

City of Hesperia

STAFF REPORT



DATE: March 17, 2020

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: Nils Bentsen, City Manager

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

SUBJECT: Audited Financial Statements for Fiscal Year Ended June 30, 2019

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, 2019.

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, White Nelson Diehl Evans LLP (WNDE) performed the audit for Fiscal Year 2018-19.

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

- City of Hesperia–Comprehensive Annual Financial Report (CAFR) – June 30, 2019
- Community Development Commission–Component Unit Financial Statements–June 30, 2019
- Hesperia Housing Authority–Component Unit Financial Statements – June 30, 2019
- Hesperia Water District–Component Unit Financial Statements – June 30, 2019
- Hesperia Fire Protection District–Component Unit Financial Statements – June 30, 2019

The Hesperia Housing Authority Component Unit Financial Statement was distributed on December 17, 2019 in compliance with State requirements. The Comprehensive Annual Financial Report (CAFR) was distributed on January 13, 2020, and the remaining Component Unit Financial Statements were provided to the Council on March 10, 2020. 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. During Fiscal Year 2018-19, the City of Hesperia expended less than \$750,000 of Federal grant moneys. Therefore, a single audit was not required for the fiscal year.

Daphnie Munoz from White Nelson Diehl Evans will be present, along with staff, to answer any questions regarding the results of the audit for Fiscal Year 2018-19.

As a matter of information, the City was awarded the Certificate of Achievement for Outstanding Financial Reporting for Fiscal Year 2017-18 by the Government Finance Officers' Association (GFOA). That was the seventeenth consecutive year the City has earned this prestigious award.

FISCAL IMPACT

None.

ALTERNATIVES

Provide alternative direction to staff.

ATTACHMENTS

The reports listed below were previously submitted to the Council (#1 on January 13, 2020, #2, #4, and #5 on March 10, 2020, and #3 on December 17, 2019). Public copies are available in the City Clerk's Office and have been posted on the City's website:

1. June 30, 2019 Comprehensive Annual Financial Report (CAFR).
2. June 30, 2019 Component Unit Financial Statements for the Community Development Commission
3. June 30, 2019 Component Unit Financial Statements for the Hesperia Housing Authority
4. June 30, 2019 Component Unit Financial Statements for the Hesperia Water District
5. June 30, 2019 Component Unit Financial Statements for the Hesperia Fire Protection District