

**DETROIT HOUSING
COMMISSION**
Basic
Financial Statements and
Supplemental Information

Year ended
June 30, 2009

BERMAN HOPKINS
WRIGHT & LAHAM
CPAS AND ASSOCIATES, LLP

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INDEPENDENT AUDITORS' REPORT



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We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of the Detroit Housing Commission ("the Commission"), as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of any of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Commission, as of June 30, 2009 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2010, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and the Schedule of Funding Progress for the Employee Pension Trust Fund as listed in the table of contents are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying financial data schedule and schedules of actual program costs and advances are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements of the Commission. The accompanying schedule of expenditures of federal awards and local assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

February 23, 2010
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management Discussion and Analysis

As management of the Detroit Housing Commission (the "Commission" or "DHC"), we offer the readers of our financial statements this narrative overview and analysis of the financial activities of the Commission for the year ended June 30, 2009. 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. However, this MD&A does not include the information of the discretely presented component units.

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

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

Mission

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

On July 5, 2005, a Cooperative Endeavor Agreement ("CEA") was entered into between the City of Detroit and the U.S. Department of Housing and Urban Development ("HUD"), due to the troubled status of the Commission. The scope of the CEA is outlined in Note A of the accompanying Financial Statements.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2009, by \$206,003,948 (net assets).
- The Commission's cash balance as of June 30, 2009, was \$23,592,945.
- The Commission had revenue from HUD of \$67,642,656 which includes funds for redevelopment and capital asset activities.
- Public housing has maintained occupancy of 82% for the fiscal year.
- The Commission utilized 84.7% of its Section 8 vouchers under the Housing Choice Voucher program, and spent 132.7% of its annual budget authority.
- During the year, capital assets in the amount of \$2,918,050 were donated to the Commission by the City of Detroit.
- HUD provides Hope VI and Replacement Housing Factor ("RHF") funds to loan to the discrete component units for the redevelopment and acquisition of housing. In addition, the Commission has other sources of funds that were loaned as well. The discrete component units are required to repay these funds, and therefore the Commission has notes receivable in the amount of \$61,983,144.
- In Fiscal Year 2009, DHC complied with all the rules and provisions of Asset Management, which involved more detailed budgeting, tracking, and reporting of all activities in the Low Income Public Housing program. DHC also used the Central Office Cost Center to carry out the management and administrative activities required by all our programs.

The Commission's Programs

The Commission's financial statements utilize the Enterprise Fund method, on the full accrual basis of accounting. The Enterprise Fund method is similar to accounting used in the private sector. Many of the program funds maintained by DHC are required by HUD. Others are segregated to enhance accountability and control. The Commissions' significant programs are described below.

Low Income Public Housing (LIPH) - under this program, DHC rents units that it owns in 26 AMPs (one or more developments grouped for management purposes) and 401 scattered sites within the City of Detroit to low-income households. This program is operated under the annual contributions contract (ACC) with HUD, and HUD provides operating subsidy to enable DHC to provide the housing at a cost that is based upon 30 percent of household income, adjusted for family composition and certain allowances. DHC currently owns and operates 2,465 subsidized units in this program.

Section 8 Program - within the main Section 8 program, which is known as the Housing Choice Voucher (HCV) program, DHC administers contracts with private landlords that own and lease units within our community. DHC subsidizes the family's rent through a monthly housing assistance payment (HAP) made to the landlord. These programs are operated under annual contributions contracts (ACC) with HUD, which enables DHC to structure a lease that sets the "participants" housing costs at 30 percent of household income, adjusted for family composition and certain allowances. DHC currently administers 5,893 housing choice vouchers, 200 New Construction (site-based) vouchers, 305 moderate rehabilitation units, and 2 units of Disaster Housing (DHAP).

Capital Fund Program - under this program, DHC receives funding for physical and management improvements to its owned units within the low income 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.

