

Report from Outside Independent Auditors for Fiscal Year 2024-2025

Finance Department

Finance Committee

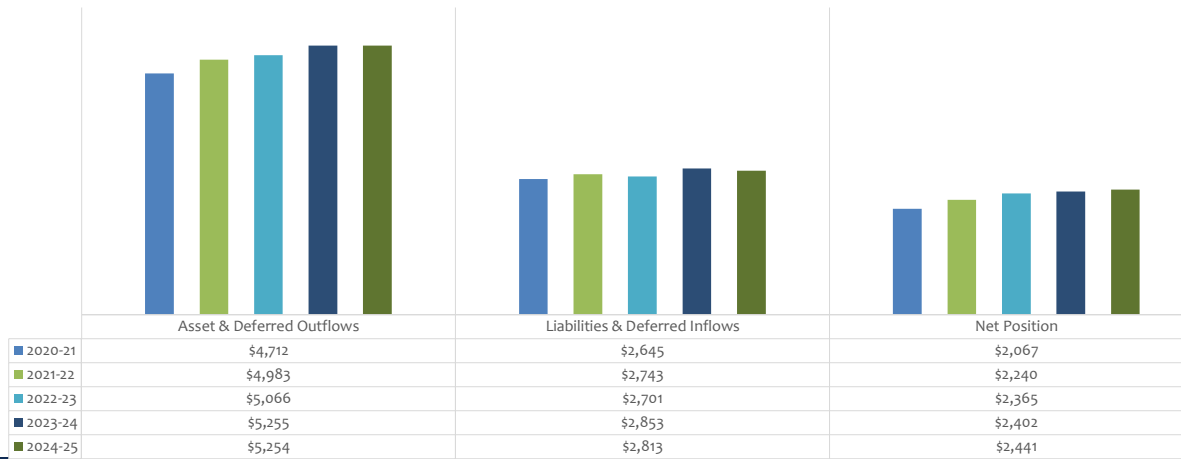
April 8, 2026

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Government-Wide Financial Statements

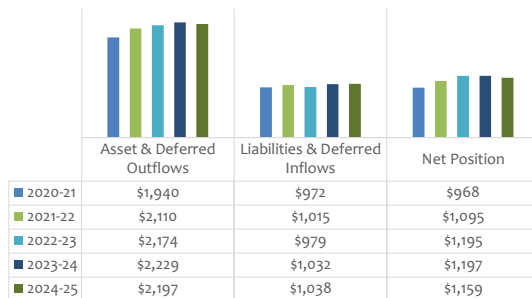


Government-Wide Statement of Net Position (in millions)

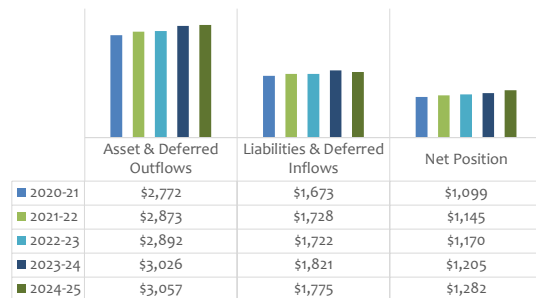


Statement of Net Position Governmental Activities and Business-Type Activities (in millions)

