

Detroit Housing Commission
(a component unit of the City of Detroit)

Financial Report
with Supplemental Information
June 30, 2015

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 (the "Commission"), a component unit of the City of Detroit, Michigan, as of and for the year ended June 30, 2015, 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 and Gardenview IX Limited Dividend Housing Association, LLC. The discretely presented component units audited by other auditors represent 99 percent of the assets and 97 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

To the Board of Commissioners
Detroit Housing Commission

The discretely presented component unit financial statements of Alexandrine Square 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, Gardenview Homes IV Limited Dividend Housing Association Limited Partnership, Gardenview Homes V Limited Dividend Housing Association Limited Partnership, Gardenview Homes VI Limited Dividend Housing Association Limited Partnership, Gardenview Homes IX 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 financial position of the business-type activities and the aggregate discretely presented component units of the Detroit Housing Commission as of June 30, 2015 and the 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.

Emphasis of Matter

As discussed in Note 11 to the basic financial statements, during the year ended June 30, 2015, the entity adopted new accounting guidance of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of the governmental employers through pension plans. Our opinion is not modified with respect to this matter.

To the Board of Commissioners
Detroit Housing Commission

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, changes in the Commission net pension liability and related ratios, and Commission contributions, 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 the purpose of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 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 & Moran, PLLC

March 17, 2016

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, 2015. 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.

In April 2015, the Mayor appointed a new Board of Commissioners for DHC and we are once again operating independently from HUD. No longer a troubled agency, DHC is striving for excellence in all program areas.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2015 by \$296,915,478 (net position).
- The Commission’s unrestricted cash and cash equivalents totaled \$25,078,777 at June 30, 2015.
- The Commission had operating revenue from HUD of \$62,671,262 and HUD capital grants of \$8,695,614, which includes funds for redevelopment and capital asset activities.
- Public housing has maintained occupancy of an average of 93 percent for the fiscal year ended June 30, 2015.

Detroit Housing Commission

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

- The Commission utilized 82 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program, and spent 97 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 \$131,809,222 to the Commission, which are included in the notes, loans, and mortgages receivable at June 30, 2015.
- During fiscal year 2015, 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 20 AMPs (one or more developments grouped for management purposes), which includes 24 component unit AMPs, and 364 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 3,459 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).

Detroit Housing Commission

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

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

Development Program - DHC administers various 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		
	2015	2014	Net Change
Assets			
Current assets	\$ 28,407,758	\$ 31,090,608	\$ (2,682,850)
Capital assets - Net	131,226,072	133,606,201	(2,380,129)
Other noncurrent assets	145,677,106	139,030,785	6,646,321
Total assets	<u>\$ 305,310,936</u>	<u>\$ 303,727,594</u>	<u>\$ 1,583,342</u>
Liabilities			
Current liabilities	\$ 8,170,412	\$ 10,547,301	\$ (2,376,889)
Other noncurrent liabilities	225,046	203,875	21,171
Total liabilities	<u>8,395,458</u>	<u>10,751,176</u>	<u>(2,355,718)</u>
Net Position			
Net investment in capital assets	131,226,072	133,606,201	(2,380,129)
Restricted	129,563,112	124,947,891	4,615,221
Unrestricted	36,126,294	34,422,326	1,703,968
Total net position	<u>296,915,478</u>	<u>292,976,418</u>	<u>3,939,060</u>
Total liabilities and net position	<u>\$ 305,310,936</u>	<u>\$ 303,727,594</u>	<u>\$ 1,583,342</u>

Current assets decreased by 8.6 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 decreased by 1.8 percent or approximately \$2.3 million. This was primarily due to completion of several large projects last year, offset by annual depreciation expense.

Other noncurrent assets increased by 4.8 percent due to an increase of approximately \$2.3 million in loans made to the discrete component units using Hope VI and RHF grant funds.

Total assets increased by \$1.6 million or .5 percent, due mostly to the increases in the notes receivable to the component units and the change in net capital assets noted above. Total liabilities decreased by \$2.3 million (21.9 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 a slight increase due to development activity. The increase in net capital assets is primarily due to the completion of many development and CFP projects. 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:

	Change in Net Position		
	2015	2014	Net Change
Operating Revenue			
HUD operating revenue	\$ 62,671,262	\$ 68,281,699	\$ (5,610,437)
Tenant revenue - Net	4,630,227	4,335,644	294,583
Other operating revenue	1,737,984	861,444	876,540
Total operating revenue	69,039,473	73,478,787	(4,439,314)
Operating Expenses			
Administrative	10,356,136	10,887,674	(531,538)
Tenant services	233,956	243,012	(9,056)
Utilities	4,928,431	4,831,849	96,582
Maintenance	11,637,466	10,614,755	1,022,711
Protective services	925,795	1,050,031	(124,236)
General	5,403,458	4,870,191	533,267
Depreciation	5,566,849	5,660,189	(93,340)
Housing assistance payments	36,419,721	39,247,209	(2,827,488)
Total operating expenses	75,471,812	77,404,910	(1,933,098)
Operating Loss	\$ (6,432,339)	\$ (3,926,123)	\$ 2,506,216

Detroit Housing Commission

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

	2015	2014	Net Change
Nonoperating Revenue			
Loss on disposal of fixed assets	\$ (855,521)	\$ -	\$ (855,521)
Investment income - Unrestricted	179,076	425,345	(246,269)
Interest income - Restricted	1,792,995	1,496,927	296,068
Total nonoperating revenue	1,116,550	1,922,272	(805,722)
Change in net position before capital contributions	(5,315,790)	(2,003,851)	(3,311,938)
Capital Contributions - HUD	8,695,614	8,895,768	(200,154)
Change in net position	3,379,824	6,891,917	(3,512,092)
Total net position - Beginning	292,976,418	286,084,501	6,891,917
Adjustment for GASB No. 68	559,236	-	559,236
Total net position - Ending	\$ 296,915,478	\$292,976,418	\$ 3,939,061

Total operating revenue decreased by \$4.4 million for the fiscal year ended June 30, 2015, primarily due to the decrease in other income and fraud recovery. This year's subsidy formula for Low-income Housing Program included an 85 percent funding level for calendar year 2015 (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 \$1.9 million in total operating expenses is primarily due to a decrease in HAP expenditures, while keeping most other expenses within budget.

Nonoperating revenue decreased by \$805,722 primarily due to the loss on disposal of fixed assets of (\$855,521), which was the write-off of Douglass buildings and equipment, and scattered sites homes which were demolished.

Capital contributions decreased by \$200,154 due mainly to the final expenditures of the Douglass Emergency Demolition grant we received from HUD, to demolish old multi-family buildings. There was donated property of \$900,000 recorded from the City of Detroit for the year ended June 30, 2015, for our administrative building at 2211 Orleans Street as well as a few scattered sites. The City no longer holds any properties that are yet to be legally transferred to DHC.

The Commission has no long-term debt as of June 30, 2015.

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.

	2015	2014	Change in Capital Assets
Nondepreciable			
Land	\$ 71,626,584	\$ 65,195,735	\$ 6,430,849
Construction in progress	3,865,792	7,683,449	(3,817,657)
Total nondepreciable	75,492,376	72,879,184	2,613,192
Depreciated			
Structures and improvements	85,447,467	85,703,243	(255,776)
Equipment	7,435,579	7,617,485	(181,906)
Total depreciated	92,883,046	93,320,728	(437,682)
Total capital assets	168,375,422	166,199,912	2,175,510
Total accumulated depreciation	(37,149,350)	(32,593,711)	(4,555,639)
Capital assets - Net	<u>\$ 131,226,072</u>	<u>\$133,606,201</u>	<u>\$ (2,380,129)</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 proration of funding of these programs in the future could be significantly affected by the 2016 and 2017 federal budgets. The federal deficit and budgetary restrictions at the congressional level can have a great impact on our local activities. The upcoming 2016 elections may also have an impact on our budgets and resources.

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, 2015

	Primary Government - Business-type Activities	Total Discrete Component Units
Assets		
Current Assets		
Cash and cash equivalents - Unrestricted (Note 2)	\$ 25,078,777	\$ 3,719,031
Cash and cash equivalents - Restricted (Note 2)	1,212,997	18,343,168
Receivables - Net	736,863	562,605
Prepaid expenses	251,133	140,230
Due from other governments	<u>1,127,988</u>	<u>-</u>
Total current assets	28,407,758	22,765,034
Noncurrent Assets		
Capital assets - Nondepreciable (Notes 3 and 10)	75,492,376	29,329,196
Capital assets - Depreciable - Net (Notes 3 and 10)	55,733,696	198,243,361
Accrued interest receivable - Unrestricted (Note 6)	1,515,883	-
Accrued interest receivable - Restricted (Note 6)	11,775,522	-
Other noncurrent assets	576,479	3,669,007
Notes, loans, and mortgages receivable - Net (Note 6) - Due from discrete component units with the exception of \$275,981, which is due from the Homeownership program	<u>131,809,222</u>	<u>-</u>
Total assets	<u>\$ 305,310,936</u>	<u>\$ 254,006,598</u>
Liabilities and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 10)	\$ -	\$ 13,042,473
Accounts payable	1,209,843	4,593,603
Accrued interest payable		8,720,229
Accrued salaries and benefits	284,457	-
Accrued compensated absences	139,398	-
Due to other governments	429,669	-
Tenant security deposits (Note 2)	347,106	323,258
Unearned revenue	3,875,671	61,531
Other current liabilities	<u>1,884,268</u>	<u>3,242,934</u>
Total current liabilities	8,170,412	29,984,028
Noncurrent Liabilities		
Long-term debt - Includes \$132,082,663 which is due to Detroit Housing Commission (Note 10)	-	174,002,171
Accrued compensated absences	225,046	-
Other noncurrent liabilities	<u>-</u>	<u>12,040,824</u>
Total liabilities	8,395,458	216,027,023
Net Position		
Net investment in capital assets	131,226,072	40,527,913
Restricted for reserves	338,469	18,019,910
Restricted for housing projects (notes receivable)	129,224,643	
Unrestricted net position	<u>36,126,294</u>	<u>(20,568,248)</u>
Total net position	<u>296,915,478</u>	<u>37,979,575</u>
Total liabilities and net position	<u>\$ 305,310,936</u>	<u>\$ 254,006,598</u>

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

Detroit Housing Commission

Statement of Activities Year Ended June 30, 2015

	Primary Government - Business-type Activities	Total Discrete Component Units
Operating Revenue		
HUD operating revenue	\$ 62,671,262	\$ -
Tenant revenue - Net	4,630,227	10,432,054
Other operating revenue	1,737,984	28,590
Total operating revenue	69,039,473	10,460,644
Operating Expenses		
Administrative	10,356,136	3,295,806
Tenant services	233,956	-
Utilities	4,928,431	1,899,783
Maintenance	11,637,466	2,036,811
Protective services	925,795	-
General	5,403,458	2,108,358
Depreciation	5,566,849	10,823,395
Housing assistance payments	36,419,721	-
Total operating expenses	75,471,812	20,164,153
Operating Loss Before Nonoperating Revenue (Expense)	(6,432,339)	(9,703,509)
Nonoperating Revenue (Expense)		
Loss on disposal of fixed assets	(855,521)	-
Investment income - Unrestricted	179,076	288,577
Interest income - Restricted	1,792,995	-
Interest expense	-	(4,065,629)
Total nonoperating revenue (expense)	1,116,550	(3,777,052)
Decrease in Net Assets Before Capital Contributions and Distributions	(5,315,790)	(13,480,561)
Capital Contributions and Distributions		
Capital contributions - HUD	8,695,614	-
Partner contributions	-	25,993,854
Partner distributions and syndication costs	-	(150,000)
Increase in Net Position	3,379,824	12,363,293
Net Position - Beginning of year - As restated (Note 11)	293,535,654	25,616,282
Net Position - End of year	\$ 296,915,478	\$ 37,979,575

