
Detroit Housing Commission

(a component unit of the City of Detroit, Michigan)

Financial Report
with Supplemental Information
June 30, 2021

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Independent Auditor's Report

To the Board of Commissioners
Detroit Housing Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Detroit Housing Commission (the "Commission"), a component unit of the City of Detroit, Michigan, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Detroit Housing Commission's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, other than Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership; Woodbridge Estates VI Limited Dividend Housing Association, LLC; Woodbridge Estates IX Limited Dividend Housing Association, LLC; and Alexandrine Square Limited Dividend Housing Association Limited Partnership. The discretely presented component units audited by other auditors represent 85 percent of the assets and 92 percent of revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The discretely presented component unit financial statements of Alexandrine Square Limited Dividend Housing Association Limited Partnership; The Villages at Parkside II, LLC; The Villages at Parkside IV, LLC; Woodbridge Estates Apartments I, LLC; Woodbridge Estates Apartments II, LLC; Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership; Woodbridge Estates VI Limited Dividend Housing Association, LLC; Woodbridge Estates IX Limited Dividend Housing Association, LLC; Gardenview Homes IV Limited Dividend Housing Association, LLC; Gardenview Homes V Limited Dividend Housing Association, LLC; Gardenview Homes VI Limited Dividend Housing Association, LLC; Gardenview Homes IX Limited Dividend Housing Association, LLC; Gardenview Homes X Limited Dividend Housing Association, LLC; Emerald Springs IA Limited Dividend Housing Association Limited Partnership; Emerald Springs IB Limited Dividend Housing Association Limited Partnership; Emerald Springs II Limited Dividend Housing Association Limited Partnership; Cornerstone Estates I Limited Dividend Housing Association, LLC; Cornerstone Estates II Limited Dividend Housing Association, LLC; and Cornerstone Estates III Limited Dividend Housing Association, LLC were not audited in accordance with *Government Auditing Standards*.

To the Board of Commissioners
Detroit Housing Commission

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of Detroit Housing Commission as of June 30, 2021 and the changes in its financial position and business-type activities cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, and schedule of pension contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Detroit Housing Commission's basic financial statements. The financial data schedules, grant close-out schedule, and schedules of actual program costs and advances are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The grant close-out schedule and schedules of actual program costs and advances have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Commissioners
Detroit Housing Commission

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 on our consideration of Detroit Housing Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Detroit Housing Commission's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

December 2, 2021

Management's Discussion and Analysis (Unaudited)

June 30, 2021

As management of the Detroit Housing Commission (the "Commission" or "DHC"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2021. The purpose of this summary is to assist the reader in focusing on significant financial issues, to provide an overview of DHC's financial activities for the year, to highlight changes in DHC's financial position, and to identify individual fund or program issues or concerns. The management discussion and analysis ("MD&A") does not include the information of the discretely presented component units.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, we encourage readers to consider the information presented here in conjunction with the Commission's accompanying financial statements and notes.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director Sandra B. Henriquez., Detroit Housing Commission, 1301 E. Jefferson Avenue, Detroit, MI 48207.

Mission

The Detroit Housing Commission will effectively and efficiently develop, manage, and preserve quality affordable housing.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2021, by \$277.5m (net position).
- The Commission had operating revenue from HUD of \$63.8m and HUD capital grants of \$5.5m which includes funds for redevelopment and capital asset activities.
- The Commission's unrestricted cash and cash equivalents totaled \$27.8m as of June 30, 2021.
- Public housing has maintained occupancy of an average at 91.1 percent for the fiscal year ended June 30, 2021.
- The Commission utilized 77.2 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program and spent 104.6 percent of the Housing Assistance Payment Subsidy received from HUD.
- DHC provides loans to its discrete component units primarily through HOPE VI and Capital Fund Program funding. The discrete component units are required to repay these funds of \$141.8m to the Commission, which are included in the notes, loans, and mortgages receivable as of June 30, 2021.
- During fiscal year 2021, DHC complied with all the rules and provisions of asset management, which involves detailed budgeting, tracking, and reporting of all activities by development in the Low-income Public Housing Program.
- DHC also used the Central Office Cost Center to carry out the management and administrative activities required by all of its programs.

June 30, 2021

The Commission's Programs

The Commission's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and follow the business-type activity reporting requirements of the Governmental Accounting Standards Board (GASB). All of the Commission's activities are presented in a single business activity enterprise fund on the full accrual basis of accounting. The Enterprise Fund basis is similar to accounting used in the private sector. Many of the programs maintained by DHC are set up as required by HUD. Other programs are segregated to enhance accountability and control. The Commission's significant programs are described below.

Low-income Public Housing (LIPH) - Under this program, DHC rents units that it owns in 49 Asset Management Properties (AMPS), one or more developments grouped for management purposes, which includes 27 component unit AMPS, and 205 scattered site units within the City of Detroit to low-income households. This program is operated under the Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy to enable DHC to provide the housing at a cost that is based upon 30 percent of household income, adjusted for family composition and certain allowances. DHC currently owns and operates 3,356 subsidized units in this program.

Section 8 Program - Within the Rental Assistance division is our main Section 8 program, which is known as the Housing Choice Voucher (HCV) program. DHC administers contracts with private landlords that own and lease units within the community. DHC subsidizes a family's rent through a monthly housing assistance payment (HAP) made to the landlord. These programs are operated under Annual Contribution Contracts (ACC) with HUD, which enables DHC to structure a lease that sets the participants' housing costs at 30 percent of household income, adjusted for family composition and certain allowances. DHC has budget authority to administer 6,243 Housing Choice Vouchers, 59 moderate rehabilitation units (site-based program), and 75 Mainstream Vouchers.

Capital Fund Program - Under this program, DHC receives funding for physical renovation and management improvements to its owned units within the Low-income Public Housing Program. DHC uses many independent contractors to provide construction/rehab services. The Capital Fund Program is operated under the annual contributions contract (ACC) with HUD.

Development Program -DHC's development program is actively pursuing the acquisition of and construction of new affordable housing in the community. Historically, DHC had assisted with the financing of various developments utilizing Replacement Housing Factor (RHF) funds, and HOPE VI grants to continue adding new housing units.

Business Activities - This area includes programs such as homeownership commissions, nonfederal activities, and developer fees from mixed-finance partnerships.

Overview of the Financial Statements

The entity-wide financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis as noted above. Over time, significant changes in the Commission's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of the Commission, the reader must also consider other nonfinancial factors such as changes in family composition, fluctuations in the local economy, HUD-mandated program administrative changes, proration of available funding, and the physical condition of capital assets.

Management's Discussion and Analysis (Unaudited)

June 30, 2021

The financial statements include two columns which present the activities of the Commission as the primary government and the Commission's discretely presented component units. The discrete component units are required to be presented, as the primary government is held to be financially accountable for these legally separate entities since the Commission provides significant specific financial benefits to these entities. The following financial statements are presented:

- **Statement of Net Position** - This is a balance sheet which reports the Commission's assets, liabilities, and net position at the end of the fiscal year. The Commission's net position is the difference between what the Commission owns (assets) and what the Commission owes (liabilities). Net position (formerly known as net assets) is reported in three broad categories: net investment in capital assets, restricted net position, and unrestricted net position.
- **Statement of Activities** - Similar to an income statement, this statement presents information showing how the Commission's net position increased or decreased during the current fiscal year. This statement includes operating revenue such as federal funding and rental income; operating expenses such as administrative, tenant services, utilities, maintenance, protective services, general, depreciation, and HAP expense; and nonoperating revenue and expense such as capital contributions revenue, interest income, and gains and losses on the disposal of fixed assets. The focus of this statement is the "change in net position," which is similar to net income or loss.
- **Statement of Cash Flows** - This statement presents information showing the total cash receipts and cash disbursements of the Commission during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e., capital additions, debt service, prior period obligations, etc.). In addition, this statement reflects the receipt of cash that was obligated to the Commission in prior periods and subsequently received during the current fiscal year (i.e., accounts receivable, notes receivable, etc.).
- **Notes to the Financial Statements** - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Commission and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, the notes reflect the impact (if any) of any uncertainties the Commission may face.

In addition to the basic financial statements listed above, our report includes supplemental information which we feel will assist the reader in understanding the financial statements. This information is provided in order to provide more detail on the Commission's various programs and also includes the required information mandated by regulatory bodies that fund the Commission's various programs.

The following statements are condensed versions of our full financial statements for the purpose of analysis and discussion. See the full financial statements for more details on the results of operations and the Commission's financial position.

Management's Discussion and Analysis (Unaudited)

June 30, 2021

Financial Analysis

The following table represents the condensed statement of net position compared to the prior year for all of DHC's programs combined:

Statement of Net Position			
	2021	2020	Net Change
Assets and Deferred Outflows			
Current assets	\$ 53,288,528	\$ 56,491,738	\$ (3,203,210)
Capital assets - Net	91,687,945	90,219,101	1,468,844
Other noncurrent assets	143,485,044	167,831,410	(24,346,366)
Total assets and deferred outflows	288,461,517	314,542,249	(26,080,732)
Liabilities and Deferred Inflows			
Current liabilities	\$ 4,406,504	\$ 8,897,098	\$ (4,490,594)
Other noncurrent liabilities	6,495,507	6,507,756	(12,249)
Total Liabilities and deferred inflows	10,902,011	15,404,854	(4,502,843)
Net Position			
Net investment in capital assets	91,687,945	90,219,101	1,468,844
Restricted	160,505,189	161,548,172	(1,042,983)
Unrestricted	25,366,372	47,370,122	(22,003,750)
Total net position	277,559,506	299,137,395	(21,577,889)
Total liabilities and net position	<u>\$ 288,461,517</u>	<u>\$ 314,542,249</u>	<u>\$ (26,080,732)</u>

During the fiscal year, DHC completed negotiations of its environmental escrow account which was created during the sale of DHC's Douglas location. This is the primary reason current assets and current liabilities decreased 5.7 percent and 50.5 percent respectively.

The Commission's net investment in capital assets increased 1.6 percent. DHC remains committed to investing in its properties and had capital additions of \$5.6m. This investment is offset by annual depreciation of \$4.1m

Other noncurrent assets decreased by 14.5 percent. During the current year, DHC had a change in estimate for the allowance of accrued interest on the loans and notes receivable from its component units. The interest on the notes is estimated to be uncollectible, as there have been no payments made to DHC for years.

June 30, 2021

Net Position - The difference between an organization's assets and its liabilities is its net position. Net position is categorized as one of three types:

1. Net investment in capital assets - Capital assets, net of accumulated depreciation and related debt, are due to the capital asset and long-term debt activity.
2. Restricted - The Commission's assets whose use is subject to constraints imposed by law or agreement (consisting primarily restricted notes receivable related to the HOPE VI loans)
3. Unrestricted - The Commission's assets that are neither invested in capital assets nor restricted, which increase principally due to operations. These resources are available to meet the Commission's ongoing obligations to its residents and creditors.

Restricted net position remained largely unchanged from the previous year. The majority of this balance reflects proceeds from the sale of the Douglass land site. Proceeds from this sale are considered restricted until the use of these proceeds is approved by the HUD. DHC received approval for use of these funds shortly after the fiscal year end. Other increases and decreases in restricted net position are a function of HAP payments and the related timing of HAP funding from HUD.

The following schedule compares the revenue and expenses for the current and previous fiscal years for all DHC's programs:

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2021

	2021	2020	Net Change
Operating Revenue			
HUD operating revenue	\$ 63,753,772	\$ 62,219,111	\$ 1,534,661
Tenant revenue - Net	5,682,836	4,972,438	710,398
Other operating revenue	517,997	732,663	(214,666)
Total operating revenue	69,954,605	67,924,212	2,030,393
Operating Expenses			
Administrative	9,273,455	9,958,005	(684,550)
Tenant services	1,323,793	470,698	853,095
Utilities	4,975,767	3,993,923	981,844
Maintenance	8,614,680	10,586,471	(1,971,791)
Protective services	2,161,376	1,785,253	376,123
General	6,230,709	6,124,532	106,177
Depreciation and amortization	4,154,288	4,342,729	(188,441)
Housing assistance payments	36,300,363	35,157,935	1,142,428
Total operating expenses	73,034,431	72,419,546	614,885
Operating Loss	(3,079,826)	(4,495,334)	1,415,508
Nonoperating Revenue (Expense)			
Gain (Loss) on sale of asset	350,114	4,615,653	(4,265,539)
Investment income - Unrestricted	139,391	534,138	(394,747)
Interest Income - Restricted	2,694,368	2,719,583	(25,215)
Bad debt expense on the note receivable interest income	(27,205,727)	-	(27,205,727)
Total nonoperating (expense) revenue	(24,021,854)	7,869,374	(31,891,228)
(Decrease) Increase in Net Position Before Capital	(27,101,680)	3,374,040	(30,475,720)
Capital Contributions			
Capital contributions - HUD	5,523,791	1,259,494	4,264,297
(Decrease) Increase in Net Position	(21,577,889)	4,633,534	(26,211,423)
Net Position - Beginning of year	299,137,395	294,503,861	4,633,534
Net Position - End of year	\$ 277,559,506	\$ 299,137,395	\$ (21,577,889)

Management's Discussion and Analysis (Unaudited)

June 30, 2021

Total operating revenue increased by approximately \$2.0m for the fiscal year ended June 30, 2021, primarily due to increased funding provided by HUD through the CARES Act. Funding from the CARES Act must be fully utilized by DHC by December 31, 2021 or be returned to HUD.

Operating expenses are categorized by the Commission as administrative, tenant services, utilities, maintenance, protective services, general, depreciation expense, and housing assistance payments. The net increase of approximately \$.6m or 1.0 percent in total operating expenses is primarily due to increases in tenant services, HAP expenses, and utility costs.

Non-operating revenue/expense decreased net position by approximately \$24.0m primarily due to a change in accounting estimate on the collectability of interest on notes receivable from component units.

Capital contributions increased by \$4.2m due to increased usage of the HUD Capital Fund Program. HUD's Capital Fund Program is an expenditure driven grant program. DHC experienced delays in some of its capital improvement projects due to the COVID-19 pandemic.