GOVERNMENTAL ACTIVITIES

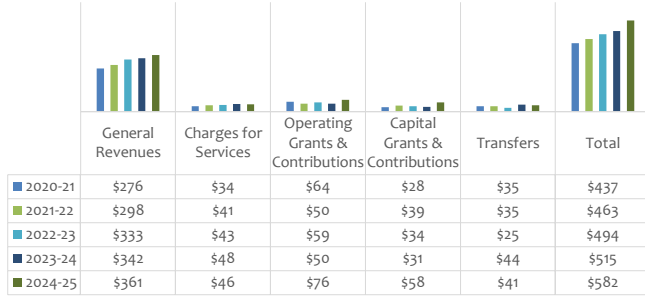


BUSINESS-TYPE ACTIVITIES

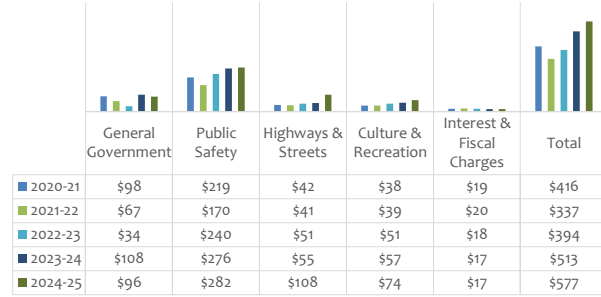


