
Detroit Housing Commission

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

Financial Report
with Supplementary Information
June 30, 2023

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Statement of Cash Flows	13
Discretely Presented Component Units:	
Component Units Statement of Net Position	14-17
Component Units Statement of Activities	18-21
Notes to Financial Statements	22-41
Required Supplementary Information	42
Schedule of Changes in the Net Pension Liability and Related Ratios	43
Schedule of Pension Contributions	44
Note to Required Supplementary Information	45
Other Supplementary Information	46
Schedules of Actual Program Costs and Advances:	
Capital Fund Program	47
ROSS and Youthbuild	48
Financial Data Schedules	49-53

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, 2023 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, 2023 and the changes in its financial position and, where applicable, its cash flows for the years 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 94 percent of revenue of the aggregate discretely presented component units as of June 30, 2023 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 IX Limited Dividend Housing Association, LLC; Gardenview Homes X Limited Dividend Housing Association, LLC; Emerald Springs IA Limited Dividend Housing Association Limited Partnership; Emerald Springs IB Limited Dividend Housing Association Limited Partnership; Emerald Springs II Limited Dividend Housing Association Limited Partnership; Cornerstone Estates I Limited Dividend Housing Association, LLC; Cornerstone Estates II Limited Dividend Housing Association, LLC; and Cornerstone Estates III Limited Dividend Housing Association, LLC were not audited in accordance with *Government Auditing Standards*.

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.

To the Board of Commissioners
Detroit Housing Commission

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

Other 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 11, 2023 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 11, 2023

June 30, 2023

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, 2023. The purpose of this summary is to assist the reader in focusing on significant financial issues, to provide an overview of DHC's financial activities for the year, to highlight changes in DHC's financial position, and to identify individual fund or program issues or concerns. The management discussion and analysis ("MD&A") does not include the information of the discretely presented component units.

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

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

Mission

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

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2023, by \$280.3 (net position).
- The Commission had operating revenue from HUD of \$76.6m and HUD capital grants of \$4.1m which includes funds for redevelopment and capital asset activities.
- The Commission's unrestricted cash and cash equivalents totaled \$29.7m as of June 30, 2023.
- Public housing has maintained occupancy of an average at 77.9 percent for the fiscal year ended June 30, 2023.
- The Commission utilized 79.9 percent of its Section 8 baseline vouchers under the Housing Choice Voucher program and spent 97.0 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, 2023.
- During fiscal year 2023, 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, 2023

The Commission's Programs

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

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

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

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.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2023

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	2023	2022	Net Change
Assets and Deferred Outflows			
Current assets	\$ 54,905,819	\$ 51,749,291	\$ 3,156,528
Capital assets - Net	94,267,326	94,440,410	(173,084)
Other noncurrent assets	95,122,807	96,849,608	(1,726,801)
Deferred outflows	<u>46,860,929</u>	<u>47,765,580</u>	<u>(904,651)</u>
Total assets and deferred outflows	291,156,881	290,804,889	351,992
Liabilities and Deferred Inflows			
Current liabilities	\$ 7,270,006	\$ 5,847,388	\$ 1,422,618
Other noncurrent liabilities	3,437,774	1,622,951	1,814,823
Deferred inflows	<u>178,453</u>	<u>2,107,246</u>	<u>(1,928,793)</u>
Total Liabilities and deferred inflows	10,886,233	9,577,585	1,308,648
Net Position			
Net investment in capital assets	94,267,326	94,440,410	(173,084)
Restricted	116,320,015	115,600,494	719,521
Unrestricted	<u>69,683,307</u>	<u>71,186,400</u>	<u>(1,503,093)</u>
Total net position	\$ -	\$ -	\$ -
	<u>280,270,648</u>	<u>281,227,304</u>	<u>(956,656)</u>
Total liabilities and net position	<u>\$ 291,156,881</u>	<u>\$ 290,804,889</u>	<u>\$ 351,992</u>

Current assets increased by 6.1 percent primarily due to an increase in investment/interest income rates.

The Commission's net investment in capital assets decreased 0.2 percent. DHC remains committed to investing in its properties and had capital additions of \$4.1m. This investment is offset by annual depreciation of \$4.2m

Other noncurrent liabilities increased 112.0 percent due to increase in Pension liabilities per GASB 68 Valuation.

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)

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2023

3. Unrestricted - The Commission's assets that are neither invested in capital assets nor restricted, which increase principally due to operations. These resources are available to meet the Commission's ongoing obligations to its residents and creditors.

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

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

	2023	2022	Net Change
Operating Revenue			
HUD operating revenue	\$ 76,611,554	\$ 68,570,711	\$ 8,040,843
Tenant revenue - Net	8,111,705	7,117,193	994,512
Other operating revenue	<u>3,351,148</u>	<u>806,332</u>	<u>2,544,816</u>
Total operating revenue	88,074,407	76,494,236	11,580,171
Operating Expenses			
Administrative	12,993,184	10,438,279	2,554,905
Tenant services	106,918	584,840	(477,922)
Utilities	5,950,845	5,216,242	734,603
Maintenance	13,014,809	10,139,438	2,875,371
Protective services	2,766,864	2,660,982	105,882
General	7,753,986	6,868,307	885,679
Depreciation and amortization	6,622,385	4,360,695	2,261,690
Housing assistance payments	<u>45,546,904</u>	<u>37,430,325</u>	<u>8,116,579</u>
Total operating expenses	<u>94,755,895</u>	<u>77,699,108</u>	<u>17,056,787</u>
Operating Loss	(6,681,488)	(1,204,872)	(5,476,616)
Nonoperating Revenue (Expense)			
Gain (Loss) on sale of asset	-	7,276	(7,276)
Investment income - Unrestricted	1,696,485	145,664	1,550,821
Interest Income - Restricted	2,395,085	2,302,233	92,852
Other revenue	-	3,719,170	(3,719,170)
Other expense	(31,539)	-	(31,539)
Bad debt expense on the note receivable interest income	<u>(2,386,783)</u>	<u>(2,475,041)</u>	<u>88,258</u>
Total nonoperating revenue (expense)	<u>1,673,248</u>	<u>3,699,302</u>	<u>(2,026,054)</u>
(Decrease) Increase in Net Position Before Capital	(5,008,240)	2,494,430	(7,502,670)
Capital Contributions			
Capital contributions - HUD	<u>4,051,584</u>	<u>1,173,368</u>	<u>2,878,216</u>
Increase in Net Position	(956,656)	3,667,798	(4,624,454)
Net Position - Beginning of year	<u>281,227,304</u>	<u>277,559,506</u>	<u>3,667,798</u>
Net Position - End of year	<u>\$ 280,270,648</u>	<u>\$ 281,227,304</u>	<u>\$ (956,656)</u>

Total operating revenue increased by approximately \$11.6m for the fiscal year ended June 30, 2023, primarily due to increased proration funding provided by HUD, increased investment interest revenue, and insurance claims proceeds.

Detroit Housing Commission

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Operating expenses are categorized by the Commission as administrative, tenant services, utilities, maintenance, protective services, general, depreciation expense, and housing assistance payments. The net increase of approximately \$17m or 21 percent in total operating expenses is primarily due to HAP expenses, depreciation expense and maintenance costs.

Capital contributions increased by \$2.9m 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, 2023.

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>2023</u>	<u>2022</u>	<u>Net Change</u>
Nondepreciable			
Land	\$ 59,182,161	\$ 59,182,161	\$ -
Construction in progress	<u>5,427,112</u>	<u>4,363,521</u>	<u>1,063,591</u>
Total nondepreciable	64,609,273	63,545,682	1,063,591
Depreciated			
Structures and improvements	\$ 90,672,312	\$ 87,940,168	\$ 2,732,144
Equipment	<u>7,625,660</u>	<u>7,319,670</u>	<u>305,990</u>
Total depreciated	<u>98,297,972</u>	<u>95,259,838</u>	<u>3,038,134</u>
Total capital assets	162,907,245	158,805,520	4,101,725
Total accumulated depreciation	<u>(68,639,919)</u>	<u>(64,365,110)</u>	<u>(4,274,809)</u>
Capital assets - Net	<u>\$ 94,267,326</u>	<u>\$ 94,440,410</u>	<u>\$ (173,084)</u>

Factors Affecting Next Year's Budget

The Commission is primarily dependent upon HUD for the funding of its Low-income Public Housing, Housing Choice Voucher, and Public Housing Capital Fund programs; therefore, the Commission is affected more by the federal budget than by local economic conditions. The proration of funding of these programs in the future could be significantly affected by the 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, 2023

