

Detroit Housing Commission

Financial Report
with Supplemental Information
June 30, 2014

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 the Detroit Housing Commission as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, other than the following entities: Woodbridge ILF Associates Limited Dividend Housing Limited Partnership, Gardenview VII Limited Dividend Housing Association, LLC, Gardenview VIII Limited Dividend Housing Association, LLC, and Woodbridge VI Limited Dividend Housing Association, LLC. The discretely presented component units audited by other auditors represent 80 percent of the assets and 93 percent of the revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports have 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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.

To the Board of Commissioners
Detroit Housing Commission

The discretely presented component unit financial statements of Alexandrine Square Limited Dividend Housing Association Limited Partnership, Gardenvue Homes VII Limited Dividend Housing Association Limited Partnership, Gardenvue Homes VIII Limited Dividend Housing Association Limited Partnership, Woodbridge VI Limited Dividend Housing Association, LLC, The Villages of Parkside II, The Villages of Parkside IV, Woodbridge Estates Apartments I, LLC, Woodbridge Estates Apartments II, LLC, Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership, Gardenvue Homes IV Limited Dividend Housing Association Limited Partnership, Gardenvue Homes V Limited Dividend Housing Association Limited Partnership, Gardenvue Homes VI Limited Dividend Housing Association Limited Partnership, 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 I Limited Dividend Housing Association, LLC, Cornerstone II Limited Dividend Housing Association, LLC, and Cornerstone III Limited Dividend Housing Association, LLC were not audited in accordance with Government Auditing Standards.

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 opinion.

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 respective financial position of the business-type activities and the aggregate discretely presented component units of the Detroit Housing Commission as of June 30, 2014 and the respective changes in its financial position and its business-type activities cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Detroit Housing Commission

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified on 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 an opinion on the financial statements that collectively comprise the Detroit Housing Commission's basic financial statements. The Financial Data Schedules, Closed Grants, and Actual Program Costs and Advances are presented for purposes 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 Actual Program Costs and Advances has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2015 on our consideration of the 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 & Morse, PLLC

March 19, 2015

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

As management of the Detroit Housing Commission (the “Commission” or “DHC”), we offer the readers of our financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2014. 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. This 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, Kelley Lyons, 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 and the U.S. Department of Housing and Urban Development (HUD) due to the troubled status of the Commission. The scope of the CEA is outlined in Note I of the accompanying financial statements.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2014 by \$292,976,418 (net position).
- The Commission’s unrestricted cash and cash equivalents totaled \$24,842,513 at June 30, 2014.
- The Commission had operating revenue from HUD of \$68,281,699 and HUD capital grants of \$8,895,768, which include funds for redevelopment and capital asset activities.
- Public housing has maintained occupancy of an average of 97 percent for the fiscal year ended June 30, 2014.
- The Commission utilized 85 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program, and spent 103 percent of its annual budget authority.
- HUD loans Hope VI and Replacement Housing Factor (RHF) funds to discrete component units for the redevelopment and acquisition of housing. In addition, the Commission has other sources of funds that were loaned as well. The discrete component units are required to repay these funds of \$127,076,010 to the Commission, which are included in the notes, loans, and mortgages receivable at June 30, 2014.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

- During fiscal year 2014, 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 16 AMPs (one or more developments grouped for management purposes), which includes 24 component unit AMPs, and 401 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 3,424 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 6,067 Housing Choice Vouchers and 305 moderate rehabilitation units (site-based program).

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.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

Development Program - DHC administers various development, 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 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.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

- 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.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

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		
	2014	2013	Net Change
Assets			
Current assets	\$ 31,090,608	\$ 34,377,513	\$ (3,286,905)
Capital assets - Net	133,606,201	132,172,919	1,433,282
Other noncurrent assets	139,030,785	131,839,517	7,191,268
Total assets	303,727,594	298,389,949	5,337,645
Liabilities			
Current liabilities	10,547,301	12,133,991	(1,586,690)
Other noncurrent liabilities	203,875	171,457	32,418
Total liabilities	10,751,176	12,305,448	(1,554,272)
Net Position			
Net investment in capital assets	133,606,201	132,172,919	1,433,282
Restricted	124,947,891	121,664,585	3,283,306
Unrestricted	34,422,326	32,246,997	2,175,329
Total net position	292,976,418	286,084,501	6,891,917
Total liabilities and net position	<u>\$ 303,727,594</u>	<u>\$ 298,389,949</u>	<u>\$ 5,337,645</u>

Current assets decreased by 9.5 percent primarily due to a decrease in the restricted cash (NRA for HCV program), and in the HUD receivable for capital grants.

The Commission's net investment in capital assets increased by 1 percent or approximately \$1,400,000. This was primarily due to completion of several large projects last year, offset by annual depreciation expense.

Other noncurrent assets increased by 5 percent due to an increase of approximately \$5.2 million in loans made to the discrete component units using Hope VI and RHF grant funds.

Total assets increased by \$5.3 million or 1.8 percent, due mostly to the increases in the note receivables to the component units and the change in net capital assets noted above. Total liabilities decreased by \$1.5 million (12.6 percent decrease) primarily due to a decrease in payables, loan liabilities, and other accrued liabilities.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

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 an increase due to demo activity, at both Douglass and some Scattered Sites. The increase in net capital assets is primarily due to this activity, as well as a decrease in the NRA (Net Restricted Assets) of the HCV program. Unrestricted net position increase is a function of the net result of operations and items not classified as restricted or in net investment in capital assets.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

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

	<u>Change in Net Position</u>		
	<u>2014</u>	<u>2013</u>	<u>Net Change</u>
Operating Revenue			
HUD operating revenue	\$68,281,699	\$68,756,156	\$(474,457)
Tenant revenue - Net	4,335,644	4,371,924	(36,280)
Other operating revenue	861,444	897,983	(36,539)
Total operating revenue	<u>73,478,787</u>	<u>74,026,063</u>	<u>(547,276)</u>
Operating Expenses			
Administrative	10,887,674	10,915,554	(27,880)
Tenant services	243,012	340,001	(96,989)
Utilities	4,831,849	3,854,261	977,588
Maintenance	10,614,755	12,560,054	(1,945,299)
Protective services	1,050,031	879,312	170,719
General	4,870,191	4,618,311	251,880
Depreciation	5,660,189	5,423,371	236,818
Housing assistance payments	39,247,209	42,599,744	(3,352,535)
Total operating expenses	<u>77,404,910</u>	<u>81,190,608</u>	<u>(3,785,698)</u>
Operating Loss	<u>\$(3,926,123)</u>	<u>\$(7,164,545)</u>	<u>\$3,238,422</u>

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

	2014	2013	Net Change
Non-Operating Revenue			
Investment income - Unrestricted	\$425,345	\$209,119	\$216,226
Interest income - Restricted	1,496,927	1,635,184	(138,257)
Total non-operating revenue	1,922,272	1,844,303	77,969
Change in net position before capital contributions	(2,003,851)	(5,320,242)	3,316,391
Capital Contributions - HUD	8,895,768	4,984,207	3,911,561
Change in net position	6,891,917	(336,035)	7,227,952
Total net position - Beginning	286,084,501	286,420,536	(336,035)
Total net position - Ending	\$292,976,418	\$286,084,501	\$6,891,917

Total operating revenue decreased by \$547,276 for the fiscal year ended June 30, 2014, primarily due to the decrease in Other Income and Fraud Recovery. This year's subsidy formula for Low-income Housing Program included an 89 percent funding level for calendar year 2014 (affecting six months of DHC's fiscal year funding). This was an increase from the prior calendar year level of approximately 82 percent proration.

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 \$3,785,698 in total operating expenses is primarily due to efforts to increase occupancy and unit inspection scores while keeping expenses within budget.

Non-operating revenue increased by \$77,969 primarily due to increased interest income earned on our bank balances, as well as a better rate of interest income earned on the balance of notes receivable. There were no local non-operating grants in fiscal year 2014.

Capital contributions increased by \$3,911,561 due mainly to the new Emergency Demolition grant we received from HUD, to demolish Douglass buildings. There was no donated property recorded from the City of Detroit for the year ended June 30, 2014. The City still holds a group of properties that are yet to be legally transferred, in the amount of approximately \$1 million, which includes land and buildings.

The Commission has no long-term debt as of June 30, 2014.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

Capital Asset and Debt Activity

After the Commission became independent from the City of Detroit, 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.

	2014	2013	Change in Capital Assets
Nondepreciable			
Land	\$65,195,735	\$47,266,480	\$17,929,255
Construction in progress	7,683,449	18,580,124	(10,896,675)
Total non-depreciable	72,879,184	65,846,604	7,032,580
Depreciated			
Structures and improvements	85,703,243	84,119,032	1,584,211
Equipment – Dwelling	5,155,742	7,965,050	(2,809,308)
Equipment – Administrative	2,461,743	1,175,755	1,285,988
Total depreciated	93,320,728	93,259,837	60,891
Total capital assets	166,199,912	159,106,441	7,093,471
Total accumulated depreciation	(32,593,711)	(26,933,522)	(5,660,189)
Capital assets - Net	<u>\$133,606,201</u>	<u>\$132,172,919</u>	<u>\$1,433,282</u>

Factors Affecting Next Year's Budget

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 pro-ration of funding of these programs in the future could be significantly affected by the 2015 and 2016 federal budgets. The federal deficit and looming budgetary restrictions at the congressional level can have a great impact on our local activities.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited) (Continued)

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

Detroit Housing Commission

Statement of Net Position June 30, 2014

	Primary Government - Business-type Activities	Total Discrete Component Units
Assets		
Current Assets		
Cash and cash equivalents - Unrestricted (Note 2)	\$ 24,836,261	\$ 1,802,118
Cash and cash equivalents - Restricted (Note 2)	836,475	14,190,497
Receivables - Net	662,124	874,482
Prepaid expenses	308,836	121,626
Due from other governments	4,446,912	-
Total current assets	31,090,608	16,988,723
Noncurrent Assets		
Cash and cash equivalents - Restricted (Note 2)	472,180	-
Capital assets - Nondepreciable (Notes 3 and 10)	72,879,184	41,078,278
Capital assets - Depreciable - Net (Notes 3 and 10)	60,727,017	186,811,412
Accrued interest receivable - Unrestricted (Note 6)	1,247,628	-
Accrued interest receivable - Restricted (Note 6)	10,234,967	-
Other noncurrent assets	-	3,800,065
Notes, loans, and mortgages receivable - Net (Note 6) - Due from discrete component units with the exception of \$380,951 which is due from the Homeownership program	127,076,010	-
Total assets	\$ 303,727,594	\$ 248,678,478
Liabilities and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 10)	\$ -	\$ 29,520,904
Accounts payable	3,855,857	8,109,833
Accrued interest payable	-	6,786,690
Accrued salaries and benefits	289,598	-
Accrued compensated absences	141,300	-
Due to other governments	642,673	-
Tenant security deposits (Note 2)	368,731	315,959
Deferred revenue	3,780,653	48,140
Other current liabilities	1,468,489	5,528,042
Total current liabilities	10,547,301	50,309,568
Noncurrent Liabilities		
Long-term debt - Includes \$124,261,552 which is due to Detroit Housing Commission (Note 10)	-	167,624,991
Accrued compensated absences	203,875	-
Other noncurrent liabilities	-	5,127,637
Total liabilities	10,751,176	223,062,196
Net Position		
Net investment in capital assets	133,606,201	30,743,795
Restricted for reserves	454,274	13,874,538
Restricted for notes receivable	124,493,617	-
Unrestricted net position	34,422,326	(19,002,051)
Total net position	292,976,418	25,616,282
Total liabilities and net position	\$ 303,727,594	\$ 248,678,478

Detroit Housing Commission

Statement of Activities Year Ended June 30, 2014

	Primary Government - Business-type Activities	Total Discrete Component Units
Operating Revenue		
HUD operating revenue	\$ 68,281,699	\$ -
Tenant revenue - Net	4,335,644	9,044,471
Other operating revenue	861,444	582,854
Total operating revenue	73,478,787	9,627,325
Operating Expenses		
Administrative	10,887,674	3,208,731
Tenant services	243,012	-
Utilities	4,831,849	1,560,901
Maintenance	10,614,755	1,581,335
Protective services	1,050,031	400
General	4,870,191	1,784,014
Depreciation	5,660,189	9,463,738
Housing assistance payments	39,247,209	-
Total operating expenses	77,404,910	17,599,119
Operating Loss Before Nonoperating Revenue (Expense)	(3,926,123)	(7,971,794)
Nonoperating Revenue (Expense)		
Gain on sale of brownfield credits	-	2,645,335
Investment income - Unrestricted	425,345	33,038
Interest income - Restricted	1,496,927	-
Interest expense	-	(2,636,133)
Total nonoperating revenue	1,922,272	42,240
Decrease in Net Assets Before Capital Contributions and Distributions	(2,003,851)	(7,929,554)
Capital Contributions and Distributions		
Capital contributions - HUD	8,895,768	-
Partner contributions	-	10,684,196
Partner distributions	-	(1,490,390)
Increase in Net Position	6,891,917	1,264,252
Net Position - Beginning of year	286,084,501	24,352,030
Net Position - End of year	\$ 292,976,418	\$ 25,616,282

