

# City of Hesperia

## STAFF REPORT

**DATE:** June 3, 2025

**TO:** Mayor and Council Members  
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency  
Chair and Commission, Hesperia Housing Authority  
Chair and Commission, Community Development Commission  
Chair and Board Members, Hesperia Fire Protection District  
Chair and Board Members, Hesperia Water District

**FROM:** Rachel Molina, City Manager

**BY:** Casey Brooksher, Assistant City Manager

**SUBJECT:** Audit Services for Fiscal Year 2024-25

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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 \$143,060, to perform the audit of the City and its component units, for the fiscal year end June 30, 2025, as well as additional required State reporting for the year end June 30, 2025.

### 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, 2025, financial statements is Statement 102, Certain Risk Disclosures, which will provide users with better information regarding certain concentrations or constraints in order to better understand and anticipate potential risks to a government's financial condition.

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, 2025, 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) 2024-25 audit and required State reporting is \$143,060 as detailed below:

\$86,930	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)
15,760	Report Preparation
19,260	State Controller's Office Reporting
<u>21,110</u>	Single Audit 1 <sup>st</sup> through 5 <sup>th</sup> major programs
\$143,060	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 2025-26 Proposed Budget.

## **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

## **ATTACHMENT(S)**

None