



Report from Outside Independent Auditors for Fiscal Year 2021-2022

Finance Department

Financial Performance and Budget Committee

March 8, 2023

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Government-Wide Financial Statements



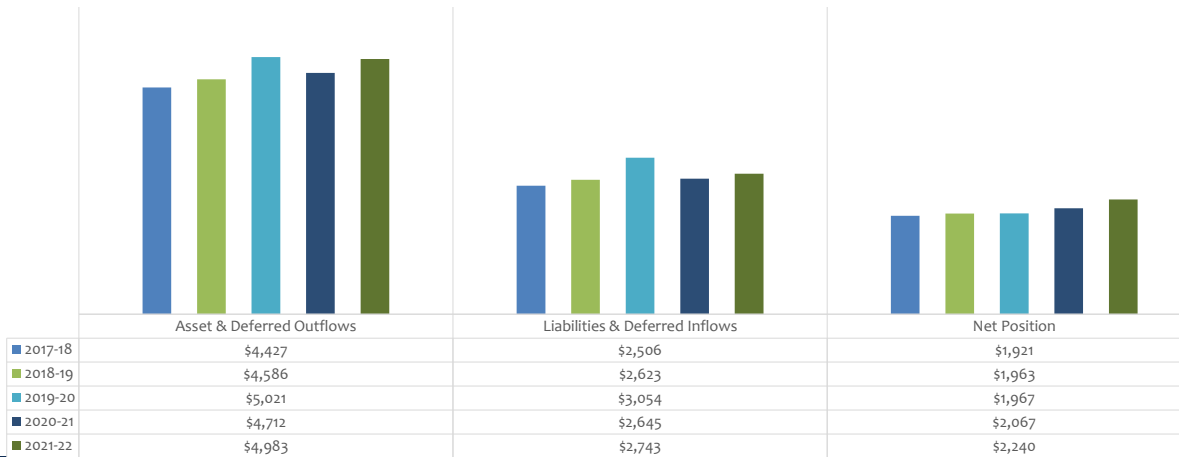
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Government-Wide Statement of Net Position (in millions)



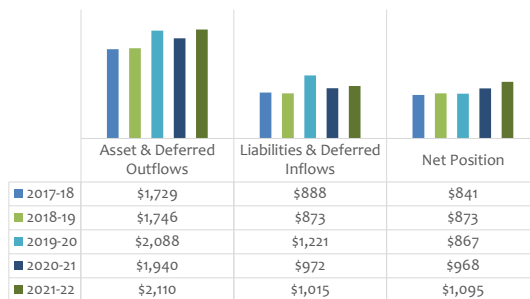
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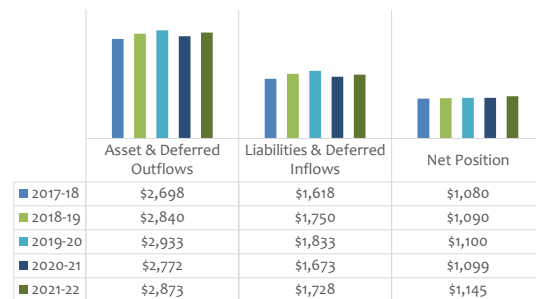
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Statement of Net Position Governmental Activities and Business-Type Activities (in millions)

