
Detroit Housing Commission

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

Financial Report
with Supplementary Information
June 30, 2024

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Independent Auditor's Report

To the Board of Commissioners
Detroit Housing Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Detroit Housing Commission (the "Commission"), a component unit of the City of Detroit, Michigan, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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 Commission as of June 30, 2024 and the changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units, other than Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership. The discretely presented component units audited by other auditors represent 96 percent of the assets and 95 percent of revenue of the aggregate discretely presented component units as of June 30, 2024 and the respective changes in financial position for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinion on U.S. Generally Accepted Accounting Principles

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The discretely presented component unit financial statements of Woodbridge Estates Apartments I, LLC; Woodbridge Estates Apartments II, LLC; Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership; Woodbridge Estates VI Limited Dividend Housing Association, LLC; Woodbridge Estates IX Limited Dividend Housing Association, LLC; Gardenview Homes IV Limited Dividend Housing Association, LLC; Gardenview Homes V Limited Dividend Housing Association, LLC; Gardenview Homes VI Limited Dividend Housing Association, LLC; Gardenview Homes X Limited Dividend Housing Association, LLC; Emerald Springs IA Limited Dividend Housing Association Limited Partnership; Emerald Springs IB Limited Dividend Housing Association Limited Partnership; Emerald Springs II Limited Dividend Housing Association Limited Partnership; Cornerstone Estates I Limited Dividend Housing Association, LLC; Cornerstone Estates II Limited Dividend Housing Association, LLC; and Cornerstone Estates III Limited Dividend Housing Association, LLC were not audited in accordance with *Government Auditing Standards*.

To the Board of Commissioners
Detroit Housing Commission

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, and schedule of pension contributions, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary 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.

To the Board of Commissioners
Detroit Housing Commission

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The financial data schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Additional Information

Management is responsible for the accompanying schedules of actual program costs and advances, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 on our consideration of the 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 solely 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 effectiveness of the Commission's 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 the Commission's internal control over financial reporting and compliance.



December 4, 2024

As management of the Detroit Housing Commission (the "Commission" or "DHC"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2024. The purpose of this summary is to assist the reader in focusing on significant financial issues, to provide an overview of DHC's financial activities for the year, to highlight changes in DHC's financial position, and to identify individual fund or program issues or concerns. The management discussion and analysis ("MD&A") does not include the information of the discretely presented component units.

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

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

Mission

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

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2024, by \$283.2 (net position).
- The Commission had operating revenue from HUD of \$80.7m and HUD capital grants of \$5.7m which includes funds for redevelopment and capital asset activities.
- The Commission's unrestricted cash and cash equivalents totaled \$27.2m as of June 30, 2024.
- Public housing has maintained occupancy of an average at 70.9 percent for the fiscal year ended June 30, 2024.
- The Commission utilized 78.4 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program and spent 103.04 percent of the Housing Assistance Payment Subsidy received from HUD.
- DHC provides loans to its discrete component units primarily through HOPE VI and Capital Fund Program funding. The discrete component units are required to repay these funds of \$95m to the Commission, which are included in the notes, loans, and mortgages receivable as of June 30, 2024.
- During fiscal year 2024, DHC complied with all the rules and provisions of asset management, which involves detailed budgeting, tracking, and reporting of all activities by development in the Low-income Public Housing Program.
- DHC also used the Central Office Cost Center to carry out the management and administrative activities required by all of its programs.

June 30, 2024

The Commission's Programs

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

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

Section 8 Program - Within the Rental Assistance division is our main Section 8 program, which is known as the Housing Choice Voucher (HCV) program. DHC administers contracts with private landlords that own and lease units within the community. DHC subsidizes a family's rent through a monthly housing assistance payment (HAP) made to the landlord. These programs are operated under Annual Contribution Contracts (ACC) with HUD, which enables DHC to structure a lease that sets the participants' housing costs at 30 percent of household income, adjusted for family composition and certain allowances. DHC has budget authority to administer 6,459 Housing Choice Vouchers, 49 moderate rehabilitation units (site-based program), 99 Emergency Housing Voucher and 104 Mainstream Vouchers.

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

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

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

Overview of the Financial Statements

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

June 30, 2024

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

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

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

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

Financial Analysis

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

Statement of Net Position	2024	2023	Net Change
Assets and Deferred Outflows			
Current assets	\$ 53,770,323	\$ 54,905,819	\$ (1,135,496)
Capital assets - Net	98,186,324	94,267,326	3,918,998
Other noncurrent assets	95,162,077	95,122,807	39,270
Deferred outflows	<u>44,826,131</u>	<u>46,860,929</u>	<u>(2,034,798)</u>
Total assets and deferred outflows	291,944,855	291,156,881	787,974
Liabilities and Deferred Inflows			
Current liabilities	\$ 5,407,071	\$ 7,270,006	\$ (1,862,935)
Other noncurrent liabilities	3,117,936	3,437,774	(319,838)
Deferred inflows	<u>187,343</u>	<u>178,453</u>	<u>8,890</u>
Total Liabilities and deferred inflows	8,712,350	10,886,233	(2,173,883)
Net Position			
Net investment in capital assets	98,186,324	94,267,326	3,918,998
Restricted	116,696,902	116,320,015	376,887
Unrestricted	<u>68,349,279</u>	<u>69,683,307</u>	<u>(1,334,028)</u>
	\$ -		
Total net position	<u>283,232,505</u>	<u>280,270,648</u>	<u>2,961,857</u>
Total liabilities and net position	<u>\$ 291,944,855</u>	<u>\$ 291,156,881</u>	<u>\$ 787,974</u>

The Commission’s net investment in capital assets increased 4.2 percent. DHC remains committed to investing in its properties and had capital additions of \$9.2m. This investment is offset by annual depreciation of \$4.2m

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

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

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

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2024

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

	2024	2023	Net Change
Operating Revenue			
HUD operating revenue	\$ 80,655,110	\$ 76,611,554	\$ 4,043,556
Tenant revenue - Net	7,089,916	8,111,705	(1,021,789)
Other operating revenue	<u>1,561,303</u>	<u>3,351,148</u>	<u>(1,789,845)</u>
Total operating revenue	89,306,329	88,074,407	1,231,922
Operating Expenses			
Administrative	13,860,343	12,993,184	867,159
Tenant services	237,209	106,918	130,291
Utilities	5,066,136	5,950,845	(884,709)
Maintenance	11,897,740	13,014,809	(1,117,069)
Protective services	1,300,359	2,766,864	(1,466,505)
General	7,555,629	7,753,986	(198,357)
Depreciation and amortization	5,339,788	6,622,385	(1,282,597)
Housing assistance payments	<u>49,111,217</u>	<u>45,546,904</u>	<u>3,564,313</u>
Total operating expenses	<u>94,368,421</u>	<u>94,755,895</u>	<u>(387,474)</u>
Operating Loss	(5,062,092)	(6,681,488)	1,619,396
Nonoperating Revenue (Expense)			
Gain (Loss) on sale of asset	-	-	-
Investment income - Unrestricted	2,401,306	1,696,485	704,821
Interest Income - Restricted	2,482,943	2,395,085	87,858
Other revenue	-	-	-
Other expense	(53,917)	(31,539)	(22,378)
Bad debt expense on the note receivable interest income	<u>(2,477,852)</u>	<u>(2,386,783)</u>	<u>(91,069)</u>
Total nonoperating revenue (expense)	<u>2,352,480</u>	<u>1,673,248</u>	<u>679,232</u>
(Decrease) Increase in Net Position Before Capital	(2,709,612)	(5,008,240)	2,298,628
Capital Contributions			
Capital contributions - HUD	<u>5,671,469</u>	<u>4,051,584</u>	<u>1,619,885</u>
Increase in Net Position	2,961,857	(956,656)	3,918,513
Net Position - Beginning of year	<u>280,270,648</u>	<u>281,227,304</u>	<u>(956,656)</u>
Net Position - End of year	<u>\$ 283,232,505</u>	<u>\$ 280,270,648</u>	<u>\$ 2,961,857</u>

Total operating revenue increased by approximately \$1.2m for the fiscal year ended June 30, 2024, primarily due to increased proration funding provided by HUD.

Operating expenses are categorized by the Commission as administrative, tenant services, utilities, maintenance, protective services, general, depreciation expense, and housing assistance payments. The net decrease of approximately \$387K in total operating expenses is primarily due to utilities cost and protective services.

Capital contributions increased by \$1.6m due to increased usage of the HUD Capital Fund Program. HUD's Capital Fund Program is an expenditure driven grant program.

The Commission has no long-term debt as of June 30, 2024.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Capital Assets and Debt Activity

After the Commission became independent from the City of Detroit, Michigan, the City signed over the HUD properties to DHC. DHC recorded these donated assets at fair market value based on appraisals. These original capital assets are adjusted annually by depreciation. Subsequent additional capital assets are recorded at cost. Additional information on the Commission's capital assets can be found in Note 4 to the basic financial statements.

	<u>2024</u>	<u>2023</u>	<u>Net Change</u>
Nondepreciable			
Land	\$ 58,054,439	\$ 59,182,161	\$ (1,127,722)
Construction in progress	<u>4,071,234</u>	<u>5,427,112</u>	<u>(1,355,878)</u>
Total nondepreciable	62,125,673	64,609,273	(2,483,600)
Depreciated			
Structures and improvements	\$ 101,131,307	\$ 90,672,312	\$ 10,458,995
Equipment	<u>7,738,082</u>	<u>7,625,660</u>	<u>112,422</u>
Total depreciated	<u>108,869,389</u>	<u>98,297,972</u>	<u>10,571,417</u>
Total capital assets	170,995,062	162,907,245	8,087,817
Total accumulated depreciation	<u>(72,808,738)</u>	<u>(68,639,919)</u>	<u>(4,168,819)</u>
Capital assets - Net	<u><u>\$ 98,186,324</u></u>	<u><u>\$ 94,267,326</u></u>	<u><u>\$ 3,918,998</u></u>

The decrease in land is primarily due to the sale of land, 8401 Woodmont Drive, Detroit MI.

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 2024 and 2025 federal budgets. The federal deficit and budgetary restrictions at the congressional level will have a great impact on our local activities.

