

Report from Outside Independent Auditors for Fiscal Year 2023-2024

Finance Department

Finance Committee

March 12, 2025

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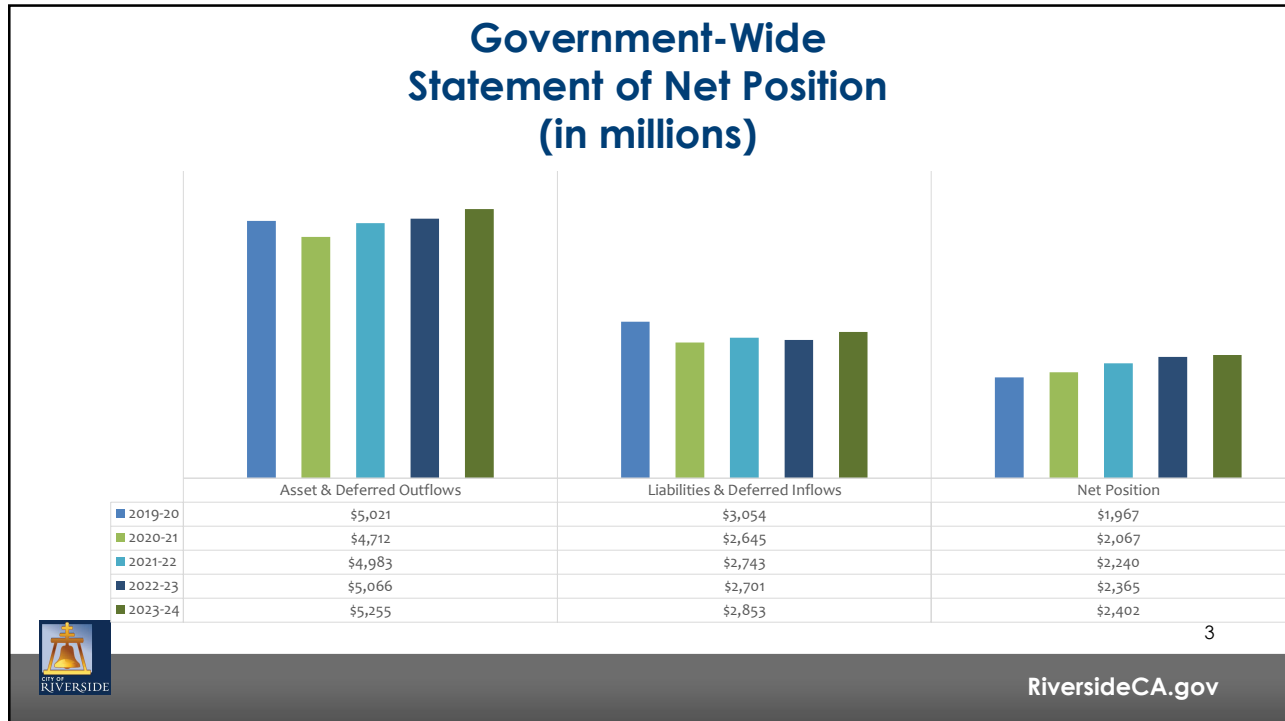
Government-Wide Financial Statements