Detroit Housing Commission

Statement of Cash Flows Year Ended June 30, 2015

Cash Flows from Operating Activities

Cash received from HUD operating subsidies and grants	\$ 62,671,263
Cash received from local grants	174,640
Cash received from tenants	4,555,488
Other receipts	890,149
Cash payments for housing assistance	(36,504,617)
Cash payments to employees	(10,342,009)
Cash payments to suppliers	<u>(25,600,395)</u>

Net cash used in operating activities (4,155,481)

Cash Flows from Investing Activities

Investment in notes receivable - Net	(4,733,217)
Interest received	<u>163,259</u>

Net cash used in investing activities (4,569,958)

Cash Flows from Capital and Related Financing Activities

HUD capital grants	12,014,538
Purchase of property and equipment	<u>(3,142,241)</u>

Net cash provided by capital and related
financing activities 8,872,297

Net Increase in Cash and Cash Equivalents 146,858

Cash and Cash Equivalents - Beginning of year 26,144,916

Cash and Cash Equivalents - End of year \$ 26,291,774

Cash Reconciliation

Current cash and cash equivalents - Unrestricted	\$ 25,078,777
Current cash and cash equivalents - Restricted	<u>1,212,997</u>

Total cash and cash equivalents \$ 26,291,774

Noncash Activity - Donated fixed assets \$ 900,000

Detroit Housing Commission

Statement of Cash Flows (Continued) Year Ended June 30, 2015

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (6,432,339)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	5,566,849
Bad debt	219,909
(Increase) decrease in operating assets:	
Receivables - Net	(294,648)
Prepaid expenses and other assets	57,703
(Decrease) increase in operating liabilities:	
Accounts payable	(3,401,821)
Accrued salaries and benefits	14,140
Tenant security deposits	(21,625)
Deferred revenue and other liabilities	<u>136,351</u>
Net cash used in operating activities	<u>\$ (4,155,481)</u>

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units

	The Villages of Parkside II Year Ended June 30, 2015	The Villages of Parkside IV Year Ended June 30, 2015	Woodbridge Estates Apartments I, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments II, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments III, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments IV, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments V, LLC Year Ended December 31, 2014
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	\$ 70,963	\$ 54,041	\$ 37,238	\$ 112,965	\$ 24,648	\$ 11,196	\$ 26,502
Cash and cash equivalents - Restricted	240,668	155,581	127,868	188,318	258,023	356,502	453,594
Receivables - Net	10,284	15,607	986	2,828	1,003	4,579	2,045
Prepaid expenses	4,542	4,396	3,878	6,735	3,434	4,120	5,653
Total current assets	326,457	229,625	169,970	310,846	287,108	376,397	487,794
Noncurrent Assets							
Capital assets - Net	10,703,151	9,203,375	4,592,897	6,013,845	4,908,002	5,949,136	8,663,936
Other noncurrent assets	-	-	221,540	304,281	111,899	101,691	127,745
Total assets	<u>\$ 11,029,608</u>	<u>\$ 9,433,000</u>	<u>\$ 4,984,407</u>	<u>\$ 6,628,972</u>	<u>\$ 5,307,009</u>	<u>\$ 6,427,224</u>	<u>\$ 9,279,475</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	\$ -	\$ -	\$ 22,700	\$ 32,600	\$ 34,200	\$ 40,300	\$ 55,500
Accounts payable	85,020	243,411	-	2,993	-	-	25,213
Accrued interest payable	-	-	880,251	1,318,373	695,073	794,633	920,930
Tenant security deposits	23,585	21,086	11,908	15,598	8,099	12,907	9,256
Deferred revenue	-	-	5,690	4,490	2,065	2,571	7,516
Other current liabilities	10,643	9,031	-	-	10,985	13,137	41,600
Total current liabilities	119,248	273,528	920,549	1,374,054	750,422	863,548	1,060,015
Noncurrent Liabilities							
Long-term debt	25,514,772	20,990,363	3,556,715	4,749,140	3,507,367	4,189,324	5,672,171
Other noncurrent liabilities	3,229,717	1,585,814	-	-	75,868	60,058	214,621
Total liabilities	28,863,737	22,849,705	4,477,264	6,123,194	4,333,657	5,112,930	6,946,807
Net Position							
Net investment in capital assets	(14,811,621)	(11,786,988)	1,013,482	1,232,105	1,366,435	1,719,512	2,936,265
Restricted net assets	217,083	134,495	115,960	172,720	249,924	343,595	444,338
Unrestricted net assets	(3,239,591)	(1,764,212)	(622,299)	(899,047)	(643,007)	(748,813)	(1,047,935)
Total net position	(17,834,129)	(13,416,705)	507,143	505,778	973,352	1,314,294	2,332,668
Total liabilities and net position	<u>\$ 11,029,608</u>	<u>\$ 9,433,000</u>	<u>\$ 4,984,407</u>	<u>\$ 6,628,972</u>	<u>\$ 5,307,009</u>	<u>\$ 6,427,224</u>	<u>\$ 9,279,475</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)

	Woodbridge Estates Apartments VI, LLC Year Ended December 31, 2014	Woodbridge ILF Associates LDHA, Ltd. Partnership Year Ended December 31, 2014	Alexandrine Square Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2014	Gardenview Homes I Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes II Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes III Limited Dividend Housing Association, LLC Year Ended December 31, 2014
Assets						
Current Assets						
Cash and cash equivalents - Unrestricted	\$ 959,492	\$ 111,025	\$ 795	\$ 130,218	\$ 17,555	\$ 7,726
Cash and cash equivalents - Restricted	-	805,129	700	611,262	553,929	569,606
Receivables - Net	6,092	43,135	29,458	19,484	70,045	67,285
Prepaid expenses	-	17,209	1,573	11,553	6,862	6,862
Total current assets	965,584	976,498	32,526	772,517	648,391	651,479
Noncurrent Assets						
Capital assets - Net	9,851,372	9,922,836	1,469,957	16,912,856	7,842,409	7,761,009
Other noncurrent assets	335,258	46,732	-	29,195	-	-
Total assets	\$ 11,152,214	\$ 10,946,066	\$ 1,502,483	\$ 17,714,568	\$ 8,490,800	\$ 8,412,488
Liabilities and Net Position						
Current Liabilities						
Current portion of long-term debt		\$ -	\$ -	\$ 22,486	\$ -	\$ -
Accounts payable	951,343	52,820	117,348	2,120	1,457	1,457
Accrued interest payable	8,106	1,974,189	250,784	9,297	-	-
Tenant security deposits	750	35,456	1,679	21,385	4,124	4,723
Deferred revenue	4,197	1,472	342	2,096	1,363	1,225
Other current liabilities	1,444,740	38,844	349,659	49,690	49,587	49,339
Total current liabilities	2,409,136	2,102,781	719,812	107,074	56,531	56,744
Noncurrent Liabilities						
Long-term debt	7,000,552	3,713,014	265,780	11,772,313	8,893,725	8,916,684
Other noncurrent liabilities	909,474	-	702,087	-	-	-
Total liabilities	10,319,162	5,815,795	1,687,679	11,879,387	8,950,256	8,973,428
Net Position						
Net investment in capital assets	2,850,820	6,209,822	1,204,177	5,118,057	(1,051,316)	(1,155,675)
Restricted net assets	(750)	769,673	(979)	589,877	549,805	564,883
Unrestricted net assets	(2,017,018)	(1,849,224)	(1,388,394)	127,247	42,055	29,852
Total net position	833,052	5,130,271	(185,196)	5,835,181	(459,456)	(560,940)
Total liabilities and net position	\$ 11,152,214	\$ 10,946,066	\$ 1,502,483	\$ 17,714,568	\$ 8,490,800	\$ 8,412,488

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

Detroit Housing Commission

Combining Balance Sheet for Discretely Presented Component Units (Continued)

