

City of Hesperia STAFF REPORT



DATE: April 1, 2025

TO: Mayor and Council Members
Chair and Commission, Community Development Commission
Chair and Board Members, Hesperia Housing Authority
Chair and Board Members, Hesperia Water District
Chair and Board Members, Hesperia Fire Protection District

FROM: Rachel Molina, City Manager

BY: Casey Brooksher, Assistant City Manager
Anne M. Duke, Deputy Finance Director

SUBJECT: Audited Financial Statements for Fiscal Year Ended June 30, 2024

RECOMMENDED ACTION

It is recommended that the City Council, Community Development Commission, Hesperia Housing Authority Board, Hesperia Water District Board, and Hesperia Fire Protection District Board receive and file the audited Financial Statements for the Fiscal Year Ended June 30, 2024.

BACKGROUND

City governments that receive Federal funding in excess of \$750,000 in a fiscal year are required by Federal law (Office of Management and Budget [OMB] Circular A-133) to be audited. In addition, the bond documents for the City's debt require annual audits of the City's financial transactions.

ISSUES/ANALYSIS

The City's independent auditor, CliftonLarsonAllen LLP (CLA) performed the audit for Fiscal Year 2023-24.

The documents that comprise the Financial Statements, commonly referred to as the Audit for the City, are as follows:

- City of Hesperia—Annual Comprehensive Financial Report – June 30, 2024
- Community Development Commission—Component Unit Financial Statements – June 30, 2024
- Hesperia Housing Authority—Component Unit Financial Statements – June 30, 2024
- Hesperia Water District—Component Unit Financial Statements – June 30, 2024
- Hesperia Fire Protection District—Component Unit Financial Statements – June 30, 2024

The Hesperia Housing Authority Component Unit Financial Statement was distributed on December 17, 2024 in compliance with State requirements. The Annual Comprehensive Financial Report (ACFR) was distributed on January 10, 2025, and the remaining Component Unit Financial Statements were provided to the Council on February 3, 2025. Public copies of all the above-referenced documents are available in the City Clerk's Office and have been posted on the City's website.

As part of the City's audit, CLA confirmed that per the Office of Management and Budget (OMB) regulations (2 CFR part 200), the City was below the current threshold and, therefore, not subject to a single audit for the Fiscal Year Ended June 30, 2024.

As a matter of information, the City was awarded the Certificate of Achievement for Outstanding Financial Reporting for Fiscal Year 2022-23 by the Government Finance Officers' Association (GFOA). That was the twenty-second consecutive year the City has earned this prestigious award.

CITY GOAL SUPPORTED BY THIS ITEM

Financial Health: Maintain a balanced budget and adequate reserves.

FISCAL IMPACT

None.

ALTERNATIVES

1. Provide alternative direction to staff.

ATTACHMENTS

The reports listed below were previously submitted to the Council (#1 on January 10, 2025, #2, #4, and #5 on February 3, 2025, and #3 on December 17, 2024). Public copies are available in the City Clerk's Office and have been posted on the City's website:

1. June 30, 2024 Annual Comprehensive Financial Report
2. June 30, 2024 Component Unit Financial Statements for the Community Development Commission
3. June 30, 2024 Component Unit Financial Statements for the Hesperia Housing Authority
4. June 30, 2024 Component Unit Financial Statements for the Hesperia Water District
5. June 30, 2024 Component Unit Financial Statements for the Hesperia Fire Protection District