The Commission has no long-term debt as of June 30, 2021.

Capital Assets and Debt Activity

After the Commission became independent from the City of Detroit, Michigan, the City signed over the HUD properties to DHC. DHC recorded these donated assets at fair market value based on appraisals. These original capital assets are adjusted annually by depreciation. Subsequent additional capital assets are recorded at cost.

	<u>2021</u>	<u>2020</u>	<u>Net Change</u>
Nondepreciable			
Land	\$ 59,182,161	\$ 59,182,161	\$ -
Construction in progress	<u>1,727,353</u>	<u>871,952</u>	<u>855,401</u>
Total nondepreciable	60,909,514	60,054,113	855,401
Depreciated			
Structures and improvements	\$ 83,977,356	\$ 80,044,850	\$ 3,932,506
Equipment	<u>6,831,379</u>	<u>7,466,459</u>	<u>(635,080)</u>
Total depreciated	<u>90,808,735</u>	<u>87,511,309</u>	<u>3,297,426</u>
Total capital assets	151,718,249	147,565,422	4,152,827
Total accumulated depreciation	<u>(60,030,304)</u>	<u>(57,346,321)</u>	<u>(2,683,983)</u>
Capital assets - Net	<u>\$ 91,687,945</u>	<u>\$ 90,219,101</u>	<u>\$ 1,468,844</u>

June 30, 2021

Factors Affecting Next Year's Budget

The COVID-19 Pandemic has created significant challenges for Public Housing Agencies throughout the country. Measures taken by the Federal and local governments to contain the virus have affected economic activity. DHC has also taken several measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our residents and staff. DHC will continue to follow the various government policies and advice in these uncertain times. DHC is committed to continue our operations in the best and safest way possible without jeopardizing the health of our residents or staff.

The Commission is primarily dependent upon HUD for the funding of its Low-income Public Housing, Housing Choice Voucher, and Public Housing Capital Fund programs; therefore, the Commission is affected more by the federal budget than by local economic conditions. The proration of funding of these programs in the future could be significantly affected by the 2021 and 2022 federal budgets. The federal deficit and budgetary restrictions at the congressional level will have a great impact on our local activities.

Economic Factors

Significant economic factors that can potentially affect the Commission are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Economic factors such as prevailing interest rates and related banking fees
- Local labor supply and demand, which can affect salary and wage rates
- Increased regulatory requirements
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, housing costs, supplies, and other operating expenses
- Uncertainty of the COVID-19 Pandemic's continued impact on the national and local economies

Statement of Net Position

Year Ended June 30, 2021

	Primary Government - Business-Type Activities	Total Discrete Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents - Unrestricted (Note 3)	\$ 27,733,086	2,898,142
Cash and cash equivalents - Restricted (Note 3)	22,702,293	13,561,383
Receivables - Net	642,872	577,560
Prepaid expenses	595,085	276,565
Due from other governments	<u>1,615,192</u>	<u>-</u>
Total current assets	53,288,528	17,313,650
Noncurrent Assets		
Capital assets - Nondepreciable (Notes 4 and 11)	60,909,514	11,992,246
Capital assets - Depreciable - Net (Notes 4 and 11)	30,778,431	190,825,740
Accrued interest receivable - Restricted (Note 7) - Net of allowance of \$26,992,661	205,585	-
Net pension asset (Note 8)	257,134	-
Other noncurrent assets	17,151	1,860,487
Notes, loans, and mortgages receivable - Net (Note 7) - Due from discrete component units with the exception of \$93,750 which is due from the Homeownership Program	<u>142,062,151</u>	<u>-</u>
Total assets	287,518,494	221,992,123
Deferred Outflows of Resources - Deferred outflows related to pensions (Note 8)	<u>943,023</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 288,461,517</u>	<u>\$ 221,992,123</u>
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 11)	\$ -	\$ 210,751
Accounts payable	2,457,463	3,916,999
Accrued interest payable	-	26,894,232
Accrued salaries and benefits	211,248	-
Accrued compensated absences	23,884	-
Due to other governments	110,433	-
Tenant security deposits	306,751	358,553
Unearned revenue	490,146	101,491
Other current liabilities	<u>806,579</u>	<u>3,697,948</u>
Total current liabilities	4,406,504	35,179,974
Noncurrent Liabilities		
Long-term debt - Includes \$141,143,363 which is due to Detroit Housing Commission (Note 11)	-	188,340,592
Accrued compensated absences	453,769	-
Other noncurrent liabilities	<u>4,738,267</u>	<u>9,052,989</u>
Total liabilities	9,598,540	232,573,555
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 8)	1,303,471	-
Net Position		
Net investment in capital assets	91,687,945	14,266,643
Restricted for reserves	21,027,617	13,258,738
Restricted for housing projects (notes receivable)	139,477,572	-
Unrestricted net position	<u>25,366,372</u>	<u>(38,106,813)</u>
Total net position	<u>277,559,506</u>	<u>(10,581,432)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 288,461,517</u>	<u>\$ 221,992,123</u>

Year Ended June 30, 2021

	Primary Government - Business-Type Activities	Total Discrete Component Units
Operating Revenue		
HUD operating revenue	\$ 63,753,772	\$ -
Tenant revenue - Net	5,682,836	14,177,790
Other operating revenue	<u>517,997</u>	<u>1,902,174</u>
Total operating revenue	69,954,605	16,079,964
Operating Expenses		
Administrative	9,273,455	4,837,770
Tenant services	1,323,793	-
Utilities	4,975,767	2,901,741
Maintenance	8,614,680	3,122,353
Protective services	2,161,376	191,010
General	6,230,709	2,735,275
Depreciation and amortization	4,154,288	11,457,043
Housing assistance payments	<u>36,300,363</u>	<u>-</u>
Total operating expenses	<u>73,034,431</u>	<u>25,245,192</u>
Operating Loss	(3,079,826)	(9,165,228)
Nonoperating Revenue (Expense)		
Income on sale of asset	350,114	-
Investment income - Unrestricted	139,391	97,876
Investment Income - Restricted	2,694,368	-
Interest expense	-	(4,432,169)
Bad debt expense on note receivable interest income	<u>(27,205,727)</u>	<u>-</u>
Total nonoperating expense	<u>(24,021,854)</u>	<u>(4,334,293)</u>
Decrease in Net Position Before Capital Contributions	(27,101,680)	(13,499,521)
Capital Contributions		
Capital contributions - HUD	5,523,791	-
Partner contributions	<u>-</u>	<u>8,206,714</u>
Decrease in Net Position	(21,577,889)	(5,292,807)
Net Position - Beginning of year	<u>299,137,395</u>	<u>(5,288,625)</u>
Net Position - End of year	<u>\$ 277,559,506</u>	<u>\$ (10,581,432)</u>

Statement of Cash Flows

Year Ended June 30, 2021

Cash Flows from Operating Activities

Cash received from HUD operating subsidies and grants	\$ 63,753,772
Cash received from tenants	5,694,408
Other receipts	400,090
Cash payments for housing assistance	(36,300,363)
Cash payments to employees	(9,501,083)
Cash payments to suppliers	(27,763,807)

Net cash and cash equivalents used in operating activities	(3,716,983)
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Cash Flows from Investing Activities - Investment in notes receivable Net	156,665
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Cash Flows from Capital and Related Financing Activities

HUD capital grants	5,147,893
Purchase of property and equipment	(5,273,018)

Net cash and cash equivalents used in capital and related financing activities	(125,125)
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Net Decrease in Cash and Cash Equivalents	(3,685,443)
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Cash and Cash Equivalents - Beginning of year	54,120,822
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Cash and Cash Equivalents - End of year	<u>\$ 50,435,379</u>
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Cash Reconciliation

Current cash and cash equivalents - Unrestricted	\$ 27,733,086
Current cash and cash equivalents - Restricted	22,702,293

Total cash and cash equivalents	<u>\$ 50,435,379</u>
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Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (3,079,826)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:	
Depreciation	4,154,288
Bad debt	300,034
Change in pension liability and deferrals	(759,994)
(Increase) decrease in operating assets:	
Receivables - Net	(342,590)
Prepaid expenses and other assets	(135,058)
Increase (decrease) in operating liabilities:	
Accounts payable	106,989
Due to HUD	425,009
Accrued salaries and benefits	107,357
Tenant security deposits	2,746
Other liabilities	(4,495,938)

Net cash used in operating activities	<u>\$ (3,716,983)</u>
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Detroit Housing Commission

Component Units Statement of Net Position

	The Villages of Parkside II, LLC June 30, 2021	The Villages of Parkside IV, LLC June 30, 2021	Woodbridge Estates Apartments I, LLC December 31, 2020	Woodbridge Estates Apartments II, LLC December 31, 2020	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2020
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	85,450	98,829	34,812	81,668	74,830	100,478	5,468
Cash and cash equivalents - Restricted	235,485	56,779	134,277	228,354	194,545	284,519	365,803
Receivables - Net	87,309	27,435	32,191	26,107	21,137	6,775	16,525
Prepaid expenses	6,799	7,860	9,198	13,414	9,315	8,773	16,227
Total current assets	415,043	190,903	210,478	349,543	299,827	400,545	404,023
Noncurrent Assets							
Capital assets - Net	5,035,088	4,331,774	3,659,369	4,801,041	3,997,596	4,845,029	7,063,467
Other noncurrent assets	-	-	-	-	5,434	3,028	4,354
Total assets	<u>\$ 5,450,131</u>	<u>\$ 4,522,677</u>	<u>\$ 3,869,847</u>	<u>\$ 5,150,584</u>	<u>\$ 4,302,857</u>	<u>\$ 5,248,602</u>	<u>\$ 7,471,844</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	23,900	35,000	29,100	36,500	54,900
Accounts payable	156,516	348,153	947	1,118	1,581	3,213	27,688
Accrued interest payable	5,903,075	2,152,813	1,605,592	2,411,478	1,394,021	1,587,496	1,842,832
Tenant security deposits	14,772	9,141	6,421	11,155	7,957	12,751	9,019
Unearned revenue	12,515	6,967	4,915	1,854	3,154	5,829	5,192
Other current liabilities	62,005	167,530	30,223	47,993	15,575	18,378	24,285
Total current liabilities	6,148,883	2,684,604	1,671,998	2,508,598	1,451,388	1,664,167	1,963,916
Noncurrent Liabilities							
Long-term debt	25,514,772	20,990,363	3,240,393	4,303,726	3,272,598	3,907,457	5,272,825
Other noncurrent liabilities	-	-	-	-	-	-	71,893
Total liabilities	31,663,655	23,674,967	4,912,391	6,812,324	4,723,986	5,571,624	7,308,634
Net Position							
Net investment in capital assets	(20,479,684)	(16,658,589)	395,076	462,315	695,898	901,072	1,735,742
Restricted	212,539	40,604	134,277	228,354	186,588	271,019	356,784
Unrestricted	(5,946,379)	(2,534,305)	(1,571,897)	(2,352,409)	(1,303,615)	(1,495,113)	(1,929,316)
Total net position	(26,213,524)	(19,152,290)	(1,042,544)	(1,661,740)	(421,129)	(323,022)	163,210
Total liabilities and net position	<u>\$ 5,450,131</u>	<u>\$ 4,522,677</u>	<u>\$ 3,869,847</u>	<u>\$ 5,150,584</u>	<u>\$ 4,302,857</u>	<u>\$ 5,248,602</u>	<u>\$ 7,471,844</u>

See notes to the financial statements

Detroit Housing Commission

Component Units Statement of Net Position (Continued)

	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2020	Alexandrine Square Limited Dividend Housing Association Limited Partnership December 31, 2020	Gardenview Homes I Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes II Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes III Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes IV Limited Dividend Housing Association, LLC December 31, 2020
Assets								
Current Assets								
Cash and cash equivalents - Unrestricted	205,484	17,141	468	1,283	99,359	11,512	63,581	327,850
Cash and cash equivalents - Restricted	341,563	358,605	840,970	303,836	989,820	903,438	942,402	451,453
Receivables - Net	8,017	3,247	31,812	5,180	19,703	12,881	30,229	16,117
Prepaid expenses	7,435	-	3,296	-	15,366	7,203	7,203	7,683
Total current assets	562,499	378,993	876,546	310,299	1,124,248	935,034	1,043,415	803,103
Noncurrent Assets								
Capital assets - Net	6,772,499	15,348,791	8,042,492	873,176	13,746,281	6,026,215	5,763,063	6,196,588
Other noncurrent assets	205,241	335,914	-	30,389	-	-	-	-
Total assets	<u>\$ 7,540,239</u>	<u>\$ 16,063,698</u>	<u>\$ 8,919,038</u>	<u>\$ 1,213,864</u>	<u>\$ 14,870,529</u>	<u>\$ 6,961,249</u>	<u>\$ 6,806,478</u>	<u>\$ 6,999,691</u>
Liabilities and Net Position								
Current Liabilities								
Current portion of long-term debt	-	-	-	-	31,351	-	-	-
Accounts payable	426	12,199	166,554	258,380	29,016	2,942	2,905	35,369
Accrued interest payable	541,586	185,000	3,995,899	278,597	9,298	-	-	278,659
Tenant security deposits	4,196	14,120	26,205	3,406	21,961	4,504	5,452	4,949
Unearned revenue	7,743	3,591	2,290	6,946	4,793	422	674	2,111
Other current liabilities	139,586	1,211,754	36,306	207,963	63,617	24,476	26,731	-
Total current liabilities	693,537	1,426,664	4,227,254	755,292	160,036	32,344	35,762	321,088
Noncurrent Liabilities								
Long-term debt	2,448,114	3,665,033	3,683,357	265,780	11,536,071	8,787,888	8,817,603	3,887,485
Other noncurrent liabilities	-	1,826,598	-	1,735,079	-	-	-	74,805
Total liabilities	3,141,651	6,918,295	7,910,611	2,756,151	11,696,107	8,820,232	8,853,365	4,283,378
Net Position								
Net investment in capital assets	4,324,385	11,683,758	4,359,135	607,396	2,178,859	(2,761,673)	(3,054,540)	2,309,103
Restricted	337,297	344,485	814,682	303,836	963,820	898,688	933,802	451,453
Unrestricted	(263,094)	(2,882,840)	(4,165,390)	(2,453,519)	31,743	4,002	73,851	(44,243)
Total net position	4,398,588	9,145,403	1,008,427	(1,542,287)	3,174,422	(1,858,983)	(2,046,887)	2,716,313
Total liabilities and net position	<u>\$ 7,540,239</u>	<u>\$ 16,063,698</u>	<u>\$ 8,919,038</u>	<u>\$ 1,213,864</u>	<u>\$ 14,870,529</u>	<u>\$ 6,961,249</u>	<u>\$ 6,806,478</u>	<u>\$ 6,999,691</u>