Detroit Housing Commission

Statement of Cash Flows Year Ended June 30, 2014

Cash Flows from Operating Activities

Cash received from HUD operating subsidies and grants	\$ 68,281,700
Cash received from local grants	174,640
Cash received from tenants	4,249,070
Other receipts	717,537
Cash payments for housing assistance	(39,310,067)
Cash payments to employees	(10,908,024)
Cash payments to suppliers	<u>(23,080,902)</u>

Net cash provided by operating activities 123,954

Cash Flows from Investing Activities

Investment in notes receivable - net	(5,256,886)
Interest received	<u>293,958</u>

Net cash used in investing activities (4,962,928)

Cash Flows from Capital and Related Financing Activities

HUD capital grants	10,203,724
Purchase of property and equipment	<u>(7,093,471)</u>

Net cash provided by capital and related
financing activities 3,110,253

Net Decrease in Cash and Cash Equivalents (1,728,721)

Cash and Cash Equivalents - Beginning of year 27,873,637

Cash and Cash Equivalents - End of year \$ 26,144,916

Cash Reconciliation

Current cash and cash equivalents - Unrestricted	\$ 24,836,261
Current cash and cash equivalents - Restricted	836,475
Noncurrent cash and cash equivalents - Restricted	<u>472,180</u>

Total cash and cash equivalents \$ 26,144,916

Detroit Housing Commission

Statement of Cash Flows (Continued) Year Ended June 30, 2014

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (3,926,123)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	5,660,189
Bad debt	217,210
(Increase) decrease in operating assets:	
Receivables - Net	(303,784)
Prepaid expenses and other assets	30,734
Decrease in operating liabilities:	
Accounts payable	(1,138,250)
Accrued salaries and benefits	(20,350)
Tenant security deposits	(34,368)
Deferred revenue and other liabilities	<u>(361,304)</u>
Net cash provided by operating activities	<u><u>\$ 123,954</u></u>

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units

	The Villages of Parkside II Year Ended June 30, 2014	The Villages of Parkside IV Year Ended June 30, 2014	Woodbridge Estates Apartments I, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments II, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments III, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments IV, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments V, LLC Year Ended December 31, 2013
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	\$ 172,057	\$ 223,105	\$ 28,015	\$ 12,906	\$ 61,304	\$ 58,585	\$ 80,835
Cash and cash equivalents - Restricted	246,766	199,253	157,809	217,680	133,902	203,728	239,717
Receivables - Net	16,814	26,509	17,893	90,325	3,298	2,188	3,285
Prepaid expenses	4,467	4,238	3,852	9,715	3,449	4,119	5,616
Total current assets	440,104	453,105	207,569	330,626	201,953	268,620	329,453
Noncurrent Assets							
Capital assets - Net	11,646,259	9,967,490	4,748,594	6,217,666	5,060,754	6,134,399	8,933,093
Other noncurrent assets	-	-	234,007	321,451	119,352	106,911	134,729
Total assets	\$ 12,086,363	\$ 10,420,595	\$ 5,190,170	\$ 6,869,743	\$ 5,382,059	\$ 6,509,930	\$ 9,397,275
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	\$ -	\$ -	\$ 21,100	\$ 30,400	\$ 33,500	\$ 39,400	\$ 54,200
Accounts payable	121,617	142,998	16,093	6,538	-	-	85,080
Accrued interest payable	-	-	778,682	1,165,630	595,979	682,223	790,226
Tenant security deposits	23,536	20,950	14,578	16,055	8,778	14,010	11,923
Deferred revenue	1,139	909	4,775	3,978	2,035	1,302	4,830
Other current liabilities	9,734	57,786	30,992	41,234	10,295	73,456	372,617
Total current liabilities	156,026	222,643	866,220	1,263,835	650,587	810,391	1,318,876
Noncurrent Liabilities							
Long-term debt	25,514,772	20,990,363	3,579,858	4,782,276	3,534,060	4,222,136	5,720,124
Other noncurrent liabilities	2,858,325	1,491,357	-	-	75,868	-	-
Total liabilities	28,529,123	22,704,363	4,446,078	6,046,111	4,260,515	5,032,527	7,039,000
Net Position							
Net investment in capital assets	(13,868,513)	(11,022,873)	1,147,636	1,404,990	1,493,194	1,872,863	3,158,769
Restricted net assets	223,230	178,303	143,231	201,625	125,124	189,718	227,794
Unrestricted net assets	(2,797,477)	(1,439,198)	(546,775)	(782,983)	(496,774)	(585,178)	(1,028,288)
Total net position	(16,442,760)	(12,283,768)	744,092	823,632	1,121,544	1,477,403	2,358,275
Total liabilities and net position	\$ 12,086,363	\$ 10,420,595	\$ 5,190,170	\$ 6,869,743	\$ 5,382,059	\$ 6,509,930	\$ 9,397,275

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units (Continued)

	Woodbridge Estates Apartments VI, LLC Year Ended June 30, 2014	Woodbridge ILF Associates LDHA, Ltd. Partnership Year Ended December 31, 2013	Alexandrine Square Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2013	Gardenview Homes I Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes II Limited Dividend Housing Association, LLC Year Ended December 31, 2013
Assets					
Current Assets					
Cash and cash equivalents - Unrestricted	\$ 24,178	\$ 88,141	\$ 1,168	\$ 5,878	\$ 162,504
Cash and cash equivalents - Restricted	1,494,498	800,338	800	549,149	379,520
Receivables - Net	-	50,588	5,541	57,333	15,784
Prepaid expenses	-	16,491	-	14,171	6,864
Total current assets	1,518,676	955,558	7,509	626,531	564,672
Noncurrent Assets					
Capital assets - Net	6,030,531	10,338,178	1,580,159	17,444,892	8,304,305
Other noncurrent assets	260,965	58,867	-	30,168	-
Total assets	\$ 7,810,172	\$ 11,352,603	\$ 1,587,668	\$ 18,101,591	\$ 8,868,977
Liabilities and Net Position					
Current Liabilities					
Current portion of long-term debt	\$ 843,573	\$ -	\$ -	\$ 21,263	\$ -
Accounts payable	-	68,545	117,033	15,427	873
Accrued interest payable	-	1,693,072	219,801	9,297	-
Tenant security deposits	-	31,976	1,479	22,924	4,055
Deferred revenue	-	6,181	831	2,426	3,101
Other current liabilities	825,329	28,692	310,112	59,077	25,524
Total current liabilities	1,668,902	1,828,466	649,256	130,414	33,553
Noncurrent Liabilities					
Long-term debt	5,210,597	3,713,014	265,780	11,797,133	8,919,975
Other noncurrent liabilities	-	-	702,087	-	-
Total liabilities	6,879,499	5,541,480	1,617,123	11,927,547	8,953,528
Net Position					
Net investment in capital assets	(23,639)	6,625,164	1,314,379	5,626,496	(615,670)
Restricted net assets	1,494,498	768,362	(679)	526,225	375,465
Unrestricted net assets	(540,186)	(1,582,403)	(1,343,155)	21,323	155,654
Total net position	930,673	5,811,123	(29,455)	6,174,044	(84,551)
Total liabilities and net position	\$ 7,810,172	\$ 11,352,603	\$ 1,587,668	\$ 18,101,591	\$ 8,868,977

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units (Continued)

	Gardenvue Homes III Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes IV Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes V Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes VI Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes VII Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes VIII Limited Dividend Housing Association, LLC Year Ended December 31, 2013
Assets						
Current Assets						
Cash and cash equivalents - Unrestricted	\$ 151,890	\$ 162,643	\$ 1,970	\$ 15,298	\$ 50,154	\$ 46,933
Cash and cash equivalents - Restricted	358,784	1,179,062	1,094,214	292,040	-	-
Receivables - Net	15,702	50,927	98,569	91,969	938	2,165
Prepaid expenses	6,815	7,196	7,995	7,633	-	-
Total current assets	533,191	1,399,828	1,202,748	406,940	51,092	49,098
Noncurrent Assets						
Capital assets - Net	8,231,897	9,378,425	12,630,152	11,309,953	15,585,331	15,207,518
Other noncurrent assets	-	2,636	-	-	-	-
Total assets	<u>\$ 8,765,088</u>	<u>\$ 10,780,889</u>	<u>\$ 13,832,900</u>	<u>\$ 11,716,893</u>	<u>\$ 15,636,423</u>	<u>\$ 15,256,616</u>
Liabilities and Net Assets						
Current Liabilities						
Current portion of long-term debt	\$ -	\$ 6,514,588	\$ 896,622	\$ -	\$ 5,204,060	\$ 5,303,967
Accounts payable	871	994	919	935	3,652,607	3,536,762
Accrued interest payable	-	94,673	-	-	-	-
Tenant security deposits	4,608	4,796	4,977	4,872	7,611	11,550
Deferred revenue	1,406	1,375	1,791	3,000	-	-
Other current liabilities	24,672	96,128	495,835	569,903	390,638	20,270
Total current liabilities	31,557	6,712,554	1,400,144	578,710	9,254,916	8,872,549
Noncurrent Liabilities						
Long-term debt	8,941,434	3,887,485	5,428,002	4,855,011	6,425,000	6,425,000
Other noncurrent liabilities	-	-	-	-	-	-
Total liabilities	8,972,991	10,600,039	6,828,146	5,433,721	15,679,916	15,297,549
Net Assets						
Invested in capital assets - Net of related debt	(709,537)	(1,023,648)	6,305,528	6,454,942	3,956,271	3,478,551
Restricted net assets	354,176	1,174,266	1,089,237	287,168	(7,611)	(11,550)
Unrestricted net assets	147,458	30,232	(390,011)	(458,938)	(3,992,153)	(3,507,934)
Total net assets	(207,903)	180,850	7,004,754	6,283,172	(43,493)	(40,933)
Total liabilities and net assets	<u>\$ 8,765,088</u>	<u>\$ 10,780,889</u>	<u>\$ 13,832,900</u>	<u>\$ 11,716,893</u>	<u>\$ 15,636,423</u>	<u>\$ 15,256,616</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units (Continued)

	Emerald Springs IA Year Ended December 31, 2013	Emerald Springs IB Year Ended December 31, 2013	Emerald Springs II Year Ended June 30, 2014	Cornerstone Estates I Year Ended December 31, 2013	Cornerstone Estates II Year Ended December 31, 2013	Cornerstone Estates III Year Ended December 31, 2013	Total Discrete Component Units
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	\$ 87,146	\$ 141,542	\$ 34,900	\$ 94,975	\$ 92,300	\$ 3,691	\$ 1,802,118
Cash and cash equivalents - Restricted	739,341	717,126	4,295,280	447,868	146,149	297,473	14,190,497
Receivables - Net	21,592	24,370	3,836	86,190	27,885	160,781	874,482
Prepaid expenses	2,993	3,016	-	4,188	4,332	4,476	121,626
Total current assets	851,072	886,054	4,334,016	633,221	270,666	466,421	16,988,723
Noncurrent Assets							
Capital assets - Net	12,241,048	11,803,415	9,122,461	8,146,359	8,780,445	9,046,366	227,889,690
Other noncurrent assets	361,527	358,303	348,419	906,926	71,305	484,499	3,800,065
Total assets	<u>\$ 13,453,647</u>	<u>\$ 13,047,772</u>	<u>\$ 13,804,896</u>	<u>\$ 9,686,506</u>	<u>\$ 9,122,416</u>	<u>\$ 9,997,286</u>	<u>\$ 248,678,478</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	\$ -	\$ -	\$ 5,002,721	\$ -	\$ -	\$ 5,555,510	29,520,904
Accounts payable	50,730	26,290	5,924	265	53,899	205,433	8,109,833
Accrued interest payable	14,466	12,952	30,579	481,162	-	217,948	6,786,690
Tenant security deposits	25,982	26,654	14,667	10,618	17,524	11,836	315,959
Deferred revenue	2,321	4,843	882	215	362	438	48,140
Other current liabilities	33,416	22,970	1,823,847	147,916	25,460	32,139	5,528,042
Total current liabilities	126,915	93,709	6,878,620	640,176	97,245	6,023,304	50,309,568
Noncurrent Liabilities							
Long-term debt	5,292,434	4,644,006	6,713,726	4,366,809	9,086,048	3,309,948	167,624,991
Other noncurrent liabilities	-	-	-	-	-	-	5,127,637
Total liabilities	5,419,349	4,737,715	13,592,346	5,006,985	9,183,293	9,333,252	223,062,196
Net Position							
Net investment in capital assets	6,948,614	7,159,409	(2,593,986)	3,779,550	(305,603)	180,908	30,743,795
Restricted net assets	713,359	690,472	4,280,613	437,250	128,625	285,637	13,874,538
Unrestricted net assets	372,325	460,176	(1,474,077)	462,721	116,101	197,489	(19,002,051)
Total net position	8,034,298	8,310,057	212,550	4,679,521	(60,877)	664,034	25,616,282
Total liabilities and net position	<u>\$ 13,453,647</u>	<u>\$ 13,047,772</u>	<u>\$ 13,804,896</u>	<u>\$ 9,686,506</u>	<u>\$ 9,122,416</u>	<u>\$ 9,997,286</u>	<u>\$ 248,678,478</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Statement of Activities for Discretely Presented Component Units

