Detroit Housing Commission

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

Financial Report
with Supplemental Information
June 30, 2020

Detroit Housing Commission

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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, 2020 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 86 percent of the assets and 93 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*.

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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, 2020 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, closed grants, 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 closed grants 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 3, 2020 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 & Moran, PLLC

December 3, 2020

Management's Discussion and Analysis (Unaudited)

June 30, 2020

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, 2020. 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.

On July 5, 2005, a Cooperative Endeavor Agreement (CEA) was entered into between the City of Detroit, Michigan and the U.S. Department of Housing and Urban Development (HUD) due to the troubled status of the Commission. In April 2015, the mayor appointed a new board of commissioners for DHC and we are once again operating independently from HUD. No longer a troubled agency, DHC is striving for excellence in all program areas.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2020 by $299,137,395 (net position).
- The Commission had operating revenue from HUD of $62,219,111 and HUD capital grants of $1,259,494, which includes funds for redevelopment and capital asset activities.
- The Commission's unrestricted cash and cash equivalents totaled $27,115,819 at June 30, 2020
- Public housing has maintained occupancy of an average of 92.5 percent for the fiscal year ended June 30, 2020.
- The Commission utilized 76.1 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program and spent 97.7 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. In addition, the Commission has other sources of funds that were loaned as well. In FY20, an additional $1,982,063 was loaned to the discrete component units for the development of affordable housing. The discrete component units are required to repay these funds of $142,012,564 to the Commission, which are included in the notes, loans, and mortgages receivable at June 30, 2020.
- During fiscal year 2020, 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 our programs.

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 51 AMPs (one or more developments grouped for management purposes), which includes 30 component unit AMPS, and 207 scattered sites 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 3,371 subsidized units in this program.

Section 8 Program - Within the Assisted Housing 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 our community. DHC subsidizes the 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 currently administers 6,243 Housing Choice Vouchers, 63 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 administers various developments, Replacement Housing Factor (RHF) funds, and HOPE VI grants to continue adding new housing units to our community.

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.

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.

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

	2020	2019	Net Change
Assets and Deferred Outflows			
Current assets	$ 56,491,738	$ 34,313,310	$ 22,178,428
Capital assets - Net	90,219,101	107,563,626	(17,344,525)
Other noncurrent assets	167,831,410	164,560,169	3,271,241
Total assets and deferred outflows	314,542,249	306,437,105	8,105,144
Liabilities and Deferred Inflows			
Current liabilities	$ 8,897,098	$ 8,220,675	$ 676,423
Other noncurrent liabilities	6,507,756	3,712,569	2,795,187
Total Liabilities and deferred inflows	15,404,854	11,933,244	3,471,610
Net Position			
Net investment in capital assets	90,219,101	107,563,626	(17,344,525)
Restricted	161,548,172	142,748,874	18,799,298
Unrestricted	47,370,122	44,191,361	3,178,761
Total net position	299,137,395	294,503,861	4,633,534
Total liabilities and net position	**$ 314,542,249**	**$ 306,437,105**	**$ 8,105,144**

Current assets increased by 64.6 percent primarily due to an increase in restricted cash from the sale of capital assets.

The Commission's net investment in capital assets decreased 16.1 percent. This was primarily due to the sale of the Douglass land site and the result of annual depreciation expense.

Other noncurrent assets increased by 1.9 percent due to an increase of accrued interest receivable on the loans and notes receivable.

Total assets increased by approximately $8.1 million or 2.6 percent, due mostly to the increases in the notes receivable to the component units and increases to restricted cash mentioned above. Total liabilities increased by approximately $3.4 million or 29.1 percent, due to an increase in potential environmental remediation.

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 of HAP equity and 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 had increased due to the sale of the Douglas land site. Proceeds from this sale are considered restricted until the use of these proceeds is approved by the local HUD Field Office. A related decrease occurred to net investment in capital assets and the result of annual depreciation expense. Unrestricted net position increase or decrease is a function of the net result of operations and items not classified as restricted or changes in net investment in capital assets.

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

	2020	2019	Net Change
Operating Revenue			
HUD operating revenue	$ 62,219,111	$ 66,383,770	$ (4,164,659)
Tenant revenue - Net	4,972,438	5,521,095	(548,657)
Other operating revenue	732,663	1,265,166	(532,503)
Total operating revenue	67,924,212	73,170,031	(5,245,819)
Operating Expenses			
Administrative	9,958,005	9,544,553	413,452
Tenant services	470,698	42,989	427,709
Utilities	3,993,923	4,119,430	(125,507)
Maintenance	10,586,471	13,890,270	(3,303,799)
Protective services	1,785,253	1,347,046	438,207
General	6,124,532	5,726,327	398,205
Depreciation and amortization	4,342,729	4,894,398	(551,669)
Housing assistance payments	35,157,935	35,804,815	(646,880)
Total operating expenses	72,419,546	75,369,828	(2,950,282)
Operating Loss	(4,495,334)	(2,199,797)	(2,295,537)
Nonoperating Revenue (Expense)			
Gain (Loss) on sale of asset	4,615,653	(1,833,648)	6,449,301
Investment income - Unrestricted	534,138	631,918	(97,780)
Interest Income - Restricted	2,719,583	2,271,607	447,976
Total nonoperating revenue	7,869,374	1,069,877	6,799,497
Decrease in Net Position Before Capital Contributions	3,374,040	(1,129,920)	4,503,960
Capital Contributions			
Capital contributions - HUD	1,259,494	1,301,831	(42,337)
Increase in Net Position	4,633,534	171,911	4,461,623
Net Position - Beginning of year	294,503,861	294,331,950	171,911
Net Position - End of year	**$ 299,137,395**	**$ 294,503,861**	**$ 4,633,534**

Total operating revenue decreased by approximately $5,200,000 for the fiscal year ended June 30, 2020, primarily due to a decrease in the usage of the HUD Capital Fund Program income. 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.

Operating expenses are categorized by the Commission as administrative, tenant services, utilities, maintenance, protective services, general, depreciation expense, and housing assistance payments. The net decrease of approximately $3,000,000 or 3.9 percent in total operating expenses is primarily due to a decrease in maintenance expenses.

Non-operating revenue increased by approximately $6,800,000 primarily due to the gains recognized on the sale of assets.

Capital contributions remained consistent from the previous year.

The Commission has no long-term debt as of June 30, 2020.

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.

	2020	2019	Net Change
Nondepreciable			
Land	$ 59,182,161	$ 71,113,650	$ (11,931,489)
Construction in progress	871,952	2,954,965	(2,083,013)
Total nondepreciable	60,054,113	74,068,615	(14,014,502)
Depreciated			
Structures and improvements	$ 80,044,850	$ 79,073,103	$ 971,747
Equipment	7,466,459	7,561,487	(95,028)
Total depreciated	87,511,309	86,634,590	876,719
Total capital assets	147,565,422	160,703,205	(13,137,783)
Total accumulated depreciation	(57,346,321)	(53,139,579)	(4,206,742)
Capital assets - Net	**$ 90,219,101**	**$ 107,563,626**	**$ (17,344,525)**

Factors Affecting Next Year's Budget

The COVID-19 Pandemic has created significant challenges for Public Housing Agency's throughout the county. 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 2020 and 2021 federal budgets. The federal deficit and budgetary restrictions at the congressional level can 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 costs
- Uncertainty of the COVID-19 Pandemic's continued impact on the national and local economy

Detroit Housing Commission

Statement of Net Position

Year Ended June 30, 2020

	Primary Government - Business-Type Activities	Total Discrete Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents - Unrestricted (Note 3)	$ 27,115,819	$ 3,599,334
Cash and cash equivalents - Restricted (Note 3)	27,005,003	11,904,524
Receivables - Net	654,444	340,192
Prepaid expenses	477,178	244,613
Due from other governments	1,239,294	-
Total current assets	56,491,738	16,088,663
Noncurrent Assets		
Capital assets - Nondepreciable (Notes 4 and 11)	60,054,113	25,475,278
Capital assets - Depreciable - Net (Notes 4 and 11)	30,164,988	185,969,621
Accrued interest receivable - Unrestricted (Note 7)	3,166,530	-
Accrued interest receivable - Restricted (Note 7)	21,356,895	-
Other noncurrent assets	-	1,544,611
Notes, loans, and mortgages receivable - Net (Note 7) - Due from discrete component units with the exception of $334,178 which is due from the Homeownership Program	142,218,816	-
Total assets	313,453,080	229,078,173
Deferred Outflows of Resources - Deferred outflows related to pensions (Note 8)	1,089,169	-
Total assets and deferred outflows of resources	**$ 314,542,249**	**$ 229,078,173**
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 11)	$ -	$ 1,293,159
Accounts payable	2,350,474	6,697,912
Accrued interest payable	-	24,287,830
Accrued salaries and benefits	170,374	-
Accrued compensated absences	20,541	-
Due to other governments	223,855	-
Tenant security deposits	304,005	334,185
Unearned revenue	506,521	87,381
Other current liabilities	5,321,328	2,080,063
Total current liabilities	8,897,098	34,780,530
Noncurrent Liabilities		
Long-term debt - Includes $139,234,530 which is due to Detroit Housing Commission (Note 11)	-	193,592,895
Accrued compensated absences	390,629	-
Net pension liability (Note 8)	649,006	-
Other noncurrent liabilities	4,589,659	5,993,373
Total liabilities	14,526,392	234,366,798
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 8)	878,462	-
Net Position		
Net investment in capital assets	90,219,101	16,558,845
Restricted for reserves	21,131,951	11,619,253
Restricted for housing assistance payment	423,146	-
Restricted for housing projects (notes receivable)	139,993,075	-
Unrestricted net position	47,370,122	(33,466,723)
Total net position	299,137,395	(5,288,625)
Total liabilities, deferred inflows of resources, and net position	**$ 314,542,249**	**$ 229,078,173**

See notes to financial statements.