	Primary Government - Business-Type Activities	Total Discrete Component Units
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents - Unrestricted (Note 3)	\$ 29,722,784	2,701,295
Cash and cash equivalents - Restricted (Note 3)	22,620,714	13,367,310
Receivables - Net	1,254,857	1,100,381
Prepaid expenses	647,213	246,410
Due from other governments	660,251	-
	<hr/>	<hr/>
Total current assets	54,905,819	17,415,396
Noncurrent Assets		
Capital assets - Nondepreciable (Notes 4 and 11)	64,609,273	11,106,372
Capital assets - Depreciable - Net (Notes 4 and 11)	29,658,053	162,773,221
Other noncurrent assets	11,590	1,622,645
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	95,111,217	-
	<hr/>	<hr/>
Total assets	244,295,952	192,917,634
Deferred Outflows of Resources		
Deferred outflows related to pensions (Note 8)	2,363,996	-
Excess consideration provided in acquisition	44,496,933	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 291,156,881	\$ 192,917,634
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Current portion of long-term debt (Note 11)	\$ -	\$ 2,745,023
Accounts payable	4,567,005	580,990
Accrued interest payable	-	23,223,332
Accrued salaries and benefits	286,675	-
Accrued compensated absences	20,612	-
Due to other governments	95,282	-
Tenant security deposits	304,886	323,219
Unearned revenue	273,772	74,147
Other current liabilities	1,721,774	2,526,019
	<hr/>	<hr/>
Total current liabilities	7,270,006	29,472,730
Noncurrent Liabilities		
Long-term debt - Includes \$94,313,626 which is due to Detroit Housing Commission (Note 11)	-	142,035,109
Accrued compensated absences	390,059	-
Net pension liability (Note 8)	2,888,091	-
Other noncurrent liabilities	159,624	7,384,371
	<hr/>	<hr/>
Total liabilities	10,707,780	178,892,210
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 8)	178,453	-
Net Position		
Net investment in capital assets	94,267,326	29,099,461
Restricted for reserves	21,208,798	13,081,648
Restricted for housing projects (notes receivable)	95,111,217	-
Unrestricted net position	69,683,307	(28,155,685)
	<hr/>	<hr/>
Total net position	280,270,648	14,025,424
Total liabilities, deferred inflows of resources, and net position	\$ 291,156,881	\$ 192,917,634

Year Ended June 30, 2023

	Primary Government - Business-Type Activities	Total Discrete Component Units
	<u> </u>	<u> </u>
Operating Revenue		
HUD operating revenue	\$ 76,611,554	\$ -
Tenant revenue - Net	8,111,705	12,785,623
Other operating revenue	<u>3,351,148</u>	<u>117,942</u>
Total operating revenue	88,074,407	12,903,565
Operating Expenses		
Administrative	12,993,184	5,074,038
Tenant services	106,918	-
Utilities	5,950,845	2,001,751
Maintenance	13,014,809	3,290,985
Protective services	2,766,864	-
General	7,753,986	2,009,021
Depreciation and amortization	6,622,385	9,756,040
Housing assistance payments	<u>45,546,904</u>	<u>-</u>
Total operating expenses	<u>94,755,895</u>	<u>22,131,835</u>
Operating Loss	(6,681,488)	(9,228,270)
Nonoperating Revenue (Expense)		
Investment income - Unrestricted	1,696,485	151,783
Investment Income - Restricted	2,395,085	-
Other expense	(31,539)	
Interest expense	-	(3,547,345)
Bad debt expense	<u>(2,386,783)</u>	<u>-</u>
Total nonoperating revenue (expense)	<u>1,673,248</u>	<u>(3,395,562)</u>
Decrease in Net Position Before Capital Contributions	(5,008,240)	(12,623,832)
Capital Contributions		
Capital contributions - HUD	4,051,584	-
Partner contributions	<u>-</u>	<u>313,750</u>
Decrease in Net Position	(956,656)	(12,310,082)
Net Position - Beginning of year	<u>281,227,304</u>	<u>26,335,506</u>
Net Position - End of year	<u>\$ 280,270,648</u>	<u>\$ 14,025,424</u>

Year Ended June 30, 2023

Cash Flows from Operating Activities	
Cash received from HUD operating subsidies and grants	\$ 75,781,361
Cash received from tenants	7,308,862
Other receipts	4,801,122
Cash payments for housing assistance	(45,546,904)
Cash payments to employees	(12,091,676)
Cash payments to suppliers	<u>(31,602,108)</u>
Net cash and cash equivalents used in operating activities	(1,349,343)
Cash Flows from Investing Activities	
Investment in notes receivable - Net	34,644
Interest received	<u>4,091,570</u>
Net cash and cash equivalents provided by investing activities	4,126,214
Cash Flows from Capital and Related Financing Activities	
HUD capital grants	4,425,640
Purchase of property and equipment	<u>(4,107,357)</u>
Net cash and cash equivalents provided by capital and related financing activities	<u>318,283</u>
Net Increase in Cash and Cash Equivalents	3,095,154
Cash and Cash Equivalents - Beginning of year	<u>49,248,344</u>
Cash and Cash Equivalents - End of year	<u>\$ 52,343,498</u>
Cash Reconciliation	
Current cash and cash equivalents - Unrestricted	\$ 29,722,784
Current cash and cash equivalents - Restricted	<u>22,620,714</u>
Total cash and cash equivalents	<u>\$ 52,343,498</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (6,681,488)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:	
Depreciation and amortization	6,622,385
Change in pension liability and deferrals	677,305
(Increase) decrease in operating assets:	
Receivables - Net	(2,905,137)
Prepaid expenses and other assets	82,924
Other assets	536,857
Increase (decrease) in operating liabilities:	
Accounts payable	890,630
Accrued salaries and benefits	(57,790)
Tenant security deposits	(22,979)
Other liabilities	<u>(492,050)</u>
Net cash used in operating activities	<u>\$ (1,349,343)</u>

Detroit Housing Commission

Component Units Statement of Net Position

	Woodbridge Estates Apartments I, LLC December 31, 2022	Woodbridge Estates Apartments II, LLC December 31, 2022	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2022
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	19,152	97,463	68,092	62,076	76,850	169,085	264,635
Cash and cash equivalents - Restricted	119,654	243,323	175,121	270,110	260,305	353,025	430,174
Receivables - Net	22,140	41,152	62,016	9,382	83,519	50,896	57,943
Prepaid expenses	8,647	12,609	9,055	17,091	15,764	8,286	14,411
Total current assets	169,593	394,547	314,284	358,659	436,438	581,292	767,163
Noncurrent Assets							
Capital assets - Net	3,347,979	4,392,769	3,691,408	4,473,696	6,526,853	6,076,188	14,029,666
Other noncurrent assets	-	-	-	-	-	190,177	311,454
Total assets	<u>\$ 3,517,572</u>	<u>\$ 4,787,316</u>	<u>\$ 4,005,692</u>	<u>\$ 4,832,355</u>	<u>\$ 6,963,291</u>	<u>\$ 6,847,657</u>	<u>\$ 15,108,283</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	29,200	42,600	30,800	38,700	58,500	-	10,100
Accounts payable	53,855	1,933	38	606	26,233	6,418	7,246
Accrued interest payable	1,897,982	2,853,101	1,672,064	1,902,900	2,209,572	785,547	323,741
Tenant security deposits	6,689	12,016	8,692	9,252	11,464	5,130	15,444
Unearned revenue	6,620	3,886	2,398	4,341	3,504	3,608	5,209
Other current liabilities	26,458	43,392	16,226	16,985	26,307	37,535	19,029
Total current liabilities	2,020,804	2,956,928	1,730,218	1,972,784	2,335,580	838,238	380,769
Noncurrent Liabilities							
Long-term debt	3,183,346	4,220,450	3,211,857	3,831,178	5,157,697	2,451,576	4,648,870
Other noncurrent liabilities	-	-	-	-	71,893	-	576,124
Total liabilities	5,204,150	7,177,378	4,942,075	5,803,962	7,565,170	3,289,814	5,605,763
Net Position							
Net investment in capital assets	135,433	129,719	448,751	603,818	1,310,656	3,624,612	9,370,696
Restricted	119,654	243,323	166,429	256,610	248,841	347,486	414,730
Unrestricted	(1,941,665)	(2,763,104)	(1,551,563)	(1,832,035)	(2,161,376)	(414,255)	(282,906)
Total net position	(1,686,578)	(2,390,062)	(936,383)	(971,607)	(601,879)	3,557,843	9,502,520
Total liabilities and net position	<u>\$ 3,517,572</u>	<u>\$ 4,787,316</u>	<u>\$ 4,005,692</u>	<u>\$ 4,832,355</u>	<u>\$ 6,963,291</u>	<u>\$ 6,847,657</u>	<u>\$ 15,108,283</u>

See notes to the financial statements

Detroit Housing Commission

Component Units Statement of Net Position (Continued)

	Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership December 31, 2022	Gardenvue Homes I Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes II Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes III Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes IV Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes V Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes VI Limited Dividend Housing Association, LLC December 31, 2022	Gardenvue Homes VII Limited Dividend Housing Association, LLC December 31, 2022
Assets								
Current Assets								
Cash and cash equivalents - Unrestricted	5,311	3,259	38,555	8,784	369,341	222,329	150,768	50,048
Cash and cash equivalents - Restricted	679,993	1,032,100	924,791	1,002,558	410,675	393,317	383,752	821,377
Receivables - Net	43,294	95,133	22,930	38,960	31,642	15,745	17,662	3,973
Prepaid expenses	897	18,267	8,563	8,563	9,133	9,133	8,753	15,984
Total current assets	729,495	1,148,759	994,839	1,058,865	820,791	640,524	560,935	891,382
Noncurrent Assets								
Capital assets - Net	7,530,638	12,663,859	5,634,745	5,303,773	5,395,579	7,808,519	7,550,868	9,009,634
Other noncurrent assets	-	-	-	-	-	-	-	-
Total assets	<u>\$ 8,260,133</u>	<u>\$ 13,812,618</u>	<u>\$ 6,629,584</u>	<u>\$ 6,362,638</u>	<u>\$ 6,216,370</u>	<u>\$ 8,449,043</u>	<u>\$ 8,111,803</u>	<u>\$ 9,901,016</u>
Liabilities and Net Position								
Current Liabilities								
Current portion of long-term debt	-	35,120	-	-	-	-	-	-
Accounts payable	16,883	52,133	1,507	18,927	34,488	22,936	24,168	-
Accrued interest payable	4,818,471	-	-	-	336,971	-	-	-
Tenant security deposits	25,547	22,141	4,580	4,892	5,091	6,209	4,561	13,303
Unearned revenue	3,698	1,572	1,108	1,238	1,582	850	897	2,375
Other current liabilities	493,772	99,520	24,276	22,061	-	15,399	16,077	473,538
Total current liabilities	5,358,371	210,486	31,471	47,118	378,132	45,394	45,703	489,216
Noncurrent Liabilities								
Long-term debt	3,685,333	11,469,398	8,785,039	8,795,330	3,887,485	5,384,319	4,822,596	10,230,000
Other noncurrent liabilities	-	-	-	-	76,188	130,882	35,989	2,788,850
Total liabilities	9,043,704	11,679,884	8,816,510	8,842,448	4,341,805	5,560,595	4,904,288	13,508,066
Net Position								
Net investment in capital assets	3,845,305	1,159,341	(3,150,294)	(3,491,557)	1,508,094	2,424,200	2,728,272	(1,220,366)
Restricted	649,685	1,006,100	920,041	993,958	403,103	386,241	377,502	807,509
Unrestricted	(5,278,561)	(32,707)	43,327	17,789	(36,632)	78,007	101,741	(3,194,193)
Total net position	(783,571)	2,132,734	(2,186,926)	(2,479,810)	1,874,565	2,888,448	3,207,515	(3,607,050)
Total liabilities and net position	<u>\$ 8,260,133</u>	<u>\$ 13,812,618</u>	<u>\$ 6,629,584</u>	<u>\$ 6,362,638</u>	<u>\$ 6,216,370</u>	<u>\$ 8,449,043</u>	<u>\$ 8,111,803</u>	<u>\$ 9,901,016</u>

See notes to the financial statements

Detroit Housing Commission

Component Units Statement of Net Position (Continued)

	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2022	Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2022	Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2022	Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2022	Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2022	Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2023	Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2022
Assets							
Current Assets							
Cash and cash equivalents - Unrestricted	62,676	130,454	7,412	128,023	21,858	431,179	65,940
Cash and cash equivalents - Restricted	885,927	291,075	1,375,722	511,166	600,853	301,398	718,472
Receivables - Net	2,481	14,940	61,183	140,117	182,083	55,545	22,667
Prepaid expenses	15,603	8,944	18,457	1,557	1,916	1,273	10,796
Total current assets	966,687	445,413	1,462,774	780,863	806,710	789,395	817,875
Noncurrent Assets							
Capital assets - Net	8,748,311	7,282,516	18,107,519	7,714,164	7,486,295	5,852,145	4,746,376
Other noncurrent assets	-	29,121	330,584	217,196	217,013	17,999	151,502
Total assets	<u>\$ 9,714,998</u>	<u>\$ 7,757,050</u>	<u>\$ 19,900,877</u>	<u>\$ 8,712,223</u>	<u>\$ 8,510,018</u>	<u>\$ 6,659,539</u>	<u>\$ 5,715,753</u>
Liabilities and Net Position							
Current Liabilities							
Current portion of long-term debt	-	-	2,500,003	-	-	-	-
Accounts payable	1,121	18,435	71,328	96,218	49,215	67,308	521
Accrued interest payable	-	-	1,681,073	252,624	221,932	339,521	2,174,347
Tenant security deposits	10,838	10,231	13,361	29,194	32,545	15,586	13,915
Unearned revenue	1,938	2,938	1,958	5,362	11,365	3,493	1,051
Other current liabilities	418,280	70,462	124,902	183,874	178,502	117,776	37,675
Total current liabilities	432,177	102,066	4,392,625	567,272	493,559	543,684	2,227,509
Noncurrent Liabilities							
Long-term debt	10,031,000	4,274,183	10,990,000	5,278,117	4,631,749	7,262,457	3,695,898
Other noncurrent liabilities	2,796,853	58,290	740,294	-	-	-	-
Total liabilities	13,260,030	4,434,539	16,122,919	5,845,389	5,125,308	7,806,141	5,923,407
Net Position							
Net investment in capital assets	(1,282,689)	3,008,333	4,617,516	2,436,047	2,854,546	(1,410,312)	1,050,478
Restricted	873,947	279,790	1,361,858	475,696	564,598	283,653	718,472
Unrestricted	(3,136,290)	34,388	(2,201,416)	(44,909)	(34,434)	(19,943)	(1,976,604)
Total net position	(3,545,032)	3,322,511	3,777,958	2,866,834	3,384,710	(1,146,602)	(207,654)
Total liabilities and net position	<u>\$ 9,714,998</u>	<u>\$ 7,757,050</u>	<u>\$ 19,900,877</u>	<u>\$ 8,712,223</u>	<u>\$ 8,510,018</u>	<u>\$ 6,659,539</u>	<u>\$ 5,715,753</u>

See notes to the financial statements

	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2022	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2022	Total Discretely Component Units
Assets			
Current Assets			
Cash and cash equivalents - Unrestricted	82,516	165,489	2,701,295
Cash and cash equivalents - Restricted	543,721	638,701	13,367,310
Receivables - Net	7,259	17,719	1,100,381
Prepaid expenses	11,168	11,540	246,410
Total current assets	644,664	833,449	17,415,396
Noncurrent Assets			
Capital assets - Net	5,163,705	5,342,388	173,879,593
Other noncurrent assets	-	157,599	1,622,645
Total assets	\$ 5,808,369	\$ 6,333,436	\$ 192,917,634
Liabilities and Net Position			
Current Liabilities			
Current portion of long-term debt	-	-	2,745,023
Accounts payable	2,706	6,767	580,990
Accrued interest payable	-	1,753,486	23,223,332
Tenant security deposits	27,483	15,055	323,219
Unearned revenue	1,027	2,129	74,147
Other current liabilities	26,482	37,491	2,526,019
Total current liabilities	57,698	1,814,928	29,472,730
Noncurrent Liabilities			
Long-term debt	9,073,382	3,033,849	142,035,109
Other noncurrent liabilities	39,720	69,288	7,384,371
Total liabilities	9,170,800	4,918,065	178,892,210
Net Position			
Net investment in capital assets	(3,909,677)	2,308,539	29,099,461
Restricted	543,721	638,701	13,081,648
Unrestricted	3,525	(1,531,869)	(28,155,685)
Total net position	(3,362,431)	1,415,371	14,025,424
Total liabilities and net position	\$ 5,808,369	\$ 6,333,436	\$ 192,917,634

Detroit Housing Commission

Component Units Statement of Activities

	Woodbridge Estates Apartments I, LLC December 31, 2022	Woodbridge Estates Apartments II, LLC December 31, 2022	Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates VI Limited Dividend Housing Association, LLC December 31, 2022	Woodbridge Estates IX Limited Dividend Housing Association, LLC December 31, 2022
Operating Revenue							
Tenant revenue - Net	\$ 423,327	\$ 630,442	\$ 399,464	\$ 429,543	\$ 652,359	\$ 466,512	\$ 605,360
Other operating revenue	-	-	7,500	7,500	(29,515)	7,284	34,180
Total operating revenue	423,327	630,442	406,964	437,043	622,844	473,796	639,540
Operating Expenses							
Administrative	134,373	176,154	110,737	132,269	176,896	229,704	187,727
Utilities	46,002	67,042	41,145	47,148	67,662	56,675	98,461
Maintenance	166,732	144,273	98,454	104,347	210,440	116,712	121,738
Protective services	-	-	-	-	-	-	-
General	23,382	54,749	37,467	45,677	64,798	74,100	299,259
Depreciation and amortization	155,416	204,136	153,094	185,667	268,307	403,142	640,338
Total operating expenses	525,905	646,354	440,897	515,108	788,103	880,333	1,347,523
Operating (Loss) Income	(102,578)	(15,912)	(33,933)	(78,065)	(165,259)	(406,537)	(707,983)
Nonoperating Revenue (Expense)							
Investment income	-	-	-	-	-	-	-
Interest expense	(247,968)	(366,604)	(191,458)	(225,865)	(290,240)	(130,788)	-
Total nonoperating (expense) revenue	(247,968)	(366,604)	(191,458)	(225,865)	(290,240)	(130,788)	-
Decrease in Net Assets Before Capital Contributions and Distributions	(350,546)	(382,516)	(225,391)	(303,930)	(455,499)	(537,325)	(707,983)
Capital Contributions and Distributions							
Partner contributions	-	-	-	-	-	-	313,750
Change in Net Position	(350,546)	(382,516)	(225,391)	(303,930)	(455,499)	(537,325)	(394,233)
Net Position - Beginning of year	(1,336,032)	(2,007,546)	(710,992)	(667,677)	(146,380)	4,095,168	9,896,753
Net Position - End of year	<u>\$ (1,686,578)</u>	<u>\$ (2,390,062)</u>	<u>\$ (936,383)</u>	<u>\$ (971,607)</u>	<u>\$ (601,879)</u>	<u>\$ 3,557,843</u>	<u>\$ 9,502,520</u>

