



Detroit Wayne Integrated Health Network

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Finance Committee Meeting
DWIIHN Administration Building
8726 Woodward Avenue
Detroit, MI 48202
Wednesday, June 3, 2026
1:00 p.m.
AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Committee Member Remarks**
- IV. Approval of Agenda**
- V. Follow-Up Items**
- VI. Approval of Minutes – May 6, 2026**
- VII. Presentation of the Monthly Finance Report**
- VIII. FY 27 Budget Submission Time**
- IX. Unfinished Business:**
Staff Recommendations:
- X. New Business:**
Staff Recommendations:
- XI. Good and Welfare/Public Comment**
Members of the public are welcome to address the Board during this time for no more than two minutes. (The Board Liaison will notify the Chair when the time limit has been met.) Individuals are encouraged to identify themselves and fill out a comment card to leave with the Board liaison; however, those individuals who do not want to identify themselves may still address the Board. Issues raised during Good and Welfare/Public Comment that are of concern to the general public and may initiate an inquiry and follow-up will be responded to and may be posted to the website. Feedback will be posted within a reasonable timeframe (information that is HIPAA-related or of a confidential nature will not be posted, ut rather responded to on an individual basis).
- XII. Adjournment**

Board of Directors

Jonathan C. Kinloch, Chairperson
Karima Bentounsi
William Phillips

Bernard Parker, Vice Chairperson
Lynne F. Carter, M.D.
Kenya Ruth

Dora Brown, Treasurer
Eva Garza Dewaelsche
Dr. Cynthia Tauieg

Angelo Glenn, Secretary
Kevin McNamara

James E. White, President and CEO



FINANCE COMMITTEE

MINUTES

MAY 6, 2026

1:00 P.M.

8726 WOODWARD AVE.
DETROIT, MI 48202
(HYBRID/ZOOM)

MEETING CALLED BY	Ms. Dora Brown, Chair, called the meeting to order at 1:10 p.m.
TYPE OF MEETING	Finance Committee Meeting
FACILITATOR	Ms. Dora Brown, Chair
NOTE TAKER	Ms. Nicole Smith, Management Assistant to VP of Finance
ATTENDEES	<p>Finance Committee Members Present: Ms. Dora Brown, Chair Mr. Kevin McNamara, Vice Chair Ms. Kenya Ruth Mr. Bernard Parker Ms. Eva Garza Dewaelsche</p> <p>Committee Members Excused: Mr. William Phillips Commissioner Kinloch</p> <p>Board Members Present: Mr. Angelo Glenn, Board Secretary</p> <p>SUD Oversight Policy Board Members Attending Virtually: Mr. Thomas Adams</p> <p>Board Members Excused: None</p> <p>Staff: Mr. James E. White, President and CEO; Mr. Manny Singla, Deputy Chief Executive Officer; Ms. Dhannetta Brown, Associate Vice President of Finance; Ms. Brooke Blackwell, VP of Government Affairs; Ms. Yolanda Turner, VP of Legal Affairs; Ms. Monifa Gray, Associate VP of Legal Affairs; Ms. Dawn Ison, Interim VP of Corporate Compliance; Mr. Jody Connally, VP of Human Resources; Mr. Erik Hutchison, VP of Clinical Services; Mr. Mike Maskey, Executive Director of Facilities; Dr. Shama Fraheem, Chief Medical Officer; Ms. Grace Wolf, VP of Crisis Care; Ms. Rai Williams, Director of Contract Management; Mr. Keith Frambro, VP of Information Technology, Darrin Crawford, M.D. Chief of Staff; Mindy Haner, Budget Administrator; and Mr. Larry Lee, Procurement Administrator</p> <p>Staff Attending Virtually: None</p> <p>Guests: Ms. Alisha Watkins, Plante Moran Mr. John Strainer, Robinson Capital</p>

AGENDA TOPICS

I. Roll Call Ms. Lillian Blackshire, Board Liaison

II. Roll Call

Roll Call was taken by Ms. Lillian Blackshire, Board Liaison, and a quorum was present.

III. Committee Member Remarks

Ms. Brown, Chair, called for the Committee Members' remarks. Committee member Ms. Ruth acknowledged all mothers by wishing them a Happy Mother's Day.

