

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

May 25, 1993

To: Board of Directors (Finance and Insurance Committee--Information)
From: General Manager
Subject: Government Finance Officers Association Distinguished Budget Presentation Award

Report

The Government Finance Officers Association (GFOA) presented the Distinguished Budget Presentation Award to Metropolitan in recognition of the quality of its 1992-93 Annual Budget. GFOA is a leading professional organization of finance officers from cities, counties, and special districts throughout the United States and Canada. Currently, over 10,000 public agencies belong to GFOA. This is the fourth time that the District has been so honored.

The Distinguished Budget Presentation Award is granted annually by GFOA to public organizations whose budget document meets established program criteria in four areas: (1) as a policy document; (2) as an operations guide; (3) as a financial plan; and (4) as a communication device. The budget review process is open only to GFOA members and requires that each competing agency submit its adopted budget for evaluation by a panel of judges appointed by the association. Only those agencies whose budgets meet the criteria outlined above are granted the distinguished award. Of the 630 applications submitted for consideration during the 1992-93 fiscal year, 489 have been granted to date, of which Metropolitan is one.

The budget review panel consists of finance officers from GFOA member agencies. These judges are not only familiar with budgeting in general, they are people with strong background and experience in various aspects of public sector and enterprise budgeting. The rating process is carried out in strict confidence without the competing agencies' knowledge of who their raters are before or after the award is presented. Each reviewer provides specific input and rates the budget in 36 different areas. This year, Metropolitan was ranked "especially notable" or "proficient" in 34 of the 36 areas examined. The 1991-92 budget was

ranked "proficient" or "especially notable" in 27 of the 36 areas.

The 36 areas of review contain 105 rating points. Metropolitan received 41 points in the "especially notable/exemplary" category, 59 points in the "proficient" category, and 5 points in the "needs improvement" category. The "needs improvement" ratings were related to the lack of a glossary of terms and an explanation of our accounting basis. These items will be included in the final budget.

The budget review committee was especially complimentary of the clearly stated objectives, straight forward financial presentation, well thought out performance measures and objectives, and inclusion of a multi-year forecast of revenues and expenditures in the budget presentation. The essence of the District's participation in this budget review process is to continue to seek ways of improving our budget presentation.

Board Committee Assignment

This letter is referred for information to the Finance and Insurance Committee pursuant to its authority to study, advise and make recommendations with regard to preparation of budgets under Administrative Code Section 2441(a).

Recommendation

For information only.


for General Manager

AMA:jg

gfoabrd