See notes to the financial statements

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Woodbridge ILF Associates Limited	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
	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022
Operating Revenue								
Tenant revenue - Net	\$ 834,119	\$ 868,229	\$ 371,206	\$ 341,253	\$ 400,058	\$ 374,664	\$ 371,635	\$ 603,047
Other operating revenue	-	-	-	2,274	-	-	-	-
Total operating revenue	834,119	868,229	371,206	343,527	400,058	374,664	371,635	603,047
Operating Expenses								
Administrative	625,658	225,549	129,192	120,709	137,998	139,370	136,569	246,129
Utilities	179,986	135,392	58,295	59,171	64,590	61,597	65,173	87,688
Maintenance	65,382	323,885	126,363	155,765	167,358	115,329	119,306	166,393
Protective services	-	-	-	-	-	-	-	-
General	104,033	107,063	59,070	81,597	67,622	71,232	67,063	(884)
Depreciation and amortization	419,438	541,211	195,735	229,645	400,504	523,281	415,468	574,391
Total operating expenses	1,394,497	1,333,100	568,655	646,887	838,072	910,809	803,579	1,073,717
Operating (Loss) Income	(560,378)	(464,871)	(197,449)	(303,360)	(438,014)	(536,145)	(431,944)	(470,670)
Nonoperating Revenue (Expense)								
Investment income	-	30,676	30,007	32,696	81	3,843	3,841	20,787
Interest expense	(422,809)	(98,812)	-	-	(29,156)	-	-	(306,900)
Total nonoperating (expense) revenue	(422,809)	(68,136)	30,007	32,696	(29,075)	3,843	3,841	(286,113)
Decrease in Net Assets Before Capital Contributions and Distributions	(983,187)	(533,007)	(167,442)	(270,664)	(467,089)	(532,302)	(428,103)	(756,783)
Capital Contributions and Distributions								
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Position	(983,187)	(533,007)	(167,442)	(270,664)	(467,089)	(532,302)	(428,103)	(756,783)
Net Position - Beginning of year	199,616	2,665,741	(2,019,484)	(2,209,146)	2,341,654	3,420,750	3,635,618	(2,850,267)
Net Position - End 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)

Detroit Housing Commission

Component Unit Statement of Activities (Continued)

	Gardenview Homes VIII Limited Dividend Housing Association, LLC December 31, 2022		Gardenview Homes IX Limited Dividend Housing Association, LLC December 31, 2022		Gardenview Homes X Limited Dividend Housing Association, LLC December 31, 2022		Emerald Springs IA Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2022		Emerald Springs IB Limited Dividend Housing Association Limited Partnership Year Ended December 31, 2022		Emerald Springs II Limited Dividend Housing Association Limited Partnership Year Ended June 30, 2023		Cornerstone Estates I Limited Dividend Housing Association, LLC Year Ended December 31, 2022	
Operating Revenue														
Tenant revenue - Net	\$ 589,615	\$ 385,176	\$ 819,359	\$ 669,924	\$ 654,981	\$ 359,270	\$ 531,289							
Other operating revenue	3,049	-	-	23,307	21,187	12,250	11,186							
Total operating revenue	592,664	385,176	819,359	693,231	676,168	371,520	542,475							
Operating Expenses														
Administrative	259,241	184,490	252,690	247,520	248,790	161,439	263,074							
Utilities	65,486	51,130	153,377	135,910	133,500	85,260	79,532							
Maintenance	176,297	98,302	184,498	143,377	136,655	60,326	125,653							
Protective services	-	-	-	-	-	-	-							
General	(17,700)	46,295	90,209	118,526	119,467	66,887	152,466							
Depreciation and amortization	553,243	253,531	1,036,499	557,554	535,406	388,124	367,426							
Total operating expenses	1,036,567	633,748	1,717,273	1,202,887	1,173,818	762,036	988,151							
Operating (Loss) Income	(443,903)	(248,572)	(897,914)	(509,656)	(497,650)	(390,516)	(445,676)							
Nonoperating Revenue (Expense)														
Investment income	22,979	30	-	1,685	1,959	3,070	129							
Interest expense	(300,930)	-	(423,255)	(26,883)	(23,579)	(42,511)	(218,768)							
Total nonoperating (expense) revenue	(277,951)	30	(423,255)	(25,198)	(21,620)	(39,441)	(218,639)							
Decrease in Net Assets Before Capital Contributions and Distributions	(721,854)	(248,542)	(1,321,169)	(534,854)	(519,270)	(429,957)	(664,315)							
Capital Contributions and Distributions														
Partner contributions	-	-	-	-	-	-	-							
Change in Net Position	(721,854)	(248,542)	(1,321,169)	(534,854)	(519,270)	(429,957)	(664,315)							
Net Position - Beginning of year	(2,823,178)	3,571,053	5,099,127	3,401,688	3,903,980	(716,645)	456,661							
Net Position - End of year	\$ (3,545,032)	\$ 3,322,511	\$ 3,777,958	\$ 2,866,834	\$ 3,384,710	\$ (1,146,602)	\$ (207,654)							

	Cornerstone Estates II Limited Dividend Housing Association, LLC Year Ended December 31, 2022	Cornerstone Estates III Limited Dividend Housing Association, LLC Year Ended December 31, 2022	Total Discretely Component Units
Operating Revenue			
Tenant revenue - Net	\$ 477,649	\$ 527,142	\$ 12,785,623
Other operating revenue	<u>7,246</u>	<u>10,494</u>	<u>117,942</u>
Total operating revenue	484,895	537,636	12,903,565
Operating Expenses			
Administrative	260,786	286,974	5,074,038
Utilities	93,295	68,234	2,001,751
Maintenance	64,580	98,820	3,290,985
Protective services	-	-	-
General	50,214	226,429	2,009,021
Depreciation and amortization	<u>371,367</u>	<u>383,117</u>	<u>9,756,040</u>
Total operating expenses	<u>840,242</u>	<u>1,063,574</u>	<u>22,131,835</u>
Operating (Loss) Income	(355,347)	(525,938)	(9,228,270)
Nonoperating Revenue (Expense)			
Investment income	-	-	151,783
Interest expense	<u>-</u>	<u>(200,819)</u>	<u>(3,547,345)</u>
Total nonoperating (expense) revenue	<u>-</u>	<u>(200,819)</u>	<u>(3,395,562)</u>
Decrease in Net Assets Before Capital Contributions and Distributions	(355,347)	(726,757)	(12,623,832)
Capital Contributions and Distributions			
Partner contributions	<u>-</u>	<u>-</u>	<u>313,750</u>
Change in Net Position	(355,347)	(726,757)	(12,310,082)
Net Position - Beginning of year	<u>(3,007,084)</u>	<u>2,142,128</u>	<u>26,335,506</u>
Net Position - End of year	<u>\$ (3,362,431)</u>	<u>\$ 1,415,371</u>	<u>\$ 14,025,424</u>

June 30, 2023

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, 2023, 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 seven 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.

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, 2022 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, 2023**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, 2023, there is an allowance for uncollectible tenant receivables of approximately \$1,288,000. 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, 2023 was approximately \$235,000.

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 \$284,000, and the amount due from HUD for rental subsidies is approximately \$451,000.

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, 2023. 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 2023, 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, 2023 totaled approximately \$411,000, of which \$21,000 is reported as current and \$390,000 as noncurrent liabilities.

Unearned Revenue

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

June 30, 2023

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 \$44,496,933.

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, 2023, \$1,175,084 was eliminated.

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, \$4,684,576 of fees has been eliminated for the year ended June 30, 2023.
- *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, \$64,696 of internal charges has been eliminated for the year ended June 30, 2023.

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 Pronouncement

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 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.

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

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Cash and cash equivalents	\$ 29,722,784	\$ 2,701,295
Restricted cash and investments	22,620,714	13,367,310
	<u>\$ 52,343,498</u>	<u>\$ 16,068,605</u>
Total deposits and investments		

The above amounts are classified by Governmental Accounting Standards Board Statement Nos. 3 and 40 in the following categories as of June 30, 2023:

	Primary Government
Bank deposits	\$ 4,720,186
Sweep accounts - Less than two months	47,623,312
	<u>\$ 52,343,498</u>
Total	

As of June 30, 2023, the Commission's cash and cash equivalents consist of cash in banks of \$53,107,512.

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 \$4,734,199 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The discrete component units had approximately \$16 million in deposits, of which approximately \$10 million was uninsured and uncollateralized.

Interest Rate Risk

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

The Commission's investment policy is to limit its exposure to declines in fair values of its investment portfolio by only investing in HUD-allowed investments and by monitoring any such investments. At June 30, 2023, the Commission has investments in a sweep account with a fair value of \$47,623,719 and a weighted-average maturity of two months.

