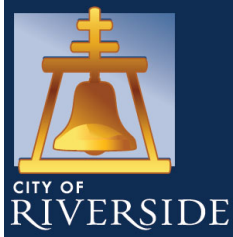


REVISED

Date: BPU 1-27-25
Item No.: 8



2024 ANNUAL AUDIT & FINANCIAL REPORT

Finance Division

Board of Public Utilities
January 27, 2025

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INDEPENDENT AUDITORS' REPORT HIGHLIGHTS

Independent Audit by CliftonLarsonAllen (CLA)

a. Unmodified (clean) opinions

b. Corrected Finding:

An adjustment was recorded to adjust balances of leases receivables and related accounts and beginning net position to correct an error in the calculation of lease receivable during the implementation of GASB 87 in fiscal year 2022.



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FINANCIAL HIGHLIGHTS

June 30, 2024 (Audited)

	Electric	Water
Net Retail Revenues	\$350.0 M	\$72.9 M
Capital Improvements	\$26.4 M	\$30.2 M
General Fund Transfer (GFT)	\$45.3 M	\$8.1 M
Financial Metrics		
Operating Ratio	80.3%	64.2%
Unrestricted Current Ratio	7.6	6.0
Debt to Total Asset Ratio	56.5%	38.4%
Debt Service Coverage Ratio	2.31	1.98
Ratings		
Fitch	AA-	AA+
Moody's	-	Aa2
S&P Global Ratings	AA-	AA+



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UNDESIGNATED CASH RESERVES

June 30, 2024 (Audited)

	Electric	Water
Beginning Balance – 7/1/2023	\$138 M	\$39 M
Ending Balance – 6/30/2024	\$136 M \$140 M	\$43 M
Available Line of Credit (LOC) ¹	\$35 M	\$25 M
Minimum Reserve Level – 6/30/2024	\$167 M	\$51 M
Maximum Reserve Level – 6/30/2024	\$260 M	\$77 M
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.

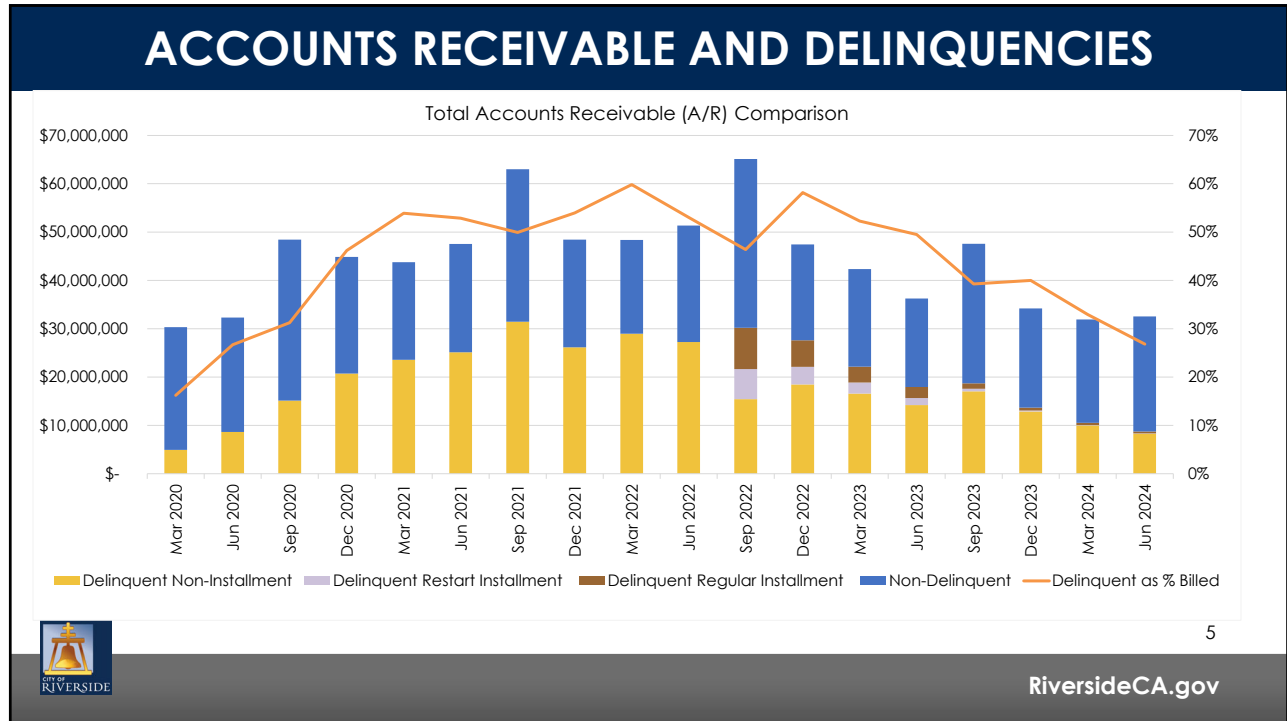
² Electric and Water Fund's undesignated reserve balances, combined with the respective LOC, are in compliance with RPU Cash Reserve Policy at 06/30/2024. The reserves are above target minimum, which is consistent with projections provided during the biennial budget and rate plan proposal processes.