GOVERNMENTAL ACTIVITIES



BUSINESS-TYPE ACTIVITIES



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Slide 3

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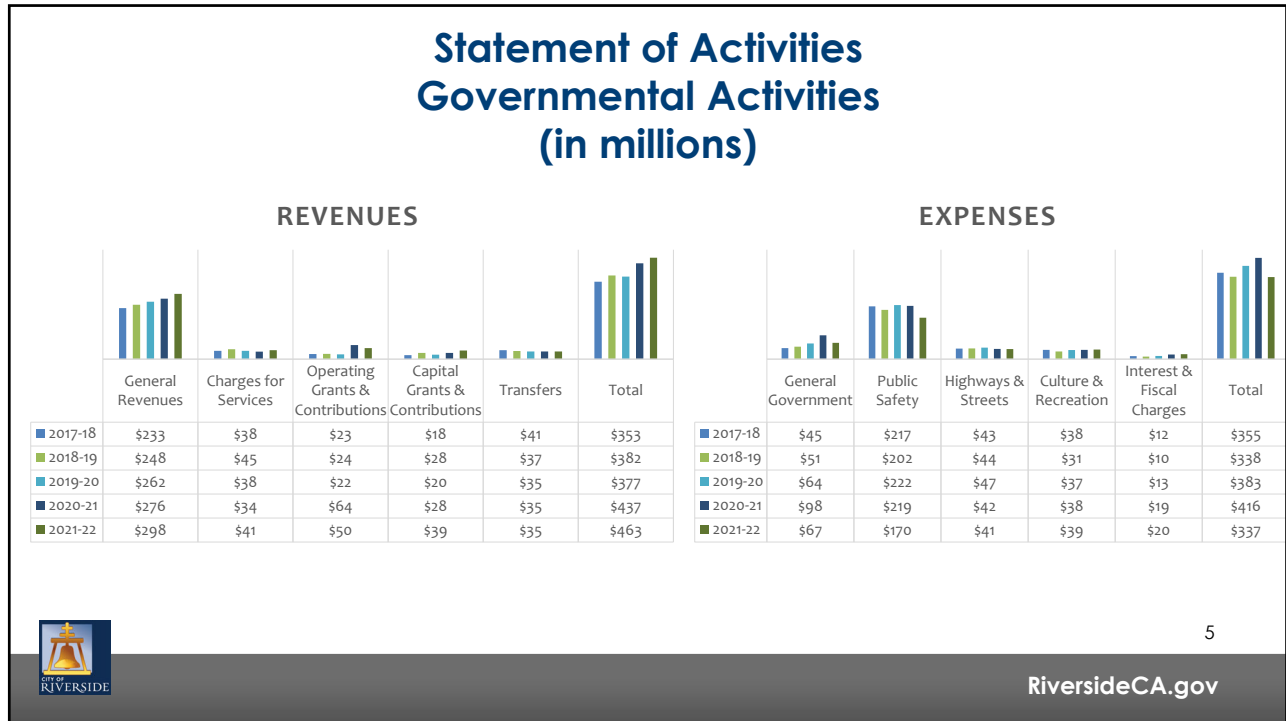
Please add dollar signs. No need to add at each line. Top and bottom row is sufficient. Same comment throughout the PPT

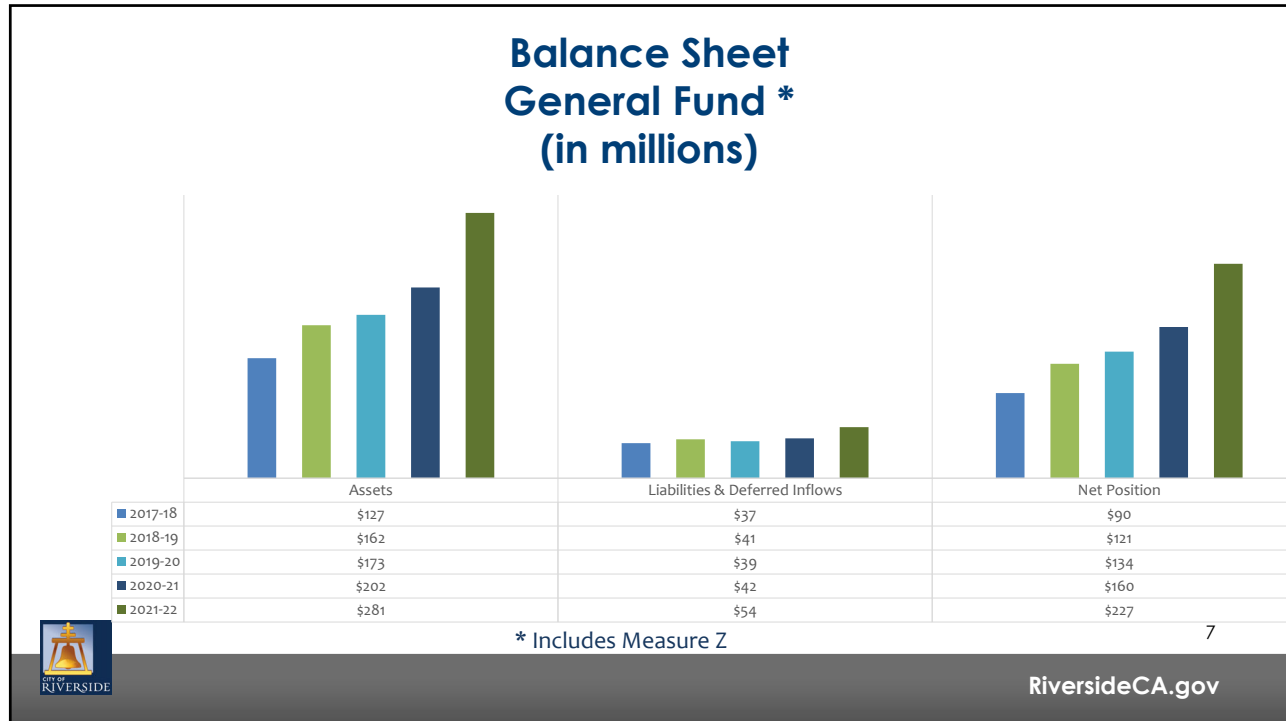
Enriquez, Edward, 2023-02-16T19:24:56.456