Economic Factors

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

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

Year Ended June 30, 2024

	Primary Government - Business-Type Activities	Total Discrete Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash, cash equivalents, and investments - Unrestricted (Note 3)	\$ 27,266,408	1,977,201
Cash, cash equivalents, and investments - Restricted (Note 3)	23,013,331	13,325,523
Receivables - Net	1,079,379	577,096
Investments	-	15,375
Prepaid expenses	1,032,903	422,358
Due from other governments	<u>1,378,302</u>	<u>-</u>
Total current assets	53,770,323	16,317,553
Noncurrent Assets		
Capital assets - Nondepreciable (Notes 4 and 11)	62,125,673	8,659,523
Capital assets - Depreciable - Net (Notes 4 and 11)	36,060,651	155,372,307
Other noncurrent assets	67,890	1,541,182
Notes, loans, and mortgages receivable - Net (Note 7) - Due from discrete component units with the exception of \$127,927 which is due from the Homeownership Program	<u>95,094,187</u>	<u>-</u>
Total assets	247,118,724	181,890,565
Deferred Outflows of Resources		
Deferred outflows related to pensions (Note 8)	1,500,170	-
Excess consideration provided in acquisition	<u>43,325,961</u>	<u>-</u>
	44,826,131	
Total assets and deferred outflows of resources	<u>\$ 291,944,855</u>	<u>\$ 181,890,565</u>
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 11)	\$ -	\$ 2,808,158
Accounts payable	3,363,766	769,024
Accrued interest payable	-	25,752,212
Accrued salaries and benefits	309,645	-
Accrued compensated absences	20,539	-
Due to other governments	82,015	-
Tenant security deposits	279,975	336,135
Unearned revenue	223,009	95,786
Other current liabilities	<u>1,128,122</u>	<u>2,380,413</u>
Total current liabilities	5,407,071	32,141,728
Noncurrent Liabilities		
Long-term debt - Includes \$94,314,436 which is due to Detroit Housing Commission (Note 11)	-	141,723,059
Accrued compensated absences	379,222	-
Net pension liability (Note 8)	1,830,471	-
Other noncurrent liabilities	<u>908,243</u>	<u>8,479,529</u>
Total liabilities	8,525,007	182,344,316
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 8)	187,343	-
Net Position		
Net investment in capital assets	98,186,324	19,500,613
Restricted for reserves	21,602,715	13,075,640
Restricted for housing projects (notes receivable)	95,094,187	-
Unrestricted net position	<u>68,349,279</u>	<u>(33,030,004)</u>
Total net position	<u>283,232,505</u>	<u>(453,751)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 291,944,855</u>	<u>\$ 181,890,565</u>

Year Ended June 30, 2024

	Primary Government - Business-Type Activities	Total Discrete Component Units
Operating Revenue		
HUD operating revenue	\$ 80,655,110	\$ -
Tenant revenue - Net	7,089,916	13,181,833
Other operating revenue	<u>1,561,303</u>	<u>167,358</u>
Total operating revenue	89,306,329	13,349,191
Operating Expenses		
Administrative	13,860,343	5,051,520
Tenant services	237,209	-
Utilities	5,066,136	1,982,055
Maintenance	11,897,740	4,309,425
Protective services	1,300,359	-
General	7,555,629	3,160,801
Depreciation and amortization	5,339,788	9,701,412
Housing assistance payments	<u>49,111,217</u>	<u>-</u>
Total operating expenses	<u>94,368,421</u>	<u>24,205,213</u>
Operating Loss	(5,062,092)	(10,856,022)
Nonoperating Revenue (Expense)		
Investment income - Unrestricted	2,401,306	-
Investment Income - Restricted	2,482,943	-
Other expense	(53,917)	-
Interest expense	-	(3,623,153)
Bad debt expense	<u>(2,477,852)</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>2,352,480</u>	<u>(3,623,153)</u>
Decrease in Net Position Before Capital Contributions	(2,709,612)	(14,479,175)
Capital Contributions		
Capital contributions - HUD	<u>5,671,469</u>	<u>-</u>
Increase (Decrease) in Net Position	2,961,857	(14,479,175)
Net Position - Beginning of year	<u>280,270,648</u>	<u>14,025,424</u>
Net Position - End of year	<u>\$ 283,232,505</u>	<u>\$ (453,751)</u>

Cash Flows from Operating Activities	
Cash received from HUD operating subsidies and grants	\$ 80,378,110
Cash received from tenants	4,787,542
Other receipts	1,119,313
Cash payments for housing assistance	(49,111,217)
Cash payments to employees	(13,848,283)
Cash payments to suppliers	<u>(27,433,107)</u>
Net cash and cash equivalents used in operating activities	(4,107,642)
Cash Flows from Investing Activities	
Investment in notes receivable - Net	17,030
Interest received	<u>4,884,249</u>
Net cash and cash equivalents provided by investing activities	4,901,279
Cash Flows from Capital and Related Financing Activities	
HUD capital grants	5,230,418
Purchase of property and equipment	<u>(8,087,814)</u>
Net cash and cash equivalents used in capital and related financing activities	<u>(2,857,396)</u>
Net Decrease in Cash and Cash Equivalents	(2,063,759)
Cash and Cash Equivalents - Beginning of year	<u>52,343,498</u>
Cash and Cash Equivalents - End of year	<u>\$ 50,279,739</u>
Cash Reconciliation	
Current cash and cash equivalents - Unrestricted	\$ 27,266,408
Current cash and cash equivalents - Restricted	<u>23,013,331</u>
Total cash and cash equivalents	<u>\$ 50,279,739</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (5,062,092)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:	
Depreciation and amortization	5,339,788
Change in pension liability and deferrals	(184,904)
(Increase) decrease in operating assets:	
Receivables - Net	(2,579,374)
Prepaid expenses and other assets	(385,690)
Other assets	(56,300)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,257,156)
Accrued salaries and benefits	12,060
Tenant security deposits	(24,911)
Other liabilities	<u>90,937</u>
Net cash used in operating activities	<u>\$ (4,107,642)</u>

	Woodbridge Estates Apartments I, LLC December 31, 2023	Woodbridge Estates Apartments II, LLC December 31, 2023	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2023
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	5,111	3,327	12,703	916	4,101	267,824	292,067
Cash and cash equivalents - Restricted	94,479	271,438	178,053	245,660	252,029	304,766	458,378
Receivables - Net	19,851	9,360	8,546	12,304	12,278	21,020	6,649
Investments - Restricted	6,311	9,064	-	-	-	-	-
Prepaid expenses	5,183	7,557	8,818	10,862	15,355	7,556	60,360
Total current assets	130,935	300,746	208,120	269,742	283,763	601,166	817,454
Noncurrent Assets							
Capital assets - Net	3,192,565	4,188,633	3,538,374	4,288,091	6,258,634	5,680,578	13,427,343
Other noncurrent assets	-	-	-	-	-	182,646	299,225
Total assets	<u>\$ 3,323,500</u>	<u>\$ 4,489,379</u>	<u>\$ 3,746,494</u>	<u>\$ 4,557,833</u>	<u>\$ 6,542,397</u>	<u>\$ 6,464,390</u>	<u>\$ 14,544,022</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	32,100	46,700	48,200	56,400	76,900	-	10,700
Accounts payable	39,991	60,296	543	14,628	25,148	331	-
Accrued interest payable	2,055,165	3,090,709	1,820,773	2,071,590	2,405,720	910,764	525,258
Tenant security deposits	10,089	7,966	9,017	13,297	17,044	5,439	17,843
Unearned revenue	4,358	7,091	5,920	3,358	2,440	6,958	8,886
Other current liabilities	27,796	29,407	12,104	16,088	21,792	37,848	20,313
Total current liabilities	2,169,499	3,242,169	1,896,557	2,175,361	2,549,044	961,340	583,000
Noncurrent Liabilities							
Long-term debt	3,150,528	4,172,703	3,163,647	3,774,737	5,080,801	2,453,307	4,638,805
Other noncurrent liabilities	-	-	-	-	71,893	-	576,124
Total liabilities	5,320,027	7,414,872	5,060,204	5,950,098	7,701,738	3,414,647	5,797,929
Net Position							
Net investment in capital assets	9,937	(30,770)	326,527	456,954	1,100,933	3,227,271	8,777,838
Restricted	94,479	271,438	178,053	245,660	252,029	299,227	440,542
Unrestricted	(2,100,943)	(3,166,161)	(1,818,290)	(2,094,879)	(2,512,303)	(476,755)	(472,287)
Total net position	(1,996,527)	(2,925,493)	(1,313,710)	(1,392,265)	(1,159,341)	3,049,743	8,746,093
Total liabilities and net position	<u>\$ 3,323,500</u>	<u>\$ 4,489,379</u>	<u>\$ 3,746,494</u>	<u>\$ 4,557,833</u>	<u>\$ 6,542,397</u>	<u>\$ 6,464,390</u>	<u>\$ 14,544,022</u>

Detroit Housing Commission

Component Units Statement of Net Position (Continued)

	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2023	Gardenvue Homes I Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes II Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes III Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes IV Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes V Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes VI Limited Dividend Housing Association, LLC December 31, 2023	Gardenvue Homes VII Limited Dividend Housing Association, LLC December 31, 2023
Assets								
Current Assets								
Cash and cash equivalents - Unrestricted	8,681	59,607	3,866	26,438	262,712	90,003	49,063	52,296
Cash and cash equivalents - Restricted	726,866	925,772	966,714	986,231	395,180	398,142	398,194	768,438
Receivables - Net	51,237	22,125	19,552	13,070	2,405	10,602	8,730	10,704
Investments - Restricted	-	-	-	-	-	-	-	-
Prepaid expenses	6,619	38,884	18,227	18,227	19,442	19,496	20,116	34,023
Total current assets	793,403	1,046,388	1,008,359	1,043,966	679,739	518,243	476,103	865,461
Noncurrent Assets								
Capital assets - Net	7,121,422	12,122,648	5,439,010	5,074,128	4,647,666	7,289,596	7,135,400	8,433,306
Other noncurrent assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 7,914,825</u>	<u>\$ 13,169,036</u>	<u>\$ 6,447,369</u>	<u>\$ 6,118,094</u>	<u>\$ 5,327,405</u>	<u>\$ 7,807,839</u>	<u>\$ 7,611,503</u>	<u>\$ 9,298,767</u>
Liabilities and Net Position								
Current Liabilities								
Current portion of long-term debt	-	37,155	-	-	-	-	-	-
Accounts payable	12,300	64,128	16,966	17,127	30,808	17,958	18,390	25,182
Accrued interest payable	5,262,108	-	-	-	366,127	-	-	-
Tenant security deposits	26,602	21,828	4,454	5,546	5,303	6,370	5,201	13,395
Unearned revenue	14,734	1,485	401	2,501	2,202	598	625	714
Other current liabilities	744,285	69,482	25,586	25,894	-	15,553	17,545	41,411
Total current liabilities	6,060,029	194,078	47,407	51,068	404,440	40,479	41,761	80,702
Noncurrent Liabilities								
Long-term debt	3,686,321	11,433,051	8,779,575	8,795,330	3,887,485	5,384,319	4,822,596	10,230,000
Other noncurrent liabilities	-	-	-	-	112,687	166,536	64,550	3,562,223
Total liabilities	9,746,350	11,627,129	8,826,982	8,846,398	4,404,612	5,591,334	4,928,907	13,872,925
Net Position								
Net investment in capital assets	3,435,101	652,442	(3,340,565)	(3,721,202)	760,181	1,905,277	2,312,804	(1,796,694)
Restricted	698,460	899,772	961,964	978,186	387,608	391,066	391,944	754,570
Unrestricted	(5,965,086)	(10,307)	(1,012)	14,712	(224,996)	(79,838)	(22,152)	(3,532,034)
Total net position	(1,831,525)	1,541,907	(2,379,613)	(2,728,304)	922,793	2,216,505	2,682,596	(4,574,158)
Total liabilities and net position	<u>\$ 7,914,825</u>	<u>\$ 13,169,036</u>	<u>\$ 6,447,369</u>	<u>\$ 6,118,094</u>	<u>\$ 5,327,405</u>	<u>\$ 7,807,839</u>	<u>\$ 7,611,503</u>	<u>\$ 9,298,767</u>