IV. Approval of Agenda

The Chair, Ms. Brown, called for a motion on the agenda. Motion: It was moved by Ms. Ruth and supported by Mr. Parker approval of the agenda. There was no further discussion.

Motion carried.

V. Follow-up Items

The Chair called for any follow-up items. Ms. Blackshire noted there was one follow-up item: DWIHN staff to report on the operational and clinical expected changes and projected savings. Ms. Brown recommended the report given at the Board Study Session follow the template in the budget board action. The team is working to prepare a more extensive plan and will present at the Board Study Session.

VI. Approval of the Meeting Minutes

The Chair, Ms. Brown, called for approval of the minutes from the meeting on Wednesday, April 1, 2026. **Motion:** It was moved by Ms. Ruth and supported by Mr. McNamara approval of the Finance Committee minutes from the meeting on Wednesday, April 1, 2026. There were no corrections to the minutes. **Motion carried.** Minutes accepted as presented.

VII. Presentation of FY25 Financial Statement, Single Audit and Compliance Examination Reports – Plante Moran

The Chair called for the auditors' report. Ms. Durant provided a brief overview of the documents being presented and introduced Ms. Alisha Watkins from Plante Moran as the presenter. Board members were provided with a copy of the Detroit Wayne Integrated Health Network Financial Report with Supplementary Information – September 30, 2025; AU260 Letter; Compliance Examination – September 30, 2025; Federal Awards Supplemental Information – September 30, 2025 and a Detroit Wayne Integrated Health Network Report to the Finance Committee and Board of Directors Fiscal year ending September 30, 2025 PowerPoint.

Ms. Durant presented each report and its purpose. The AU260 Report is a standard document that outlines past audit adjustments, any disagreements with management, any difficulties encountered, and any other items or recommendations noted during the audit. This is standard communication to the Board Chair and the Board of Directors.

The Financial Statement Audit Report is the audit due six months after our fiscal year-end. This audit report outlines our financial operations, including how we ended reserves and cash balances. This report must be in accordance with generally accepted accounting principles and the Governmental Accounting Standards Board.

The Federal Awards Supplemental Information Audit Report, which is also commonly referred to as a Single Audit Report. This represents all of the federal funds we receive, either directly from the federal government, through the Michigan Department of Health and Human Services, or from other funders that receive federal funding and payments.

The final report is the Compliance Exam. This report is specific to a requirement in our Prepaid Inpatient Health Plan and Community Mental Health Services Program contracts and is a required report issued by the Michigan Department of Health and Human Services. This is an MDHHS requirement for compliance; the single audit is a federal government requirement; and the financial statement audit is the Michigan Department of Treasury.

Ms. Watkins presented the Audit Scope for FY25 for the year ended September 30, 2025. The audit scope clarifies the audit team's responsibilities versus management's responsibilities in the audit process. The significance on page 4 of this report is at the bottom, and it states that Plante Moran has provided an unmodified opinion on both audits and the compliance examination. The unmodified terminology simply means that the opinion provided is without exception, meaning that the financial statements, the federal awards audit, and the compliance examination, that FSR package, are materially correct. They all follow the rules and regulations they are supposed to, and that as a governing body and management, you can rely on them to be accurate as you make your decisions going forward.

The Audit Presentation PowerPoint covered the Audit Scope; Required Communications; Audit Findings; and Financial Results. Under the Required Communications section discussion ensued regarding the difficulties encountered in performing the Audit. An outline of the issue encountered was listed and the auditors recommended an audit extension of thirty days to obtain a thorough understanding and further evaluation of the concerns identified. Management concluded that no intentional falsification had occurred but there was a protocol that had not been followed and did not follow full compliance and was just limited to a small number of Medicaid audits; it was ultimately decided that there were no deficiencies in audit. Discussion ensued regarding corrected and uncorrected misstatements; General Ledger System User Access; DWIHN being a low-risk auditee; the Wayne County Strong program and the Financial Statement Audit Finding.

Discussion ensued regarding funding for the Children's Services program decreasing from 2024 to 2025. Ms. Durant will research the information and forward the information back to the board. **(Action)** It was requested that an audit be performed on the School Success Initiative when the Program Audit is conducted.