Capital Fund Recovery Grant - in March 2009, DHC received over \$17 million in CFRG funding and created a comprehensive plan to rehab the Scattered Sites portfolio and complete some other long-deferred capital upgrades to DHC's developments.

Development Program - DHC administers various Development, RHF, and Hope VI grants to continue the DHC's vision of expanding the housing opportunities within its jurisdiction.

Business Activities - this includes programs such as homeownership commissions, non-federal activities and developer fees.

Overview of Financial Statements

The entity-wide financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Commission's net assets 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 non-financial factors such as changes in family composition, fluctuations in the local economy, HUD-mandated program administrative changes, pro-ration of available funding, and the physical condition of capital assets.

The following statements are included:

- Balance Sheet - this reports the Commission's assets, liabilities and net assets at the end of the fiscal year. The Commission's net assets are the difference between what the Commission owns (assets) and what the Commission owes (liabilities). Net assets (formerly known as equity) are reported in three broad categories: net assets invested in capital assets (net of related debt and depreciation); restricted net assets; and unrestricted net assets.
- Statement of Revenue, Expenses, and Changes in Net Assets - similar to an Income Statement, this report presents information showing how the Commission's net assets increased or decreased during the current fiscal year. This statement includes operating revenues such as rental income, operating expenses such as administrative, tenant services, utilities, maintenance, protective services, general, depreciation and HAP expense and non-operating 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 assets", 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 Basic Financial Statements - the notes to the Basic 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, 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 the required information mandated by regulatory bodies that fund the Commission's various programs.

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

Financial Analysis

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

	<u>Balance Sheet</u>		<u>Net Change</u>
	<u>2009</u>	<u>2008</u>	
Current assets	\$ 28,841,443	\$ 35,701,477	\$ (6,860,034)
Capital assets, net	117,380,051	106,592,812	10,787,239
Other noncurrent assets	66,471,888	66,602,976	(131,088)
Total assets	\$ 212,693,382	\$ 208,897,265	\$ 3,796,117
Current liabilities	\$ 6,456,219	\$ 6,551,925	\$ (95,706)
Other noncurrent liabilities	233,215	231,027	2,188
Total liabilities	6,689,434	6,782,952	(93,518)
Invested in capital assets, net	117,380,051	106,592,812	10,787,239
Restricted net assets	75,323,516	20,117,539	55,205,977
Unrestricted net assets	13,300,381	75,403,962	(62,103,581)
Total net assets	206,003,948	202,114,313	3,889,635
Total liabilities and net assets	\$ 212,693,382	\$ 208,897,265	\$ 3,796,117

Current Assets decreased by \$6,860,034 primarily due to the decrease in cash, which was caused by a significant decrease in HAP funding that required the Commission to use Section 8 reserves to fund the Section 8 program in the current year.

Net Capital Assets increased by \$10,787,239 primarily due to the capital contributions by the City of Detroit of \$2,918,050 and the renovations completed through the Capital Grant program, offset by the annual depreciation expense.

Total Assets increased by \$3,796,117 primarily due to the increase in capital assets offset by the decrease in receivables.

Total Liabilities decreased by \$93,518 primarily due to the decrease in accrued liabilities and the decrease in the pension liability.

Net Assets - the difference between an organization's assets and its liabilities is its net assets. Net assets are categorized as one of three types.

1. Invested in capital assets, net - capital assets, net of accumulated depreciation and related debt is due to the capital asset and long-term debt activity;
2. Restricted - the Commission's net assets whose use is subject to constraints imposed by law or agreement (consisting primarily of HAP equity and restricted receivables related to the Hope VI loans);
3. Unrestricted - the Commission's net 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.

The changes in restricted and unrestricted net assets are due primarily to the classification of notes receivable due from the discrete component units. During 2009, it was determined that the notes receivable and related interest that originated from HUD through the Hope VI awards are restricted in their future availability for operations, and as such are reflected in restricted net assets for 2009 (see note A-7-h).