Statement of Activities Governmental Activities (in millions)

REVENUES

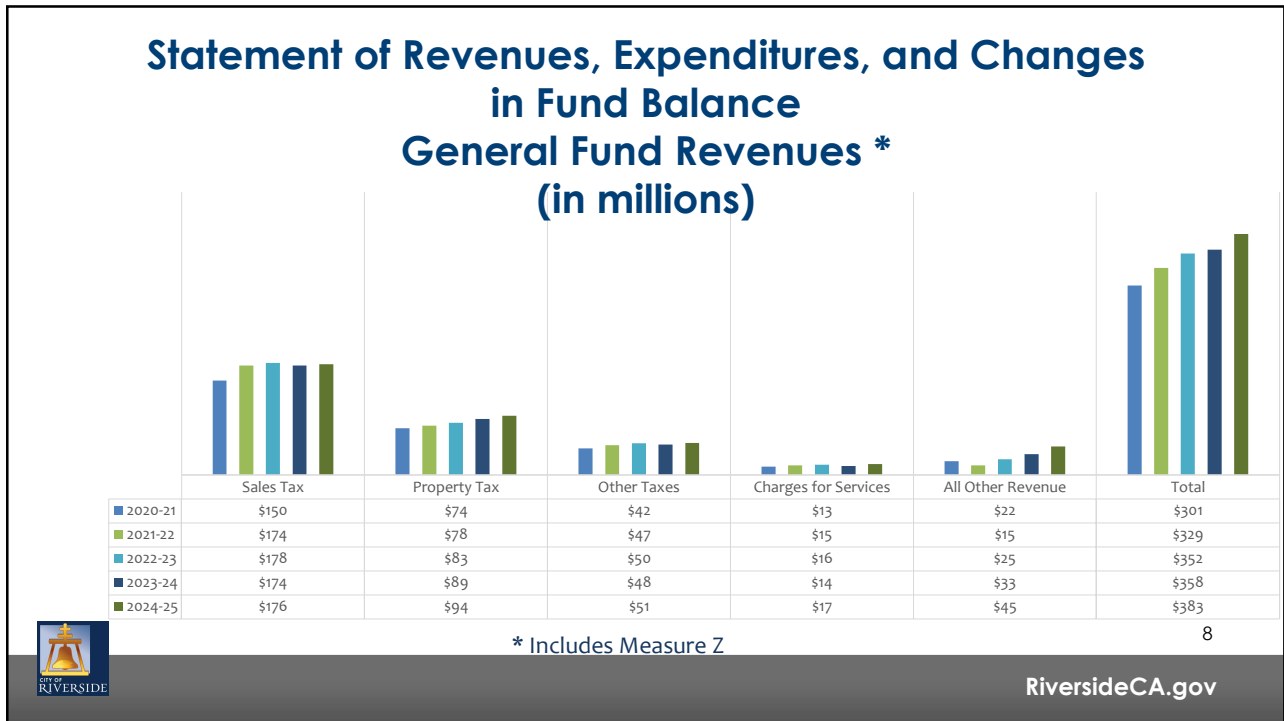
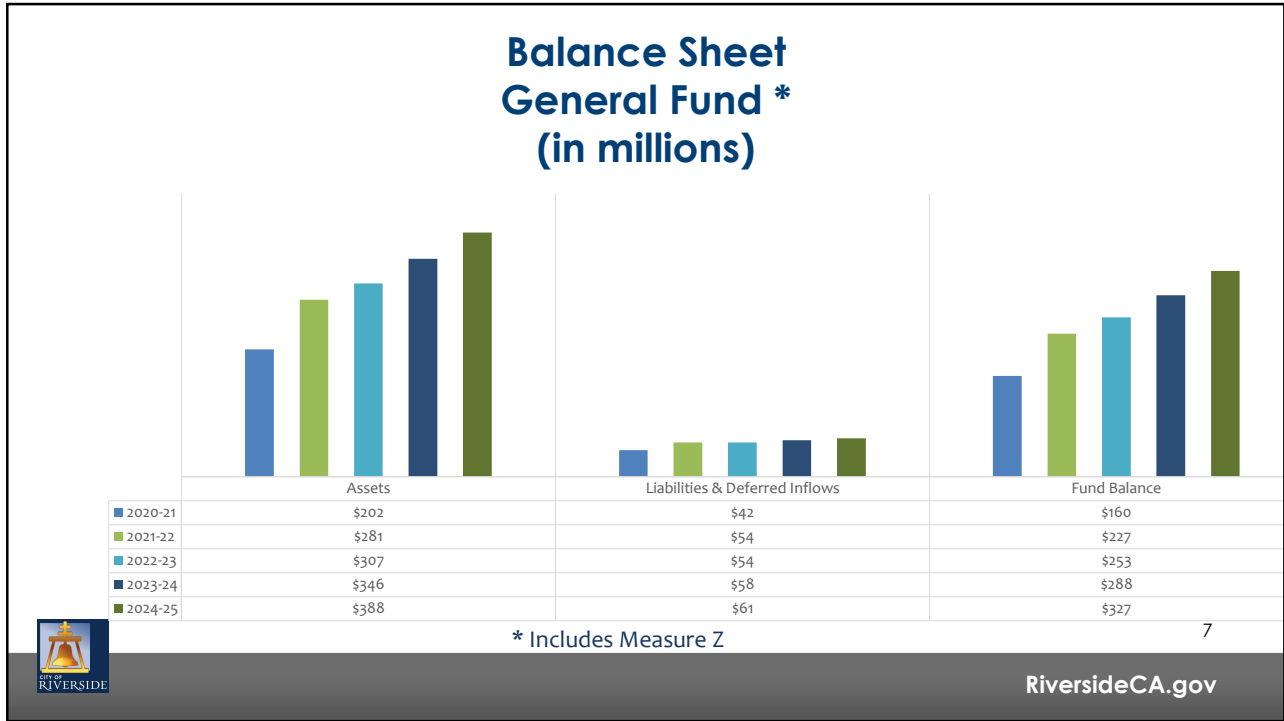