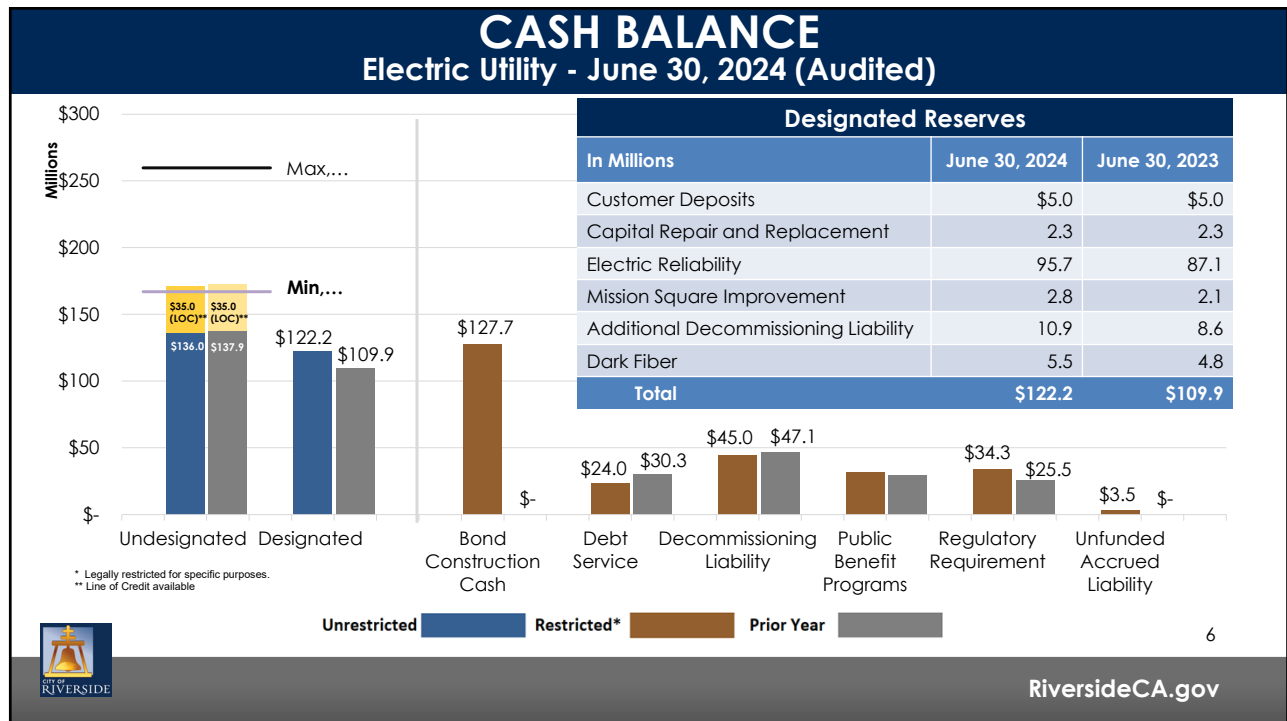
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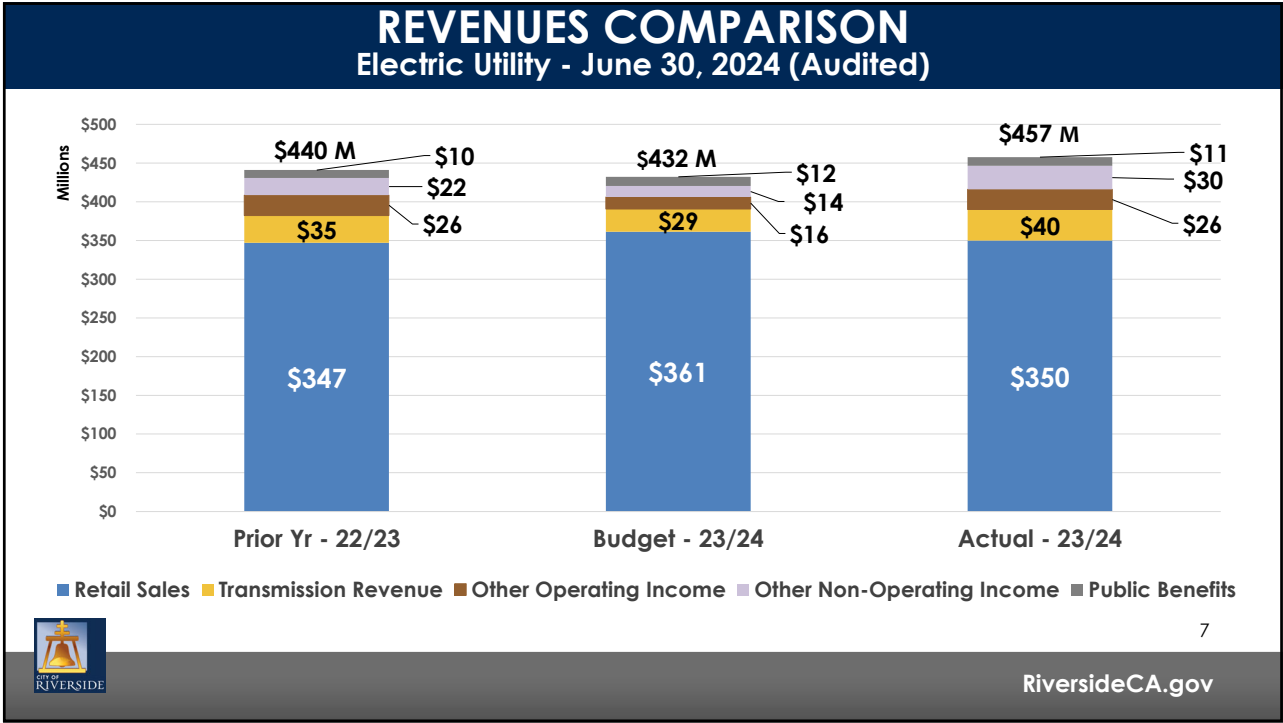
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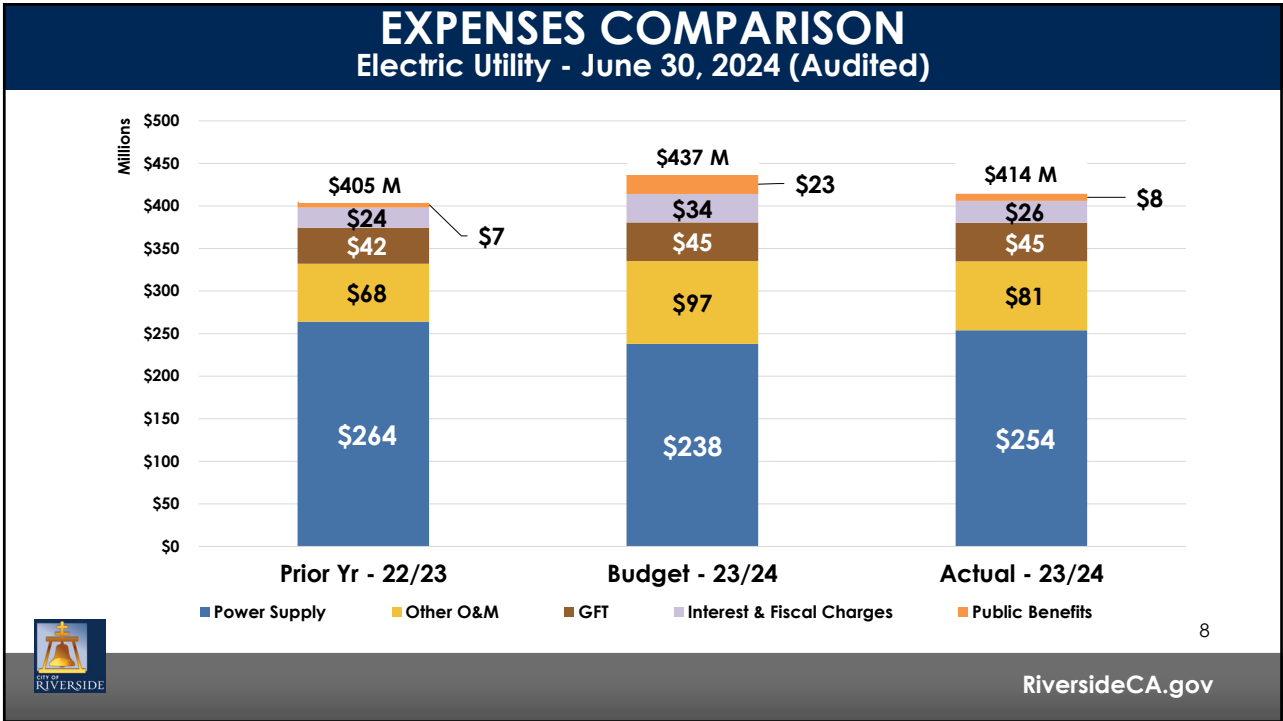