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

	<u>Change in Net Assets</u>		
	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
OPERATING REVENUES			
HUD operating revenues	\$ 55,725,848	\$ 62,381,551	\$ (6,655,703)
Tenant revenue, net	3,936,561	4,537,685	(601,124)
Other operating revenue	1,292,053	4,090,305	(2,798,252)
Total operating revenues	<u>60,954,462</u>	<u>71,009,541</u>	<u>(10,055,079)</u>
OPERATING EXPENSES			
Administrative	14,485,254	10,471,049	4,014,205
Tenant services	259,838	352,609	(92,771)
Utilities	4,189,497	3,895,512	293,985
Maintenance	7,021,429	7,151,525	(130,096)
Protective services	759,435	746,714	12,721
General	3,478,216	2,957,758	520,458
Depreciation	3,405,026	2,767,062	637,964
Housing assistance payments	39,481,932	30,626,880	8,855,052
Total operating expenses	<u>73,080,627</u>	<u>58,969,109</u>	<u>14,111,518</u>
OPERATING INCOME (LOSS)	<u>(12,126,165)</u>	<u>12,040,432</u>	<u>(24,166,597)</u>
NONOPERATING REVENUES (EXPENSES)			
Grant revenue	320,728	380,292	(59,564)
Loss on disposal of fixed assets	(272,160)	(21,344)	(250,816)
Interest income - unrestricted	241,085	1,449,437	(1,208,352)
Interest income - restricted	891,288	587,876	303,412
Total nonoperating revenues	<u>1,180,941</u>	<u>2,396,261</u>	<u>(1,215,320)</u>
Change in net assets before capital contributions	<u>(10,945,224)</u>	<u>14,436,693</u>	<u>(25,381,917)</u>
CAPITAL CONTRIBUTIONS			
Capital contributions - HUD	11,916,808	8,194,014	3,722,794
Capital contributions - City of Detroit	2,918,050	25,640,188	(22,722,138)
Change in net assets	<u>3,889,634</u>	<u>48,270,895</u>	<u>(44,381,261)</u>
Total net assets - beginning	<u>202,114,314</u>	<u>153,843,419</u>	<u>48,270,895</u>
Total net assets - ending	<u>\$ 206,003,948</u>	<u>\$ 202,114,314</u>	<u>\$ 3,889,634</u>

Total Operating Revenue decreased by \$10,055,079 for the fiscal year ending June 30, 2009, primarily due to the decrease in HUD subsidy for the Housing Choice Voucher program. This year's subsidy formula purposely forced housing authorities to use their long-held HAP reserves, and DHC used approximately \$9 million of its approximate \$20 million reserve.

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 \$14,111,518 in total operating expenses is primarily attributable to the increase in HAP expense and related administrative expenses due to higher lease-up rates. In addition, HUD paid the fees of certain management consultants during the

recovery period which included the majority of fiscal year 2008; during fiscal year 2009, DHC paid all of these fees which are reflected above in administrative expenses.

Non-operating Revenues (Expenses) decreased by \$1,215,320 primarily due to the decrease in interest income due to lower reserve levels throughout the year, as well as an economic downturn which led to lower interest rates.

Capital Contributions decreased by \$18,999,344 primarily due to the decrease in capital contributions from the City of Detroit (as most property titles were transferred in the prior year), offset by the increase in HUD capital grants. There still remains a group of properties to be legally transferred from the City to DHC, in the amount of approximately \$1 million which includes land, buildings, and equipment.

Capital Asset And Debt Activity

After the Commission became independent from the City of Detroit, the City signed over the HUD properties to DHC, and these are classified as donated capital assets. These assets had appraisals done on them to give them a current value. The assets are presented at the fair market value on the date of transfer, less associated depreciation, in the financial statements.

