

City of Pleasanton

Pleasanton, California

Single Audit Report

For the year ended June 30, 2009

C&L
Caporicci & Larson
Certified Public Accountants

City of Pleasanton
Single Audit Report
For the year ended June 30, 2009

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

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

We have audited the financial statements of the City of Pleasanton (the City) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. 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

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

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

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San Diego

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To the Honorable Mayor and Members of City Council
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Pleasanton, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated December 18, 2009. The City's written response to the control deficiency identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, others within the entity, 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. However, this report is a matter of public record and its distribution is not limited.

Capricci & Carson

Oakland, California
December 18, 2009



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Pleasanton (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of the auditors' results section of the accompanying Schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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To the Honorable Mayor and Members of City Council
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Internal Control over Compliance, Continued

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

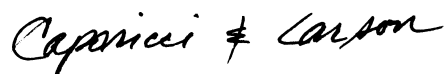
A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 financial statements taken as whole.

This report is intended solely for the information and use of management, the City Council, others within the entity, 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. However, this report is a matter of public record and its distribution is not limited.



Oakland, California
December 18, 2009

City of Pleasanton
Single Audit Report
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2009

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
<i>Direct Programs:</i>			
Community Development Block Grant	14.218	B-06-MC-06-0050	\$ 6,581
Community Development Block Grant	14.218	B-07-MC-06-0050	379,237
Community Development Block Grant	14.218	B-08-MC-06-0050	84,648
Office of Public and Indian Housing	14.872	CA39P08150106	4,088
Office of Public and Indian Housing	14.872	CA39P08150206	1,543
Office of Public and Indian Housing	14.872	CA39P08150107	18,486
Office of Public and Indian Housing	14.850	CA08100000108D	88,756
Office of Public and Indian Housing	14.850	CA08100000109D	71,306
Total Direct Programs			654,645
<i>Passed through the County of Alameda, Housing and Community Development:</i>			
HOME Investment Partnerships Program	14.239	M01-DC-060201	22,786
HOME Investment Partnerships Program	14.239	M02-DC-060201	6,736
HOME Investment Partnerships Program	14.239	M03-DC-060201	29,721
HOME Investment Partnerships Program	14.239	M04-DC-060201	149,371
HOME Investment Partnerships Program	14.239	M05-DC-060201	47,129
HOME Investment Partnerships Program	14.239	M06-DC-060201	1,500
HOME Investment Partnerships Program	14.239	M07-DC-060201	6,510
Total HOME Investment Partnership Program			263,753
Total U.S. Department of Housing and Urban Development			918,398
U.S. Department of Justice			
<i>Indirect Programs:</i>			
Bullet Proof Vest	16.607		20,435
Total U.S. Department of Justice			20,435
Balance to be Carried Forward to the Next Page			938,833

* Denotes major program

City of Pleasanton
Single Audit Report
Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2009

Balance Carried from Previous Page				\$ 938,833
 Office of Library Services				
<i>Passed through Cal State Library - Library Services & Technology Act</i>				
California Cultural Crossroads Program	45.310		LSTA#40-7055	<u>6,054</u>
Total Office of Library Services				<u>6,054</u>
 Department of Transportation				
<i>Indirect Programs:</i>				
National Highway Traffic Safety Administration	20.600	*	TR0902	31,000
National Highway Traffic Safety Administration	20.600	*	AL0995	5,743
National Highway Traffic Safety Administration	20.600	*	PS0808	<u>128,953</u>
Total Department of Transportation				165,696
 National Endowment for the Arts				
<i>Indirect Programs:</i>				
Big Read	45.024		Arts Midwest	<u>6,000</u>
Total National Endowment for the Arts				6,000
 Department of Homeland Security				
Assistance to Firefighters	97.044	*	EMW-2006-FG-11279	203,904
Assistance to Firefighters	97.044	*	EMW-2008-FR-00512	<u>257,410</u>
Total Department of Homeland Security				<u>461,314</u>
TOTAL CURRENT EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 1,577,897</u></u>

* Denotes major program

City of Pleasanton
Single Audit Report
Notes to the Schedule of Expenditures of Federal Awards
For the year ended June 30, 2009

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, City of Pleasanton, California (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as funds passed through the state are included in the Schedule. The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

**City of Pleasanton
 Single Audit Report
 Schedule of Findings and Questioned Costs
 For the year ended June 30, 2009**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the City of Pleasanton (City).
2. No significant deficiencies relating to the audit of the financial statements is reported in the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the City were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the basic financial statements.
5. The auditors' report on compliance for the major federal award programs for the City expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the City is reported in Part C of this Schedule below.
7. The programs tested as major programs include:

	CFDA #	Expenditures
Major Program:		
National Highway Traffic Safety Administration	20.600	\$ 165,696
Assistance to Firefighters Grant	97.004	461,314
Total Program Expenditures		\$ 627,010
Percent of Total Federal Award Expenditures		39.74%

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The City was determined to be a low risk auditee.
10. Home Investment Partnership Program Reconciliation.

City of Pleasanton Single Audit Report Reconciliation
 to County of Alameda

FY 08-09 Payments from County of Alameda:

<u>PO Number</u>	<u>Voucher ID</u>	<u>Invoice Date</u>	<u>Payment Date</u>	<u>Warrant No.</u>	<u>Amount</u>
1949	00038082	02/12/09	02/27/09	1554047	\$ 34,234.00
1589	00038087	02/12/09	02/27/09	1553985	92,659.28
1949	00038088	02/12/09	02/27/09	1553986	102,340.72
					229,234.00
City's FY08-09 Expenditures Per Single Audit Report (page 5)					263,753.00
Variance					\$ 34,519.00

Unreimbursed expenditures at June 30, 2009:

<u>Vendor</u>	<u>Description</u>	
City of Pleasanton	City administrative expense	\$ 9,510.00
Tri-Valley Housing Scholarship Program	Rent subsidies	25,009.00
Total unreimbursed expenditures at June 30, 2009		\$ 34,519.00

City of Pleasanton
Single Audit Report
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2009

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No financial statement findings were noted.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings or questioned costs were noted on the City's major programs.

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS

No prior year findings or questioned costs.