue and Expense Summary

Fiscal Year End: 06/30/2011

Submission Type: Audited/A-133

	CA081000001	Total
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$9,139	\$9,139
96900 Total Operating Expenses	\$358,050	\$358,050
97000 Excess of Operating Revenue over Operating Expenses	\$58,841	\$58,841
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments		
97350 HAP Portability-In		
97400 Depreciation Expense	\$95,221	\$95,221
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$453,271	\$453,271
10010 Operating Transfer In		
10020 Operating transfer Out		
10030 Operating Transfers from/to Primary Government		
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		

Housing Authority of the City of Pleasanton (CA081)  
 PLEASANTON, CA

Project Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2011

	CA081000001	Total
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$36,380	-\$36,380
11020 Required Annual Debt Principal Payments	\$54,611	\$54,611
11030 Beginning Equity	\$634,620	\$634,620
11040 Prior Period Adjustments, Equity Transfers and Correction of		
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		
11180 Housing Assistance Payments Equity		
11190 Unit Months Available	576	576
11210 Number of Unit Months Leased	563	563
11270 Excess Cash	\$171,973	\$171,973
11610 Land Purchases	\$0	\$0
11620 Building Purchases	\$5,820	\$5,820
11630 Furniture & Equipment - Dwelling Purchases	\$2,900	\$2,900
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0