	Gardenview Homes IV Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes V Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes VI Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes VII Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes VIII Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes IX Limited Dividend Housing Association, LLC Year Ended December 31, 2014
Assets						
Current Assets						
Cash and cash equivalents - Unrestricted	\$ 264,803	\$ 132,095	\$ 76,920	\$ 69,825	\$ 107,606	\$ 225,628
Cash and cash equivalents - Restricted	428,726	494,822	378,415	5,042,412	4,962,948	-
Receivables - Net	4,558	10,387	45,459	2,501	3,667	-
Prepaid expenses	3,323	3,645	3,500	4,735	4,624	-
Total current assets	701,410	640,949	504,294	5,119,473	5,078,845	225,628
Noncurrent Assets						
Capital assets - Net	8,827,714	12,181,731	10,982,028	14,052,724	13,736,400	7,697,284
Other noncurrent assets	-	-	-	-	-	-
Total assets	<u>\$ 9,529,124</u>	<u>\$ 12,822,680</u>	<u>\$ 11,486,322</u>	<u>\$ 19,172,197</u>	<u>\$ 18,815,245</u>	<u>\$ 7,922,912</u>
Liabilities and Net Assets						
Current Liabilities						
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ 6,551,966	\$ 6,282,721	\$ -
Accounts payable	1,590	1,590	2,197	773,585	768,466	1,298,543
Accrued interest payable	123,923	-	-	288,735	272,206	-
Tenant security deposits	4,891	5,270	5,048	12,645	11,440	-
Deferred revenue	1,180	2,778	2,640	2,955	4,296	-
Other current liabilities	123,781	128,646	115,676	118,464	122,081	314,588
Total current liabilities	255,365	138,284	125,561	7,748,350	7,461,210	1,613,131
Noncurrent Liabilities						
Long-term debt	3,887,485	5,428,002	4,855,011	6,425,000	6,425,000	4,104,042
Other noncurrent liabilities	-	121,266	-	1,737,318	1,748,526	1,656,075
Total liabilities	4,142,850	5,687,552	4,980,572	15,910,668	15,634,736	7,373,248
Net Assets						
Invested in capital assets - Net of related debt	4,940,229	6,753,729	6,127,017	1,075,758	1,028,679	3,593,242
Restricted net assets	423,835	489,552	373,367	5,029,767	4,951,508	-
Unrestricted net assets	22,210	(108,153)	5,366	(2,843,996)	(2,799,678)	(3,043,578)
Total net assets	5,386,274	7,135,128	6,505,750	3,261,529	3,180,509	549,664
Total liabilities and net assets	<u>\$ 9,529,124</u>	<u>\$ 12,822,680</u>	<u>\$ 11,486,322</u>	<u>\$ 19,172,197</u>	<u>\$ 18,815,245</u>	<u>\$ 7,922,912</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, 2014	Emerald Springs IB Year Ended December 31, 2014	Emerald Springs II Year Ended June 30, 2014	Cornerstone Estates I Year Ended December 31, 2014	Cornerstone Estates II Year Ended December 31, 2014	Cornerstone Estates III Year Ended December 31, 2014	Total Discrete Component Units
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	\$ 36,329	\$ 80,708	\$ 673,282	\$ 47,982	\$ 74,208	\$ 365,281	\$ 3,719,031
Cash and cash equivalents - Restricted	720,875	743,423	292,276	469,540	168,041	320,510	18,343,168
Receivables - Net	19,011	29,032	2,018	112,658	18,901	41,582	562,605
Prepaid expenses	12,691	12,713	3,961	4,264	5,400	4,557	140,230
Total current assets	788,906	865,876	971,537	634,444	266,550	731,930	22,765,034
Noncurrent Assets							
Capital assets - Net	11,729,410	11,305,197	8,737,367	7,707,143	8,287,355	8,533,423	227,572,557
Other noncurrent assets	347,081	343,966	348,633	916,610	15,266	419,110	3,669,007
Total assets	<u>\$ 12,865,397</u>	<u>\$ 12,515,039</u>	<u>\$ 10,057,537</u>	<u>\$ 9,258,197</u>	<u>\$ 8,569,171</u>	<u>\$ 9,684,463</u>	<u>\$ 254,006,598</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,042,473
Accounts payable	68,345	25,397	4,016	25	-	166,667	4,593,603
Accrued interest payable	40,928	36,172	57,179	706,367	-	343,083	8,720,229
Tenant security deposits	27,756	27,190	13,824	12,693	19,049	12,896	323,258
Deferred revenue	7,232	5,527	976	408	220	292	61,531
Other current liabilities	70,748	77,172	11,594	27,273	35,963	29,693	3,242,934
Total current liabilities	215,009	171,458	87,589	746,766	55,232	552,631	29,984,028
Noncurrent Liabilities							
Long-term debt	5,292,434	4,644,006	7,436,466	4,366,809	9,086,048	3,309,948	174,002,171
Other noncurrent liabilities	-	-	-	-	-	-	12,040,824
Total liabilities	5,507,443	4,815,464	7,524,055	5,113,575	9,141,280	3,862,579	216,027,023
Net Position							
Net investment in capital assets	6,436,976	6,661,191	1,300,901	3,340,334	(798,693)	5,223,475	40,527,913
Restricted net assets	693,119	716,233	278,452	456,847	148,992	307,614	18,019,910
Unrestricted net assets	227,859	322,151	954,129	347,441	77,592	290,795	(20,568,248)
Total net position	7,357,954	7,699,575	2,533,482	4,144,622	(572,109)	5,821,884	37,979,575
Total liabilities and net position	<u>\$ 12,865,397</u>	<u>\$ 12,515,039</u>	<u>\$ 10,057,537</u>	<u>\$ 9,258,197</u>	<u>\$ 8,569,171</u>	<u>\$ 9,684,463</u>	<u>\$ 254,006,598</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, 2015	The Villages of Parkside IV Year Ended June 30, 2015	Woodbridge Estates Apartments I, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments II, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments III, LLC Year Ended December 31, 2014	Woodbridge Estates Apartments IV, LLC Year Ended December 31, 2015	Woodbridge Estates Apartments V, LLC Year Ended December 31, 2015
Operating Revenue							
Tenant revenue - Net	\$ 890,061	\$ 783,781	\$ 398,113	\$ 562,020	\$ 316,735	\$ 386,800	\$ 560,177
Other operating revenue	-	-	-	-	-	-	-
Total operating revenue	890,061	783,781	398,113	562,020	316,735	386,800	560,177
Operating Expenses							
Administrative	259,206	254,718	89,189	130,268	90,830	92,983	128,801
Utilities	311,663	323,824	56,482	44,024	40,820	49,088	65,529
Maintenance	291,707	340,447	60,080	95,286	45,728	50,739	87,582
Protective services	-	-	-	-	-	-	-
General	56,283	52,751	55,733	87,436	40,034	68,185	94,147
Depreciation and amortization	991,868	851,225	168,164	220,991	160,205	190,483	276,141
Total operating expenses	1,910,727	1,822,965	429,648	578,005	377,617	451,478	652,200
Operating Loss	(1,020,666)	(1,039,184)	(31,535)	(15,985)	(60,882)	(64,678)	(92,023)
Nonoperating Revenue (Expense)							
Gain on sale of Brownfield credits	-	-	-	-	-	-	-
Investment income - Unrestricted	689	704	-	-	-	-	-
Interest expense	(371,392)	(94,457)	(205,414)	(301,869)	(152,344)	(182,701)	(249,121)
Total nonoperating (expenses) revenue	(370,703)	(93,753)	(205,414)	(301,869)	(152,344)	(182,701)	(249,121)
Decrease in Net Assets Before Capital Contributions and Distributions	(1,391,369)	(1,132,937)	(236,949)	(317,854)	(213,226)	(247,379)	(341,144)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	125,034	144,270	315,537
Partner distributions and syndication costs	-	-	-	-	(60,000)	(60,000)	-
Change in Net Position	(1,391,369)	(1,132,937)	(236,949)	(317,854)	(148,192)	(163,109)	(25,607)
Net Position - Beginning of year	(16,442,760)	(12,283,768)	744,092	823,632	1,121,544	1,477,403	2,358,275
Net Position - End of year	\$ (17,834,129)	\$ (13,416,705)	\$ 507,143	\$ 505,778	\$ 973,352	\$ 1,314,294	\$ 2,332,668

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, 2014	Woodbridge ILF Associates LDHA, Ltd. Partnership Year Ended December 31, 2014	Alexandrine Square Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2014	Gardenview Homes I Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes II Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenview Homes III Limited Dividend Housing Association, LLC Year Ended December 31, 2014
Operating Revenue						
Tenant revenue - Net	\$ 60,112	\$ 669,665	\$ 125,752	\$ 718,335	\$ 313,956	\$ 354,060
Other operating revenue	-	-	-	-	-	-
Total operating revenue	60,112	669,665	125,752	718,335	313,956	354,060
Operating Expenses						
Administrative	13,442	317,024	23,277	163,289	120,100	131,309
Utilities	3,515	157,274	39,572	78,469	37,513	44,090
Maintenance	1,377	33,885	6,988	75,085	28,189	28,537
Protective services	-	-	-	-	-	-
General	43,623	118,844	70,471	123,810	41,793	33,074
Depreciation and amortization	65,776	442,353	110,202	533,009	484,708	493,700
Total operating expenses	127,733	1,069,380	250,510	973,662	712,303	730,710
Operating Loss	(67,621)	(399,715)	(124,758)	(255,327)	(398,347)	(376,650)
Nonoperating Revenue (Expense)						
Gain on sale of Brownfield credit	-	-	-	-	-	-
Investment income - Unrestricted	-	-	-	26,388	23,442	23,613
Interest expense	-	(281,137)	(30,983)	(109,924)	-	-
Total nonoperating (expenses) revenue	-	(281,137)	(30,983)	(83,536)	23,442	23,613
Decrease in Net Assets Before Capital Contributions and Distributions	(67,621)	(680,852)	(155,741)	(338,863)	(374,905)	(353,037)
Capital Contributions and Distributions						
Partner contributions	-	-	-	-	-	-
Partner distributions and syndication costs	(30,000)	-	-	-	-	-
Change in Net Position	(97,621)	(680,852)	(155,741)	(338,863)	(374,905)	(353,037)
Net Position - Beginning of year	930,673	5,811,123	(29,455)	6,174,044	(84,551)	(207,903)
Net Position - End of year	\$ 833,052	\$ 5,130,271	\$ (185,196)	\$ 5,835,181	\$ (459,456)	\$ (560,940)

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)

	Gardenvue Homes IV Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenvue Homes V Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenvue Homes VI Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenvue Homes VII Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenvue Homes VIII Limited Dividend Housing Association, LLC Year Ended December 31, 2014	Gardenvue Homes IX Limited Dividend Housing Association, LLC Year Ended June 30, 2015
Operating Revenue						
Tenant revenue - Net	\$ 339,640	\$ 317,301	\$ 265,907	\$ 395,232	\$ 414,976	\$ -
Other operating revenue	-	-	-	17,495	11,095	-
Total operating revenue	339,640	317,301	265,907	412,727	426,071	-
Operating Expenses						
Administrative	89,071	91,248	88,769	131,114	134,063	336
Utilities	46,877	46,436	34,265	96,484	80,336	-
Maintenance	74,684	76,383	64,437	78,415	76,386	-
Protective services	-	-	-	-	-	-
General	66,561	69,615	60,082	180,754	180,664	-
Depreciation and amortization	477,761	519,675	494,923	693,090	673,254	-
Total operating expenses	754,954	803,357	742,476	1,179,857	1,144,703	336
Operating Loss	(415,314)	(486,056)	(476,569)	(767,130)	(718,632)	(336)
Nonoperating Revenue (Expense)						
Gain on sale of Brownfield credit	-	-	-	-	-	-
Investment income - Unrestricted	-	-	-	105,160	105,680	-
Interest expense	(29,250)	-	-	(727,891)	(778,040)	-
Total nonoperating (expenses) revenue	(29,250)	-	-	(622,731)	(672,360)	-
Decrease in Net Assets Before Capital Contributions and Distributions	(444,564)	(486,056)	(476,569)	(1,389,861)	(1,390,992)	(336)
Capital Contributions and Distributions						
Partner contributions	5,649,988	616,430	699,147	4,694,883	4,612,434	550,000
Partner distributions and syndication costs	-	-	-	-	-	-
Change in Net Position	5,205,424	130,374	222,578	3,305,022	3,221,442	549,664
Net Position - Beginning of year	180,850	7,004,754	6,283,172	(43,493)	(40,933)	-
Net Position - End of year	<u>\$ 5,386,274</u>	<u>\$ 7,135,128</u>	<u>\$ 6,505,750</u>	<u>\$ 3,261,529</u>	<u>\$ 3,180,509</u>	<u>\$ 549,664</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, 2014	Emerald Springs IB Year Ended December 31, 2014	Emerald Springs II Year Ended June 30, 2014	Cornerstone Estates I Year Ended December 31, 2014	Cornerstone Estates II Year Ended December 31, 2014	Cornerstone Estates III Year Ended December 31, 2014	Total Discrete Component Units
Operating Revenue							
Tenant revenue - Net	\$ 445,092	\$ 534,409	\$ 401,987	\$ 412,357	\$ 347,730	\$ 417,856	\$ 10,432,054
Other operating revenue	-	-	-	-	-	-	28,590
Total operating revenue	445,092	534,409	401,987	412,357	347,730	417,856	10,460,644
Operating Expenses							
Administrative	186,825	193,153	103,869	148,310	165,510	149,102	3,295,806
Utilities	84,536	74,260	46,044	49,753	46,645	42,284	1,899,783
Maintenance	106,778	114,728	61,612	107,992	78,047	51,719	2,036,811
Protective services	-	-	-	-	-	-	-
General	156,436	208,758	107,052	53,251	75,345	63,656	2,108,358
Depreciation and amortization	561,723	532,070	414,422	450,529	493,415	523,708	10,823,395
Total operating expenses	1,096,298	1,122,969	732,999	809,835	858,962	830,469	20,164,153
Operating Loss	(651,206)	(588,560)	(331,012)	(397,478)	(511,232)	(412,613)	(9,703,509)
Nonoperating Revenue (Expense)							
Gain on sale of Brownfield credit	-	-	-	-	-	-	-
Investment income - Unrestricted	1,324	1,298	279	-	-	-	288,577
Interest expense	(26,462)	(23,220)	(75,142)	(225,205)	-	(201,077)	(4,065,629)
Total nonoperating (expenses) revenue	(25,138)	(21,922)	(74,863)	(225,205)	-	(201,077)	(3,777,052)
Decrease in Net Assets Before Capital Contributions and Distributions	(676,344)	(610,482)	(405,875)	(622,683)	(511,232)	(613,690)	(13,480,561)
Capital Contributions and Distributions							
Partner contributions	-	-	2,726,807	87,784	-	5,771,540	25,993,854
Partner distributions and syndication costs	-	-	-	-	-	-	(150,000)
Change in Net Position	(676,344)	(610,482)	2,320,932	(534,899)	(511,232)	5,157,850	12,363,293
Net Position - Beginning of year	8,034,298	8,310,057	212,550	4,679,521	(60,877)	664,034	25,616,282
Net Position - End of year	<u>\$ 7,357,954</u>	<u>\$ 7,699,575</u>	<u>\$ 2,533,482</u>	<u>\$ 4,144,622</u>	<u>\$ (572,109)</u>	<u>\$ 5,821,884</u>	<u>\$ 37,979,575</u>

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

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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, 2015, the Commission is considered a component unit of the City. The Commission's board independently oversees the Commission's operations. The Commission is operated by a five-member board appointed by the mayor and the City of Detroit's city council may remove a member of the commission from the board.

