



115 ERSKINE, 2<sup>nd</sup> FLOOR  
 DETROIT, MICHIGAN 48201  
 PHONE (313) 876-0674  
 FAX (313) 664-5505  
 TYY: 711

A Michigan Works! Agency

|                                       |   |                                      |   |
|---------------------------------------|---|--------------------------------------|---|
| <b>MEETING:</b>                       | <b>DESC Audit &amp; Finance Committee Meeting</b>   | <b>DATE:</b>                         | <b>November 17, 2025</b>  |
| <b>ATTENDEES:</b>                     | <b>DESC Committee Members:</b> Chris Uhl, Alice Thompson, Gail Taylor, Ric Preuss, Terri Weems, Mark Redmond, Paul Trulik (remote)<br><b>DESC Staff:</b> Dana Williams, Rachel May, Angela Smith, Sheila Johnson, Madelyne Bernard-Diab, Robert Shimkoski, Lynnette Robinson, Anthony Davis, Tara Lukas, Darilyn Draper, Kevin Naud, Cassandra Ricks (remote), Lucia Seed (remote), Carmen Bender (remote), Herman Parry (remote) | <b>LOCATION:</b>                     | <b>DESC HQ<br/>115 Erskine, 2<sup>nd</sup> FI<br/>Detroit, MI 48201</b> |
|                                       |   | <b>CALLED TO ORDER:</b>              | 11:40 a.m.  |
| <b>ABSENT:</b>                        | <b>Excused:</b> None<br><b>Unexcused:</b> None  | <b>ADJOURNED:</b>                    | 1:30 p.m.   |
| <b>GUESTS &amp; PUBLIC ATTENDEES:</b> | Michelle Hodges, Karen LeGendre, Bill Tucker  |                                      |   |
| <b>FACILITATOR:</b>                   | <b>Chris Uhl, Committee Chair</b>   | <b>DATE MINUTES APPROVED/ADOPTED</b> | December 1, 2025  |

| ITEM                       | DISCUSSION   | OUTCOME/ACTION ITEM(S) |
|----------------------------|--|------------------------|
| I. Welcome & Introductions | <p>Chris Uhl, DESC Board Treasurer and Audit &amp; Finance Committee Chair, called the meeting to order.</p> <p>Mr. Uhl called for a motion to approve the agenda for the November 17, 2025, meeting:</p> <p style="text-align: center;"><b>Motioned:</b> Terri Weems<br/> <b>Supported:</b> Alice Thompson<br/> <b>Motion Carried:</b> Approved Unanimously</p> <p>Mr. Uhl called for a motion to approve the meeting minutes for the October 27, 2025, meeting:</p> <p style="text-align: center;"><b>Motioned:</b> Alice Thompson</p> |                        |



|                          |   |   |
|--------------------------|---|---|
|                          | <p><b>Supported:</b> Terri Weems<br/> <b>Motion Carried:</b> Approved; one dissent (Ric Preuss)</p>   |   |
| II. Chairperson's Report | <p><b>Mr. Uhl called the meeting to order:</b></p> <ul style="list-style-type: none"> <li>• Provided a quick review of an admittedly hefty agenda</li> </ul>  |   |
| III. Policy Updates      | <p><b>Madelyne Bernard-Diab, Chief Policy Officer:</b></p> <ul style="list-style-type: none"> <li>• Provided an overview of the updated policies as outlined:</li> </ul> <p>The following policies are being updated as outlined.</p> <ul style="list-style-type: none"> <li>• <b>Debt Collection</b> – updates include changes with a new policy issuance from the State of Michigan regarding this subject.</li> </ul> <p>The following policies were updated as a response to a City of Detroit monitoring visit in preparation for a City of Detroit ARPA review in January.</p> <ul style="list-style-type: none"> <li>• <b>Accounts Payable</b> – this policy was updated to include a City of Detroit check signing requirement. The requirement requires two (2) signatures on all checks issued with City of Detroit funds. As an FYI – over 90% of DESC payments are made via Electronic Funds Transfer.</li> <li>• <b>Attendance and Timekeeping</b> – this policy was updated to include a section on Timekeeping and a reference to a new Timekeeping process. The monitors questioned how payroll that is charged to City of Detroit grants is recorded and stated that it should be documented.</li> </ul> <p><b>Mr. Uhl called for a motion to approve Policy FIN030 Debt Collection:</b><br/> <b>Motioned:</b> Chris Uhl<br/> <b>Supported:</b> Mark Redmond<br/> <b>Motion Carried:</b> Approved Unanimously</p> <p><b>Mr. Uhl called for a motion to approve Policy FIN001 Accounts Payable:</b><br/> <b>Motioned:</b> Terri Weems<br/> <b>Supported:</b> Alice Thompson<br/> <b>Motion Carried:</b> Approved Unanimously</p> <p><b>Mr. Uhl called for a motion to approve Policy HR008 Attendance &amp; Timekeeping:</b><br/> <b>Motioned:</b> Terri Weems<br/> <b>Supported:</b> Alice Thompson<br/> <b>Motion Carried:</b> Approved Unanimously</p> | <p>Action item: Provide regular reporting to committee on internal auditing, more detail on findings and recommendations.</p> <p>Action item: Share full-year schedule for monitorings.</p> <p>Action item: Provide understanding of internal audit plan and results.</p> |