	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2023	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2023	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2023	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2024	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2023
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	20,688	56,395	51,612	6,575	30,212	395,241	123,349
Cash and cash equivalents - Restricted	891,817	274,379	1,393,451	524,263	617,583	308,936	746,385
Receivables - Net	6,214	2,105	38,070	115,930	70,571	90,130	3,127
Investments - Restricted	-	-	-	-	-	-	-
Prepaid expenses	33,213	19,037	39,288	1,482	1,599	6,462	9,185
Total current assets	951,932	351,916	1,522,421	648,250	719,965	800,769	882,046
Noncurrent Assets							
Capital assets - Net	8,193,198	7,032,762	17,094,925	7,226,186	7,009,077	5,489,077	4,389,241
Other noncurrent assets	-	25,344	323,574	203,171	203,035	14,735	141,212
Total assets	<u>\$ 9,145,130</u>	<u>\$ 7,410,022</u>	<u>\$ 18,940,920</u>	<u>\$ 8,077,607</u>	<u>\$ 7,932,077</u>	<u>\$ 6,304,581</u>	<u>\$ 5,412,499</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	2,500,003	-	-	-	-
Accounts payable	3,980	15,383	104,525	137,333	50,555	106,798	1,655
Accrued interest payable	-	-	1,982,993	279,086	245,152	374,878	2,400,424
Tenant security deposits	12,238	10,619	13,032	28,749	28,620	16,001	13,639
Unearned revenue	249	4,462	4,147	9,696	9,153	1,578	1,186
Other current liabilities	466,415	20,922	179,303	191,636	190,385	122,451	39,422
Total current liabilities	482,882	51,386	4,784,003	646,500	523,865	621,706	2,456,326
Noncurrent Liabilities							
Long-term debt	10,031,000	4,262,617	10,990,000	5,278,538	4,632,108	7,269,708	3,696,921
Other noncurrent liabilities	3,097,783	87,439	740,294	-	-	-	-
Total liabilities	13,611,665	4,401,442	16,514,297	5,925,038	5,155,973	7,891,414	6,153,247
Net Position							
Net investment in capital assets	(1,837,802)	2,770,145	3,604,922	1,947,648	2,376,969	(1,780,631)	692,320
Restricted	879,571	262,934	1,379,587	487,672	584,945	291,179	746,385
Unrestricted	(3,508,304)	(24,499)	(2,557,886)	(282,751)	(185,810)	(97,381)	(2,179,453)
Total net position	(4,466,535)	3,008,580	2,426,623	2,152,569	2,776,104	(1,586,833)	(740,748)
Total liabilities and net position	<u>\$ 9,145,130</u>	<u>\$ 7,410,022</u>	<u>\$ 18,940,920</u>	<u>\$ 8,077,607</u>	<u>\$ 7,932,077</u>	<u>\$ 6,304,581</u>	<u>\$ 5,412,499</u>

	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2023	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2023	Total Discretely Component Units
Assets			
Current Assets			
Cash and cash equivalents - Unrestricted	53,955	100,459	1,977,201
Cash and cash equivalents - Restricted	572,204	626,165	13,325,523
Receivables - Net	320	22,196	577,096
Investments - Restricted	-	-	15,375
Prepaid expenses	10,508	10,859	422,358
	<u>636,987</u>	<u>759,679</u>	<u>16,317,553</u>
Noncurrent Assets			
Capital assets - Net	4,791,340	4,968,630	164,031,830
Other noncurrent assets	-	148,240	1,541,182
	<u>-</u>	<u>148,240</u>	<u>1,541,182</u>
Total assets	<u>\$ 5,428,327</u>	<u>\$ 5,876,549</u>	<u>\$ 181,890,565</u>
Liabilities and Net Position			
Current Liabilities			
Current portion of long-term debt	-	-	2,808,158
Accounts payable	2,874	2,125	769,024
Accrued interest payable	-	1,961,465	25,752,212
Tenant security deposits	26,905	16,938	336,135
Unearned revenue	1,924	1,120	95,786
Other current liabilities	27,506	37,269	2,380,413
	<u>59,209</u>	<u>2,018,917</u>	<u>32,141,728</u>
Noncurrent Liabilities			
Long-term debt	9,073,707	3,035,255	141,723,059
Other noncurrent liabilities	-	-	8,479,529
	<u>-</u>	<u>-</u>	<u>8,479,529</u>
Total liabilities	<u>9,132,916</u>	<u>5,054,172</u>	<u>182,344,316</u>
Net Position			
Net investment in capital assets	(4,282,367)	1,933,375	19,500,613
Restricted	572,204	626,165	13,075,640
Unrestricted	5,574	(1,737,163)	(33,030,004)
	<u>(3,704,589)</u>	<u>822,377</u>	<u>(453,751)</u>
Total net position	<u>(3,704,589)</u>	<u>822,377</u>	<u>(453,751)</u>
Total liabilities and net position	<u>\$ 5,428,327</u>	<u>\$ 5,876,549</u>	<u>\$ 181,890,565</u>

Detroit Housing Commission

Component Units Statement of Activities

	Woodbridge Estates Apartments I, LLC December 31, 2023	Woodbridge Estates Apartments II, LLC December 31, 2023	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2023	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2023
Operating Revenue							
Tenant revenue - Net	\$ 482,846	\$ 631,341	\$ 346,720	\$ 458,883	\$ 606,527	\$ 471,417	\$ 653,069
Other operating revenue	-	(12,000)	(22,057)	-	-	13,469	30,478
Total operating revenue	482,846	619,341	324,663	458,883	606,527	484,886	683,547
Operating Expenses							
Administrative	129,805	198,836	124,949	133,136	182,894	177,414	231,009
Utilities	46,730	74,136	44,511	56,699	73,399	52,205	89,667
Maintenance	158,623	233,465	138,407	210,461	265,032	170,483	126,589
Protective services	-	-	-	-	-	-	-
General	49,572	70,176	43,947	61,490	77,402	62,795	378,157
Depreciation and amortization	155,414	204,136	153,034	185,605	268,219	403,141	614,552
Total operating expenses	540,144	780,749	504,848	647,391	866,946	866,038	1,439,974
Operating (Loss) Income	(57,298)	(161,408)	(180,185)	(188,508)	(260,419)	(381,152)	(756,427)
Nonoperating Revenue (Expense)							
Investment income	-	-	-	-	-	-	-
Interest expense	(252,651)	(374,023)	(197,142)	(232,150)	(297,043)	(126,948)	-
Total nonoperating (expense) revenue	(252,651)	(374,023)	(197,142)	(232,150)	(297,043)	(126,948)	-
Decrease in Net Assets Before Capital Contributions and Distributions	(309,949)	(535,431)	(377,327)	(420,658)	(557,462)	(508,100)	(756,427)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	-	-	-
Change in Net Position	(309,949)	(535,431)	(377,327)	(420,658)	(557,462)	(508,100)	(756,427)
Net Position - Beginning of year	(1,686,578)	(2,390,062)	(936,383)	(971,607)	(601,879)	3,557,843	9,502,520
Net Position - End of year	<u>\$ (1,996,527)</u>	<u>\$ (2,925,493)</u>	<u>\$ (1,313,710)</u>	<u>\$ (1,392,265)</u>	<u>\$ (1,159,341)</u>	<u>\$ 3,049,743</u>	<u>\$ 8,746,093</u>

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Woodbridge LF Associates Limited Dividend Housing Association Limited Partnership December 31, 2023	Gardenview Homes I Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes II Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes III Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes IV Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes V Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes VI Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes VII Limited Dividend Housing Association, LLC December 31, 2023
Operating Revenue								
Tenant revenue - Net	\$ 705,535	\$ 965,851	\$ 447,137	\$ 434,581	\$ 382,372	\$ 430,048	\$ 435,868	\$ 686,263
Other operating revenue	-	9,309	-	2,965	-	-	-	4,370
Total operating revenue	705,535	975,160	447,137	437,546	382,372	430,048	435,868	690,633
Operating Expenses								
Administrative	506,567	214,100	136,781	129,495	132,319	135,384	129,109	237,509
Utilities	188,378	127,635	58,051	59,376	62,952	72,950	68,151	73,875
Maintenance	56,298	411,965	140,983	173,382	239,995	255,168	240,486	271,051
Protective services	-	-	-	-	-	-	-	-
General	127,528	174,207	108,274	94,142	496,853	114,539	107,573	192,078
Depreciation and amortization	429,996	541,211	195,735	229,645	372,869	523,950	415,468	576,328
Total operating expenses	1,308,767	1,469,118	639,824	686,040	1,304,988	1,101,991	960,787	1,350,841
Operating (Loss) Income	(603,232)	(493,958)	(192,687)	(248,494)	(922,616)	(671,943)	(524,919)	(660,208)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	-	-	-	-
Interest expense	(444,722)	(96,869)	-	-	(29,156)	-	-	(306,900)
Total nonoperating (expense) revenue	(444,722)	(96,869)	-	-	(29,156)	-	-	(306,900)
Decrease in Net Assets Before Capital Contributions and Distributions	(1,047,954)	(590,827)	(192,687)	(248,494)	(951,772)	(671,943)	(524,919)	(967,108)
Capital Contributions and Distributions								
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Position	(1,047,954)	(590,827)	(192,687)	(248,494)	(951,772)	(671,943)	(524,919)	(967,108)
Net Position - Beginning of year	(783,571)	2,132,734	(2,186,926)	(2,479,810)	1,874,565	2,888,448	3,207,515	(3,607,050)
Net Position - End of year	<u>\$ (1,831,525)</u>	<u>\$ 1,541,907</u>	<u>\$ (2,379,613)</u>	<u>\$ (2,728,304)</u>	<u>\$ 922,793</u>	<u>\$ 2,216,505</u>	<u>\$ 2,682,596</u>	<u>\$ (4,574,158)</u>

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2023	Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2023	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2023	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2023	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2024	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2023
Operating Revenue							
Tenant revenue - Net	\$ 677,117	\$ 367,615	\$ 971,296	\$ 459,468	\$ 517,723	\$ 384,113	\$ 566,727
Other operating revenue	-	-	-	25,153	42,088	31,450	7,799
Total operating revenue	677,117	367,615	971,296	484,621	559,811	415,563	574,526
Operating Expenses							
Administrative	237,638	185,031	329,915	264,606	266,144	179,510	236,389
Utilities	67,015	52,188	133,695	121,195	125,811	90,259	72,981
Maintenance	248,950	116,014	233,388	112,367	103,084	81,882	133,360
Protective services	-	-	-	-	-	-	-
General	188,974	74,782	170,963	116,479	116,703	71,033	70,366
Depreciation and amortization	555,113	253,531	1,019,604	557,356	533,096	390,502	367,425
Total operating expenses	1,297,690	681,546	1,887,565	1,172,003	1,144,838	813,186	880,521
Operating (Loss) Income	(620,573)	(313,931)	(916,269)	(687,382)	(585,027)	(397,623)	(305,995)
Nonoperating Revenue (Expense)							
Investment income	-	-	-	-	-	-	-
Interest expense	(300,930)	-	(435,066)	(26,883)	(23,579)	(42,608)	(227,099)
Total nonoperating (expense) revenue	(300,930)	-	(435,066)	(26,883)	(23,579)	(42,608)	(227,099)
Decrease in Net Assets Before Capital Contributions and Distributions	(921,503)	(313,931)	(1,351,335)	(714,265)	(608,606)	(440,231)	(533,094)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	-	-	-
Change in Net Position	(921,503)	(313,931)	(1,351,335)	(714,265)	(608,606)	(440,231)	(533,094)
Net Position - Beginning of year	(3,545,032)	3,322,511	3,777,958	2,866,834	3,384,710	(1,146,602)	(207,654)
Net Position - End of year	<u>\$ (4,466,535)</u>	<u>\$ 3,008,580</u>	<u>\$ 2,426,623</u>	<u>\$ 2,152,569</u>	<u>\$ 2,776,104</u>	<u>\$ (1,586,833)</u>	<u>\$ (740,748)</u>