	The Villages of Parkside II Year Ended June 30, 2014	The Villages of Parkside IV Year Ended June 30, 2014	Woodbridge Estates Apartments I, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments II, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments III, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments IV, LLC Year Ended December 31, 2013	Woodbridge Estates Apartments V, LLC Year Ended December 31, 2013
Operating Revenue							
Tenant revenue - Net	\$ 769,653	\$ 700,240	\$ 383,209	\$ 556,287	\$ 305,911	\$ 379,654	\$ 549,027
Other operating revenue	164,683	172,672	-	-	64,333	77,323	103,843
Total operating revenue	934,336	872,912	383,209	556,287	370,244	456,977	652,870
Operating Expenses							
Administrative	251,002	245,566	91,413	131,955	90,081	93,513	130,486
Utilities	236,086	242,708	58,610	40,277	43,273	49,717	70,649
Maintenance	186,533	194,300	55,155	70,809	48,493	48,772	82,943
Protective services	-	-	-	-	-	-	-
General	115,738	112,067	74,623	88,509	42,806	61,808	99,795
Depreciation and amortization	1,005,224	871,708	167,976	220,708	159,827	190,029	385,562
Total operating expenses	1,794,583	1,666,349	447,777	552,258	384,480	443,839	769,435
Operating Loss	(860,247)	(793,437)	(64,568)	4,029	(14,236)	13,138	(116,565)
Nonoperating Revenue (Expense)							
Gain on sale of brownfield credits	-	-	-	-	-	-	-
Investment income - Unrestricted	403	349	-	-	-	-	-
Interest expense	(353,846)	(94,457)	(202,073)	(296,659)	(154,782)	(186,728)	(258,394)
Total nonoperating (expenses) revenue	(353,443)	(94,108)	(202,073)	(296,659)	(154,782)	(186,728)	(258,394)
Increase (Decrease) in Net Assets Before Capital Contributions and Distributions	(1,213,690)	(887,545)	(266,641)	(292,630)	(169,018)	(173,590)	(374,959)
Capital Contributions and Distributions							
Partner contributions	62,500	62,500	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-
Change in Net Position	(1,151,190)	(825,045)	(266,641)	(292,630)	(169,018)	(173,590)	(374,959)
Net Position (Deficit) - Beginning of year	(15,291,570)	(11,458,723)	1,010,733	1,116,262	1,290,562	1,650,993	2,733,234
Net Position (Deficit) - End of year	\$ (16,442,760)	\$ (12,283,768)	\$ 744,092	\$ 823,632	\$ 1,121,544	\$ 1,477,403	\$ 2,358,275

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Statement of Activities for Discretely Presented Component Units (Continued)

	Woodbridge Estates Apartments VI, LLC Year Ended December 31, 2013	Woodbridge ILF Associates LDHA, Ltd. Partnership Year Ended December 31, 2013	Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2013	Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenvue Homes II Limited Dividend Housing Association, LLC Year Ended December 31, 2013
Operating Revenue					
Tenant revenue - Net	\$ -	\$ 648,110	\$ 125,804	\$ 669,353	\$ 314,422
Other operating revenue	-	-	-	-	-
Total operating revenue	-	648,110	125,804	669,353	314,422
Operating Expenses					
Administrative	-	361,154	57,807	199,700	105,155
Utilities	-	142,522	61,041	56,232	36,181
Maintenance	-	27,545	19,187	99,707	35,337
Protective services	-	-	-	-	-
General	27	125,772	92,838	184,039	64,133
Depreciation and amortization	-	439,947	108,551	533,009	374,274
Total operating expenses	27	1,096,940	339,424	1,072,687	615,080
Operating Loss	(27)	(448,830)	(213,620)	(403,334)	(300,658)
Nonoperating Revenue (Expense)					
Gain on sale of brownfield credit	-	-	-	-	-
Investment income - Unrestricted	254	-	-	28,221	-
Interest expense	-	(267,232)	(33,597)	(111,071)	-
Total nonoperating (expenses) revenue	254	(267,232)	(33,597)	(82,850)	-
Increase (Decrease) in Net Assets Before Capital Contributions and Distributions	227	(716,062)	(247,217)	(486,184)	(300,658)
Capital Contributions and Distributions					
Partner contributions	930,446	-	211,289	-	-
Partner distributions	-	-	-	(22,207)	(32,710)
Change in Net Position	930,673	(716,062)	(35,928)	(508,391)	(333,368)
Net Position (Deficit) - Beginning of year	-	6,527,185	6,473	6,682,435	248,817
Net Position (Deficit) - End of year	\$ 930,673	\$ 5,811,123	\$ (29,455)	\$ 6,174,044	\$ (84,551)

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Statement of Activities for Discretely Presented Component Units (Continued)

	Gardenview Homes III Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes IV Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes V Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes VI Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes VII Limited Dividend Housing Association, LLC Year Ended December 31, 2013	Gardenview Homes VIII Limited Dividend Housing Association, LLC Year Ended December 31, 2013
Operating Revenue						
Tenant revenue - Net	\$ 327,727	\$ 266,894	\$ 298,619	\$ 291,780	\$ 7,502	\$ 30,011
Other operating revenue	-	-	-	-	-	-
Total operating revenue	327,727	266,894	298,619	291,780	7,502	30,011
Operating Expenses						
Administrative	130,906	96,323	96,556	82,696	46,875	57,563
Utilities	41,612	40,206	43,910	27,525	6,537	7,896
Maintenance	28,940	82,329	67,213	71,590	2,617	6,696
Protective services	-	-	-	-	-	400
General	60,847	74,517	75,323	69,357	3,651	7,164
Depreciation and amortization	387,534	471,177	616,878	570,332	-	-
Total operating expenses	649,839	764,552	899,880	821,500	59,680	79,719
Operating Loss	(322,112)	(497,658)	(601,261)	(529,720)	(52,178)	(49,708)
Nonoperating Revenue (Expense)						
Gain on sale of brownfield credit	-	801,225	967,993	876,117	-	-
Investment income - Unrestricted	-	-	-	-	-	-
Interest expense	-	(29,250)	(28,592)	-	-	-
Total nonoperating (expenses) revenue	-	771,975	939,401	876,117	-	-
Increase (Decrease) in Net Assets Before Capital Contributions and Distributions	(322,112)	274,317	338,140	346,397	(52,178)	(49,708)
Capital Contributions and Distributions						
Partner contributions	-	-	6,030,812	250,094	10,000	10,000
Partner distributions	(29,142)	-	-	-	-	-
Change in Net Position	(351,254)	274,317	6,368,952	596,491	(42,178)	(39,708)
Net Position (Deficit) - Beginning of year	143,351	(93,467)	635,802	5,686,681	(1,315)	(1,225)
Net Position (Deficit) - End of year	<u>\$ (207,903)</u>	<u>\$ 180,850</u>	<u>\$ 7,004,754</u>	<u>\$ 6,283,172</u>	<u>\$ (43,493)</u>	<u>\$ (40,933)</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Combining Statement of Activities for Discretely Presented Component Units (Continued)

	Emerald Springs IA Year Ended December 31, 2013	Emerald Springs IB Year Ended December 31, 2013	Emerald Springs II Year Ended June 30, 2014	Cornerstone Estates I Year Ended December 31, 2013	Cornerstone Estates II Year Ended December 31, 2013	Cornerstone Estates III Year Ended December 31, 2013	Total Discrete Component Units
Operating Revenue							
Tenant revenue - Net	\$ 521,180	\$ 550,772	\$ 76,427	\$ 366,400	\$ 464,595	\$ 440,894	\$ 9,044,471
Other operating revenue	-	-	-	-	-	-	582,854
Total operating revenue	521,180	550,772	76,427	366,400	464,595	440,894	9,627,325
Operating Expenses							
Administrative	205,689	210,553	51,113	152,828	150,382	169,415	\$ 3,208,731
Utilities	82,092	82,405	22,399	50,388	65,610	53,025	1,560,901
Maintenance	158,271	147,605	40,526	34,868	39,992	31,907	1,581,335
Protective services	-	-	-	-	-	-	400
General	123,861	81,856	61,712	60,490	36,167	66,914	1,784,014
Depreciation and amortization	561,189	531,698	215,215	497,525	554,175	601,200	9,463,738
Total operating expenses	1,131,102	1,054,117	390,965	796,099	846,326	922,461	17,599,119
Operating Loss	(609,922)	(503,345)	(314,538)	(429,699)	(381,731)	(481,567)	\$ (7,971,794)
Nonoperating Revenue (Expense)							
Gain on sale of brownfield credit	-	-	-	-	-	-	2,645,335
Investment income - Unrestricted	1,534	1,442	254	581	-	-	33,038
Interest expense	(30,100)	(20,547)	(51,864)	(206,872)	-	(310,069)	(2,636,133)
Total nonoperating (expenses) revenue	(28,566)	(19,105)	(51,610)	(206,291)	-	(310,069)	42,240
Increase (Decrease) in Net Assets Before Capital Contributions and Distributions	(638,488)	(522,450)	(366,148)	(635,990)	(381,731)	(791,636)	\$ (7,929,554)
Capital Contributions and Distributions							
Partner contributions	577,117	561,241	-	756,620	-	1,221,577	\$ 10,684,196
Partner distributions	(366,896)	(354,894)	(76,775)	-	(607,766)	-	(1,490,390)
Change in Net Position	(428,267)	(316,103)	(442,923)	120,630	(989,497)	429,941	\$ 1,264,252
Net Position (Deficit) - Beginning of year	8,462,565	8,626,160	655,473	4,558,891	928,620	234,093	24,352,030
Net Position (Deficit) - End of year	<u>\$ 8,034,298</u>	<u>\$ 8,310,057</u>	<u>\$ 212,550</u>	<u>\$ 4,679,521</u>	<u>\$ (60,877)</u>	<u>\$ 664,034</u>	<u>\$ 25,616,282</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Program Descriptions

The 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 (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 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, 2014, the Commission is not considered a component unit of the City, under Governmental Accounting Standards Board Statement No. 14, as amended, *The Report Entity* (GASB No. 61). The Commission's board independently oversees the Commission's operations.

The Commission has been designated as a "Sub Standard Management Agency" performer by the U.S. Department of Housing and Urban Development (HUD) under the public housing assessment system. On July 5, 2005, an Agreement was entered into with HUD, under which a HUD Recovery Administrator was designated to act as the Commission's Board of Commissioners to handle the day-to-day administration of the Commission. The Recovery Administrator has authority to take all actions that are within the authority of the Board of Commissioners, including approval and execution of contracts and agreements on behalf of the Commission.

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 Rent Housing Program - The Low Rent Housing 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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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 or other private landlords 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 New Construction, and Section 8 Moderate Rehabilitation programs.

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 Funds (RHF), 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.

