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A Michigan Works! Agency

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| MEETING: | DESC Audit & Finance Committee Meeting | DATE: | June 17, 2024 |
| ATTENDEES: | DESC Committee / Board Members: Alice Thompson, Terri Weems, Ric Preuss, Mark Redmond, Chris Uhl DESC Staff: Dana Williams, Todd Drysdale, Rachel May, Elizabeth Hennessey, Hassan Fouani, Sheila Johnson, Cassandra Ricks, Cristal Perry, Lynnette Robinson, Tara Lukas, Pamela Frattarelli | LOCATION: | DESC Corporate Offices 115 Erskine, 2 nd Fl Detroit, MI 48201 |
| | | CALLED TO ORDER: | 12:03 p.m. |
| ABSENT: | Excused: Paul Trulik, Maria Woodruff-Wright Unexcused: None | ADJOURNED: | 1:25 p.m. |
| PUBLIC ATTENDEES: | None | | |
| FACILITATOR: | Chris Uhl, Board Treasurer | DATE MINUTES APPROVED/ADOPTED: | |

| ITEM | DISCUSSION | OUTCOME/ACTION ITEM(S) |
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| I. Welcome & Introductions | Chris Uhl, Board Treasurer, called the meeting to order. | |
| II. Agenda Approval / Minutes | <p>Chris Uhl:</p> <p style="text-align: center;"><u>For Vote - Approval of June 2024 Agenda:</u> Motioned: Alice Thompson Seconded: Ric Preuss Motion Carried: Approved Unanimously</p> <p style="text-align: center;"><u>For Vote - Approval of December 2023 Minutes:</u> Motioned: Alice Thompson Seconded: Mark Redmond Motion Carried: Approved Unanimously</p> | |
| III. Finance Report, Traci Sassak, Chief Financial Officer | <p>Budget Assumptions:</p> <ul style="list-style-type: none"> Ms. Sassak opened her report by noting three key points in the budget assumptions: <ul style="list-style-type: none"> DESC has a conservative view on funding, State had not allocated funding when the FY 2024-FY2025 was being prepared. There is a double digit increase for health insurance, which is in line with funding DESC will receive -very high utilization rate. | |



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| | <ul style="list-style-type: none"> • Sunsetting of the City of Detroit ARPA funding will end December 2024, the remainder will sunset June of 2025 will see increase in the budget. <p>Revenues & Expenses:</p> <ul style="list-style-type: none"> • Ms. Sassak showed a bar chart comparing year-over-year revenues and funding streams noting the portions where ARPA funding will sunset in June 2025 and a pie chart highlighting the programs and expenses and the dollar amounts allocated to each. <p>Questions and comments from board members ensued.</p> <p>City Funding:</p> <ul style="list-style-type: none"> • Ms. Sassak showed a chart highlighting city funding and the proposed 2024/2025 budget, noting that city funding makes up 7% of the budget. <p>ARPA Grant Projections:</p> <ul style="list-style-type: none"> • Ms. Sassak showed a chart outlining ARPA programs and the budgeted dollars for each. <p>FY2024/2025 Proposed Corporate Budget & Budget Narrative:</p> <ul style="list-style-type: none"> • Ms. Sassak showed a chart outlining the budget, including revenues and expenses and the variances from the 2024 to 2025 budgets, as well as a budget narrative explaining the data in greater detail. <p style="text-align: center;"><u>For Motion – Corporate Budget:</u> Motioned: Ric Preuss Seconded: Mark Redmond Motion Carried: Approved Unanimously</p> <p>Budget to Actual and Variance Analysis:</p> <ul style="list-style-type: none"> • Ms. Sassak closed her report with a look at revenue streams and expenses and an analysis for the period ending April 30, 2024. <p>Questions and comments from board members ensued.</p> | |
| <p>IV. Internal Controls Anthony Davis, Internal Audit & Compliance Manager</p> | <p>Mr. Davis provided an update on DESC's Audits & Reviews noting the external Audit & Review is conducted by Plante Moran while the Internal Audit & Review is conducted by DESC staff.</p> <p>Mr. Davis provided a look at the proposed internal audit plan noting the areas for review and the timeline established for each.</p> | |
| <p>V. Monitoring Results Traci Sassak, Chief Financial Officer</p> | <p>Ms. Sassak provided an update on the State of Michigan Cycle I Monitoring Results, noting this is the first of three annual monitoring visits by the State of Michigan. She covered the key areas reviewed including allowable costs, cost allocation, budgeting and financial reporting and she concluded with the outcomes noting additional training to be provided to staff on allocation of expenses to a greater level of specificity.</p> | |
| <p>VI. Public Comments</p> | <p>Chris Uhl stated that there are no members of the public online.</p> | |

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| VII. Adjournment | <p><u>Chris Uhl:</u></p> <p style="text-align: center;"><u>For Vote: Meeting Adjournment:</u></p> <ul style="list-style-type: none"> • Motioned: Alice Thompson • Seconded: Ric Preuss <p>Motion Carried: Approved Unanimously</p> | |
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DRAFT SUBMITTED BY:

Printed Name: Pamela Frattarelli

Title: Executive Assistant

Signature: ____/s/ Pamela Frattarelli

Date: ____7/1/2024

DATE MINUTES APPROVED/ADOPTED: _____

Initials: _____

NEXT MEETING: December 2, 2024 at 10 a.m.