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.

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).

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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

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.

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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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

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.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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
- 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, 2015

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

All of the discrete component units, with the exception of TVP II and IV, 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, 2015. For reporting purposes, the information reported in the basic financial statements is presented for the 12-month period ended and as of December 31, 2014 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, 2015, 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, 2015

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, 2015, there is an allowance for uncollectible tenant receivables of approximately \$47,000. 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, 2015 was approximately \$220,000.

Due from Other Governments - These amounts are due from HUD principally as a result of grant revenue being accrued for allowable program expenses not yet funded. The amount due from HUD for the Capital Fund is approximately \$1.0 million and the amount due from HUD for rental subsidies is approximately \$79,000.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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

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, 2015. 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. During 2015, the Commission received donated assets from the City which have a fair market value of approximately \$900,000 and are recorded in other operating revenue on the statement of activities.

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, 2015

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 2015, 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, 2015 totaled approximately \$139,000 and are reported as current and \$225,000 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, 2015

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, 2015, \$857,378 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, \$4,372,442 of fees has been eliminated for the year ended June 30, 2015.
- *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, \$71,728 of internal charges has been eliminated for the year ended June 30, 2015.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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

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

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

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	\$ 25,078,777
Cash and cash equivalents - Restricted (current)	<u>1,212,997</u>
Total	<u>\$ 26,291,774</u>

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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, 2015:

Bank desposits	\$ 4,927,390
Sweep accounts - Less than two months	<u>21,364,384</u>
Total	<u>\$ 26,291,774</u>

As of June 30, 2015, the Commission's cash and cash equivalents consist of cash in banks of \$27,191,037.

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, 2015, the Commission had approximately \$4,400,000 in bank deposits (certificates of deposit and checking and savings accounts) of the primary government that were uninsured and uncollateralized. The discrete component units had approximately \$22 million in deposits, of which approximately \$16.4 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, 2015, the Commission has investments in a sweep account with a fair value of \$22,319,931 and a weighted average maturity of two months.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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	\$ 22,319,931	N/A

Restricted Cash

The Commission's restricted cash at June 30, 2015 is as follows:

	<u>Primary Government - Business-type Activities</u>	<u>Total Discretely Presented Component Units</u>
Current:		
Tenant security deposits	\$ 364,414	\$ 167,480
Funded reserves	-	18,175,688
Family self-sufficiency escrow	510,114	
HAP equity	<u>338,469</u>	<u>-</u>
Total current restricted	<u>\$ 1,212,997</u>	<u>\$ 18,343,168</u>

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 3 - Property and Equipment

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

	Balance at July 1, 2014	Transfers in/ Additions	Transfers out/ Deletions	Balance at June 30, 2015
Nondepreciable:				
Land	\$ 65,195,735	\$ 6,430,849	\$ -	\$ 71,626,584
Construction in progress	<u>7,683,449</u>	<u>2,813,327</u>	<u>6,630,984</u>	<u>3,865,792</u>
Total nondepreciable	72,879,184	9,244,176	6,630,984	75,492,376
Depreciable:				
Structures and improvements	85,703,243	1,449,680	1,705,456	85,447,467
Equipment	<u>7,617,485</u>	<u>71,034</u>	<u>252,940</u>	<u>7,435,579</u>
Total depreciable	<u>93,320,728</u>	<u>1,520,714</u>	<u>1,958,396</u>	<u>92,883,046</u>
Total capital assets	166,199,912	10,764,890	8,589,380	168,375,422
Less accumulated depreciation:				
Structures and improvements	(28,265,243)	(4,582,385)	834,748	(32,012,880)
Equipment	<u>(4,328,468)</u>	<u>(984,464)</u>	<u>176,462</u>	<u>(5,136,470)</u>
Total accumulated depreciation	<u>(32,593,711)</u>	<u>(5,566,849)</u>	<u>1,011,210</u>	<u>(37,149,350)</u>
Capital assets - Net	<u>\$ 133,606,201</u>	<u>\$ 5,198,041</u>	<u>\$ 9,600,590</u>	<u>\$ 131,226,072</u>

Included in the above structures and improvements is approximately \$11,000,000 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, 2015, this property was demolished and remains vacant. During the year, the Commission received approximately \$2,395,000 in emergency Capital Fund Grant proceeds for the demolition of Douglass Home. The Commission completed the demolition of the existing buildings in 2015 and is currently exploring redevelopment options. The total costs incurred from inception of demolition through June 30, 2015 were approximately \$4,600,000 and are included in land. As of June 30, 2015, there is no remaining commitment in relation to this demolition. It is management's belief that after the demolition of the buildings, the value of the land exceeds the net book value of the building.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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

Note 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 2015, the Commission loaned approximately \$4,900,000 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 2015. 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, 2015

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	\$ 1,714,852
The Villages at Parkside II, LLC (Business Activities)*	December 2038	7.00%	2,584,579	1,515,883
The Villages at Parkside IV, LLC (Hope VI)*	December 2038	0.45%	20,990,363	1,585,980
Woodbridge Estates Apartments I, LLC (Hope VI)*	January 2048	4.72%	1,279,824	914,699
Woodbridge Estates Apartments I, LLC (Hope VI)*	January 2048	0.00%	840,500	-
Woodbridge Estates Apartments II, LLC (Hope VI)*	January 2048	4.72%	1,888,460	1,361,173
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	737,908
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (Hope VI)*	January 2051	4.61%	1,764,801	842,221
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (Hope VI)*	January 2051	4.61%	2,057,829	973,570
Woodbridge Estates VI Limited Dividend Housing Association, LLC (Hope VI)*	September 2063	3.75%	2,702,250	-
Woodbridge Estates VI Limited Dividend Housing Association, LLC (Hope VI)*	September 2015	0.00%	840,573	-
Woodbridge ILF Associates Limited Dividend Housing Association, Limited Partnership (Hope VI)*	June 2049	5.20%	3,713,011	2,109,787
Alexandrine Square Limited Dividend Housing Association, Limited Partnership* (Hope VI)*	November 2047	4.58%	265,780	96,141
Emerald Springs IA Limited Dividend Housing Association, LLC (RHF)*	January 2056	0.50%	5,292,434	40,954
Emerald Springs IB Limited Dividend Housing Association, LLC (RHF)*	January 2056	0.50%	4,644,005	36,106
Emerald Springs II Limited Dividend Housing Association, LLC (RHF)*	March 2058	0.50%	7,435,463	79,283
Cornerstone Phase I Limited Dividend Housing Association, LLC (Hope VI)*	August 2060	3.79%	4,370,501	701,710
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	441,137
Gardenview Homes I Limited Dividend Housing Association, LLC (Hope VI)*	December 2053	0.00%	9,833,263	-
Gardenview Homes II and III Limited Dividend Housing Association, LLC (Hope VI)*	December 2054	0.00%	4,582,363	-
Gardenview Homes IV Limited Dividend Housing Association, LLC (Hope VI)*	December 2054	0.75%	3,887,485	140,001
Gardenview Homes V Limited Dividend Housing Association, (RHF and Hope VI) *	March 2061	0.00%	5,429,693	-
Gardenview Homes VI Limited Dividend Housing Association, (RHF and Hope VI) *	March 2061	0.00%	4,898,924	-
Gardenview Homes IX Limited Dividend Housing Association, (RHF and Hope VI) *	June 2064	0.00%	4,535,227	-
Subtotal			131,533,241	13,291,405
<i>Due from other:</i>				
Homeownership loans - Net (accumulated amortization for forgiveness of debt of \$1,817,217)	Various	0%	275,981	-
Total noncurrent notes receivable			\$ 131,809,222	\$ 13,291,405

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

Note 7 - Pension Obligation

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

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

The MERS plan covers substantially all employees of the Commission, including the executive, non-executive, contributing union members, contributing non-executive members, and executive director. Summary information for each of these groups is provided below.

Executive - Retirement benefits for employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. Vesting period is six years.

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

Contributing Union Members - Retirement benefits for employees are calculated as 2.00 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. Vesting period is six years.

Contributing Non-Executive - Retirement benefits for employees are calculated as 2.00 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. Vesting period is six years.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 7 - Pension Obligation (Continued)

Executive Director - Retirement benefits for employees are calculated as 2.50 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early reduced retirement at age 50 with 25 years of service or age 55 with 15 years of service. Vesting period is six years.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	40
Active plan members	<u>116</u>
Total employees covered by MERS	<u><u>178</u></u>

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

For the year ended December 31, 2014, the active employee contribution rate was 5.0 percent of annual pay for executive, contributing union members, and contributing non-executive members, and 0 percent for non-executive and executive directors.

The Commission's contribution rates as a percent of annual payroll are: executive - 5.03 percent, contributing union members- 7.32 percent, contributing non-executive - 6.33 percent, executive director - 15.49 percent.

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 7 - Pension Obligation (Continued)

Net Pension Liability

The net pension asset reported at June 30, 2015 was determined using a measure of the total pension asset and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at December 31, 2013	\$ 12,227,826	\$12,519,097	\$ (291,271)
Changes for the year:			
Service cost	687,970	-	687,970
Interest	1,024,974	-	1,024,974
Contributions - Employer	-	484,806	(484,806)
Contributions - Employee	-	318,583	(318,583)
Net investment income	-	806,700	(806,700)
Benefit payments, including refunds	(295,860)	(295,860)	-
Administrative expenses	-	(29,860)	29,860
Net Changes	<u>1,417,084</u>	<u>1,284,369</u>	<u>132,715</u>
Balances at December 31, 2014	<u>\$ 13,644,910</u>	<u>\$13,803,466</u>	<u>\$ (158,556)</u>

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 7 - Pension Obligation (Continued)

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

For the year ended June 30, 2015, the Commission recognized pension expense of \$420,855. At June 30, 2015, the Commission reported deferred outflows of resources, included in other noncurrent assets on the statement of net position, related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 196,663
Employer contributions to the plan subsequent to the measurement date	221,260
Total	<u>\$ 417,923</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as indicated in the table below. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$221,260), which will impact net pension liability in fiscal year 2016, rather than pension expense.