June 30, 2023

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating
Government Repo Pool	\$ 47,623,719	N/A

Restricted Cash

The Commission's restricted cash at June 30, 2023 is as follows:

	Primary Government - Business-type Activities	Total Discretely Presented Component Units
Current:		
Tenant security deposits	\$ 307,845	\$ 285,662
Funded reserves	-	13,081,648
Family self-sufficiency escrow	932,006	-
Mainstream vouchers and other	1,357,320	-
Development program activities	20,023,543	-
Total	<u>\$ 22,620,714</u>	<u>\$ 13,367,310</u>

Note 4 - Property and Equipment

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

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 59,182,161	\$ -	\$ -	\$ 59,182,161
Construction in progress	4,363,521	1,063,591	-	5,427,112
Subtotal	63,545,682	1,063,591	-	64,609,273
Capital assets being depreciated:				
Structures and improvements	87,940,168	2,732,144	-	90,672,312
Equipment	7,319,670	311,622	(5,632)	7,625,660
Subtotal	95,259,838	3,043,766	(5,632)	98,297,972
Accumulated depreciation:				
Structures and improvements	57,915,407	4,026,059	-	61,941,466
Equipment	6,449,703	254,382	(5,632)	6,698,453
Subtotal	64,365,110	4,280,441	(5,632)	68,639,919
Net capital assets being depreciated	30,894,728	(1,236,675)	-	29,658,053
Net capital assets	<u>\$ 94,440,410</u>	<u>\$ (173,084)</u>	<u>\$ -</u>	<u>\$ 94,267,326</u>

As of June 30, 2023, the Commission has approximately \$2,300,000 in future construction commitments.

June 30, 2023

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, 2023.

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 2023, 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, 2023, an allowance for accrued interest of \$23,625,789 was recorded.

June 30, 2023

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

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

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Accrued Interest Receivable</u>
Due from discretely presented component units:				
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	4.72%	\$ 1,279,814	\$ 1,980,637
Woodbridge Estates Apartments I, LLC (HOPE VI)*	January 2048	0.00%	840,510	-
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	4.72%	1,888,460	2,917,360
Woodbridge Estates Apartments II, LLC (HOPE VI)*	January 2048	0.00%	797,955	-
Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,560,470	1,740,799
Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	1,764,801	1,979,788
Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC (HOPE VI)*	January 2051	4.61%	2,057,829	2,296,313
Woodbridge Estates VI Limited Dividend Housing Association, LLC (HOPE VI)*	September 2063	3.75%	2,719,779	792,741
Woodbridge Estates IX Limited Dividend Housing Association, LLC (HOPE VI)*	September 2067	0.00%	3,700,000	400,612
Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (HOPE VI)*	June 2049	5.20%	3,713,014	5,040,190
Emerald Springs IA Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	5,292,434	271,035
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	January 2056	0.50%	4,644,006	238,037
Emerald Springs IB Limited Dividend Housing Association Limited Partnership (RHF)*	March 2058	0.50%	7,431,331	339,521
Cornerstone Estates I Limited Dividend Housing Association, LLC (HOPE VI)*	March 2058	3.79%	3,734,751	2,285,405
Cornerstone Estates II Limited Dividend Housing Association, LLC (HOPE VI)*	July 2060	0.00%	9,097,354	-
Cornerstone Estates III Limited Dividend Housing Association, LLC (HOPE VI)*	October 2061	4.25%	3,088,675	1,855,537
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%	4,442,118	-
Gardenview Homes IV Limited Dividend Housing Association, LLC (HOPE VI)*	May 2060	0.75%	3,887,485	366,614
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%	4,274,083	-
Gardenview Homes X Limited Dividend Housing Association, LLC (RHF and HOPE VI)*	June 2067	2.50%	8,740,000	1,121,200
Subtotal			94,983,290	23,625,789
Less allowance for accrued interest receivable			-	(23,625,789)
Due from other - Homeownership loans - Net (accumulated amortization for forgiveness of debt of \$450,000)	Various	0%	127,927	-
Total noncurrent notes receivable			<u>\$ 95,111,217</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, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	56
Inactive plan members entitled to but not yet receiving benefits	94
Active plan members	<u>53</u>
Total employees covered by the plan	<u><u>203</u></u>

Contributions

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

For the year ended December 31, 2022, 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 - 15.38 percent, contributing union members - 11.49 percent, and contributing nonexecutive members - 11.48 percent.

Net Pension Liability

The net pension liability reported at June 30, 2023 was determined using a measure of the total pension liability and the plan net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension (Asset) Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability
Balance at December 31, 2021	\$ 24,666,336	\$ 25,821,636	\$ (1,155,300)
Changes for the year:			
Service cost	366,662	-	366,662
Interest	1,758,865	-	1,758,865
Differences between expected and actual experience	(356,905)	-	(356,905)
Contributions - Employer	-	449,550	(449,550)
Contributions - Employee	-	174,809	(174,809)
Net investment loss	-	(2,851,962)	2,851,962
Benefit payments, including refunds	(1,178,920)	(1,178,920)	-
Administrative expenses	-	(47,166)	47,166
Net changes	<u>589,702</u>	<u>(3,453,689)</u>	<u>4,043,391</u>
Balance at December 31, 2022	<u><u>\$ 25,256,038</u></u>	<u><u>\$ 22,367,947</u></u>	<u><u>\$ 2,888,091</u></u>

Note 8 - Pension Plan (Continued)

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

For the year ended June 30, 2023, the Commission recognized pension expense of \$1,132,387. At June 30, 2023, 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	\$ -	\$ (178,453)
Net difference between projected and actual earnings on pension plan investments	2,136,805	-
Employer contributions to the plan subsequent to the measurement date	227,191	-
Total	\$ 2,363,996	\$ (178,453)

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 \$227,191 will impact the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2024	\$ (5,852)
2025	373,927
2026	649,834
2027	940,443
Total	\$ 1,958,352

Actuarial Assumptions

The total pension liability in the December 31, 2022 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 7.25 percent.

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

The actuarial assumptions used in the December 31, 2022 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 7.25 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.

Note 8 - Pension Plan (Continued)

Projected Cash Flows

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

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, 2022, 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 7.25 percent, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Commission	\$ 6,126,287	\$ 2,888,091	\$ 206,634

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.

Note 9 - Commitments and Contingencies (Continued)

Section 8 Housing Choice Voucher Program

The Commission has received cumulative funding in excess of housing assistance payments and earned administrative fees through the Section 8 Housing Choice Voucher Program (the “program”) under the implementation of the Consolidated Appropriations Act of 2005, Funding Provisions for the Housing Choice Voucher Program. Due to decreases in federal funding, HUD decreased its HAP payments made to the Commission, forcing it to use its HAP reserves. As of June 30, 2023, 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, 2023 for qualifying eligible expenditures amounted to \$40,400,423 and \$962,810, 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, 2023, approximately 83 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

June 30, 2023

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	\$ 3,503,395	\$ -	\$ (155,416)	\$ 3,347,979
Woodbridge Estates Apartments II, LLC	4,596,905	-	(204,136)	4,392,769
Woodbridge Estates Apartments III, LDHA LLC	3,844,502	-	(153,094)	3,691,408
Woodbridge Estates Apartments IV, LDHA LLC	4,659,363	-	(185,667)	4,473,696
Woodbridge Estates Apartments V, LDHA LLC	6,795,160	-	(268,307)	6,526,853
Woodbridge Estates Apartments VI, LDHA LLC	6,471,798	-	(395,610)	6,076,188
Woodbridge Estates Apartments IX, LDHA LLC	14,657,775	-	(628,109)	14,029,666
Woodbridge ILF Associates LDHA LP	7,704,419	245,657	(419,438)	7,530,638
Cornerstone Estates I LDHA, LLC	5,103,512	-	(357,136)	4,746,376
Cornerstone Estates II LDHA, LLC	5,526,762	8,310	(371,367)	5,163,705
Cornerstone Estates III LDHA, LLC	5,716,146	-	(373,758)	5,342,388
Gardenview Homes I LDHA, LLC	13,205,070	-	(541,211)	12,663,859
Gardenview Homes II LDHA, LLC	5,830,480	-	(195,735)	5,634,745
Gardenview Homes III LDHA, LLC	5,533,418	-	(229,645)	5,303,773
Gardenview Homes IV LDHA, LLC	5,796,083	-	(400,504)	5,395,579
Gardenview Homes V LDHA, LLC	8,331,800	-	(523,281)	7,808,519
Gardenview Homes VI LDHA, LLC	7,966,336	-	(415,468)	7,550,868
Gardenview Homes VII LDHA, LLC	9,566,590	17,435	(574,391)	9,009,634
Gardenview Homes VIII LDHA, LLC	9,284,751	16,803	(553,243)	8,748,311
Gardenview Homes IX LDHA, LLC	7,532,270	-	(249,754)	7,282,516
Gardenview Homes X LDHA, LLC	19,130,188	6,820	(1,029,489)	18,107,519
Emerald Springs IA LDHA LP	8,214,233	43,460	(543,529)	7,714,164
Emerald Springs IB LDHA LP	7,972,436	35,287	(521,428)	7,486,295
Emerald Springs II LDHA LP	6,220,591	16,414	(384,860)	5,852,145
Total fixed assets placed in service	183,163,983	390,186	(9,674,576)	173,879,593
Total discrete component unit net capital assets	<u>\$ 183,163,983</u>	<u>\$ 390,186</u>	<u>\$ (9,674,576)</u>	<u>\$173,879,593</u>