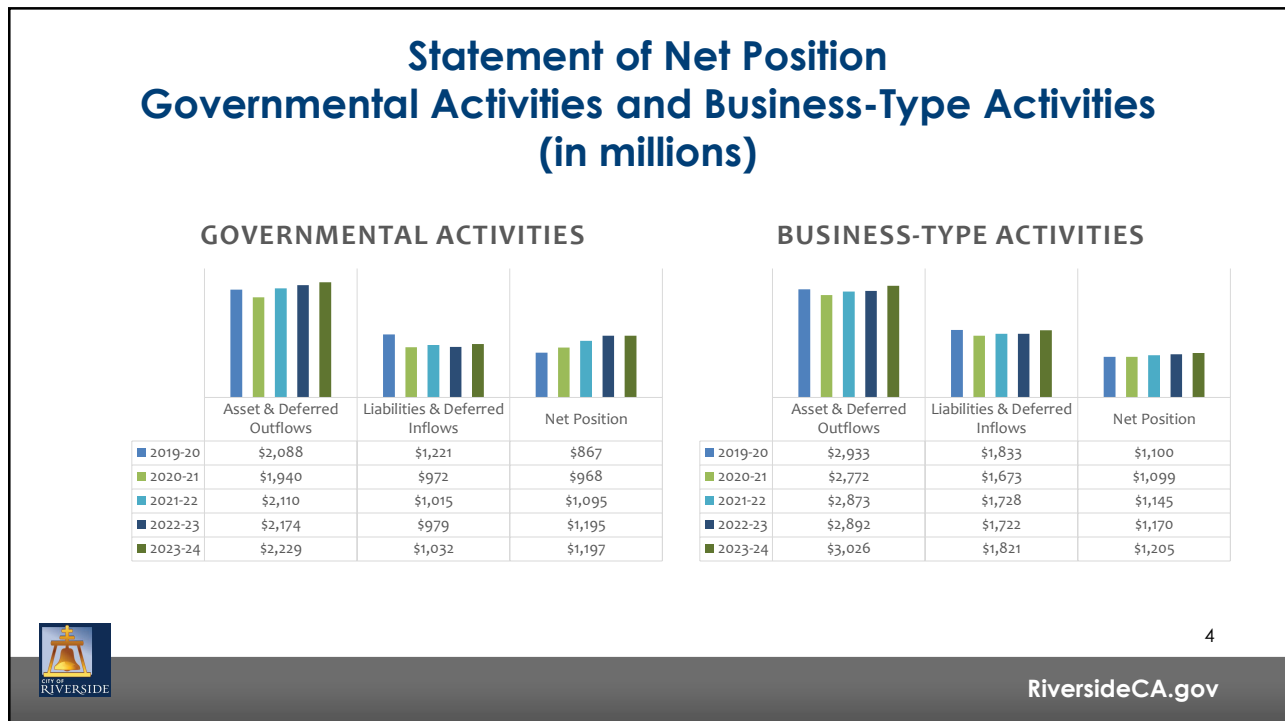
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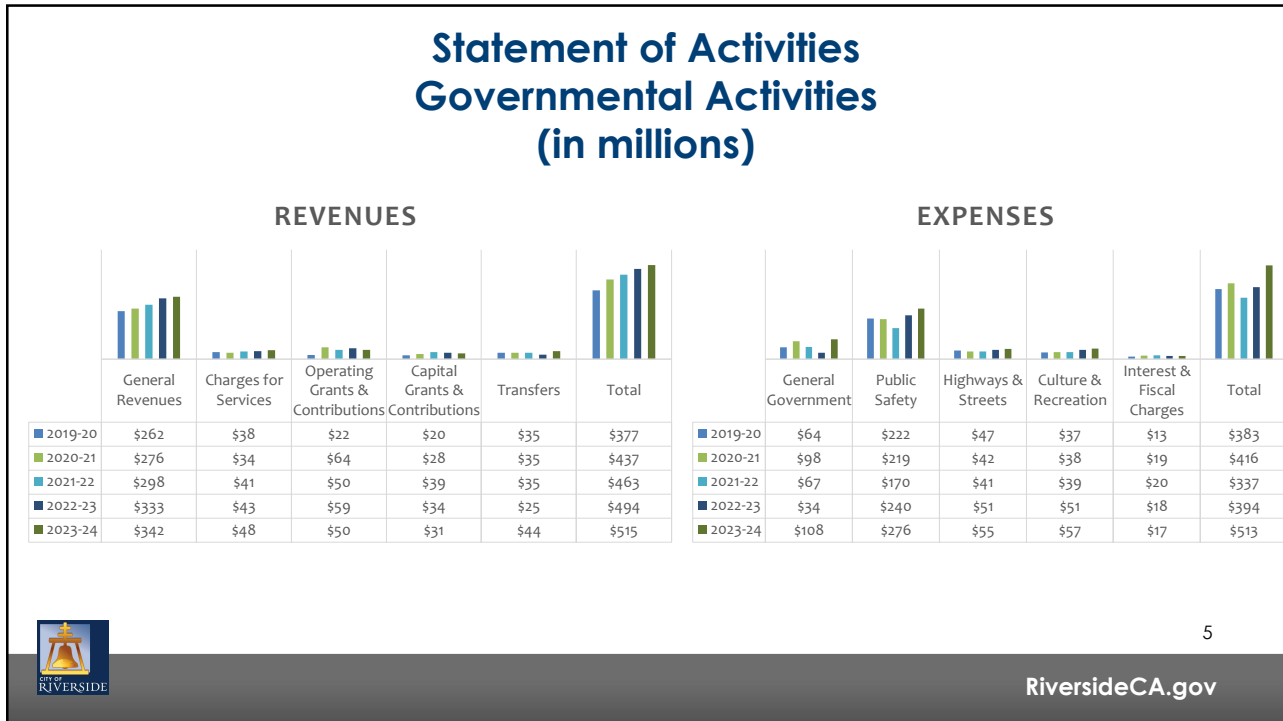