Years Ending June 30	Amount
2016	\$ 49,166
2017	49,166
2018	49,166
2019	49,165

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 7 – Pension Obligation (Continued)

Actuarial Assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3-4%	
Salary increases	4.5%	In the long term, 1%, 2% and 3% for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8.25%	Net of pension plan investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 4.5 percent long-term wage inflation assumption would be consistent with a price inflation.

Mortality rates were based on the 1994 Group Annuity Mortality Table of 50 percent Male and 50 percent Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study in 2008. The MERS retirement board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 7 - Pension Obligation (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset class:	Target Allocation	Long-term Expected Real Rate of Return
Global equity	58%	5.00%
Global fixed income	20%	2.20%
Real assets	12%	4.20%
Diversifying strategies	10%	6.60%

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following presents the net pension asset of the Commission, calculated using the discount rate of 8.25 percent, as well as what the Commission's net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension asset (liability) of the Commission	\$ (1,732,496)	\$ 158,556	\$ 1,744,331

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

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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, 2015, the remaining HAP reserve is \$575,424, 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 \$8,037,466, \$1,004,288, \$17,908,478, and \$1,301,642, respectively.

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, 2015, 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, 2015, approximately 92 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, 2015

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, 2015 and December 31, 2014	Nondepreciable	Depreciable		Accumulated Depreciation	2015 Net Capital Assets
	Land	Buildings and Improvements	Furniture, Fixtures, and Equipment		
Woodbridge Estates Apartments I, LLC	\$ -	\$ 6,216,574	\$ 7,568	\$ (1,631,245)	\$ 4,592,897
Woodbridge Estates Apartments II, LLC	-	8,135,870	7,629	(2,129,654)	6,013,845
Woodbridge Estates Apartments III, LDHA LLC	-	6,104,266	1,540	(1,197,804)	4,908,002
Woodbridge Estates Apartments IV LDHA LLC	-	7,403,051	1,870	(1,455,785)	5,949,136
Woodbridge Estates Apartments V LDHA LLC	-	10,699,537	16,679	(2,052,280)	8,663,936
Woodbridge Estates Apartments VI LDHA LLC	-	9,517,950	391,392	(57,970)	9,851,372
Woodbridge ILF Associates LDHA LP	291,667	12,565,014	881,972	(3,815,817)	9,922,836
The Villages at Parkside II LLC	425,457	27,437,362	824,484	(17,984,152)	10,703,151
The Villages at Parkside IV LLC	446,650	23,709,418	1,053,208	(16,005,901)	9,203,375
Alexandrine Square Apartments LDHA LP	13,767	2,838,190	243,301	(1,625,301)	1,469,957
Cornerstone Estates I LDHA LLC	-	8,871,414	366,689	(1,530,960)	7,707,143
Cornerstone Estates II LDHA LLC	-	9,223,625	434,210	(1,370,480)	8,287,355
Cornerstone Estates III LDHA LLC	-	9,325,228	410,259	(1,202,064)	8,533,423
Gardenview Homes I LDHA LLC	2,935,950	15,964,590	710,334	(2,698,018)	16,912,856
Gardenview Homes II LDHA LLC	1,143,034	6,785,621	1,360,059	(1,446,305)	7,842,409
Gardenview Homes III LDHA LLC	1,164,608	6,791,783	1,317,998	(1,513,380)	7,761,009
Gardenview Homes IV LDHA LLC	1,854,166	8,106,715	401,248	(1,534,415)	8,827,714
Gardenview Homes V LDHA LLC	3,511,802	9,760,850	394,291	(1,485,212)	12,181,731
Gardenview Homes VI LDHA LLC	3,332,973	8,682,157	358,634	(1,391,736)	10,982,028
Gardenview Homes VII LDHA LLC	2,875,136	11,267,284	603,394	(693,090)	14,052,724
Gardenview Homes VIII LDHA LLC	2,716,057	11,100,045	593,552	(673,254)	13,736,400
Emerald Springs LDHA Partnership IA	242,444	12,963,950	145,734	(1,622,718)	11,729,410
Emerald Springs LDHA Partnership IB	366,545	12,340,632	113,263	(1,515,243)	11,305,197
Emerald Springs II LDHA LP	311,656	8,932,926	95,824	(603,039)	8,737,367
Total fixed assets placed in service	21,631,912	254,744,052	10,735,132	(67,235,823)	219,875,273
Gardenview Homes IX LDHA LLC- Construction in progress					7,697,284
Total Discrete Component Unit Net Capital Assets					\$ 227,572,557

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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	\$ 4,748,594	\$ -	\$ (155,697)	\$ 4,592,897
Woodbridge Estates Apartments II, LLC	6,217,666	-	(203,821)	6,013,845
Woodbridge Estates Apartments III, LDHA LLC	5,060,754	-	(152,752)	4,908,002
Woodbridge Estates Apartments IV LDHA LLC	6,134,399	-	(185,263)	5,949,136
Woodbridge Estates Apartments V LDHA LLC	8,933,093	-	(269,157)	8,663,936
Woodbridge Estates Apartments VI LDHA LLC	5,895,757	4,013,585	(57,970)	9,851,372
Woodbridge ILF Associates LDHA LP	10,338,178	14,876	(430,218)	9,922,836
The Villages at Parkside II LLC	11,646,259	48,760	(991,868)	10,703,151
The Villages at Parkside IV LLC	9,967,490	87,110	(851,225)	9,203,375
Alexandrine Square Apartments LDHA LP	1,580,159	-	(110,202)	1,469,957
Cornerstone Estates I LDHA LLC	8,146,359	-	(439,216)	7,707,143
Cornerstone Estates II LDHA LLC	8,780,445	-	(493,090)	8,287,355
Cornerstone Estates III LDHA LLC	9,046,366	-	(512,943)	8,533,423
Gardenview Homes I LDHA LLC	17,444,892	-	(532,036)	16,912,856
Gardenview Homes II LDHA LLC	8,167,994	159,123	(484,708)	7,842,409
Gardenview Homes III LDHA LLC	8,111,541	143,168	(493,700)	7,761,009
Gardenview Homes IV LDHA LLC	9,042,129	263,346	(477,761)	8,827,714
Gardenview Homes V LDHA LLC	12,343,815	357,591	(519,675)	12,181,731
Gardenview Homes VI LDHA LLC	11,234,542	242,409	(494,923)	10,982,028
Gardenview Homes VII LDHA LLC	-	14,745,814	(693,090)	14,052,724
Gardenview Homes VIII LDHA LLC	-	14,409,654	(673,254)	13,736,400
Emerald Springs LDHA Partnership IA	12,241,048	35,639	(547,277)	11,729,410
Emerald Springs LDHA Partnership IB	11,803,415	19,515	(517,733)	11,305,197
Emerald Springs LDHA Partnership II	9,122,461	4,312	(389,406)	8,737,367
Total fixed assets placed in service - June 30, 2015	196,007,356	34,544,902	(10,676,985)	219,875,273
Gardenview Homes IX LDHA LLC- Construction in progress	-	7,697,284	-	7,697,284
Total Discrete Component Unit Net Capital Assets	\$ 196,007,356	\$ 42,242,186	\$ (10,676,985)	\$ 227,572,557

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

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, 2015 and December 31, 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	\$ 1,480,634	\$ (21,543)	\$ 1,459,091	\$ 22,700
	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	2,126,262	(30,936)	2,095,326	32,600
	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	1,529,848	(18,493)	1,511,355	34,200
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	
	Detroit Housing Commission	4.52%	2036	478,500	(7,500)	471,000	
Woodbridge Estates Apartments IV LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	2,019,443	(24,412)	1,995,031	40,300
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	
	Detroit Housing Commission	4.52%	2036	478,500	(7,500)	471,000	
Woodbridge Estates Apartments V LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	3,238,920	(39,153)	3,199,767	55,500
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	
	Detroit Housing Commission	4.52%	2036	478,500	(7,500)	471,000	
Woodbridge Estates Apartments VI LDHA LLC	RBS Citizens	3.95%	2016	2,876,115	1,054,268	3,930,383	
	Detroit Housing Commission	3.75%	2063	2,337,482	(107,886)	2,229,596	
	Detroit Housing Commission	0.00%	2015	843,573	(3,000)	840,573	
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	1,697,251	(18,406)	1,678,845	22,486
	MSHDA - HOME Note	3.00%	2058	287,387	(2,851)	284,536	
	Detroit Housing Commission	0.00%	2053	9,833,758	(2,340)	9,831,418	
Gardenview Homes II, III, IV, V, VI, VII, VIII, and IX LDHA LLC	MSHDA - Section 1602 TCAP funds	0.00%	(a)	13,122,960	-	13,122,960	
	MSHDA	0.00%	2015	7,411,210	(7,411,210)	-	
	MSHDA	6.75%	2015	10,508,027	2,326,660	12,834,687	12,834,687
	MSHDA	3.00%	2062	12,850,000	-	12,850,000	
	Detroit Housing Commission	0.00%	2054-2064	15,021,462	4,053,042	19,074,504	
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	9,936,440	-	9,936,440	
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	6,713,726	722,740	7,436,466	
	MSHDA	2.66%	2015	5,002,721	(5,002,721)	-	
Cornerstone I LDHA LLC	Detroit Housing Commission	3.79%	2060	4,366,809	-	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	3,309,948	-	3,309,948	
	PNC Bank	3.25%	2015	5,555,510	(5,555,510)	-	
Totals				\$ 197,148,895	\$ (10,104,251)	\$ 187,044,644	\$ 13,042,473

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

Detroit Housing Commission

Notes to Financial Statements June 30, 2015

Note 11 - Reporting Change (Prior Period Adjustment)

In the current year, the Commission implemented Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. The objective of this statement is to improve the accounting and financial reporting by state and local governments for pensions.

Statement of net position - June 30, 2014 - As previously reported	\$ 292,976,418
Adjustment for GASB No. 68	<u>559,236</u>
Statement of net position - June 30, 2014 - As restated	<u>\$ 293,535,654</u>

Note 12 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted during the Commission's 2016 fiscal year.