June 30, 2023

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, 2023 and December 31, 2022	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	\$ 1,119,381	(27,159)	\$ 1,092,222	\$ 29,200
	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	1,616,320	(39,684)	1,576,636	42,600
	Detroit Housing Commission	AFR	2048	1,888,460	-	1,888,460	-
	Detroit Housing Commission	0.00%	2048	797,954	-	797,954	-
Woodbridge Estates Apartments III, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,305,749	(22,650)	1,283,099	30,800
	Detroit Housing Commission	4.61%	2042	1,559,212	-	1,559,212	-
	City of Detroit, Michigan	0.00%	2036	407,637	(7,291)	400,346	-
Woodbridge Estates Apartments IV, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	1,736,248	(30,304)	1,705,944	38,700
	Detroit Housing Commission	4.61%	2051	1,763,593	-	1,763,593	-
	City of Detroit, Michigan	0.00%	2036	407,630	(7,289)	400,341	-
Woodbridge Estates Apartments V, LDHA LLC	SA Affordable Housing, LLC	6.04%	2047	2,808,232	(49,158)	2,759,074	58,500
	Detroit Housing Commission	4.61%	2051	2,056,904	-	2,056,904	-
	City of Detroit, Michigan	0.00%	2036	407,714	(7,495)	400,219	-
Woodbridge Estates Apartments VI, LDHA LLC	Detroit Housing Commission	3.75%	2063	2,449,845	1,731	2,451,576	-
Woodbridge Estates Apartments IX, LDHA LLC	Detroit Housing Commission	5.00%	2067	3,665,747	713	3,666,460	-
	Citizens	5.00%	2067	1,002,082	(79,572)	922,510	10,100
Woodbridge ILF Associates LDHA LP	Detroit Housing Commission	5.20%	2049	3,684,345	988	3,685,333	-
Cornerstone I LDHA, LLC	Detroit Housing Commission	3.79%	2060	3,694,875	1,023	3,695,898	-
Cornerstone II LDHA, LLC	Detroit Housing Commission	0.00%	2060	9,073,057	325	9,073,382	-
Cornerstone III LDHA, LLC	Detroit Housing Commission	4.25%	2061	3,032,443	1,406	3,033,849	-
Gardenview Homes I LDHA, LLC	MSHDA	6.00%	2046	1,491,599	(28,736)	1,462,863	35,120
	MSHDA - HOME Note	3.00%	2058	261,934	(3,633)	258,301	-
	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	18,973,151	(34,644)	18,938,507	-
	Detroit Housing Commission	0.75%	2060	3,887,485	-	3,887,485	-
Gardenview Homes XLDHA, LLC	Detroit Housing Commission	2.50%	2067	8,740,000	-	8,740,000	2,500,003
	MSHDA	2.50%	2067	1,425,000	-	1,425,000	-
	MSHSA	2.50%	2067	825,000	-	825,000	-
Emerald Springs IA and IB LDHA LP	Detroit Housing Commission	0.50%	2056	9,909,086	780	9,909,866	-
Emerald Springs II LDHA LP	Detroit Housing Commission	0.50%	2058	7,255,206	7,251	7,262,457	-
Totals				\$ 142,533,527	\$ (323,398)	\$ 142,210,129	\$ 2,745,023

(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	\$ 463,633	\$ 309,909	\$ 773,542
Noncurrent assets - Capital assets - Net	106,775	101,750	208,525
Total assets	570,408	411,659	982,067
Deferred Outflows of Resources	-	425,441	425,441
Liabilities - Current liabilities	802,591	765,520	1,568,111
Net Position (Deficit) - Unrestricted	<u>\$ (232,183)</u>	<u>\$ 71,580</u>	<u>\$ (160,603)</u>

Income statement information is as follows:

	The Villages at Parkside II, LLC	The Villages at Parkside IV, LLC	Total
Operating Revenue			
Rent - Net	\$ 1,588,067	\$ 1,376,067	\$ 2,964,134
Other tenant income	11,023	3,498	14,521
Other income	7,620	4,290	11,910
Total operating revenue	1,606,710	1,383,855	2,990,565
Operating Expenses			
General operating expenses	1,658,714	1,302,825	2,961,539
Depreciation	8,625	8,250	16,875
Total operating expenses	1,667,339	1,311,075	2,978,414
Change in Net Position	<u>\$ (60,629)</u>	<u>\$ 72,780</u>	<u>\$ 12,151</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	\$ 1,591,393	\$ 1,390,290	\$ 2,981,683
Payments to vendors	(1,508,987)	(1,314,371)	(2,823,358)
Net Increase in Cash - Net cash provided by operating activities	82,406	75,919	158,325
Cash - Beginning of year	263,906	72,637	336,543
Cash - End of year	<u>\$ 346,312</u>	<u>\$ 148,556</u>	<u>\$ 494,868</u>

Required Supplementary Information

Detroit Housing Commission

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

	Last Nine Plan Years								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 366,662	\$ 445,160	\$ 500,254	\$ 557,107	\$ 567,969	\$ 689,391	\$ 675,349	\$ 733,320	\$ 687,970
Interest	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	(356,905)	(319,325)	(95,526)	(542,468)	(538,371)	582,568	(1,238,155)	232,453	-
Changes in assumptions	-	996,097	620,989	660,928	-	-	-	699,473	-
Benefit payments, including refunds	(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	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	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	\$ 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	\$ 449,550	\$ 414,275	\$ 404,014	\$ 740,301	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806
Contributions - Member	174,809	243,471	235,177	263,768	333,465	325,762	322,349	327,138	318,583
Net investment (loss) income	(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	(47,166)	(36,851)	(41,254)	(41,976)	(35,824)	(33,709)	(31,909)	(30,915)	(29,860)
Benefit payments, including refunds	(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	(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	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	\$ 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	\$ 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	88.56 %	104.68 %	101.13 %	96.91 %	90.69 %	98.36 %	96.45 %	86.50 %	101.16 %
Covered Payroll	\$ 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	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 455,784	\$ 443,726	\$ 366,463	\$ 467,626	\$ 442,685	\$ 448,258	\$ 424,089	\$ 454,635	\$ 484,806	\$ 775,604
Contributions in relation to the actuarially determined contribution	455,784	443,726	366,463	467,626	442,685	448,258	424,089	454,635	484,806	775,604
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 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	\$ 6,283,273
Contributions as a Percentage of Covered Payroll	15.04 %	11.21 %	7.97 %	9.06 %	8.42 %	7.04 %	6.73 %	6.76 %	7.72 %	12.34 %

June 30, 2023

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	7.35 percent
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 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.

Other Supplementary Information

Detroit Housing Commission

Capital Fund Program Schedule of Actual Program Costs and Advances

Year Ended June 30, 2023

Program	MI28P001501-17	MI28P001501-18	MI128P001501-19	MI28L001501-19	MI28P001501-20	MI28P001501-21	MI28P001501-22	TOTAL
Budget	\$ 8,586,102	\$ 12,602,526	\$ 11,764,044	\$ 1,000,000	\$ 11,153,098	\$ 11,153,098	\$ 12,308,010	\$ 68,566,878
Advances								
Cash receipts - prior years	\$ 8,207,597	\$ 11,220,160	\$ -	\$ 7,478	\$ 4,393,266	\$ 5,111,331	\$ -	\$ 28,939,832
Cash receipts - current year	378,505	883,788	1,398,712	300	106,739	4,150,857	4,307,803	11,226,704
Cumulative as of June 30, 2023	8,586,102	12,103,948	1,355,612	7,778	4,500,005	9,262,188	4,307,803	40,123,436
Costs								
Prior years	8,232,013	11,234,345	-	7,478	4,393,266	5,329,446	-	29,196,548
Current year	354,089	882,027	1,438,256	2,000	244,929	3,974,770	4,307,803	11,203,874
Cumulative as of June 30, 2023	8,586,102	12,116,372	1,445,734	9,478	4,638,195	9,304,216	4,307,803	40,407,900
Excess (Deficiency) of Advances Due to HUD	\$ -	\$ 12,424	\$ 90,122	\$ 1,700	\$ 138,190	\$ 42,028	\$ -	\$ 284,464
Soft Costs								
Prior years	\$ 5,347,895	\$ 5,043,921	\$ -	\$ 7,478	\$ 1,115,310	\$ 860,882	\$ -	\$ 12,375,486
Current year	41,725	199,825	441,108	2,000	48,329	1,765,388	-	2,498,375
Cumulative as of June 30, 2023	5,389,621	5,243,746	448,586	9,478	1,163,639	2,626,270	-	14,881,340
Hard Costs								
Prior years	2,884,117	6,190,425	-	-	3,277,956	4,468,565	-	16,821,063
Current year	312,364	682,202	997,148	-	196,600	2,209,381	4,307,803	8,705,498
Cumulative as of June 30, 2023	3,196,481	6,872,627	997,148	-	3,474,556	6,677,946	4,307,803	25,526,561
Other Costs								
Prior years	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-
Cumulative as of June 30, 2023	-	-	-	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 8,586,102	\$ 12,116,373	\$ 1,438,256	\$ 9,478	\$ 4,638,195	\$ 9,304,216	\$ 4,307,803	\$ 40,400,423