	June 30, 2009	June 30, 2008	Change in Capital Assets
Non-depreciable:			
Land	\$ 46,641,643	\$ 46,215,643	\$ 426,000
Construction in progress	8,639,286	7,864,576	774,710
Total Non-depreciable	<u>55,280,929</u>	<u>54,080,219</u>	<u>1,200,710</u>
Depreciated:			
Structures and improvements	65,954,568	54,814,224	11,140,344
Equipment - dwelling	3,903,524	2,330,480	1,573,044
Equipment - administrative	588,172	317,015	271,157
Total depreciated	<u>70,446,264</u>	<u>57,461,719</u>	<u>12,984,545</u>
Total capital assets	125,727,193	111,541,938	14,185,255
Total accumulated depreciation	<u>(8,347,142)</u>	<u>(4,949,126)</u>	<u>(3,398,016)</u>
Capital assets, net	<u>\$117,380,051</u>	<u>\$106,592,812</u>	<u>\$ 10,787,239</u>

The Commission has no debt for the year ended June 30, 2009.

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 Authority is affected more by the federal budget than by local economic conditions. The proration of funding of these programs could be significantly affected by the 2009 federal budget.

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; and
- Inflationary pressure on utility rates, housing costs, supplies and other costs.

Detroit Housing Commission

BALANCE SHEET

June 30, 2009

ASSETS

	Total Primary Government	Total Discrete Component Units
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 11,696,725	\$ 564,557
Cash and cash equivalents - restricted	11,854,029	2,856,507
Receivables, net	5,005,038	467,548
Prepaid expenses	285,651	56,282
Due from other governments	-	840
Total current assets	<u>28,841,443</u>	<u>3,945,734</u>
NONCURRENT ASSETS		
Cash and cash equivalents - restricted	42,191	-
Capital assets, net	117,380,051	78,945,155
Accrued interest receivable - unrestricted	147,241	-
Accrued interest receivable - restricted	4,299,312	-
Other noncurrent assets	-	1,119,207
Notes, loans and mortgages receivable, net	61,983,144	-
Total assets	<u>\$ 212,693,382</u>	<u>\$ 84,010,096</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$ -	\$ 99,600
Bank overdraft	-	847
Accounts payable	3,496,852	409,452
Due to HUD	58,992	-
Accrued interest payable	-	54,238
Accrued salaries and benefits	642,212	-
Accrued contingency liability	360,902	-
Due to other governments	36,791	1,067,862
Tenant security deposits	290,079	238,534
Deferred revenue	788,660	33,339
Family self sufficiency escrow - short-term	29,863	-
Other current liabilities	751,868	553,433
Total current liabilities	<u>6,456,219</u>	<u>2,457,305</u>
NONCURRENT LIABILITIES		
Long-term debt	-	72,389,874
Accrued compensated absences	191,024	-
Family self sufficiency escrow - long-term	42,191	-
Other noncurrent liabilities	-	4,170,026
Total liabilities	<u>6,689,434</u>	<u>79,017,205</u>
NET ASSETS		
Invested in capital assets, net of related debt	117,380,051	6,455,681
Restricted net assets	75,323,516	2,563,735
Unrestricted net assets	13,300,381	(4,026,525)
Total net assets	<u>206,003,948</u>	<u>4,992,891</u>
Total liabilities and net assets	<u>\$ 212,693,382</u>	<u>\$ 84,010,096</u>