Detroit Housing Commission

Statement of Activities

Year Ended June 30, 2020

	Primary Government - Business-Type Activities	Total Discrete Component Units
Operating Revenue		
HUD operating revenue	$ 62,219,111	$ -
Tenant revenue - Net	4,972,438	13,750,056
Other operating revenue	732,663	6,662,795
Total operating revenue	67,924,212	20,412,851
Operating Expenses		
Administrative	9,958,005	4,719,488
Tenant services	470,698	-
Utilities	3,993,923	2,297,138
Maintenance	10,586,471	2,757,461
Protective services	1,785,253	166,905
General	6,124,532	2,210,596
Depreciation and amortization	4,342,729	11,065,250
Housing assistance payments	35,157,935	-
Total operating expenses	72,419,546	23,216,838
Operating Loss	(4,495,334)	(2,803,987)
Nonoperating Revenue (Expense)		
Income on sale of asset	4,615,653	-
Investment income - Unrestricted	534,138	123,863
Investment Income - Restricted	2,719,583	-
Interest expense	-	(4,339,465)
Total nonoperating revenue (expense)	7,869,374	(4,215,602)
Increase (Decrease) in Net Position Before Capital Contributions	3,374,040	(7,019,589)
Capital Contributions		
Capital contributions - HUD	1,259,494	-
Increase (Decrease) in Net Position	4,633,534	(7,019,589)
Net Position - Beginning of year	294,503,861	1,730,964
Net Position - End of year	**$ 299,137,395**	**$ (5,288,625)**

See notes to financial statements.

Detroit Housing Commission

Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows from Operating Activities		
Cash received from HUD operating subsidies and grants	$	62,219,111
Cash received from tenants		5,374,989
Other receipts		1,647,679
Cash payments for housing assistance		(35,157,935)
Cash payments to employees		(9,880,017)
Cash payments to suppliers		(19,286,390)
Net cash and cash equivalents provided by operating activities		4,917,437
Cash Flows from Investing Activities		
Investment in notes receivable - Net		(1,813,174)
Interest received		520,380
Net cash and cash equivalents used in investing activities		(1,292,794)
Cash Flows from Capital and Related Financing Activities		
HUD capital grants		323,751
Proceeds from sale of property and equipment		18,994,071
Purchase of property and equipment		(1,376,565)
Net cash and cash equivalents provided by capital and related financing activities		17,941,257
Net Increase in Cash and Cash Equivalents		21,565,900
Cash and Cash Equivalents - Beginning of year		32,554,922
Cash and Cash Equivalents - End of year	**$**	**54,120,822**
Cash Reconciliation		
Current cash and cash equivalents - Unrestricted	$	27,115,819
Current cash and cash equivalents - Restricted		27,005,003
Total cash and cash equivalents	**$**	**54,120,822**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$	(4,495,334)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:		
Depreciation and amortization		4,342,672
Bad debt		373,574
Change in pension liability and deferrals		110,981
(Increase) decrease in operating assets:		
Receivables - Net		28,977
Prepaid expenses and other assets		(79,336)
Increase (decrease) in operating liabilities:		
Accounts payable		444,727
Due to HUD		(20,578)
Accrued salaries and benefits		(12,415)
Tenant security deposits		(8,565)
Deferred revenue and other liabilities		4,232,734
Net cash used in operating activities	**$**	**4,917,437**

See notes to financial statements.

Detroit Housing Commission

Combining Statement of Net Position for Discretely Presented Component Units

	The Villages of Parkside II, LLC June 30, 2020	The Villages of Parkside IV, LLC June 30, 2020	Woodbridge Estates Apartments I, LLC December 31, 2019	Woodbridge Estates Apartments II, LLC December 31, 2019	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2019
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	107,666	138,194	47,019	72,741	76,275	73,235	125,233
Cash and cash equivalents - Restricted	235,124	56,678	119,494	206,089	204,386	298,312	361,359
Receivables - Net	86,245	10,857	4,217	8,233	1,867	3,266	8,082
Prepaid expenses	23,160	6,541	6,189	9,026	7,001	10,064	11,014
Total current assets	452,195	212,270	176,919	296,089	289,529	384,877	505,688
Noncurrent Assets							
Capital assets - Net	5,937,062	5,098,754	3,815,932	5,005,460	4,150,689	5,030,696	7,331,774
Other noncurrent assets	-	-	-	83	10,868	6,055	8,708
Total assets	**$ 6,389,257**	**$ 5,311,024**	**$ 3,992,851**	**$ 5,301,632**	**$ 4,451,086**	**$ 5,421,628**	**$ 7,846,170**
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	21,600	31,700	28,300	-	53,200
Accounts payable	219,686	217,890	3,080	-	-	-	27,827
Accrued interest payable	5,397,312	2,058,356	1,469,339	2,205,861	1,263,780	1,439,756	1,671,046
Tenant security deposits	15,189	10,531	7,371	10,655	7,811	11,376	6,271
Unearned revenue	7,842	5,150	3,999	4,252	3,433	1,805	4,748
Other current liabilities	7,690	64,122	27,225	44,043	14,873	17,525	52,506
Total current liabilities	5,647,719	2,356,049	1,532,614	2,296,511	1,318,197	1,470,462	1,815,598
Noncurrent Liabilities							
Long-term debt	25,514,772	20,990,363	3,264,883	4,339,576	3,301,687	3,979,371	5,327,682
Other noncurrent liabilities	-	-	-	-	5,390	4,000	151,530
Total liabilities	31,162,491	23,346,412	4,797,497	6,636,087	4,625,274	5,453,833	7,294,810
Net Position							
Net investment in capital assets	(19,577,710)	(15,891,609)	529,449	634,184	820,702	1,051,325	1,950,892
Restricted	212,183	40,505	119,494	206,089	197,108	285,812	353,359
Unrestricted	(5,407,707)	(2,184,284)	(1,453,589)	(2,174,728)	(1,191,998)	(1,369,342)	(1,752,891)
Total net position	(24,773,234)	(18,035,388)	(804,646)	(1,334,455)	(174,188)	(32,205)	551,360
Total liabilities and net position	**$ 6,389,257**	**$ 5,311,024**	**$ 3,992,851**	**$ 5,301,632**	**$ 4,451,086**	**$ 5,421,628**	**$ 7,846,170**

See notes to the financial statements

Detroit Housing Commission

Combining Statement of Net Position for Discretely Presented Component Units (Continued)

	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates IX Limited Dividend Housing Association, LLC June 30, 2020	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2019	Alexandrine Square Limited Dividend Housing Association Limited Partnership December 31, 2019	Gardenview Homes I Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes II Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes III Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes IV Limited Dividend Housing Association, LLC December 31, 2019
Assets								
Current Assets								
Cash and cash equivalents - Unrestricted	83,135	57,799	250	267	185,351	75,644	79,233	239,540
Cash and cash equivalents - Restricted	323,511		890,450	99	824,101	832,658	876,614	436,753
Receivables - Net	4,312	7,638	36,538	27,344	5,960	11,601	3,724	8,891
Prepaid expenses	6,036	-	-	-	12,039	5,643	5,643	6,020
Total current assets	416,994	65,437	927,238	27,710	1,027,451	925,546	965,214	691,204
Noncurrent Assets								
Capital assets - Net	7,184,753	13,429,287	8,383,525	968,503	14,287,492	6,221,950	5,992,708	6,597,093
Other noncurrent assets	212,773	-	-	-	-	-	-	-
Total assets	**$ 7,814,520**	**$ 13,494,724**	**$ 9,310,763**	**$ 996,213**	**$ 15,314,943**	**$ 7,147,496**	**$ 6,957,922**	**$ 7,288,297**
Liabilities and Net Position								
Current Liabilities								
Current portion of long-term debt	-	1,128,757	-	-	29,602	-	-	-
Accounts payable	-	4,653	84,184	187,685	24,769	1,466	1,466	27,502
Accrued interest payable	430,834	-	3,614,850	259,787	9,298	-	-	249,503
Tenant security deposits	3,006	-	26,459	4,954	21,712	3,352	5,452	4,819
Unearned revenue	3,992	-	3,968	13,469	1,956	92	611	453
Other current liabilities	34,036	-	40,181	243,649	54,117	22,980	23,121	-
Total current liabilities	471,868	1,133,410	3,769,642	709,544	141,454	27,890	30,650	282,277
Noncurrent Liabilities								
Long-term debt	2,446,383	10,614,381	3,682,369	265,780	11,566,626	8,793,578	8,827,178	3,887,485
Other noncurrent liabilities	-	-	-	688,353	-	-	-	41,404
Total liabilities	2,918,251	11,747,791	7,452,011	1,663,677	11,708,080	8,821,468	8,857,828	4,211,166
Net Position								
Net investment in capital assets	4,738,370	1,686,149	4,701,156	702,723	2,691,264	(2,571,628)	(2,834,470)	2,709,608
Restricted	320,345		859,969	-	798,101	827,908	868,014	436,753
Unrestricted	(162,446)	60,784	(3,702,373)	(1,370,187)	117,498	69,748	66,550	(69,230)
Total net position	4,896,269	1,746,933	1,858,752	(667,464)	3,606,863	(1,673,972)	(1,899,906)	3,077,131
Total liabilities and net position	**$ 7,814,520**	**$ 13,494,724**	**$ 9,310,763**	**$ 996,213**	**$ 15,314,943**	**$ 7,147,496**	**$ 6,957,922**	**$ 7,288,297**

See notes to the financial statements

Detroit Housing Commission

Combining Statement of Net Position for Discretely Presented Component Units (Continued)

