

**CITY OF RIVERSIDE, CALIFORNIA**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2024**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the City Council  
City of Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Riverside, California (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

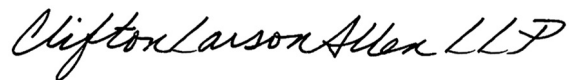
As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City’s Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the finding identified in our audit and described in the accompanying schedule of finding and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Irvine, California  
December 16, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the City Council  
City of Riverside, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Riverside, California's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on City of Riverside's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Riverside's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon, dated December 16, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Irvine, California  
February 12, 2025



**CITY OF RIVERSIDE, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b><i>CDBG - Entitlement Grants Cluster</i></b>				
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 5,098,583	\$ 629,633
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	117,968	-
<b>Total CDBG - Entitlement Grants Cluster</b>			<b>5,216,551</b>	<b>629,633</b>
<b><i>Federal Transit Cluster</i></b>				
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Federal Transit Formula Grants	20.507	N/A	586,107	-
<b>Total Federal Transit Cluster</b>			<b>586,107</b>	<b>-</b>
<b><i>Other Programs</i></b>				
<u>U.S. Department of Housing and Urban Development:</u>				
Direct Programs:				
Emergency Solutions Grants Program	14.231	N/A	485,462	398,728
Home Investment Partnerships Program	14.239	N/A	270,178	-
Housing Opportunities for Persons with AIDS	14.241	N/A	3,243,914	3,243,914
Pass-through the County of Riverside:				
Continuum of Care Program	14.267	HWSCoC-0004889	126,611	-
Continuum of Care Program	14.267	HHPWSCoC-0004139	130,192	-
Subtotal Continuum of Care Program			256,803	-
Total U.S. Department of Housing and Urban Development			4,256,357	3,642,642
<u>U.S. Department of Justice</u>				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	N/A	25,753	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	133,148	104,823
Equitable Sharing Program	16.922	N/A	273,499	-
Pass-through the County of Riverside:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	134,026	-
Total U.S. Department of Justice			566,426	104,823
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program	20.106	N/A	77,849	-
COVID-19 - Airport Improvement Program	20.106	N/A	46,340	-
Consolidated Rail Infrastructure and Safety Improvements	20.325	N/A	18,042	-
Pass-through the California Department of Transportation:				
Highway Planning and Construction	20.205	16-NW-RIV-1190	107,300	-
Highway Planning and Construction	20.205	08-5058F15	577,446	-
Subtotal Highway Planning and Construction			684,746	-
Pass-through State of California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	OP24012	4,902	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	MC24010	9,266	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT23158	168,850	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT24162	175,921	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			358,939	-
Total U.S. Department of Transportation			1,185,916	-

(Continued)

**CITY OF RIVERSIDE, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>U.S. Department of Treasury</u>				
Direct Programs:				
Equitable Sharing	21.016	N/A	54,634	-
COVID-19 - Emergency Rental Assistance Program	21.023	N/A	122,364	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	11,753,750	434,772
Total U.S. Department of Treasury			<u>11,930,748</u>	<u>434,772</u>
<u>Executive Office of the President - Office of National Drug Control Policy</u>				
Pass-through State of California:				
High Intensity Drug Trafficking Areas Program	95.001	JLEO-23/24-0440	206,207	
High Intensity Drug Trafficking Areas Program	95.001	Unknown	251,685	-
Total Executive Office of the President - Office of National Drug Control Policy			<u>457,892</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Direct Programs:				
National Urban Search and Rescue (US&R) Response System	97.025	N/A	4,340,708	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	1,502,246	-
Pass-through State of California:				
Homeland Security Grant Program	97.067	2019-0035	569,918	229,130
Homeland Security Grant Program	97.067	2020-0095	882,312	
Homeland Security Grant Program	97.067	2021-0081	315,548	
Homeland Security Grant Program	97.067	2022-0043	105,758	
Homeland Security Grant Program	97.067	2023-0042	8,620	
Pass-through the County of Riverside:				
Homeland Security Grant Program	97.067	2022-0043	81,917	-
Subtotal Homeland Security Grant Program			<u>1,964,073</u>	<u>229,130</u>
Pass-through the County of Riverside:				
Emergency Management Performance Grants	97.042	2022-0005	46,132	-
Total U.S. Department of Homeland Security			<u>7,853,159</u>	<u>229,130</u>
<b>Total Other Programs</b>			<b><u>26,250,498</u></b>	<b><u>4,411,367</u></b>
<b>Total Federal Expenditures</b>			<b><u>\$ 32,053,156</u></b>	<b><u>\$ 5,041,000</u></b>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**CITY OF RIVERSIDE, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Riverside (the City) under programs of the federal government as well as federal financial assistance passed through other government agencies for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial statements of the City. The City's reporting entity is defined in Note 1 of the notes to the City's financial statements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds, which is described in Note 1 of the notes to the City's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF RIVERSIDE, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

- |  |                       |                                |
|--|-----------------------|--------------------------------|
| 1. Type of auditors’ report issued:                      | Unmodified            |                                |
| 2. Internal control over financial reporting:            |                       |                                |
| • Material weakness(es) identified?                      | <u>    x    </u> yes  | <u>          </u> no           |
| • Significant deficiency(ies) identified?                | <u>          </u> yes | <u>    x    </u> none reported |
| 3. Noncompliance material to financial statements noted? | <u>          </u> yes | <u>    x    </u> no            |