Required Supplemental Information

Detroit Housing Commission

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

	Year Ended December 31, 2014
Total Pension Liability	
Service cost	\$ 687,970
Interest	1,024,974
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	(295,860)
Net Change in Total Pension Liability	1,417,084
Total Pension Liability - Beginning of year	12,227,826
Total Pension Liability - End of year	\$ 13,644,910
Plan Fiduciary Net Position	
Contributions - Employer	\$ 484,806
Contributions - Member	318,583
Net investment income	806,700
Administrative expenses	(29,860)
Benefit payments, including refunds	(295,860)
Other	-
Net Change in Plan Fiduciary Net Position	1,284,369
Plan Fiduciary Net Position - Beginning of year	12,519,097
Plan Fiduciary Net Position - End of year	\$ 13,803,466
Commission's Net Pension Asset - Ending	\$ 158,556
Plan Fiduciary Net Position as a % of Total Pension Asset	101.16%
Covered Employee Payroll	\$ 6,283,273
Commission's Net Pension Liability as a % of Covered Employee Payroll	(2.5)%

Detroit Housing Commission

Required Supplemental Information Schedule of Commission Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 484,806	\$ 775,604	\$ 694,053	\$ 630,937	\$ 780,792	\$ 710,646	\$ 725,436	\$ 621,972	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>484,806</u>	<u>775,604</u>	<u>694,053</u>	<u>630,937</u>	<u>715,188</u>	<u>855,387</u>	<u>725,436</u>	<u>621,972</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65,604)</u>	<u>\$ 144,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,283,273	\$ 6,283,273	\$ 6,476,619	\$ 6,898,574	\$ 6,740,448	\$ 5,683,727	\$ 5,783,636	\$ 5,966,229	\$ 4,767,726	\$ 6,215,231
Contributions as a percentage of covered employee payroll	7.7%	12.3%	10.7%	9.1%	11.5%	12.5%	12.5%	10.4%	0%	0%

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	24 years
Asset valuation method	10-year smoothed
Inflation	3.5%
Salary increases	4.5%
Investment rate of return	8.0%
Retirement age	60 years
Mortality	50% Male/50% Female 1994 Group Annuity Mortality Table
Other information	None

Other Supplemental Information

Detroit Housing Commission

Capital Fund Program Schedule of Actual Program Costs and Advances Year Ended June 30, 2015

PROGRAM	MI28P001501-11	MI28P001501-12	MI28P001501-13	MI28E001501-12	MI28P001501-14	TOTAL
BUDGET	<u>\$ 7,756,710</u>	<u>\$ 7,275,028</u>	<u>\$ 7,196,738</u>	<u>\$ 5,630,284</u>	<u>\$ 8,255,478</u>	<u>\$ 36,114,238</u>
ADVANCES						
Cash receipts - prior years	\$ 6,346,533	\$ 4,260,465	\$ 2,159,011	\$ 2,467,704	\$ -	\$ 15,233,713
Cash receipts - current year	1,356,115	2,117,026	1,750,058	3,081,702	3,105,839	11,410,740
Cumulative as of June 30, 2015	<u>7,702,648</u>	<u>6,377,491</u>	<u>3,909,069</u>	<u>5,549,406</u>	<u>3,105,839</u>	<u>26,644,453</u>
COSTS						
Prior years	6,439,332	4,408,456	2,159,011	3,396,505	-	16,403,304
Current year	1,301,423	2,006,783	1,876,571	2,394,258	3,117,657	10,696,692
Cumulative as of June 30, 2015	<u>7,740,755</u>	<u>6,415,239</u>	<u>4,035,582</u>	<u>5,790,763</u>	<u>3,117,657</u>	<u>27,099,996</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 38,107</u>	<u>\$ 37,748</u>	<u>\$ 126,513</u>	<u>\$ 241,357</u>	<u>\$ 11,818</u>	<u>\$ 455,543</u>
SOFT COSTS						
Prior years	\$ 5,781,883	\$ 3,536,329	\$ 2,159,011	\$ 479,640	\$ -	\$ 11,956,863
Current year	1,213,608	1,497,930	1,876,571	431,644	3,117,657	8,137,410
Cumulative as of June 30, 2015	<u>6,995,491</u>	<u>5,034,259</u>	<u>4,035,582</u>	<u>911,284</u>	<u>3,117,657</u>	<u>20,094,273</u>
HARD COSTS						
Prior years	657,449	872,127	-	2,916,865	-	4,446,441
Current year	87,815	508,853	-	1,962,614	-	2,559,282
Cumulative as of June 30, 2015	<u>745,264</u>	<u>1,380,980</u>	<u>-</u>	<u>4,879,479</u>	<u>-</u>	<u>7,005,723</u>
OTHER COSTS						
Prior years	-	-	-	-	-	-
Current year	-	-	-	-	-	-
Cumulative as of June 30, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 7,740,755</u>	<u>\$ 6,415,239</u>	<u>\$ 4,035,582</u>	<u>\$ 5,790,763</u>	<u>\$ 3,117,657</u>	<u>\$ 27,099,996</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances Year Ended June 30, 2015

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	\$ 569,624	\$ 2,114,988	\$ 1,281,813	\$ 1,367,468
Cash receipts - current year	-	-	-	-
Cumulative as of June 30, 2015	<u>569,624</u>	<u>2,114,988</u>	<u>1,281,813</u>	<u>1,367,468</u>
COSTS				
Prior years	569,624	2,114,988	1,281,813	1,367,468
Current year	-	-	-	-
Cumulative as of June 30, 2015	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SOFT COSTS				
Prior years	\$ 113,864	\$ 845,606	\$ 644,044	\$ 903,124
Current year	-	-	-	-
Cumulative as of June 30, 2015	<u>113,864</u>	<u>845,606</u>	<u>644,044</u>	<u>903,124</u>
HARD COSTS				
Prior years	455,762	1,269,382	637,769	-
Current year	-	-	-	-
Cumulative as of June 30, 2015	<u>455,762</u>	<u>1,269,382</u>	<u>637,769</u>	<u>-</u>
CUMULATIVE HARD, SOFT				
AND OTHER COSTS	<u>\$ 569,626</u>	<u>\$ 2,114,988</u>	<u>\$ 1,281,813</u>	<u>\$ 903,124</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2015

PROGRAM BUDGET	MI28R001501-09	MI28R001501-10	MI28R001501-11	MI28R001501-12
	<u>\$ 407,175</u>	<u>\$ 412,652</u>	<u>\$ 337,172</u>	<u>\$ 548,967</u>
ADVANCES				
Cash receipts - prior years	\$ 407,175	\$ 347,252	\$ 56,330	\$ 5,309
Cash receipts - current year	-	65,400	280,842	5,782
Cumulative as of June 30, 2015	<u>407,175</u>	<u>412,652</u>	<u>337,172</u>	<u>11,091</u>
COSTS				
Prior years	407,175	412,652	74,141	5,309
Current year			263,031	28,615
Cumulative as of June 30, 2015	<u>407,175</u>	<u>412,652</u>	<u>337,172</u>	<u>33,924</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 22,833</u>
SOFT COSTS				
Prior years	\$ 69,436	\$ 42,179	\$ 44,201	\$ 5,309
Current year	-	-	240,237	28,615
Cumulative as of June 30, 2015	<u>69,436</u>	<u>42,179</u>	<u>284,438</u>	<u>33,924</u>
HARD COSTS				
Prior years	337,739	370,473	29,940	-
Current year	-	-	22,794	-
Cumulative as of June 30, 2015	<u>337,739</u>	<u>370,473</u>	<u>52,734</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 407,175</u>	<u>\$ 412,652</u>	<u>\$ 337,172</u>	<u>\$ 33,924</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2015

PROGRAM	MI28R001501-13	MI28R001502-08	MI28R001502-09	MI28R001502-10	MI28R001502-11
BUDGET	<u>\$ 614,995</u>	<u>\$ 2,816,919</u>	<u>\$ 4,229,235</u>	<u>\$ 2,929,921</u>	<u>\$ 1,528,645</u>
ADVANCES					
Cash receipts - prior years	\$ 32,270	\$ 2,519,787	\$ 3,876,115	\$ 2,001,837	\$ 887,386
Cash receipts - current year	487,479	125,910	71,534	928,085	641,259
Cumulative as of June 30, 2015	<u>519,749</u>	<u>2,645,697</u>	<u>3,947,649</u>	<u>2,929,922</u>	<u>1,528,645</u>
COSTS					
Prior years	47,665	2,580,417	3,952,753	2,929,922	964,647
Current year	500,043	136,764	1,723	-	614,524
Cumulative as of June 30, 2015	<u>547,708</u>	<u>2,717,181</u>	<u>3,954,476</u>	<u>2,929,922</u>	<u>1,579,171</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 27,959</u>	<u>\$ 71,484</u>	<u>\$ 6,827</u>	<u>\$ -</u>	<u>\$ 50,526</u>
SOFT COSTS					
Prior years	\$ 47,665	\$ 234,500	\$ 238,647	\$ 50,000	\$ 399,930
Current year	54,756	136,764	1,723	-	(44,110)
Cumulative as of June 30, 2015	<u>102,421</u>	<u>371,264</u>	<u>240,370</u>	<u>50,000</u>	<u>355,820</u>
HARD COSTS					
Prior years	-	2,345,917	3,714,106	2,879,922	564,716
Current year	445,287	-	-	-	658,633
Cumulative as of June 30, 2015	<u>445,287</u>	<u>2,345,917</u>	<u>3,714,106</u>	<u>2,879,922</u>	<u>1,223,349</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 547,708</u>	<u>\$ 2,717,181</u>	<u>\$ 3,954,476</u>	<u>\$ 2,929,922</u>	<u>\$ 1,579,169</u>

Detroit Housing Commission

Replacement Housing Fund Schedule of Actual Program Costs and Advances (Continued) Year Ended June 30, 2015

PROGRAM	MI28R001502-12	MI28R001502-13	TOTAL
BUDGET	<u>\$ 1,022,477</u>	<u>\$ 689,980</u>	<u>\$ 20,872,031</u>
ADVANCES			
Cash receipts - prior years	\$ 96,711	\$ -	\$ 15,564,065
Cash receipts - current year	3,372	230,000	2,839,663
Cumulative as of June 30, 2015	<u>100,083</u>	<u>230,000</u>	<u>18,403,728</u>
COSTS			
Prior years	103,993		16,812,567
Current year	3,372	230,000	1,778,072
Cumulative as of June 30, 2015	<u>107,365</u>	<u>230,000</u>	<u>18,590,639</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 7,282</u>	<u>\$ -</u>	<u>\$ 186,910</u>
SOFT COSTS			
Prior years	\$ 103,993	\$ -	3,742,498
Current year	3,372		421,357
Cumulative as of June 30, 2015	<u>107,365</u>	<u>-</u>	<u>4,163,855</u>
HARD COSTS			
Prior years	-	-	12,605,726
Current year	-	230,000	1,356,714
Cumulative as of June 30, 2015	<u>-</u>	<u>230,000</u>	<u>13,962,440</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 107,365</u>	<u>\$ 230,000</u>	<u>\$ 18,126,295</u>

Detroit Housing Commission

HOPE VI Schedule of Actual Program Costs and Advances Year Ended June 30, 2015

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	\$ 35,996,526	\$ 45,707,014	\$ 9,969,349	\$ 16,509,931	\$ 108,182,820
Cash receipts - current year	1,733,478	37,863	30,650	3,553,420	5,355,411
Cumulative as of June 30, 2015	<u>37,730,004</u>	<u>45,744,877</u>	<u>9,999,999</u>	<u>20,063,351</u>	<u>113,538,231</u>
COSTS					
Prior years	36,939,764	45,775,068	10,000,000	16,682,163	109,396,995
Current year	878,265	23,842	-	3,460,143	4,362,250
Cumulative as of June 30, 2015	<u>37,818,029</u>	<u>45,798,910</u>	<u>10,000,000</u>	<u>20,142,306</u>	<u>113,759,245</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ 88,025</u>	<u>\$ 54,033</u>	<u>\$ 1</u>	<u>\$ 78,955</u>	<u>\$ 221,014</u>
SOFT COSTS					
Prior years	\$ 16,400,950	\$ 10,226,213	\$ 74,078	\$ 4,494,741	\$ 31,195,982
Current year	420,968	23,842	-	640,873	1,085,683
Cumulative as of June 30, 2015	<u>16,821,918</u>	<u>10,250,055</u>	<u>74,078</u>	<u>5,135,614</u>	<u>32,281,665</u>
HARD COSTS					
Prior years	20,538,814	35,548,855	9,925,922	12,187,422	78,201,013
Current year	457,297	-	-	2,819,270	3,276,567
Cumulative as of June 30, 2015	<u>20,996,111</u>	<u>35,548,855</u>	<u>9,925,922</u>	<u>15,006,692</u>	<u>81,477,580</u>
OTHER COSTS					
Prior years	-	-	-	-	-
Current year	-	-	-	-	-
Cumulative as of June 30, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 37,818,029</u>	<u>\$ 45,798,910</u>	<u>\$ 10,000,000</u>	<u>\$ 20,142,306</u>	<u>\$ 113,759,245</u>

