



## Report from Outside Independent Auditors for Fiscal Year 2016-2017

Finance Department

Finance Committee  
January 18, 2018

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## AUDITOR'S REPORT ON FINANCIAL STATEMENTS

### 1. Unmodified Opinion

- a. Financial statements are presented fairly in accordance with accounting principals generally accepted in the United States of America.



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## AUDIT FINDINGS

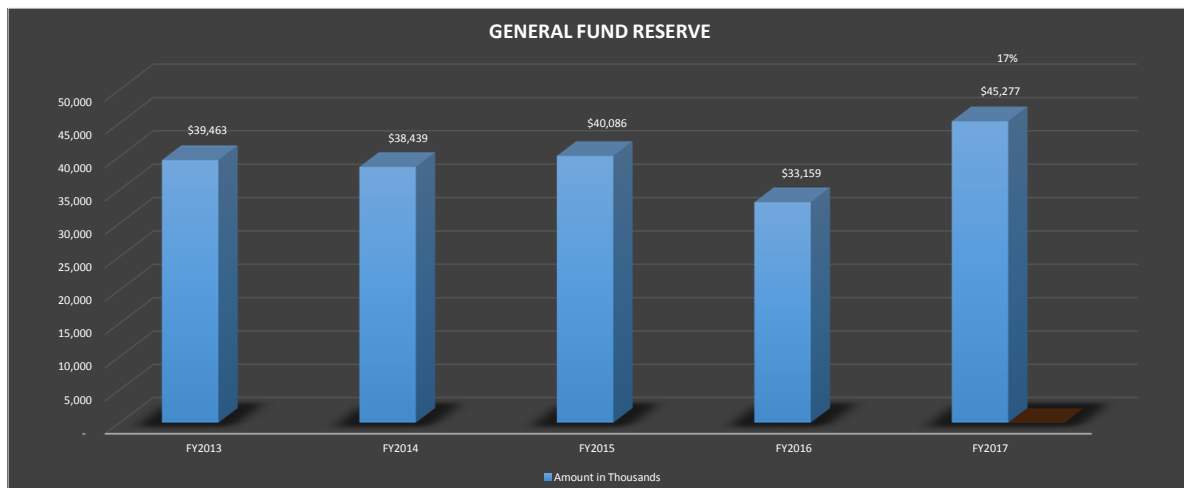
1. Comprehensive Annual Financial Report
  - No management letter comments or findings
2. Single Audit Report on compliance with requirements that could have a **direct and material effect on each major federal program and on internal control over compliance** in accordance with OMB Circular A-133.
  - No management letter comments or findings



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## GENERAL FUND RESERVE



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## RIVERSIDE PUBLIC UTILITIES

### Unrestricted, Undesignated Cash Reserves

	Electric	Water
Beginning Balance – 7/1/2016	\$193 M	\$37 M
Ending Balance – 6/30/2017	\$175 M	\$35 M
Minimum Reserve Level – 6/30/2017	\$124 M	\$27 M
Maximum Reserve Level – 6/30/2017	\$197 M	\$43 M
Met Policy Requirements	✓	✓

Reserve target (minimum) and maximum levels are analyzed and calculated in conjunction with year-end financial results



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## RIVERSIDE PUBLIC UTILITIES

### Audit Findings

- Auditor's Report
  - Unmodified (Clean) Opinions
- No management letter comments or findings
- No audit adjustments proposed or passed



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## NEW ANNUAL REPORT

- Popular Annual Financial Report (PAFR)
  - Extracted information from the CAFR
  - Designed to be easily understandable to the general public
  - Intended for those without a background in public finance



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## RECOMMENDATIONS

That the Finance Committee:

1. Receive, provide input on, and forward to the City Council the annual financial audit reports; and
2. Recommend to the City Council the reappointment of Macias, Gini & O'Connell L.L.P (MGO) for the final year of their five-year contract to serve as the City's independent auditor to conduct the annual audit for Fiscal 2017-2018.



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