



Report from Outside Independent Auditors for Fiscal Year 2019-2020

Finance Department

Finance Committee
March 12, 2021

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GENERAL FUND & MEASURE Z FUND RESERVES

	General Fund	Measure Z Fund
Beginning Reserve Balance	20%	\$5 M
Ending Reserve Balance – 06/30/2020	20%	\$5 M
Met Policy Requirements	✓	✓
Restricted for Unfunded Accrued Liability	\$9.38 M	N/A
Unreserved Fund Balance	\$15.64 M*	\$25.54 M

* On January 19, 2021, City Council voted to internally restrict for potential future issues.



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RIVERSIDE PUBLIC UTILITIES Unrestricted, Undesignated Cash Reserves

	Electric	Water
Beginning Balance – 07/01/2019	\$199 M	\$32 M
Ending Balance – 06/30/2020	\$193 M	\$29 M
Available Line of Credit (LOC)	\$35 M	\$25 M
Minimum Reserve Level – 06/30/2020	\$137 M	\$46 M
Maximum Reserve Level – 06/30/2020	\$216 M	\$70 M
Met Policy Requirements	✓	✓

Water Fund's unrestricted, undesignated reserve balance combined with the line of credit (LOC) in compliance with RPU Cash Reserve Policy, at 06/30/2020 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 3rd PAFR Award from GFOA for FY 2018/19
- Extracted information from the CAFR 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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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 2019/20; and
- 2) Reappoint Lance, Soll & Lunghard, LLP for year three of their five-year contract to serve as the City's independent auditor to conduct the audit for fiscal year 2020/21.



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