Detroit Housing Commission

Development Grants Schedule of Actual Program Costs and Advances Year Ended June 30, 2015

PROGRAM	MI28P001061
BUDGET	<u>\$ 19,578,300</u>
ADVANCES	
Cash receipts - prior years	\$ 18,055,348
Cash receipts - current year	227,510
Cumulative as of June 30, 2015	<u>18,282,858</u>
COSTS	
Prior years	18,170,528
Current year	276,198
Cumulative as of June 30, 2015	<u>18,446,726</u>
EXCESS (DEFICIENCY) OF ADVANCES DUE TO (FROM) HUD	<u>\$ (163,868)</u>
SOFT COSTS	
Prior years	\$ 6,991,660
Current year	261,798
Cumulative as of June 30, 2015	<u>7,253,458</u>
HARD COSTS	
Prior years	11,178,868
Current year	14,400
Cumulative as of June 30, 2015	<u>11,193,268</u>
OTHER COSTS	
Prior years	-
Current year	-
Cumulative as of June 30, 2015	-
CUMULATIVE HARD, SOFT AND OTHER COSTS	<u>\$ 18,446,726</u>

Detroit Housing Commission

Ross Grant Schedule of Actual Program Costs and Advances Year Ended June 30, 2015

PROGRAM	MI001RFS437A012	MI001RPS0683A012	MI001RFS133A013	MI001FSH330A014	Total
BUDGET	\$ 69,000	\$ 711,450	\$ 69,000	\$ 263,285	\$ 1,112,735
ADVANCES					
Cash receipts - prior years	\$ 49,577	\$ 92,339	\$ -	\$ -	\$ 141,916
Cash receipts - current year	19,423	191,515	46,000	47,687	304,625
Cumulative as of June 30, 2015	69,000	283,854	46,000	47,687	446,541
COSTS					
Prior years	57,091	125,952	-	-	183,043
Current year	11,909	168,534	57,500	46,980	284,923
Cumulative as of June 30, 2015	69,000	294,486	57,500	46,980	467,966
ADVANCES DUE TO					
(FROM) HUD	\$ 0	\$ 10,632	\$ 11,500	\$ (707)	\$ 21,425
SOFT COSTS					
Prior years	\$ 57,091	\$ 125,952	\$ -	\$ -	\$ 183,043
Current year	11,909	168,534	57,500	46,980	284,923
Cumulative as of June 30, 2015	69,000	294,486	57,500	46,980	467,966
HARD COSTS					
Prior years	-	-	-	-	-
Current year	-	-	-	-	-
Cumulative as of June 30, 2015	-	-	-	-	-
OTHER COSTS					
Prior years	-	-	-	-	-
Current year	-	-	-	-	-
Cumulative as of June 30, 2015	-	-	-	-	-
CUMULATIVE HARD, SOFT AND OTHER COSTS	\$ 69,000	\$ 294,486	\$ 57,500	\$ 46,980	\$ 467,966

Detroit Housing Commission

Financial Data Schedule Year Ended June 30, 2015

PHA: MI001 FYED: 06/30/2015								
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	17,481,070	162,797	7,434,910		25,078,777	3,719,031	28,797,808
112	Cash - Restricted - Modernization and Development	-	-	-		-	1,724,496	1,724,496
113	Cash - other restricted	282,347	-	566,236		848,583	15,861,315	16,709,898
114	Cash - Tenant Security Deposits	364,414	-	-		364,414	167,480	531,894
115	Cash - Restricted for payment of current liability	-	-	-		-	589,877	589,877
100	Total Cash	18,127,831	162,797	8,001,146	-	26,291,774	22,062,199	48,353,973
121	Accounts Receivable - PHA Projects	-	-	-		-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-		-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	643,029	-	406,108		1,049,137	-	1,049,137
122-030	Accounts receivable - HUD other projects - Other	-	-	78,658		78,658	-	78,658
124	Accounts Receivable - other government	-	-	193		193	717,174	717,367
125-050	Accounts Receivable - Miscellaneous	121,725	24	443,188		564,937	312,126	877,063
126	Accounts Receivable - Tenants - Dwelling Rents	162,267	-	6,628		168,895	289,621	458,516
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(46,993)	-	-		(46,993)	-	(46,993)
126.2	Allowance for Doubtful Accounts - Other	-	-	-		-	-	-
127	Notes, Loans, & Mortgages Receivable - current	-	-	-		-	-	-
128	Fraud recovery	-	-	50,024		50,024	-	50,024
128.1	Allowance for doubtful accounts - fraud	-	-	-		-	-	-
129	Accrued interest receivable	-	-	-		-	-	-
120	Total Receivables, net of allowances for doubtful accounts	880,028	24	984,799	-	1,864,851	1,318,921	3,183,772
131	Investments - Unrestricted	-	-	-		-	-	-
132	Investments - restricted	-	-	-		-	-	-
135	Investments - restricted for payment of current liability	-	-	-		-	-	-
142	Prepaid Expenses and Other Assets	130,476	102,600	18,057		251,133	140,230	391,363
143	Inventories	-	-	-		-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-		-	-	-
144	Interprogram due from	-	758,302	99,076	(857,378)	-	-	-
145	Assets held for sale	-	-	-		-	-	-
146	Amounts to be provided	-	-	-		-	84,825	84,825
150	Total Current Assets	19,138,335	1,023,723	9,103,078	(857,378)	28,407,758	23,606,175	52,013,933
161	Land	64,986,948	958,000	147,006		66,091,954	21,631,912	87,723,866
162	Buildings	83,860,833	1,494,899	-		85,355,732	240,554,402	325,910,134
163	Furniture, Equipment & Machinery - Dwellings	4,902,800	-	-		4,902,800	9,480,193	14,382,993
164	Furniture, Equipment & Machinery - Administration	843,540	1,652,302	36,934		2,532,776	40,030	2,572,806
165	Leasehold Improvements	-	-	-		-	14,743,550	14,743,550
166	Accumulated Depreciation	(35,397,681)	(1,625,636)	(34,295)		(37,057,612)	(66,574,814)	(103,632,426)
167	Construction In Progress	7,511,478	-	1,888,944		9,400,422	7,697,284	17,097,706
168	Infrastructure	-	-	-		-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	126,707,918	2,479,565	2,038,589	-	131,226,072	227,572,557	358,798,629
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	119,659,811	-	12,149,411		131,809,222	380,815	132,190,037
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-		-	-	-
173	Grants receivable - noncurrent	-	-	-		-	-	-
174-050	Other Assets	11,775,523	576,479	1,515,882		13,867,884	2,447,051	16,314,935
176	Investment in joint ventures	-	-	-		-	-	-
180	Total Non-Current Assets	258,143,252	3,056,044	15,703,882	-	276,903,178	230,400,423	507,303,601
190	Total Assets	277,281,587	4,079,767	24,806,960	(857,378)	305,310,936	254,006,598	559,317,534

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2015

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	717,453	127,462	363,037		1,207,952	4,593,603	5,801,555
313	Accounts Payable >90 Days Past Due	-	-	-		-	-	-
321	Accrued Wage/Payroll Taxes Payable	81,921	157,338	45,198		284,457	8,256	292,713
322	Accrued Compensated Absences	35,355	87,567	16,476		139,398	-	139,398
324	Accrued contingency liability	-	-	-		-	-	-
325	Accrued interest payable	-	-	-		-	14,434,268	14,434,268
331	Accounts Payable - HUD PHA Programs	1,891	-	-		1,891	-	1,891
331-030	Accounts Payable - HUD Other	-	-	380,326		380,326	-	380,326
332	Accounts Payable - PHA Projects	-	-	-		-	-	-
333	Accounts Payable - Other Government	5,255	-	44,088		49,343	-	49,343
341	Tenant Security Deposits	347,106	-	-		347,106	323,258	670,364
342-010	Deferred Revenues-Operating Subsidy	9,856	-	-		9,856	-	9,856
342-030	Deferred Revenues-Operating Other	3,665,106	200,709	-		3,865,815	61,531	3,927,346
343	Current portion of L-T debt - capital projects	-	-	-		-	12,935,373	12,935,373
344	Current portion of L-T debt - operating borrowings	-	-	-		-	107,100	107,100
345	Other current liabilities	419,423	30,850	968,117		1,418,390	2,289,906	3,708,296
345	FSS Escrow	-	-	-		-	-	-
346	Accrued Liabilities - Other	451,914	13,964	-		465,878	903,544	1,369,422
347	Interprogram due to	349,792	-	507,586	(857,378)	-	-	-
348	Loan liability - current	-	-	-		-	-	-
310	Total Current Liabilities	6,085,072	617,890	2,324,828	(857,378)	8,170,412	35,656,839	43,827,251
		-	-	-		-	-	-
351	Long-term debt, net of current - capital projects	-	-	-		-	166,735,839	166,735,839
352	Long-Term debt, net of current - operating borrowings	-	-	-		-	7,266,332	7,266,332
353	Noncurrent Liabilities - Other	-	-	-		-	4,611,938	4,611,938
353	FSS Escrow	-	-	-		-	-	-
354	Accrued compensated Absences - Non Current	53,095	138,516	33,435		225,046	-	225,046
355	Loan liability - noncurrent	-	-	-		-	1,756,075	1,756,075
350	Total Noncurrent Liabilities	53,095	138,516	33,435	-	225,046	180,370,184	180,595,230
		-	-	-		-	-	-
300	Total Liabilities	6,138,167	756,406	2,358,263	(857,378)	8,395,458	216,027,023	224,422,481
		-	-	-		-	-	-
508.1	Invested in capital assets, net of related debt	126,707,918	2,479,565	2,038,589		131,226,072	47,901,345	179,127,417
511.1	Restricted Net Assets	119,916,610	-	9,646,502		129,563,112	18,180,579	147,743,691
512.1	Unrestricted Net Assets	24,518,892	843,796	10,763,606		36,126,294	(28,102,349)	8,023,945
513	Total Equity	271,143,420	3,323,361	22,448,697	-	296,915,478	37,979,575	334,895,054
		-	-	-		-	-	-
600	Total Liabilities and Equity	277,281,587	4,079,767	24,806,960	(857,378)	305,310,936	254,006,598	559,317,534