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30, 2009

	Total Primary Government	Total Discrete Component Units
OPERATING REVENUES		
HUD operating revenues	\$ 55,725,848	\$ -
Tenant revenue, net	3,936,561	3,092,973
Other operating revenue	1,292,053	108,992
Total operating revenues	60,954,462	3,201,965
OPERATING EXPENSES		
Administrative	14,485,254	1,569,129
Tenant services	259,838	2,675
Utilities	4,189,497	541,404
Maintenance	7,021,429	656,050
Protective services	759,435	120,254
General	3,478,216	548,408
Depreciation	3,405,026	3,130,452
Housing assistance payments	39,481,932	-
Total operating expenses	73,080,627	6,568,372
OPERATING INCOME (LOSS)	(12,126,165)	(3,366,407)
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	320,728	726,007
Loss on disposal of fixed assets	(272,160)	-
Interest income - unrestricted	241,085	27,845
Interest income - restricted	891,288	-
Interest expense	-	(1,621,225)
Total nonoperating revenues (expenses)	1,180,941	(867,373)
Change in net assets before capital contributions	(10,945,224)	(4,233,780)
CAPITAL CONTRIBUTIONS		
Capital contributions - HUD	11,916,808	-
Capital contributions - City of Detroit	2,918,050	-
Partner contributions	-	2,034,644
Partner distributions	-	(15,545)
Change in net assets	3,889,634	(2,214,681)
Total net assets - beginning, as previously stated	202,114,314	7,349,929
Prior period adjustment	-	(142,357)
Total net assets - beginning, restated	202,114,314	7,207,572
Total net assets - ending	\$ 206,003,948	\$ 4,992,891

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

STATEMENT OF CASH FLOWS

Year ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 54,335,838
Collections from tenants	5,490,877
Collections from other sources	1,360,320
Payments to employees	(10,098,477)
Payments to suppliers	(20,276,314)
Housing assistance payments	(39,470,060)
	<hr/>
Net cash used in operating activities	(8,657,816)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

HUD capital grants received	11,916,808
Purchase of property and equipment	(11,324,237)
	<hr/>
Net cash provided by capital and related financing activities	592,571

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash provided by interest income	1,092,462
Investment in notes receivable	(1,252,702)
	<hr/>
Net cash used in investing activities	(160,240)

CASH FLOWS FROM NONCAPITAL ACTIVITIES

Other miscellaneous revenue	320,728
	<hr/>

NET DECREASE IN CASH

	(7,904,757)
Cash and cash equivalents at beginning of year	31,497,702
	<hr/>
Cash and cash equivalents at end of year	<u>\$ 23,592,945</u>

AS PRESENTED IN THE ACCOMPANYING BALANCE SHEET:

Cash and cash equivalents - unrestricted	\$ 11,696,725
Cash and cash equivalents - restricted	11,854,029
Cash and cash equivalents - restricted noncurrent	42,191
	<hr/>
	<u>\$ 23,592,945</u>

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

STATEMENT OF CASH FLOWS (continued)

Year ended June 30, 2009

**RECONCILIATION OF OPERATING LOSS TO NET
CASH USED IN OPERATING ACTIVITIES**

Operating loss	\$ (12,126,165)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	3,405,026
Provision for bad debt, net of recoveries	760,224
(Increase) decrease in assets:	
Receivables, net	(1,209,718)
Prepaid expenses	54,112
Inventory	98,847
Notes receivable	673,570
Increase (decrease) in liabilities:	
Accounts payable	1,291,604
Due to HUD	(83,515)
Due to other governments	(380,020)
Accrued salaries and benefits	31,694
Tenant security deposits	36,886
Deferred revenue	728,696
FSS escrow	11,872
Other liabilities	<u>(1,950,929)</u>
Net cash used in operating activities	<u>\$ (8,657,816)</u>