|  |  |   |
|--|--|---|
|  | <ul style="list-style-type: none"> <li>• Provided a high-level summary of the most recent work of the new Policy team, including internal audits, and programmatic &amp; fiscal monitoring activities by the State, as well as insights into planned and expected visits and the DESC Policy Project set to be a comprehensive analysis of all active policies.</li> <li>• Reported a specific summary of the results of the latest Gaffney &amp; Associates programmatic and financial reviews of our main subrecipients. The majority of issues surfaced pertained to the timeliness and accuracy of their data entry.</li> </ul>  |   |
| <p><b>IV. FY 2025 Audit Report</b></p> | <p><b>Bill Tucker, CPA, Principal Director, Maner Costerisan</b></p> <ul style="list-style-type: none"> <li>• Provided an overview of the audit, including the auditor's report, management's discussion and analysis, and basic financial statements. Explained differences in the net asset reporting in the FY24 audit and beginning balance for FY25. Described a last-minute change to the draft audit results the board received in advance of the meeting, resulting from the firm's initial and incorrect interpretation of DESC's revenue recognition policy.</li> </ul> <p>Significant committee discussion ensued asking questions of Mr. Tucker.</p> <p><b>Mr. Uhl called for a motion to approve the Audit as presented:</b><br/> <b>Motioned:</b> Terri Weems<br/> <b>Supported:</b> Mark Redmond<br/> <b>Motion Carried:</b> Approved; one dissent (Ric Preuss)</p>   |   |
| <p><b>V. Finance Report</b></p>        | <p><b>Dana Williams, DESC President and Karen LeGendre, Rehmann</b></p> <p>Together, the following was presented to the Committee:</p> <ul style="list-style-type: none"> <li>• Summary of recent financial journey noting the complexity of ARPA programs, significant change in financial leadership, deep-dive analysis of signature programs and major grants over several years past</li> <li>• September 2025 Balance Sheet, highlighting assets, year-over-year comparison and variance explanations</li> <li>• Statement of Activities noting total budget, current year actual, % of annual budget and variance explanations</li> <li>• Reviewed net deficit overview and detail, noting additional and expected revenues to close the gap, specifically in the GDYT and JumpStart programs</li> <li>• FY25-26 gap scenarios of the impacts of varying levels of programmatic and administrative spend</li> <li>• Options for a deficit elimination plan</li> </ul> | <p>Action item: Call for special session to better understand the financials and the financial management process, create plan.</p> |

|                            |   |  |
|----------------------------|---|--|
|                            | Committee discussion ensued noting a strong desire to understand the components of the reported net deficit and pathways to solve it, and get ahead of it for any future impacts. |  |
| <b>VI. Public Comments</b> | <b>Mr. Uhl called for public comments:</b><br>None  |  |
| <b>VII. Adjournment</b>    | <b>Mr. Uhl called for a motion to adjourn:</b><br><b>Motioned:</b> Alice Thompson<br><b>Seconded:</b> Mark Redmond<br><b>Motion Carried:</b> Approved Unanimously                 |  |

**DRAFT SUBMITTED BY:**

**Printed Name:** Rachel May      **Title:** Executive Assistant to the President

**Date:** 11/24/2025

**DATE MINUTES APPROVED/ADOPTED:** 12.01.2025      **Initials:** RM

**NEXT MEETING:** December 1, 2025