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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

EXECUTIVE SECRETARY

April 20, 1994

To: Board of Directors (Special Budget Committee - Information)  
(Finance and Insurance Committee - Information)

From: General Manager

Subject: Government Finance Officers Association Distinguished Budget  
Presentation Award for 1993-94

Report

The Government Finance Officers Association (GFOA) presented the Distinguished Budget Presentation Award to Metropolitan in recognition of the quality of its 1993-94 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 fifth 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.

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 backgrounds 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, 5 of which are rated only if the budget is considered especially notable or exemplary in that area. This year, Metropolitan was ranked "especially notable" or "proficient" in 30 of the 31

mandatory areas examined and 5 of the 6 elective areas examined. The 1992-93 budget was ranked "proficient" or "especially notable" in 34 of the 36 areas.

The 36 areas of review contained 95 rating points. Metropolitan received 36 points in the "especially notable/exemplary" category, 54 points in the "proficient" category, and 5 points in the "needs improvement" category. The "needs improvement" ratings were related to the lack of summary information suitable for the public or media and the need for a more complete glossary of terms and explanation of our accounting basis. These items will be addressed in the 1994-95 budget.

The budget review committee gave special recognition for the way in which we explain financial policies, the description of policy implementation, comprehension and thoughtful performance measures and objectives, and the inclusion of a multi-year forecast of revenues and expenditures in the budget presentation. While achievement of these awards adds credibility to the process the essence of the District's participation in this budget review is to continue to seek ways to improve the budget.

#### Board Committee Assignments

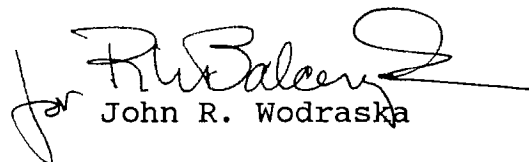
This letter is referred for information to:

The Special Budget Committee pursuant to its authority to review proposed annual budgets under Administrative Code Section 2531; and

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.

  
John R. Wodraska

MCF:mdb

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