**Federal Awards**

- |   |                       |                                 |
|---|-----------------------|---------------------------------|
| 1. Internal control over major federal programs:  |                       |                                 |
| • Material weakness(es) identified?   | <u>          </u> yes | <u>    x    </u> no             |
| • Significant deficiency(ies) identified?   | <u>    x    </u> yes  | <u>          </u> none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs:                          | Unmodified            |                                 |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u>    x    </u> yes  | <u>          </u> no            |

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.218	Community Development Block Grant - Entitlement Grants Cluster
20.507	Federal Transit Formula Grants
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$   961,594  

Auditee qualified as low-risk auditee?

    x     yes                 no

**CITY OF RIVERSIDE, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings***

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**2024 – 001: Prior Period Adjustment**

**Type of Finding:** Material Weakness in Internal Control over Financial Reporting

**Condition:** As a result of our audit procedures over leases receivable, a prior period adjustment was necessary to correct the balances for two leases. The lease receivable and related deferred inflows were calculated incorrectly due to the following:

- Lease payments during the term of the lease were incorrectly reduced by incorrect rent credits.
- During the lease term, scheduled increases in minimum lease payments were not considered.
- Lease term incorrectly included an additional 55 years.
- Amounts received prior to the initial lease term that are related to future periods were not included in the calculation of deferred inflow of resources.

**Criteria or Specific Requirement:** GASB Statement No. 87, *Leases*, requires lessors to recognize a lease receivable and a deferred inflow of receivables at the beginning of the lease term. Lease receivables are measured using a present value of lease payments to be received for the lease term (less estimates for uncollectible amounts). This measurement should include fixed, variable, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance. In addition, deferred inflows of resources are measured using the initial value of the lease receivable (less any amount for uncollectible amounts). Deferred inflows also include any amounts received prior to the initial lease term that are related to future period.

**Effect:** The following adjustments were made to correct beginning balances:

- Increase lease receivables by approximately \$4.2 million
- Decrease other assets by approximately \$2.6 million
- Increase deferred inflow of resources – lease related items by approximately \$17.9 million
- Decrease note payable by approximately \$16.2 million
- Increase net position by approximately \$2.2 million in the water fund

**Cause:** The errors occurred during the implementation of GASB 87, which was effective during fiscal year ended June 30, 2022. The City evaluated hundreds of leases, and the errors described were discovered on two of the leases. At that time, the City was facing staff shortages, which made it challenging to evaluate hundreds of leases within a short timeframe with limited personnel.

**Recommendation:** We recommend that the City assigns additional accounting resources to assist with the implementation of new accounting standards as they become effective.

**CITY OF RIVERSIDE, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings (Continued)***

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**Views of Responsible Officials and planned corrective actions:** Management agrees with the audit finding. Management acknowledges the finding outlined above, which pertains to two leases that were incorrectly calculated during the implementation of GASB 87 in fiscal year 2022. Given the scope of GASB 87 and the high volume of leases involved, the finance team engaged an external consultant to assist with the implementation. This process included a review of approximately 440 leases, of which over 270 were applicable to GASB 87 reporting requirements. Furthermore, these leases were audited by the City's external audit firm during fiscal year 2022, with no discrepancies or findings identified.

Since that time, Finance has taken proactive corrective measures, including the hiring of additional staff in fiscal year 2024 to address the increased workload arising from new accounting standards and regulations. As a result, there were no audit findings related to newly implemented leases or leases requiring modification or termination during the current audit period. Management is confident that the current processes and procedures are strong and will ensure the continued accuracy of GASB 87 lease calculations moving forward.

**CITY OF RIVERSIDE, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2024-002: Reporting**

**Federal Agency:** U.S. Department of Treasury

**Federal Program Title:** Coronavirus State and Local Fiscal Recovery Funds

**Assistance Listing Number:** 21.027

**Federal Award Identification Number and Year:** SLFRP2649 - 2021

**Award Period:** July 1, 2023, to June 30, 2024

**Type of Finding:** Significant Deficiency in Internal Control over Compliance

**Criteria or Specific Requirement:** Compliance and Reporting Guidance – Statement Local Fiscal Recovery Funds (SLFRF), indicates that the City “provide information on all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, the recipient will be required to enter the project name, identification number (created by the recipient), project expenditure category (see Appendix 1), description, and status of completion.” Included on the project expenditure categories listed on Appendix 1 is the Revenue Replacement category.

**Condition:** Project and Expenditure Reports tested did not include information about projects that fall under the revenue replacement category, including the 1) current period obligation, 2) cumulative obligation, 3) current period expenditures and, 4) cumulative expenditures.

**Questioned Costs:** None.

**Context:** 2 of 4 Project and Expenditure Report submitted for the year ended June 30, 2024, were tested and found to not include reporting for projects that fall under the revenue replacement category.

**Cause:** City management were under the impression that projects that fall under the revenue replacement category did not need to be included on quarterly Project and Expenditure Reports.

**Effect:** Information included on the Project and Expenditure Report was incomplete.

**Repeat Finding:** No.

**Recommendation:** We recommend that management correct the reporting on its next Project and Expenditure Report to include projects that fall under the revenue replacement category.

**Views of Responsible Officials:** Management agrees with the audit finding and has taken corrective action.

**CITY OF RIVERSIDE, CALIFORNIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

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***Financial Statement Findings***

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None reported.

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***Federal Program Award Findings***

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None reported.





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