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A Michigan Works! Agency

<b>MEETING:</b>	<b>DESC Audit &amp; Finance Committee Meeting</b>	<b>DATE:</b>	<b>December 2, 2024</b>
<b>ATTENDEES:</b>	<b>DESC Committee Members:</b> Chris Uhl, Alice Thompson, Terri Weems, Ric Preuss <b>DESC Staff:</b> Dana Williams, Traci Sassak, Todd Drysdale, Sara Azu, Anthony Davis, Angela Smith, Rachel May, Elizabeth Hennessey	<b>LOCATION:</b>	<b>DESC Corporate Offices 115 Erskine, 2<sup>nd</sup> Fl Detroit, MI 48201</b>
		<b>CALLED TO ORDER:</b>	<b>10:03 a.m.</b>
<b>ABSENT:</b>	<b>Excused:</b> Paul Trulik, Mark Redman, Maria Woodruff-Wright <b>Unexcused:</b> None	<b>ADJOURNED:</b>	<b>11:29 a.m.</b>
<b>PUBLIC ATTENDEES:</b>	Bill Tucker, Maner Costerisan		
<b>FACILITATOR:</b>	<b>Chris Uhl, Board Treasurer</b>	<b>DATE MINUTES APPROVED/ADOPTED:</b>	

ITEM	DISCUSSION	OUTCOME/ACTION ITEM(S)
I. Welcome & Introductions	Chris Uhl, Board Treasurer & Committee Chair, called the meeting to order.	
II. Agenda Approval / Minutes	<p>Mr. Uhl called for a motion to approve the agenda for the December 2, 2024 meeting:  <b>Motioned:</b> Terri Weems  <b>Seconded:</b> Ric Preuss  <b>Motion Carried:</b> Approved Unanimously</p> <p>Mr. Uhl called for a motion to approve the meeting minutes for the August 12 2024 and August 26 2024 Special Session meetings:  <b>Motioned:</b> Alice Thompson  <b>Seconded:</b> Mark Redmond  <b>Motion Carried:</b> Approved Unanimously</p>	



<p><b>III. Committee Chair Report</b></p>	<p><b>Mr. Uhl remarked:</b></p> <ul style="list-style-type: none"> <li>• We have a robust agenda for today's meeting</li> </ul>	
<p><b>IV. Financial &amp; Single Audit Results</b></p>	<p><b>Mr. Uhl introduced Bill Tucker, Maner Costerisan:</b></p> <p><b>Mr. Tucker detailed:</b></p> <ul style="list-style-type: none"> <li>• The audit went very smoothly and was made much easier by the work of the staff in the Finance Department.</li> <li>• There were no findings and no continuing issues from previous years' audits.</li> </ul> <p>Committee discussion ensued and Mr. Tucker was able to respond satisfactorily to the inquiries.</p> <p>Traci Sassak, DESC CFO commented:</p> <ul style="list-style-type: none"> <li>• The Finance Team did an excellent job of preparing and working through the audit, so all kudos should go to them.</li> </ul> <p>Ms. Sassak answered questions from the Committee members to their satisfaction.</p> <p style="text-align: center;"><b>Mr. Uhl called for a motion to approve the Audit Report:</b></p> <p style="text-align: center;"><b>Motioned:</b> Ric Preuss  <b>Seconded:</b> Alice Thompson  <b>Motion Carried:</b> Approved Unanimously</p>	
<p><b>V. Audit &amp; Finance Update</b></p>	<p><b>Mr. Uhl introduced Traci Sassak, DECS CFO who reported:</b></p> <ul style="list-style-type: none"> <li>• An overview of the balance sheet as it stands at the end of September 2024. <ul style="list-style-type: none"> <li>○ The cash line is different from the prior year timeframe, that is driven through the collection of funds from the City of Detroit. We are currently waiting for a few payments from them, we had a large Jumpstart advance that had been provided to us.</li> </ul> </li> </ul> <p>Committee discussion ensued.</p> <ul style="list-style-type: none"> <li>○ Accounts / Grants Receivable are higher than last year, we are waiting on a payment from Detroit similarly. Dana Williams and Terri Weems are assisting with pushing the City for that payment delivery.</li> <li>○ The Prepaid number was driven by our health insurance, which we count as prepaid.</li> </ul>	

- Most of these variances are because we transfer expenditures from our LaunchPad system ending on a Friday on Monday which in this case was the end of the period and so we recorded higher, higher expenditures than normal
- Deferred revenue, you'll see we did receive advances from the city for jump start specifically. And that's why we can't record the revenue until we've earned it.