	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2023	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2023	Total Discretely Component Units
Operating Revenue			
Tenant revenue - Net	\$ 527,990	\$ 571,326	\$ 13,181,833
Other operating revenue	<u>12,270</u>	<u>22,064</u>	<u>167,358</u>
Total operating revenue	540,260	593,390	13,349,191
Operating Expenses			
Administrative	262,674	290,306	5,051,520
Utilities	96,203	73,993	1,982,055
Maintenance	85,557	102,435	4,309,425
Protective services	-	-	-
General	65,619	127,149	3,160,801
Depreciation and amortization	<u>372,365</u>	<u>383,117</u>	<u>9,701,412</u>
Total operating expenses	<u>882,418</u>	<u>977,000</u>	<u>24,205,213</u>
Operating (Loss) Income	(342,158)	(383,610)	(10,856,022)
Nonoperating Revenue (Expense)			
Investment income	-	-	-
Interest expense	<u>-</u>	<u>(209,384)</u>	<u>(3,623,153)</u>
Total nonoperating (expense) revenue	<u>-</u>	<u>(209,384)</u>	<u>(3,623,153)</u>
Decrease in Net Assets Before Capital Contributions and Distributions	(342,158)	(592,994)	(14,479,175)
Capital Contributions and Distributions			
Partner contributions	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(342,158)	(592,994)	(14,479,175)
Net Position - Beginning of year	<u>(3,362,431)</u>	<u>1,415,371</u>	<u>14,025,424</u>
Net Position - End of year	<u><u>\$ (3,704,589)</u></u>	<u><u>\$ 822,377</u></u>	<u><u>\$ (453,751)</u></u>

June 30, 2024

Note 1 - Nature of Business

Detroit Housing Commission (the "Commission" or DHC) is a Michigan public body corporation operating as a public housing authority under the Michigan Housing Facilities Act, MCL 125.653. The Commission was established in 1933 under the Public Facilities Act by the City of Detroit, Michigan (the "City"). The Commission's mission statement is to effectively and efficiently develop, manage, and preserve quality affordable housing. To achieve this mission, the Commission promotes the development of and provides property management for affordable housing; provides facilities and supportive services to nurture neighborhoods; and provides economic development and self-sufficiency activities for residents while also ensuring equal access to safe, quality housing for low- and moderate-income families throughout the community. For the year ended June 30, 2024, the Commission is considered a component unit of the City. The Commission's board independently oversees the Commission's operations. The Commission is operated by a five-member board appointed by the mayor, and the City of Detroit, Michigan's City Council may remove a member from the board of commissioners.

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

Low-income Public Housing

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

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

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

Housing Assistance Programs

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

HOPE VI Programs and Mixed Financing

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

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

Note 1 - Nature of Business (Continued)

Central Office Cost Center

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

Business Activities

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

Note 2 - Significant Accounting Policies

Reporting Entity

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

Component Units

The definition of the reporting entity, as defined by GASB Codification 2100, 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 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 and the organization is fiscally dependent 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 eight 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
- The Villages at Parkside II, LLC (TVP II)
- The Villages at Parkside IV, LLC (TVP IV)
- Infinite Horizons Group, Inc.

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

Discretely Presented Component Units

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

June 30, 2024

Note 2 - Significant Accounting Policies (Continued)

The discretely presented component units are as follows:

- Woodbridge Estates Apartments I, LLC (WEA I)
- Woodbridge Estates Apartments II, LLC (WEA II)
- Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC (WEA III)
- Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (WEA IV)
- Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (WEA V)
- Woodbridge Estates VI Limited Dividend Housing Association, LLC (WEA VI)
- Woodbridge Estates IX Limited Dividend Housing Association, LLC (WEA IX)
- Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (WILF)
- Gardenview Homes I Limited Dividend Housing Association, LLC
- Gardenview Homes II Limited Dividend Housing Association, LLC
- Gardenview Homes III Limited Dividend Housing Association, LLC
- Gardenview Homes IV Limited Dividend Housing Association, LLC
- Gardenview Homes V Limited Dividend Housing Association, LLC
- Gardenview Homes VI Limited Dividend Housing Association, LLC
- Gardenview Homes VII Limited Dividend Housing Association, LLC
- Gardenview Homes VIII Limited Dividend Housing Association, LLC
- Gardenview Homes IX Limited Dividend Housing Association, LLC
- Gardenview Homes X Limited Dividend Housing Association, LLC
- Emerald Springs IA Limited Dividend Housing Association Limited Partnership
- Emerald Springs IB Limited Dividend Housing Association Limited Partnership
- Emerald Springs II Limited Dividend Housing Association Limited Partnership
- Cornerstone Estates I Limited Dividend Housing Association, LLC
- Cornerstone Estates II Limited Dividend Housing Association, LLC
- Cornerstone Estates III Limited Dividend Housing Association, LLC

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

All of the discrete component units, with the exception of Emerald Springs II Limited Dividend Housing Association Limited Partnership, which reported the same year end as the Commission, have a calendar year end of December 31, which differs from the Commission's year end of June 30. For reporting purposes, the information reported in the basic financial statements is presented as of and for the 12-month period ended December 31, 2023 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.

June 30, 2024**Note 2 - Significant Accounting Policies (Continued)*****Basis of Presentation***

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

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

Basis of Accounting

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

Cash Equivalents

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

Restricted Cash

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

Investments

Investments are reported at fair value or estimated fair value.

Receivables - Net

Current receivables consist of revenue earned at year end and not yet received. As of June 30, 2024, there is an allowance for uncollectible tenant receivables of approximately \$1,496,000. 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, 2024 was approximately \$668,000.

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 \$615,000, and the amount due from HUD for rental subsidies is approximately \$728,000.

Note 2 - 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, 2024. 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 in accordance with HUD guidelines.

Capital Assets - Net

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

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

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

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

Impaired capital assets that will no longer be used by the Commission are reported at the lower of carrying value or fair value or are written off entirely. During 2024, 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, 2024 totaled approximately \$400,000, of which \$21,000 is reported as current and \$389,000 as noncurrent liabilities.

Unearned Revenue

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

Note 2 - Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission reports deferred outflows related to pension and excess consideration provided in acquisition of The Villages at Parkside II, LLC and The Villages at Parkside IV, LLC. The deferred outflow for the excess considerations provided in acquisition was \$43,325,961.

In addition to the liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reports deferred inflows related to pension.

Net Position

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

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

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

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

Operating Revenue and Expenses

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

Eliminations

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

- *Interprogram due to/from* - In the normal course of operations, certain programs pay for common costs that create interprogram receivables or payables. These interprogram receivables or payables are eliminated for the presentation of the Commission as a whole. For the year ended June 30, 2024, \$1,237,317 was eliminated.

June 30, 2024

Note 2 - Significant Accounting Policies (Continued)

- *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, \$4,833,081 of fees has been eliminated for the year ended June 30, 2024.
- *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, \$49,486 of internal charges has been eliminated for the year ended June 30, 2024.

Nonoperating Revenue and Expenses

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

Interest Income

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

Capital Grants

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

Pensions

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

Use of Estimates

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

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2025.

Note 2 - Significant Accounting Policies (Continued)

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2026.

Note 3 - Deposits and Investments

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

Deposits and investments are reported in the financial statements as follows:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Cash and cash equivalents	\$ 27,266,408	\$ 1,977,201
Restricted cash and investments	23,013,331	13,325,523
Total deposits and investments	\$ 50,279,739	\$ 15,302,724

Note 3 - Deposits and Investments (Continued)

The above amounts are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2024:

	<u>Primary Government</u>
Bank deposits and investments	\$ 22,111,363
Sweep accounts - Less than two months	<u>28,168,376</u>
Total	<u>\$ 50,279,739</u>

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

As of June 30, 2024, the Commission's cash and cash equivalents consist of cash in banks of \$31,646,423.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At year end, the Commission had bank deposits of \$2,728,047 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The discrete component units had approximately \$15 million in deposits, of which approximately \$10 million was uninsured and uncollateralized.

Interest Rate Risk

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

The Commission's investment policy is to limit its exposure to declines in fair values of its investment portfolio by only investing in HUD-allowed investments and by monitoring any such investments. At June 30, 2024, the Commission has investments in a sweep account with a fair value of \$26,691,932 and a weighted-average maturity of two months.

Credit Risk

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

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>
Government Repo Pool	\$ 26,691,932	N/A
Comerica Govt Cash J Fund	19,741,142	N/A

Note 3 - Deposits and Investments (Continued)

Restricted Cash

The Commission's restricted cash at June 30, 2024 is as follows:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Current:		
Tenant security deposits	\$ 305,800	\$ 249,883
Funded reserves	-	13,075,640
Family self-sufficiency escrow	891,643	-
Mainstream vouchers and other	180,073	-
Development program activities	21,635,815	-
	<u>\$ 23,013,331</u>	<u>\$ 13,325,523</u>
Total		

Note 4 - Property and Equipment

Capital asset activity of the Commission's governmental activities was as follows:

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 59,182,161	\$ -	\$ -	\$ (1,127,722)	\$ 58,054,439
Construction in progress	5,427,112	(5,500,912)	4,145,034	-	4,071,234
Subtotal	64,609,273	(5,500,912)	4,145,034	(1,127,722)	62,125,673
Capital assets being depreciated:					
Structures and improvements	90,672,312	5,500,912	4,958,083	-	101,131,307
Equipment	7,625,660	-	112,422	-	7,738,082
Subtotal	98,297,972	5,500,912	5,070,505	-	108,869,389
Accumulated depreciation:					
Structures and improvements	61,941,466	-	3,890,775	-	65,832,241
Equipment	6,698,453	-	278,044	-	6,976,497
Subtotal	68,639,919	-	4,168,819	-	72,808,738
Net capital assets being depreciated	29,658,053	5,500,912	901,686	-	36,060,651
Net governmental activities capital assets	<u>\$ 94,267,326</u>	<u>\$ -</u>	<u>\$ 5,046,720</u>	<u>\$ (1,127,722)</u>	<u>\$ 98,186,324</u>

As of June 30, 2024, the Commission has approximately \$2,968,000 in future construction commitments.

Note 4 - Property and Equipment (Continued)

The Commission and the Michigan Department of Environment, Great Lakes, and Energy (EGLE) have determined there is soil remediation needed at a property owned by the Commission. The Commission is working with EGLE to determine the remediation needed. It is unknown at this time the extent of the work to be completed, and, therefore, there is no available cost range for the remediation. There is no liability recorded on the statement of net position at June 30, 2024.

Note 5 - Risk Management

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

Note 6 - Capital Donation from the City

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

Note 7 - Notes, Loans, and Mortgages Receivable

Notes, loans, and mortgages receivable consist of HUD HOPE VI, RHF, and other funds loaned by the Commission to discrete component units for development of affordable housing in Detroit, repayable from future cash flows, as defined in the agreements. During 2024, no additional loans were made from the Commission to these discrete component units from these sources.

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

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

As of June 30, 2024, an allowance for accrued interest of \$26,103,639 was recorded.