Discussion ensued regarding whether DWIHN has considered conducting multi-year audits instead of yearly audits. Per Ms. Durant noted that due to various reasons, such as accuracy, rate adjustments, and information from the State of Michigan, would make it difficult.

Ms. Ruth requested information regarding program audits. Ms. Durant informed that Plante Moran does not conduct program audits. Mr. White referred to the recent innovations within DWIHN that he has implemented to track providers and programs. Ms. Durant introduced the Finance Team that assisted with the audits; Ms. Toni Jones, Lead Auditor; Ms. Dhannetta Brown, Associate VP of Finance; Mr. Larry Lee, Procurement Administrator; Mr. Tyreesse Omani, Accounts Payable Manager; Ms. Nicole Smith; Management Assistant; Mr. Carl Hardin, Financial Systems Administrator and Ms. Mindy Haner, Budget Administrator. The Board applauded the work of the team.

The Chair, Ms. Brown, called for a motion on the FY25 Financial Statement, Single Audit, and Compliance Examination Reports. **Motion:** It was moved by Mr. Parker and supported

by Ms. Ruth approval of the FY25 Financial Statement, Single Audit, and Compliance Examination Reports to Full Board. There was no further discussion. **Motion carried.**

VIII. Revision to the Cash and Investment Policy

The Committee Chair, Ms. Brown called for the report on the Revision to the Cash and Investment Policy. A copy of the policy with redline updates was presented and was attached to the Finance Committee agenda packet for review. Ms. S. Durant, VP of Finance, introduced Mr. John Strainer from Robinson Capital. Mr. Strainer, is one of three Wayne County-based investment managers for DWIHN. During the audit, a request was made to modify the Cash and Investment Policy wording. At that time, staff recommended a complete review and update to the policy. Mr. Strainer presented the recommendations and changes made to the policy in compliance with Michigan Public Act 20 of Public Acts of 1943 as amended.

Updates were provided to the policy which noted that changes had been made to Standards section; the Authorized Investments section; the Investment Pools and Mutual Funds; Diversification; Performance Standard; Reporting; Adoption; and a Glossary section which had been added. Other additions to the policy include an explicit, detailed breakdown of maximum allowances for different sectors of the bond market, maximum maturities, and corresponding percentages, FDIC guidelines; Certificate of deposit maturity dates, and quarterly reporting of the agency's portfolio. Discussion ensued on the changes. The Chair, Ms. Brown, called for a motion on the Revised Cash and Investment Policy. **Motion:** It was moved by Mr. Parker and supported by Ms. Garza Dewaelsche approval of the Revised Cash and Investment Policy to the Policy/Bylaw Committee for review and further action. There was no further discussion. **Motion carried.**

IX. Presentation of the Monthly Finance Report

Stacie Durant, VP of Finance, presented the Monthly Finance report. A written report for the six months ended March 31, 2026, was provided for the record. The DWIHN Finance accomplishments and noteworthy items to report were:

DWIHN issued the fiscal year ended September 30, 2025 financial statement and Single Audit reports on April 20, 2026. DWIHN received an unmodified (clean) opinion in the financial statement audit; two (2) findings were noted in the single audit report, and none in the Compliance Examination. It was noted a correction was required in the report to indicate that there were findings in the audit. **(Action)**

DWIHN is requesting revisions of the Cash and Investment Policy to ensure compliance with our current investment strategy. In the past, policy revisions came to the Finance Committee for review and were referred to the Policy Committee for further review and recommendation to the Full Board.

Attached is the 2nd Quarter Ended March 31, 2026 cash and investment detail.

DWIHN finance and operations teams are meeting biweekly to develop a cost savings plan. Many of the savings will require system reconfigurations; therefore, we are actively meeting with PCE to determine the scope and timing of such changes. We will present a plan at the study session.

Cash flow is stable and should continue to remain so throughout the year, as the liquidity ratio = 1.64

Cash and investments represent the amount of cash held with Comerica as custodian for the three (3) investment managers: First Independence Bank, Flagstar, and Huntington Bank.