	Gardenview Homes V Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VI Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VII Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes X Limited Dividend Housing Association, LLC June 30, 2020	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2019
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	226,674	117,867	89,778	90,194	151,311	762,898	43,746
Cash and cash equivalents - Restricted	404,912	396,669	577,016	618,068	284,826	458,185	677,552
Receivables - Net	14,794	9,636	3,569	1,377	1,464	22,774	21,257
Prepaid expenses	6,020	5,769	10,534	10,284	5,894	12,165	28,515
Total current assets	652,400	529,941	680,897	719,923	443,495	1,256,022	771,070
Noncurrent Assets							
Capital assets - Net	9,383,074	8,797,272	10,718,105	10,388,254	8,077,510	21,075,190	9,185,214
Other noncurrent assets	-	-	-	-	40,452	351,614	259,271
Total assets	**$ 10,035,474**	**$ 9,327,213**	**$ 11,399,002**	**$ 11,108,177**	**$ 8,561,457**	**$ 22,682,826**	**$ 10,215,555**
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	-	-	-	-	-
Accounts payable	15,046	15,097	-	32	12,129	5,722,019	11,353
Accrued interest payable	-	-		-	-	926,102	173,238
Tenant security deposits	6,043	4,716	12,595	10,897	9,920	11,491	33,100
Unearned revenue	1,960	299	1,091	184	1,556	4,668	7,343
Other current liabilities	18,441	15,274	424,422	401,329	47,145	62,757	134,477
Total current liabilities	41,490	35,386	438,108	412,442	70,750	6,727,037	359,511
Noncurrent Liabilities							
Long-term debt	5,399,749	4,830,058	10,230,000	10,031,000	4,348,939	9,007,937	5,276,854
Other noncurrent liabilities	97,342	32,934	1,868,150	1,894,082	81,606	1,128,582	-
Total liabilities	5,538,581	4,898,378	12,536,258	12,337,524	4,501,295	16,863,556	5,636,365
Net Position							
Net investment in capital assets	3,983,325	3,967,214	488,105	357,254	3,728,571	12,067,253	3,908,360
Restricted	398,339	390,419	563,148	606,088	273,761	446,434	644,351
Unrestricted	115,229	71,202	(2,188,509)	(2,192,689)	57,830	(6,694,417)	26,479
Total net position	4,496,893	4,428,835	(1,137,256)	(1,229,347)	4,060,162	5,819,270	4,579,190
Total liabilities and net position	**$ 10,035,474**	**$ 9,327,213**	**$ 11,399,002**	**$ 11,108,177**	**$ 8,561,457**	**$ 22,682,826**	**$ 10,215,555**

See notes to the financial statements

Detroit Housing Commission

Combining Statement of Net Position for Discretely Presented Component Units (Continued)

	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2019	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2020	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Total Discrete Component Units
Assets						
Current Assets						
Cash and cash equivalents - Unrestricted	5,264	402,627	143,668	43,510	160,215	3,599,334
Cash and cash equivalents - Restricted	731,870	457,885	638,808	438,107	554,998	11,904,524
Receivables - Net	21,548	4,430	3,494	899	6,175	340,192
Prepaid expenses	28,405	5,599	7,428	7,684	7,940	244,613
Total current assets	787,087	870,541	793,398	490,200	729,328	16,088,663
Noncurrent Assets						
Capital assets - Net	8,918,707	6,917,443	5,818,051	6,266,452	6,463,949	211,444,899
Other noncurrent assets	258,947	27,791	182,372	-	185,677	1,544,611
Total assets	**$ 9,964,741**	**$ 7,815,775**	**$ 6,793,821**	**$ 6,756,652**	**$ 7,378,954**	**$ 229,078,173**
Liabilities and Net Position						
Current Liabilities						
Current portion of long-term debt	-	-	-	-	-	1,293,159
Accounts payable	34,676	9,031	28,457	36,341	13,523	6,697,912
Accrued interest payable	152,272	243,089	1,544,347	-	1,179,060	24,287,830
Tenant security deposits	31,780	16,763	14,503	27,993	15,426	334,185
Unearned revenue	9,035	3,278	595	1,071	531	87,381
Other current liabilities	133,530	102,608	34,687	24,623	34,702	2,080,063
Total current liabilities	361,293	374,769	1,622,589	90,028	1,243,242	34,780,530
Noncurrent Liabilities						
Long-term debt	4,630,672	7,240,704	3,692,829	9,072,407	3,029,632	193,592,895
Other noncurrent liabilities	-	-	-	-	-	5,993,373
Total liabilities	4,991,965	7,615,473	5,315,418	9,162,435	4,272,874	234,366,798
Net Position						
Net investment in capital assets	4,288,035	(323,261)	2,125,222	(2,805,955)	3,434,317	16,558,845
Restricted	698,841	440,319	638,808	438,107	554,998	11,619,253
Unrestricted	(14,100)	83,244	(1,285,627)	(37,935)	(883,235)	(33,466,723)
Total net position	4,972,776	200,302	1,478,403	(2,405,783)	3,106,080	(5,288,625)
Total liabilities and net position	**$ 9,964,741**	**$ 7,815,775**	**$ 6,793,821**	**$ 6,756,652**	**$ 7,378,954**	**$ 229,078,173**

See notes to the financial statements

Detroit Housing Commission

Combining Statement of Activities
For Discretely Presented Component Units

	The Villages of Parkside II, LLC June 30, 2020	The Villages of Parkside IV, LLC June 30, 2020	Woodbridge Estates Apartments I, LLC December 31, 2019	Woodbridge Estates Apartments II, LLC December 31, 2019	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2019
Operating Revenue							
Tenant revenue - Net	$ 1,013,656	$ 805,569	$ 449,475	$ 656,738	$ 380,320	$ 445,839	$ 631,139
Other operating revenue	-	-	-	-	621	-	4,252
Total operating revenue	1,013,656	805,569	449,475	656,738	380,941	445,839	635,391
Operating Expenses							
Administrative	207,514	243,403	125,438	166,276	108,296	126,011	167,267
Utilities	332,358	269,420	36,243	50,683	32,565	39,238	52,310
Maintenance	302,397	99,503	104,286	119,917	69,822	88,480	129,023
Protective services	65,765	101,140	-	-	-	-	-
General	74,760	73,682	64,397	153,290	34,238	56,286	64,850
Depreciation and amortization	910,816	783,203	158,424	206,599	158,360	188,492	272,384
Total operating expenses	1,893,610	1,570,351	488,788	696,765	403,281	498,507	685,834
Operating (Loss) Income	(879,954)	(764,782)	(39,313)	(40,027)	(22,340)	(52,668)	(50,443)
Nonoperating Revenue (Expense)							
Investment income	4,680	784	-	-		-	-
Interest expense	(480,673)	(94,714)	(234,879)	(345,955)	(175,898)	(208,666)	(271,657)
Total nonoperating (expense) revenue	(475,993)	(93,930)	(234,879)	(345,955)	(175,898)	(208,666)	(271,657)
Change in Net Position	(1,355,947)	(858,712)	(274,192)	(385,982)	(198,238)	(261,334)	(322,100)
Net Position - Beginning of year	(23,417,287)	(17,176,676)	(530,454)	(948,473)	24,050	229,129	873,460
Net Position - End of year	**$ (24,773,234)**	**$ (18,035,388)**	**$ (804,646)**	**$ (1,334,455)**	**$ (174,188)**	**$ (32,205)**	**$ 551,360**

See notes to the financial statements

Detroit Housing Commission

Combining Statement of Activities
For Discretely Presented Component Units

	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2019	Woodbridge Estates IX, Limited Dividend Housing Association, LLC June 30, 2018	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2019	Alexandrine Square Limited Dividend Housing Association Limited Partnership December 31, 2019	Gardenview Homes I Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes II Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes III Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes IV Limited Dividend Housing Association, LLC December 31, 2019
Operating Revenue								
Tenant revenue - Net	$ 438,086	$ -	$ 699,350	$ 91,675	$ 857,803	$ 350,594	$ 356,209	$ 364,541
Other operating revenue	-	134,924	-	-	-	86	4,295	-
Total operating revenue	438,086	134,924	699,350	91,675	857,803	350,680	360,504	364,541
Operating Expenses								
Administrative	132,482	-	376,807	33,449	200,730	113,241	113,910	126,598
Utilities	36,410	-	143,665	38,871	128,356	61,670	67,200	65,356
Maintenance	116,234	-	57,886	11,250	172,166	49,177	-	109,441
Protective services	-	-	-	-	-	-	-	-
General	47,838	-	92,200	19,986	85,586	77,401	126,384	54,392
Depreciation and amortization	503,975	-	380,331	95,327	542,216	195,735	229,645	400,505
Total operating expenses	836,939	-	1,050,889	198,883	1,129,054	497,224	537,139	756,292
Operating (Loss) Income	(398,853)	134,924	(351,539)	(107,208)	(271,251)	(146,544)	(176,635)	(391,751)
Nonoperating Revenue (Expense)								
Investment income	-	-	-		17,534	22,494	23,324	328
Interest expense	(108,480)	-	(363,278)	(37,341)	(104,008)	-	-	(29,156)
Total nonoperating (expense) revenue	(108,480)	-	(363,278)	(37,341)	(86,474)	22,494	23,324	(28,828)
Change in Net Position	(507,333)	134,924	(714,817)	(144,549)	(357,725)	(124,050)	(153,311)	(420,579)
Net Position - Beginning of year	5,403,602	1,612,009	2,573,569	(522,915)	3,964,588	(1,549,922)	(1,746,595)	3,497,710
Net Position - End 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**

Detroit Housing Commission

Combining Statement of Activities
For Discretely Presented Component Units

	Gardenview Homes V Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VI Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VII Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2019	Gardenview Homes X Limited Dividend Housing Association, LLC June 30, 2020	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2019
Operating Revenue							
Tenant revenue - Net	$ 397,087	$ 355,884	$ 588,410	$ 578,489	$ 367,839	$ 954,897	$ 576,749
Other operating revenue	-	-	-	8,524	-	6,464,546	20,339
Total operating revenue	397,087	355,884	588,410	587,013	367,839	7,419,443	597,088
Operating Expenses							
Administrative	147,860	138,007	229,008	230,379	167,119	245,104	230,404
Utilities	55,976	75,010	116,904	93,808	51,531	134,577	95,746
Maintenance	76,166	90,414	114,961	131,863	43,535	75,027	203,064
Protective services	-	-	-	-	-	-	-
General	108,632	113,222	107,032	88,434	63,527	98,403	109,590
Depreciation and amortization	552,530	415,468	577,008	547,207	321,011	1,032,059	559,681
Total operating expenses	941,164	832,121	1,144,913	1,091,691	646,723	1,585,170	1,198,485
Operating (Loss) Income	(544,077)	(476,237)	(556,503)	(504,678)	(278,884)	5,834,273	(601,397)
Nonoperating Revenue (Expense)							
Investment income	7,186	7,186	14,150	15,447	111	-	4,162
Interest expense	-	-	(306,900)	(300,930)	-	(794,818)	(26,883)
Total nonoperating (expense) revenue	7,186	7,186	(292,750)	(285,483)	111	(794,818)	(22,721)
Change in Net Position	(536,891)	(469,051)	(849,253)	(790,161)	(278,773)	5,039,455	(624,118)
Net Position - Beginning of year	5,033,784	4,897,886	(288,003)	(439,186)	4,338,935	779,815	5,203,308
Net Position - End of year	**$ 4,496,893**	**$ 4,428,835**	**$ (1,137,256)**	**$ (1,229,347)**	**$ 4,060,162**	**$ 5,819,270**	**$ 4,579,190**

