

# City of Ashland Parks & Recreation Commission Financial Policies Update

PARKS & RECREATION COMMISSION BUSINESS MEETING

DECEMBER 9, 2020

# Financial Policies Update

- ▶ Financial policies provide the backbone of the financial management system and long-term guidance for financial resiliency.
- ▶ Financial policies include:
  - ▶ Structure
  - ▶ Management
  - ▶ Operations
- ▶ Financial policies are implemented through Administrative Procedures.
- ▶ The City has updated portions of the financial policies as needed.
- ▶ It has been at least five years since the last comprehensive review and update.
- ▶ This update incorporates prior actions into a single document.

# Financial Policies - Structure

- ▶ Significant changes include:
  - ▶ Removes component unit designation as not applicable under GASB
  - ▶ Provides for uniform audit presentation with one publication in future

# Financial Policies - Management

- ▶ Significant changes include:
  - ▶ Increases minimum balances for stability and provides for restoration of balances should circumstances require use of minimums
  - ▶ Changes definition of required balance to consistent use of “average annual expenditures for prior three years” as base for calculating balances

# Financial Policies - Operations

- ▶ Significant changes include:
  - ▶ Incorporation of state law in Purchasing, Debt, and Investment policies
  - ▶ Incorporation of industry standards in Accounting, Budgetary, and Purchasing policies
  - ▶ Extension of capital planning with debt impacts out to 15 years
  - ▶ Increase emphasis on risk management activities to reduce loss

# Next Steps

- ▶ Provide Feedback on proposed changes
- ▶ City Council adopt updated Financial Policies- Reserve Fund Resolution on December 1, 2020
- ▶ Review and modify, if needed, during BN2021-2023 budget process