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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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 No. 14, as amended, 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 I - Organization and Summary of Significant Accounting Policies (Continued)

The discretely presented component units are as follow:

- 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
- Woodbridge ILF Associates Limited Dividend Housing Association, Limited Partnership (WILF)
- Alexandrine Square Limited Dividend Housing Association, Limited Partnership
- Gardenvue Homes I Limited Dividend Housing Association, LLC
- Gardenvue Homes II Limited Dividend Housing Association, LLC
- Gardenvue Homes III Limited Dividend Housing Association, LLC
- Gardenvue Homes IV Limited Dividend Housing Association, LLC
- Gardenvue Homes V Limited Dividend Housing Association, LLC
- Gardenvue Homes VI Limited Dividend Housing Association, LLC
- Gardenvue Homes VII Limited Dividend Housing Association, LLC
- Gardenvue Homes VIII Limited Dividend Housing Association, LLC
- Gardenvue Homes IX Limited Dividend Housing Association, LLC (No activity)
- 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

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. 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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note I - Organization and Summary of Significant Accounting Policies (Continued)

All of the discrete component units, with the exception of TVP II and IV, Gardenvue Homes VI, VII, and VIII, and Emerald Springs II which have 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, 2014. For reporting purposes, the information reported in the basic financial statements is presented for the 12-month period ended and as of December 31, 2013 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, 2014, 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 Authority'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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

The operating revenue of the Commission consists primarily 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.

Assets, Liabilities, and Net Position

Cash and 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.

Receivables - Net - Current receivables consist of revenue earned at year end and not yet received. As of June 30, 2014, there is an allowance for uncollectible tenant receivables of approximately \$92,000. 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, 2014 was approximately \$217,000.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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 \$4.2 million and the amount due from HUD for rental subsidies is approximately \$160,000.

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, 2014. The homeownership loans are presented net of their related amortization.

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 by 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 fair market value on the date of donation. No assets were donated to the Commission during 2014.

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

Structures and improvements	15-40 years
Equipment - Dwelling and administrative	5-10 years

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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note I - Organization and Summary of Significant Accounting Policies (Continued)

Impaired capital assets that will no longer be used by the Commission are reported at the lower of carrying value or fair value, or written off entirely. During 2014, 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, 2014 totaled approximately \$141,000 and are reported as current and \$204,000 as noncurrent liabilities.

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

Net Position - Net position is comprised 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 is 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.

- i. *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.
- ii. *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 Section 8 HAP reserves and HOPE VI notes receivable that are restricted upon collection by HUD guidelines.
- iii. *Unrestricted* - This category includes all of the remaining net position that does not meet the definition of the other two categories.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

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.

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

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

- *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, 2014, \$1,130,848 was eliminated.
- *Management and Other Fees* - The Commission's Central Office Cost Center internally charges operating fees to the AMPs in the Low Rent Housing Program, including management fees, bookkeeping fees, and asset management fees. For financial reporting purposes, \$4,200,251 of fees has been eliminated for the year ended June 30, 2014.
- *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, \$70,945 of internal charges has been eliminated for the year ended June 30, 2014.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Implementation of Pronouncements - During the year, the Commission adopted GASB No. 65. The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. The Commission adopted GASB 65 during the year, and there was no impact on the financial statements for the adoption of this statement.

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.

Note 2 - 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, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which 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.

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

Cash and cash equivalents - Unrestricted	\$24,836,261
Cash and cash equivalents - Restricted (current)	836,475
Cash and cash equivalents - Restricted (noncurrent)	<u>472,180</u>
Total	<u>\$26,144,916</u>

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 2 - Deposits and Investments (Continued)

The above amounts are classified by Governmental Accounting Standards Board Statements No. 3 and No. 40 in the following categories as of June 30, 2014:

Bank deposits	\$ 3,951,000
Sweep accounts - Less than two months	<u>22,193,916</u>
Total	<u>\$26,144,916</u>

As of June 30, 2014, the Commission's cash and cash equivalents consist of cash in banks of \$27,641,267.

The Commission's cash and cash equivalents 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. As of June 30, 2014, the Commission had approximately \$4,900,000 in bank deposits (certificates of deposit, checking, and savings accounts) of the primary government that were uninsured and uncollateralized. The discrete component units had approximately \$16 million in deposits, of which approximately \$11.6 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, 2014, the Commission has investments in a sweep account with a fair value of \$20,820,031 and a weighted average maturity of two months.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 2 - Deposits and Investments (Continued)

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:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>
Government Repo Pool	\$20,820,031	N/A

Restricted Cash

The Commission's restricted cash at June 30, 2014 is as follows:

	<u>Primary Government - Business-type Activities</u>	<u>Total Discretely Presented Component Units</u>
Current:		
Tenant security deposits	\$ 382,201	\$ 165,632
Funded reserves	-	13,352,491
HAP equity	<u>454,274</u>	<u>-</u>
Subtotal current	836,475	13,518,123
Noncurrent - Family self-sufficiency escrow	<u>472,180</u>	<u>-</u>
Total restricted cash	<u>\$ 1,308,655</u>	<u>\$ 13,518,123</u>

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 3 - Property and Equipment

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

	Balance at July 1, 2013	Transfers in/ Additions	Transfers out/ Deletions	Balance at June 30, 2014
Nondepreciable:				
Land	\$ 47,266,479	\$ 17,929,256	\$ -	\$ 65,195,735
Construction in progress	18,580,125	628,584	11,525,260	7,683,449
Total nondepreciable	65,846,604	18,557,840	11,525,260	72,879,184
Depreciable:				
Structures and improvements	84,119,032	1,584,211	-	85,703,243
Equipment - Dwelling	7,965,050	-	2,809,308	5,155,742
Equipment - Administrative	1,175,755	1,285,988	-	2,461,743
Total depreciable	93,259,837	2,870,199	2,809,308	93,320,728
Total capital assets	159,106,441	21,428,039	14,334,568	166,199,912
Less accumulated depreciation:				
Structures and improvements	(23,563,692)	(4,701,551)	-	(28,265,243)
Equipment - Dwelling	(2,371,332)	(688,937)	-	(3,060,269)
Equipment - Administrative	(998,498)	(269,701)	-	(1,268,199)
Total accumulated depreciation	(26,933,522)	(5,660,189)	-	(32,593,711)
Capital assets - Net	\$ 132,172,919	\$ 15,767,850	\$ 14,334,568	\$ 133,606,201

Included in the above structures and improvements is approximately \$9,000,000 of assets for the Douglass Home property consisting of four multi-family high-rises, 96 townhomes, and two mid-rise buildings. As of June 30, 2014, this property remains vacant. During the year, the Commission received approximately \$2,467,000 in emergency Capital Fund Grant proceeds for the demolition of Douglass Home. The Commission began the demolition, which is on-going, of the existing buildings and is currently exploring redevelopment options. The costs incurred as of June 30, 2014 were approximately \$2,700,000 and are included in land. As of June 30, 2014, the remaining commitment in relation to this demolition is approximately \$4,032,000. It is management's belief that after the demolition of the buildings, that the value of the land will exceed the net book value of the building.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 4 - 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 5 - Capital Donation from the City

Previously, the Commission was considered a discrete component unit of the City and during that time all of their 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 \$107 million.

Note 6 - Notes, Loans, and Mortgages Receivable

Notes, loans, and mortgages receivable consists 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 2014, the Commission loaned approximately \$7,500,000 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 Home Ownership Program. There were no new loans to homeowners under this program during 2014. 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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 6 - Notes, Loans, and Mortgages Receivable (Continued)

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
<i>Due from discretely presented component units:</i>				
The Villages at Parkside II, LLC (Hope VI)*	December 2038	0.45%	\$ 22,930,193	\$ 1,611,666
The Villages at Parkside II, LLC (Business Activities)*	December 2038	7.00%	2,584,579	1,247,628
The Villages at Parkside IV, LLC (Hope VI)*	December 2038	0.45%	20,990,363	1,491,524
Woodbridge Estates Apartments I, LLC (Hope VI)*	January 2048	4.72%	1,279,824	814,957
Woodbridge Estates Apartments I, LLC (Hope VI)*	January 2048	0.00%	840,500	-
Woodbridge Estates Apartments II, LLC (Hope VI)*	January 2048	4.72%	1,887,477	1,200,658
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	640,033
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (Hope VI)*	January 2051	4.61%	1,764,801	731,203
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (Hope VI)*	January 2051	4.61%	2,057,829	844,481
Woodbridge Estates VI Limited Dividend Housing Association, LLC (Hope VI)*	September 2063	3.75%	2,337,482	-
Woodbridge Estates VI Limited Dividend Housing Association, LLC (Hope VI)*	May 2015	0.00%	840,573	-
Woodbridge ILF Associates Limited Dividend Housing Association, Limited Partnership (Hope VI)*	June 2049	5.20%	3,713,014	1,833,568
Alexandrine Square Limited Dividend Housing Association, Limited Partnership* (Hope VI)*	January 2037	2.00%	265,780	80,333
Emerald Springs IA Limited Dividend Housing Association, LLC (RHF)*	January 2056	0.50%	5,292,434	27,584
Emerald Springs IB Limited Dividend Housing Association, LLC (RHF)*	January 2056	0.50%	4,644,005	24,403
Emerald Springs II Limited Dividend Housing Association, LLC (RHF)*	March 2058	0.50%	7,436,446	22,104
Cornerstone Phase I Limited Dividend Housing Association, LLC (Hope VI)*	August 2060	3.79%	4,370,501	514,218
Cornerstone Phase II Limited Dividend Housing Association, LLC (Hope VI)*	July 2060	0.00%	9,097,354	-
Cornerstone Phase III Limited Dividend Housing Association, LLC (Hope VI)*	October 2061	4.25%	3,309,941	288,215
Gardenvue Homes I Limited Dividend Housing Association, LLC (Hope VI)*	December 2053	0.00%	9,835,603	-
Gardenvue Homes II and III Limited Dividend Housing Association, LLC (Hope VI)*	December 2054	0.00%	4,687,449	-
Gardenvue Homes IV Limited Dividend Housing Association, LLC (Hope VI)*	December 2054	0.75%	3,887,485	110,020
Gardenvue Homes V Limited Dividend Housing Association, (RHF and Hope VI) *	March 2061	0.00%	5,428,001	-
Gardenvue Homes VI Limited Dividend Housing Association, (RHF and Hope VI) *	March 2061	0.00%	4,855,000	-
Subtotal			126,695,059	11,482,595
<i>Due from other:</i>				
Homeownership loans - Net (accumulated amortization for forgiveness of debt of \$1,637,247)	Various	0%	380,951	-
Total noncurrent notes receivable			<u>\$ 127,076,010</u>	<u>\$ 11,482,595</u>

*Additional information related to these notes is presented in the long-term debt section of Note 10 for the discretely presented component units

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 7 - Other Employee Benefits

Plan Description - The Commission participates in the Michigan Municipal Employees' Retirement System, an agent multiple-employer defined benefit pension plan that covers all employees of the Commission. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. The report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Commission's collective bargaining units and requires a contribution from the employees of 5 percent.

Annual Pension Cost - For the year ended June 30, 2014, the Commission's annual pension cost was \$775,604, which mirrored the Commission's annual required contribution. The pension cost for the three most recent years is as follows:

	Fiscal Year Ended June 30		
	2012	2013	2014
Annual pension cost	\$ 630,937	\$ 694,053	\$ 775,604
Percentage of APC contributed	100.00%	100.00%	100.00%
Net pension obligation	\$ -	\$ -	\$ -

Funded status and funding progress:

	Actuarial Valuation as of December 31		
	2011	2012	2013
Actuarial value of assets	\$ 10,890,300	\$ 11,962,488	\$ 13,293,273
Actuarial accrued liability (AAL) (entry age)	\$ 10,429,583	\$ 11,628,770	\$ 13,084,547
Unfunded (overfunded) AAL (UAAL)	\$ (460,717)	\$ (333,718)	\$ (208,726)
Funded ratio	104.42%	102.87%	101.60%
Covered payroll	\$ 6,740,448	\$ 6,898,574	\$ 6,476,619
UAAL as a percentage of covered payroll	-6.84%	-4.84%	-3.22%

Note 7 - Other Employee Benefits (Continued)

Actuarial Methods and Assumptions - In the December 31, 2013 actuarial valuation (the most recent valuation), the entry age actuarial cost method was used. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, (c) withdrawal rates based on years of service, (d) separate retirement rates applicable to the plan selected by the Commission, and (e) disability rates. Both (a) and (b) include an inflation component of 3-4 percent. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period.

The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 28 years.

Note 8 - 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 (HAP) 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 their HAP payments made to the Commission, forcing them to use their HAP reserves. As of June 30, 2014, the remaining HAP reserve is \$454,274, which is subject to possible future recapture.