Detroit Housing Commission

ROSS and Youthbuild Schedule of Actual Program Costs and Advances

Year Ended June 30, 2023

Program	MI001FJP5FPH-20	Youthbuild21	ROSS221712	MI001FSS23	MI001FSS22	TOTAL
Budget	\$ 2,300,000	\$ 1,500,000	\$ 491,700	\$ 377,052	\$ 380,418	\$ 5,049,170
Advances						
Cash receipts - prior years	\$ 48,583	\$ -	\$ -	\$ -	\$ 50,472	\$ 99,055
Cash receipts - current year	250,100	127,931	82,450	37,612	149,841	647,934
Cumulative as of June 30, 2023	298,683	127,931	82,450	37,612	200,313	746,989
Costs						
Prior years	131,030	-	1,226	-	61,271	193,527
Current year	220,099	196,777	91,032	122,334	139,042	769,284
Cumulative as of June 30, 2023	351,129	196,777	92,258	122,334	200,313	962,811
Excess (Deficiency) of Advances Due to HUD	\$ 52,446	\$ 68,846	\$ 9,808	\$ 84,723	\$ -	\$ 215,823
Soft Costs						
Prior years	\$ 131,030	\$ -	\$ 1,226	\$ -	\$ 68,034	\$ 200,290
Current year	220,099	196,777	79,778	122,334	127,486	746,474
Cumulative as of June 30, 2023	351,129	196,777	81,004	122,334	195,520	946,764
Hard Costs						
Prior years	-	-	-	-	-	-
Current year	-	-	11,254	-	4,792	16,046
Cumulative as of June 30, 2023	-	-	11,254	-	4,792	16,046
Other Costs						
Prior years	-	-	-	-	-	-
Current year	-	-	-	-	-	-
Cumulative as of June 30, 2023	-	-	-	-	-	-
Cumulative Hard, Soft, and Other Costs	\$ 351,129	\$ 196,777	\$ 92,258	\$ 122,334	\$ 200,312	\$ 962,810

Year Ended June 30, 2023

Line Item No.	Account Description	Total AMPs 14.850	LIPH Cares	COCC Total	COCC CARES	Total Programs	HCV CARES	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
111	Cash - Unrestricted	19,382,029	-	2,562,488	-	7,778,267	-	-	29,722,784	2,701,295	32,424,079
112	Cash - Restricted - Modernization and Development	19,272,011	-	-	-	-	-	-	19,272,011	-	19,272,011
113	Cash - other restricted	663,751	-	-	-	2,377,107	-	-	3,040,858	13,081,648	16,122,506
114	Cash - Tenant Security Deposits	294,362	-	-	-	13,483	-	-	307,845	285,662	593,507
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-
100	Total Cash	39,612,153	-	2,562,488	-	10,168,857	-	-	52,343,498	16,068,605	68,412,103
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	83,266	-	-	83,266	-	83,266
122-020	Accounts receivable - HUD other projects - Capital fund	272,038	-	12,425	-	-	-	-	284,463	-	284,463
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	292,522	-	-	292,522	-	292,522
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-
125-050	Accounts Receivable - Miscellaneous	24,478	-	-	-	931,346	-	-	955,824	53,474	1,009,298
126	Accounts Receivable - Tenants - Dwelling Rents	1,779,940	-	-	-	455,303	-	-	2,235,243	1,022,516	3,257,759
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(1,090,940)	-	-	-	(196,783)	-	-	(1,287,723)	-	(1,287,723)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	(700,581)	-	-	(700,581)	-	(700,581)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	185	-	-	-	51,909	-	-	52,094	-	52,094
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	985,701	-	12,425	-	916,982	-	-	1,915,108	1,100,381	3,015,489
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	346,245	-	211,457	-	89,511	-	-	647,213	246,410	893,623
143	Inventories	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	12,911	-	1,162,173	-	-	-	(1,175,084)	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	40,957,010	-	3,948,543	-	11,175,350	-	(1,175,084)	54,905,819	17,415,396	72,321,215
161	Land	55,630,225	-	958,000	-	2,593,936	-	-	59,182,161	35,137,390	94,319,551
162	Buildings	87,992,987	-	1,564,067	-	1,115,258	-	-	90,672,312	233,332,051	324,004,363
163	Furniture, Equipment & Machinery - Dwelling Rents	715,291	-	-	-	-	-	-	715,291	10,901,934	11,617,225
164	Furniture, Equipment & Machinery - Administration	5,966,002	-	842,048	-	102,319	-	-	6,910,369	33,954	6,944,323
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(67,057,800)	-	(1,486,439)	-	(95,680)	-	-	(68,639,919)	(105,525,736)	(174,165,655)
167	Construction In Progress	5,426,712	-	-	-	400	-	-	5,427,112	-	5,427,112
168	Infrastructure	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	88,673,417	-	1,877,676	-	3,716,233	-	-	94,267,326	173,879,593	268,146,919
171-050	Notes, loans, and mortgages receivable - Noncurrent Other	87,331,025	-	-	-	7,780,192	-	-	95,111,217	-	95,111,217
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-
174-050	Other Assets	7,186	-	-	-	4,404	-	-	11,590	1,622,645	1,634,235
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	176,011,628	-	1,877,676	-	11,500,829	-	-	189,390,133	175,502,238	364,892,371
190	Total Assets	216,968,638	-	5,826,219	-	22,676,179	-	(1,175,084)	244,295,952	192,917,634	437,213,586
200	Deferred Outflow of Resources	43,920,556	-	2,363,996	-	576,377	-	-	46,860,929	-	46,860,929
290	Total Assets and Deferred Outflow of Resources	260,889,194	-	8,190,215	-	23,252,556	-	(1,175,084)	291,156,881	192,917,634	484,074,515

Year Ended June 30, 2023

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	2,972,563	-	126,177	-	1,468,265	-	-	4,567,005	580,990	5,147,995
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	106,049	-	117,759	-	62,867	-	-	286,675	55,125	341,800
322	Accrued Compensated Absences	7,419	-	9,267	-	3,926	-	-	20,612	-	20,612
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	23,223,332	23,223,332
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-
331-030	Accounts Payable - HUD Other	-	-	-	-	75,521	-	-	75,521	-	75,521
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	19,761	-	-	-	-	-	-	19,761	-	19,761
341	Tenant Security Deposits	274,672	-	-	-	30,214	-	-	304,886	323,219	628,105
342	Deferred Revenues	-	-	-	-	-	-	-	-	74,147	74,147
342-010	Deferred Revenues-Operating Subsidy	12,859	-	-	-	-	-	-	12,859	-	12,859
342-030	Deferred Revenues-Operating Other	156,301	-	28,028	-	76,584	-	-	260,913	-	260,913
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	2,745,023	2,745,023
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	145,980	-	84,727	-	826,054	-	-	1,056,761	1,140,542	2,197,303
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	212,157	-	30,039	-	422,817	-	-	665,013	1,330,352	1,995,365
347	Interprogram due to	575,444	-	327	-	599,313	-	(1,175,084)	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	4,483,205	-	396,324	-	3,565,561	-	(1,175,084)	7,270,006	29,472,730	36,742,736
		-	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	142,035,109	142,035,109
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	150,144	-	-	-	9,480	-	-	159,624	7,384,371	7,543,995
353	FSS Escrow	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	139,411	-	176,069	-	74,579	-	-	390,059	-	390,059
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	2,888,091	-	-	-	-	2,888,091	-	2,888,091
350	Total Noncurrent Liabilities	289,555	-	3,064,160	-	84,059	-	-	3,437,774	149,419,480	152,857,254
		-	-	-	-	-	-	-	-	-	-
300	Total Liabilities	4,772,760	-	3,460,484	-	3,649,620	-	(1,175,084)	10,707,780	178,892,210	189,599,990
		-	-	-	-	-	-	-	-	-	-
400	Deferred Inflow of Resources	-	-	178,453	-	-	-	-	178,453	-	178,453
		-	-	-	-	-	-	-	-	-	-
508.1	Invested in capital assets, net of related debt	88,673,417	-	1,877,676	-	3,716,233	-	-	94,267,326	29,099,461	124,824,978
511.1	Restricted Net Assets	107,142,827	-	-	-	9,177,188	-	-	116,320,015	13,081,648	129,401,663
512.1	Unrestricted Net Assets	60,300,190	-	2,673,602	-	6,709,515	-	-	69,683,307	(28,155,685)	40,069,432
513	Total Equity	256,116,434	-	4,551,278	-	19,602,936	-	-	280,270,648	14,025,424	294,296,072
		-	-	-	-	-	-	-	-	-	-
600	Total Liabilities, Deferred Inflows, and Equity	260,889,194	-	8,190,215	-	23,252,556	-	(1,175,084)	291,156,881	192,917,634	484,074,515