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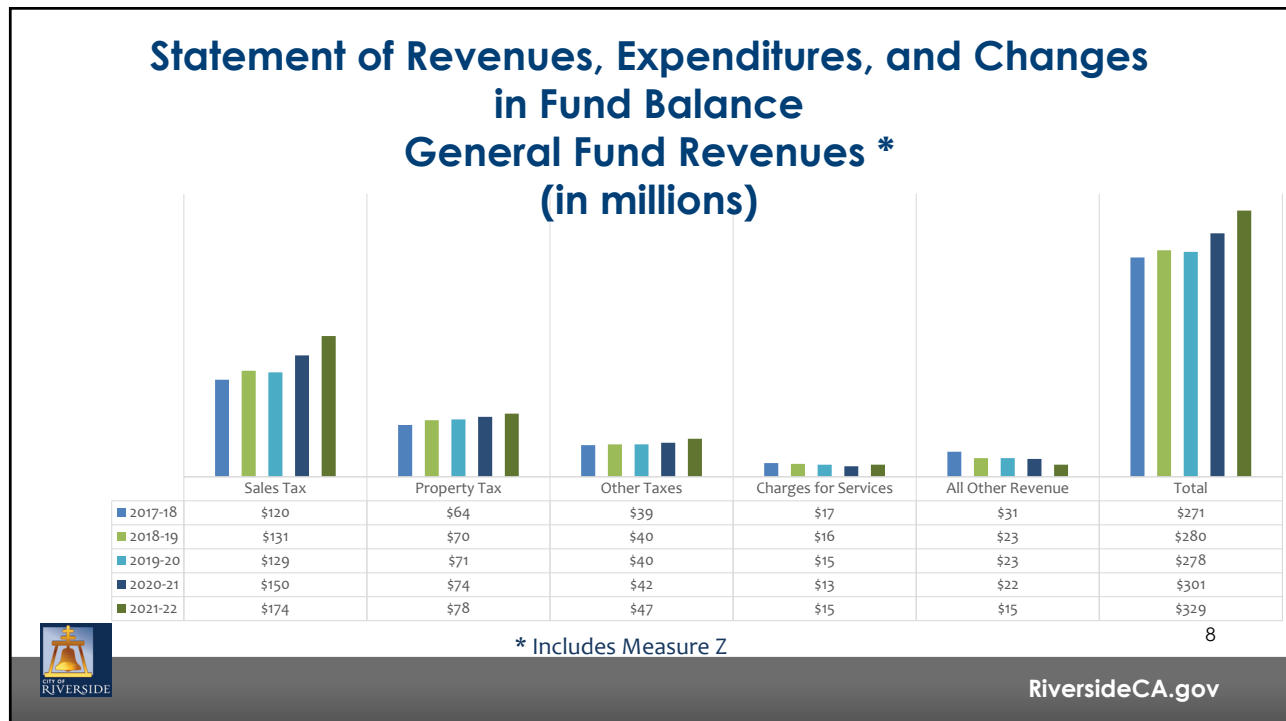
Added on each line - looked funky on just top and bottom row.