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

	Maturity Date	Interest Rate	Balance	Accrued Interest Receivable
Due from discretely presented component units:				
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	4.72%	\$ 1,279,814	\$ 2,142,099
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	0.00%	840,510	-
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	4.72%	1,888,460	3,156,910
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	0.00%	797,955	-

June 30, 2024

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

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Accrued Interest Receivable</u>
Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	\$ 1,560,470	\$ 1,892,987
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,764,801	2,152,413
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	2,057,829	2,497,039
Woodbridge Estates VI Limited Dividend Housing Association, LLC (HOPE VI)*	September 2063	3.75%	2,719,779	894,733
Woodbridge Estates IX Limited Dividend Housing Association, LLC (HOPE VI)*	September 2067	0.00%	3,700,000	584,222
Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (HOPE VI)*	June 2049	5.20%	3,713,014	5,495,357
Emerald Springs IA Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	5,292,434	298,810
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	4,644,006	262,410
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	March 2058	0.50%	7,431,331	374,878
Cornerstone Estates I Limited Dividend Housing Association, LLC (HOPE VI)*	March 2058	3.79%	3,734,751	2,516,367
Cornerstone Estates II Limited Dividend Housing Association, LLC (HOPE VI)*	July 2060	0.00%	9,097,354	-
Cornerstone Estates III Limited Dividend Housing Association, LLC (HOPE VI)*	October 2061	4.25%	3,088,675	2,068,486
Gardenview Homes I Limited Dividend Housing Association, LLC (HOPE VI)*	December 2053	0.00%	9,785,199	-
Gardenview Homes II and III Limited Dividend Housing Association, LLC (HOPE VI)*	December 2054	0.00%	4,436,654	-
Gardenview Homes IV Limited Dividend Housing Association, LLC (HOPE VI)*	May 2060	0.75%	3,887,485	398,519
Gardenview Homes V Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	5,407,128	-
Gardenview Homes VI Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	March 2061	0.00%	4,836,094	-
Gardenview Homes IX Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2064	0.00%	4,262,517	-
Gardenview Homes X Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2067	2.50%	<u>8,740,000</u>	<u>1,368,409</u>
Subtotal			94,966,260	26,103,639
Less allowance for accrued interest receivable			-	(26,103,639)
Due from other - Homeownership loans - Net (accumulated amortization for forgiveness of debt of \$450,000)	Various	0%	<u>127,927</u>	<u>-</u>
Total noncurrent notes receivable			<u>\$ 95,094,187</u>	<u>\$ -</u>

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

Note 8 - Pension Plan

Plan Description

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

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers substantially all employees of the Commission, including the executive members, nonexecutive members, contributing union members, contributing nonexecutive members, and executive director. As of year end, the defined benefit plan was closed to all new entrants. Summary information for each of these groups is provided below:

Executive Members

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

Nonexecutive Members

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

Contributing Union Members

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

Contributing Nonexecutive Members

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

Executive Director

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

Note 8 - Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2023 measurement date, the following employees were covered by the benefit terms:

	MERS
Inactive plan members or beneficiaries currently receiving benefits	60
Inactive plan members entitled to but not yet receiving benefits	93
Active plan members	46
Total employees covered by the plan	199

Contributions

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

For the year ended June 30, 2024, the active employee contribution rate was 5.0 percent of annual pay for executive, contributing union, and contributing nonexecutive members and 0 percent for nonexecutive members and executive directors.

The Commission's contribution rates as a percentage of annual payroll are as follows: executive members - 17.51 percent, contributing union members - 12.24 percent, and contributing nonexecutive members - 12.56 percent.

Net Pension Liability

The net pension liability reported at June 30, 2024 was determined using a measure of the total pension liability and the plan net position as of December 31, 2023. The December 31, 2023 total pension liability was determined by an actuarial valuation performed as of that date.

Note 8 - Pension Plan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 25,256,038	\$ 22,367,947	\$ 2,888,091
Changes for the year:			
Service cost	336,844	-	336,844
Interest	1,801,433	-	1,801,433
Differences between expected and actual experience	(374,686)	-	(374,686)
Changes in assumptions	205,475	-	205,475
Contributions - Employer	-	414,289	(414,289)
Contributions - Employee	-	139,410	(139,410)
Net investment income	-	2,525,419	(2,525,419)
Benefit payments, including refunds	(1,154,183)	(1,154,183)	-
Administrative expenses	-	(52,432)	52,432
Net changes	814,883	1,872,503	(1,057,620)
Balance at December 31, 2023	<u>\$ 26,070,921</u>	<u>\$ 24,240,450</u>	<u>\$ 1,830,471</u>

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

For the year ended June 30, 2024, the Commission recognized pension expense of \$189,695.

At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (187,343)
Changes in assumptions	102,738	-
Net difference between projected and actual earnings on pension plan investments	1,209,932	-
Employer contributions to the plan subsequent to the measurement date	187,500	-
Total	<u>\$ 1,500,170</u>	<u>\$ (187,343)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date of \$187,500 will impact the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2025	\$ 100,753
2026	461,266
2027	751,875
2028	(188,567)
Total	<u>\$ 1,125,327</u>

Note 8 - Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using an inflation assumption of 2.5 percent, a salary increases (including inflation) of 3 percent, and an investment rate of return (net of pension plan investment expenses) of 7.18 percent.

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study dated February 14, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.18 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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.

Projected Cash Flows

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, 2023, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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

The following presents the net pension liability of the Commission, calculated using the discount rate of 7.18 percent, as well as what the Commission's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.18 percent) or 1 percentage point higher (8.18 percent) than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability (asset) of the Commission	\$ 5,079,403	\$ 1,830,471	\$ (871,275)

Note 8 - Pension Plan (Continued)

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.

Note 9 - Commitments and Contingencies

Grants and Contracts

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

Section 8 Housing Choice Voucher Program

The Commission has received cumulative funding in excess of housing assistance payments and earned administrative fees through the Section 8 Housing Choice Voucher Program (the "program") under the implementation of the Consolidated Appropriations Act of 2005, Funding Provisions for the Housing Choice Voucher Program. Due to decreases in federal funding, HUD decreased its HAP payments made to the Commission, forcing it to use its HAP reserves. As of June 30, 2024, there is no remaining HAP reserve that is subject to possible future recapture.

Funds Awarded

The Commission receives funding from HUD through the Capital Fund and public housing development programs to help subsidize the cost of redevelopment of projects, project repairs, improvements, component unit developments, and certain operating costs. Awards available to be spent as of June 30, 2024 for qualifying eligible expenditures amounted to \$45,438,752 and \$1,825,425, respectively.

Note 10 - Concentrations

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

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

For the year ended June 30, 2024, approximately 85 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

June 30, 2024

Note 11 – Discretely Presented Component Units

The following entities are considered discrete component units of the Commission and are presented in accordance with GASB Codification 2600. 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 Codification 2600 that are deemed essential to fair presentation of the financial entity’s general purpose financial statements. The following disclosures are those that are material to the Commission and are not meant to be a full representation of each component unit’s financial position and required disclosures. A copy of each component unit’s separately issued financial statements can be obtained from the Commission’s management. See Note 2 for detail on accounting policy and the for-profit entities that are considered discretely presented component units.

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

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

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

Schedule of Component Unit Capital Assets June 30, 2024 and December 31, 2023	Depreciable			Accumulated Depreciation	2024 Net Capital Assets
	Nondepreciable	Land			
		Improvements, Buildings, and Building	Furniture, Fixtures, and Equipment		
	Land				
Woodbridge Estates Apartments I, LLC	\$ -	\$ 6,216,574	\$ 12,368	\$ (3,036,377)	\$ 3,192,565
Woodbridge Estates Apartments II, LLC	-	8,146,960	7,629	(3,965,956)	4,188,633
Woodbridge Estates Apartments III, LDHA LLC	-	6,110,920	1,540	(2,574,086)	3,538,374
Woodbridge Estates Apartments IV, LDHA LLC	-	7,411,130	1,870	(3,124,909)	4,288,091
Woodbridge Estates Apartments V, LDHA LLC	-	10,710,627	16,679	(4,468,672)	6,258,634
Woodbridge Estates Apartments VI, LDHA LLC	-	9,517,950	396,215	(4,233,587)	5,680,578
Woodbridge Estates Apartments IX, LDHA LLC	-	15,619,881	244,245	(2,436,783)	13,427,343
Woodbridge ILF Associates LDHA LP	291,667	12,641,830	1,467,496	(7,279,571)	7,121,422
Cornerstone Estates I LDHA, LLC	-	8,871,414	368,243	(4,850,416)	4,389,241
Cornerstone Estates II LDHA, LLC	-	9,223,625	444,128	(4,876,413)	4,791,340
Cornerstone Estates III LDHA, LLC	-	9,325,228	411,920	(4,768,518)	4,968,630
Gardenview Homes I LDHA, LLC	2,973,750	16,140,968	557,865	(7,549,935)	12,122,648
Gardenview Homes II LDHA, LLC	1,143,033	6,626,498	1,519,182	(3,849,703)	5,439,010
Gardenview Homes III LDHA, LLC	1,164,608	6,791,783	1,317,998	(4,200,261)	5,074,128
Gardenview Homes IV LDHA, LLC	268,440	8,947,146	374,175	(4,942,095)	4,647,666
Gardenview Homes V LDHA, LLC	410,006	12,872,546	399,318	(6,392,274)	7,289,596
Gardenview Homes VI LDHA, LLC	368,485	11,404,236	601,043	(5,238,364)	7,135,400
Gardenview Homes VII LDHA, LLC	434,767	13,714,133	641,656	(6,357,250)	8,433,306
Gardenview Homes VIII LDHA, LLC	433,136	13,264,932	610,355	(6,115,225)	8,193,198
Gardenview Homes IX LDHA, LLC	250,986	8,851,959	337,402	(2,407,585)	7,032,762
Gardenview Homes X LDHA, LLC	-	21,845,236	545,986	(5,296,297)	17,094,925
Emerald Springs IA LDHA LP	242,444	13,232,207	279,519	(6,527,984)	7,226,186
Emerald Springs IB LDHA LP	366,545	12,567,464	250,510	(6,175,442)	7,009,077
Emerald Springs II LDHA LP	311,656	9,082,852	175,227	(4,080,658)	5,489,077
Total fixed assets placed in service	\$ 8,659,523	\$ 259,138,099	\$ 10,982,569	\$ (114,748,361)	164,031,830
Total discrete component unit net capital assets					\$ 164,031,830

June 30, 2024

Note 11 – Discretely Presented Component Units (Continued)

