



## ANNUAL COMPREHENSIVE FINANCIAL REPORT SOFTWARE SOLUTION

### Finance Division

Board of Public Utilities

June 28, 2021

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## DISCUSSION

1. City Council will consider approving a Professional Consultant Services Agreement with Lance, Soll & Lunghard, LLP, for a software solution to automate preparation of financial reports, in an amount not-to-exceed \$450,649, for a 3 ½ year term with the option to extend for two additional one-year terms through December 31, 2026.
2. Board approval is requested for the expenditures related to the Public Utilities financial reports as well as the cost allocation related to the City's Annual Financial Report.

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2

## BACKGROUND

1. Finance Department prepares the Comprehensive Annual Financial Report (CAFR), while RPU Finance prepares the stand-alone Water and Electric reports, creating overlaps in certain areas, which results in inefficiencies and duplicate efforts.
2. RPU financial reports manually created with supporting analytics prepared separately.
3. Financial statements created combining Excel and Word templates that are difficult to manage.
4. Considerable efforts implementing new Government Accounting Standards Board (GASB) pronouncements.

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3

## OVERVIEW

5. Manual data entry and reconciliation increases the risk of manual errors and revisions.
6. Collection and maintenance of data from multiple sources requires considerable effort.
7. No system generated audit or analytical reports to validate statements.
8. All workpapers are manually kept in three-ring binders.
9. Notes, Management Discussion & Analysis, Statistical Section manually updated.

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4

## RFP 2015

1. January 28, 2020 – RFP 2015 was posted on PlanetBids
2. March 23, 2020 – Proposals received from four qualified consultants
3. March 2021 – Finance Department, RPU Finance, and Innovation and Technology Department staff completed review, interviews, evaluation and scoring of proposals
4. Lance, Soll & Lunghard, LLP received the highest score

## PHASE I

<b>Reports Prepared by City Finance:</b>	<b>Cost</b>
Annual Comprehensive Financial Report (ACFR) *	\$103,412
Monthly Financial Statements (Option)	\$1,500
Subtotal	\$104,912
<b>Reports Prepared by RPU Finance:</b>	
Water and Electric Financial Statements **	\$106,712
Monthly Financial Statements (Option)	\$1,500
Quarterly Financial Statements (Option)	\$3,000
<b>RPU Subtotal</b>	<b>\$111,212</b>
<b>Grand Total</b>	<b>\$216,124</b>

\* Includes: Implementation Costs (\$27,700), 24 Hours of Training (\$4,486), 60 Hours of Support Services (\$9,000), and Licensing Fees (\$62,226)

\*\* Includes: Implementation Costs (\$31,000), 24 Hours of Training (\$4,486), 60 Hours of Support Services (\$9,000), and Licensing Fees (\$62,226)

## PHASE II (OPTIONS)

<b>Reports Prepared by City Finance:</b>	<b>Cost</b>
Popular Annual Financial Report (PAFR)	\$7,200
Successor Agency Financial Report	\$3,000
Public Financing Authority Financial Report	\$3,000
Special Transit Financial Report	\$6,000
Single Audit Report	\$1,500
State Controller's Reports (4) *	\$24,000
Phase II Support Services (30 Hours)	\$4,500
Subtotal	\$49,200
<b>Reports Prepared by RPU Finance:</b>	
5-Year Forecast (Partial Automation)	\$10,000
<b>RPU Subtotal</b>	<b>\$10,000</b>
<b>Report Prepared by Parks and Recreation – Special Transit:</b>	
National Transit Database (NTD) Report	\$3,500
Subtotal	\$3,500
<b>Grand Total</b>	<b>\$62,700</b>

\* Includes: Implementation Costs (\$10,000) and Licensing Fees (\$14,000)

## PHASE III (OPTIONS)

<b>Reports Prepared by City Finance:</b>	<b>Cost</b>
Budget Book *	\$113,045
Subtotal	\$113,045
<b>Grand Total for Phase I - Phase III</b>	<b>\$391,869</b>