Detroit Housing Commission

Combining Statement of Activities
For Discretely Presented Component Units

	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2019	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2020	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2019	Total Discrete Component Units
Operating Revenue						
Tenant revenue - Net	$ 559,542	$ 364,510	$ 481,033	$ 448,219	$ 536,403	$ 13,750,056
Other operating revenue	18,256	6,952	-	-	-	6,662,795
Total operating revenue	577,798	371,462	481,033	448,219	536,403	20,412,851
Operating Expenses						
Administrative	229,802	144,234	235,230	226,410	254,509	4,719,488
Utilities	86,190	60,722	54,258	65,241	52,830	2,297,138
Maintenance	208,503	107,189	89,164	83,879	104,114	2,757,461
Protective services	-	-	-	-	-	166,905
General	108,295	71,005	149,420	44,263	123,483	2,210,596
Depreciation and amortization	530,145	382,882	367,724	370,215	383,308	11,065,250
Total operating expenses	1,162,935	766,032	895,796	790,008	918,244	23,216,838
Operating (Loss) Income	(585,137)	(394,570)	(414,763)	(341,789)	(381,841)	(2,803,987)
Nonoperating Revenue (Expense)						
Investment income	4,543	1,467	467	-	-	123,863
Interest expense	(23,579)	(58,934)	(195,553)	-	(177,163)	(4,339,465)
Total nonoperating (expense) revenue	(19,036)	(57,467)	(195,086)	-	(177,163)	(4,215,602)
Change in Net Position	(604,173)	(452,037)	(609,849)	(341,789)	(559,004)	(7,019,589)
Net Position - Beginning of year	5,576,949	652,339	2,088,252	(2,063,994)	3,665,084	1,730,964
Net Position - End of year	**$ 4,972,776**	**$ 200,302**	**$ 1,478,403**	**$ (2,405,783)**	**$ 3,106,080**	**$ (5,288,625)**

See notes to the financial statements

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 assuring equal access to safe, quality housing for low- and moderate-income families throughout the community. For the year ended June 30, 2020, 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.

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.

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
- Gardenview Homes I Limited Dividend Housing Association, LLC
- Gardenview Homes II Limited Dividend Housing Association, LLC
- Gardenview Homes III 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 VII Limited Dividend Housing Association, LLC
- Gardenview Homes VIII 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
- Cornerstone Estates III Limited Dividend Housing Association, LLC

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; Woodbridge Estates IX Limited Dividend Housing Association, 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, 2019 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, 2020 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.

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, 2020, there is an allowance for uncollectible tenant receivables of approximately $450,000. 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, 2020 was approximately $374,000.

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 $829,000, and the amount due from HUD for rental subsidies is approximately $411,000.

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, 2020. The homeownership loans are presented net of their related amortization.

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 2020, 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, 2020 totaled approximately $411,000, of which $21,000 is reported as current and $390,000 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.

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 (1) external groups, such as grantors, creditors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. Restricted assets in the primary government consist of reserves, Housing Assistance Payments (HAP) equity, 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.

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, 2020, $1,738,407 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, $3,971,806 of fees has been eliminated for the year ended June 30, 2020.
- *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, $495,508 of internal charges has been eliminated for the year ended June 30, 2020.

Note 2 - Significant Accounting Policies (Continued)

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 financings 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 ending 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.

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	$ 27,115,819	$ 3,599,334
Restricted cash and investments	27,005,003	11,904,524
Total deposits and investments	$ 54,120,822	$ 15,503,858

The above amounts are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2020:

	Primary Government
Bank deposits	$ 3,505,964
Sweep accounts - Less than two months	50,614,858
Total	$ 54,120,822

As of June 30, 2020, the Commission's cash and cash equivalents consist of cash in banks of $50,743,112.

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 did not have a balance 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 $9 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, 2020, the Commission has investments in a sweep account with a fair value of $46,109,062 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	$ 46,109,062	N/A

Note 3 - Deposits and Investments (Continued)

Restricted Cash

The Commission's restricted cash at June 30, 2020 is as follows:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Current:		
Tenant security deposits	$ 303,945	$ 292,843
Funded reserves	-	11,611,681
Family Self-Sufficiency escrow	813,136	-
HAP equity	423,146	-
Mainstream vouchers and other	477,255	-
Development program activities	24,987,521	-
Total	$ 27,005,003	$ 11,904,524

Note 4 - Property and Equipment

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

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated:				
Land	$ 71,113,651	$ 2,446,930	$ (14,378,420)	$ 59,182,161
Construction in progress	2,954,964	871,952	(2,954,964)	871,952
Subtotal	74,068,615	3,318,882	(17,333,384)	60,054,113
Capital assets being depreciated:				
Structures and improvements	79,164,836	463,713	508,035	80,136,584
Equipment	7,561,494	40,958	(135,986)	7,466,466
Subtotal	86,726,330	504,671	372,049	87,603,050
Accumulated depreciation:				
Structures and improvements	45,627,285	4,186,662	-	49,813,947
Equipment	7,604,034	156,067	(135,986)	7,624,115
Subtotal	53,231,319	4,342,729	(135,986)	57,438,062
Net capital assets being depreciated	33,495,011	(3,838,058)	508,035	30,164,988
Net capital assets	$ 107,563,626	$ (519,176)	$ (16,825,349)	$ 90,219,101

As of June 30, 2020, the Commission has approximately $2,271,000 in future construction commitments.

During the year, the Commission sold its Douglass property for $23,000,000, representing a gain on sale of approximately $4,600,000. A portion of the proceeds received have been set aside in an escrow for specific cleanup on the land.

Note 4 - Property and Equipment (Continued)

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, 2020.

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 2020, the Commission loaned approximately $1,982,000 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.

Presented below is the detail of the loans, all of which are considered noncurrent and 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	$ 2,230,782
The Villages at Parkside II, LLC (Business Activities)*	December 2038	7.00%	2,584,579	3,166,530
The Villages at Parkside IV, LLC (HOPE VI)*	December 2038	0.45%	20,990,363	2,058,356
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	4.72%	1,279,814	1,540,604
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	2,264,837
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	1,323,304
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,764,801	1,506,229
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	2,057,829	1,745,667

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

	Maturity Date	Interest Rate	Balance	Accrued Interest Receivable
Woodbridge Estates VI Limited Dividend Housing Association, LLC (HOPE VI)*	September 2063	3.75%	$ 2,719,779	$ 486,766
Woodbridge Estates IX Limited Dividend Housing Association, LLC (HOPE VI)*	September 2067	0.00%	3,699,999	-
Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (HOPE VI)*	June 2049	5.20%	3,713,014	3,805,290
Alexandrine Square Limited Dividend Housing Association Limited Partnership (HOPE VI)*	November 2047	2.00%	265,780	185,780
Emerald Springs IA Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	5,292,434	188,757
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	4,644,006	165,837
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	March 2058	0.50%	7,431,331	233,740
Cornerstone Estates I Limited Dividend Housing Association, LLC (HOPE VI)*	March 2058	3.79%	3,734,751	1,644,112
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	1,269,500
Gardenview Homes I Limited Dividend Housing Association, LLC (HOPE VI)*	December 2053	0.00%	9,785,199	-
Gardenview Homes II and III Limited Dividend Housing Association, LLC (HOPE VI)*	December 2054	0.00%	4,497,796	-
Gardenview Homes IV Limited Dividend Housing Association, LLC (HOPE VI)*	May 2060	0.75%	3,887,485	272,314
Gardenview Homes V Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	5,407,128	-
Gardenview Homes VI Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	4,836,094	-
Gardenview Homes IX Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2064	0.00%	4,348,839	-
Gardenview Homes X Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2067	2.50%	8,740,000	417,107
Subtotal			141,884,638	24,505,512
Due from other - Homeownership loans - Net (accumulated amortization for forgiveness of debt of $243,750)	Various	0%	334,178	-
Total noncurrent notes receivable			$ 142,218,816	$ 24,505,512

*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, except for those who qualify as contributing union members. 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.

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.

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 6 years.

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 6 years.

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.

Employees Covered by Benefit Terms

At the December 31, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	81
Active plan members	92
Total employees covered by the plan	216

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.

Note 8 - Pension Plan (Continued)

For the year ended December 31, 2019, 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 percent of annual payroll are as follows: executive members - 14.26 percent, contributing union members - 10.68 percent, and contributing nonexecutive members - 10.78 percent.

Net Pension Liability

The net pension liability reported at June 30, 2020 was determined using a measure of the total pension liability and the plan net position as of December 31, 2019. The December 31, 2019 total pension liability was determined by an actuarial valuation performed as of that date.

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

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	$ 19,484,190	$ 17,670,891	$ 1,813,299
Changes for the year:			
Service cost	557,107	-	557,107
Interest	1,553,489	-	1,553,489
Differences between expected and actual experience	(542,468)	-	(542,468)
Changes in assumptions	660,928	-	660,928
Contributions - Employer	-	740,301	(740,301)
Contributions - Employee	-	263,768	(263,768)
Net investment income	-	2,431,256	(2,431,256)
Benefit payments, including refunds	(688,260)	(688,260)	-
Administrative expenses	-	(41,976)	41,976
Net changes	1,540,796	2,705,089	(1,164,293)
Balance at December 31, 2019	$ 21,024,986	$ 20,375,980	$ 649,006

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

For the year ended June 30, 2020, the Commission recognized pension expense of $704,843. At June 30, 2020, 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	$ 233,027	$ (878,462)
Changes in assumptions	440,619	-
Net difference between projected and actual earnings on pension plan investments	185,765	-
Employer contributions to the plan subsequent to the measurement date	229,758	-
Total	$ 1,089,169	$ (878,462)

Note 8 - Pension Plan (Continued)

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 $229,758 will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2021	$ (219,713)
2022	126,245
2023	275,745
2024	(201,328)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using an inflation assumption of 2.5 percent, salary increases (including inflation) of 3 percent, and an investment rate of return (net of pension plan investment expenses) of 7.35 percent.

Mortality rates were a blend of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables, all with a 50 percent male and 50 percent female blend. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table with a 50 percent male and 50 percent female blend is used to reflect the higher expected mortality rate of disabled members.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study covering the period from January 1, 2014 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 liability.