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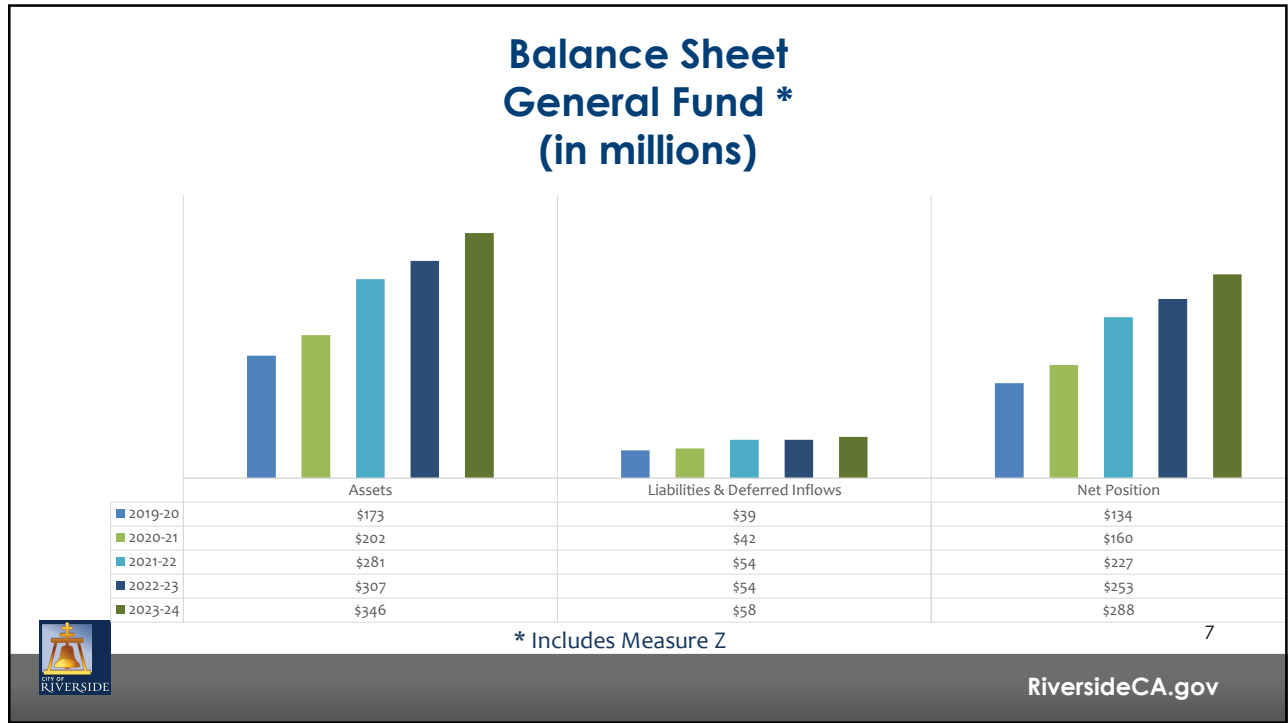