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

COMBINING BALANCE SHEET FOR DISCRETE COMPONENT UNITS

June 30, 2009

ASSETS

	The Villages of Parkside II	The Villages of Parkside IV	Woodbridge Estates Apartments I, LLC	Woodbridge Estates Apartments II, LLC	Woodbridge Estates Apartments III, LLC	Woodbridge Estates Apartments IV, LLC	Woodbridge Estates Apartments V, LLC	Woodbridge ILF Associates LDHA, Ltd. Partnership	Total Discrete Component Units
CURRENT ASSETS									
Cash and cash equivalents - unrestricted	\$ -	\$ 51,491	\$ -	\$ 8,848	\$ 58,665	\$ 68,283	\$ 217,181	\$ 160,089	\$ 564,557
Cash and cash equivalents - restricted	535,989	777,869	141,462	203,592	133,849	162,663	249,330	651,753	2,856,507
Receivables, net	18,377	22,710	96,692	174,155	7,882	30,640	23,984	93,948	468,388
Prepaid expenses	12,545	12,727	-	-	7,538	9,140	12,545	1,787	56,282
Total current assets	566,911	864,797	238,154	386,595	207,934	270,726	503,040	907,577	3,945,734
NONCURRENT ASSETS									
Capital assets, net	16,627,486	14,243,179	5,493,107	7,183,879	5,822,318	7,057,973	10,275,002	12,242,211	78,945,155
Other noncurrent assets	7,063	7,159	293,283	402,713	70,643	39,352	179,452	119,542	1,119,207
Total assets	<u>\$ 17,201,460</u>	<u>\$ 15,115,135</u>	<u>\$ 6,024,544</u>	<u>\$ 7,973,187</u>	<u>\$ 6,100,895</u>	<u>\$ 7,368,051</u>	<u>\$ 10,957,494</u>	<u>\$ 13,269,330</u>	<u>\$ 84,010,096</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long-term debt	\$ -	\$ -	\$ 16,000	\$ 37,000	\$ 10,500	\$ 13,900	\$ 22,200	\$ -	\$ 99,600
Bank overdraft	847	-	-	-	-	-	-	-	847
Accounts payable	63,519	29,885	11,211	11,568	5,137	56,643	133,468	98,021	409,452
Due to other governments	-	-	690,017	377,845	-	-	-	-	1,067,862
Accrued interest payable	-	-	8,197	11,950	7,683	10,142	16,266	-	54,238
Tenant security deposits	30,630	28,389	23,843	38,126	24,386	27,689	37,497	27,974	238,534
Deferred revenue	1,727	3,091	2,226	5,940	12,378	2,936	5,041	-	33,339
Other current liabilities	34,378	39,191	29,936	61,472	21,224	24,610	307,010	35,612	553,433
Total current liabilities	131,101	100,556	781,430	543,901	81,308	135,920	521,482	161,607	2,457,305

NONCURRENT LIABILITIES

Long-term debt	25,514,772	20,990,363	3,665,412	4,891,212	3,575,078	4,264,538	5,766,250	3,722,249	72,389,874
Other noncurrent liabilities	1,240,191	1,018,982	280,104	408,451	153,352	179,328	407,474	482,144	4,170,026
Total liabilities	<u>26,886,064</u>	<u>22,109,901</u>	<u>4,726,946</u>	<u>5,843,564</u>	<u>3,809,738</u>	<u>4,579,786</u>	<u>6,695,206</u>	<u>4,366,000</u>	<u>79,017,205</u>

NET ASSETS

Invested in capital assets, net of related debt	(8,887,286)	(6,747,184)	1,811,695	2,255,667	2,236,740	2,779,535	4,486,552	8,519,962	6,455,681
Restricted net assets	505,359	749,480	109,422	153,516	101,780	124,832	195,567	623,779	2,563,735
Unrestricted net assets	(1,302,677)	(997,062)	(623,519)	(279,560)	(47,363)	(116,102)	(419,831)	(240,411)	(4,026,525)
Total net assets	<u>(9,684,604)</u>	<u>(6,994,766)</u>	<u>1,297,598</u>	<u>2,129,623</u>	<u>2,291,157</u>	<u>2,788,265</u>	<u>4,262,288</u>	<u>8,903,330</u>	<u>4,992,891</u>
Total liabilities and net assets	<u>\$ 17,201,460</u>	<u>\$ 15,115,135</u>	<u>\$ 6,024,544</u>	<u>\$ 7,973,187</u>	<u>\$ 6,100,895</u>	<u>\$ 7,368,051</u>	<u>\$ 10,957,494</u>	<u>\$ 13,269,330</u>	<u>\$ 84,010,096</u>