Garcia, Nancy, 2023-02-21T19:09:44.706

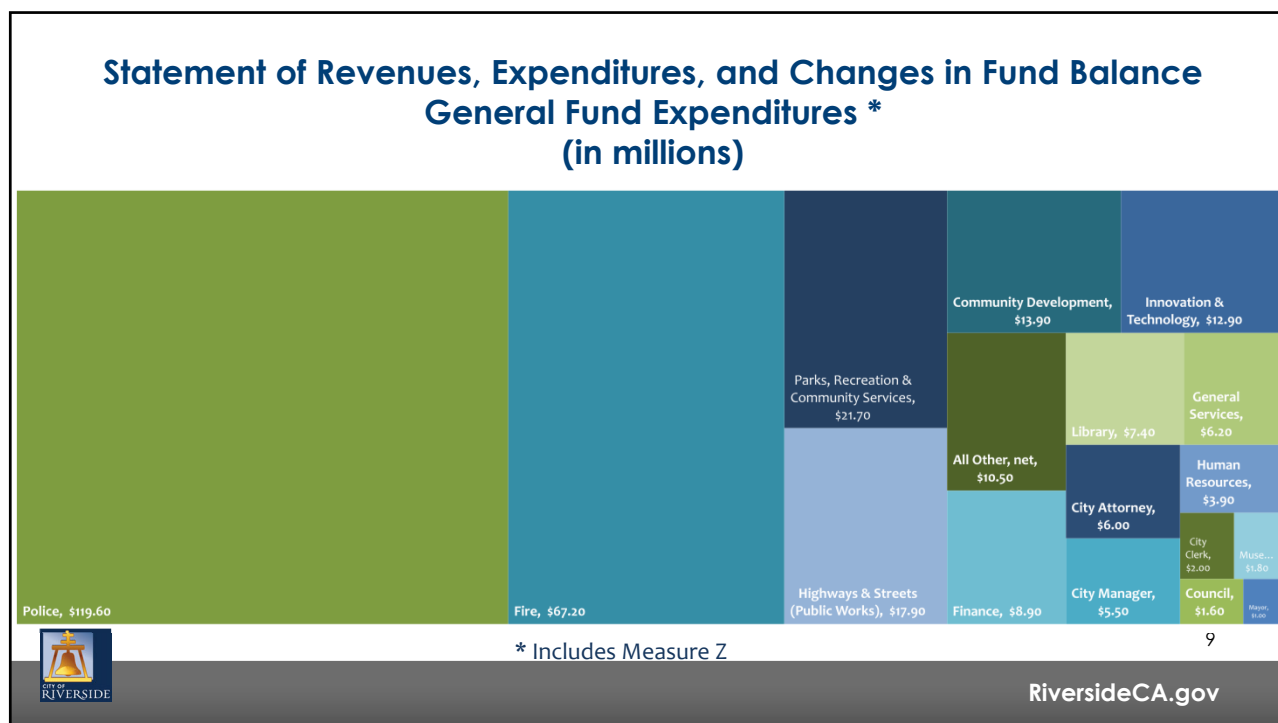




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GENERAL FUND & MEASURE Z FUND RESERVES