Due from other governments and Accounts Receivable – comprise various local, state, and federal amounts due to DWIHN. Approximately \$7.2 million in SUD and Mental Health block grants are due from MDHHS. Approximately \$42 million for the 1st quarter and 2nd quarter 2026 pass-through HRA revenue and \$3.7 million for FY25 PBIP accrual.

The Accounts receivable consist of \$2.2 million due from Wayne County for 2nd quarter estimated PA2; and \$1.75 million to Trillium Health.

IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through March 31, 2026, were approximately \$474.9 million. However, actual payments were approximately \$399.9 million. The difference represents claims incurred but not reported and paid \$75.1 million.

Due to other governments – Approximately \$3.9 million due to MDHHS for CCBHC FY25 cost settlement; \$2.9 million related to 2nd quarter IPA tax payment; and \$.9 million for estimated outstanding state facility payments.

State grants and contracts - The \$9.8 million variance is due to the timing related to 7 Mile Care Center and Ecorse Care Center grants.

MHL/DSNIP – variance due to uncertainty of DSNIP enrollment and activity at the time of budget submission; see budget adjustment.

Local contract and grants – The variance due to the timing of several SUD local grants and PBIP incentives that are earned and recorded at year's end.

Autism expenses - The \$9.8 million variance is due to increased costs over the budgeted amount. See budget adjustment. It should be noted that FY25 actuals were \$120 million compared to the adopted FY26 budget of \$104 million. Finance is projecting Autism expenses of \$123 million in FY26.

IDD costs – The \$21.4 million over-budget increase is due to higher residential costs and a misalignment with actual FY25 amounts. It should be noted that the FY25 actual IDD expenses (i.e., \$444 million) were \$22 million higher than the FY26 budget (i.e., \$422 million); therefore, the actual variance relative to the prior year is projected to be \$20 million higher. DWIHN will be addressing the gap in the fiscal savings plan.

The Chair, Ms. Brown, noted that the Finance Monthly Report was received and filed.

X. FY 26 2nd Quarter Purchasing Non-Competitive & Cooperatives Report

The Committee Chair, Ms. Dora Brown called for the 2nd Quarter Procurement Report. Mr. Larry Lee, Procurement Administrator, presented the report. The written report was provided to the Finance Committee and was included in the agenda packet for informational purposes. Noteworthy information includes purchasing percentages: Contract Percentage for Wayne County is 23.05% and Out of County is 77.00%; Funding Percentage w/o IT for Wayne County is 65.00% and Out of County is 35.00%. Amounts include the total under 50K, or the cooperative purchasing total is \$77,269.31. Wayne County is \$165,587.20. IT total is \$477,158.17.

Discussion ensued regarding a cooperative service purchase that exceeded \$100K. Ms. Durant informed the Committee that, per policy, cooperative purchases do not require Board approval. The Committee Chair, Ms. Brown recommended the Procurement Policy be reviewed by the Policy/Bylaw Committee meeting. **(Action)**.

Ms. Ruth requested follow-up information regarding the Cumulus Media retro payment from September 2025. Mr. Lee was requested to forward the procurement memo authorizing the

retro payment to the Committee for review. (Action). Discussion ensued regarding the selection of Auditing firms and that it be reviewed by the Policy/Bylaw Committee.

There was no further discussion. The FY26 2nd Quarter Procurement Report was received and filed.

XI. Unfinished Business – Staff Recommendations:

Board Action #24-58(Revision 2) – The TM Group Inc., presented by Mr. Carl Hardin, Financial Systems Administrator. DWIHN Administration is requesting Board approval for a one (1) year extension of our contract with the TM Group to provide system support services for our Microsoft Dynamics GP enterprise resource planning system, handling our accounting, purchasing and payment responsibilities, among other things, which expired on March 31, 2026. We are currently looking to replace Dynamics GP with a newer cloud-based enterprise resource planning (ERP) system, Microsoft Dynamics 365 Business Central, with a January 1, 2027, go-live date. In the meantime, we will need the TM Group's assistance to continue supporting our Dynamics GP application until Business Central is up and running. Based on the implementation time required to have the new application in place, we are seeking to extend the TM Group's Dynamics GP support contract through March 31, 2027 for an additional \$22,000 for an amount not to exceed \$178,829. The original contract amount totaled \$156,829 for a 3-year period, which included Microsoft annual licensing costs. **Motion:** It was moved by Ms. Ruth and supported by Mr. Parker for approval of BA #24-58(Revision 2) – The TM Group Inc. to the Full Board. There was no further discussion. **Motion carried.**