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, 2019, 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 %	6.15 %
Global fixed income	20.00	1.26
Private investments	20.00	6.56

Note 8 - Pension Plan (Continued)

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

The following presents the net pension liability 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	$ 3,306,689	$ 649,006	$ (1,572,596)

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

The discount rate was decreased from 8.0 percent to 7.60 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.

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.

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, 2020, the remaining HAP reserve is $423,146, 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, 2020 for qualifying eligible expenditures amounted to $18,815,846 and $627,186, 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, 2020, approximately 82 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

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, 2020 and December 31, 2019	Nondepreciable	Depreciable		Accumulated Depreciation	2020 Net Capital Assets
	Land	Land Improvements, Buildings, and Building Improvements	Furniture, Fixtures, and Equipment		
Woodbridge Estates Apartments I, LLC	$ -	$ 6,216,574	$ 12,368	$ (2,413,010)	$ 3,815,932
Woodbridge Estates Apartments II, LLC	-	8,146,960	7,629	(3,149,129)	5,005,460
Woodbridge Estates Apartments III, LDHA LLC	-	6,110,920	1,540	(1,961,771)	4,150,689
Woodbridge Estates Apartments IV, LDHA LLC	-	7,411,130	1,870	(2,382,304)	5,030,696
Woodbridge Estates Apartments V, LDHA LLC	-	10,710,627	16,679	(3,395,532)	7,331,774
Woodbridge Estates Apartments VI, LDHA LLC	-	9,517,950	396,215	(2,729,412)	7,184,753
Woodbridge ILF Associates LDHA LP	291,667	12,637,630	1,037,243	(5,636,760)	8,329,780
The Villages at Parkside II LLC	425,457	27,437,362	824,484	(22,750,241)	5,937,062
The Villages at Parkside IV LLC	446,650	23,709,418	1,053,208	(20,110,522)	5,098,754
Alexandrine Square LDHA LP	13,767	2,838,190	243,301	(2,126,755)	968,503
Cornerstone Estates I LDHA, LLC	-	8,871,414	368,243	(3,421,606)	5,818,051
Cornerstone Estates II LDHA, LLC	-	9,223,625	435,818	(3,392,991)	6,266,452
Cornerstone Estates III LDHA, LLC	-	9,325,228	411,920	(3,273,199)	6,463,949
Gardenview Homes I LDHA, LLC	2,973,750	16,140,968	557,865	(5,385,091)	14,287,492
Gardenview Homes II LDHA, LLC	1,143,033	6,785,621	1,360,059	(3,066,763)	6,221,950
Gardenview Homes III LDHA, LLC	1,164,608	6,791,783	1,317,998	(3,281,681)	5,992,708
Gardenview Homes IV LDHA, LLC	268,440	9,692,441	401,248	(3,765,036)	6,597,093
Gardenview Homes V LDHA, LLC	410,006	12,872,546	394,291	(4,293,769)	9,383,074
Gardenview Homes VI LDHA, LLC	368,485	11,404,236	601,043	(3,576,492)	8,797,272
Gardenview Homes VII LDHA, LLC	2,881,616	11,267,284	624,221	(4,055,016)	10,718,105
Gardenview Homes VIII LDHA, LLC	433,136	13,264,932	593,552	(3,903,366)	10,388,254
Gardenview Homes IX LDHA, LLC	250,986	8,851,959	337,402	(1,362,837)	8,077,510
Gardenview Homes X LDHA, LLC	-	21,731,914	539,166	(1,195,890)	21,075,190
Emerald Springs IA LDHA LP	242,444	13,068,801	226,484	(4,352,515)	9,185,214
Emerald Springs IB LDHA LP	366,545	12,454,988	189,172	(4,091,998)	8,918,707
Emerald Springs II LDHA LP	311,656	9,009,270	139,554	(2,543,037)	6,917,443
Total fixed assets placed in service - June 30, 2020	**$ 11,992,246**	**$ 295,493,771**	**$ 12,092,573**	**$ (121,616,723)**	197,961,867
Woodbridge ILF Associates LDHA LP - Construction in Progress					53,745
Woodbridge IX - Construction in Progress					13,429,287
Total discrete component unit net capital assets					**$ 211,444,899**

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	$ 3,972,589	$ -	$ (156,657)	$ 3,815,932
Woodbridge Estates Apartments II, LLC	5,198,561	11,090	(204,191)	5,005,460
Woodbridge Estates Apartments III, LDHA LLC	4,296,961	6,654	(152,926)	4,150,689
Woodbridge Estates Apartments IV, LDHA LLC	5,208,082	8,079	(185,465)	5,030,696
Woodbridge Estates Apartments V, LDHA LLC	7,588,714	11,090	(268,030)	7,331,774
Woodbridge Estates Apartments VI, LDHA LLC	7,681,196	7,532	(503,975)	7,184,753
Woodbridge ILF Associates LDHA LP	8,643,718	66,393	(380,331)	8,329,780
The Villages at Parkside II LLC	6,847,878	-	(910,816)	5,937,062
The Villages at Parkside IV LLC	5,881,957	-	(783,203)	5,098,754
Alexandrine Square LDHA LP	1,063,830	-	(95,327)	968,503
Cornerstone Estates I LDHA, LLC	6,175,365	-	(357,314)	5,818,051
Cornerstone Estates II LDHA, LLC	6,636,342	-	(369,890)	6,266,452
Cornerstone Estates III LDHA, LLC	6,837,898	-	(373,949)	6,463,949
Gardenview Homes I LDHA, LLC	14,829,708	-	(542,216)	14,287,492
Gardenview Homes II LDHA, LLC	6,417,685	-	(195,735)	6,221,950
Gardenview Homes III LDHA, LLC	6,222,353	-	(229,645)	5,992,708
Gardenview Homes IV LDHA, LLC	6,997,598	-	(400,505)	6,597,093
Gardenview Homes V LDHA, LLC	9,925,704	9,900	(552,530)	9,383,074
Gardenview Homes VI LDHA, LLC	9,212,740	-	(415,468)	8,797,272
Gardenview Homes VII LDHIA, LLC	11,295,113	-	(577,008)	10,718,105
Gardenview Homes VIII LDHIA, LLC	10,935,461	-	(547,207)	10,388,254
Gardenview Homes IX LDHA, LLC	8,394,744	-	(317,234)	8,077,510
Gardenview Homes X LDHA, LLC	22,098,740	8,509	(1,032,059)	21,075,190
Emerald Springs IA LDHA LP	9,686,565	58,330	(559,681)	9,185,214
Emerald Springs IB LDHA LP	9,366,532	82,320	(530,145)	8,918,707
Emerald Springs II LDHA LP	7,251,392	48,933	(382,882)	6,917,443
Total fixed assets placed in service - June 30, 2020	208,667,426	318,830	(11,024,389)	197,961,867
Woodbridge ILF Associates LDHA LP - Construction in Progress	-	53,745	-	53,745
Woodbridge IX - Construction in Progress	4,992,870	8,436,417	-	13,429,287
Total discrete component unit net capital assets	**$ 213,660,296**	**$ 8,808,992**	**$ (11,024,389)**	**$ 211,444,899**

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, 2020 and December 31, 2019	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	$ 1,186,116	$ (19,957)	$ 1,166,159	$ 21,600
	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	1,714,204	(29,342)	1,684,862	31,700
	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	1,368,776	(20,216)	1,348,560	28,300
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	-
	City of Detroit, Michigan	0.00%	2036	429,505	(7,290)	422,215	-
Woodbridge Estates Apartments IV, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,820,661	(27,091)	1,793,570	-
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	-
	City of Detroit, Michigan	0.00%	2036	429,497	(7,289)	422,208	-
Woodbridge Estates Apartments V, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	2,945,879	(44,005)	2,901,874	53,200
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	-
	City of Detroit, Michigan	0.00%	2036	429,598	(7,494)	422,104	-
Woodbridge Estates Apartments VI, LDHA LLC	Detroit Housing Commission	3.75%	2063	2,444,652	1,731	2,446,383	-
Woodbridge Estates Apartments IX, LDHA LLC	Detroit Housing Commission	0.00%	2067	3,405,457	294,543	3,700,000	
	Citizens	5.00%	2067	4,282,289	3,760,849	8,043,138	1,128,757
Woodbridge ILF Associates LDHA LP	Detroit Housing Commission	5.20%	2049	3,681,381	988	3,682,369	-
The Villages at Parkside II LLC	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	272,207	(6,427)	265,780	-
Cornerstone I LDHA, LLC	Detroit Housing Commission	3.79%	2060	3,691,806	1,023	3,692,829	-
Cornerstone II LDHA, LLC	Detroit Housing Commission	0.00%	2060	9,072,082	325	9,072,407	-
Cornerstone III LDHA, LLC	Detroit Housing Commission	4.25%	2061	3,028,226	1,406	3,029,632	-
Gardenview Homes I LDHA, LLC	MSHDA	6.00%	2046	1,567,846	(23,853)	1,543,993	29,602
	MSHDA - HOME Note	3.00%	2058	272,207	(3,326)	268,881	-
	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	19,146,359	(69,817)	19,076,542	-
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	-
Gardenview Homes X LDHA, LLC	Detroit Housing Commission	2.50%	2067	5,840,800	917,137	6,757,937	-
	MSHDA	4.95%	2020	9,924,403	(8,499,403)	1,425,000	-
	MSHSA	2.50%	2067	119,760	705,240	825,000	-
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	9,906,746	780	9,907,526	-
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	7,218,952	21,752	7,240,704	-
Totals				**$ 197,945,790**	**$ (3,059,736)**	**$ 194,886,054**	**$ 1,293,159**

(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

Note 12 - COVID Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many counties have implemented measures to combat the outbreak that have impacted global business operations. 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 staff are teleworking where possible to mitigate the spread of COVID-19. As the commission continues to operate in the public housing sector, DHC has found increased demand for rental assistance. DHC will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue operations in the best and safest way possible without jeopardizing the health of our residents or staff. As a result, DHC anticipates future increased costs to prepare for, prevent, and respond to COVID-19. As of the date of issuance of the financial statements, the Commission has experienced minimal impact on tenant collections and has received additional federal funding. No impairments were recorded as of the statement of net position date, as no triggering events or changes in circumstances had occurred as of year end; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while the Commission's results of operations, cash flows, and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

Note 13 - Subsequent Events

On July 1, 2020, the Commission committed to purchasing the 99.9 percent equity interest in two of its discretely presented units, The Villages of Parkside II, LLC and The Villages of Parkside IV, LLC, for a total of $1.