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

	Beginning Balance	Capital Additions and Other Adjustments	Depreciation	End of Year Balance
Woodbridge Estates Apartments I, LLC	\$ 3,347,979	\$ -	\$ (155,414)	\$ 3,192,565
Woodbridge Estates Apartments II, LLC	4,392,769	-	(204,136)	4,188,633
Woodbridge Estates Apartments III, LDHA LLC	3,691,408	-	(153,034)	3,538,374
Woodbridge Estates Apartments IV, LDHA LLC	4,473,696	-	(185,605)	4,288,091
Woodbridge Estates Apartments V, LDHA LLC	6,526,853	-	(268,219)	6,258,634
Woodbridge Estates Apartments VI, LDHA LLC	6,076,188	-	(395,610)	5,680,578
Woodbridge Estates Apartments IX, LDHA LLC	14,029,666	-	(602,323)	13,427,343
Woodbridge ILF Associates LDHA LP	7,530,638	20,780	(429,996)	7,121,422
Cornerstone Estates I LDHA, LLC	4,746,376	-	(357,135)	4,389,241
Cornerstone Estates II LDHA, LLC	5,163,705	-	(372,365)	4,791,340
Cornerstone Estates III LDHA, LLC	5,342,388	-	(373,758)	4,968,630
Gardenview Homes I LDHA, LLC	12,663,859	-	(541,211)	12,122,648
Gardenview Homes II LDHA, LLC	5,634,745	-	(195,735)	5,439,010
Gardenview Homes III LDHA, LLC	5,303,773	-	(229,645)	5,074,128
Gardenview Homes IV LDHA, LLC	5,395,579	(375,044)	(372,869)	4,647,666
Gardenview Homes V LDHA, LLC	7,808,519	5,027	(523,950)	7,289,596
Gardenview Homes VI LDHA, LLC	7,550,868	-	(415,468)	7,135,400
Gardenview Homes VII LDHA, LLC	9,009,634	-	(576,328)	8,433,306
Gardenview Homes VIII LDHA, LLC	8,748,311	-	(555,113)	8,193,198
Gardenview Homes IX LDHA, LLC	7,282,516	-	(249,754)	7,032,762
Gardenview Homes X LDHA, LLC	18,107,519	-	(1,012,594)	17,094,925
Emerald Springs IA LDHA LP	7,714,164	55,353	(543,331)	7,226,186
Emerald Springs IB LDHA LP	7,486,295	41,900	(519,118)	7,009,077
Emerald Springs II LDHA LP	5,852,145	24,170	(387,238)	5,489,077
Total fixed assets placed in service	173,879,593	(227,814)	(9,619,949)	164,031,830
Total discrete component unit net capital assets	<u>\$ 173,879,593</u>	<u>\$ (227,814)</u>	<u>\$ (9,619,949)</u>	<u>\$ 164,031,830</u>

June 30, 2024

Note 11 – Discretely Presented Component Units (Continued)

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

Schedule of Component Unit Debt June 30, 2024 and December 31, 2023	Lender	Interest Rate	Maturity Date	Balance - Beginning of Year*	Additions (Payments)	Balance - End of Year	Principal Due Within One Year
Woodbridge Estates Apartments I, LLC	SA Affordable Housing, LLC	7.06%	2035	\$ 1,092,222	(29,918)	\$ 1,062,304	\$ 32,100
	Detroit Housing Commission	AFR	2048	1,279,824	-	1,279,824	-
	Detroit Housing Commission	0.00%	2048	840,500	-	840,500	-
Woodbridge Estates Apartments II, LLC	SA Affordable Housing, LLC	7.06%	2035	1,576,636	(43,647)	1,532,989	46,700
	Detroit Housing Commission	AFR	2048	1,888,460	-	1,888,460	-
	Detroit Housing Commission	0.00%	2048	797,954	-	797,954	-
Woodbridge Estates Apartments III, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,283,099	(23,520)	1,259,579	48,200
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	-
	City of Detroit, Michigan	0.00%	2036	400,346	(7,290)	393,056	-
Woodbridge Estates Apartments IV, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,705,944	(31,452)	1,674,492	56,400
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	-
	City of Detroit, Michigan	0.00%	2036	400,341	(7,289)	393,052	-
Woodbridge Estates Apartments V, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	2,759,074	(51,201)	2,707,873	76,900
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	-
	City of Detroit, Michigan	0.00%	2036	400,219	(7,295)	392,924	-
Woodbridge Estates Apartments VI, LDHA LLC	Detroit Housing Commission	3.75%	2063	2,451,576	1,731	2,453,307	-
Woodbridge Estates Apartments IX, LDHA LLC	Detroit Housing Commission	5.00%	2067	3,666,460	3,348	3,669,808	-
	Citizens	5.00%	2067	922,510	57,187	979,697	10,700
Woodbridge ILF Associates LDHA LP	Detroit Housing Commission	5.20%	2049	3,685,333	988	3,686,321	-
Cornerstone I LDHA, LLC	Detroit Housing Commission	3.79%	2060	3,695,898	1,023	3,696,921	-
Cornerstone II LDHA, LLC	Detroit Housing Commission	0.00%	2060	9,073,382	325	9,073,707	-
Cornerstone III LDHA, LLC	Detroit Housing Commission	4.25%	2061	3,033,849	1,406	3,035,255	-
Gardenview Homes I LDHA, LLC	MSHDA	6.00%	2046	1,462,863	(30,569)	1,432,294	37,155
	MSHDA - HOME Note	3.00%	2058	258,301	(3,743)	254,558	-
	Detroit Housing Commission	0.00%	2053	9,783,354	-	9,783,354	-
Gardenview Homes II, III, IV, V, VI, VII, VIII, and IX LDHA, LLC	MSHDA - Section 1602 TCAP funds	0.00%	(a)	13,122,960	-	13,122,960	-
	MSHDA	3.00%	2062	20,261,000	-	20,261,000	-
	Detroit Housing Commission	0.00%	2054-2064	18,938,507	(17,030)	18,921,477	-
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	-
Gardenview Homes X LDHA, LLC	Detroit Housing Commission	2.50%	2067	8,740,000	-	8,740,000	-
	MSDHA	4.95%	2024	2,500,003	-	2,500,003	2,500,003
	MSHDA	3.00%	2067	825,000	-	825,000	-
	City of Detroit, Michigan	2.50%	2058	600,000	-	600,000	-
	MSHSA	2.50%	2067	825,000	-	825,000	-
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	9,909,866	780	9,910,646	-
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	7,262,457	7,251	7,269,708	-
Totals				<u>\$ 144,710,132</u>	<u>\$ (178,915)</u>	<u>\$ 144,531,217</u>	<u>\$ 2,808,158</u>

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

Note 12 - Blended Component Units

Condensed combining information for the Commission's blended component units is presented as follows:

Balance sheet information is as follows:

	The Villages at Parkside II, LLC	The Villages at Parkside IV, LLC	Total
Assets			
Current assets	\$ 301,205	\$ 115,505	\$ 416,710
Noncurrent assets - Capital assets - Net	104,047	99,141	203,188
Total assets	405,252	214,646	619,898
Deferred Outflows of Resources	-	425,441	425,441
Liabilities - Current liabilities	455,020	360,212	815,232
Net Position (Deficit) - Unrestricted	<u>\$ (49,768)</u>	<u>\$ 279,875</u>	<u>\$ 230,107</u>

Income statement information is as follows:

	The Villages at Parkside II, LLC	The Villages at Parkside IV, LLC	Total
Operating Revenue			
Rent - Net	\$ 1,205,807	\$ 940,340	\$ 2,146,147
Other tenant income	3,687	9,376	13,063
Other income	2,300	16,289	18,589
Total operating revenue	1,211,794	966,005	2,177,799
Operating Expenses			
General operating expenses	1,026,651	755,103	1,781,754
Depreciation	2,728	2,607	5,335
Total operating expenses	1,029,379	757,710	1,787,089
Change in Net Position	182,415	208,295	390,710
Net Position (Deficit) - Beginning of year	(232,183)	71,580	(160,603)
Net Position (Deficit) - End of year	<u>\$ (49,768)</u>	<u>\$ 279,875</u>	<u>\$ 230,107</u>

Cash flow statement information is as follows:

	The Villages at Parkside II, LLC	The Villages at Parkside IV, LLC	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,240,131	\$ 962,329	\$ 2,202,460
Payments to vendors	(1,315,963)	(1,014,700)	(2,330,663)
Net Decrease in Cash - Net cash used in operating activities	(75,832)	(52,371)	(128,203)
Cash - Beginning of year	346,312	148,556	494,868
Cash - End of year	<u>\$ 270,480</u>	<u>\$ 96,185</u>	<u>\$ 366,665</u>

Required Supplementary Information

Detroit Housing Commission

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

Last Ten Plan Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 336,844	\$ 366,662	\$ 445,160	\$ 500,254	\$ 557,107	\$ 567,969	\$ 689,391	\$ 675,349	\$ 733,320	\$ 687,970
Interest	1,801,433	1,758,865	1,712,950	1,585,212	1,553,489	1,485,607	1,325,191	1,300,408	1,140,300	1,024,974
Changes in benefit terms	-	-	-	-	-	-	-	-	67,218	-
Differences between expected and actual experience	(374,686)	(356,905)	(319,325)	(95,526)	(542,468)	(538,371)	582,568	(1,238,155)	232,453	-
Changes in assumptions	205,475	-	996,097	620,989	660,928	-	-	-	699,473	-
Benefit payments, including refunds	(1,154,183)	(1,178,920)	(970,341)	(834,120)	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Total Pension Liability	814,883	589,702	1,864,541	1,776,809	1,540,796	880,964	2,168,912	296,185	2,493,219	1,417,084
Total Pension Liability - Beginning of year	25,256,038	24,666,336	22,801,795	21,024,986	19,484,190	18,603,226	16,434,314	16,138,129	13,644,910	12,227,826
Total Pension Liability - End of year	\$ 26,070,921	\$ 25,256,038	\$ 24,666,336	\$ 22,801,795	\$ 21,024,986	\$ 19,484,190	\$ 18,603,226	\$ 16,434,314	\$ 16,138,129	\$ 13,644,910
Plan Fiduciary Net Position										
Contributions - Employer	\$ 414,289	\$ 449,550	\$ 414,275	\$ 404,014	\$ 740,301	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806
Contributions - Member	139,410	174,809	243,471	235,177	263,768	333,465	325,762	322,349	327,138	318,583
Net investment income (loss)	2,525,419	(2,851,962)	3,112,153	2,919,133	2,431,256	(733,715)	2,135,126	1,619,273	(215,842)	806,700
Administrative expenses	(52,432)	(47,166)	(36,851)	(41,254)	(41,976)	(35,824)	(33,709)	(31,909)	(30,915)	(29,860)
Benefit payments, including refunds	(1,154,183)	(1,178,920)	(970,341)	(834,120)	(688,260)	(634,241)	(428,238)	(441,417)	(379,545)	(295,860)
Net Change in Plan Fiduciary Net Position	1,872,503	(3,453,689)	2,762,707	2,682,950	2,705,089	(627,630)	2,447,199	1,892,385	155,471	1,284,369
Plan Fiduciary Net Position - Beginning of year	22,367,947	25,821,636	23,058,929	20,375,979	17,670,891	18,298,521	15,851,322	13,958,937	13,803,466	12,519,097
Plan Fiduciary Net Position - End of year	\$ 24,240,450	\$ 22,367,947	\$ 25,821,636	\$ 23,058,929	\$ 20,375,980	\$ 17,670,891	\$ 18,298,521	\$ 15,851,322	\$ 13,958,937	\$ 13,803,466
Commission's Net Pension Liability (Asset) - Ending	\$ 1,830,471	\$ 2,888,091	\$ (1,155,300)	\$ (257,134)	\$ 649,006	\$ 1,813,299	\$ 304,705	\$ 582,992	\$ 2,179,192	\$ (158,556)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.98 %	88.56 %	104.68 %	101.13 %	96.91 %	90.69 %	98.36 %	96.45 %	86.50 %	101.16 %
Covered Payroll	\$ 2,780,866	\$ 3,030,737	\$ 3,959,751	\$ 4,599,504	\$ 5,160,041	\$ 5,259,688	\$ 6,362,792	\$ 6,304,406	\$ 6,730,040	\$ 6,283,273
Commission's Net Pension Liability (Asset) as a Percentage of Covered Payroll	65.82 %	95.29 %	(29.18)%	(5.59)%	12.58 %	34.48 %	4.79 %	9.25 %	32.38 %	(2.52)%

Detroit Housing Commission

Required Supplementary Information Schedule of Pension Contributions

	Last Ten Fiscal Years									
	Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 374,196	\$ 455,784	\$ 443,726	\$ 366,463	\$ 467,626	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806
Contributions in relation to the actuarially determined contribution	374,196	455,784	443,726	366,463	467,626	442,685	448,258	424,089	454,635	484,806
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,780,866	\$ 3,030,737	\$ 3,959,751	\$ 4,599,504	\$ 5,160,041	\$ 5,259,688	\$ 6,362,792	\$ 6,304,406	\$ 6,730,040	\$ 6,283,273
Contributions as a Percentage of Covered Payroll	13.46 %	15.04 %	11.21 %	7.97 %	9.06 %	8.42 %	7.04 %	6.73 %	6.76 %	7.72 %

June 30, 2024

Pension Information

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan administrative and investment expenses
Retirement age	60
Mortality	50 percent male - 50 percent female blend of the Pub-2010 tables
Other information	None

Benefit Changes

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

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

Changes in Assumptions

Fiscal year 2024 (plan year 2023): The discount rate was reduced from 7.25 percent to 7.18 percent in the December 31, 2023 actuarial valuation.