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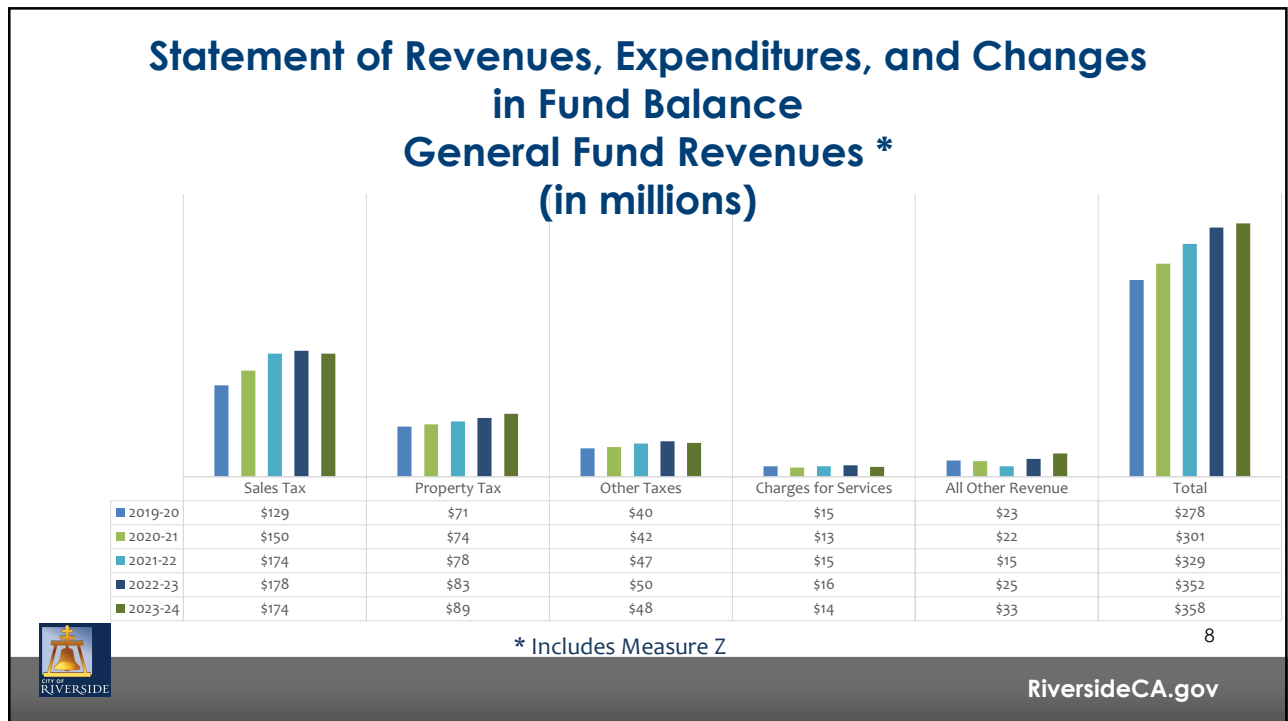


