

City of Hesperia

STAFF REPORT



DATE: January 7, 2020

TO: Mayor and Council Members
Chair and Board Members, Hesperia Housing Authority

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne M. Duke, Deputy Finance Director
George Pirsko, Senior Financial Analyst

SUBJECT: Audited Hesperia Housing Authority Financial Statements for Fiscal Year Ended June 30, 2019 and Housing Successor SB 341 Report

RECOMMENDED ACTION

It is recommended that the City Council and the Hesperia Housing Authority (HHA) Board receive and file the audited Hesperia Housing Authority - Component Unit Financial Statements for the Fiscal Year Ended June 30, 2019 and Housing Successor SB 341 Report.

BACKGROUND

State law requires city governments to be audited each fiscal year by an independent auditor. City governments that receive Federal funding in excess of \$300,000 in a fiscal year are also required by Federal law to be audited.

The State of California Health and Safety Code §34176.1(f) requires that the housing successor (HHA) shall conduct, and provide to its governing body, an independent financial audit of the Low and Moderate Income Housing Asset fund within six months after the end of each fiscal year. In addition, the housing successor shall provide to its governing body the SB 341 report, as a component of the HHA audit.

ISSUES/ANALYSIS

The Agency's independent auditor, White Nelson Diehl Evans LLP (WNDE) performed audit of the HHA for Fiscal Year 2018-19. The document that comprises the Financial Statements, commonly referred to as the Audit for the Authority, is the Hesperia Housing Authority – Component Unit Financial Statements – June 30, 2019.

Additional, on December 17, 2019, the HHA provided the Board with the audited financial statements and SB 341 Report, which satisfies the legal requirement set forth by the State, refer to attachment 3.

As in previous years, the Comprehensive Annual Financial Report (CAFR), which reflects the Citywide Financial Statements, Component Unit Financial Statements for the Fire Protection District, Community Development Commission, HHA, and Water District, as well as the Single Audit, will be formally presented to the City Council in March or early April of 2020.

FISCAL IMPACT

None.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. June 30, 2019 Component Unit Financial Statements for the Hesperia Housing Authority
2. SB 341 Housing Successor Report
3. December 17, 2019 memo to the Board of Directors