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR DISCRETE COMPONENT UNITS**

Year ended June 30, 2009

	The Villages of Parkside II	The Villages of Parkside IV	Woodbridge Estates Apartments I, LLC	Woodbridge Estates Apartments II, LLC	Woodbridge Estates Apartments III, LLC	Woodbridge Estates Apartments IV, LLC	Woodbridge Estates Apartments V, LLC	Woodbridge ILF Associates LDHA, Ltd. Partnership	Total Discrete Component Units
OPERATING REVENUES									
Tenant revenue, net	\$ 217,015	\$ 142,561	\$ 368,235	\$ 540,152	\$ 295,522	\$ 349,169	\$ 481,484	\$ 698,835	\$ 3,092,973
Other operating revenue	23,753	6,624	1,652	2,235	982	5,146	14,239	54,361	108,992
Total operating revenues	240,768	149,185	369,887	542,387	296,504	354,315	495,723	753,196	3,201,965
OPERATING EXPENSES									
Administrative	282,087	275,827	130,187	172,282	111,371	121,669	171,779	303,927	1,569,129
Tenant services	1,085	1,590	-	-	-	-	-	-	2,675
Utilities	95,139	87,778	28,064	44,855	24,372	34,553	51,465	175,178	541,404
Maintenance	234,269	177,595	43,078	68,955	19,406	30,556	40,105	42,086	656,050
Protective services	33,502	29,845	-	-	-	-	-	56,907	120,254
General	89,222	102,377	66,227	93,069	15,956	37,088	55,423	89,046	548,408
Depreciation	1,089,770	936,515	61,286	57,724	152,607	185,076	268,892	378,582	3,130,452
Total operating expenses	1,825,074	1,611,527	328,842	436,885	323,712	408,942	587,664	1,045,726	6,568,372
OPERATING INCOME (LOSS)	(1,584,306)	(1,462,342)	41,045	105,502	(27,208)	(54,627)	(91,941)	(292,530)	(3,366,407)
NONOPERATING REVENUES (EXPENSES)									
Grant revenue	353,167	372,840	-	-	-	-	-	-	726,007
Interest income - unrestricted	11,356	16,489	-	-	-	-	-	-	27,845
Interest expense	(289,620)	(94,485)	(155,465)	(225,753)	(161,886)	(200,264)	(285,927)	(207,825)	(1,621,225)
Total nonoperating revenues (expenses)	74,903	294,844	(155,465)	(225,753)	(161,886)	(200,264)	(285,927)	(207,825)	(867,373)
Change in net assets before capital contributions	(1,509,403)	(1,167,498)	(114,420)	(120,251)	(189,094)	(254,891)	(377,868)	(500,355)	(4,233,780)
CAPITAL CONTRIBUTIONS									
Partner contributions	534,000	525,000	120,857	266,048	152,809	179,867	265,232	(9,169)	2,034,644
Partner distributions	-	-	-	-	(15,545)	-	-	-	(15,545)
Change in net assets	(975,403)	(642,498)	6,437	145,797	(51,830)	(75,024)	(112,636)	(509,524)	(2,214,681)
Total net assets - beginning, as previously stated	(8,709,201)	(6,352,268)	1,291,161	1,983,826	2,389,452	2,905,662	4,428,443	9,412,854	7,349,929
Prior period adjustment	-	-	-	-	(46,465)	(42,373)	(53,519)	-	(142,357)
Total net assets - beginning, restated	(8,709,201)	(6,352,268)	1,291,161	1,983,826	2,342,987	2,863,289	4,374,924	9,412,854	7,207,572
Total net assets - ending	\$ (9,684,604)	\$ (6,994,766)	\$ 1,297,598	\$ 2,129,623	\$ 2,291,157	\$ 2,788,265	\$ 4,262,288	\$ 8,903,330	\$ 4,992,891