Detroit Housing Commission

Component Units Statement of Net Position (Continued)

	Gardenview Homes V Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VI Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VII Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2020	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2020
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	219,965	146,327	106,018	99,471	124,092	76,005	136,569
Cash and cash equivalents - Restricted	418,054	403,641	619,660	662,592	298,437	1,046,038	657,429
Receivables - Net	10,198	25,467	3,576	5,960	20,379	37,175	24,325
Prepaid expenses	7,683	7,363	13,445	13,125	7,523	15,381	25,216
Total current assets	655,900	582,798	742,699	781,148	450,431	1,174,599	843,539
Noncurrent Assets							
Capital assets - Net	8,856,468	8,381,804	10,141,097	9,836,503	7,782,024	20,159,336	8,688,204
Other noncurrent assets	-	-	-	-	36,675	376,310	245,246
Total assets	<u>\$ 9,512,368</u>	<u>\$ 8,964,602</u>	<u>\$ 10,883,796</u>	<u>\$ 10,617,651</u>	<u>\$ 8,269,130</u>	<u>\$ 21,710,245</u>	<u>\$ 9,776,989</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	-	-	-	-	-
Accounts payable	18,149	21,996	3,125	2,116	15,470	2,538,010	74,166
Accrued interest payable	-	-	-	-	-	953,941	199,700
Tenant security deposits	6,224	4,976	13,084	11,386	10,817	12,409	33,645
Unearned revenue	695	2,265	910	631	3,577	1,887	5,303
Other current liabilities	15,838	14,936	426,215	395,068	46,666	138,054	193,267
Total current liabilities	40,906	44,173	443,334	409,201	76,530	3,644,301	506,081
Noncurrent Liabilities							
Long-term debt	5,392,148	4,830,058	10,230,000	10,031,000	4,320,038	10,990,000	5,277,275
Other noncurrent liabilities	98,406	33,922	2,175,050	2,194,994	69,948	772,294	-
Total liabilities	5,531,460	4,908,153	12,848,384	12,635,195	4,466,516	15,406,595	5,783,356
Net Position							
Net investment in capital assets	3,464,320	3,551,746	(88,903)	(194,497)	3,461,986	9,169,336	3,410,929
Restricted	411,481	397,391	605,792	650,612	287,372	1,033,287	623,041
Unrestricted	105,107	107,312	(2,481,477)	(2,473,659)	53,256	(3,898,973)	(40,337)
Total net position	3,980,908	4,056,449	(1,964,588)	(2,017,544)	3,802,614	6,303,650	3,993,633
Total liabilities and net position	<u>\$ 9,512,368</u>	<u>\$ 8,964,602</u>	<u>\$ 10,883,796</u>	<u>\$ 10,617,651</u>	<u>\$ 8,269,130</u>	<u>\$ 21,710,245</u>	<u>\$ 9,776,989</u>

	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2020	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2021	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Total Discretely Component Units
Assets						
Current Assets						
Cash and cash equivalents - Unrestricted	39,820	435,555	101,655	48,365	156,087	2,898,142
Cash and cash equivalents - Restricted	702,562	384,946	664,667	489,226	582,282	13,561,383
Receivables - Net	44,275	24,659	8,332	12,588	15,961	577,560
Prepaid expenses	26,638	5,711	11,269	11,514	11,925	276,565
Total current assets	813,295	850,871	785,923	561,693	766,255	17,313,650
Noncurrent Assets						
Capital assets - Net	8,456,269	6,566,515	5,460,737	5,896,560	6,090,000	202,817,986
Other noncurrent assets	244,969	24,527	172,082	-	176,318	1,860,487
Total assets	\$ 9,514,533	\$ 7,441,913	\$ 6,418,742	\$ 6,458,253	\$ 7,032,573	\$ 221,992,123
Liabilities and Net Position						
Current Liabilities						
Current portion of long-term debt	-	-	-	-	-	210,751
Accounts payable	74,685	36,051	27,356	44,207	14,661	3,916,999
Accrued interest payable	175,492	269,001	1,746,879	-	1,362,873	26,894,232
Tenant security deposits	32,606	17,971	14,245	29,305	15,876	358,553
Unearned revenue	10,585	2,963	2,953	167	559	101,491
Other current liabilities	190,577	104,696	33,425	25,778	37,006	3,697,948
Total current liabilities	483,945	430,682	1,824,858	99,457	1,430,975	35,179,974
Noncurrent Liabilities						
Long-term debt	4,631,031	7,247,955	3,693,852	9,072,732	3,031,038	188,340,592
Other noncurrent liabilities	-	-	-	-	-	9,052,989
Total liabilities	5,114,976	7,678,637	5,518,710	9,172,189	4,462,013	232,573,555
Net Position						
Net investment in capital assets	3,825,238	(681,440)	1,766,885	(3,176,172)	3,058,962	14,266,643
Restricted	668,446	366,913	664,667	489,226	582,282	13,258,738
Unrestricted	(94,127)	77,803	(1,531,520)	(26,990)	(1,070,684)	(38,106,813)
Total net position	4,399,557	(236,724)	900,032	(2,713,936)	2,570,560	(10,581,432)
Total liabilities and net position	\$ 9,514,533	\$ 7,441,913	\$ 6,418,742	\$ 6,458,253	\$ 7,032,573	\$ 221,992,123

Detroit Housing Commission

Component Unit Statement of Activities

	The Villages of Parkside II, LLC June 30, 2021	The Villages of Parkside IV, LLC June 30, 2021	Woodbridge Estates Apartments I, LLC December 31, 2020	Woodbridge Estates Apartments II, LLC December 31, 2020	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2020
Operating Revenue							
Tenant revenue - Net	\$ 1,005,688	\$ 692,532	\$ 473,220	\$ 696,266	\$ 407,251	\$ 460,675	\$ 620,482
Other operating revenue	-	-	-	-	240	-	28,000
Total operating revenue	1,005,688	692,532	473,220	696,266	407,491	460,675	648,482
Operating Expenses							
Administrative	221,826	145,189	128,922	179,097	116,493	132,352	176,959
Utilities	367,015	406,945	36,672	56,242	34,054	40,733	59,107
Maintenance	319,871	169,420	108,802	112,595	70,733	73,927	158,415
Protective services	49,553	141,457	-	-	-	-	-
General	80,337	85,087	40,709	117,986	93,430	101,257	91,470
Depreciation and amortization	901,974	766,980	156,563	204,502	158,527	188,694	272,661
Total operating expenses	1,940,576	1,715,078	471,668	670,422	473,237	536,963	758,612
Operating (Loss) Income	(934,888)	(1,022,546)	1,552	25,844	(65,746)	(76,288)	(110,130)
Nonoperating Revenue (Expense)							
Investment income	361	101	-	-	-	-	-
Interest expense	(505,763)	(94,457)	(239,450)	(353,129)	(181,195)	(214,529)	(278,020)
Total nonoperating (expense) revenue	(505,402)	(94,356)	(239,450)	(353,129)	(181,195)	(214,529)	(278,020)
Decrease in Net Assets Before Capital Contributions and Distributions	(1,440,290)	(1,116,902)	(237,898)	(327,285)	(246,941)	(290,817)	(388,150)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	-	-	-
Change in Net Position	(1,440,290)	(1,116,902)	(237,898)	(327,285)	(246,941)	(290,817)	(388,150)
Net Position - Beginning of year	(24,773,234)	(18,035,388)	(804,646)	(1,334,455)	(174,188)	(32,205)	551,360
Net Position - End of year	<u>\$ (26,213,524)</u>	<u>\$ (19,152,290)</u>	<u>\$ (1,042,544)</u>	<u>\$ (1,661,740)</u>	<u>\$ (421,129)</u>	<u>\$ (323,022)</u>	<u>\$ 163,210</u>

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2020	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2020	Alexandrine Square Limited Dividend Housing Association Limited Partnership December 31, 2020	Gardenview Homes I Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes II Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes III Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes IV Limited Dividend Housing Association, LLC December 31, 2020
Operating Revenue								
Tenant revenue - Net	\$ 458,975	\$ 248,200	\$ 719,153	\$ 43,426	\$ 858,441	\$ 341,400	\$ 390,737	\$ 394,553
Other operating revenue	-	-	-	-	-	-	680	-
Total operating revenue	458,975	248,200	719,153	43,426	858,441	341,400	391,417	394,553
Operating Expenses								
Administrative	237,760	110,615	412,221	95,552	186,044	106,002	105,852	116,790
Utilities	43,110	60,917	188,656	34,231	172,441	80,195	72,752	78,572
Maintenance	93,200	40,663	79,791	19,349	230,511	88,458	77,979	73,345
Protective services	-	-	-	-	-	-	-	-
General	50,317	75,087	115,243	526,733	75,897	76,252	73,064	57,165
Depreciation and amortization	419,786	528,278	391,423	95,327	541,211	195,735	229,645	400,505
Total operating expenses	844,173	815,560	1,187,334	771,192	1,206,104	546,642	559,292	726,377
Operating (Loss) Income	(385,198)	(567,360)	(468,181)	(727,766)	(347,663)	(205,242)	(167,875)	(331,824)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	17,597	20,231	20,894	162
Interest expense	(112,483)	(240,884)	(382,144)	(147,057)	(102,375)	-	-	(29,156)
Total nonoperating (expense) revenue	(112,483)	(240,884)	(382,144)	(147,057)	(84,778)	20,231	20,894	(28,994)
Decrease in Net Assets Before Capital Contributions and Distributions	(497,681)	(808,244)	(850,325)	(874,823)	(432,441)	(185,011)	(146,981)	(360,818)
Capital Contributions and Distributions								
Partner contributions	-	8,206,714	-	-	-	-	-	-
Change in Net Position	(497,681)	7,398,470	(850,325)	(874,823)	(432,441)	(185,011)	(146,981)	(360,818)
Net Position - Beginning of year	4,896,269	1,746,933	1,858,752	(667,464)	3,606,863	(1,673,972)	(1,899,906)	3,077,131
Net Position - End of year	<u>\$ 4,398,588</u>	<u>\$ 9,145,403</u>	<u>\$ 1,008,427</u>	<u>\$ (1,542,287)</u>	<u>\$ 3,174,422</u>	<u>\$ (1,858,983)</u>	<u>\$ (2,046,887)</u>	<u>\$ 2,716,313</u>

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Gardenview Homes V Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VI Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VII Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2020	Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2020	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2020
Operating Revenue							
Tenant revenue - Net	\$ 395,739	\$ 381,481	\$ 606,323	\$ 586,017	\$ 387,720	\$ 859,100	\$ 619,236
Other operating revenue	-	-	-	-	-	1,838,000	9,650
Total operating revenue	395,739	381,481	606,323	586,017	387,720	2,697,100	628,886
Operating Expenses							
Administrative	137,093	113,598	214,811	218,146	152,333	248,208	217,684
Utilities	82,401	93,700	107,856	82,242	64,002	143,401	135,822
Maintenance	82,826	74,639	128,333	140,754	66,199	186,111	169,514
Protective services	-	-	-	-	-	-	-
General	84,296	57,959	111,803	94,378	63,520	134,287	108,867
Depreciation and amortization	526,606	415,468	577,008	551,751	299,263	1,036,186	556,305
Total operating expenses	913,222	755,364	1,139,811	1,087,271	645,317	1,748,193	1,188,192
Operating (Loss) Income	(517,483)	(373,883)	(533,488)	(501,254)	(257,597)	948,907	(559,306)
Nonoperating Revenue (Expense)							
Investment income	1,498	1,497	13,056	13,969	49	6,789	632
Interest expense	-	-	(306,900)	(300,912)	-	(471,316)	(26,883)
Total nonoperating (expense) revenue	1,498	1,497	(293,844)	(286,943)	49	(464,527)	(26,251)
Decrease in Net Assets Before Capital Contributions and Distributions	(515,985)	(372,386)	(827,332)	(788,197)	(257,548)	484,380	(585,557)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	-	-	-
Change in Net Position	(515,985)	(372,386)	(827,332)	(788,197)	(257,548)	484,380	(585,557)
Net Position - Beginning of year	4,496,893	4,428,835	(1,137,256)	(1,229,347)	4,060,162	5,819,270	4,579,190
Net Position - End of year	<u>\$ 3,980,908</u>	<u>\$ 4,056,449</u>	<u>\$ (1,964,588)</u>	<u>\$ (2,017,544)</u>	<u>\$ 3,802,614</u>	<u>\$ 6,303,650</u>	<u>\$ 3,993,633</u>