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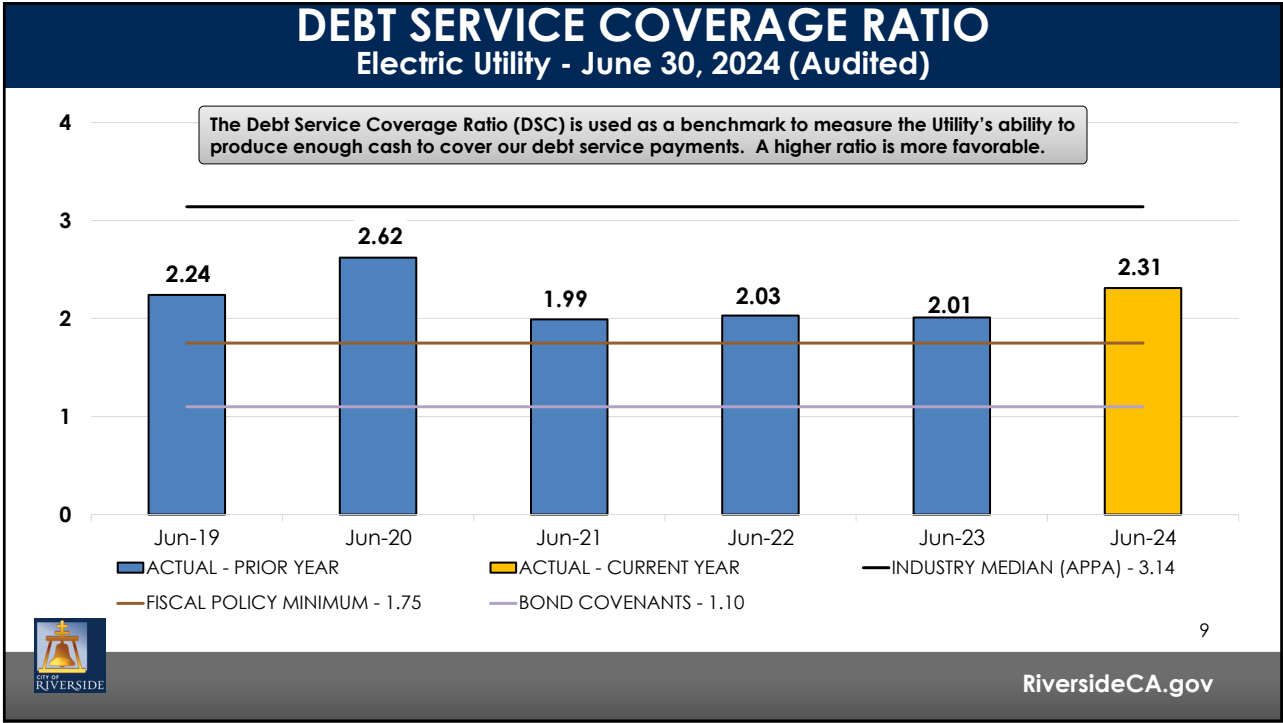
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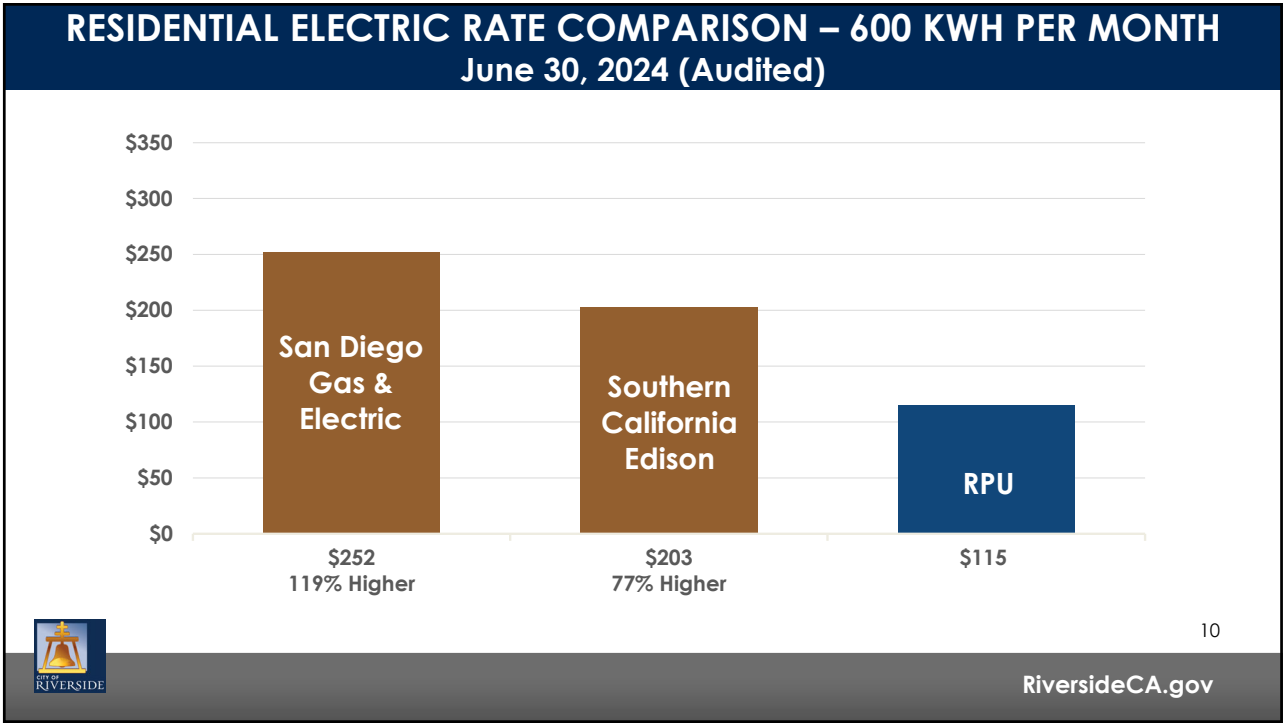
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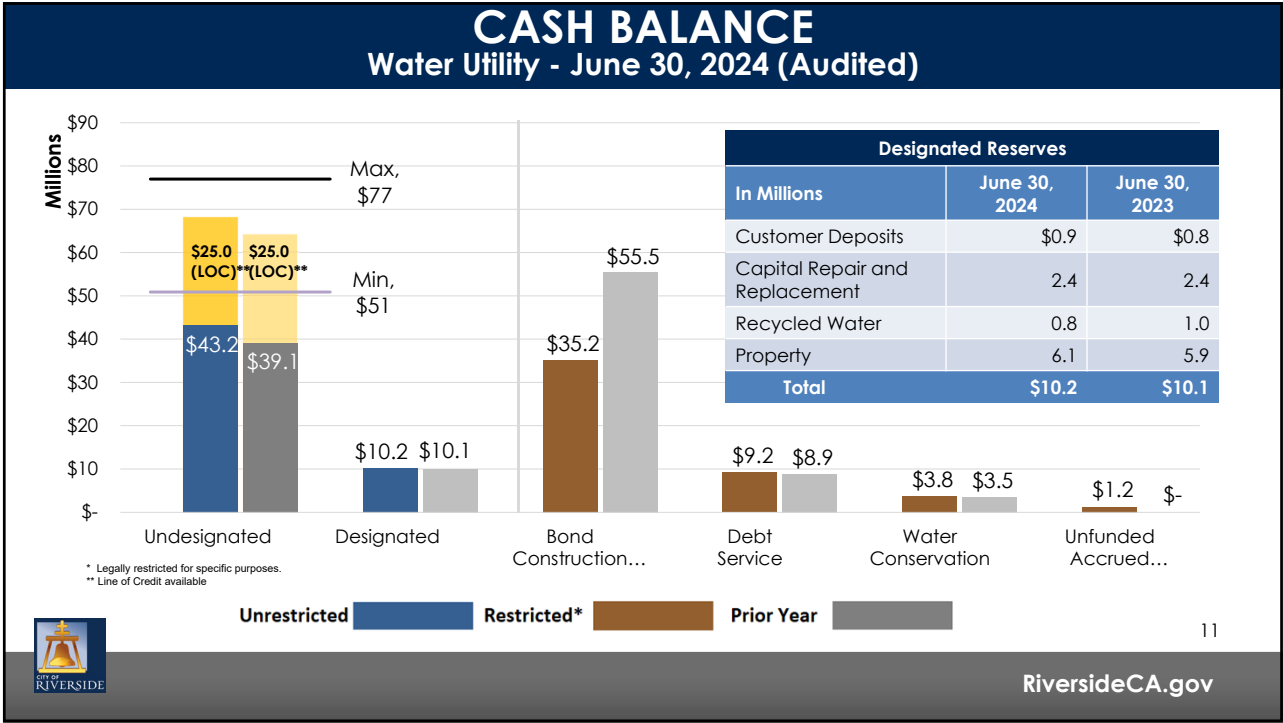
