

# City of Hesperia STAFF REPORT



**DATE:** June 2, 2026

**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  
Keith Cheong, Deputy Finance Director

**SUBJECT:** Audit Services for Fiscal Year 2025-26

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## RECOMMENDED ACTION

It is recommended that the City of Hesperia, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Hesperia Fire Protection District, and Hesperia Water District Council/Boards/Commissions enter into a Professional Services Agreement with the independent certified public accounting firm CliftonLarsonAllen (CLA) LLP, in the not-to-exceed amount of \$146,370, to perform the audit of the City and its component units, for the fiscal year end June 30, 2026, as well as additional required State reporting for the year end June 30, 2026.

## BACKGROUND

CLA is the City's current auditor, and the firm has extensive experience in governmental auditing and a deep familiarity of the City's accounting structure. The firm has a depth of knowledge that is supported by the nearly 3,600 Certified Public Accountants (CPA's) employed by CLA, in 130 locations across the country, and has provided accounting and auditing services for over 60 years.

## ISSUES/ANALYSIS

The firm of CliftonLarsonAllen (CLA) has expertise in governmental accounting and ensures the City's financial statements comply with the latest Government Accounting Standards Board (GASB) statements. One of the GASB statements that is scheduled to take effect for the June 30, 2026 financial statements is Statement 103, Financial Reporting Model Improvements, which will improve key components of the financial report to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability.

The City is in compliance with Government Code 12410.6(b), which established an auditor rotation requirement for local agencies, and the lead auditor responsible for performing the City's audit is Kassie Radermacher, CPA, CFE. An agreement with CLA is recommended for the City's fiscal year-end June 30, 2026, audit and required State reporting.

**CITY GOAL SUPPORTED BY THIS ITEM**

**Financial Health** - Maintain a balanced budget and adequate reserves

**FISCAL IMPACT**

The proposed cost of performing the Fiscal Year (FY) 2025-26 audit and required State reporting is \$146,370 as detailed below:

\$88,670	Audit (includes the City of Hesperia and its component units, the Hesperia Fire Protection District, the Hesperia Water District, the Community Development Commission, and the Hesperia Housing Authority; also includes the Successor Agency to the Former Hesperia Community Redevelopment Agency)
16,070	Report Preparation
19,640	State Controller's Office Reporting
<u>21,990</u>	Single Audit 1 <sup>st</sup> through 5 <sup>th</sup> major programs
\$146,370	Total Audit/Reporting Costs

The cost of the audit and State reports will be allocated among the City and its component units based upon the size and complexity of each component unit. An adequate budget will be included within the FY 2026-27 Proposed Budget.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

None