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2020	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2021	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2020	Total Discretely Component Units
Operating Revenue						
Tenant revenue - Net	\$ 600,498	\$ 386,082	\$ 497,873	\$ 485,094	\$ 561,628	\$ 14,177,790
Other operating revenue	10,226	15,378	-	-	-	1,902,174
Total operating revenue	610,724	401,460	497,873	485,094	561,628	16,079,964
Operating Expenses						
Administrative	217,506	143,289	229,473	214,040	259,915	4,837,770
Utilities	134,844	90,826	80,176	85,331	69,498	2,901,741
Maintenance	166,154	119,157	98,342	79,393	93,872	3,122,353
Protective services	-	-	-	-	-	191,010
General	106,936	66,253	97,340	44,266	105,336	2,735,275
Depreciation and amortization	535,594	385,922	367,604	370,217	383,308	11,457,043
Total operating expenses	1,161,034	805,447	872,935	793,247	911,929	25,245,192
Operating (Loss) Income	(550,310)	(403,987)	(375,062)	(308,153)	(350,301)	(9,165,228)
Nonoperating Revenue (Expense)						
Investment income	670	124	246	-	-	97,876
Interest expense	(23,579)	(33,163)	(203,555)	-	(185,219)	(4,432,169)
Total nonoperating (expense) revenue	(22,909)	(33,039)	(203,309)	-	(185,219)	(4,334,293)
Decrease in Net Assets Before Capital Contributions and Distributions	(573,219)	(437,026)	(578,371)	(308,153)	(535,520)	(13,499,521)
Capital Contributions and Distributions						
Partner contributions	-	-	-	-	-	8,206,714
Change in Net Position	(573,219)	(437,026)	(578,371)	(308,153)	(535,520)	(5,292,807)
Net Position - Beginning of year	4,972,776	200,302	1,478,403	(2,405,783)	3,106,080	(5,288,625)
Net Position - End of year	<u>\$ 4,399,557</u>	<u>\$ (236,724)</u>	<u>\$ 900,032</u>	<u>\$ (2,713,936)</u>	<u>\$ 2,570,560</u>	<u>\$ (10,581,432)</u>

June 30, 2021**Note 1 - Nature of Business**

Detroit Housing Commission (the "Commission" or DHC) is a Michigan public body corporation operating as a public housing authority under the Michigan Housing Facilities Act, MCL 125.653. The Commission was established in 1933 under the Public Facilities Act by the City of Detroit, Michigan (the "City"). The Commission's mission statement is to effectively and efficiently develop, manage, and preserve quality affordable housing. To achieve this mission, the Commission promotes the development of and provides property management for affordable housing; provides facilities and supportive services to nurture neighborhoods; and provides economic development and self-sufficiency activities for residents while also ensuring equal access to safe, quality housing for low- and moderate-income families throughout the community. For the year ended June 30, 2021, the Commission is considered a component unit of the City. The Commission's board independently oversees the Commission's operations. The Commission is operated by a five-member board appointed by the mayor, and the City of Detroit, Michigan's City Council may remove a member from the board of commissioners.

The Commission owns and provides subsidy and operating support to housing units located throughout the City. The Commission's assets, liabilities, net position, and changes in net position are included in its primary government fund and are segregated by program activity. A summary of each significant program or activity is provided below:

Low-income Public Housing

The Low-income Public Housing (LIPH) program is the Commission's primary source of operating funds. The program is designed to provide subsidized housing to low-income residents and includes the following activities: asset management projects (AMPs), including public housing operations funded through the operating subsidy and components of the Capital Fund; HOPE VI grant programs; Replacement Housing Factor Programs; and various other related HUD grant programs.

The purpose of the Low-income Public Housing program is to provide decent, safe, and affordable housing to low-income families at reduced rental rates. The housing units are owned, maintained, and managed by the Commission and/or managed by other unrelated property management firms.

In addition to the funding of the program operations and development by federal annual contributions, operating subsidies, and grants, as disclosed above, the Commission also collects tenant rents (determined as a percentage of family income, adjusted for family composition and other allowances).

Housing Assistance Programs

The Commission administers the leasing of privately owned units in the City through the housing assistance programs. These programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. Funding of the programs is provided by federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants. In addition, the Commission receives an administrative fee to cover operating expenses. These programs include the Section 8 Housing Choice Voucher program, Section 8 Moderate Rehabilitation program, and Mainstream Voucher program.

HOPE VI Programs and Mixed Financing

HOPE VI programs support the acquisition and redevelopment of affordable housing units through the use of HUD financing and other public and private sources. The Commission provides loans to the discretely presented component units utilizing HOPE VI, Replacement Housing Factor (RHF) funds, and capital funds. Repayment of the mortgage notes is based on availability of net cash flows from operations, as defined in the note agreements.

The Commission also has Mixed-Finance Annual Contributions Contracts approved by HUD provided to the discretely presented component units.

June 30, 2021**Note 1 - Nature of Business (Continued)*****Central Office Cost Center***

The Central Office Cost Center (COCC) is a business unit within the Commission that generates revenue through fees for services from various commission programs and activities.

Business Activities

The Commission also participates in other development and component unit management activities that are not funded by HUD that are classified as business activities. These activities are reported in the total programs.

Note 2 - Significant Accounting Policies***Reporting Entity***

The reporting entity of the Commission includes its primary government and discretely presented component units. The primary government consists of all of the programs, COCC, and business activities described above, as well as blended component units.

Component Units

The definition of the reporting entity, as defined by GASB 61, is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and/or it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Blended Component Units

Some component units, despite being legally separate, are so integrated with the primary government that they are, in substance, part of the primary government. The Commission's primary government includes five blended component units. These blended component units controlled by the Commission and for which it is financially accountable are as follows:

- Detroit Resident Empowerment and Asset Management Services, Inc. (D.R.E.A.M.S.)
- DHC Parkside (DHCP)
- Parkside Development Corporation, Inc. (PDC)
- DHC Woodbridge
- Detroit Housing Finance Corporation

These component units are related entities created as instrumentalities of the Commission for the purpose of providing and developing affordable housing opportunities and implementing housing policies and programs for the Commission.

Discretely Presented Component Units

The following component units meet the criteria for discrete component unit presentation and are presented separately from the primary government in the basic financial statements to clearly distinguish the component unit balances and transactions from the primary government.

June 30, 2021**Note 2 - Significant Accounting Policies (Continued)**

The discretely presented component units are as follows:

- The Villages at Parkside II, LLC (TVP II)
- The Villages at Parkside IV, LLC (TVP IV)
- Woodbridge Estates Apartments I, LLC (WEA I)
- Woodbridge Estates Apartments II, LLC (WEA II)
- Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC (WEA III)
- Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (WEA IV)
- Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (WEA V)
- Woodbridge Estates VI Limited Dividend Housing Association, LLC (WEA VI)
- Woodbridge Estates IX Limited Dividend Housing Association, LLC (WEA IX)
- Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (WILF)
- Alexandrine Square Limited Dividend Housing Association Limited Partnership
- Gardenvue Homes I Limited Dividend Housing Association, LLC
- Gardenvue Homes II Limited Dividend Housing Association, LLC
- Gardenvue Homes III Limited Dividend Housing Association, LLC
- Gardenvue Homes IV Limited Dividend Housing Association, LLC
- Gardenvue Homes V Limited Dividend Housing Association, LLC
- Gardenvue Homes VI Limited Dividend Housing Association, LLC
- Gardenvue Homes VII Limited Dividend Housing Association, LLC
- Gardenvue Homes VIII Limited Dividend Housing Association, LLC
- Gardenvue Homes IX Limited Dividend Housing Association, LLC
- Gardenvue Homes X Limited Dividend Housing Association, LLC
- Emerald Springs IA Limited Dividend Housing Association Limited Partnership
- Emerald Springs IB Limited Dividend Housing Association Limited Partnership
- Emerald Springs II Limited Dividend Housing Association Limited Partnership
- Cornerstone Estates I Limited Dividend Housing Association, LLC
- Cornerstone Estates II Limited Dividend Housing Association, LLC
- Cornerstone Estates III Limited Dividend Housing Association, LLC

June 30, 2021**Note 2 - Significant Accounting Policies (Continued)**

All of these discrete component units are either for-profit limited liability corporations or partnerships that were created for the development, ownership, and management of affordable housing properties in the City of Detroit, Michigan. These entities follow all applicable FASB standards, regardless of issue date. Since they do not follow governmental accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

All of the discrete component units, with the exception of The Villages at Parkside II, LLC; The Villages at Parkside IV, LLC; and Emerald Springs II Limited Dividend Housing Association Limited Partnership, which reported the same year end as the Commission, have a calendar year end of December 31, which differs from the Commission's year end of June 30. For reporting purposes, the information reported in the basic financial statements is presented as of and for the 12-month period ended December 31, 2020 for these discrete component units.

Due to fiscal year-end differences between the Commission and the discrete component units, certain related receivables of the Commission do not have offsetting equal liabilities reflected in the discrete component units. Each of the discrete component units is independent of the Commission; however, the Commission has an economic interest in each of the respective properties. Separately issued financial statements for each discrete component unit can be obtained by contacting the Commission located at 1301 E. Jefferson Avenue, Detroit, MI 48226.

Other Component Units

The following component units have been created by the Commission but had little or no activity during the year ended June 30, 2021 and, therefore, are not included in the basic financial statements:

- DHC Marwood, Inc.
- Parkside Services, Inc.
- TVP Residents Association I, Inc.
- TVP Residents Association II, Inc.
- TVP Residents Association III, Inc.
- TVP Residents Association IV, Inc.
- TVP Residents, Inc.
- The Villages at Parkside, LLC
- The Outer Drive Housing Finance Corporation
- The Villages at Parkside I, LLC
- The Villages at Parkside III, LLC

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The Commission follows the business-type activities reporting requirements of GASB Statement No. 34, which provides a comprehensive one-line look at the Commission's financial activities. The Commission reports all of its operations as a single business activity in a single enterprise fund. The enterprise fund is a proprietary fund, which distinguishes operating revenue and expenses from nonoperating items.

June 30, 2021**Note 2 - Significant Accounting Policies (Continued)**

The operating revenue of the Commission primarily consists of rental charges to tenants, operating grants from HUD, and other operating revenue that offset operating expenses. Operating expenses include the cost of administrative, tenant services, utilities, maintenance, protective services, general operations, depreciation, and Housing Assistance Payments. All revenue and expenses not meeting the operating definitions under GASB are reported as nonoperating, with the exception of the HUD capital contributions, which are reported separately as a capital activity.

Basis of Accounting

The Commission's basis of accounting is determined by the measurement focus. A proprietary fund uses the flow of economic resources measurement focus. As a proprietary fund, the Commission's financial activities operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services. For financial reporting purposes, the Commission considers its grants associated with operations as operating revenue because these funds more closely represent revenue generated from operating activities rather than nonoperating activities. Grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity as capital contributions on the accompanying statement of activities.

Cash Equivalents

The Commission considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. The Commission also considers U.S. government money market funds to be cash and cash equivalents.

Restricted Cash

Restricted cash represents amounts held in Family Self-Sufficiency (FSS) escrow, Section 8 funds, rehab funds, tenants' escrows, and other escrows. Restrictions for use in operations and approval are governed by HUD or other outside parties.

Investments

Investments are reported at fair value or estimated fair value.

Receivables - Net

Current receivables consist of revenue earned at year end and not yet received. As of June 30, 2021, there is an allowance for uncollectible tenant receivables of approximately \$708,000. Allowances are determined by management based on periodic aging and prior experience. Tenant bad debt expense, netted with tenant revenue, for the year ended June 30, 2021 was approximately \$354,000.

Due from Other Governments

These amounts are due from HUD principally as a result of grant revenue being accrued for allowable program expenses not yet funded. The amount due from HUD for the Capital Fund is approximately \$386,000, and the amount due from HUD for rental subsidies is approximately \$1,230,000.

Notes, Loans, and Mortgages Receivable - Net

These receivables consist of amounts due under agreements from the discrete component units, primarily utilizing HOPE VI funds, as well as from tenants in the Homeownership Program. HOPE VI notes mature several years into the future, and management has estimated that these notes are fully collectible and that there is no basis for a bad debt reserve as of June 30, 2021. The homeownership loans are presented net of their related amortization.

June 30, 2021

Note 2 - Significant Accounting Policies (Continued)

Accrued Interest Receivable - Restricted

Restricted interest receivable is related to the mortgage loans made to the discrete component units. Interest is not due within the next 12 months and, therefore, is classified as noncurrent. The accrued interest receivable is considered restricted since the related loans were funded through the HOPE VI program, and the interest is restricted upon receipt in accordance with HUD guidelines.

Capital Assets - Net

The Commission's policy is to capitalize purchased assets with a value in excess of \$1,000 and self-constructed assets with a value in excess of \$5,000 and a useful life in excess of one year. The Commission capitalizes the costs of site acquisition and improvement, structures, equipment, and direct development costs meeting the capitalization policy. Charges for maintenance and repairs are expensed when incurred, and capital improvements extending the lives of assets are capitalized. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at acquisition value on the date of donation.

Depreciation has been provided using the straight-line method over the estimated useful lives of the assets, which range as follows:

	Depreciable Life - Years
Structures and improvements	15-40
Equipment - Dwelling and administrative	5-10

If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Commission. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance.

Impaired capital assets that will no longer be used by the Commission are reported at the lower of carrying value or fair value or are written off entirely. During 2021, no impairments were recorded.

Compensated Absences

Full-time permanent employees are granted leave benefits up to a maximum of 400 hours, depending on tenure with the Commission. Generally, after six months of service, employees are entitled to all accrued vacation leave upon termination. Employees are entitled to 60 percent of accrued sick leave upon retirement after 25 years of service. The estimated liability for vested leave benefits is recorded as an expense when it is earned in the basic financial statements. The compensated absences at June 30, 2021 totaled approximately \$478,000, of which \$24,000 is reported as current and \$454,000 as noncurrent liabilities.

Unearned Revenue

The Commission's unearned revenue balance represents receipt of HUD or other intergovernmental program funding applicable to future periods. Unearned revenue also includes money received in full for future land leases that are recognized as revenue over the lives of the leases.

June 30, 2021**Note 2 - Significant Accounting Policies (Continued)*****Net Position***

Net position is composed of three categories: (1) invested in capital assets - net of related debt, (2) restricted, and (3) unrestricted. The Commission's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Commission's policy is to first apply restricted resources. Each component of net position is reported separately on the statement of net position.

(1) *Net investment in capital assets* - This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

(2) *Restricted* - This category equals the restricted cash of the Commission and consists of net assets restricted in their use by (a) external groups, such as grantors, creditors, or laws and regulations of other governments, or (b) law through constitutional provisions or enabling legislation. Restricted assets in the primary government consist of reserves and HOPE VI notes receivable that are restricted upon collection in accordance with HUD guidelines.