Board Action #24-69(Revised) – 123.Net Fiber Internet Services Modification Presented by Mr. Keith Frambro, VP of Information Technology. DWIHN Administration is requesting Board approval for this board action, which seeks to modify the contract with 123NET, previously approved under Board Action 24-69, to expand internet services to include the upcoming 7-Mile Crisis Center. 123NET has issued a consolidated quote that combines the new 7-Mile location with our two existing circuits into a single contract with a co-terminus end date. This request does not extend the. Billing for the new services will begin upon DWIHN's acceptance and issuance of the Certificate of Acceptance. Billing will continue through the end of the current contract (7/31/2027). The modification will not exceed \$25,968.00, bringing the new total to no more than \$103,332. **Motion:** It was moved by Mr. Parker and supported by Ms. Ruth for approval of BA #24-69(Revised) – 123.Net Fiber Internet Services to the Full Board. There was no further discussion. **Motion carried.**

Board Action #26-02(Revision 3) – DWIHN FY26 Operating Budget The Chair called for approval of BA#26-02 (Revision 3). Ms. Mindy Haner, Budget Administrator reported. DWIHN Administration is requesting Board approval to certify additional revenue sources totaling \$24,785,157 and authorize expenditures of a like amount as noted below: Certify Autism Medicaid (\$18,800,000) and DSNIP (\$4,700,000) and \$203,667 in Health Home revenue totaling \$23,703,667 and authorize the following expenditures based on mid-year) projections: Autism Services: \$18,800,000; HIDE-SNP Program (formerly Dual Eligibles): \$4,700,000; SUD Health Homes Services: \$203,667; 2. Certify additional grant revenue totaling \$529,273 and authorize the following expenditures: Additional Federal Block Grant revenue of \$43,217 for the Infant Toddler Court program; State grant revenue of \$486,056 to fund expansion of the Mobile Crisis Unit. The Mobile Crisis Intervention Services grant (MCCRC) is termed for 6 months expiring September 30, 2026. The grant monies will be used to fund 6 month of salaries and fringes for seven (7) new positions (5 full-time; 2 part-time) in the Mobile Crisis Unit- (\$282,160), with the remaining \$203,896 used for staff training and operational expenses. 3. Certify the use of additional Medicaid/ISF reserves totaling \$552,217 to fund the following expenditures: NCQ re-accreditation \$45,000 AI Netlink data lab model -\$27,500 approved on Board Action #25-53 (Revision 1) BizAnalytix Claims Audit and Utilization Review System (CAURS) licensing and support renewal - \$49,000 approved

on Board action #26-49; 3% rate increases for part-time and contingent employees -\$198,981 (salaries and fringes); rate increases for DWIHN Board, SUD Advisory Board and Committee members - \$54179; New positions approved by the HR Committee totaling \$177,557 (salaries and fringes); HR Associate -\$77,924; Residential Services Administrative Assistant 3 - \$63,221; MC3 Behavioral Health Clinician - \$36,412; Note: Total salary and fringes = \$124,971 which \$88,559 is funded by MC3 grant revenue certified with the original FY26 budget. The remaining portion of \$36,412 is funded with Medicaid/ISF reserves. Next year, the grant will cover 100% of salary and fringes. The amended FY2026 Operating Budget of \$1,223,691,922 consists of the following revenue sources: \$930,385,465 Medicaid, DHS Incentive, Medicaid-Autism, Children’s/SED Waiver, HAB, and HRA; \$130,445,644- Healthy MI Plan and HRA; \$7,838,061- MI Health Link/DSNIP; \$21,460,901 – State General Funds; \$23,486,447- Wayne County Local Match Funds and PBIP; \$5,668,948-County PA2 Funds; \$55,806,033 State Grants (MDHHS/ MDHHS SUD, OBRA); \$24,179,572 - Federal Grants (MDHHS/ MDHHS SUD, SAMHSA); \$1,193,762 - Local Grants; \$6,260,000 - Interest Income; \$40,000 - Miscellaneous Revenue; \$16,927,069 - Medicaid/ Local Reserves. **Motion:** It was moved by Ms. Garza Dewaelsche and supported by Mr. Parker approval of BA #26-02 (Revision) to Full Board. There was no further discussion. **Motion carried.**