Fiscal year 2022 (plan year 2021): The discount rate was reduced from 7.6 percent to 7.25 percent in the December 31, 2021 actuarial valuation.

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

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

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

Changes in Size or Composition of the Covered Population

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

Supplementary Information

Detroit Housing Commission

Capital Fund Program Schedule of Actual Program Costs and Advances

Year Ended June 30, 2024

Program	MI28P001501-18	MI128P001501-19	MI28L001501-19	MI28P001501-20	MI28P001501-21	MI28P001501-22	MI28P001501-23	TOTAL
Budget	\$ 12,602,526	\$ 11,764,044	\$ 1,000,000	\$ 11,153,098	\$ 10,506,573	\$ 12,352,049	\$ 12,389,982	\$ 68,566,878
Advances								
Cash receipts - prior years	\$ 12,103,948	\$ 1,398,712	\$ 7,778	\$ 4,500,005	\$ 9,262,188	\$ 4,307,803	\$ -	\$ 31,580,434
Cash receipts - current year	498,607	3,015,972	151,839	3,973,338	297,422	807,927	4,498,011	13,243,115
Cumulative as of June 30, 2024	12,602,555	4,414,684	159,617	8,473,343	9,559,610	5,115,730	4,498,011	44,823,549
Costs								
Prior years	12,137,596	1,488,834	9,478	4,638,195	9,304,216	4,307,803	-	31,886,122
Current year	464,959	3,153,291	281,104	3,959,657	335,756	850,501	4,507,362	13,552,630
Cumulative as of June 30, 2024	12,602,555	4,642,125	290,582	8,597,853	9,639,972	5,158,304	4,507,362	45,438,752
Excess (Deficiency) of Advances Due to HUD	\$ (0)	\$ 227,440	\$ 130,965	\$ 124,510	\$ 80,362	\$ 42,575	\$ 9,351	\$ 615,202
Soft Costs								
Prior years	\$ 5,243,746	\$ 491,686	\$ 9,478	\$ 1,163,639	\$ 2,626,270	\$ -	\$ -	\$ 9,534,819
Current year	122,643	1,295,731	310,738	1,173,021	215,814	296,227	3,213,173	6,627,347
Cumulative as of June 30, 2024	5,366,389	1,787,417	320,216	2,336,660	2,842,084	296,227	3,213,173	16,162,166
Hard Costs								
Prior years	6,893,850	997,148	-	3,474,556	6,677,946	4,307,803	-	22,351,303
Current year	342,316	1,857,560	(29,634)	2,786,636	119,942	554,274	1,294,189	6,925,283
Cumulative as of June 30, 2024	7,236,166	2,854,708	(29,634)	6,261,193	6,797,888	4,862,077	1,294,189	29,276,586
Other Costs								
Prior years	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-
Cumulative as of June 30, 2024	-	-	-	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 12,602,555	\$ 4,642,125	\$ 290,582	\$ 8,597,853	\$ 9,639,972	\$ 5,158,304	\$ 4,507,362	\$ 45,438,752

Detroit Housing Commission

ROSS and Youthbuild Schedule of Actual Program Costs and Advances

Year Ended June 30, 2024

Program	MI001FJP4FPH20	Youthbuild21	ROSS221712	MI001FSS23	MI001FSS24	TOTAL
Budget	\$ 2,300,000	\$ 1,500,000	\$ 491,700	\$ 377,052	\$ 395,904	\$ 5,064,656
Advances						
Cash receipts - prior years	\$ 298,683	\$ 127,931	\$ 82,450	\$ 37,612	\$ -	\$ 546,676
Cash receipts - current year	228,714	391,458	160,059	226,781	114,310	1,121,323
Cumulative as of June 30, 2024	527,397	519,389	242,509	264,393	114,310	1,667,999
Costs						
Prior years	350,930	196,611	92,258	122,334	-	762,133
Current year	211,707	416,148	167,131	142,059	126,246	1,063,291
Cumulative as of June 30, 2024	562,637	612,759	259,389	264,393	126,246	1,825,424
Excess (Deficiency) of Advances Due to HUD	\$ 35,240	\$ 93,370	\$ 16,880	\$ (0)	\$ 11,936	\$ 157,425
Soft Costs						
Prior years	\$ 350,930	\$ 196,611	\$ 81,004	\$ 122,334	\$ -	\$ 750,880
Current year	211,707	416,148	167,131	142,059	126,246	1,063,291
Cumulative as of June 30, 2024	562,637	612,759	248,135	264,393	126,246	1,814,170
Hard Costs						
Prior years	-	-	11,254	-	-	11,254
Current year	-	-	-	-	-	-
Cumulative as of June 30, 2024	-	-	11,254	-	-	11,254
Other Costs						
Prior years	-	-	-	-	-	-
Current year	-	-	-	-	-	-
Cumulative as of June 30, 2024	-	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 562,637	\$ 612,759	\$ 259,389	\$ 264,393	\$ 126,246	\$ 1,825,425

Year Ended June 30, 2024

Line Item No.	Account Description	Total AMPs 14,850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
111	Cash - Unrestricted	18,135,505	-	1,086,324	-	8,044,579	-	-	27,266,408	1,977,201	29,243,609
112	Cash - Restricted - Modernization and Development	20,485,939	-	-	-	-	-	-	20,485,939	-	20,485,939
113	Cash - other restricted	1,238,460	-	-	-	983,131	-	-	2,221,591	13,075,640	15,297,231
114	Cash - Tenant Security Deposits	281,670	-	-	-	24,131	-	-	305,801	249,883	555,684
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-
100	Total Cash	40,141,574	-	1,086,324	-	9,051,841	-	-	50,279,739	15,302,724	65,582,463
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	615,202	-	-	-	-	-	-	615,202	-	615,202
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	744,093	-	-	744,093	19,621	763,714
124	Accounts Receivable - other government	-	-	-	-	19,007	-	-	19,007	-	19,007
125-050	Accounts Receivable - Miscellaneous	17,764	-	301,290	-	706,043	-	-	1,025,097	-	1,025,097
126	Accounts Receivable - Tenants - Dwelling Rents	1,871,459	-	-	-	320,571	-	-	2,192,030	48,487	2,240,517
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(1,222,077)	-	-	-	(274,135)	-	-	(1,496,212)	508,988	(987,224)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	(700,581)	-	-	(700,581)	-	(700,581)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	185	-	-	-	58,860	-	-	59,045	-	59,045
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	1,282,533	-	301,290	-	873,858	-	-	2,457,681	577,096	3,034,777
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	15,375	15,375
142	Prepaid Expenses and Other Assets	383,839	-	604,421	-	44,643	-	-	1,032,903	422,358	1,455,261
143	Inventories	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	-	-	1,237,317	-	-	-	(1,237,317)	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	41,807,946	-	3,229,352	-	9,970,342	-	(1,237,317)	53,770,323	16,317,553	70,087,876
161	Land	54,502,503	-	958,000	-	2,593,936	-	-	58,054,439	35,019,565	93,074,004
162	Buildings	98,381,697	-	1,634,352	-	1,115,258	-	-	101,131,307	232,778,057	333,909,364
163	Furniture, Equipment & Machinery - Dwellings	715,291	-	-	-	-	-	-	715,291	10,948,615	11,663,906
164	Furniture, Equipment & Machinery - Administration	6,078,424	-	842,048	-	102,319	-	-	7,022,791	33,954	7,056,745
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(71,027,562)	-	(1,622,569)	-	(158,607)	-	-	(72,808,738)	(114,748,361)	(187,557,099)
167	Construction In Progress	4,037,060	-	33,774	-	400	-	-	4,071,234	-	4,071,234
168	Infrastructure	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	92,687,413	-	1,845,605	-	3,653,306	-	-	98,186,324	164,031,830	262,218,154
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	87,313,995	-	-	-	7,780,192	-	-	95,094,187	-	95,094,187
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-
174-050	Other Assets	67,066	-	-	-	824	-	-	67,890	1,541,182	1,609,072
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	180,068,474	-	1,845,605	-	11,434,322	-	-	193,348,401	165,573,012	358,921,413
190	Total Assets	221,876,420	-	5,074,957	-	21,404,664	-	(1,237,317)	247,118,724	181,890,565	429,009,289
200	Deferred Outflow of Resources	42,992,219	-	1,500,170	-	333,742	-	-	44,826,131	-	44,826,131
290	Total Assets and Deferred Outflow of Resources	264,868,639	-	6,575,127	-	21,738,406	-	(1,237,317)	291,944,855	181,890,565	473,835,420

Year Ended June 30, 2024

Line Item No.	Account Description	Total AMPs 14,850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	2,798,831	-	285,301	-	279,634	-	-	3,363,766	-	3,363,766
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	757,636	757,636
321	Accrued Wage/Payroll Taxes Payable	86,125	-	140,280	-	83,240	-	-	309,645	-	309,645
322	Accrued Compensated Absences	6,878	-	8,480	-	5,181	-	-	20,539	31,412	51,951
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	25,752,212	25,752,212
331-030	Accounts Payable - HUD Other	-	-	-	-	42,746	-	-	42,746	-	42,746
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	39,269	-	-	-	-	-	-	39,269	-	39,269
341	Tenant Security Deposits	252,075	-	-	-	27,900	-	-	279,975	11,388	291,363
342	Deferred Revenues	-	-	-	-	-	-	-	-	336,135	336,135
342-010	Deferred Revenues-Operating Subsidy	13,059	-	-	-	-	-	-	13,059	95,786	108,845
342-030	Deferred Revenues-Operating Other	153,617	-	4,728	-	51,605	-	-	209,950	-	209,950
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	2,808,158	2,808,158
345	Other current liabilities	338,228	-	89,673	-	18,009	-	-	445,910	-	445,910
345	FSS Escrow	-	-	-	-	-	-	-	-	760,613	760,613
346	Accrued Liabilities - Other	4	-	-	-	682,208	-	-	682,212	-	682,212
347	Interprogram due to	796,773	-	573	-	439,971	-	(1,237,317)	-	1,588,388	1,588,388
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	4,484,859	-	529,035	-	1,630,494	-	(1,237,317)	5,407,071	32,141,728	37,548,799
		-	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	141,723,059	141,723,059
		-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	96,051	-	-	-	812,192	-	-	908,243	8,479,529	9,387,772
353	FSS Escrow	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	129,138	-	151,636	-	98,448	-	-	379,222	-	379,222
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	1,830,471	-	-	-	-	1,830,471	-	1,830,471
350	Total Noncurrent Liabilities	225,189	-	1,982,107	-	910,640	-	-	3,117,936	150,202,588	153,320,524
		-	-	-	-	-	-	-	-	-	-
300	Total Liabilities	4,710,048	-	2,511,142	-	2,541,134	-	(1,237,317)	8,525,007	182,344,316	190,869,323
		-	-	-	-	-	-	-	-	-	-
400	Deferred Inflow of Resources	-	-	187,343	-	-	-	-	187,343	-	187,343
		-	-	-	-	-	-	-	-	-	-
508.1	Invested in capital assets, net of related debt	92,687,413	-	1,845,605	-	3,653,306	-	-	98,186,324	19,500,613	117,686,937
511.1	Restricted Net Assets	108,949,810	-	-	-	7,747,092	-	-	116,696,902	13,075,640	129,772,542
512.1	Unrestricted Net Assets	58,521,368	-	2,031,037	-	7,796,874	-	-	68,349,279	(33,030,004)	35,319,275
513	Total Equity	260,158,591	-	3,876,642	-	19,197,272	-	-	283,232,505	(453,751)	282,778,754
		-	-	-	-	-	-	-	-	-	-
600	Total Liabilities, Deferred Inflows, and Equity	264,868,639	-	6,575,127	-	21,738,406	-	(1,237,317)	291,944,855	181,890,565	473,835,420