Required Supplemental Information

Detroit Housing Commission

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

Last Six Plan Years

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	$ 557,107	$ 567,969	$ 689,391	$ 675,349	$ 733,320	$ 687,970
Interest	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	(542,468)	(538,371)	582,568	(1,238,155)	232,453	-
Changes in assumptions	660,928	-	-	-	699,473	-
Benefit payments, including refunds	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Total Pension Liability	1,540,796	880,964	2,168,912	296,185	2,493,219	1,417,084
Total Pension Liability - Beginning of year	19,484,190	18,603,226	16,434,314	16,138,129	13,644,910	12,227,826
Total Pension Liability - End of year	**$ 21,024,986**	**$ 19,484,190**	**$ 18,603,226**	**$ 16,434,314**	**$ 16,138,129**	**$ 13,644,910**
Plan Fiduciary Net Position						
Contributions - Employer	$ 740,301	$ 442,685	$ 448,258	$ 424,089	$ 454,635	$ 484,806
Contributions - Member	263,768	333,465	325,762	322,349	327,138	318,583
Net investment income (loss)	2,431,256	(733,715)	2,135,126	1,619,273	(215,842)	806,700
Administrative expenses	(41,976)	(35,824)	(33,709)	(31,909)	(30,915)	(29,860)
Benefit payments, including refunds	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Plan Fiduciary Net Position	2,705,089	(627,630)	2,447,199	1,892,385	155,471	1,284,369
Plan Fiduciary Net Position - Beginning of year	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	**$ 20,375,980**	**$ 17,670,891**	**$ 18,298,521**	**$ 15,851,322**	**$ 13,958,937**	**$ 13,803,466**
Commission's Net Pension Liability - Ending	**$ 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	96.91 %	90.69 %	98.36 %	96.45 %	86.50 %	101.16 %
Covered Payroll	$ 5,160,041	$ 5,259,688	$ 6,362,792	$ 6,304,406	$ 6,730,040	$ 6,283,273
Commission's Net Pension Liability as a Percentage of Covered Payroll	12.58 %	34.48 %	4.79 %	9.25 %	32.38 %	(2.52)%

See note to required supplemental information.

Required Supplemental Information
Schedule of Pension Contributions

Last Ten Fiscal Years

Years Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$ 467,626	$ 442,685	$ 448,258	$ 424,089	$ 454,635	$ 484,806	$ 775,604	$ 694,053	$ 630,937	$ 780,792
Contributions in relation to the actuarially determined contribution	467,626	442,685	448,258	424,089	454,635	484,806	775,604	694,053	630,937	715,188
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (65,604)**
Covered Payroll	$ 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	$ 6,740,448
Contributions as a Percentage of Covered Payroll	9.06 %	8.42 %	7.04 %	6.73 %	6.76 %	7.72 %	12.34 %	10.72 %	9.15 %	10.61 %

See note to required supplemental information.

June 30, 2020

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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
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, with rates multiplied by 105 percent; RF-2014 Employee Mortality Tables' and the RP-2014 Juvenile Mortality Tables
Other information	None

Benefit Changes

There were no changes or benefit terms in 2020.

During 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 2020 (plan year 2019): The discount rate 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, 2020

Program	MI28P001501-16	MI28P001501-17	MI28P001501-18	MI128P001501-19	TOTAL
Budget	**$ 8,524,639**	**$ 8,586,102**	**$ 12,602,526**	**$ 11,764,044**	**$ 41,477,311**
Advances					
Cash receipts - prior years	$ 6,250,914	$ 4,862,739	$ 4,279,207	$ -	$ 15,392,860
Cash receipts - current year	2,273,725	1,239,031	153,181	3,602,668	7,268,605
Cumulative as of June 30, 2018	8,524,639	6,101,770	4,432,388	3,602,668	22,661,465
Costs					
Prior years	6,384,730	4,932,241	4,279,207	-	15,596,178
Current year	2,139,909	1,219,978	354,989	4,178,947	7,893,823
Cumulative as of June 30, 2018	8,524,639	6,152,219	4,634,196	4,178,947	23,490,001
Excess (Deficiency) of Advances Due to HUD	**$ -**	**$ (50,449)**	**$ (201,808)**	**$ (576,279)**	**$ (828,536)**
Soft Costs					
Prior years	$ 4,836,211	$ 3,176,425	$ 3,975,792	$ -	$ 11,988,428
Current year	2,189,036	1,157,154	322,336	1,448,511	5,117,037
Cumulative as of June 30, 2018	7,025,247	4,333,579	4,298,128	1,448,511	17,105,465
Hard Costs					
Prior years	1,548,518	1,755,996	303,415	-	3,607,929
Current year	(49,126)	62,824	32,653	2,730,435	2,776,786
Cumulative as of June 30, 2018	1,499,392	1,818,820	336,068	2,730,435	6,384,715
Other Costs					
Prior years	-	-	-	-	-
Current year	-	-	-	-	-
Cumulative as of June 30, 2018	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	**$ 8,524,639**	**$ 6,152,399**	**$ 4,634,196**	**$ 4,178,946**	**$ 23,490,180**

Detroit Housing Commission

ROSS Schedule of Actual Program Costs and Advances

Year Ended June 30, 2020

Program	MI001FSH440A018	MI001RPS440A015	MI001RPS440A019	MI001FFS20	Total
Budget	**$ 284,392**	**$ 654,147**	**$ 582,971**	**$ 307,780**	**$ 1,829,290**
Advances					
Cash receipts - prior years	$ 104,737	$ 584,608	$ -	$ -	$ 689,345
Cash receipts - current year	179,655	69,539	175,333	88,232	512,759
Cumulative as of June 30, 2018	284,392	654,147	175,333	88,232	1,202,104
Costs					
Prior years	140,962	635,666	2,206	-	778,834
Current year	143,841	18,480	187,145	107,991	457,457
Cumulative as of June 30, 2018	284,803	654,146	189,351	107,991	1,236,291
Deficiency of Advances Due from HUD	**$ 411**	**$ (1)**	**$ 14,018**	**$ 19,759**	**$ 34,187**
Soft Costs					
Prior years	$ 140,962	$ 642,691	$ 2,206	$ -	$ 785,859
Current year	143,370	11,455	186,893	107,991	449,709
Cumulative as of June 30, 2018	284,332	654,146	189,099	107,991	1,235,568
Hard Costs					
Prior years	-	-	-	-	-
Current year	471	-	252	-	723
Cumulative as of June 30, 2018	471	-	252	-	723
Other Costs					
Prior years	-	-	-	-	-
Current year	471	-	-	.	471
Cumulative as of June 30, 2018	471	-	-	-	471
Cumulative Hard, Soft, and Other Costs	**$ 285,274**	**$ 654,146**	**$ 189,351**	**$ 107,991**	**$ 1,236,762**

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2020

Line Item No.	Account Description	Total AMPs 14.850	COCC Total	Total Programs	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
111	Cash - Unrestricted	$ 18,946,885	$ 1,749,021	$ 6,419,913		$ 27,115,819	$ 3,599,334	$ 30,715,153
112	Cash - Restricted - Modernization and Development	-	-	-		-	-	-
113	Cash - other restricted	21,012,411	-	1,355,822		22,696,058	11,611,681	34,307,739
114	Cash - Tenant Security Deposits	303,945	-	-		303,945	292,843	596,788
115	Cash - Restricted for payment of current liability	4,005,000	-	-		4,005,000	-	4,005,000
100	Total Cash	44,268,241	1,749,021	7,775,735	-	54,120,822	15,503,858	69,624,680
			-					
121	Accounts Receivable - PHA Projects	-	-	-		-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-		-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	828,217	500	-		828,717	-	828,717
122-030	Accounts receivable - HUD other projects - Other	-	-	55,986		410,577	-	410,577
124	Accounts Receivable - other government	-	-	-		-	-	-
125-050	Accounts Receivable - Miscellaneous	29,558	-	745,012		774,570	142,755	917,325
126	Accounts Receivable - Tenants - Dwelling Rents	841,958	-	-		841,958	197,437	1,039,395
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(449,824)	-	-		(449,824)	-	(449,824)
126.2	Allowance for Doubtful Accounts - Other	-	-	(539,899)		(539,899)	-	(539,899)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-		-	-	-
128	Fraud recovery	-	-	27,639		27,639	-	27,639
128.1	Allowance for doubtful accounts - fraud	-	-	-		-	-	-
129	Accrued interest receivable	-	-	-		-	-	-
120	Total Receivables, net of allowances for doubtful accounts	1,249,909	500	288,738	-	1,893,738	340,192	2,233,930
		-	-			-		
131	Investments - Unrestricted	-	-	-		-	-	-
132	Investments - restricted	-	-	-		-	-	-
135	Investments - restricted for payment of current liability	-	-	-		-	-	-
142	Prepaid Expenses and Other Assets	274,948	173,051	29,179		477,178	244,613	721,791
143	Inventories	-	-	-		-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-		-	-	-
144	Interprogram due from	89,202	1,446,016	106,846	(1,738,407)	-	-	-
145	Assets held for sale	-	-	-		-	-	-
146	Amounts to be provided	-	-	-		-	-	-
150	Total Current Assets	45,882,300	3,368,588	8,200,498	(1,738,407)	56,491,738	16,088,664	72,580,402
			-			-		
161	Land	55,630,225	958,000	2,593,936		59,182,161	11,992,246	71,174,407
162	Buildings	78,480,783	1,564,067	-		80,044,850	295,493,771	375,538,621
163	Furniture, Equipment & Machinery - Dwellings	4,886,788	-	-		4,886,788	12,058,619	16,945,407
164	Furniture, Equipment & Machinery - Administration	920,909	1,621,829	36,933		2,579,671	33,954	2,613,625
165	Leasehold Improvements	-	-	-		-	-	-
166	Accumulated Depreciation	(55,079,893)	(2,232,133)	(34,295)		(57,346,321)	(121,616,723)	(178,963,044)
167	Construction In Progress	827,054	44,898	-		871,952	13,483,032	14,354,984
168	Infrastructure	-	-	-		-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	85,665,866	1,956,661	2,596,574	-	90,219,101	211,444,899	301,664,000
				-		-		
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	131,854,045	-	10,364,771		142,218,816	-	142,218,816
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-		-	-	-
173	Grants receivable - noncurrent	-	-	-		-	-	-
174-050	Other Assets	21,356,895	-	3,166,530		24,523,425	1,544,611	26,068,036
176	Investment in joint ventures	-	-	-		-	-	-
180	Total Non-Current Assets	238,876,806	1,956,661	16,127,875	-	256,961,342	212,989,510	469,950,852
		-	-			-		
190	Total Assets	284,759,106	5,325,249	24,328,373	(1,738,407)	313,453,080	229,078,173	542,531,253
						-		-
200	Deferred Outflow of Resources		1,089,169			1,089,169	-	1,089,169
290	Total Assets and Deferred Outflow of Resources	284,759,106	6,414,418	24,328,373	(1,738,407)	314,542,249	229,078,173	543,620,422