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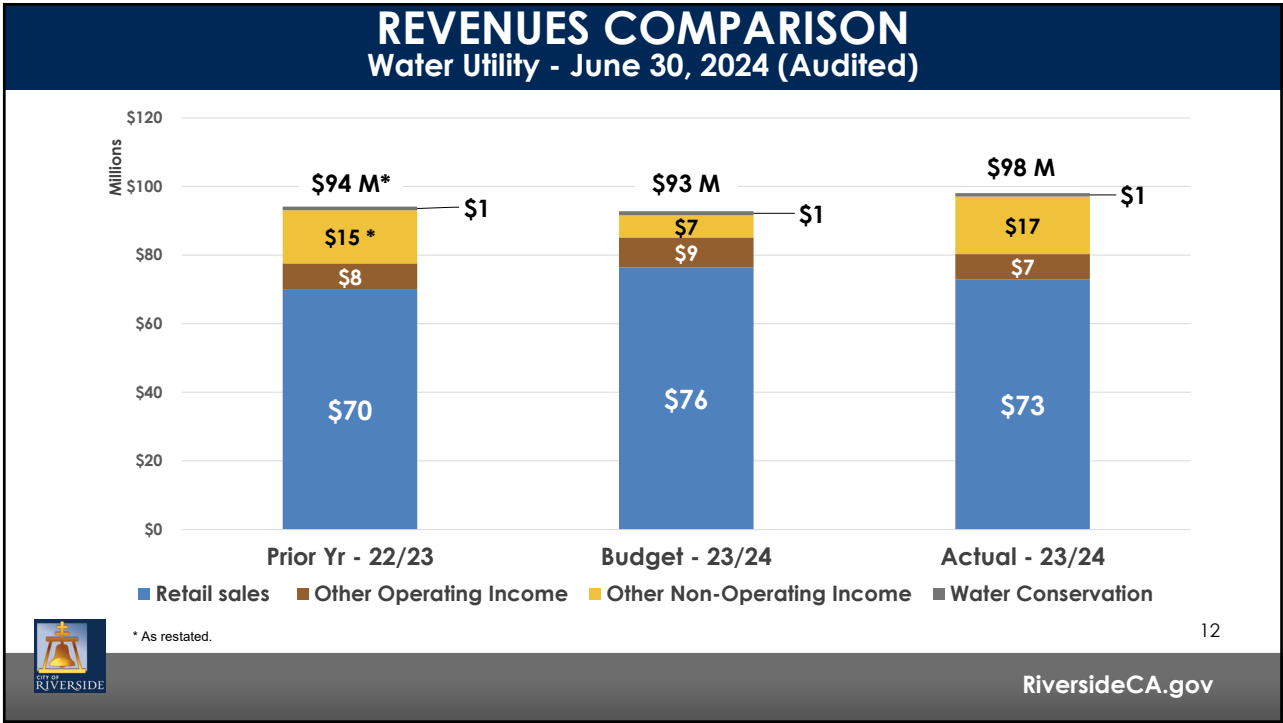
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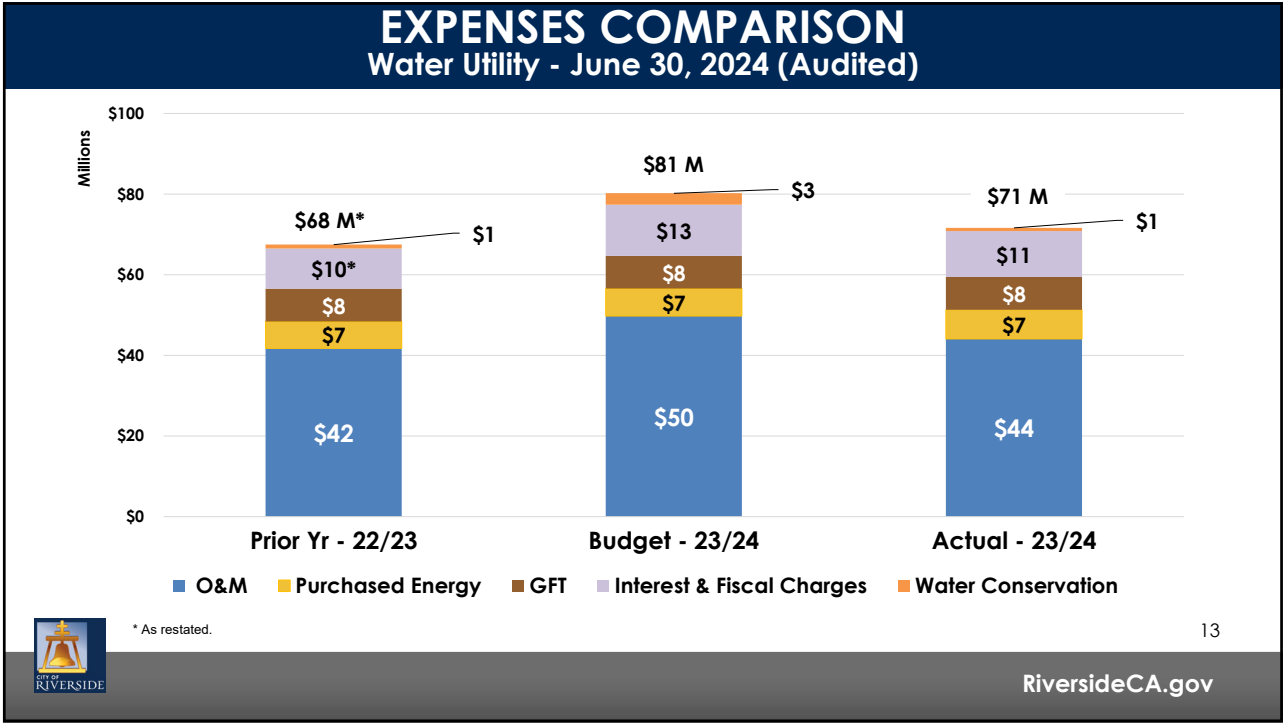