Funds Awarded - The Commission receives funding from HUD through Hope VI, Replacement Housing Fund, 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, 2014 for qualifying eligible expenditures amounted to \$9,698,643, \$3,409,754, \$13,723,244, and \$1,435,124, respectively.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 8 - Commitments and Contingencies (Continued)

Loans - The Commission is obligated to make loans as needed to the discrete component units under development not to exceed approximately \$46 million in aggregate. As of June 30, 2014, the Commission is still liable for approximately \$6.1 million of this commitment.

Note 9 - 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, 2014, approximately 93 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

Note 10 - 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 1 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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 10 - Discretely Presented Component Units (Continued)

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

Schedule of Component Unit Capital Assets June 30, 2014	Nondepreciable	Depreciable		Accumulated Depreciation	2014 Net Capital Assets
	Land	Buildings and Improvements	Furniture, Fixtures, and Equipment		
Woodbridge Estates Apartments I, LLC	\$ -	\$ 6,216,574	\$ 7,568	\$ (1,475,548)	\$ 4,748,594
Woodbridge Estates Apartments II, LLC	-	8,135,870	7,629	(1,925,833)	6,217,666
Woodbridge Estates Apartments III, LDHA LLC	-	6,104,266	1,540	(1,045,052)	5,060,754
Woodbridge Estates Apartments IV LDHA LLC	-	7,403,051	1,870	(1,270,522)	6,134,399
Woodbridge Estates Apartments V LDHA LLC	-	10,699,537	16,679	(1,783,123)	8,933,093
Woodbridge Estates Apartments VI LDHA LLC	-	5,895,757	-	-	5,895,757
Woodbridge ILF Associates LDHA LP	291,667	12,565,014	867,096	(3,385,599)	10,338,178
The Villages at Parkside II LLC	425,457	27,429,428	783,658	(16,992,284)	11,646,259
The Villages at Parkside IV LLC	446,650	23,696,908	978,608	(15,154,676)	9,967,490
Alexandrine Square Apartments LDHA LP	13,767	2,838,190	243,301	(1,515,099)	1,580,159
Cornerstone Estates I LDHA LLC	-	8,871,414	366,689	(1,091,744)	8,146,359
Cornerstone Estates II LDHA LLC	-	9,223,625	434,210	(877,390)	8,780,445
Cornerstone Estates III LDHA LLC	-	9,325,228	410,259	(689,121)	9,046,366
Gardenview Homes I LDHA LLC	2,935,950	15,964,590	710,334	(2,165,982)	17,444,892
Gardenview Homes II LDHA LLC	1,143,034	6,626,498	1,360,059	(961,597)	8,167,994
Gardenview Homes III LDHA LLC	1,164,608	6,648,615	1,317,998	(1,019,680)	8,111,541
Gardenview Homes IV LDHA LLC	1,854,166	7,843,369	401,248	(1,056,654)	9,042,129
Gardenview Homes V LDHA LLC	-	12,915,061	394,291	(965,537)	12,343,815
Gardenview Homes VI LDHA LLC	-	11,772,721	358,634	(896,813)	11,234,542
Emerald Springs LDHA Partnership IA	242,444	12,945,175	128,870	(1,075,441)	12,241,048
Emerald Springs LDHA Partnership IB	366,545	12,327,314	107,066	(997,510)	11,803,415
Emerald Springs II LDHA LP	311,656	8,932,424	92,014	(213,633)	9,122,461
Total fixed assets placed in service	9,195,944	234,380,629	8,989,621	(56,558,838)	196,007,356
Woodbridge Estates Apartments VI LDHA LLC - Construction in progress					134,774
Gardenview Homes II LDHA LLC- Construction in progress					136,311
Gardenview Homes III LDHA LLC- Construction in progress					120,356
Gardenview Homes IV LDHA LLC- Construction in progress					336,296
Gardenview Homes V LDHA LLC- Construction in progress					286,337
Gardenview Homes VI LDHA LLC- Construction in progress					75,411
Gardenview Homes VII LDHA LLC- Construction in progress					15,585,331
Gardenview Homes VIII LDHA LLC- Construction in progress					15,207,518
Total Discrete Component Unit Net Capital Assets					\$ 227,889,690

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 10 - Discretely Presented Component Units (Continued)

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

	Beginning Balance	Capital Additions and Other Adjustments	Depreciation	End of Year Balance
Woodbridge Estates Apartments I, LLC	\$ 4,902,123	\$ 1,980	\$ (155,509)	\$ 4,748,594
Woodbridge Estates Apartments II, LLC	6,418,234	2,970	(203,538)	6,217,666
Woodbridge Estates Apartments III, LDHA LLC	5,211,890	1,540	(152,676)	5,060,754
Woodbridge Estates Apartments IV LDHA LLC	6,317,668	1,870	(185,139)	6,134,399
Woodbridge Estates Apartments V LDHA LLC	9,199,434	2,640	(268,981)	8,933,093
Woodbridge Estates Apartments VI LDHA LLC	-	5,895,757	-	5,895,757
Woodbridge ILF Associates LDHA LP	10,737,429	28,561	(427,812)	10,338,178
The Villages at Parkside II LLC	12,535,532	115,280	(1,004,553)	11,646,259
The Villages at Parkside IV LLC	10,757,918	80,609	(871,037)	9,967,490
Alexandrine Square Apartments LDHA LP	1,688,710	-	(108,551)	1,580,159
Cornerstone Estates I LDHA LLC	8,632,571	-	(486,212)	8,146,359
Cornerstone Estates II LDHA LLC	9,610,561	(276,271)	(553,845)	8,780,445
Cornerstone Estates III LDHA LLC	9,636,801	-	(590,435)	9,046,366
Gardenview Homes I LDHA LLC	17,976,928	-	(532,036)	17,444,892
Gardenview Homes II LDHA LLC	8,542,268	-	(374,274)	8,167,994
Gardenview Homes III LDHA LLC	8,499,075	-	(387,534)	8,111,541
Gardenview Homes IV LDHA LLC	9,513,306	-	(471,177)	9,042,129
Gardenview Homes V LDHA LLC	12,960,693	-	(616,878)	12,343,815
Gardenview Homes VI LDHA LLC	11,804,874	-	(570,332)	11,234,542
Emerald Springs LDHA Partnership IA	12,768,589	19,202	(546,743)	12,241,048
Emerald Springs LDHA Partnership IB	12,310,016	10,760	(517,361)	11,803,415
Emerald Springs LDHA Partnership II	3,900,321	5,435,773	(213,633)	9,122,461
Total fixed assets placed in service - June 30, 2014	193,924,941	11,320,671	(9,238,256)	196,007,356
Woodbridge Estates Apartments VI LDHA LLC - Construction in progress				134,774
Gardenview Homes II LDHA LLC- Construction in progress	30,276	106,035		136,311
Gardenview Homes III LDHA LLC- Construction in progress	30,276	90,080		120,356
Gardenview Homes IV LDHA LLC- Construction in progress	336,296	-		336,296
Gardenview Homes V LDHA LLC- Construction in progress	-	286,337		286,337
Gardenview Homes VI LDHA LLC- Construction in progress	-	75,411		75,411
Gardenview Homes VII LDHA LLC- Construction in progress	10,492,507	5,092,824		15,585,331
Gardenview Homes VIII LDHA LLC- Construction in progress	11,033,662	4,173,856		15,207,518
Total Discrete Component Unit Net Capital Assets	\$ 215,847,958	\$ 21,145,214	\$ (9,238,256)	\$ 227,889,690

Detroit Housing Commission

Notes to Financial Statements June 30, 2014

Note 10 - 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, 2014		Interest Rate	Maturity Date	Balance - Beginning of Year	Additions (Payments)	Balance - End of Year	Principal Due Within One Year
	Lender						
Woodbridge Estates Apartments I, LLC	SA Affordable Housing, LLC	7.06%	2035	\$ 1,500,712	\$ (20,078)	\$ 1,480,634	\$ 21,100
	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	2,155,096	(28,834)	2,126,262	30,400
	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	1,480,247	49,601	1,529,848	33,500
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	-
	Detroit Housing Commission	4.52%	2036	478,500	-	478,500	-
Woodbridge Estates Apartments IV LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,953,967	65,476	2,019,443	39,400
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	-
	Detroit Housing Commission	4.52%	2036	478,500	-	478,500	-
Woodbridge Estates Apartments V LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	3,133,906	105,014	3,238,920	54,200
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	-
	Detroit Housing Commission	4.52%	2036	478,500	-	478,500	-
Woodbridge Estates Apartments VI LDHA LLC	RBS Citizens	3.95%	2016	-	2,876,115	2,876,115	-
	Detroit Housing Commission	3.75%	2063	-	2,337,482	2,337,482	-
	Detroit Housing Commission	0.00%	2015	-	-	843,573	843,573
Woodbridge ILF Associates LDHA LP	Detroit Housing Commission	5.20%	2049	3,713,014	-	3,713,014	-
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	265,780	-	265,780	-
Gardenview Homes I LDHA LLC	MSHDA	6.00%	2046	1,714,587	(17,336)	1,697,251	21,263
	MSHDA - HOME Note	3.00%	2058	290,161	(2,774)	287,387	-
	Detroit Housing Commission	0.00%	2053	9,833,758	-	9,833,758	-
Gardenview Homes II, III, IV, V, VI, VII, and VIII LDHA LLC	MSHDA - Section 1602 TCAP funds	0.00%	(a)	13,122,960	-	13,122,960	-
	MSHDA	0.00%	2015	7,411,210	-	7,411,210	7,411,210
	MSHDA	6.75%	2015	17,083,300	(6,575,273)	10,508,027	10,508,027
	MSHDA	3.00%	2062	-	12,850,000	12,850,000	-
	Detroit Housing Commission	0.00%	2054-2061	14,576,339	445,123	15,021,462	-
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	-
	Chase Bank	Variable	2013	4,885,506	(4,885,506)	-	-
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	11,791,622	(1,855,182)	9,936,440	-
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	84,142	6,629,584	6,713,726	-
	MSHDA	2.66%	2015	1,462,231	3,540,490	5,002,721	5,002,721
Cornerstone I LDHA LLC	Detroit Housing Commission	3.79%	2060	4,327,678	39,131	4,366,809	-
Cornerstone II LDHA LLC	Detroit Housing Commission	0.00%	2060	9,086,048	-	9,086,048	-
Cornerstone III LDHA LLC	Detroit Housing Commission	4.25%	2061	2,955,688	354,260	3,309,948	-
	PNC Bank	3.25%	2015	4,777,461	778,049	5,555,510	5,555,510
Totals				\$ 179,619,980	\$ 16,685,342	\$ 197,148,895	\$ 29,520,904

Note 11 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Detroit Housing Commission is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending June 30, 2015.