\* Includes: Implementation Costs (\$60,000), 24 Hours of Training (\$7,400), 60 Hours of Support Services (\$10,500), and Licensing Fees (\$35,145)

Phase I Grand Total	\$216,124
Phase II Grand Total	\$62,700
Phase III Grand Total	\$113,045
<b>Phase I through III Grand Total</b>	<b>\$391.869</b>

## FUNDING SOURCE

Fund	Year 1 Cost	5-Year Total Cost	5-Year Total Cost *
<b>Electric and Water (6000000-421000)</b>	<b>\$91,112</b>	<b>\$232,512</b>	<b>\$267,389</b>
General (2305000-421000)	\$22,211	\$101,239	\$116,424
Special Transit (5200200-421000)	\$313	\$15,385	\$17,693
Sewer (4125000-421000)	\$3,260	\$13,681	\$15,735
Refuse (4130100-421000)	\$1,811	\$7,600	\$8,739
Successor Agency (2805000-421000)	\$882	\$6,700	\$7,705
Self Insurance (2115100-421000)	\$1,237	\$5,195	\$5,975
Community Development (2855000-421000)	\$630	\$3,547	\$4,079
Central Garage (2215000-421000)	\$597	\$2,508	\$2,884
Public Parking (4150000-421000)	\$269	\$1,128	\$1,297
Housing (2875000-421000)	\$219	\$921	\$1,059
Airport (2245000-421000)	\$157	\$664	\$764
Storm Drain (4140200-421000)	\$71	\$300	\$344
Central Stores (2315200-421000)	\$61	\$254	\$292
Air Quality Management District (AQMD) (4140100-421000)	\$56	\$235	\$271
<b>* Includes 15% contingency</b>	<b>Grand Total</b>	<b>\$391,869</b>	<b>\$450,469</b>

## REPORTS



ACFR

Category	Revenue/Expense Type	General Fund	Capital Outlay
Revenues	Taxes	5,334,380	
	License and permits	1,270,390	
	Intergovernmental**	307,818	(2,080,000)
	Charges for services	5,740,390	
	Fees and forfeitures	408,006	
	Special assessments	90,862	56,789
	Rental and investment income	476,825	82,495
	Miscellaneous	60,767	
Revenues Total		\$13,295,638	\$1,449,284
Expenditures	General Government	(1,000,000)	
	Public Safety	(23,861,416)	
	Highways and Streets	(3,095,171)	
	Culture and Recreation	(3,312,092)	
	Capital Outlay		(1,081,844)
Expenditures Total		\$31,268,685	\$1,081,844
Other financing sources (uses)	Transfers in	4,824,445	1,380,743
	Sale of Capital Assets	4,000	
Other financing sources (uses) Total		\$4,828,445	\$1,380,743

\*\* Negative Revenues are due to Accrual Reversals at Beginning of Fiscal Year.

City Monthly Financial Report



RPU Annual Report



RPU Monthly &amp; Quarterly Reports



PAFR



Annual Budget

## REPORTS

1. City Annual Comprehensive Financial Report (ACFR):  
<https://riversideca.gov/finance/cafr/>
2. City Monthly Financial Report:  
<https://riversideca.gov/finance/investor/monthlyreports.asp#monthly>
3. RPU Annual Report: <https://www.riversideca.gov/utilities/about-rpu/annual-reports.asp>
4. Popular Annual Financial Report: [Financial  
https://riversideca.gov/finance/annual-financial-report.asp](https://riversideca.gov/finance/annual-financial-report.asp)
5. Budget Book: <https://riversideca.gov/finance/budget.asp>

## RECOMMENDATION

That the Board of Public Utilities approve an expenditure in the amount of \$267,389 for the Public Utilities financial reports and allocation for the costs associated with the City's Annual Financial Report, as part of Professional Consultant Services Agreement Technology Services with Lance, Soll & Lunghard, LLP, to implement CaseWare software, for services for a three and a half-year term with the option to extend for two additional one-year terms through December 31, 2026.