Committee discussion ensued.

**Ms. Sassak further presented a high level overview of the Income Statement:**

- We are showing a little bit of an underspend in our income statement revenue than we had expected, and that is driven partially by the closure of our CHC Program.
- Some of the delay in our ARPA training spend, we had expected it to complete by the end of September that did not happen and so we pushed that out. We currently have a budget request in front of the City Council to push that spend out beyond December.

Committee discussion ensued.

- Our Operating Expenses are under a little bit by some of the program outreach that we either delayed or we have decided not to proceed with, because some of those programs are concluding.
- As per the request of this Committee we are working on refining the balance sheet and income statements. One of the things that we're going to look to do is a budget to actual statement.

Ms. Sassak introduced Todd Drysdale, DESC's Director of Finance & Accounting, to present the budget updates:

- We have received some new funding:
  - FY24 State P&I (BRES) for 9/2024 – 9/2025 period
  - GF / GP Young Professional Initiative for 9/2024 – 2/2026 period
  - Michigan Outreach, Awareness Recognition (MiROAR) 9/2024 – 9/2026 period
  - We have had reductions in both the PATH & PATH P&I funding.

Committee discussion ensued.

<p><b>VI. Internal Audit &amp; Compliance Update</b></p>	<p><b>Mr. Uhl introduced Anthony Davis, Manager of Internal Audit &amp; Compliance:</b></p> <p><b>Mr. Davis presented:</b></p> <ul style="list-style-type: none"> <li>• Update to fiscal monitoring being done by Gaffney</li> <li>• Programmatic monitoring</li> <li>• Single audit tracker</li> <li>• External compliance reviews</li> <li>• Internal audits</li> </ul> <p>Committee discussion ensued.</p>	
<p><b>VII. YouthBuild Policy</b></p>	<p><b>Ms. Sassak presented five policies for review and approval:</b></p> <ul style="list-style-type: none"> <li>• These policies were constructed in response to findings in the DOL audit of the YouthBuild programs. <ul style="list-style-type: none"> <li>○ YouthBuild Allowable Expenses</li> <li>○ YouthBuild Budgeting Grants Funds</li> <li>○ YouthBuild Financial Reporting Policies</li> <li>○ YouthBuild Grant Closeout</li> <li>○ YouthBuild Cost Sharing</li> </ul> </li> </ul> <p>Committee discussion ensued.</p> <p style="text-align: center;"><b>Chris Uhl called for a motion to approve the YouthBuild Policies as a body:</b></p> <p style="text-align: center;"><b>Motioned:</b> Alice Thompson  <b>Seconded:</b> Ric Preuss  <b>Motion Carried:</b> Approved Unanimously</p>	
<p><b>VIII. Public Comments</b></p>	<p>There were no public members in attendance</p>	
<p><b>IX. Adjournment</b></p>	<p style="text-align: center;"><b>Chris Uhl called for a motion to adjourn:</b></p> <p style="text-align: center;"><b>Motioned:</b> Alice Thompson  <b>Seconded:</b> Terri Weems  <b>Motion Carried:</b> Approved Unanimously</p>	

**DRAFT SUBMITTED BY:**

Printed Name: Elizabeth Hennessey Title: Executive Assistant

Date: 12/05/2024

**DATE MINUTES APPROVED/ADOPTED:** \_\_\_\_\_ **Initials:** \_\_\_\_\_

**NEXT MEETING: March 17, 2024 at 10 a.m.**