

## Exhibit 2

### Parks Foundation Summary Report Recommendations

Area Legend	
AG = Agreement with Foundation/Clarification of Boundaries	COD = City of Denton Operations
YSA = Accounting for Youth Sports Association fees	PF = Denton Parks Foundation Operations

#	Area				Responsible Party	Deliverable	Status	Priority	Concern	Recommendation	Management Response
	AG	YSA	COD	PF							
1	X				City	Financial agreement	In-process	High	Represent financial transactions fairly	Periodically evaluate the City's arrangements and financial relationship with the Foundation. Agreements should include time period, amounts allocated for salaries, office supplies, etc. or if City wants to give Foundation money to be used at Foundation's discretion.	Management agrees with recommendation. Provided a new agreement is established, this recommendation will be outlined as part of formal agreement.
2	X				City	Memorandum of Understanding	In-process	High	Clearly define business conduct	A Memorandum of Understanding outlines scope of relationship between the City and the Foundation. Document a clear operating relationship between the entities.	Management agrees with recommendation. Provided a new agreement is established, this recommendation will be outlined as part of formal agreement.
3	X				City	Policies and Procedures	In-process	High	Clearly define business conduct	Create policies and procedures to guide interactions between City and Foundation. Financial policies and procedures specifically related to monies that flow from one entity to the other. Employee policies and procedures to guide interactions between entities. Address in-kind services for Foundation events and projects.	Management agrees with recommendation. Provided a new agreement is established, this recommendation will be outlined as part of formal agreement.
4	X				City	ROI Calculation methodology	In-process	Moderate	Represent financial transactions fairly	Define how ROI calculation should be computed and any other metrics of measuring the success of the Foundation by the City.	Management agrees with recommendation. Provided a new agreement is established, this recommendation will be outlined as part of formal agreement.
5	X				City	Reporting	In-process	Low	Clearly define business conduct	Define a reporting mechanism for the Executive Director of the Foundation to report to someone at the City.	Management agrees with recommendation. Provided a new agreement is established, this recommendation will be outlined as part of formal agreement.
6		X			Foundation	Payment under current agreement	In-process	High	Represent financial transactions fairly	Payments remitted for "Enhancement fees" to City under current agreement with Youth Sports Association. City to be responsible for administering funds.	Foundation agrees with recommendation. City will be responsible for administering funds.
7		X			City	Terminate existing agreement with YSA	Complete	Moderate	Clearly define business conduct	Terminate existing agreement between the City and the Youth Sports Association.	Ordinance 18-246 Approved February 6, 2018 Agreement in effect from January 2018 to December 2018
8		X			City	New agreement with YSA	Complete	Moderate	Clearly define business conduct	Establish an agreement between the City and the Youth Sports Association. Document a clear operating relationship between the entities.	Ordinance 18-246 Approved February 6, 2018 Agreement signed January 8, 2018 by Heather Gray, Athletics Manager Agreement in effect from January 2018 to December 2018
9		X			Foundation	Account of fees collected	In-process	Moderate	Represent financial transactions fairly	City to ask Foundation to provide its own accounting of the funds collected and disbursed for Youth Sports Association fees.	Foundation will provide a ledger of this budget line item from January 2017 through present to Parks and Recreation Director.
10			X		City	Advertising policy	Complete	Low	Clearly define business conduct	Advertisement on city property, approval authority by City Council	Ordinance 18-246 Approved February 6, 2018
11			X		City	Code of Conduct	Complete	Moderate	Clearly define business conduct	Implement a code of conduct policy for City employees.	Ethics policy adopted April 17, 2018
12			X		City	Reimbursement	In-process	Low	Represent financial transactions fairly	Reimbursement dispute of two expenditures for Eureka 2 Project. Ordinance does not contain explicit language regarding repayment of funds from Foundation to City. Expenditures of \$95,811 for playground equipment and \$84,892.60 for Pour and Play.	Management will meet with the Foundation to discuss options and alternatives.
13			X		City	Disclosure forms	Complete	High	Identify potential conflicts of interest	Annual conflict of interest disclosures for City Council and department heads that identify business relationships and family.	Ethics policy adopted April 17, 2018
14				X	Foundation	Financial controls	In-process	High	Represent financial transactions fairly	Implement control processes for cash handling and procurement.	Donor Policy and Accounting procedures will be voted on at Foundation Board meeting on April 26.

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15				X	Foundation	Policies and Procedures	Complete	High	Represent financial transactions fairly	Develop a Conflicts of Interest policy and a Code of Conduct policy to assist with the identification of potential conflicts of interest.	Foundation agrees with recommendation. A conflict of interest and code of conduct policy have been completed.
16				X	Foundation	Policies and Procedures	In-process	High	Accuracy of accounting records	Entry of financial transactions within one to two weeks in the bookkeeping records to provide more accurate reporting and record keeping.	Foundation policy to enter financial transactions within 3 business days of receipt.
17				X	Foundation	Track pledges	In-process	Moderate	Accuracy of accounting records	Set up procedures to ensure the recording and tracking of pledges, preferably by utilizing the accounting software.	Donor Policy and Accounting procedures will be voted on at Foundation Board meeting on April 26.
18				X	Foundation	Vendor addresses	In-process	Low	Identify potential conflicts of interest	Enter the addresses of vendors in the accounting software to further help identify potential conflicts of interest.	Donor Policy and Accounting procedures will be voted on at Foundation Board meeting on April 26.
19				X	Foundation	Review of controls	Completed	Low	Accuracy of accounting records	Conduct a review of internal and accounting controls to ensure proper, accurate and timely accounting is done.	Donor Policy and Accounting procedures will be voted on at Foundation Board meeting on April 26.