XII. New Business – Staff Recommendations:

Board Action #26-53 – Annual Financial Statement FY 26 Audits -Plante Moran, PLLC
 The Chair called for a motion on BA#26-53. Ms. Stacie Durant, VP of Finance reporting. DWIHN Administration is requesting Board approval to enter into a one (1) year comparable source contract, with a one (1) year option, with Plante Moran PLLC., for an amount not to exceed \$195,435 for the fiscal year ended September 30, 2026 financial statement audit, single Audit and Compliance Examination reports. The amount is comprised of \$183,435 for the base cost for the audit reports (compared to \$174,200 for current year audit) and \$12,000 for an additional major program tested under the single audit, if necessary. The \$9,235 increase in the contract as compared to current year audit is due to a technology fee required to be added to all audit contracts. Due to ongoing discussions and evaluations at the State level regarding potential restructuring of PIHP entities and related policy changes by MDHHS, maintaining the current vendor ensures uninterrupted service delivery in the event of any restructuring. In addition, if restructuring occurs at the PIHP or CMHSP level, the audit scope would need to change significantly, and an RFP would likely be necessary at that time. **Motion:** It was moved by Mr. Parker and supported by Ms. Garza Dewaelsche, approval of BA #26-53 – Annual Financial Statement FY 26 Audits – Plant Moran, PLLC to the Full Board. There was no further discussion. **Motion carried.**

XIII. Good and Welfare/Public Comment

The Chair read the Good and Welfare/Public Comment statement. No members of the public requested to address the committee.

XI. Adjournment – There being no further business, the Chair, Ms. Brown, called for a motion to adjourn. **Motion: It was moved by Mr. Parker and supported by Ms. Ruth to adjourn.** There was no further discussion. **Motion carried.** The meeting was adjourned at 2:55 p.m.

FOLLOW-UP ITEMS	Finance Committee requests an ongoing report from DWIHN staff on the plan of action to eliminate the \$22-million-dollar deficit in operational costs. The report will focus on the operational and clinical expected changes and the projected savings. The first report to be presented at the Board Study Session.

**DWIHN Division of Management and Budget
Monthly Finance Report
For the seven months ended April 30, 2026**

DWIHN Finance accomplishments and noteworthy items:

1. DWIHN has begun operationalizing the cost efficiency plans outlined at the board study session; several communications have gone out to the network.
2. Finance estimates \$2.6 million in local funds generated from the close out of the MHL Demonstration pilot that ended on December 31, 2025. The local savings can be used for the DWIHN equity needed to purchase a new administrative building.

Financial analysis- (refer to DWIHN balance sheet and income statement)

- Cash flow is stable and should continue to remain so throughout the year as liquidity ratio = 1.98.

	MAY	JUN	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
DWIHN	1.53	2.18	2.31	2.65	1.97	2.05	2.64	2.40	2.17	1.99	1.64	1.98

- (A) Cash and investments – represent amount of cash held with Comerica as custodial of the three (3) investment managers, First Independence Bank, Flagstar and Huntington Bank.
- (B) Due from other governments and Accounts Receivable – comprise various local, state and federal amounts due to DWIHN. Approximately \$4.5 million in SUD and Mental Health block grants due from MDHHS. Approximately \$28 million for 2nd quarter and April 2026 **pass-through** HRA revenue.

