



Report from Outside Independent Auditors for Fiscal Year 2020-2021

Finance Department

City Council
January 18, 2022

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GENERAL FUND & MEASURE Z FUND RESERVES

	General Fund	Measure Z Fund
Beginning Reserve Balance	20%	\$5 M
Ending Reserve Balance – 06/30/2021	20%	\$5 M
Met Policy Requirements	✓	✓
Restricted for Unfunded Accrued Liability	\$10.7 M	N/A
Unreserved Fund Balance	\$23.12 M	\$36.67 M



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RIVERSIDE PUBLIC UTILITIES UNDESIGNATED CASH RESERVES

	Electric	Water
Beginning Balance – 7/1/2020	\$193 M	\$29 M
Ending Balance – 6/30/2021	\$177 M	\$34 M
Available Line of Credit (LOC)	\$35 M	\$25 M
Minimum Reserve Level – 6/30/2021	\$139 M	\$42 M
Maximum Reserve Level – 6/30/2021	\$219 M	\$65 M
Met Policy Requirements	✓	✓

Water Fund's undesignated reserve balance combined with the line of credit (LOC) in compliance with RPU Cash Reserve Policy, at 6/30/2021 is above target minimum which is consistent with projections provided during the biennial budget and rate plan proposal processes. The LOC provides flexibility and operating liquidity similar to cash reserve allowing the Water Fund to maintain compliance with RPU Cash Reserve Policy.



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POPULAR ANNUAL FINANCIAL REPORT (PAFR)

- Received our 4th PAFR Award from GFOA for FY 2019-20
- 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



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STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal
Responsibility



Sustainability
and Resiliency



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RECOMMENDATIONS

That the City Council:

- 1) Receive the annual audit reports from external independent auditor, Lance, Soll & Lunghard, LLP on the City of Riverside financial results for Fiscal Year 2020-2021 as required by the Riverside City Charter; and
- 2) Reappoint Lance, Soll & Lunghard, LLP to serve as the City's independent auditor to conduct the annual audit for Fiscal Year 2021-2022.



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