Other Supplemental Information

Detroit Housing Commission

Capital Fund Program Schedule of Actual Program Costs and Advances Year Ended June 30, 2014

PROGRAM	MI28P001501-09	MI28P001501-10	MI28P001501-11	MI28P001501-12	MI28P001501-13	MI28E001501-12	TOTAL
BUDGET	<u>\$ 8,560,535</u>	<u>\$ 9,240,763</u>	<u>\$ 7,756,710</u>	<u>\$ 7,275,028</u>	<u>\$ 7,196,738</u>	<u>\$ 6,500,000</u>	<u>\$ 46,529,774</u>
ADVANCES							
Cash receipts - prior years	\$ 7,885,322	\$ 7,875,873	\$ 3,288,965	\$ 2,554,822	\$ -	\$ -	\$ 21,604,982
Cash receipts - current year	675,213	1,330,190	3,057,564	1,705,643	2,159,011	2,467,704	11,395,325
Cumulative as of June 30, 2014	<u>8,560,535</u>	<u>9,206,063</u>	<u>6,346,529</u>	<u>4,260,465</u>	<u>2,159,011</u>	<u>2,467,704</u>	<u>33,000,307</u>
COSTS							
Prior years	8,046,014	8,270,308	3,473,136	2,654,402	-	71,318	22,515,178
Current year	514,521	987,072	2,966,196	1,754,054	2,185,383	3,325,187	11,732,414
Cumulative as of June 30, 2014	<u>8,560,535</u>	<u>9,257,380</u>	<u>6,439,332</u>	<u>4,408,456</u>	<u>2,185,383</u>	<u>3,396,505</u>	<u>34,247,592</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ (0)</u>	<u>\$ 51,318</u>	<u>\$ 92,803</u>	<u>\$ 147,990</u>	<u>\$ 26,372</u>	<u>\$ 928,802</u>	<u>\$ (1,247,284)</u>
SOFT COSTS							
Prior years	\$ 6,562,295	\$ 7,265,309	\$ 3,469,688	\$ 2,654,402	\$ -	\$ 71,318	\$ 20,023,012
Current year	514,521	1,009,381	2,330,731	881,927	2,159,011	408,322	7,303,893
Cumulative as of June 30, 2014	<u>7,076,816</u>	<u>8,274,690</u>	<u>5,800,419</u>	<u>3,536,329</u>	<u>2,159,011</u>	<u>479,640</u>	<u>27,326,905</u>
HARD COSTS							
Prior years	1,483,719	1,004,999	3,448	-	-	-	2,492,166
Current year	-	-	654,001	872,127	26,372	2,916,865	4,469,365
Cumulative as of June 30, 2014	<u>1,483,719</u>	<u>1,004,999</u>	<u>657,449</u>	<u>872,127</u>	<u>26,372</u>	<u>2,916,865</u>	<u>6,961,531</u>
OTHER COSTS							
Prior years	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-
Cumulative as of June 30, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 8,560,535</u>	<u>\$ 9,279,689</u>	<u>\$ 6,457,868</u>	<u>\$ 4,408,456</u>	<u>\$ 2,185,383</u>	<u>\$ 3,396,505</u>	<u>\$ 34,288,436</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances Year Ended June 30, 2014

PROGRAM	MI28R001501-05	MI28R001501-06	MI28R001501-07	MI28R001501-08
BUDGET	<u>\$ 569,624</u>	<u>\$ 2,114,988</u>	<u>\$ 1,281,813</u>	<u>\$ 1,367,468</u>
ADVANCES				
Cash receipts - prior years	\$ 312,161	\$ 813,512	\$ 1,003,504	\$ 947,818
Cash receipts - current year	257,463	1,301,476	278,309	419,650
Cumulative as of June 30, 2014	<u>569,624</u>	<u>2,114,988</u>	<u>1,281,813</u>	<u>1,367,468</u>
COSTS				
Prior years	569,622	2,114,988	1,035,943	1,359,390
Current year	2		245,870	8,078
Cumulative as of June 30, 2014	<u>569,624</u>	<u>2,114,988</u>	<u>1,281,813</u>	<u>1,367,468</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -</u>
SOFT COSTS				
Prior years	\$ 113,860	\$ 845,606	\$ 644,044	\$ 921,885
Current year	2	-	-	(18,761)
Cumulative as of June 30, 2014	<u>113,862</u>	<u>845,606</u>	<u>644,044</u>	<u>903,124</u>
HARD COSTS				
Prior years	455,762	1,269,382	391,899	437,505
Current year	-	-	245,870	26,839
Cumulative as of June 30, 2014	<u>455,762</u>	<u>1,269,382</u>	<u>637,769</u>	<u>464,344</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 569,624</u>	<u>\$ 2,114,988</u>	<u>\$ 1,281,813</u>	<u>\$ 1,367,468</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2014

PROGRAM	MI28R001501-09	MI28R001501-10	MI28R001501-11	MI28R001501-12
BUDGET	<u>\$ 407,175</u>	<u>\$ 412,652</u>	<u>\$ 337,172</u>	<u>\$ 548,967</u>
ADVANCES				
Cash receipts - prior years	\$ 378,457	\$ 30,530	\$ 25,221	\$ 5,309
Cash receipts - current year	28,718	316,722	31,109	
Cumulative as of June 30, 2014	<u>407,175</u>	<u>347,252</u>	<u>56,330</u>	<u>5,309</u>
COSTS				
Prior years	407,175	105,633	25,221	5,309
Current year	-	307,019	48,920	-
Cumulative as of June 30, 2014	<u>407,175</u>	<u>412,652</u>	<u>74,141</u>	<u>5,309</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM)				
HUD	<u>\$ 0</u>	<u>\$ 65,400</u>	<u>\$ 17,811</u>	<u>\$ -</u>
SOFT COSTS				
Prior years	\$ 69,436	\$ 76,017	\$ 25,221	\$ 5,309
Current year	-	(33,838)	18,980	-
Cumulative as of June 30, 2014	<u>69,436</u>	<u>42,179</u>	<u>44,201</u>	<u>5,309</u>
HARD COSTS				
Prior years	337,739	29,616	-	-
Current year	-	340,857	29,940	-
Cumulative as of June 30, 2014	<u>337,739</u>	<u>370,473</u>	<u>29,940</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 407,175</u>	<u>\$ 412,652</u>	<u>\$ 74,141</u>	<u>\$ 5,309</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2014

PROGRAM	MI28R001501-13	MI28R001502-08	MI28R001502-09	MI28R001502-10
BUDGET	<u>\$ 614,995</u>	<u>\$ 2,816,919</u>	<u>\$ 4,229,235</u>	<u>\$ 2,929,921</u>
ADVANCES				
Cash receipts - prior years	\$ -	\$ 2,493,358	\$ 3,813,363	\$ 1,407,630
Cash receipts - current year	32,270	26,428	62,752	594,207
Cumulative as of June 30, 2014	<u>32,270</u>	<u>2,519,786</u>	<u>3,876,115</u>	<u>2,001,837</u>
COSTS				
Prior years	-	2,516,921	3,878,258	1,871,609
Current year	47,665	63,496	74,495	1,058,313
Cumulative as of June 30, 2014	<u>47,665</u>	<u>2,580,417</u>	<u>3,952,753</u>	<u>2,929,922</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 15,395</u>	<u>\$ 60,631</u>	<u>\$ 76,638</u>	<u>\$ 928,084</u>
SOFT COSTS				
Prior years	\$ -	\$ 164,357	\$ 164,152	\$ -
Current year	47,665	70,143	74,495	50,000
Cumulative as of June 30, 2014	<u>47,665</u>	<u>234,500</u>	<u>238,647</u>	<u>50,000</u>
HARD COSTS				
Prior years	-	2,352,564	3,714,106	1,871,609
Current year	-	(6,647)	-	1,008,313
Cumulative as of June 30, 2014	<u>-</u>	<u>2,345,917</u>	<u>3,714,106</u>	<u>2,879,922</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 47,665</u>	<u>\$ 2,580,417</u>	<u>\$ 3,952,753</u>	<u>\$ 2,929,922</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2014

PROGRAM	MI28R001502-11	MI28R001501-12	TOTAL
BUDGET	<u>\$ 1,528,645</u>	<u>\$ 1,022,477</u>	<u>\$ 20,182,051</u>
ADVANCES			
Cash receipts - prior years	\$ 437,851	\$ 65,987	\$ 11,734,701
Cash receipts - current year	449,535	30,724	3,829,361
Cumulative as of June 30, 2014	<u>887,386</u>	<u>96,711</u>	<u>15,564,062</u>
COSTS			
Prior years	520,905	95,676	14,506,650
Current year	443,742	8,317	2,305,916
Cumulative as of June 30, 2014	<u>964,647</u>	<u>103,993</u>	<u>16,812,566</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 77,261</u>	<u>\$ 7,283</u>	<u>\$ (1,248,504)</u>
SOFT COSTS			
Prior years	\$ 202,815	\$ 95,676	\$ 3,328,378
Current year	197,115	8,317	414,118
Cumulative as of June 30, 2014	<u>399,930</u>	<u>103,993</u>	<u>3,742,496</u>
HARD COSTS			
Prior years	318,090	-	11,178,272
Current year	246,626	-	1,891,798
Cumulative as of June 30, 2014	<u>564,716</u>	<u>-</u>	<u>13,070,070</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 964,647</u>	<u>\$ 103,993</u>	<u>\$ 16,812,566</u>

Detroit Housing Commission

HOPE VI Schedule of Actual Program Costs and Advances Year Ended June 30, 2014

PROGRAM	MI28URD001I194	MI28URD001I195	MI28URD001I196	MI28URD001I296	Total Hope VI
BUDGET	<u>\$ 39,807,342</u>	<u>\$ 47,620,227</u>	<u>\$ 10,000,000</u>	<u>\$ 24,224,160</u>	<u>\$ 121,651,729</u>
ADVANCES					
Cash receipts - prior years	\$ 38,148,598	\$ 41,555,012	\$ 9,825,330	\$ 14,863,226	\$ 104,392,166
Cash receipts - current year	<u>2,539,770</u>	<u>4,152,002</u>	<u>144,019</u>	<u>1,646,705</u>	<u>8,482,496</u>
Cumulative as of June 30, 2014	<u>40,688,368</u>	<u>45,707,014</u>	<u>9,969,349</u>	<u>16,509,931</u>	<u>112,874,662</u>
COSTS					
Prior years	38,348,766	42,627,463	9,825,330	15,074,202	105,875,761
Current year	<u>3,513,365</u>	<u>3,147,605</u>	<u>174,670</u>	<u>1,607,961</u>	<u>8,443,600</u>
Cumulative as of June 30, 2014	<u>41,862,131</u>	<u>45,775,068</u>	<u>10,000,000</u>	<u>16,682,163</u>	<u>114,319,361</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 1,173,763</u>	<u>\$ 68,054</u>	<u>\$ 30,651</u>	<u>\$ 172,232</u>	<u>\$ 1,444,699</u>
SOFT COSTS					
Prior years	\$ 20,813,337	\$ 9,954,770	\$ 74,078	\$ 4,027,413	\$ 34,869,598
Current year	<u>509,980</u>	<u>271,443</u>	<u>-</u>	<u>467,328</u>	<u>1,248,751</u>
Cumulative as of June 30, 2014	<u>21,323,317</u>	<u>10,226,213</u>	<u>74,078</u>	<u>4,494,741</u>	<u>36,118,349</u>
HARD COSTS					
Prior years	17,535,428	32,672,693	9,751,252	11,046,790	71,006,163
Current year	<u>3,003,386</u>	<u>2,876,162</u>	<u>174,670</u>	<u>1,140,632</u>	<u>7,194,849</u>
Cumulative as of June 30, 2014	<u>20,538,814</u>	<u>35,548,855</u>	<u>9,925,922</u>	<u>12,187,422</u>	<u>78,201,012</u>
OTHER COSTS					
Prior years	-	-	-	-	-
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 41,862,131</u>	<u>\$ 45,775,068</u>	<u>\$ 10,000,000</u>	<u>\$ 16,682,163</u>	<u>\$ 114,319,361</u>

Detroit Housing Commission

Development Grants Schedule of Actual Program Costs and Advances Year Ended June 30, 2014

PROGRAM	MI28P001061
BUDGET	<u>\$ 19,578,300</u>
ADVANCES	
Cash receipts - prior years	\$ 17,391,243
Cash receipts - current year	664,105
Cumulative as of June 30, 2014	<u>18,055,348</u>
COSTS	
Prior years	17,638,861
Current year	531,667
Cumulative as of June 30, 2014	<u>18,170,528</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ (115,180)</u>
SOFT COSTS	
Prior years	\$ 6,908,366
Current year	83,294
Cumulative as of June 30, 2014	<u>6,991,660</u>
HARD COSTS	
Prior years	10,730,496
Current year	448,373
Cumulative as of June 30, 2014	<u>11,178,868</u>
OTHER COSTS	
Prior years	-
Current year	-
Cumulative as of June 30, 2014	-
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 18,170,529</u>

Detroit Housing Commission

Ross Grant Schedule of Actual Program Costs and Advances Year Ended June 30, 2014

PROGRAM	MI001RPS063A009	MI001RFS437A012	MI001RPS0683A012	Total
BUDGET	<u>\$ 643,925</u>	<u>\$ 69,000</u>	<u>\$ 711,450</u>	<u>\$ 1,424,375</u>
ADVANCES				
Cash receipts - prior years	\$ 499,942	\$ -	\$ -	\$ 499,942
Cash receipts - current year	<u>131,432</u>	<u>49,577</u>	<u>92,339</u>	<u>273,348</u>
Cumulative as of June 30, 2014	<u>631,374</u>	<u>49,577</u>	<u>92,339</u>	<u>773,290</u>
COSTS				
Prior years	531,765	-	-	531,765
Current year	<u>99,609</u>	<u>57,091</u>	<u>125,952</u>	<u>282,652</u>
Cumulative as of June 30, 2014	<u>631,374</u>	<u>57,091</u>	<u>125,952</u>	<u>814,416</u>
ADVANCES DUE TO				
(FROM) HUD	<u>\$ (0)</u>	<u>\$ 7,514</u>	<u>\$ 33,613</u>	<u>\$ 41,127</u>
SOFT COSTS				
Prior years	\$ 531,765	\$ -	\$ -	\$ 531,765
Current year	<u>99,609</u>	<u>57,091</u>	<u>125,952</u>	<u>282,651</u>
Cumulative as of June 30, 2014	<u>631,374</u>	<u>57,091</u>	<u>125,952</u>	<u>814,416</u>
HARD COSTS				
Prior years	-	-	-	-
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER COSTS				
Prior years	-	-	-	-
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CUMULATIVE HARD, SOFT				
AND OTHER COSTS	<u>\$ 631,374</u>	<u>\$ 57,091</u>	<u>\$ 125,952</u>	<u>\$ 814,416</u>