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2020

Line Item No.	Account Description	Total AMPs 14.850	COCC Total	Total Programs	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
311	Bank overdrafts	$ -	$ -	$ -		$ -	$ -	$ -
312	Accounts Payable <= 90 Days	1,757,006	193,737	349,913		2,350,474	956,788	3,307,262
313	Accounts Payable >90 Days Past Due	-	-	-		-	-	-
321	Accrued Wage/Payroll Taxes Payable	66,539	74,308	29,527		170,374	13,003	183,377
322	Accrued Compensated Absences	6,601	9,745	4,195		20,541	-	20,541
324	Accrued contingency liability	-	-	-		-	-	-
325	Accrued interest payable	-	-	-		-	24,287,830	24,287,830
331	Accounts Payable - HUD PHA Programs	-	-	-		-	5,717,019	5,717,019
331-030	Accounts Payable - HUD Other	-	-	60,481		60,481	-	60,481
332	Accounts Payable - PHA Projects	-	-	-		-	-	-
333	Accounts Payable - Other Government	154,250	-	9,124		163,374	11,102	174,476
341	Tenant Security Deposits	304,005	-	-		304,005	334,185	638,190
342	Deferred Revenues						87,381	
342-010	Deferred Revenues-Operating Subsidy	2,885	-	-		2,885	-	2,885
342-030	Deferred Revenues-Operating Other	171,438	-	4,490		503,636	-	503,636
343	Current portion of L-T debt - capital projects	-	-	-		-	1,293,159	1,293,159
344	Current portion of L-T debt - operating borrowings	-	-	-		-	-	-
345	Other current liabilities	4,726,995	76,690	18,009		4,821,694	1,087,301	5,908,995
345	FSS Escrow	-	-	-		-	-	-
346	Accrued Liabilities - Other	465,180	-	34,454		499,634	992,762	1,492,396
347	Interprogram due to	834,936	15	502,223	(1,738,407)	-	-	-
348	Loan liability - current	-	-	-		-	-	-
310	Total Current Liabilities	8,489,835	354,495	1,012,416	(1,738,407)	8,897,098	34,780,530	43,677,628
			-			-		
351	Long-term debt, net of current - capital projects	-	-	-		-	193,592,895	193,592,895
352	Long-Term debt, net of current - operating borrowings	-	-	-		-	-	-
353	Noncurrent Liabilities - Other	3,806,390	-	-		3,806,390	5,993,373	9,799,763
353	FSS Escrow	-	-	783,269		783,269	-	783,269
354	Accrued compensated Absences - Non Current	125,392	195,217	70,020		390,629	-	390,629
355	Loan liability - noncurrent	-	-	-		-	-	-
357	Accrued pension and OPEB liabilities		649,006	-		649,006	-	649,006
350	Total Noncurrent Liabilities	3,931,782	844,223	853,289	-	5,629,294	199,586,268	205,215,562
		-				-		
300	Total Liabilities	12,421,617	1,198,718	1,865,705	(1,738,407)	14,526,392	234,366,798	248,893,190
						-		
400	Deferred Inflow of Resources		878,462			878,462	-	878,462
		-	-			-		
508.1	Invested in capital assets, net of related debt	85,665,866	1,956,661	2,596,574		90,219,101	16,558,845	106,777,946
511.1	Restricted Net Assets	152,836,589	-	8,352,745		161,189,334	11,619,253	172,808,587
512.1	Unrestricted Net Assets	33,835,034	2,380,577	11,513,349		47,728,960	(33,466,723)	14,262,237
513	Total Equity	272,337,489	4,337,238	22,462,668	-	299,137,395	(5,288,625)	293,848,770
600	Total Liabilities, Deferred Inflows, and Equity	284,759,106	6,414,418	24,328,373	(1,738,407)	314,542,249	229,078,172.91	543,620,422

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2020

Line Item No.	Account Description	Total AMPs 14.850	COCC Total	Total Programs	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
70300	Net Tenant Rental Revenue	$ 5,778,509	$ -	$ -		$ 5,778,509	$ 13,700,374	$ 19,478,883
70400	Tenant Revenue - Other	219,902	-	-		219,902	369,091	588,993
70500	Total Tenant Revenue	5,998,411	-	-	-	5,998,411	14,069,465	20,067,876
		-	-			-		
70600-010	Housing assistance payments	-	-	35,189,690		35,189,690	-	35,189,690
70600-020	Ongoing administrative fees earned	-	-	2,935,671		3,204,127	-	3,204,127
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	-	-	-		-	-	-
70600-060	All other fees	-	-	-		-	-	-
70600-070	Admin fee calculation description	-	-	-		-	-	-
70600-080	Public Housing Operating Subsidy	16,377,120	-	-		16,731,711	-	16,731,711
70600	HUD PHA Grants	6,634,329	-	459,254		7,093,583	-	7,093,583
70610	HUD PHA Capital Grants	1,200,262	59,232	-		1,259,494	-	1,259,494
		-	-	-		-		
70710	Management Fee	-	3,466,177	-	(3,466,177)	-	-	-
70720	Asset Management Fee	-	400,800	-	(400,800)	-	-	-
70730	Book-Keeping Fee	-	495,508	-	(495,508)	-	-	-
70740	Front Line Service Fee	-	104,829	-	(104,829)	-	-	-
70750	Other Fees	-	-	-		-	-	-
70700	Total Fee Revenue	-	4,467,314	-	(4,467,314)	-	-	-
		-	-	-		-		
70800	Other government grants	-	-	-		-	-	-
71100-030	Investment Income - Unrestricted	417,657	30,162	86,319		534,138	123,863	658,001
71100	Investment Income - restricted	-	-	-		-	-	-
71200	Mortgage interest income	-	-	-		-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-		-	-	-
71310	Cost of Sale of Assets	-	-	-		-	-	-
71400-010	Fraud recovery	-	-	-		-	-	-
71500	Other revenue	548,741	98,624	85,298	(96,343)	732,663	6,662,795	7,395,458
71600	Gain/Loss on Sale of Fixed Assets	4,615,653	-	-		4,615,653	-	4,615,653
72000-010	Investment income - restricted	2,342,379	-	377,204		2,719,583	-	2,719,583
70000	Total Revenue	38,134,552	4,655,332	39,133,436	(4,563,657)	78,079,053	20,856,122	98,935,175
		-	-	-		-		
91100	Administrative salaries	1,399,996	2,211,694	1,100,942		4,961,017	2,379,750	7,340,767
91200	Auditing fees	47,220	19,269	22,358		88,847	97,050	185,897
91300	Management Fee	2,793,661	-	672,516	(3,562,520)	-	940,971	940,971
91310	Book-Keeping Fee	287,080	-	208,428	(495,508)	-	-	-
91400	Advertising and Marketing	11,338	7,399	8,568		27,305	44,590	71,895
91500	Employee benefit contributions - administrative	529,209	790,039	437,884		1,757,132	69,034	1,826,166
91600	Office Expenses	534,304	407,856	467,866		1,410,026	173,533	1,583,559
91700	Legal Expense	75,207	7,052	-	(11,320)	70,939	51,477	122,416
91800	Travel	44,712	69,072	12,996		126,780	-	126,780
91810	Allocated Overhead	-	-	-		-	-	-
91900	Other	903,136	363,583	249,240		1,515,959	963,083	2,479,042
		-	-	-		-		
92000	Asset Management Fee	400,800	-	-	(400,800)	-	-	-

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2020

Line Item No.	Account Description	Total AMPs 14.850	COCC Total	Total Programs	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
92100	Tenant services - salaries	$ -	$ -	$ -		$ 83,301	$ -	$ 83,301
92200	Relocation Costs	-	-	-		-	-	-
92300	Employee benefit contributions - tenant services	-	-	-		4,398	-	4,398
92400	Tenant Services - Other	31,451	218	856		382,995	-	382,995
		-	-	-		-		
93100	Water	646,787	7,031	-		653,818	542,024	1,195,842
93200	Electricity	1,284,485	116,916	-		1,401,401	86,295	1,487,696
93300	Gas	416,581	21,385	-		437,966	78,698	516,664
93400	Fuel	-	-	-		-	-	-
93500	Labor	-	-	-		-	-	-
93600	Sewer	1,480,233	20,505	-		1,500,738	-	1,500,738
93700	Employee benefit contributions - utilities	-	-	-		-	-	-
93800	Other utilities expense	-	-	-		-	1,590,121	1,590,121
		-	-	-		-		
94100	Ordinary Maintenance and Operations - Labor	2,441,921	138,152	-		2,580,073	205,133	2,785,206
94200	OMO - Materials and Other	734,071	44,207	24		778,302	1,256,703	2,035,005
94300-010	*Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts*	178,041	1,693	-		179,734	-	179,734
94300-020	*Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts*	614,260	23,011	-		637,271	-	637,271
94300-030	*Ordinary Maintenance and Operations Contracts - Snow Removal Contracts*	161,037	8,960	-		169,997	-	169,997
94300-040	*Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts*	-	-	-		-	-	-
94300-050	*Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts*	1,634,246	7,425	-		1,641,671	-	1,641,671
94300-060	*Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts*	1,056,411	-	-		1,056,411	-	1,056,411
94300-070	*Ordinary Maintenance and Operations Contracts - Electrical Contracts*	149,875	1,525	-		151,400	-	151,400
94300-080	*Ordinary Maintenance and Operations Contracts - Plumbing Contracts*	498,230	761	-	-	498,991	-	498,991
94300-090	*Ordinary Maintenance and Operations Contracts - Extermination Contracts*	218,296	4,349	-	(45,421)	177,224	-	177,224
94300-100	*Ordinary Maintenance and Operations Contracts - Janitorial Contracts*	80,499	-	-		80,499	-	80,499
94300-110	*Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts*	16,580	13,323	-		29,903	-	29,903
94300-120	*Ordinary Maintenance and Operations Contracts - Misc Contracts*	1,844,146	75,342	1,482	(48,088)	1,872,882	-	1,872,882
94300	Ordinary Maintenance and Operations - Contract Costs	6,451,621	136,389	1,482	(93,509)	6,495,983	1,206,407	7,702,390
94500	Employee Benefit Contributions - Ordinary Maintenance	689,300	42,813	-		732,113	89,218	821,331
		-	-	-		-	-	
95100	Protective Services - labor	-	-	-		-	-	-
95200	Protective Services - Other Contract Costs	1,770,742	50	14,461		1,785,253	-	1,785,253
95300	Protective Services - Other	-	-	-		-	166,905	166,905
95500	Employee benefit contributions - protective services	-	-	-		-	-	-

