

100 Years

years; only the source and method of funding has evolved into what it is today. Decades ago, we gave up flexibility and independence in exchange for consistency and certainty. There is no provision to spend more than what we have budgeted (or been granted), as the virtual credit account is only funded to the authorized level. Where once a fund balance permitted budgetary variations, such surpluses are now illegal.

Our accounting practices have remained true to their fundamentals, yet today we wrestle with GASB Statements 1285 and 1287 in an effort to accurately predict our financial condition five and 10 years into the future. The requirements arose at the direction of the Central Government as it attempts to forecast its future needs. Our local budget inputs all add up to what ulti-

mately becomes the Central Budget.

If we looked at a 2006 financial statement, we would be amazed at what our predecessors were responsible for. Yes, we still pay for general government, public works, public safety, and recreation. But gone is the responsibility for welfare and social services, gone is the financial drain of cost-driven education, gone is the need to plan for current and future debt service.

Right after the NAU was formed, or perhaps because of it, the Fiscal and Welfare Reform Act of 2068 placed the care and maintenance of all indigent individuals squarely in the lap of the Central Government once and for all. Since 2079, we are no longer responsible for funding local education. The Central Government now pays all costs of education

in the NAU, both operating and capital, relieving local communities of the most demanding use of funds. Local boards of education still determine what will be taught and by whom, but the cost of the programs is no longer borne by local taxpayers. Since all local government revenues derive from the Central Government, capital outlays are part of our annual budgeting process and not dependent on credit markets or local taxpayer approval. Where once we needed to court the voter without stirring up the taxpayer, now we must woo the Central Government. That is part of the art of being a 22nd century finance director. **y**

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