Year Ended June 30, 2023

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	5,073,592		-		3,068,262			8,141,854	13,138,889	21,280,743
70400	Tenant Revenue - Other	190,266		-		14,506			204,772	97,668	302,440
70500	Total Tenant Revenue	5,263,858	-	-		3,082,768		-	8,346,626	13,236,557	21,583,183
		-		-					-		-
70600-010	Housing assistance payments	-		-		46,463,660			46,463,660	-	46,463,660
70600-020	Ongoing administrative fees earned	-		-		4,248,562			4,248,562	-	4,248,562
70600-030	Hard to house fee revenue	-		-		44,381			44,381	-	44,381
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	17,872,465		-		-			17,872,465	-	17,872,465
70600	HUD PHA Grants	7,152,293		-		-			7,152,293	-	7,152,293
70610	HUD PHA Capital Grants	4,039,159		12,425		-			4,051,584	-	4,051,584
		-		-		-			-	-	-
70710	Management Fee	-		3,574,458		-		(3,574,458)	-	-	-
70720	Asset Management Fee	-		384,360		-		(384,360)	-	-	-
70730	Book-Keeping Fee	-		725,758		-		(725,758)	-	-	-
70740	Front Line Service Fee	-		64,696		-		(64,696)	-	-	-
70750	Other Fees	-		-		-		-	-	-	-
70700	Total Fee Revenue	-	-	4,749,272		-		(4,749,272)	-	-	-
		-		-		-		-	-	-	-
70800	Other government grants	-		-		830,193			830,193	-	830,193
71100-030	Investment Income - Unrestricted	1,479,330		-		135,454			1,614,784	151,783	1,766,567
71100	Investment Income - Unrestricted	-		81,701		-			81,701	-	81,701
71200	Mortgage interest income	-		-		-			-	-	-
71300	Proceeds from disposition of assets held for sale	-		-		-			-	-	-
71310	Cost of Sale of Assets	-		-		-			-	-	-
71400-010	Fraud recovery	5,852		-		20,795			26,647	-	26,647
71500	Other revenue	3,002,132		212,272		110,097		-	3,324,501	431,692	3,756,193
71600	Gain/Loss on Sale of Fixed Assets	-		-		-			-	-	-
72000-010	Investment income - restricted	2,386,783		-		8,302			2,395,085	-	2,395,085
70000	Total Revenue	41,201,872	-	5,055,670	-	54,944,212	-	(4,749,272)	96,452,482	13,820,032	110,272,514
		-		-		-		-	-	-	-
91100	Administrative salaries	2,035,958		1,899,792		1,548,653			5,484,403	2,538,036	8,022,439
91200	Auditing fees	73,946		32,128		17,827			123,901	96,576	220,477
91300	Management Fee	2,847,186		-		727,272		(3,574,458)	-	946,659	946,659
91310	Book-Keeping Fee	271,208		-		454,550		(725,758)	-	-	-
91400	Advertising and Marketing	8,194		7,174		11,369			26,737	48,243	74,980
91500	Employee benefit contributions - administrative	592,079		1,281,111		528,213			2,401,403	-	2,401,403
91600	Office Expenses	897,334		485,445		690,403			2,073,182	176,725	2,249,907
91700	Legal Expense	170,604		27,083		-			197,687	34,994	232,681
91800	Travel	53,602		23,608		38,399			115,609	-	115,609
91810	Allocated Overhead	-		-		-			-	-	-
91900	Other	846,176		831,277		924,497			2,601,950	1,228,471	3,828,421
		-		-		-			-	-	-
92000	Asset Management Fee	384,360		-		-		(384,360)	-	6,334	6,334

Year Ended June 30, 2023

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	-		-		13,233			13,233	-	13,233
92200	Relocation Costs	8,959		-		-			8,959	-	8,959
92300	Employee benefit contributions - tenant services	41,173		1,226		-			42,399	-	42,399
92400	Tenant Services - Other	16,067		-		26,260			42,327	-	42,327
		-		-		-			-	-	-
93100	Water	1,128,567		11,886		742,554			1,883,007	47,134	1,930,141
93200	Electricity	1,380,842		116,181		89,502			1,586,525	47,080	1,633,605
93300	Gas	706,961		47,551		44,123			798,635	53,381	852,016
93400	Fuel	-		-		-			-	-	-
93500	Labor	-		-		-			-	-	-
93600	Sewer	1,635,381		30,540		16,757			1,682,678	32,391	1,715,069
93700	Employee benefit contributions - utilities	-		-		-			-	-	-
93800	Other utilities expense	-		-		-			-	1,821,765	1,821,765
		-		-		-			-	-	-
94100	Ordinary Maintenance and Operations - Labor	2,627,859		162,634		226,464			3,016,957	-	3,016,957
94200	OMO - Materials and Other	613,785		15,315		42,678			671,778	1,001,070	1,672,848
	<i>Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts</i>	243,151		6,367		6,247			255,765	-	255,765
94300-010											
	<i>Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts</i>	1,716,466		-		144,843			1,861,309	-	1,861,309
94300-020											
	<i>Ordinary Maintenance and Operations Contracts - Snow Removal Contracts</i>	223,937		8,544		104,858			337,339	-	337,339
94300-030											
	<i>Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts</i>	-		-		-			-	-	-
94300-040											
	<i>Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts</i>	455,480		5,184		113,587			574,251	-	574,251
94300-050											
	<i>Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts</i>	856,428		-		19,708			876,136	-	876,136
94300-060											
	<i>Ordinary Maintenance and Operations Contracts - Electrical Contracts</i>	45,279		-		15,105			60,384	-	60,384
94300-070											
	<i>Ordinary Maintenance and Operations Contracts - Plumbing Contracts</i>	444,849		-		81,797		-	526,646	-	526,646
94300-080											
	<i>Ordinary Maintenance and Operations Contracts - Extermination Contracts</i>	479,934		-		-		(38,614)	441,320	-	441,320
94300-090											
	<i>Ordinary Maintenance and Operations Contracts - Janitorial Contracts</i>	339,679		-		20,192			359,871	-	359,871
94300-100											
	<i>Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts</i>	11,512		-		-		(15,576)	(4,064)	-	(4,064)
94300-110											
	<i>Ordinary Maintenance and Operations Contracts - Misc Contracts</i>	2,976,028		103,409		530		(10,506)	3,069,461	-	3,069,461
94300-120											
94300	Ordinary Maintenance and Operations - Contract Costs	7,792,743		123,504		506,867		(64,696)	8,358,418	2,289,915	10,648,333
94500	Employee Benefit Contributions - Ordinary Maintenance	908,400		58,126		1,130			967,656	-	967,656
		-		-		-			-	-	-
95100	Protective Services - labor	-		-		-			-	-	-
95200	Protective Services - Other Contract Costs	2,546,879		-		219,985			2,766,864	-	2,766,864
95300	Protective Services - Other	-		-		-			-	-	-
95500	Employee benefit contributions - protective services	-		-		-			-	-	-

Year Ended June 30, 2023

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	736,714	-	25,794	-	404,112	-	-	1,166,620	893,673	2,060,293
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	209,793	-	32,828	-	38,951	-	-	281,572	-	281,572
96140	All other Insurance	302,576	-	15,541	-	73,439	-	-	391,556	27,068	418,624
96200	Other General Expenses	5,389,914	-	40	-	60,244	-	-	5,450,198	593,065	6,043,263
96210	Compensated Absences	160,558	-	93,053	-	97,471	-	-	351,082	-	351,082
96300	Payments in Lieu of Taxes	112,958	-	-	-	-	-	-	112,958	494,890	607,848
96400	Bad Debt - Tenant Rents	236,169	-	-	-	(1,248)	-	-	234,921	450,934	685,855
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	2,386,783	-	-	-	-	-	-	2,386,783	-	2,386,783
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	3,547,345	3,547,345
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	325	325
96900	Total Operating Expenses	37,123,728	-	5,321,837	-	7,543,705	-	(4,749,272)	45,239,998	16,374,074	61,614,072
97000	Excess Operating Revenue over Operating Expenses	4,078,144	-	(266,167)	-	47,346,077	-	-	51,158,054	(2,554,042)	48,604,012
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	-	-
97300-050	Housing Assistance Payments	5,399	-	-	-	45,501,230	-	-	45,506,629	-	45,506,629
97300-070	All Other	40,126	-	-	-	-	-	-	40,275	-	40,275
97400	Depreciation Expense	4,088,267	-	139,965	-	52,209	-	-	4,280,441	9,756,040	14,036,481
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	41,257,520	-	5,461,802	-	53,097,144	-	(4,749,272)	95,067,194	26,130,114	121,197,308
10010	Operating transfers in	3,231,438	-	85,584	-	160,356	-	(3,477,378)	-	-	-
10020	Operating transfers out	(3,391,793)	-	-	-	(85,585)	-	3,477,378	-	-	-
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	-	-	-	-	(2,341,944)	-	-	(2,341,944)	-	(2,341,944)
10091	Inter Project Excess Cash Transfer In	318,339	-	-	-	-	-	(318,339)	-	-	-
10092	Inter Project Excess Cash Transfer Out	(318,339)	-	-	-	-	-	318,339	-	-	-
10093	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10094	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	(160,355)	-	85,584	-	(2,267,173)	-	-	(2,341,944)	-	(2,341,944)
10000	Excess (deficiency) of total revenue over (under) total expenses	(216,003)	-	(320,548)	-	(420,105)	-	-	(956,656)	(12,310,082)	(13,266,738)
11010	Capital Outlays Enterprise Fund	-	-	-	-	-	-	-	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	256,332,437	-	4,871,826	-	20,023,041	-	-	281,227,304	26,335,506	307,562,810
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-
11040-070	Equity transfer	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	46,692	-	-	-	80,256	-	-	126,948	-	126,948
11210	Number of Unit Months Leased	35,567	-	-	-	62,914	-	-	98,481	-	98,481
11170	Administrative Fee Equity	1	-	-	-	2,078,916	-	-	2,078,916	-	2,078,916
11180	Housing Assistance Payments Equity	-	-	-	-	1,392,244	-	-	1,392,244	-	1,392,244
11270	Excess Cash	14,132,586	-	-	-	-	-	-	14,132,586	-	14,132,586
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	4,039,159	-	-	-	-	-	-	4,039,159	-	4,039,159
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	356,516	-	-	-	-	356,516	-	356,516
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-