The Accounts receivable consist of \$1.9 million due from Wayne County for 2nd quarter actual and April estimated PA2; Wayne County April local match \$1.5 million; and \$1.75 million to Trillium Health.
- (C) IBNR Payable – represents incurred but not reported (IBNR) claims from the provider network; historical average claims incurred through April 30, 2026, were approximately \$551.8 million. However, actual payments were approximately \$492.1 million. The difference represents claims incurred but not reported and paid \$59.7 million.
- (D) Due to other governments – Approximately \$3.9 million due to MDHHS for CCBHC FY25 cost settlement; \$.9 million for estimated April IPA tax payment; and \$1 million for estimated outstanding state facility payments.
- (E) State grants and contracts - The \$11.3 million variance is due to the timing related to 7 Mile Care Center and Ecorse Care Center grants; and \$4.5 million variance in HRA actuals compared to budget.
- (F) MHL/DSNIP – variance due to \$2.6 million potential close out of the MHL program.
- (G) Local contract and grants – The variance due to timing of several SUD local grants, PA2 revenue and PBIP incentive that is earned and recorded at year end.
- (H) Adult, Children and IDD expenses - The \$33.9 million variance is due to increased costs over budgeted amount. DWIHN cost efficiency plan will address a portion of the shortfall however remaining balance will reduce ISF balance at year end.
- (I) Grant programs - \$2.4 million variance due to timing.

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Net Position

As of April 30, 2026

Assets

Cash and investments	\$ 146,909,446	A
Investments in Internal Service Fund	67,002,462	A
Receivables		
Due from other governmental units	34,318,727	B
Accounts receivable	6,368,915	B
Less: allowance for uncollectible	(73,424)	B
Prepayments and deposits	<u>1,335,128</u>	
Total current assets	255,861,254	
Capital assets, net of accumulated depreciation	<u>80,774,937</u>	
Total Assets	<u><u>\$ 336,636,191</u></u>	

Liabilities and Net Position

Liabilities		
Accounts payable	\$ 36,745,364	
IBNR Payable	59,680,782	C
Due to Wayne County	610,080	
Due to other governments	6,073,494	D
Accrued wages and benefits	1,498,860	
Unearned revenue	291,326	
Accrued compensated balances	<u>2,966,524</u>	
Total current liabilities	107,866,430	
Notes Payable	<u>20,111,635</u>	
Total Liabilities	<u><u>127,978,065</u></u>	
Net Position		
Net investment in capital assets	57,772,992	
Restricted Opioid Settlement	2,109,622	
Restricted - PA2 funds	8,170,832	
Restricted Cash Collateral	2,119,445	
Internal Service Fund	63,980,478	
Unrestricted	<u>74,504,757</u>	
Total Net Position	<u><u>208,658,126</u></u>	
Liabilities and Net Position	<u><u>\$ 336,636,191</u></u>	

DETROIT WAYNE INTEGRATED HEALTH NETWORK
Statement of Revenues, Expenses and Changes to Net Position
For the Seven Months Ending April 30, 2026