Detroit Housing Commission

Financial Data Schedule Year Ended June 30, 2014

PHA: MI001 FYED: 06/30/2014									
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	17,584,392	31,436	7,220,433		24,836,261	1,802,118	26,638,379	
112	Cash - Restricted - Modernization and Development	-	-	-		-	3,521,617	3,521,617	
113	Cash - other restricted	-	-	454,274		454,274	9,830,874	10,285,148	
114	Cash - Tenant Security Deposits	382,201	-	-		382,201	165,632	547,833	
115	Cash - Restricted for payment of current liability	2,186	-	469,994		472,180	526,225	998,405	
100	Total Cash	17,968,779	31,436	8,144,701	-	26,144,916	15,846,466	41,991,382	
121	Accounts Receivable - PHA Projects	-	-	-		-	-	-	
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-		-	-	-	
122-020	Accounts receivable - HUD other projects - Capital fund	2,686,669	-	1,596,272		4,282,941	-	4,282,941	
122-030	Accounts receivable - HUD other projects - Other	-	-	163,778		163,778	-	163,778	
124	Accounts Receivable - other government	-	-	193		193	708,285	708,478	
125-050	Accounts Receivable - Miscellaneous	122,089	878	331,366		454,333	512,266	966,599	
126	Accounts Receivable - Tenants - Dwelling Rents	235,273	-	-		235,273	483,995	719,268	
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(92,195)	-	-		(92,195)	15,593	(76,602)	
126.2	Allowance for Doubtful Accounts - Other	-	-	-		-	-	-	
127	Notes, Loans, & Mortgages Receivable - current	-	-	-		-	-	-	
128	Fraud recovery	-	-	64,713		64,713	-	64,713	
128.1	Allowance for doubtful accounts - fraud	-	-	-		-	-	-	
129	Accrued interest receivable	-	-	-		-	-	-	
120	Total Receivables, net of allowances for doubtful accounts	2,951,836	878	2,156,322	-	5,109,036	1,720,139	6,829,175	
131	Investments - Unrestricted	-	-	-		-	-	-	
132	Investments - restricted	-	-	-		-	146,149	146,149	
135	Investments - restricted for payment of current liability	-	-	-		-	-	-	
142	Prepaid Expenses and Other Assets	142,868	144,640	21,328		308,836	121,626	430,462	
143	Inventories	-	-	-		-	-	-	
143.1	Allowance for Obsolete Inventories	-	-	-		-	-	-	
144	Interprogram due from	-	1,029,858	100,990	(1,130,848)	-	-	-	
145	Assets held for sale	-	-	-		-	-	-	
146	Amounts to be provided	-	-	-		-	-	-	
150	Total Current Assets	21,063,483	1,206,812	10,423,341	(1,130,848)	31,562,788	17,834,380	49,397,168	
161	Land	64,625,735	570,000	-		65,195,735	16,040,719	81,236,454	
162	Buildings	84,720,345	982,899	-		85,703,244	212,794,984	298,498,228	
163	Furniture, Equipment & Machinery - Dwellings	5,155,742	-	-		5,155,742	8,733,278	13,889,020	
164	Furniture, Equipment & Machinery - Administration	772,506	1,652,303	36,934		2,461,743	40,030	2,501,773	
165	Leasehold Improvements	-	-	-		-	14,743,550	14,743,550	
166	Accumulated Depreciation	(31,212,012)	(1,352,681)	(29,019)		(32,593,712)	(56,345,205)	(88,938,917)	
167	Construction In Progress	6,096,230	-	1,587,219		7,683,449	31,882,334	39,565,783	
168	Infrastructure	-	-	-		-	-	-	
160	Total Fixed Assets, Net of Accumulated Depreciation	130,158,546	1,852,521	1,595,134	-	133,606,201	227,889,690	361,495,891	
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	118,437,214	-	8,638,796		127,076,010	397,804	127,473,814	
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-		-	-	-	
173	Grants receivable - noncurrent	-	-	-		-	-	-	
174-050	Other Assets	10,234,967	-	1,247,628		11,482,595	2,556,604	14,039,199	
176	Investment in joint ventures	-	-	-		-	-	-	
180	Total Non-Current Assets	258,830,727	1,852,521	11,481,558	-	272,164,806	230,844,098	503,008,904	
190	Total Assets	279,894,210	3,059,333	21,904,899	(1,130,848)	303,727,594	248,678,478	552,406,072	

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2014

PHA: MI001 FYED: 06/30/2014								
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	2,165,615	111,901	1,415,009	-	3,692,525	1,939,469	5,631,994
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	86,639	158,533	44,426	-	289,598	7,740	297,338
322	Accrued Compensated Absences	37,016	85,413	18,871	-	141,300	-	141,300
324	Accrued contingency liability	6,500	-	-	-	6,500	-	6,500
325	Accrued interest payable	-	-	-	-	-	11,136,372	11,136,372
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
331-030	Accounts Payable - HUD Other	-	-	163,332	-	163,332	-	163,332
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	90,151	-	-	-	90,151	-	90,151
341	Tenant Security Deposits	368,731	-	-	-	368,731	315,959	684,690
342-010	Deferred Revenues-Operating Subsidy	22,065	-	-	-	22,065	-	22,065
342-030	Deferred Revenues-Operating Other	3,511,177	247,411	-	-	3,758,588	48,140	3,806,728
343	Current portion of L-T debt - capital projects	-	-	-	-	-	29,457,004	29,457,004
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	63,900	63,900
345	Other current liabilities	429,529	677	450,215	-	880,421	1,410,728	2,291,149
345	FSS Escrow	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	515,122	32,617	1,744	-	549,483	8,052,671	8,602,154
347	Interprogram due to	468,053	298,098	396,782	(1,130,848)	32,085	-	32,085
348	Loan liability - current	-	-	-	-	-	-	-
310	Total Current Liabilities	7,700,598	934,650	2,490,379	(1,130,848)	9,994,779	52,431,983	62,426,762
351	Long-term debt, net of current - capital projects	-	-	-	-	-	164,748,876	164,748,876
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	2,876,115	2,876,115
353	Noncurrent Liabilities - Other	-	-	-	-	-	2,905,222	2,905,222
353	FSS Escrow	-	-	552,522	-	552,522	-	552,522
354	Accrued compensated Absences - Non Current	52,115	132,112	19,648	-	203,875	-	203,875
355	Loan liability - noncurrent	-	-	-	-	-	100,000	100,000
350	Total Noncurrent Liabilities	52,115	132,112	572,170	-	756,397	170,630,213	171,386,610
300	Total Liabilities	7,752,713	1,066,762	3,062,549	(1,130,848)	10,751,176	223,062,196	233,813,372
508.1	Invested in capital assets, net of related debt	130,158,546	1,852,521	1,595,134	-	133,606,201	33,683,810	167,290,011
511.1	Restricted Net Assets	118,439,400	-	6,508,491	-	124,947,891	13,883,512	138,831,403
512.1	Unrestricted Net Assets	23,543,551	140,050	10,738,725	-	34,422,326	(21,951,040)	12,471,286
513	Total Equity	272,141,497	1,992,571	18,842,350	-	292,976,418	25,616,282	318,592,700
600	Total Liabilities and Equity	279,894,210	3,059,333	21,904,899	(1,130,848)	303,727,594	248,678,478	552,406,072

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2014

PHA: MI001 FYED: 06/30/2014								
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	4,414,254	-	-	-	4,414,254	8,470,631	12,884,885
70400	Tenant Revenue - Other	138,599	-	-	-	138,599	568,972	707,571
70500	Total Tenant Revenue	4,552,853	-	-	-	4,552,853	9,039,603	13,592,456
		-	-	-	-	-	-	-
70600-010	Housing assistance payments	-	-	37,166,657	-	37,166,657	-	37,166,657
70600-020	Ongoing administrative fees earned	-	-	3,100,604	-	3,100,604	-	3,100,604
70600-030	Hard to house fee revenue	-	-	-	-	-	-	-
70600-031	FSS Coordinator	-	-	227,597	-	227,597	-	227,597
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	13,418,446	-	-	-	13,418,446	-	13,418,446
70600	HUD PHA Grants	6,619,690	-	7,748,705	-	14,368,395	-	14,368,395
70610	HUD PHA Capital Grants	7,109,035	282,252	1,504,481	-	8,895,768	-	8,895,768
		-	-	-	-	-	-	-
70710	Management Fee	-	3,449,271	-	(3,449,271)	-	-	-
70720	Asset Management Fee	-	378,739	-	(378,739)	-	-	-
70730	Book-Keeping Fee	-	277,306	-	(277,306)	-	-	-
70740	Front Line Service Fee	-	94,935	-	(94,935)	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	4,200,251	-	(4,200,251)	-	-	-
		-	-	-	-	-	-	-
70800	Other government grants	-	-	223,171	-	223,171	-	223,171
71100-030	Investment Income - Unrestricted	2,429	170,481	252,435	-	425,345	33,971	459,316
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	-	-	13,495	-	13,495	-	13,495
71500	Other revenue	362,164	179,362	83,252	-	624,778	13,916,651	14,541,429
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-
72000-010	Investment income - restricted	1,496,536	-	391	-	1,496,927	-	1,496,927
70000	Total Revenue	33,561,153	4,832,346	50,320,788	(4,200,251)	84,514,036	22,990,225	107,504,261
		-	-	-	-	-	-	-
91100	Administrative salaries	1,461,035	2,191,822	1,509,832	-	5,162,689	1,324,729	6,487,418
91200	Auditing fees	48,707	16,350	35,967	-	101,024	84,050	185,074
91300	Management Fee	2,403,719	88,272	957,280	(3,449,271)	-	605,346	605,346
91310	Book-Keeping Fee	277,306	-	-	(277,306)	-	43,900	43,900
91400	Advertising and Marketing	11,975	4,956	300	-	17,231	36,463	53,694
91500	Employee benefit contributions - administrative	555,143	693,205	633,010	-	1,881,358	165,682	2,047,040
91600	Office Expenses	308,478	629,529	307,908	-	1,245,915	298,328	1,544,243
91700	Legal Expense	101,777	4,046	157,090	(23,990)	238,923	80,697	319,620
91800	Travel	11,169	25,581	24,362	-	61,112	1,678	62,790
91810	Allocated Overhead	-	-	-	-	-	-	-
91900	Other	903,086	456,749	819,588	-	2,179,423	1,961,107	4,140,530
		-	-	-	-	-	-	-
92000	Asset Management Fee	378,739	-	-	(378,739)	-	150,600	150,600

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2014

PHA: MI001 FYED: 06/30/2014									
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	570	-	191,762		192,332	-	192,332	
92200	Relocation Costs	1,732	-	932		2,664	-	2,664	
92300	Employee benefit contributions - tenant services	-	-	-		-	-	-	
92400	Tenant Services - Other	47,739	196	81		48,016	-	48,016	
		-	-	-		-	-	-	
93100	Water	578,107	7,671	-		585,778	1,407,379	1,993,157	
93200	Electricity	1,719,645	145,857	-		1,865,502	103,702	1,969,204	
93300	Gas	947,101	43,360	-		990,461	29,974	1,020,435	
93400	Fuel	-	-	-		-	506	506	
93500	Labor	-	-	-		-	-	-	
93600	Sewer	1,369,305	20,803	-		1,390,108	-	1,390,108	
93700	Employee benefit contributions - utilities	-	-	-		-	-	-	
93800	Other utilities expense	-	-	-		-	25,826	25,826	
		-	-	-		-	-	-	
94100	Ordinary Maintenance and Operations - Labor	1,983,498	117,313	-		2,100,811	331,803	2,432,614	
94200	OMO - Materials and Other	894,611	48,833	8,456		951,900	962,644	1,914,544	
	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	162,967	1,847	-		164,814		164,814	
	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	1,252,124	11,084	-		1,263,208		1,263,208	
	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	233,447	10,438	-		243,885		243,885	
	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-	-	-		-		-	
	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	204,249	8,567	-		212,816		212,816	
	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	473,292	-	306,859		780,151		780,151	
	Ordinary Maintenance and Operations Contracts - Electrical Contracts	153,016	12,321	-		165,337		165,337	
	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	235,965	5,755	-		241,720		241,720	
	Ordinary Maintenance and Operations Contracts - Extermination Contracts	406,870	885	-	(25,029)	382,726		382,726	
	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	28,149	-	-		28,149		28,149	
	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	1,371,595	-	-		1,371,595		1,371,595	
	Ordinary Maintenance and Operations Contracts - Misc Contracts	1,857,267	99,077	222,301	(45,916)	2,132,729	399,310	2,532,039	
94300	Ordinary Maintenance and Operations - Contract Costs	6,378,941	149,974	529,160	(70,945)	6,987,130	399,310	7,386,440	
94500	Employee Benefit Contributions - Ordinary Maintenance	542,745	28,549	3,620		574,914	-	574,914	