(3) *Unrestricted* - This category includes all of the remaining net position that does not meet the definition of the other two categories.

Operating Revenue and Expenses

The Commission's operating revenue includes HUD funding and other amounts received from tenants for rent and other charges for services provided. Operating expenses are costs incurred during the operation of its primary housing activities. Such revenue and expenses are reported when earned or incurred, respectively.

Nonoperating Revenue and Expenses

Nonoperating revenue and expenses are derived from transactions other than those associated with the Commission's primary housing operations and are reported as incurred, including investment activity.

Interest Income

Interest income on notes receivable is recognized pursuant to the terms of the respective loan agreements. Collectibility is evaluated annually based on payments received and cash flow of each individual entity and future projected cash flow. If amounts are deemed to be uncollectible, DHC established an allowance for the doubtful account.

Eliminations

Certain accounts are eliminated from the Commission's primary government financial statements. The accounts that are eliminated are as follows:

- *Interprogram due to/from* - In the normal course of operations, certain programs pay for common costs that create interprogram receivables or payables. These interprogram receivables or payables are eliminated for the presentation of the Commission as a whole. For the year ended June 30, 2021, \$1,950,958 was eliminated.
- *Management and other fees* - The Commission's Central Office Cost Center internally charges operating fees to the AMPs in the Low Rent Housing Program, including management fees, bookkeeping fees, and asset management fees. For financial reporting purposes, \$4,164,019 of fees has been eliminated for the year ended June 30, 2021.

June 30, 2021**Note 2 - Significant Accounting Policies (Continued)**

- *Fees for service* - The Commission's Central Office Cost Center internally charges fees to other programs and projects of the Commission for legal and specialized maintenance services. For financial reporting purposes, \$699,622 of internal charges has been eliminated for the year ended June 30, 2021.

Capital Grants

The Commission records grants received for capital outlay as contributions from HUD.

Pensions

The Commission offers a defined benefit pension plan to its employees. The Commission records a net pension asset or liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Commission's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

The Commission's deposits are included at their carrying values on the statement of net position under the following classifications:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Cash and cash equivalents	\$ 27,733,086	\$ 2,898,142
Restricted cash and investments	22,702,293	13,561,383
Total deposits and investments	<u>\$ 50,435,379</u>	<u>\$ 16,459,525</u>

The above amounts are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2021:

	Primary Government
Bank deposits	\$ 3,921,905
Sweep accounts - Less than two months	46,513,474
Total	<u>\$ 50,435,379</u>

As of June 30, 2021, the Commission's cash and cash equivalents consist of cash in banks of \$50,853,069.

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At year end, the Commission had a balance of \$3,589,595 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The discrete component units had approximately \$16 million in deposits, of which approximately \$10 million was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates.

The Commission's investment policy is to limit its exposure to declines in fair values of its investment portfolio by only investing in HUD-allowed investments and by monitoring any such investments. At June 30, 2021, the Commission has investments in a sweep account with a fair value of \$46,008,502 and a weighted-average maturity of two months.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Commission has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating
Government Repo Pool	\$ 46,008,502	N/A

June 30, 2021

Note 3 - Deposits and Investments (Continued)

Restricted Cash

The Commission's restricted cash at June 30, 2021 is as follows:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Current:		
Tenant security deposits	\$ 309,834	\$ 310,316
Funded reserves	-	13,251,067
Family self-sufficiency escrow	1,020,182	-
Mainstream vouchers and other	344,660	-
Development program activities	21,027,617	-
Total	<u>\$ 22,702,293</u>	<u>\$ 13,561,383</u>

Note 4 - Property and Equipment

A summary of property and equipment for the primary government by class is as follows:

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 59,182,161	\$ -	\$ -	\$ 59,182,161
Construction in progress	871,952	855,401	-	1,727,353
Subtotal	60,054,113	855,401	-	60,909,514
Capital assets being depreciated:				
Structures and improvements	80,044,848	4,443,505	(510,999)	83,977,354
Equipment	7,466,459	324,228	(905,720)	6,884,967
Subtotal	87,511,307	4,767,733	(1,416,719)	90,862,321
Accumulated depreciation:				
Structures and improvements	49,573,041	3,983,592	215,786	53,772,419
Equipment	7,773,280	170,696	(1,632,505)	6,311,471
Subtotal	57,346,321	4,154,288	(1,416,719)	60,083,890
Net capital assets being depreciated	30,164,986	613,445	-	30,778,431
Net capital assets	<u>\$ 90,219,099</u>	<u>\$ 1,468,846</u>	<u>\$ -</u>	<u>\$ 91,687,945</u>

As of June 30, 2021, the Commission has approximately \$2,500,000 in future construction commitments.

The Commission and the Michigan Department of Environment, Great Lakes, and Energy (EGLE) have determined there is soil remediation needed at a property owned by the Commission. The Commission is working with EGLE to determine the remediation needed. It is unknown at this time the extent of the work to be completed, and, therefore, there is no available cost range for the remediation. There is no liability recorded on the statement of net position at June 30, 2021.

June 30, 2021

Note 5 - Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. As part of the Commission's risk management program, certain commercial insurance policies are purchased, and the Commission participates in commercial risk pools to cover designated exposures and potential loss situations. There were no significant reductions of insurance coverage from prior years, and settlements did not exceed insurance coverage for each of the past three years.

Note 6 - Capital Donation from the City

In a previous period, the Commission's assets were held in the City's name. In separation of the Commission from the City by agreement, the City transferred all assets of the Commission to the separate government unit. These transferred assets were considered donations from the City and, accordingly, were recorded at fair market value. Subsequent to the donations, appraisals were obtained on all fixed assets, which included an estimate of their remaining useful lives. Based on these appraisals, the donated fixed assets were revalued. The total book value of the capital assets transferred from the City was approximately \$108 million.

Note 7 - Notes, Loans, and Mortgages Receivable

Notes, loans, and mortgages receivable consist of HUD HOPE VI, RHF, and other funds loaned by the Commission to discrete component units for development of affordable housing in Detroit, repayable from future cash flows, as defined in the agreements. During 2021, no additional loans were made from the Commission to these discrete component units from these sources.

The Commission also has mixed finance annual contributions contracts approved by HUD for all the discretely presented component units.

The Commission also has loans receivable under funds provided by HUD under the Homeownership Program. The loans do not have scheduled payments and are forgiven over time per the loan agreements. The Commission amortizes the loans receivable over the seven-year debt forgiveness schedule.

During the current year, the Authority had a change in estimate for the allowance of accrued interest on the loans and notes receivable. As of June 30, 2021, an allowance of \$27,989,376 was recorded.

Presented below is the detail of the loans, all of which are considered noncurrent with loan balance fully collectible:

	Maturity Date	Interest Rate	Balance	Accrued Interest Receivable
Due from discretely presented component units:				
The Villages at Parkside II, LLC (HOPE VI)*	December 2038	0.45%	\$ 22,930,193	\$ 2,333,968
The Villages at Parkside II, LLC (Business Activities)*	December 2038	7.00%	2,584,579	3,569,107
The Villages at Parkside IV, LLC (HOPE VI)*	December 2038	0.45%	20,990,363	2,152,813
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	4.72%	1,279,814	1,680,242
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	0.00%	840,510	-
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	4.72%	1,888,460	2,471,851
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	0.00%	797,955	-
Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,560,470	1,456,246
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,764,801	1,657,023
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	2,057,829	1,921,008
Woodbridge Estates VI Limited Dividend Housing Association, LLC (HOPE VI)*	September 2063	3.75%	2,719,779	588,758
Woodbridge Estates IX Limited Dividend Housing Association, LLC (HOPE VI)*	September 2067	0.00%	3,700,000	34,431

June 30, 2021

Note 7 - Notes, Loans, and Mortgages Receivable (Continued)

	Maturity Date	Interest Rate	Balance	Accrued Interest Receivable
Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (HOPE VI)*	June 2049	5.20%	\$ 3,713,014	\$ 4,196,241
Alexandrine Square Limited Dividend Housing Association Limited Partnership (HOPE VI)*	November 2047	2.00%	265,780	205,585
Emerald Springs IA Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	5,292,434	216,047
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	4,644,006	189,784
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	March 2058	0.50%	7,431,331	269,001
Cornerstone Estates I Limited Dividend Housing Association, LLC (HOPE VI)*	March 2058	3.79%	3,734,751	1,849,903
Cornerstone Estates II Limited Dividend Housing Association, LLC (HOPE VI)*	July 2060	0.00%	9,097,354	-
Cornerstone Estates III Limited Dividend Housing Association, LLC (HOPE VI)*	October 2061	4.25%	3,088,675	1,456,690
Gardenvue Homes I Limited Dividend Housing Association, LLC (HOPE VI)*	December 2053	0.00%	9,785,199	-
Gardenvue Homes II and III Limited Dividend Housing Association, LLC (HOPE VI)*	December 2054	0.00%	4,482,531	-
Gardenvue Homes IV Limited Dividend Housing Association, LLC (HOPE VI)*	May 2060	0.75%	3,887,485	303,513
Gardenvue Homes V Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	5,407,128	-
Gardenvue Homes VI Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	4,836,094	-
Gardenvue Homes IX Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2064	0.00%	4,319,938	-
Gardenvue Homes X Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2067	2.50%	8,740,000	646,035
Subtotal			141,840,473	27,198,246
Less allowance for accrued interest receivable			141,840,473	(26,992,661)
Due from other - Homeownership loans - Net (accumulated amortization for forgiveness of debt of \$356,250)	Various	0%	221,678	-
Total noncurrent notes receivable			<u>\$ 142,062,151</u>	<u>\$ 205,585</u>

*Additional information related to these notes is presented in the long-term debt section in Note 11 for the discretely presented component units.

Note 8 - Pension Plan

Plan Description

The Commission participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS). MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Note 8 - Pension Plan (Continued)

The MERS plan covers substantially all employees of the Commission, including the executive members, nonexecutive members, contributing union members, contributing nonexecutive members, and executive director. As of year end, the defined benefit plan was closed to all new entrants. Summary information for each of these groups is provided below:

Executive Members

Retirement benefits for employees are calculated as 2.50 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. The vesting period is 6 years. This plan is closed to new entrants.

Nonexecutive Members

Retirement benefits for employees are calculated as 2.00 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. The vesting period is 6 years. This plan is closed to new entrants.

Contributing Union Members

Retirement benefits for employees are calculated as 2.00 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. The vesting period is 3 years. This plan is closed to new entrants.

Contributing Nonexecutive Members

Retirement benefits for employees are calculated as 2.00 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. The vesting period is 3 years. This plan is closed to new entrants.

Executive Director

Retirement benefits for employees are calculated as 2.50 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60, with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. The vesting period is 6 years. This plan is closed to new entrants.

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	85
Active plan members	83
Total employees covered by the plan	218

June 30, 2021

Note 8 - Pension Plan (Continued)

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2020, the active employee contribution rate was 5.0 percent of annual pay for executive, contributing union, and contributing nonexecutive members and 0 percent for nonexecutive members and executive directors.

The Commission's contribution rates as a percentage of annual payroll are as follows: executive members - 14.09 percent, contributing union members - 10.78 percent, and contributing nonexecutive members - 10.72 percent.

Net Pension Asset

The net pension asset reported at June 30, 2021 was determined using a measure of the total pension liability and the plan net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability (asset) during the measurement year were as follows:

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at December 31, 2019	\$ 21,024,986	\$ 20,375,979	\$ 649,007
Changes for the year:			
Service cost	500,254	-	500,254
Interest	1,585,212	-	1,585,212
Differences between expected and actual experience	(95,526)	-	(95,526)
Changes in assumptions	620,989	-	620,989
Contributions - Employer	-	404,014	(404,014)
Contributions - Employee	-	235,177	(235,177)
Net investment income	-	2,919,133	(2,919,133)
Benefit payments, including refunds	(834,120)	(834,120)	-
Administrative expenses	-	(41,254)	41,254
Net changes	1,776,809	2,682,950	(906,141)
Balance at December 31, 2020	<u>\$ 22,801,795</u>	<u>\$ 23,058,929</u>	<u>\$ (257,134)</u>

June 30, 2021

Note 8 - Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Commission recognized pension expense of \$31,479. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 116,514	\$ (379,099)
Changes in assumptions	634,302	-
Net difference between projected and actual earnings on pension plan investments	-	(924,372)
Employer contributions to the plan subsequent to the measurement date	192,207	-
Total	<u>\$ 943,023</u>	<u>\$ (1,303,471)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date of \$192,207 will impact the net pension asset and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2022	\$ 25,492
2023	174,992
2024	(477,233)
2025	(275,906)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.5 percent, a salary increases (including inflation) of 3 percent, and an investment rate of return (net of pension plan investment expenses) of 7.6 percent.

Mortality rates were based on certain sex distinct Pub-2010 mortality tables.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study covering the period from January 1, 2013 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

June 30, 2021

Note 8 - Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2020, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Commission, calculated using the discount rate of 7.60 percent, as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability (asset) of the Commission	\$ 2,716,340	\$ (257,134)	\$ (2,727,985)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at www.mersofmichigan.com. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

A five-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. The experience study resulted in updated demographic assumptions, including adjustments to the following actuarial assumptions that were first used in the December 31, 2020 actuarial valuation: mortality, retirement, disability, and termination rates.

Note 9 - Commitments and Contingencies

Grants and Contracts

The Commission participates in various federal and local grants, contracts, or sponsored agreements that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Commission. As of the date of this report, management is not aware of any such disallowance.

June 30, 2021**Note 9 - Commitments and Contingencies (Continued)*****Section 8 Housing Choice Voucher Program***

The Commission has received cumulative funding in excess of Housing Assistance Payments and earned administrative fees through the Section 8 Housing Choice Voucher Program (the “program”) under the implementation of the Consolidated Appropriations Act of 2005, Funding Provisions for the Housing Choice Voucher Program. Due to decreases in federal funding, HUD decreased its HAP payments made to the Commission, forcing it to use its HAP reserves. As of June 30, 2021, the remaining HAP reserve is \$53,723, which is subject to possible future recapture.