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2015

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	4,647,252	-	-	-	4,647,252	10,084,568	14,731,820
70400	Tenant Revenue - Other	202,882	-	-	-	202,882	304,768	507,650
70500	Total Tenant Revenue	4,850,134	-	-	-	4,850,134	10,389,336	15,239,470
		-	-	-	-	-	-	-
70600-010	Housing assistance payments	-	-	36,081,693	-	36,081,693	-	36,081,693
70600-020	Ongoing administrative fees earned	-	-	3,094,365	-	3,094,365	-	3,094,365
70600-030	Hard to house fee revenue	-	-	-	-	-	-	-
70600-031	FSS Coordinator	-	-	-	-	-	-	-
70600-040	Actual independent public accountant audit costs	-	-	-	-	-	-	-
70600-050	Total preliminary fees earned	-	-	-	-	-	-	-
70600-060	All other fees	-	-	-	-	-	-	-
70600-070	Admin fee calculation description	-	-	-	-	-	-	-
70600-080	Public Housing Operating Subsidy	14,797,521	-	-	-	14,797,521	-	14,797,521
70600	HUD PHA Grants	7,187,147	-	1,510,536	-	8,697,683	-	8,697,683
70610	HUD PHA Capital Grants	5,279,118	3,660	3,412,836	-	8,695,614	-	8,695,614
		-	-	-	-	-	-	-
70710	Management Fee	-	3,570,728	-	(3,570,728)	-	-	-
70720	Asset Management Fee	-	414,480	-	(414,480)	-	-	-
70730	Book-Keeping Fee	-	286,305	-	(286,305)	-	-	-
70740	Front Line Service Fee	-	100,929	-	(100,929)	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	4,372,442	-	(4,372,442)	-	-	-
		-	-	-	-	-	-	-
70800	Other government grants	-	-	84,677	-	84,677	-	84,677
71100-030	Investment Income - Unrestricted	2,777	174,489	1,810	-	179,076	78,609	257,685
71100	Investment Income - restricted	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-
71400-010	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	527,952	1,100,127	25,228	-	1,653,307	26,064,289	27,717,596
71600	Gain/Loss on Sale of Fixed Assets	(855,521)	-	-	-	(855,521)	-	(855,521)
72000-010	Investment income - restricted	1,524,676	-	268,319	-	1,792,995	210,840	2,003,835
70000	Total Revenue	33,313,804	5,650,717	44,479,464	(4,372,442)	79,071,543	36,743,074	115,814,617
		-	-	-	-	-	-	-
91100	Administrative salaries	1,380,610	2,287,916	1,605,147	-	5,273,673	1,463,521	6,737,194
91200	Auditing fees	49,509	13,600	36,000	-	99,109	64,500	163,609
91300	Management Fee	2,587,619	-	965,261	(3,552,880)	0	698,766	698,766
91310	Book-Keeping Fee	304,153	-	-	(304,153)	-	48,162	48,162
91400	Advertising and Marketing	6,520	8,720	7,417	-	22,657	65,349	88,006
91500	Employee benefit contributions - administrative	600,635	737,665	509,168	-	1,847,468	186,126	2,033,594
91600	Office Expenses	286,139	357,067	340,095	-	983,301	286,960	1,270,261
91700	Legal Expense	138,295	680	14,451	(29,201)	124,225	83,205	207,430
91800	Travel	13,902	41,078	21,122	-	76,102	496	76,598
91810	Allocated Overhead	-	-	-	-	-	-	-
91900	Other	820,963	452,995	655,643	-	1,929,601	558,116	2,487,717
		-	-	-	-	-	-	-
92000	Asset Management Fee	414,480	-	-	(414,480)	-	33,035	33,035

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2015

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	5,130	-	133,407		138,537	-	138,537
92200	Relocation Costs	2,924	-	-		2,924	-	2,924
92300	Employee benefit contributions - tenant services	-	-	1,475		1,475	-	1,475
92400	Tenant Services - Other	89,472	-	1,548		91,020	-	91,020
		-	-	-		-		-
93100	Water	724,722	14,389	-		739,111	1,638,748	2,377,859
93200	Electricity	1,370,249	33,427	-		1,403,676	179,595	1,583,271
93300	Gas	811,331	42,471	-		853,802	56,335	910,137
93400	Fuel	-	-	-		-	-	-
93500	Labor	-	-	-		-	-	-
93600	Sewer	1,901,384	30,458	-		1,931,842	-	1,931,842
93700	Employee benefit contributions - utilities	-	-	-		-	-	-
93800	Other utilities expense	-	-	-		-	35,700	35,700
		-	-	-		-		-
94100	Ordinary Maintenance and Operations - Labor	2,041,304	103,166	-		2,144,470	368,559	2,513,029
94200	OMO - Materials and Other	599,043	45,219	5,347		649,609	1,100,543	1,750,152
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	179,483	3,610	-		183,093		183,093
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	1,821,888	12,661	-		1,834,549		1,834,549
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	115,316	18,725	-		134,041		134,041
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-	-	-		-		-
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	649,951	12,880	-		662,831		662,831
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	989,697	-	-		989,697		989,697
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	691,974	17,935	-	(1,074)	708,835		708,835
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	308,923	2,582	-	-	311,505		311,505
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	165,098	430	-	(21,239)	144,289		144,289
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	28,556	-	-		28,556		28,556
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	17,111	3,850	-		20,961		20,961
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	3,281,033	110,779	1,423	(49,415)	3,343,820	702,342	4,046,162
94300	Ordinary Maintenance and Operations - Contract Costs	8,249,030	183,452	1,423	(71,728)	8,362,177	702,342	9,064,519
94500	Employee Benefit Contributions - Ordinary Maintenance	451,597	29,613	-		481,210	-	481,210

Detroit Housing Commission

Financial Data Schedule (Continued) Year Ended June 30, 2015

Line Item No.	Account Description	Total AMPs 14,850	COC 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	901,158	-	24,637	-	925,795	152,305	1,078,100
95300	Protective Services - Other	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
96110	Property Insurance	371,850	20,352	-	-	392,202	521,617	913,819
96120	Liability Insurance	-	-	-	-	-	2,806	2,806
96130	Workmen's Compensation	108,120	8,816	3,433	-	120,369	33,133	153,502
96140	All other Insurance	212,941	20,386	50,719	-	284,046	35,940	319,986
96200	Other General Expenses	4,060,501	341	29,565	-	4,090,407	933,618	5,024,025
96210	Compensated Absences	103,544	174,398	58,522	-	336,464	-	336,464
96300	Payments in Lieu of Taxes	-	-	-	-	-	146,652	146,652
96400	Bad Debt - Tenant Rents	219,907	-	-	-	219,907	181,747	401,654
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-
96600	Bad Debt - Other	179,970	-	-	-	179,970	-	179,970
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	4,028,967	4,028,967
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	36,662	36,662
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-
96900	Total Operating Expenses	29,007,002	4,606,209	4,464,380	(4,372,442)	33,705,149	13,643,505	47,348,654
		-	-	-	-	-	-	-
97000	Excess Operating Revenue over Operating Expenses	4,306,802	1,044,508	40,015,084	-	45,366,395	23,099,569	68,465,964
		-	-	-	-	-	-	-
97100	Extraordinary Maintenance	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-
97300-050	Housing Assistance Payments	-	-	36,403,461	-	36,403,461	-	36,403,461
97300-070	All Other	16,260	-	-	-	16,260	-	16,260
97400	Depreciation Expense	5,288,619	272,954	5,276	-	5,566,849	10,738,590	16,305,439
97500	Fraud losses	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-
90000	Total Expenses	34,311,881	4,879,163	40,873,117	(4,372,442)	75,691,719	24,382,095	100,073,814
		-	-	-	-	-	-	-
10010	Operating transfers in	1,651,095	-	-	(1,651,095)	-	-	-
10020	Operating transfers out	(1,651,095)	-	-	1,651,095	-	-	-
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	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-
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	(998,077)	771,554	3,606,347	-	3,379,824	12,360,979	15,740,803
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-
11030	Beginning Equity	272,141,497	1,992,571	18,842,350	-	292,976,418	25,616,282	318,592,700
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	559,236	-	-	559,236	2,313	561,549
11040-070	Equity transfer	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
11190	Unit Months Available	41,509	-	76,464	-	117,973	-	117,973
11210	Number of Unit Months Leased	38,286	-	61,803	-	100,089	-	100,089
11170	Administrative Fee Equity	-	-	389,388	-	389,388	-	389,388
11180	Housing Assistance Payments Equity	-	-	81,670	-	81,670	-	81,670
		-	-	-	-	-	-	-
11270	Excess Cash	11,132,794	-	-	-	11,132,794	-	11,132,794
		-	-	-	-	-	-	-
11610	Land Purchases	1,980,120	-	139,929	-	2,120,049	-	2,120,049
11620	Building Purchases	1,671,523	-	-	-	1,671,523	-	1,671,523
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	3,276,567	-	3,276,567	-	3,276,567
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	1,627,475	-	-	-	1,627,475	-	1,627,475

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:	Modernization Project Number:
Detroit Housing Commission	MI28P00150110

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	\$	9,240,763.00
B. Funds Disbursed	\$	9,240,763.00
C. Funds Expended (Actual Modernization Cost)	\$	9,240,763.00
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;

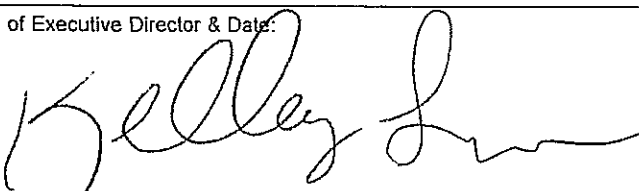
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

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  8/1/14

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X

8/11/14

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

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.

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HA Name: DETROIT HOUSING COMMISSION	Modernization Project Number: M128R001501-11
---	--

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	\$ 337,172.00
B. Funds Disbursed	\$ 337,172.00
C. Funds Expended (Actual Modernization Cost)	\$ 337,172.00
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.

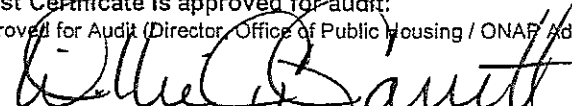
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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  5/4/2015

For HUD Use Only

The Cost Certificate is approved for audit:
Approved for Audit (Director, Office of Public Housing / ONAP Administrator)  Date: 6/2/2015

X 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.

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: MI28R001502-11
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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	\$ 1,528,645.00
B. Funds Disbursed	\$ 1,528,645.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,528,645.00
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;

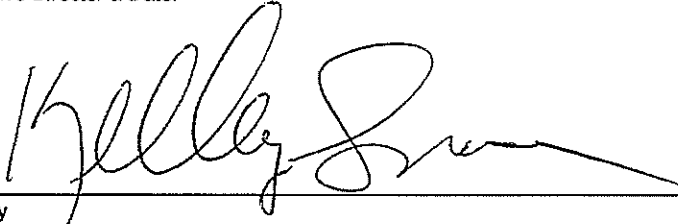
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

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  4/8/15

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

4/9/2015

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. 01/31/2018)

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 MI28URD0011196
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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	\$	10,000,000.00
B. Funds Disbursed	\$	10,000,000.00
C. Funds Expended (Actual Program Cost)	\$	10,000,000.00
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;

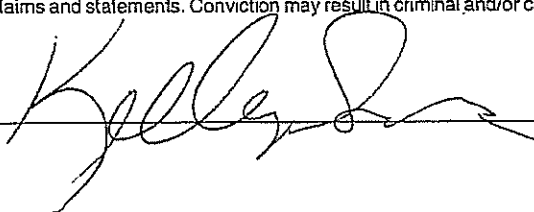
3. That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;

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)

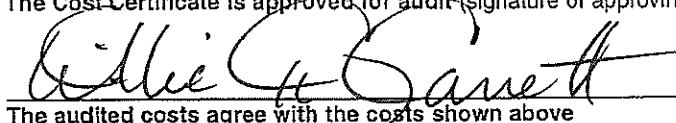
Signature of Executive Director



Date (mm/dd/yyyy)

03/18/2015

For HUD Use Only The Cost-Certificate is approved for audit (signature of approving official)



Date (mm/dd/yyyy)

4/6/2015

The audited costs agree with the costs shown above
Verified (signature)

Date (mm/dd/yyyy)

Approved (signature)

Date (mm/dd/yyyy)