

14. Financial Management

March 23, 2009

Secretary Heidi Prince

Goal: *“Maintain a fiscal system that will manage long and short term resources necessary to delivery established levels of service by accurate accounting, revenue forecasting reporting, and monitoring of finances of the District.”*

“The Internet and on-line Bill Paying will be the future for paying bills timely”

Organizational Values:

- Assure District operates within its budget.
- Maintain a dynamic capital replacement program.
- Assure the efficient and effective use of funds.
- Maintain accurate financial status.

Historical Perspectives:

- The District's operating budget has increase over thirteen-fold (1,329%) since 1984.
- Fiscal reporting methods were limited to monthly voucher reports and budget documents prior to the late 1980's; automated reports have been provided by Thurston County since 1982 and automated internal budget status reporting was initiated in 1989.
- A five-year capital financial plan was established in 1992 and update in 1995.
- The District has experienced significant growth in assessed valuation.

“The Department believes in fiscal responsibility and for planning ahead for the future”

Current Situation:

- The District Secretary maintains an “on-line” financial reporting system; semi-monthly status reports and monthly revenue-expense projection are provided to the Board.
- Fiscal system accountability and reporting have been intensified with new audit standards, clarification of regulations, and growth in revenue-expense amounts.
- Audits by the State Auditor have changed from off-site group examinations (generally 10-15 hours per agency in length) to 48 hours, on-site examinations, every three years (by statute).

“A well-structured, participative budget process”

Future Direction:

- Maintain an integrated and automated financial reporting system displaying revenue, expense, payroll, inventory, and capital data.
- Update the plan on an annual basis.
- Determine anticipated needs and provide and maintain adequate funding levels in the District operating, capital and reserve funds.

Future Direction (Continued):

- Provide adequate opportunity for stakeholders to provide input into the budget development process.
- The District will follow directions, guidelines and schedules as provided by the Thurston County Auditors Office for budget development.
- The Manager of Finance, Support Services & District Secretary is employed to develop, organize and provide information for developing the budget.
- District program managers are encouraged to seek participation from stakeholders regarding optional items and/or funds needed to meet the agency's mission and performance objectives. Requests are considered and included in the process as appropriate. The District Executive Management Team will prepare the documentation for the Board for review, comment and adoption.
- Each October, the District will conduct a budget and annual business plan workshop to review the Mission, performance objectives and work initiatives for the coming year. The *District Strategic Plan* (this document) will be used as the control document for recording objectives, controlling activities, monitoring progress, choosing priorities, projecting needed revenue and holding the system accountable to the plan approved by the Board.

“The annual budget and business planning workshop is an essential element in the budget process”

Strategies:

- In October of each year, schedule a planning workshop for the Board and the Executive Management Team to begin development of the next year's Budget and *Annual Business Plan*.
- At the first Board meeting of each month, provide a summary of expenditures in relationship to projected revenue for the previous month.
- On a continuing basis, provide information and guidance to the Executive Management Team with respect to their financial control, estimates and needs.
- On a continuing basis, monitor the activities and impacts in the District in regard to the *Facilities Capital Plan* and the *Equipment Repairs & Replacement Plan*.
- Maintain an historical and ten-year projection of estimated financial resource needs to accomplish the recommendations listed in the *District Strategic Plan*.