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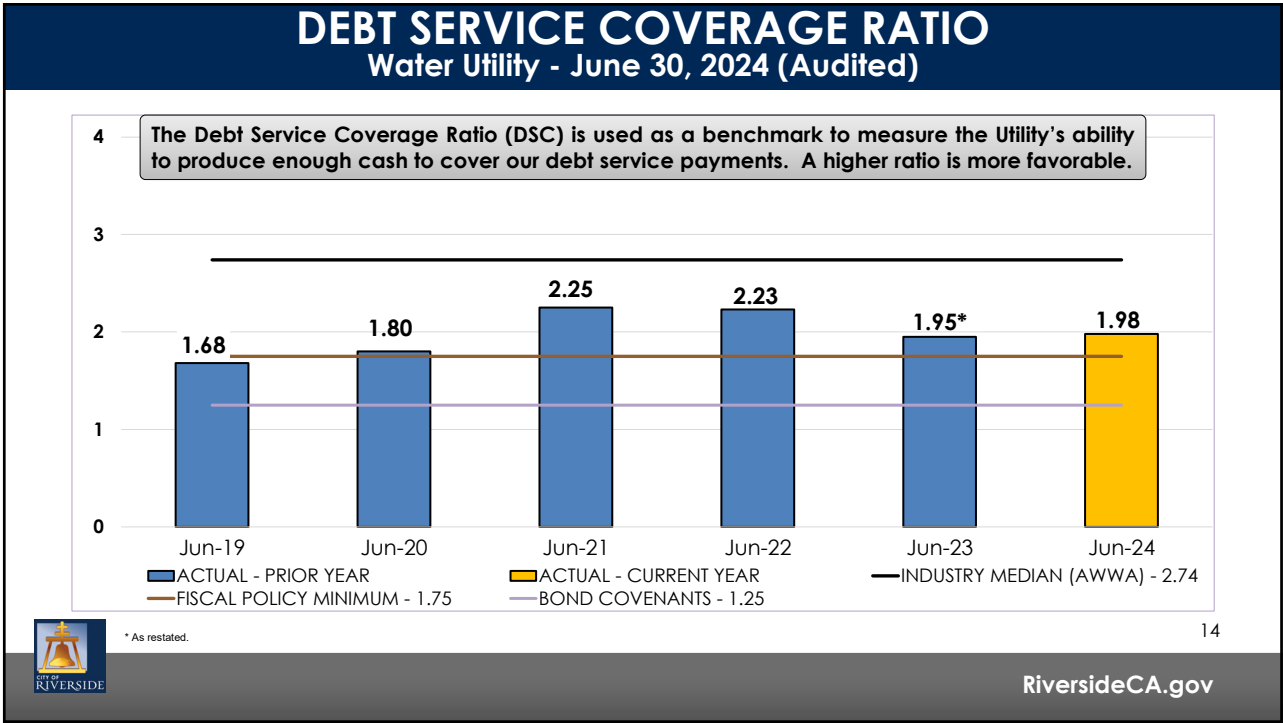
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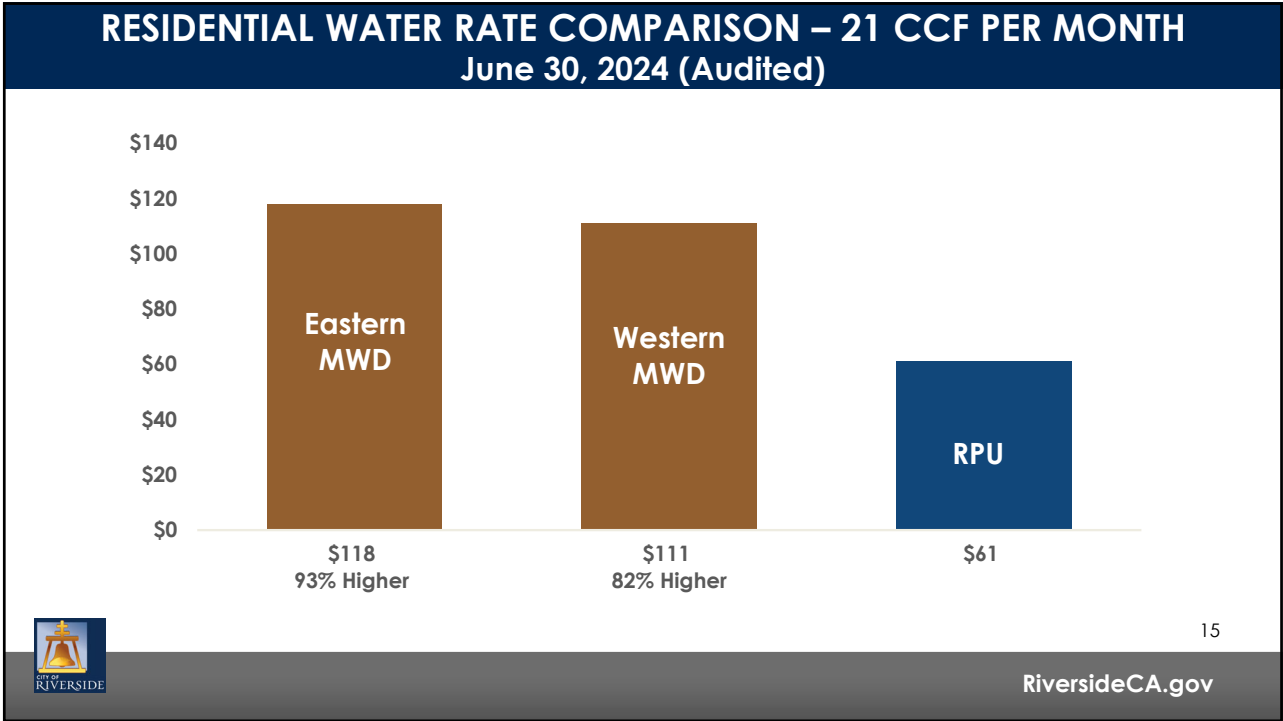
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2024 FINANCIAL REPORT

Full report will be published on the City's Website after the ACFR is presented to City Council at <https://riversideca.gov/utilities/about-rpu/reports-finance>.

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STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 5 High Performing Government

Goal 5.4: Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



Community Trust



Equity



Fiscal Responsibility



Innovation



Sustainability & Resiliency



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RECOMMENDATION

That the Board of Public Utilities recommend City Council approval of the Riverside Public Utilities 2024 Annual Audit and Financial Report.



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