Year Ended June 30, 2024

Line Item No.	Account Description	Total AMPs 14.850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
70300	Net Tenant Rental Revenue	5,189,580	-	-	-	2,293,571	-	-	7,483,151	13,651,012	21,134,163
70400	Tenant Revenue - Other	261,183	-	-	-	13,251	-	-	274,434	102,057	376,491
70500	Total Tenant Revenue	5,450,763	-	-	-	2,306,822	-	-	7,757,585	13,753,069	21,510,654
70600-010	Housing assistance payments	-	-	-	-	47,919,712	-	-	47,919,712	-	47,919,712
70600-020	Ongoing administrative fees earned	-	-	-	-	4,653,010	-	-	4,653,010	-	4,653,010
70600-030	Hard to house fee revenue	-	-	-	-	25,676	-	-	25,676	-	25,676
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	19,091,421	-	-	-	-	-	-	19,091,421	-	19,091,421
70600	HUD PHA Grants	7,902,385	-	-	-	-	-	-	7,902,385	-	7,902,385
70610	HUD PHA Capital Grants	5,637,695	-	33,774	-	-	-	-	5,671,469	-	5,671,469
70710	Management Fee	-	-	3,837,487	-	-	-	(3,837,487)	-	-	-
70720	Asset Management Fee	-	-	292,356	-	-	-	(292,356)	-	-	-
70730	Book-Keeping Fee	-	-	703,239	-	-	-	(703,239)	-	-	-
70740	Front Line Service Fee	-	-	49,486	-	-	-	(49,486)	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	4,882,567	-	-	-	(4,882,567)	-	-	-
70800	Other government grants	-	-	-	-	1,062,906	-	-	1,062,906	-	1,062,906
71100-030	Investment Income - Unrestricted	1,967,221	-	-	-	363,246	-	-	2,330,467	247,375	2,577,842
71100	Investment Income - Unrestricted	-	-	70,839	-	-	-	-	70,839	-	70,839
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400-010	Fraud recovery	-	-	-	-	7,048	-	-	7,048	-	7,048
71500	Other revenue	1,366,936	-	158,730	-	28,589	-	-	1,554,255	167,358	1,721,613
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-
72000-010	Investment income - restricted	2,477,852	-	-	-	5,091	-	-	2,482,943	-	2,482,943
70000	Total Revenue	43,894,273	-	5,145,910	-	56,372,100	-	(4,882,567)	100,529,716	14,167,802	114,697,518
91100	Administrative salaries	1,703,934	-	2,659,863	-	1,817,245	-	-	6,181,042	2,623,288	8,804,330
91200	Auditing fees	89,191	-	24,212	-	18,049	-	-	131,452	63,675	195,127
91300	Management Fee	3,115,218	-	-	-	722,269	-	(3,837,487)	-	849,390	849,390
91310	Book-Keeping Fee	251,821	-	-	-	451,418	-	(703,239)	-	-	-
91400	Advertising and Marketing	2,277	-	11,046	-	213	-	-	13,536	38,879	52,415
91500	Employee benefit contributions - administrative	600,983	-	502,791	-	605,642	-	-	1,709,416	-	1,709,416
91600	Office Expenses	823,045	-	647,362	-	748,987	-	-	2,219,394	159,562	2,378,956
91700	Legal Expense	159,253	-	125,100	-	46,542	-	(3,708)	327,187	64,282	391,469
91800	Travel	27,511	-	71,324	-	42,502	-	-	141,337	-	141,337
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900	Other	968,772	-	870,698	-	1,297,509	-	-	3,136,979	1,245,920	4,382,899
92000	Asset Management Fee	292,356	-	-	-	-	-	(292,356)	-	6,524	6,524

Year Ended June 30, 2024

Line Item No.	Account Description	Total AMPs 14.850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
92100	Tenant services - salaries	-		-		-			-	-	-
92200	Relocation Costs	82,809		-		-			82,809	-	82,809
92300	Employee benefit contributions - tenant services	46,962		103		-			47,065	-	47,065
92400	Tenant Services - Other	56,870		159		50,306			107,335	-	107,335
		-		-		-			-	-	-
93100	Water	1,145,991		1,961		80,508			1,228,460	35,032	1,263,492
93200	Electricity	1,457,702		114,979		60,996			1,633,677	42,074	1,675,751
93300	Gas	665,428		51,432		37,056			753,916	53,839	807,755
93400	Fuel	-		-		-			-	-	-
93500	Labor	-		-		-			-	-	-
93600	Sewer	1,436,599		13,484		-			1,450,083	27,034	1,477,117
93700	Employee benefit contributions - utilities	-		-		-			-	-	-
93800	Other utilities expense	-		-		-			-	1,824,076	1,824,076
		-		-		-			-	-	-
94100	Ordinary Maintenance and Operations - Labor	2,627,764		135,023		9,125			2,771,912	-	2,771,912
94200	OMO - Materials and Other	1,118,469		41,204		11,216			1,170,889	1,314,206	2,485,095
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	246,607		3,909		4,179			254,695	-	254,695
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	355,606		11,107		91,006			457,719	-	457,719
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	260,389		5,934		44,200			310,523	-	310,523
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	-		-		-			-	-	-
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	527,264		11,538		103,250			642,052	-	642,052
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	524,598		-		-			524,598	-	524,598
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	40,005		-		38,906			78,911	-	78,911
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	275,890		14,186		116,510			406,586	-	406,586
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	561,711		-		12,332		(37,080)	536,963	-	536,963
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	260,058		-		6,116			266,174	-	266,174
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	210,247		-		29,745		(844)	239,148	-	239,148
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	3,113,906		89,539		259,561		(7,854)	3,455,152	-	3,455,152
94300	Ordinary Maintenance and Operations - Contract Costs	6,376,281	-	136,213	-	705,805	-	(45,778)	7,172,521	2,995,219	10,167,740
94500	Employee Benefit Contributions - Ordinary Maintenance	655,697		54,487		72,234			782,418	-	782,418
		-		-		-			-	-	-
95100	Protective Services - labor	-		-		-			-	-	-
95200	Protective Services - Other Contract Costs	1,102,005		-		198,354			1,300,359	-	1,300,359
95300	Protective Services - Other	-		-		-			-	-	-
95500	Employee benefit contributions - protective services	-		-		-			-	-	-

Year Ended June 30, 2024

Line Item No.	Account Description	Total AMPs 14,850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
96110	Property Insurance	981,282	-	33,166	-	231,801	-	-	1,246,249	1,590,321	2,836,570
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	89,476	-	14,217	-	28,259	-	-	131,952	-	131,952
96140	All other Insurance	320,618	-	14,584	-	77,333	-	-	412,535	27,767	440,302
96200	Other General Expenses	5,164,270	-	826	-	61,379	-	-	5,226,475	650,690	5,877,165
96210	Compensated Absences	150,044	-	222,236	-	126,866	-	-	499,146	-	499,146
96300	Payments in Lieu of Taxes	39,269	-	-	-	-	-	-	39,269	510,231	549,500
96400	Bad Debt - Tenant Rents	590,328	-	-	-	77,341	-	-	667,669	818,611	1,486,280
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	2,477,852	-	-	-	-	-	-	2,477,852	-	2,477,852
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	3,623,153	3,623,153
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	325	325
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	34,620,077	-	5,746,470	-	7,578,954	-	(4,882,567)	43,062,934	18,564,098	61,627,032
97000	Excess Operating Revenue over Operating Expenses	9,274,196	-	(600,560)	-	48,793,146	-	-	57,466,782	(4,396,296)	53,070,486
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	381,467	381,467
97300-050	Housing Assistance Payments	21,211	-	-	-	49,100,070	-	-	49,121,281	-	49,121,281
97300-070	All Other	43,856	-	-	-	-	-	-	43,856	-	43,856
97400	Depreciation Expense	3,969,760	-	136,130	-	62,926	-	-	4,168,816	9,701,412	13,870,228
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	38,654,904	-	5,882,600	-	56,741,950	-	(4,882,567)	96,396,887	28,646,977	125,043,864
10010	Operating transfers in	22,659,025	-	-	-	-	-	(22,659,025)	-	-	-
10020	Operating transfers out	(22,659,025)	-	-	-	-	-	22,659,025	-	-	-
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	(928,337)	-	-	-	(242,635)	-	-	(1,170,972)	-	(1,170,972)
10091	Inter Project Excess Cash Transfer In	2,600,571	-	62,054	-	268,875	-	(2,931,500)	-	-	-
10092	Inter Project Excess Cash Transfer Out	(2,869,446)	-	-	-	(62,054)	-	2,931,500	-	-	-
10093	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10094	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	(1,197,212)	-	62,054	-	(35,814)	-	-	(1,170,972)	-	(1,170,972)
10000	Excess (deficiency) of total revenue over (under) total expenses	4,042,157	-	(674,636)	-	(405,664)	-	-	2,961,857	(14,479,175)	(11,517,318)
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	256,116,434	-	4,551,278	-	19,602,936	-	-	280,270,648	14,025,424	294,296,072
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-
11040-070	Equity transfer	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	46,800	-	-	-	80,724	-	-	127,524	-	127,524
11210	Number of Unit Months Leased	33,186	-	-	-	64,242	-	-	97,428	-	97,428
11170	Administrative Fee Equity	1	-	-	-	2,566,878	-	-	2,566,879	-	2,566,879
11180	Housing Assistance Payments Equity	-	-	-	-	(0)	-	-	(0)	-	(0)
11270	Excess Cash	13,226,283	-	-	-	-	-	-	13,226,283	-	13,226,283
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	7,509,224	-	70,285	-	-	-	-	7,579,509	-	7,579,509
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	230,422	-	356,516	-	-	-	-	586,938	-	586,938
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	682,051	-	-	-	-	-	-	682,051	-	682,051
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-