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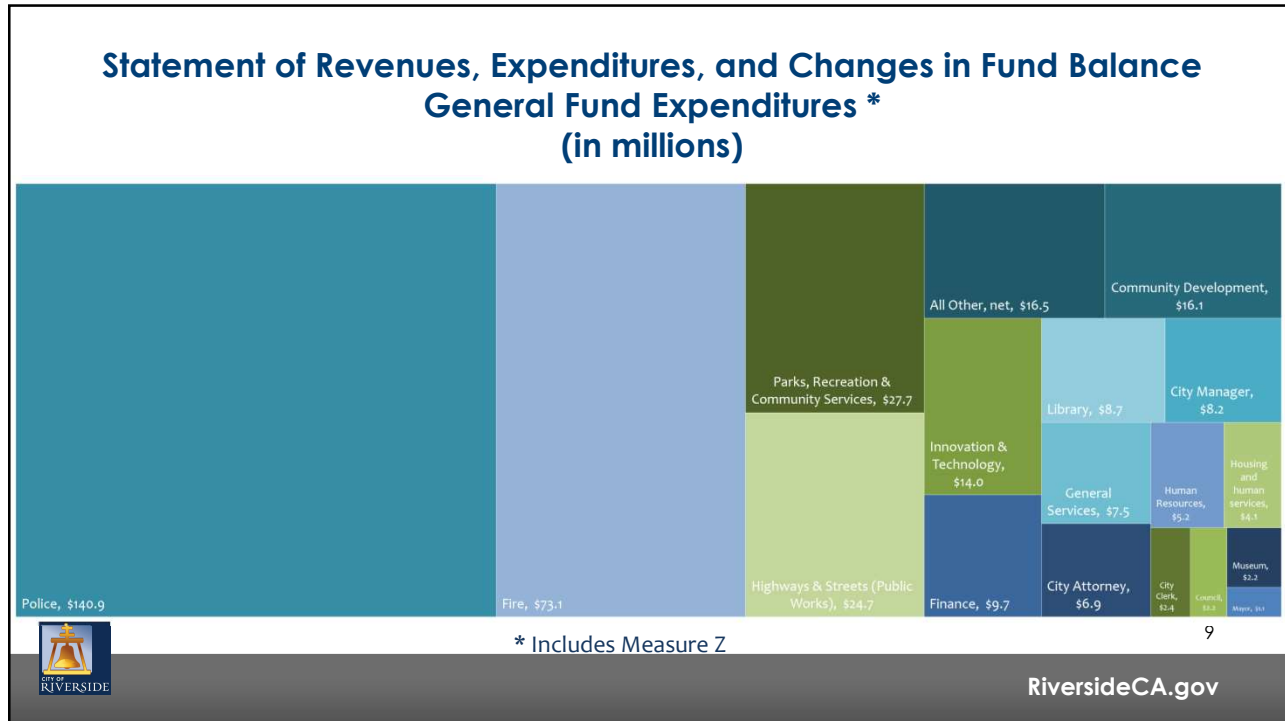