Funds Awarded

The Commission receives funding from HUD through the Capital Fund and public housing development programs to help subsidize the cost of redevelopment of projects, project repairs, improvements, component unit developments, and certain operating costs. Awards available to be spent as of June 30, 2021 for qualifying eligible expenditures amounted to \$25,687,286 and \$788,343, respectively.

Note 10 - Concentrations

The Commission operates in a heavily regulated environment. The operations of the Commission are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD.

Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

For the year ended June 30, 2021, approximately 91 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

June 30, 2021

Note 11 – Discretely Presented Component Units

The following entities are considered discrete component units of the Commission and are presented in accordance with GASB No. 61. Certain items may have changed for presentation purposes from the separately issued audited financial statements to conform to the Commission's presentation. The discrete component units disclosures included are those required under GASB No. 61 that are deemed essential to fair presentation of the financial entity's general purpose financial statements. The following disclosures are those that are material to the Commission and are not meant to be a full representation of each component unit's financial position and required disclosures. A copy of each component unit's separately issued financial statements can be obtained from the Commission's management. See Note 2 for detail on accounting policy and the for-profit entities that are considered discretely presented component units.

Each of the discrete component units are located in the City of Detroit and were formed as limited partnerships or limited liability companies for the purpose of owning, developing, and operating affordable housing projects.

The significant activity of the entities consists of residential rental operations and the primary assets are the land, buildings, improvements, furniture, fixtures, and equipment. Debt is primarily long term in nature and is collateralized by the property. Equity is contributed by investor partners or members.

A summary of the capital assets of the discrete component units is as follows:

Schedule of Component Unit Capital Assets June 30, 2021 and December 31, 2020	Nondepreciable	Depreciable		Accumulated Depreciation	2021 Net Capital Assets
		Land	Improvements, Buildings, and Furniture, Fixtures, and Equipment		
		Land	Building Improvements		
Woodbridge Estates Apartments I, LLC	\$ -	\$ 6,216,574	\$ 12,368	\$ (2,569,573)	\$ 3,659,369
Woodbridge Estates Apartments II, LLC	-	8,146,960	7,629	(3,353,548)	4,801,041
Woodbridge Estates Apartments III, LDHA LLC	-	6,110,920	1,540	(2,114,864)	3,997,596
Woodbridge Estates Apartments IV, LDHA LLC	-	7,411,130	1,870	(2,567,971)	4,845,029
Woodbridge Estates Apartments V, LDHA LLC	-	10,710,627	16,679	(3,663,839)	7,063,467
Woodbridge Estates Apartments VI, LDHA LLC	-	9,517,950	396,215	(3,141,666)	6,772,499
Woodbridge Estates Apartments IX, LDHA LLC	-	15,619,881	244,245	(515,335)	15,348,791
Woodbridge ILF Associates LDHA LP	291,667	12,637,630	1,141,378	(6,028,183)	8,042,492
The Villages at Parkside II LLC	425,457	27,437,362	824,484	(23,652,215)	5,035,088
The Villages at Parkside IV LLC	446,650	23,709,418	1,053,208	(20,877,502)	4,331,774
Alexandrine Square LDHA LP	13,767	2,838,190	243,301	(2,222,082)	873,176
Cornerstone Estates I LDHA, LLC	-	8,871,414	368,243	(3,778,920)	5,460,737
Cornerstone Estates II LDHA, LLC	-	9,223,625	435,818	(3,762,883)	5,896,560
Cornerstone Estates III LDHA, LLC	-	9,325,228	411,920	(3,647,148)	6,090,000
Gardenvue Homes I LDHA, LLC	2,973,750	16,140,968	557,865	(5,926,302)	13,746,281
Gardenvue Homes II LDHA, LLC	1,143,033	6,626,498	1,519,182	(3,262,498)	6,026,215
Gardenvue Homes III LDHA, LLC	1,164,608	6,791,783	1,317,998	(3,511,326)	5,763,063
Gardenvue Homes IV LDHA, LLC	268,440	9,692,441	401,248	(4,165,541)	6,196,588
Gardenvue Homes V LDHA, LLC	410,006	12,872,546	394,291	(4,820,375)	8,856,468
Gardenvue Homes VI LDHA, LLC	368,485	11,404,236	601,043	(3,991,960)	8,381,804
Gardenvue Homes VII LDHA, LLC	2,881,616	11,267,284	624,221	(4,632,024)	10,141,097
Gardenvue Homes VIII LDHA, LLC	433,136	13,264,932	593,552	(4,455,117)	9,836,503
Gardenvue Homes IX LDHA, LLC	250,986	8,851,959	337,402	(1,658,323)	7,782,024
Gardenvue Homes X LDHA, LLC	-	21,845,236	539,166	(2,225,066)	20,159,336
Emerald Springs IA LDHA LP	242,444	13,103,865	236,690	(4,894,795)	8,688,204
Emerald Springs IB LDHA LP	366,545	12,495,146	208,192	(4,613,614)	8,456,269
Emerald Springs II LDHA LP	311,656	9,035,599	144,955	(2,925,695)	6,566,515
Total fixed assets placed in service	\$ 11,992,246	\$ 311,169,402	\$ 12,634,703	\$ (132,978,365)	202,817,986
Total discrete component unit net capital assets					\$ 202,817,986

June 30, 2021

Note 11 – Discretely Presented Component Units (Continued)

A summary of the changes to the capital asset of the discrete component unit follows:

	Beginning Balance	Capital Additions and Other Adjustments	Depreciation	End of Year Balance
Woodbridge Estates Apartments I, LLC	\$ 3,815,932	\$ -	\$ (156,563)	\$ 3,659,369
Woodbridge Estates Apartments II, LLC	5,005,460	-	(204,419)	4,801,041
Woodbridge Estates Apartments III, LDHA LLC	4,150,689	-	(153,093)	3,997,596
Woodbridge Estates Apartments IV, LDHA LLC	5,030,696	-	(185,667)	4,845,029
Woodbridge Estates Apartments V, LDHA LLC	7,331,774	-	(268,307)	7,063,467
Woodbridge Estates Apartments VI, LDHA LLC	7,184,753	-	(412,254)	6,772,499
Woodbridge Estates Apartments IX, LDHA LLC	0	15,864,126	(515,335)	15,348,791
Woodbridge ILF Associates LDHA LP	8,329,780	104,135	(391,423)	8,042,492
The Villages at Parkside II LLC	5,937,062	-	(901,974)	5,035,088
The Villages at Parkside IV LLC	5,098,754	-	(766,980)	4,331,774
Alexandrine Square LDHA LP	968,503	-	(95,327)	873,176
Cornerstone Estates I LDHA, LLC	5,818,051	-	(357,314)	5,460,737
Cornerstone Estates II LDHA, LLC	6,266,452	-	(369,892)	5,896,560
Cornerstone Estates III LDHA, LLC	6,463,949	-	(373,949)	6,090,000
Gardenvue Homes I LDHA, LLC	14,287,492	-	(541,211)	13,746,281
Gardenvue Homes II LDHA, LLC	6,221,950	-	(195,735)	6,026,215
Gardenvue Homes III LDHA, LLC	5,992,708	-	(229,645)	5,763,063
Gardenvue Homes IV LDHA, LLC	6,597,093	-	(400,505)	6,196,588
Gardenvue Homes V LDHA, LLC	9,383,074	-	(526,606)	8,856,468
Gardenvue Homes VI LDHA, LLC	8,797,272	-	(415,468)	8,381,804
Gardenvue Homes VII LDHA, LLC	10,718,105	-	(577,008)	10,141,097
Gardenvue Homes VIII LDHA, LLC	10,388,254	-	(551,751)	9,836,503
Gardenvue Homes IX LDHA, LLC	8,077,510	-	(295,486)	7,782,024
Gardenvue Homes X LDHA, LLC	21,075,190	113,322	(1,029,176)	20,159,336
Emerald Springs IA LDHA LP	9,185,214	45,270	(542,280)	8,688,204
Emerald Springs IB LDHA LP	8,918,707	59,178	(521,616)	8,456,269
Emerald Springs II LDHA LP	6,917,443	31,730	(382,658)	6,566,515
Total fixed assets placed in service	197,961,867	16,217,761	(11,361,642)	202,817,986
Woodbridge ILF Associates LDHA LP - Construction in Progress	53,745	(53,745)	-	-
Woodbridge IX - Construction in Progress	13,429,287	(13,429,287)	-	-
Total discrete component unit net capital assets	<u>\$ 211,444,899</u>	<u>\$ 2,734,729</u>	<u>\$ (11,361,642)</u>	<u>\$ 202,817,986</u>

June 30, 2021

Note 11 – Discretely Presented Component Units (Continued)

A summary of the discrete component units' debt outstanding and maturity dates are as follows:

Schedule of Component Unit Debt June 30, 2021 and December 31, 2020	Lender	Interest Rate	Maturity Date	Balance - Beginning of Year*	Additions (Payments)	Balance - End of Year	Principal Due Within One Year
Woodbridge Estates Apartments I, LLC	SA Affordable Housing, LLC	7.06%	2035	\$ 1,166,159	(22,190)	\$ 1,143,969	\$ 23,900
	Detroit Housing Commission	AFR	2048	1,279,824	-	1,279,824	-
	Detroit Housing Commission	0.00%	2048	840,500	-	840,500	-
Woodbridge Estates Apartments II, LLC	SA Affordable Housing, LLC	7.06%	2035	1,684,862	(32,550)	1,652,312	35,000
	Detroit Housing Commission	AFR	2048	1,888,460	-	1,888,460	-
	Detroit Housing Commission	0.00%	2048	797,954	-	797,954	-
Woodbridge Estates Apartments III, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,348,560	(21,000)	1,327,560	29,100
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	-
	City of Detroit, Michigan	0.00%	2036	422,215	(7,289)	414,926	-
Woodbridge Estates Apartments IV, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,793,570	(28,125)	1,765,445	36,500
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	-
	City of Detroit, Michigan	0.00%	2036	422,208	(7,289)	414,919	-
Woodbridge Estates Apartments V, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	2,901,874	(45,862)	2,856,012	54,900
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	-
	City of Detroit, Michigan	0.00%	2036	422,104	(7,295)	414,809	-
Woodbridge Estates Apartments VI, LDHA LLC	Detroit Housing Commission	3.75%	2063	2,446,383	1,731	2,448,114	-
Woodbridge Estates Apartments IX, LDHA LLC	Detroit Housing Commission	0.00%	2067	3,700,000	(34,967)	3,665,033	-
Woodbridge ILF Associates LDHA LP	Citizens	5.00%	2067	8,043,138	(8,043,138)	-	-
The Villages at Parkside II LLC	Detroit Housing Commission	5.20%	2049	3,682,369	988	3,683,357	-
	Detroit Housing Commission	0.45%	2038	22,930,193	-	22,930,193	-
	Detroit Housing Commission	7.00%	2038	2,584,579	-	2,584,579	-
The Villages at Parkside IV LLC	Detroit Housing Commission	0.45%	2038	20,990,363	-	20,990,363	-
Alexandrine Square Apartments LDHA LP	Detroit Housing Commission	AFR	2047	265,780	-	265,780	-
Cornerstone I LDHA, LLC	Detroit Housing Commission	3.79%	2060	3,692,829	1,023	3,693,852	-
Cornerstone II LDHA, LLC	Detroit Housing Commission	0.00%	2060	9,072,407	325	9,072,732	-
Cornerstone III LDHA, LLC	Detroit Housing Commission	4.25%	2061	3,029,632	1,406	3,031,038	-
Gardenview Homes I LDHA, LLC	MSHDA	6.00%	2046	1,543,993	(25,384)	1,518,609	31,351
	MSHDA - HOME Note	3.00%	2058	268,881	(3,422)	265,459	-
	Detroit Housing Commission	0.00%	2053	9,783,354	-	9,783,354	-
Gardenview Homes II, III, IV, V, VI, VII, VIII, and IX LDHA, LLC	MSHDA - Section 1602 TCAP funds	0.00%	(a)	13,122,960	-	13,122,960	-
	MSHDA	3.00%	2062	20,261,000	-	20,261,000	-
	Detroit Housing Commission	0.00%	2054-2064	19,076,542	(51,767)	19,024,775	-
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	-
Gardenview Homes X LDHA, LLC	Detroit Housing Commission	2.50%	2067	6,757,937	1,982,063	8,740,000	-
	MSHDA	2.50%	2067	1,425,000	-	1,425,000	-
	MSHSA	2.50%	2067	825,000	-	825,000	-
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	9,907,526	780	9,908,306	-
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	7,240,704	7,251	7,247,955	-
Totals				<u>\$ 194,886,054</u>	<u>\$ (6,334,711)</u>	<u>\$ 188,551,343</u>	<u>\$ 210,751</u>

(a) - TCAP funds will be forgivable at the end of the 15-year Section 42 compliance period if no default or recapture event has occurred.

*Net of debt issuance costs

June 30, 2021

Note 12 - Subsequent Events

On July 1, 2021, the Commission is committed to purchase the 99.9 percent equity interest in two of its discretely presented component units, The Villages at Parkside II, LLC and The Villages at Parkside IV, LLC, for a total of \$1. This will result in these two discretely presented component units being blended in the Commission's financial statements at acquisition value.