	April 2026			Year to Date			
	Budget	Actual	Variance	Budget	Actual	Variance	
Operating Revenues							
Federal grants	\$ 2,014,962	\$ 2,483,102	\$ 468,140	\$ 14,104,734	\$ 11,855,629	\$ (2,249,105)	
State grants and contracts	94,724,630	91,983,088	(2,741,542)	663,072,410	644,090,026	(18,982,384)	E
MI Health Link/DSNIP	653,172	357,643	(295,529)	4,572,204	6,147,101	1,574,897	F
Local grants and contracts	2,645,970	1,346,052	(1,299,918)	18,521,790	12,699,797	(5,821,993)	G
Use of Revenues	1,410,589		(1,410,589)	9,874,123		(9,874,123)	
Other charges for services	3,333	1,194	(2,139)	23,331	31,419	8,088	
Total Operating Revenues	101,452,656	96,171,079	(5,281,577)	710,168,592	674,823,972	(35,344,620)	
Operating Expenses							
Salaries	2,858,900	2,541,392	317,508	20,012,300	17,381,866	2,630,434	
Fringe benefits	1,135,564	951,428	184,136	7,948,954	6,840,967	1,107,987	
Substance abuse services	5,490,785	5,692,004	(201,219)	38,435,495	36,682,402	1,753,093	
Autism Services	10,312,982	9,991,050	321,932	72,190,874	72,327,899	(137,025)	
MI HealthLink	564,609	694,541	(129,932)	3,952,263	3,240,218	712,045	
Adult Services	30,456,458	36,012,862	(5,556,404)	213,195,218	217,428,338	(4,233,120)	H
Children Services	3,325,470	3,693,738	(368,268)	23,278,290	26,812,349	(3,534,059)	H
Care Center	2,581,786	2,558,249	23,537	18,072,502	14,466,369	3,606,133	
Direct Services	1,497,968	742,132	755,836	10,485,776	5,114,513	5,371,263	
Intellectual Developmental Disabled	35,158,496	39,899,581	(4,741,085)	246,109,472	272,248,063	(26,138,591)	H
Grant Programs	948,688	777,338	171,350	6,640,816	4,203,550	2,437,266	I
State of Michigan	1,458,136	1,376,811	81,325	10,206,952	10,946,020	(739,068)	
Depreciation	308,333		308,333	2,158,331	2,092,611	65,720	
Other operating	1,809,131	2,003,339	(194,208)	12,663,917	9,633,620	3,030,297	
Total Operating Expenses	97,907,306	106,934,465	(9,027,159)	685,351,160	699,418,785	(14,067,625)	
Operating Revenues over (under) Expenses	3,545,350	(10,763,386)	3,745,582	24,817,432	(24,594,813)	(49,412,245)	
Non-operating Revenues (Expenses)							
Investment Earnings	521,666	498,995	(22,671)	3,651,662	4,777,306	1,125,644	
Total Non-operating Revenues	521,666	498,995	22,671	3,651,662	4,777,306	1,125,644	
Change in Net Position	4,067,016	(10,264,391)	3,768,253	28,469,094	(19,817,507)	(48,286,601)	
Net Position - Beginning of year					228,475,633	228,475,633	
Net Position - End of Year	\$ 4,067,016	\$ (10,264,391)	\$ 3,768,253	\$ 28,469,094	\$ 208,658,126	\$ 180,189,032	

DETROIT WAYNE INTEGRATED HEALTH NETWORK

Statement of Cash Flows

For the Seven Months Ending April 30, 2026

Cash flows from operating activities

Cash receipts from the state and federal governments	\$ 673,834,915
Cash receipts from local sources and customers	12,645,074
Payments to suppliers	(687,030,898)
Payments to employees	(45,792,665)

Net cash provided by (used in) operating activities (46,343,575)

Cash flows from capital and related financing activities

Acquisition of capital assets	(17,652,774)
Principle and interest paid on capital debt	(334,915)

Net cash provided by (used in) capital and related financing activities (17,987,689)

Cash flows from investing activities

Interest received on investments	4,777,306
Proceeds from sale of assets	-

Net cash provided by investing activities 4,777,306

Net increase (decrease) in cash and cash equivalents (59,553,958)

Cash and investments - beginning of period 273,465,867

Cash and investments - end of period \$ 213,911,908

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities

Operating income (loss)	\$ (24,594,813)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Depreciation	2,188,465
Decreases (increases) in current assets:	
Accounts receivable	5,280,789
Prepayments and deposits	2,561,412
Due from other governmental units	8,657,879
Due from Wayne County	
Other assets	
Increases (decreases) in current liabilities:	
Accounts and contracts payable	(94,965,422)
IBNR Payable	59,680,782
Accrued wages	(2,706,612)
Due to Wayne County	610,080
Due to other governmental units	(773,483)
Unearned revenue	(2,282,651)

Net cash provided by (used in) operating activities \$ (46,343,575)

FY27 Budget Submission Timeline

Wednesday, June 10, 2026:	Budget Administrator provides budget templates to CFO
Monday, June 29, 2026:	Initial Budget submission to Finance and PCC
Wednesday, July 1, 2026:	Budget Highlights presented to Finance Committee
Wednesday, July 8, 2026:	Board provides questions to staff
Monday, July 13, 2026:	Staff to complete questions and forward to Finance
Wednesday, July 22, 2026:	Budget with responses to questions submitted to Finance and PCC
Wednesday, August 5, 2026:	Annual Budget hearing (Finance and PCC)
Wednesday, September 2, 2026:	Presentation of Recommended Budget to Finance Committee
Wednesday, September 16, 2026:	Full board approval of Recommended Budget

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