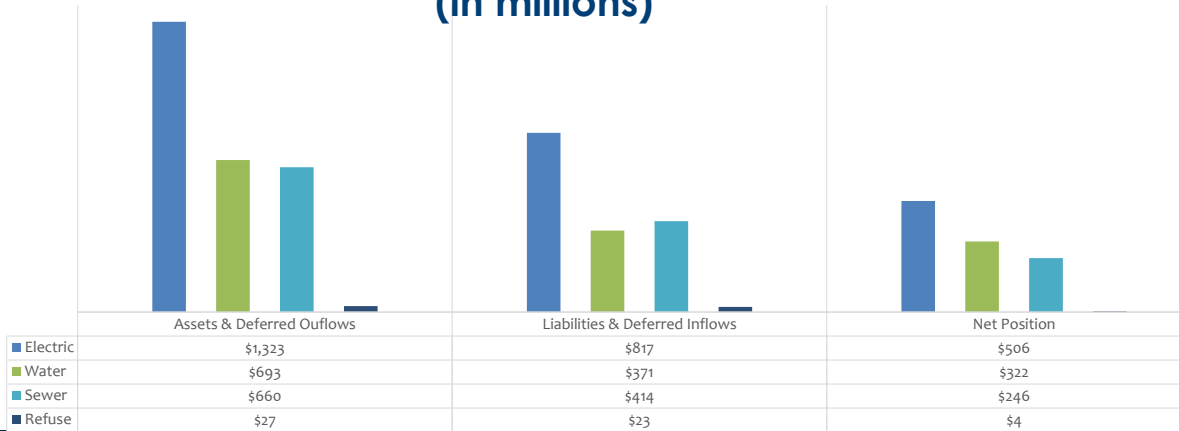
	General Fund	Measure Z Fund
Beginning Reserve Balance	20% (\$57.4 M)	\$5 M
Ending Reserve Balance – 06/30/2022	20% (\$61.0 M)	\$5 M
Met Policy Requirements	✓	✓
Restricted for Unfunded Accrued Liability	\$19.4 M	N/A
Committed for Other Purposes	\$16.8 M	N/A
Unreserved Fund Balance	\$28.8 M	\$41.1 M

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Proprietary Funds Statement of Net Position Electric, Water, Sewer, and Refuse Funds (in millions)



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RIVERSIDE PUBLIC UTILITIES UNDESIGNATED CASH RESERVES

	Electric	Water
Beginning Reserve Balance – 07/01/2021	\$177 M	\$34 M
Ending Reserve Balance – 06/30/2022	\$161 M	\$39 M
Available Line of Credit (LOC) ¹	\$ 35 M	\$25 M
Minimum Reserve Level – 06/30/2022	\$142 M	\$44 M
Maximum Reserve Level – 06/30/2022	\$224 M	\$68 M
Met Policy Requirements ²	✓	✓

¹ LOC provides flexibility and operating liquidity similar to cash reserve allowing the Water Fund to maintain compliance with RPU Cash Reserve Policy.

² Water Fund's undesignated reserve balance combined with LOC in compliance with RPU Cash Reserve Policy, at 6/30/2022 is above target minimum, which is consistent with projections provided during the biennial budget and rate plan proposal processes.



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What's New This Year



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POPULAR ANNUAL FINANCIAL REPORT (PAFR)

- Received our 5th PAFR Award from GFOA for FY 2020-21
- 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 (**New!**)



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Three Major Project Implementations

1. CaseWare

- New software solution to streamline financial preparation reporting process
- Prepared ACFR, Water, and Electric Financial Statements
- Other Reporting Possibilities: Monthly and Quarterly Financial Statements, Successor Agency, Special Transit, PAFR, Single Audit, State Controller Reports, NTD Reports, Budget Book, and many more.



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Three Major Project Implementations (continued)

2. Implementation of GASB Statement No. 87, Leases

- 274 GASB 87 Leases
 - 111 Landlord Leases
 - Lease Receivable and Deferred Inflow of Resources
 - 163 Tenant Leases
 - Right-to-Use Asset and Lease Liability



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Three Major Project Implementations (continued)

3. LeaseQuery – Lease Management and Reporting Software

- 440 total leases
 - 274 GASB 87 leases
 - 166 Non-GASB 87 leases
 - 109 Airport month-to-month leases



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Future Items



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Future Items

New GASB Implementation in FY 2022-2023

- GASB Statement No. 96, Subscription-Based Information Technology Arrangements – Will utilize LeaseQuery

Request for Proposal (RFP) For Audit Services FY 2023-2024

- 2022-2023 Final contract year with LSL



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STRATEGIC PLAN ALIGNMENT



High Performing Government – Enhance communication and collaboration with community members, to improve transparency, build public trust, and encourage shared decision-making.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Financial Performance and Budget Committee:

- 1) Receive, provide input on and forward to the City Council the annual financial audit reports for Fiscal Year 2021-2022; and
- 2) Recommend City Council reappoint Lance, Soll & Lunghard, LLP to serve as the City's independent auditor to conduct the annual audit for Fiscal Year 2022-2023.



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