Detroit Housing Commission

Financial Data Schedules

Year Ended June 30, 2020

Line Item No.	Account Description	Total AMPs 14.850	COCC Total	Total Programs	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
96110	Property Insurance	$ 482,682	$ 31,366	$ -		$ 514,048	$ 915,522	$ 1,429,570
96120	Liability Insurance	-	-	-		-	-	-
96130	Workmen's Compensation	137,015	15,793	13,433		166,241	-	166,241
96140	All other Insurance	196,163	21,140	61,209		278,512	28,352	306,864
96200	Other General Expenses	4,909,498	132	-		4,909,630	778,481	5,688,111
96210	Compensated Absences	37,211	27,828	36,816		101,855	-	101,855
96300	Payments in Lieu of Taxes	154,250	-	-		154,250	488,241	642,491
96400	Bad Debt - Tenant Rents	373,574	-	-		373,574	319,408	692,982
96500	Bad Debt - Mortgages	-	-	-		-	-	-
96600	Bad Debt - Other	112,500	-	539,899		652,399	-	652,399
96710	Interest of Mortgage (or Bonds) Payable	-	-	-		-	4,339,465	4,339,465
96720	Interest on Notes Payable (Short and Long Term)	-	-	-		-	-	-
96730	Amortization of Bond Issue Costs	-	-	-		-	325	325
96800	Severance Expense	-	-	-		-	-	-
96900	Total Operating Expenses	29,376,748	4,499,889	3,848,978	(4,563,657)	33,944,855	16,810,786	50,755,641
		-	-	-		-	-	
97000	Excess Operating Revenue over Operating Expenses	8,757,804	155,443	35,135,028	0	43,984,768	4,045,336	48,030,104
		-	-	-		-	-	-
97100	Extraordinary Maintenance	-	-	-		-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-		-	-	-
97300-050	Housing Assistance Payments	-	-	35,142,220		35,142,220	-	35,142,220
97300-070	All Other	15,715	-	-		15,715	-	15,715
97400	Depreciation Expense	4,266,953	75,776	-		4,342,729	11,064,925	15,407,654
97500	Fraud losses	-	-	-		-	-	-
97800	Dwelling units rent expense	-	-	-		-	-	-
90000	Total Expenses	33,659,416	4,575,665	38,991,198	(4,563,657)	73,445,519	27,875,711	101,321,230
		-	-			-		
10010	Operating transfers in	6,816,609	16,793	16,793	(6,913,702)	-	-	-
10020	Operating transfers out	(6,880,116)	(16,793)	(16,793)	6,913,702	-	-	-
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	774,240	-	-	(774,240)	-	-	-
10092	Inter Project Excess Cash Transfer Out	(774,240)	-	-	774,240	-	-	-
10093	Special items, net gain/loss	-	-	-		-	-	-
10094	Special items, net gain/loss	-	-	-		-	-	-
10100	Total other financing sources (Uses)	(63,507)	-	-	-	-	-	-
		-	-	-		-	-	
10000	Excess (deficiency) of total revenue over (under) total expenses	4,411,629	79,667	142,238	0	4,633,534	(7,019,589)	(2,386,055)
11010	Capital Outlays Enterprise Fund	-	-	-		-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-		-	-	-
11030	Beginning Equity	267,925,860	4,257,571	22,320,430		294,503,861	1,730,964	296,234,825
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-		-	-	-
11040-070	Equity transfer	-	-	-		-	-	-
		-	-			-		
11190	Unit Months Available	40,545	-	73,872		114,417	-	114,417
11210	Number of Unit Months Leased	37,496	-	56,136		93,632	-	93,632
11170	Administrative Fee Equity	1	-	158,616		158,617	-	158,617
11180	Housing Assistance Payments Equity	-	-	423,146		423,146	-	423,146
		-	-	-		-	-	
11270	Excess Cash	14,453,032	-	-		14,453,032	-	14,453,032
		-	-	-		-	-	
11610	Land Purchases	-	-	-		-	-	-
11620	Building Purchases	1,191,131	44,898	-		1,236,030	-	1,236,030
11630	Furniture & Equipment - Dwelling Purchases	-	-	-		-	-	-
11640	Furniture & Equipment - Administrative Purchases	34,747	36,676	-		71,423	-	71,423
11650	Leasehold Improvements Purchases	-	-	-		-	-	-
11660	Infrastructure Purchases	-	-	-		-	-	-
13510	CFFP Debt Service Payments	-	-	-		-	-	-
13901	Replacement Housing Factor Funds	-	-	-		-	-	-

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page of pages
US Department of Housing and Urban Development	MI001RPS049A015	1 1

3. Recipient Organization (Name and complete address including Zip code)

Detroit Housing Commission, 1301 E. Jefferson Avenue, Detroit MI 48207

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
830516790	383617958		☐ Quarterly ☐ Semi-Annual ☐ Annual ☑ Final	☐ Cash ☑ Accrual

8. Project/Grant Period (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)
From: 03-24-2016	To: 07-29-2019	07-29-2019

10. **Transactions**	Cumulative
(Use lines a-c for single or combined multiple grant reporting)	
Federal Cash (To report multiple grants separately, also use FFR Attachment):	
a. Cash Receipts	654,147.00
b. Cash Disbursements	654,147.00
c. Cash on Hand (line a minus b)	0
(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	654,147.00
e. Federal share of expenditures	654,147.00
f. Federal share of unliquidated obligations	0
g. Total Federal share (sum of lines e and f)	654,147.00
h. Unobligated balance of Federal funds (line d minus g)	0.00
Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
Program Income:	
l. Total Federal share of program income earned	654,147.00
m. Program income expended in accordance with the deduction alternative	654,147.00
n. Program income expended in accordance with the addition alternative	0
o. Unexpended program income (line l minus line m or line n)	0

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
				g. Totals:	0	0	0

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
Seana Page, Director of Resident Services	313-877-8114
	d. Email Address: pages@dhcmi.org
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year)
	14. Agency use only:

Standard Form 425 - Revised 10/11/2011
OMB Approval Number: 0348-0061
Expiration Date: 2/28/2015

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page of pages
US Department of Housing and Urban Development	MI001ROSS191282	1 1

3. Recipient Organization (Name and complete address including Zip code)

Detroit Housing Commission, 1301 E. Jefferson Avenue, Detroit MI 48207

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type	7. Basis of Accounting
830516790	383617958		☐ Quarterly ☐ Semi-Annual ☑ Annual ☐ Final	☐ Cash ☑ Accrual

8. Project/Grant Period (Month, Day, Year)		9. Reporting Period End Date (Month, Day, Year)
From: 03/18/2019	To: 10/31/2019	10/31/2019

10. **Transactions**	Cumulative
(Use lines a-c for single or combined multiple grant reporting)	
Federal Cash (To report multiple grants separately, also use FFR Attachment):	
a. Cash Receipts	53,422.55
b. Cash Disbursements	53,422.55
c. Cash on Hand (line a minus b)	0
(Use lines d-o for single grant reporting)	
Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	582,971.00
e. Federal share of expenditures	53,422.55
f. Federal share of unliquidated obligations	0
g. Total Federal share (sum of lines e and f)	53,422.55
h. Unobligated balance of Federal funds (line d minus g)	529,548.45
Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	
Program Income:	
l. Total Federal share of program income earned	53,422.55
m. Program income expended in accordance with the deduction alternative	53,422.55
n. Program income expended in accordance with the addition alternative	0
o. Unexpended program income (line l minus line m or line n)	0

11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
				g. Totals:	0	0	0

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:

13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)

a. Typed or Printed Name and Title of Authorized Certifying Official	c. Telephone (Area code, number, and extension)
Seana Page, Director of Resident Services	313-877-8114
	d. Email Address: pages@dhcmi.org
b. Signature of Authorized Certifying Official	e. Date Report Submitted (Month, Day, Year): 12/16/19
	14. Agency use only:

Standard Form 425 - Revised 10/11/2011
OMB Approval Number: 0348-0061
Expiration Date: 2/28/2015

Paperwork Burden Statement
According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is 0348-0061. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0061), Washington, DC 20503.

May 29, 2020

Ms. Sandra Henriquez
Executive Director
Detroit Housing Commission
Detroit, MI. 48206

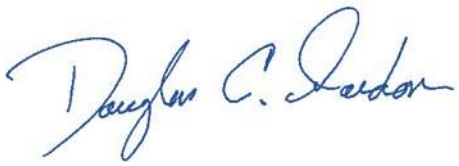
Dear Ms. Henriques:

SUBJECT: Closeout FY 2017 Family Self Sufficiency Grant
Grant Number: FSS17MI0371
Grant Award: $284,392.00

The Detroit Field Office is in receipt of the Final Financial Status Report (SF-425) for the subject program. The document is in compliance with the provisions of the Grant Management Handbook, 7490.01 and has been verified by the most recent Fiscal Audit. The program 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,



Douglas C. Gordon
Director
Office of Public Housing