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2014

PHA: MI001 FYED: 06/30/2014									
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)	
95100	Protective Services - labor	-	-	-	-	-	-	-	
95200	Protective Services - Other Contract Costs	1,023,110	-	26,921	-	1,050,031	170,167	1,220,198	
95300	Protective Services - Other	-	-	-	-	-	400	400	
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	
		-	-	-	-	-	(0)	(0)	
96110	Property Insurance	376,887	13,107	-	-	389,994	460,241	850,235	
96120	Liability Insurance	-	-	-	-	-	-	-	
96130	Workmen's Compensation	111,956	13,638	1,944	-	127,538	10,035	137,573	
96140	All other Insurance	220,979	18,030	60,652	-	299,661	30,284	329,945	
96200	Other General Expenses	3,074,226	862	5,511	-	3,080,599	761,328	3,841,927	
96210	Compensated Absences	140,086	275,900	83,541	-	499,527	-	499,527	
96300	Payments in Lieu of Taxes	-	-	-	-	-	163,962	163,962	
96400	Bad Debt - Tenant Rents	217,209	-	-	-	217,209	193,941	411,150	
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	
96600	Bad Debt - Other	472,872	-	-	-	472,872	20,547	493,419	
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	2,581,040	2,581,040	
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	39,543	39,543	
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	
96800	Severance Expense	-	-	-	-	-	-	-	
96900	Total Operating Expenses	26,562,453	4,994,603	5,357,917	(4,200,251)	32,714,722	12,445,212	45,159,934	
		-	-	-	-	-	-	-	
97000	Excess Operating Revenue over Operating Expenses	6,998,700	(162,257)	44,962,871	-	51,799,314	10,545,013	62,344,327	
		-	-	-	-	-	-	-	
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	
97300-050	Housing Assistance Payments	-	-	39,235,621	-	39,235,621	-	39,235,621	
97300-070	All Other	11,588	-	-	-	11,588	-	11,588	
97400	Depreciation Expense	5,349,288	305,625	5,276	-	5,660,189	9,280,761	14,940,950	
97500	Fraud losses	-	-	-	-	-	-	-	
97800	Dwelling units rent expense	-	-	-	-	-	-	-	
90000	Total Expenses	31,923,329	5,300,228	44,598,814	(4,200,251)	77,622,120	21,725,973	99,348,093	
		-	-	-	-	-	-	-	
10010	Operating transfers in	1,904,204	-	-	(1,904,204)	-	-	-	
10020	Operating transfers out	(1,904,204)	-	-	1,904,204	-	-	-	
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	
10050	Proceeds from notes, loans and bonds	-	-	-	-	-	-	-	
10060	Proceeds from property sales	-	-	-	-	-	-	-	
10070	Extraordinary Items, net gain/loss	-	-	-	-	-	-	-	
10080	Special items, net gain/loss	-	-	-	-	-	-	-	
10091	Inter Project Excess Cash Transfer In	2,399,512	-	-	(2,399,512)	-	-	-	
10092	Inter Project Excess Cash Transfer Out	(2,399,512)	-	-	2,399,512	-	-	-	
10093	Special items, net gain/loss	-	-	-	-	-	-	-	
10094	Special items, net gain/loss	-	-	-	-	-	-	-	
10100	Total other financing sources (Uses)	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	
10000	Excess (deficiency) of total revenue over (under) total expenses	1,637,824	(467,882)	5,721,974	-	6,891,916	1,264,252	8,156,168	
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-	
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	
11030	Beginning Equity	268,461,285	2,460,453	15,162,763	-	286,084,501	24,352,030	310,436,531	
11040	Prior Period Adjustments, Equity transfer and correction of errors	2,042,386	-	(2,042,387)	-	(1)	-	(1)	
11040-070	Equity transfer	2	-	-	-	2	-	2	
		-	-	-	-	-	-	-	
11190	Unit Months Available	41,161	-	76,464	-	117,625	-	117,625	
11210	Number of Unit Months Leased	37,721	-	66,762	-	104,483	-	104,483	
11170	Administrative Fee Equity	-	-	260,596	-	260,596	-	260,596	
11180	Housing Assistance Payments Equity	-	-	454,274	-	454,274	-	454,274	
		-	-	-	-	-	-	-	
11270	Excess Cash	11,751,446	-	-	-	11,751,446	-	11,751,446	
		-	-	-	-	-	-	-	
11610	Land Purchases	6,110,655	-	7,466,054	-	13,576,709	-	13,576,709	
11620	Building Purchases	-	-	-	-	-	-	-	
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	
11660	Infrastructure Purchases	-	-	-	-	-	-	-	
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	
13901	Replacement Housing Factor Funds	1,933,557	-	-	-	1,933,557	-	1,933,557	

Detroit Housing Commission

REAC Supplemental Information Requirement

As required by HUD for REAC reporting purposes, the Commission prepares its financial data schedules in accordance with HUD requirements in a prescribed format. The HUD prescribed format differs from the required classification of several balances under accounting principles generally accepted in the United States of America, as follows: (1) depreciation expense and housing assistance payments are excluded from operating activities; (2) investment revenue is included in operating activities; (3) tenant revenue and bad debt expense are reflected separately; (4) the blended component unit activities are presented in the business activities column, which is included in total programs; and (5) the total column includes the discretely presented component units and primary government.

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 12/31/2011)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the 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 this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:

Detroit Housing Commission

Modernization Project Number:

MI28P00150109

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$	8,560,535.00
B. Funds Disbursed	\$	8,560,535.00
C. Funds Expended (Actual Modernization Cost)	\$	8,560,535.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X *Kelly Inc 11/12/13*

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X *Ann Fido for Willie Ch Garrett, PH Director*

Date:

12/5/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

Date:

X

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

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HA Name: Detroit Housing Commission	Modernization Project Number: MI28P00150105
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below

A. Original Funds Approved	\$ 569,624.00
B. Funds Disbursed	\$ 569,624.00
C. Funds Expended (Actual Modernization Cost)	\$ 569,624.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

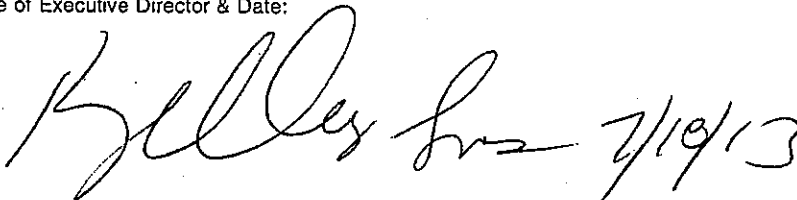
4. That there are no 'undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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Signature of Executive Director & Date:

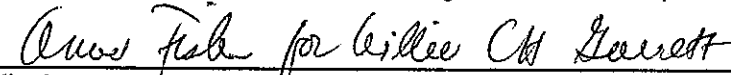
X  7/19/13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X  7/30/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

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HA Name: Detroit Housing Commission	Modernization Project Number: MI28R0001501-06
--	--

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 2,114,988.00
B. Funds Disbursed	\$ 2,114,988.00
C. Funds Expended (Actual Modernization Cost)	\$ 2,114,988.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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Signature of Executive Director & Date:

X

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X

Date:

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP) Comprehensive Grant Program (CGP)

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HA Name: Detroit Housing Commission	Modernization Project Number: MI28R00150107
--	--

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 1,281,813.00
B. Funds Disbursed	\$ 1,281,813.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,281,813.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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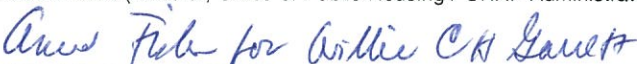
Signature of Executive Director & Date:

X 

10/9/13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) X 	Date: 11/21/13
---	-------------------

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) X	Date:
Approved: (Director, Office of Public Housing / ONAP Administrator) X	Date:

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

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HA Name: Detroit Housing Commission	Modernization Project Number: MI28R00150108
--	--

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 1,367,468.00
B. Funds Disbursed	\$ 1,367,468.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,367,468.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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Signature of Executive Director & Date:

X  11-19-13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X Anne Fisher for Willie CH Garrett, PH Director

12/5/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

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Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name: Detroit Housing Commission	Modernization Project Number: MI28R00150109
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 407,175.00
B. Funds Disbursed	\$ 407,175.00
C. Funds Expended (Actual Modernization Cost)	\$ 407,175.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X  7/10/13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X  for Leslie C.H. Garrett

Date:

7/30/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Date:

Approved: (Director, Office of Public Housing / ONAP Administrator)

X

Date:

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the 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 this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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HA Name: <i>Detroit Housing Commission</i>	Modernization Project Number: <i>M120R00150110</i>
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ <i>412,652.00</i>
B. Funds Disbursed	\$ <i>412,652.00</i>
C. Funds Expended (Actual Modernization Cost)	\$ <i>412,652.00</i>
D. Amount to be Recaptured (A-C)	\$ <i>0.00</i>
E. Excess of Funds Disbursed (B-C)	\$ <i>0.00</i>

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X *[Signature]* *7/17/14*

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X *[Signature]*

Date:

7/24/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (1/2014)

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP) Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the 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 this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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HA Name: Detroit Housing Commission	Modernization Project Number: MI28R00150207
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 8,449,433.00
B. Funds Disbursed	\$ 8,449,433.00
C. Funds Expended (Actual Modernization Cost)	\$ 8,449,433.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

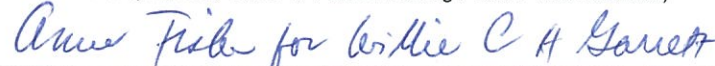
X  10/8/13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X  11/20/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the 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 this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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HA Name: <i>Detroit Housing Commission</i>	Modernization Project Number: <i>M12BR00150210</i>
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ <i>2,929,921.00</i>
B. Funds Disbursed	\$ <i>2,929,921.00</i>
C. Funds Expended (Actual Modernization Cost)	\$ <i>2,929,921.00</i>
D. Amount to be Recaptured (A-C)	\$ <i>0.00</i>
E. Excess of Funds Disbursed (B-C)	\$ <i>0.00</i>

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X *Kelly Lee* *7/17/14*

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X *Willie G. Savett*

Date:

7/24/14

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-53001 (1/2014)

Actual HOPE VI Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 4/30/2008)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name Detroit Housing Commission	HOPE VI Grant Number MI28URD001D299
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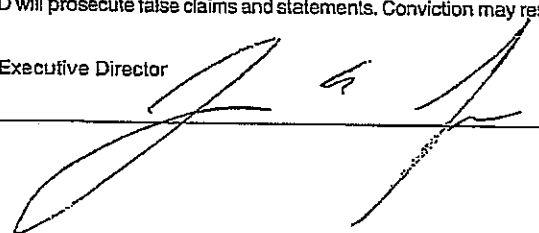
The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	\$	1,276,000.00
B. Funds Disbursed	\$	1,276,000.00
C. Funds Expended (Actual Program Cost)	\$	1,276,000.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

2. That all work in connection with the HOPE VI Grant has been completed;
3. That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director  Date (mm/dd/yyyy) 07/08/2008

For HUD Use Only	The Cost Certificate is approved for audit (signature of approving official)	Date (mm/dd/yyyy)
		05/15/2004
	The audited costs agree with the costs shown above Verified (signature)	Date (mm/dd/yyyy)
	Approved (signature)	Date (mm/dd/yyyy)