Required Supplemental Information

Detroit Housing Commission

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

	Last Seven Plan Years						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 500,254	\$ 557,107	\$ 567,969	\$ 689,391	\$ 675,349	\$ 733,320	\$ 687,970
Interest	1,585,212	1,553,489	1,485,607	1,325,191	1,300,408	1,140,300	1,024,974
Changes in benefit terms	-	-	-	-	-	67,218	-
Differences between expected and actual experience	(95,526)	(542,468)	(538,371)	582,568	(1,238,155)	232,453	-
Changes in assumptions	620,989	660,928	-	-	-	699,473	-
Benefit payments, including refunds	(834,120)	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Total Pension Liability	1,776,809	1,540,796	880,964	2,168,912	296,185	2,493,219	1,417,084
Total Pension Liability - Beginning of year	21,024,986	19,484,190	18,603,226	16,434,314	16,138,129	13,644,910	12,227,826
Total Pension Liability - End of year	\$ 22,801,795	\$ 21,024,986	\$ 19,484,190	\$ 18,603,226	\$ 16,434,314	\$ 16,138,129	\$ 13,644,910
Plan Fiduciary Net Position							
Contributions - Employer	\$ 404,014	\$ 740,301	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806
Contributions - Member	235,177	263,768	333,465	325,762	322,349	327,138	318,583
Net investment income (loss)	2,919,133	2,431,256	(733,715)	2,135,126	1,619,273	(215,842)	806,700
Administrative expenses	(41,254)	(41,976)	(35,824)	(33,709)	(31,909)	(30,915)	(29,860)
Benefit payments, including refunds	(834,120)	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Plan Fiduciary Net Position	2,682,950	2,705,089	(627,630)	2,447,199	1,892,385	155,471	1,284,369
Plan Fiduciary Net Position - Beginning of year	20,375,979	17,670,891	18,298,521	15,851,322	13,958,937	13,803,466	12,519,097
Plan Fiduciary Net Position - End of year	\$ 23,058,929	\$ 20,375,980	\$ 17,670,891	\$ 18,298,521	\$ 15,851,322	\$ 13,958,937	\$ 13,803,466
Commission's Net Pension (Asset) Liability - Ending	\$ (257,134)	\$ 649,006	\$ 1,813,299	\$ 304,705	\$ 582,992	\$ 2,179,192	\$ (158,556)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.13 %	96.91 %	90.69 %	98.36 %	96.45 %	86.50 %	101.16 %
Covered Payroll	\$ 4,599,504	\$ 5,160,041	\$ 5,259,688	\$ 6,362,792	\$ 6,304,406	\$ 6,730,040	\$ 6,283,273
Commission's Net Pension Liability (Asset) as a Percentage of Covered Payroll	(5.59)%	12.58 %	34.48 %	4.79 %	9.25 %	32.38 %	(2.52)%

Detroit Housing Commission

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended June 30										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 366,463	\$ 467,626	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806	\$ 775,604	\$ 694,053	\$ 630,937
Contributions in relation to the actuarially determined contribution	366,463	467,626	442,685	448,258	424,089	454,635	484,806	775,604	694,053	630,937
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,599,504	\$ 5,160,041	\$ 5,259,688	\$ 6,362,792	\$ 6,304,406	\$ 6,730,040	\$ 6,283,273	\$ 6,283,273	\$ 6,476,619	\$ 6,898,574
Contributions as a Percentage of Covered Payroll	7.97 %	9.06 %	8.42 %	7.04 %	6.73 %	6.76 %	7.72 %	12.34 %	10.72 %	9.15 %

June 30, 2021***Pension Information***

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.75 percent average, including inflation
Investment rate of return	7.75 percent
Retirement age	60
Mortality	50 percent male to 50 percent female blend of the RP-2014 Health Annuitant Mortality Tables and the RP-2014 Juvenile Mortality Tables
Other information	None

Benefit Changes

During fiscal year 2021, the Commission closed the defined benefit plan to new entrants for the contribution union members. Those participants who are grandfathered into the plan are still receiving the same benefits as in the prior years; new employees are offered the opportunity to join the defined contribution plan.

In fiscal year 2019, the Commission closed the defined benefit plan to new entrants, except for those participants who are categorized as contributing union members. Those participants who are grandfathered into the plan are still receiving the same benefits as in prior years; new employees are offered the opportunity to join the defined contribution plan.

Changes in Assumptions

Fiscal year 2021 (plan year 2020): A five-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. The experience study resulted in updated demographic assumptions, including adjustments to the following actuarial assumptions that were first used in the December 31, 2020 actuarial valuation: mortality, retirement, disability, and termination rates.

Fiscal year 2020 (plan year 2019): The discount was reduced from 8.0 to 7.6 percent in the December 31, 2019 actuarial valuation. Effective this valuation, the MERS retirement board has adopted a reduction in the investment rate of return assumption from 7.75 percent to 7.35 percent and a reduction in the rate of wage inflation from 3.75 percent to 3.00 percent.

Fiscal year 2016 (plan year 2015): The mortality rates were updated to be based on the RP-2014 tables.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population.

Other Supplemental Information

Detroit Housing Commission

Capital Fund Program Schedule of Actual Program Costs and Advances

Year Ended June 30, 2021

Program	MI28P001501-17	MI28P001501-18	MI128P001501-19	MI128P001501-20	TOTAL
Budget	\$ 8,586,102	\$ 12,602,526	\$ 11,764,044	\$ 11,153,098	\$ 44,105,770
Advances					
Cash receipts - prior years	\$ 6,101,770	\$ 4,432,388	\$ 3,602,668	\$ -	\$ 14,136,826
Cash receipts - current year	1,318,065	4,494,317	1,113,898	4,238,592	11,164,872
Cumulative as of June 30, 2021	7,419,835	8,926,705	4,716,566	4,238,592	25,301,698
Costs					
Prior years	6,152,399	4,634,196	4,178,947	-	14,965,542
Current year	1,331,303	4,582,884	568,967	4,238,592	10,721,746
Cumulative as of June 30, 2021	7,483,702	9,217,080	4,747,914	4,238,592	25,687,288
Excess (Deficiency) of Advances Due to HUD	\$ (63,867)	\$ (290,375)	\$ (31,348)	\$ -	\$ (385,590)
Soft Costs					
Prior years	\$ 4,333,579	\$ 4,298,128	\$ 1,448,511	\$ -	\$ 10,080,218
Current year	697,070	559,362	331,110	1,115,310	2,702,852
Cumulative as of June 30, 2021	5,030,649	4,857,490	1,779,621	1,115,310	12,783,070
Hard Costs					
Prior years	1,818,820	336,068	2,730,435	-	4,885,323
Current year	634,233	4,023,522	237,857	3,123,282	8,018,894
Cumulative as of June 30, 2021	2,453,053	4,359,590	2,968,292	3,123,282	12,904,217
Other Costs					
Prior years	-	-	-	-	-
Current year	-	-	-	-	-
Cumulative as of June 30, 2021	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 7,483,702	\$ 9,217,080	\$ 4,747,913	\$ 4,238,592	\$ 25,687,287

Detroit Housing Commission

ROSS Schedule of Actual Program Costs and Advances

Year Ended June 30, 2021

Program	MI001FSS21	MI001RPS440A019	MI001FFS20	Total
Budget	\$ 307,780	\$ 582,971	\$ 307,780	\$ 1,198,531
Advances				
Cash receipts - prior years		\$ 175,333	\$ 88,232	\$ 263,565
Cash receipts - current year	67,063	204,444	219,548	491,055
Cumulative as of June 30, 2021	67,063	379,777	307,780	754,620
Costs				
Prior years	-	189,352	107,991	297,343
Current year	83,789	207,422	199,789	491,000
Cumulative as of June 30, 2021	83,789	396,774	307,780	788,343
Deficiency of Advances Due from HUD	\$ 16,726	\$ 16,997	\$ -	\$ 33,723
Soft Costs				
Prior years	\$ -	\$ 189,100	\$ 107,991	\$ 297,091
Current year	85,632	207,491	200,453	493,576
Cumulative as of June 30, 2021	85,632	396,591	308,444	790,667
Hard Costs				
Prior years	-	252	-	252
Current year	(1,843)	(69)	(664)	(2,576)
Cumulative as of June 30, 2021	(1,843)	183	(664)	(2,324)
Other Costs				
Prior years	-	-	-	-
Current year	-	-	-	-
Cumulative as of June 30, 2021	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 83,789	\$ 396,774	\$ 307,780	\$ 788,343

Year Ended June 30, 2021

Line Item No.	Account Description	Total AMPs 14.850	LIPH CARES	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
111	Cash - Unrestricted	19,491,861	-	2,176,395	-	6,064,830	-	-	27,733,086	2,898,142	30,631,228
112	Cash - Restricted - Modernization and Development	19,906,542	-	-	-	-	-	-	19,906,542	-	19,906,542
113	Cash - other restricted	1,201,544	-	-	-	1,107,964	171,410	-	2,480,918	13,251,067	15,731,985
114	Cash - Tenant Security Deposits	309,833	-	-	-	-	-	-	309,833	310,316	620,149
115	Cash - Restricted for payment of current liability	5,000	-	-	-	-	-	-	5,000	-	5,000
100	Total Cash	40,914,780	-	2,176,395	-	7,172,794	171,410	-	50,435,379	16,322,113	66,757,492
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	385,591	-	-	-	-	-	-	385,591	-	385,591
122-030	Accounts receivable - HUD other projects - Other	-	96,700	-	-	1,132,901	-	-	1,229,601	-	1,229,601
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-
125-050	Accounts Receivable - Miscellaneous	2,620	-	-	-	730,260	-	-	732,880	114,910	847,790
126	Accounts Receivable - Tenants - Dwelling Rents	1,228,393	-	-	-	-	-	-	1,228,393	462,650	1,691,043
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(707,838)	-	-	-	-	-	-	(707,838)	-	(707,838)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	(640,466)	-	-	(640,466)	-	(640,466)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	29,903	-	-	29,903	-	29,903
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	908,766	96,700	-	-	1,252,598	-	-	2,258,064	577,560	2,835,624
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	302,954	-	233,250	-	58,881	-	-	595,085	276,565	871,650
143	Inventories	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	5,633	-	854,760	-	1,090,565	-	(1,950,958)	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	42,132,133	96,700	3,264,405	-	9,574,838	171,410	(1,950,958)	53,288,528	17,313,650	70,602,178
161	Land	55,630,225	-	958,000	-	2,593,936	-	-	59,182,161	41,592,150	100,774,311
162	Buildings	82,413,289	-	1,564,067	-	-	-	-	83,977,356	281,728,621	365,705,977
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	12,441,626	12,441,626
164	Furniture, Equipment & Machinery - Administration	6,231,308	-	592,712	-	36,933	-	-	6,860,953	33,954	6,894,907
165	Leasehold Improvements	(29,574)	-	-	-	-	-	-	(29,574)	-	(29,574)
166	Accumulated Depreciation	(58,716,665)	-	(1,276,706)	-	(36,933)	-	-	(60,030,304)	(132,978,365)	(193,008,669)
167	Construction In Progress	1,466,329	-	261,024	-	-	-	-	1,727,353	-	1,727,353
168	Infrastructure	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	86,994,912	-	2,099,097	-	2,593,936	-	-	91,687,945	202,817,986	294,505,931
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	131,697,380	-	-	-	10,364,771	-	-	142,062,151	-	141,934,223
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-
174-050	Other Assets	218,764	-	257,134	-	3,972	-	-	479,870	1,860,487	2,340,357
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	218,911,056	-	2,356,231	-	12,962,679	-	-	234,229,966	204,678,473	438,908,439
190	Total Assets	261,043,189	96,700	5,620,636	-	22,537,517	171,410	(1,950,958)	287,518,494	221,992,123	509,510,617
200	Deferred Outflow of Resources	-	-	943,023	-	-	-	-	943,023	-	943,023
290	Total Assets and Deferred Outflow of Resources	261,043,189	96,700	6,563,659	-	22,537,517	171,410	(1,950,958)	288,461,517	221,992,123	510,453,640

Year Ended June 30, 2021

Line Item No.	Account Description	Total AMPs 14.850	LIPH CARES	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	1,862,738	-	302,540	-	292,185	-	-	2,457,463	1,264,525	3,721,988
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	85,071	-	87,260	-	38,917	-	-	211,248	37,355	248,603
322	Accrued Compensated Absences	7,484	-	11,625	-	4,775	-	-	23,884	-	23,884
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	24,934,999	24,934,999
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	2,302,743	2,302,743
331-030	Accounts Payable - HUD Other	-	-	-	-	38,101	-	-	38,101	-	38,101
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	72,332	-	-	-	-	-	-	72,332	11,913	84,245
341	Tenant Security Deposits	306,751	-	-	-	-	-	-	306,751	358,553	665,304
342	Deferred Revenues	-	-	-	-	-	-	-	-	101,491	101,491
342-010	Deferred Revenues-Operating Subsidy	-	-	-	-	-	-	-	-	-	185
342-030	Deferred Revenues-Operating Other	140,812	-	-	-	177,739	171,410	-	490,146	-	489,961
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	1,696,469	1,696,469
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	492,120	-	81,996	-	18,009	-	-	592,125	3,151,118	1,847,255
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	202,541	-	-	-	11,913	-	-	214,454	1,320,808	1,535,262
347	Interprogram due to	553,466	96,700	10	-	1,300,782	-	(1,950,958)	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	3,723,500	96,700	483,431	-	1,882,421	171,410	(1,950,958)	4,406,504	35,179,974	37,690,490
		-	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	188,340,592	190,203,693
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	1,834,275	1,834,275
353	Noncurrent Liabilities - Other	3,803,650	-	-	-	-	-	-	3,803,650	7,218,714	11,055,254
353	FSS Escrow	-	-	-	-	934,617	-	-	934,617	-	934,617
354	Accrued compensated Absences - Non Current	142,175	-	220,866	-	90,728	-	-	453,769	-	453,769
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	3,945,825	-	220,866	-	1,025,345	-	-	5,192,036	199,289,572	204,481,608
		-	-	-	-	-	-	-	-	-	-
300	Total Liabilities	7,669,325	96,700	704,297	-	2,907,766	171,410	(1,950,958)	9,598,540	232,573,558	242,172,098
		-	-	-	-	-	-	-	-	-	-
400	Deferred Inflow of Resources	-	-	1,303,471	-	-	-	-	1,303,471	-	1,303,471
		-	-	-	-	-	-	-	-	-	-
508.1	Invested in capital assets, net of related debt	86,994,912	-	2,099,097	-	2,593,936	-	-	91,687,945	14,266,643	102,605,769
511.1	Restricted Net Assets	152,724,900	-	-	-	7,780,289	-	-	160,505,189	13,258,738	173,498,488
512.1	Unrestricted Net Assets	13,654,052	-	2,456,794	-	9,255,526	-	-	25,366,372	(38,106,813)	(9,126,186)
513	Total Equity	253,373,864	-	4,555,891	-	19,629,751	-	-	277,559,506	(10,581,432)	266,978,071
		-	-	-	-	-	-	-	-	-	-
600	Total Liabilities, Deferred Inflows, and Equity	261,043,189	96,700	6,563,659	-	22,537,517	171,410	(1,950,958)	288,461,517	221,992,123	510,453,640