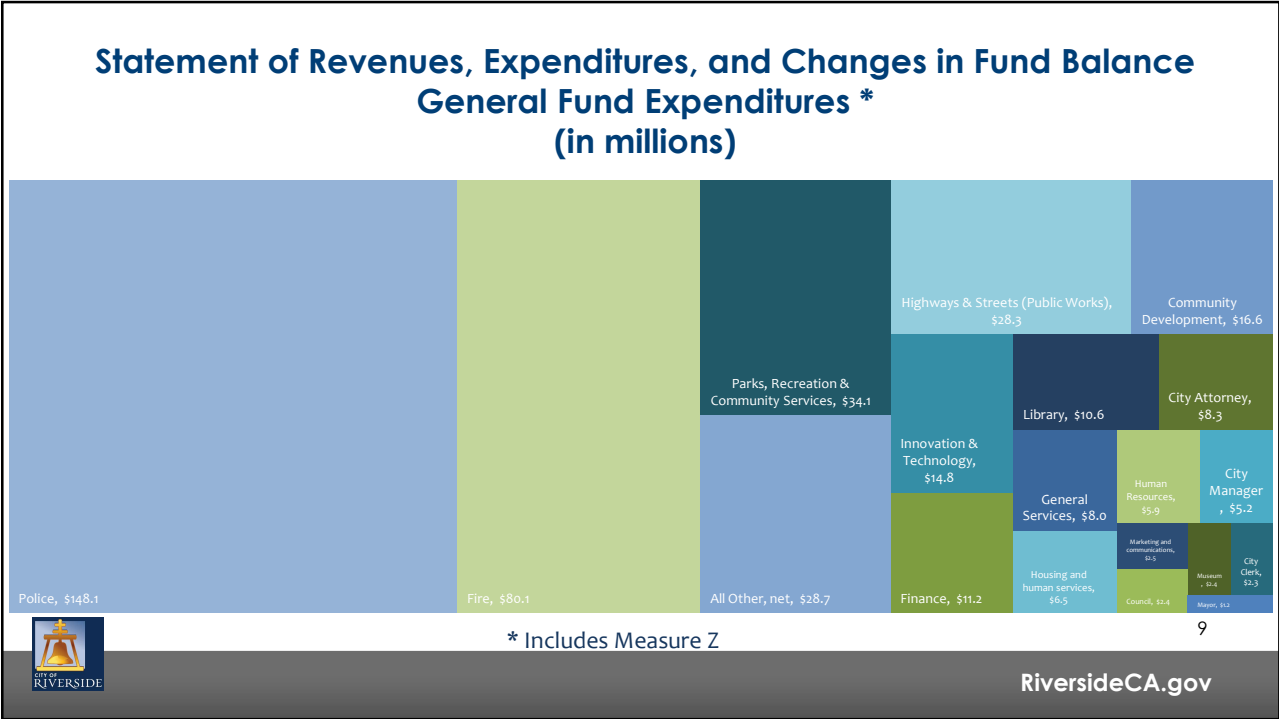
EXPENSES



Fund Financial Statements








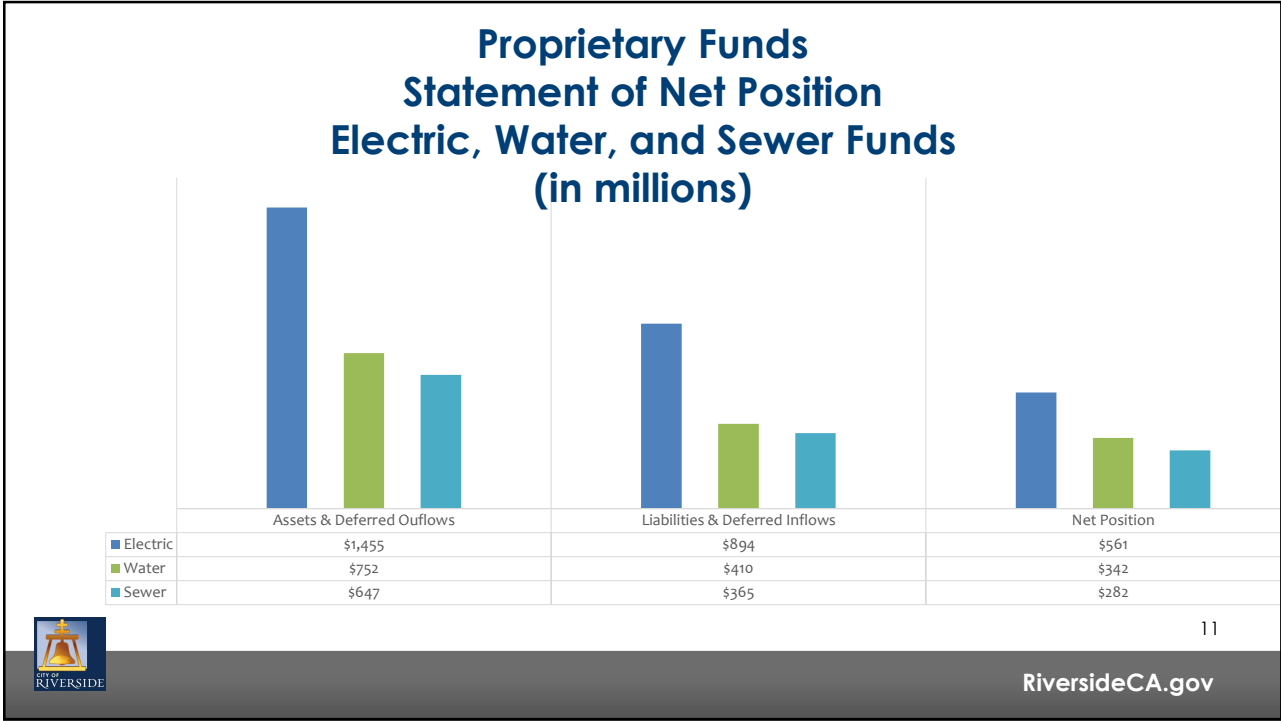
GENERAL FUND & MEASURE Z FUND RESERVES

	General Fund	Measure Z Fund
Beginning Reserve Balance	20% (\$72.2M)	\$5M
Ending Reserve Balance – 06/30/2025	20% (\$76.4M)	\$5M
Met Policy Requirements	✓	✓
Nonspendable Fund Balance	\$6.7M	\$0.1M
Restricted for Unfunded Accrued Liability	\$76.9M	N/A
Committed for Other Purposes	\$64.3M	N/A
Assigned Fund Balance	\$25.7M	\$26.3M
Unreserved/Unassigned Fund Balance	\$9.1M	\$36.5M

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RIVERSIDE PUBLIC UTILITIES UNDESIGNATED CASH RESERVES

	Electric	Water
Beginning Reserve Balance – 07/01/2024	\$136M	\$43M
Ending Reserve Balance – 06/30/2025	\$153M	\$50M
Available Line of Credit (LOC) ¹	\$35M	\$25M
Minimum Reserve Level – 06/30/2025	\$168M	\$53M
Maximum Reserve Level – 06/30/2025	\$264M	\$81M
Met Policy Requirements ²	✓	✓

¹ The LOC provides flexibility and operating liquidity by enabling the Electric and Water Funds to reduce cash levels while maintaining compliance with the RPU Cash Reserve Policy.

² Electric and Water Fund's undesignated reserve balances, combined with the respective LOC, are in compliance with RPU Cash Reserve Policy at 06/30/2025. The reserves are above target minimum, which is consistent with projections provided during the biennial budget and rate plan proposal processes.


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Popular Annual Financial Report (PAFR)



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POPULAR ANNUAL FINANCIAL REPORT (PAFR)

- 8th PAFR Award from GFOA for FY 2023-24
- Extracted information from the ACFR and PAFR is unaudited
- Designed to be easily understandable to the general public
- Intended for those without a background in public finance
- Spanish Version



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External audit



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Independent Auditors' Report Highlights

- Unmodified (clean) opinion
- Governance Letter and Report on Internal Controls
 - Adjustments to deposits, construction in progress and accumulated depreciation:
 - Implementation of new accounting procedures to enhance the accuracy of accounting records
 - Hiring of additional experienced staff to support increasing reporting requirements



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Future Item



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Future Item

Governmental Accounting Standards Board (GASB) 103 – Financial Reporting Model Improvements

- To improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.
- Will be implemented for the June 30, 2026, financial statements.



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RECOMMENDATIONS

That the Finance Committee receive, provide input on, and forward to the City Council the annual financial audit reports for Fiscal Year 2024-2025.