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GENERAL FUND & MEASURE Z FUND RESERVES

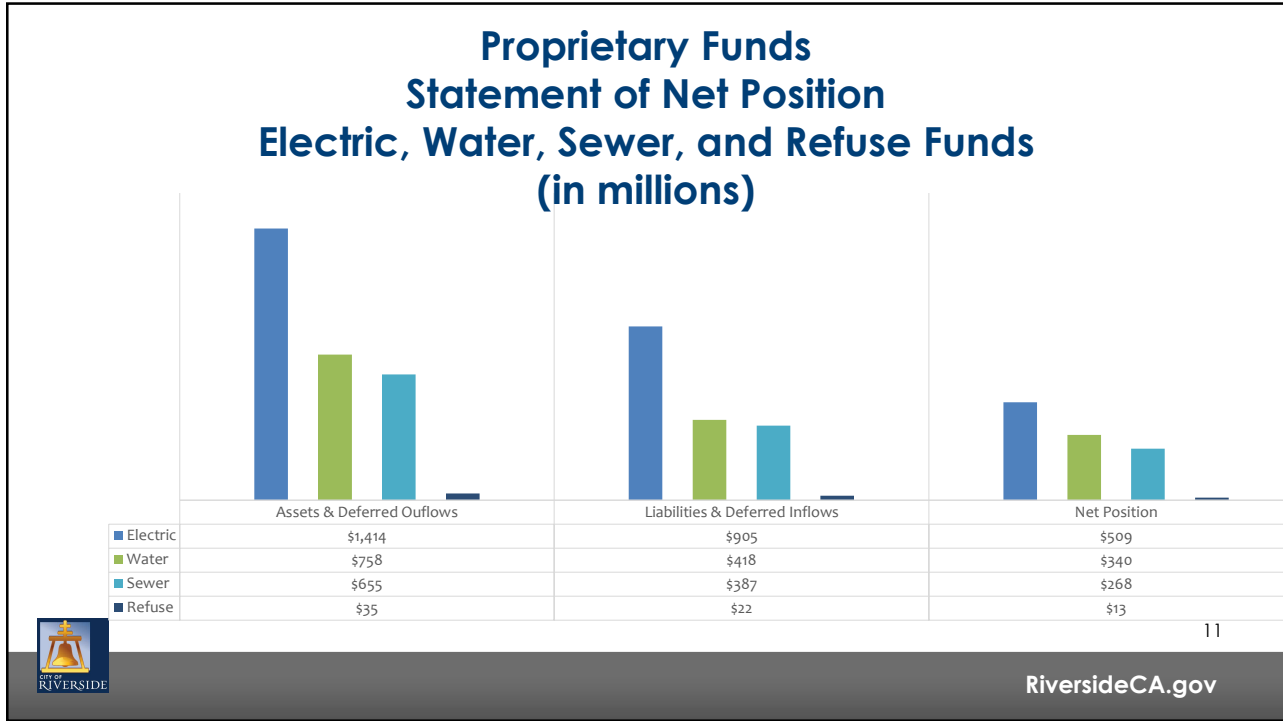
	General Fund	Measure Z Fund
Beginning Reserve Balance	20% (\$65.5 M)	\$5 M
Ending Reserve Balance – 06/30/2024	20% (\$72.2 M)	\$5 M
Met Policy Requirements	✓	✓
Restricted for Unfunded Accrued Liability	\$60.2 M	N/A
Committed for Other Purposes	\$60.8 M	N/A
Unreserved Fund Balance	\$0 M	\$52.1M

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RIVERSIDE PUBLIC UTILITIES UNDESIGNATED CASH RESERVES

	Electric	Water
Beginning Reserve Balance – 07/01/2023	\$138 M	\$39 M
Ending Reserve Balance – 06/30/2024	\$136 M	\$43 M
Available Line of Credit (LOC) ¹	\$35 M	\$25 M
Minimum Reserve Level – 06/30/2024	\$167 M	\$51 M
Maximum Reserve Level – 06/30/2024	\$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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Popular Annual Financial Report (PAFR)



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POPULAR ANNUAL FINANCIAL REPORT (PAFR)

- 7th PAFR Award from GFOA for FY 2022-23
- 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
- Published in Spanish and English



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External audit



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Independent Auditors' Report Highlights

- Unmodified (clean) opinion
- Governance Letter and Reports on Internal Controls
 - General Fund Revenue Recognition: Enhanced procedures to align recording of revenues based on 60-day availability policy
 - Water Fund Lease Receivables: Strengthened GASB 87 lease implementation with additional staff in FY 2023/24
 - ARPA Reporting (Single Audit): Collaborated with the U.S. Department of Treasury to clarify and comply with reporting requirements for revenue replacement category



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Future Item



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Future Item

**Governmental Accounting Standards Board (GASB)
101 – Compensated Absences**

- Changes in the way we account for paid leave earned by employees for time off, such as vacation leave, sick leave, holiday leave, or other types of paid off time.
- Will be implemented for the June 23, 2025, financial statements.



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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



RECOMMENDATION

That the Finance Committee receive, provide input on, and forward to the City Council the annual financial audit reports for Fiscal Year 2023-2024.