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2021

Line Item No.	Account Description	Total AMPs 14,850	LIPH CARES	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
70300	Net Tenant Rental Revenue	5,932,675		-	-	-			5,932,675	14,173,103	20,105,778
70400	Tenant Revenue - Other	104,323		-	-	-			104,323	178,147	282,470
70500	Total Tenant Revenue	6,036,998	-	-	-	-		-	6,036,998	14,351,250	20,388,248
70600-010	Housing assistance payments	-		-		35,783,016			35,783,016	-	35,828,225
70600-020	Ongoing administrative fees earned	-		-		3,094,007	857,843		3,951,850	-	3,951,850
70600-030	Hard to house fee revenue	-		-		-			-	-	-
70600-031	FSS Coordinator	-		-		-			-	-	-
70600-040	Actual independent public accountant audit costs	-		-		-			-	-	-
70600-050	Total preliminary fees earned	-		-		39,600			39,600	-	39,600
70600-060	All other fees	-		-		-			-	-	-
70600-070	Admin fee calculation description	-		-		-			-	-	-
70600-080	Public Housing Operating Subsidy	16,549,769		-		-			16,549,769	-	16,549,769
70600	HUD PHA Grants	5,197,955	1,740,580	-		491,001			7,429,537	-	7,429,537
70610	HUD PHA Capital Grants	5,452,378		71,413		-			5,523,791	-	5,523,791
70710	Management Fee	-		3,357,061		-		(3,357,061)	-	-	-
70720	Asset Management Fee	-		403,860		-		(403,860)	-	-	-
70730	Book-Keeping Fee	-		699,622		-		(699,622)	-	-	-
70740	Front Line Service Fee	-		65,465		-		(65,465)	-	-	-
70750	Other Fees	-		-		-			-	-	-
70700	Total Fee Revenue	-	-	4,526,008		-		(4,526,008)	-	-	-
70800	Other government grants	-		-		-			-	-	-
71100-030	Investment Income - Unrestricted	111,966		-		27,425			139,391	91,087	230,478
71100	Investment Income - restricted	-		1,041		-			1,041	-	1,041
71200	Mortgage interest income	-		-		-			-	-	-
71300	Proceeds from disposition of assets held for sale	-		-		-			-	-	-
71310	Cost of Sale of Assets	-		-		-			-	-	-
71400-010	Fraud recovery	-		-		13,259			13,259	-	13,259
71500	Other revenue	346,891		106,864	403,096	50,983		(403,096)	504,738	10,022,332	10,527,070
71600	Gain/Loss on Sale of Fixed Assets	350,114		-		-			350,114	-	350,114
72000-010	Investment income - restricted	2,290,749		-		402,578			2,693,327	-	2,693,327
70000	Total Revenue	36,336,820	1,740,580	4,705,326	403,096	39,901,869	857,843	(4,929,104)	79,016,430	24,464,669	103,526,308
91100	Administrative salaries	1,241,505	307,306	2,212,563		591,881	857,843		5,211,098	2,175,179	7,386,277
91200	Auditing fees	48,499		13,986		25,267			87,752	103,250	191,002
91300	Management Fee	2,681,582	403,097	-		675,480		(3,760,159)	-	1,095,946	1,095,946
91310	Book-Keeping Fee	277,447		-		422,175		(699,622)	-	-	-
91400	Advertising and Marketing	20,114		2,559		2,125			24,798	41,135	65,933
91500	Employee benefit contributions - administrative	477,085		316,570		447,906			1,241,561	54,442	1,296,003
91600	Office Expenses	419,636		445,760		339,978			1,205,374	191,347	1,396,721
91700	Legal Expense	102,706		14,167		-		-	116,873	54,052	170,925
91800	Travel	64,320		13,335		2,274			79,929	-	79,929
91810	Allocated Overhead	-		-		-			-	-	-
91900	Other	684,629		410,554		210,887			1,306,070	1,117,181	2,423,251
92000	Asset Management Fee	403,860		-		-		(403,860)	-	-	-

Year Ended June 30, 2021

Line Item No.	Account Description	Total AMPs 14.850	LIPH CARES	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
92100	Tenant services - salaries	-	17,010	-	3,760	-	-	-	20,770	-	20,770
92200	Relocation Costs	16,187	-	-	-	-	-	-	16,187	-	16,187
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	11,006	1,013,167	104	262,559	-	-	-	1,286,836	-	1,286,836
		-	-	-	-	-	-	-	-	-	-
93100	Water	885,687	-	5,884	-	-	-	-	891,571	766,197	1,657,768
93200	Electricity	1,374,206	-	95,491	-	-	-	-	1,469,697	87,903	1,557,600
93300	Gas	522,355	-	25,374	-	-	-	-	547,729	72,650	620,379
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-
93600	Sewer	2,048,842	-	17,928	-	-	-	-	2,066,770	-	2,066,770
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	1,974,994	1,974,994
		-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	2,296,357	-	196,418	-	-	-	-	2,492,775	270,684	2,763,459
94200	OMO - Materials and Other	634,583	-	50,744	160	-	-	-	685,487	1,260,010	1,945,497
	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	234,384	-	3,312	-	90	-	-	237,786	-	237,786
94300-010	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	375,447	-	41,080	-	-	-	-	416,527	-	416,527
94300-020	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	270,796	-	15,780	-	-	-	-	286,576	-	286,576
94300-030	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-	-	-	-	-	-	-	-	-	-
94300-040	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	365,558	-	12,226	-	-	-	-	377,784	-	377,784
94300-050	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	563,942	-	-	-	-	-	-	563,942	-	563,942
94300-060	Ordinary Maintenance and Operations Contracts - Electrical Contracts	90,617	-	5,328	-	-	-	-	95,945	-	95,945
94300-070	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	436,064	-	-	-	-	-	-	436,064	-	436,064
94300-080	Ordinary Maintenance and Operations Contracts - Extermination Contracts	282,204	-	-	-	-	-	(50,790)	231,414	-	231,414
94300-090	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	68,917	-	-	-	-	-	-	68,917	-	68,917
94300-100	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	6,787	-	631	-	-	-	(6,015)	1,403	-	1,403
94300-110	Ordinary Maintenance and Operations Contracts - Misc Contracts	1,849,898	-	69,509	-	-	-	(8,658)	1,910,749	-	1,910,749
94300-120	Ordinary Maintenance and Operations - Contract Costs	4,544,614	-	147,866	90	-	-	(65,463)	4,627,107	1,513,680	6,140,787
94500	Employee Benefit Contributions - Ordinary Maintenance	753,847	-	55,464	-	-	-	-	809,311	-	809,311
		-	-	-	-	-	-	-	-	-	-
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	2,155,200	-	795	5,381	-	-	-	2,161,376	-	2,161,376
95300	Protective Services - Other	-	-	-	-	-	-	-	-	191,010	191,010
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-

Year Ended June 30, 2021

Line Item No.	Account Description	Total AMPs 14.850	LIPH CARES	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
96110	Property Insurance	541,487	-	21,984	-	-	-	-	563,471	1,005,790	1,569,261
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	158,786	-	17,843	-	15,076	-	-	191,705	-	191,705
96140	All other Insurance	211,761	-	29,672	-	61,577	-	-	303,010	27,847	330,857
96200	Other General Expenses	4,740,195	-	-	-	149,407	-	-	4,889,602	1,407,997	6,342,808
96210	Compensated Absences	62,392	-	101,119	-	47,078	-	-	210,589	-	210,589
96300	Payments in Lieu of Taxes	72,332	-	-	-	-	-	-	72,332	504,189	576,521
96400	Bad Debt - Tenant Rents	354,162	-	-	-	-	-	-	354,162	166,431	520,593
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	23,536,053	-	-	-	3,669,674	-	-	27,205,727	-	27,205,727
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	4,143,531	4,143,531
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	47,754	47,754
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	325	325
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	51,341,435	1,740,580	4,196,180	266,319	6,711,625	857,843	(4,929,104)	60,184,878	18,273,524	78,458,402
97000	Excess Operating Revenue over Operating Expenses	(15,004,615)	0	509,146	136,777	33,235,453	-	-	18,876,761	6,191,145	25,067,906
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	-	-
97300-050	Housing Assistance Payments	-	-	-	-	36,265,072	-	-	36,265,072	-	36,265,072
97300-070	All Other	35,291	-	-	-	-	-	-	35,291	-	35,291
97400	Depreciation Expense	4,063,979	-	90,309	-	-	-	-	4,154,288	11,456,718	15,611,006
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	55,440,705	1,740,580	4,286,489	266,319	42,976,697	857,843	(4,929,104)	100,639,529	29,730,242	130,369,771
10010	Operating transfers in	3,616,924	-	1,110,868	-	299,340	-	(5,027,132)	-	-	-
10020	Operating transfers out	(3,462,681)	-	(1,464,449)	-	(100,000)	-	5,027,130	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	-	-	-
10060	Proceeds from property sales	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	2,148,581	-	-	-	-	-	(2,148,581)	-	-	-
10092	Inter Project Excess Cash Transfer Out	(2,148,583)	-	-	-	-	-	2,148,583	-	-	-
10093	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10094	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	154,241	-	(353,581)	-	199,340	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	(18,949,644)	0	65,256	136,777	(2,830,279)	-	-	(21,577,889)	(5,265,573)	(26,843,463)
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	272,337,489	-	4,337,238	-	22,462,668	-	-	299,137,395	(5,288,625)	293,848,770
11040	Prior Period Adjustments, Equity transfer and correction of errors	(13,981)	-	16,619	-	(2,638)	-	-	-	(27,237)	(27,237)
11040-070	Equity transfer	-	-	136,778	(136,778)	-	-	-	-	-	-
11190	Unit Months Available	40,276	-	-	-	74,820	-	-	115,096	-	115,096
11210	Number of Unit Months Leased	36,694	-	-	-	56,852	-	-	93,546	-	93,546
11170	Administrative Fee Equity	1	-	-	-	975,485	-	-	975,486	-	975,486
11180	Housing Assistance Payments Equity	-	-	-	-	53,723	-	-	53,723	-	53,723
11270	Excess Cash	15,292,500	-	-	-	-	-	-	15,292,500	-	15,292,500
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	5,386,150	-	-	-	-	-	-	5,386,150	-	5,386,150
11630	Furniture & Equipment - Dwelling Purchases	33,712	-	-	-	-	-	-	33,712	-	33,712
11640	Furniture & Equipment - Administrative Purchases	-	-	136,777	-	-	-	-	136,777	-	136,777
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	60,000	-	-	-	-	-	-	60,000	-	60,000
13510	CFPP Debt Service Payments	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-



U.S. Department of Housing and Urban Development

Detroit Field Office
Office of Public Housing
Patrick V. McNamara Federal Building
477 Michigan Avenue, Room 1710
Detroit, MI 48226-2592
Tel. (313) 226-7900 FAX (313) 226-6160

November 2, 2021

Sandra Henriquez
Detroit Housing Commission
1301 East Jefferson Street
Detroit, MI 48207-3148

Dear Ms. Henriquez:

SUBJECT: Closeout FY 2016 Family Self Sufficiency
Grant Number: MI001FSH310A016
Grant Award: \$297,700.00

The Detroit Field Office is in receipt of the Final Financial Status Report (SF-425) for the subject program MI001FSH310A016. The Pre-Audit has been completed and \$.64 has been recaptured. Enclosed is a copy of the 1044 form, and the grant is now closed.

If you have any questions or need additional information, please contact Patricia Hairston, Portfolio Management Specialist, at (313) 234-7464 or patricia.m.hairston@hud.gov

Sincerely,

X

A handwritten signature in cursive script, appearing to read "Patricia Hairston", written over a horizontal line.

for Douglas C. Gordon, Director
Detroit HUD Field Office of Public Housing
Signed by: Office of Public and Indian Housing

Assistance Award/Amendment

U.S. Department of Housing and Urban Development Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement ☒ Grant		2. Type of Action ☐ Award ☒ Amendment	
3. Instrument Number MI001FSH310A016	4. Amendment Number	5. Effective Date of this Action 4/15/2021	6. Control Number
7. Name and Address of Recipient Sandra Henriquez DETROIT HOUSING COMMISSION (MI001) 1301 East Jefferson Detroit, MI 48207-3148		8. HUD Administering Office Detroit HUD Office 477 Michigan Avenue Detroit, Michigan 48206	
10. Recipient Project Manager		8a. Name of Administrator Douglas Gordon	8b. Telephone Number 313-234-7463
11. Assistance Arrangement ☐ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☐ Automated Clearinghouse	
13. HUD Payment Office		15. HUD Accounting and Appropriation Data	
14. Assistance Amount		15a. Appropriation Number 86/ 6/7 0350	
Previous HUD Amount \$ 297,700.00		15b. Reservation Number	
HUD Amount this action \$ (0.64)		Amount Previously Obligated \$ 296,700.00	
Total HUD Amount \$ 297,700.00		Obligation by this action \$ (0.64)	
Recipient Amount \$		Total Obligation \$ 296,699.36	
Total Instrument Amount \$ 296,699.36			

16. Description

The grantee has provided all closing documentation for this grant, and the Fort Worth Office of Public Housing has completed and recorded a pre-audit date in LOCCS. There are no audit findings associated with the administration of this grant. This grant is ready for post audit date.
Recapture 0.64

17. ☐ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☒ Recipient is not required to sign this document.	
19. Recipient (By Name)		20. HUD (By Name) for Douglas Gordon , Director of Public Housing	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title <i>Ratice Lake</i>	Date (mm/dd/yyyy) 11/02/2021