The accompanying notes are an integral part of this financial statement.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Detroit Housing Commission (the "Commission") is a Michigan public body corporation operating as a public housing authority under the authority granted in the Michigan Housing Facilities Act, MCL 125.653. The Commission was established in 1933 under the Public Facilities Act by the City of Detroit (the "City"). Their mission statement states that they will effectively and efficiently develop, manage and preserve quality affordable housing. The primary purpose of the Commission is to promote the development and professional management of a variety of affordable housing opportunities, facilities and supportive services; to nurture neighborhoods, provide economic development and self-sufficiency activities for residents while also assuring equal access to safe, quality housing for low and moderate income families throughout the community. The Commission is not a component unit of the City, as defined in Governmental Accounting Standards Board Statement No. 14, as amended, *The Reporting Entity* ("GASB No. 14"), as the Board independently oversees the Commission's operations.

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

Component Units

The definition of the reporting entity, as defined by GASB 14, 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 either 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.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

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 operations include five blended component units which are included in the column titled primary government in the basic financial statements. These are legally separate entities for which the Commission is financially accountable and that are controlled by the Commission. The blended component units are as follows:

- Detroit Resident Empowerment and Asset Management Services, Inc.
- DHC Parkside
- Parkside Development Corporation, Inc.
- DHC Woodbridge
- Detroit Housing Finance Corporation

All of the above 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 presentation and are presented separately from the primary government in the component unit column in the basic financial statements in order to clearly distinguish their balances and transactions from the primary government:

- The Villages at Parkside II, LLC. ("TVP II")
- The Villages at Parkside IV, LLC. ("TVP IV")
- Woodbridge Estates Apartments I, LLC. ("WEA I")
- Woodbridge Estates Apartments II, LLC. ("WEA II")
- Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC. ("WEA III")
- Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC. ("WEA IV")
- Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC. ("WEA V")
- Woodbridge ILF Associates Limited Dividend Housing Association, Limited Partnership ("WILF")

All of the above component units are for-profit limited liability corporations, with the exception of WILF which is a partnership, that were created for the development and management of the respective properties. Although they do not follow government accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in separately issued information in order for them to conform to the presentation of the primary government.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Discretely Presented Component Units (continued)

All of the discretely presented component units, with the exception of TVP II and IV, have a fiscal year end of December 31, 2008, which differs from the Commission's year end. For consolidation purposes, the information identified in these accompanying financial statements is presented for the twelve month period ended and as of December 31, 2008. Due to fiscal year end differences between the Commission and the discrete component units, certain receivables of the Commission do not have offsetting equal liabilities reflected in the discrete component units. Each of the discretely presented 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 discretely presented component unit can be obtained by contacting the Commission at 1301 E. Jefferson Avenue, Detroit, MI 48226.

Other Component Units

The following component units have been created by the Commission but had little or no activity during the year ended June 30, 2009, and therefore are not included in the basic financial statements:

- DHC Marwood, Inc.
- Parkside Service, Inc.
- TVP Residents Association I, Inc.
- TVP Residents Association II, Inc.
- TVP Residents Association III, Inc.
- TVP Residents Association IV, Inc.
- TVP Residents, Inc.
- The Villages at Parkside, LLC.
- The Outer Drive Housing Finance Corporation
- The Villages at Parkside I, LLC.
- The Villages at Parkside III, LLC.

2. Government-wide and fund financial statements

The government-wide financial statements report information about the reporting government as a whole excluding fiduciary activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities rely to a significant extent on fees and charges for support.

Funds are organized into three major categories: governmental, proprietary and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

For financial reporting purposes, the Commission reports all of its operations as a single business activity in a single enterprise fund. Therefore, the government-wide and the fund financial statements are the same.

Enterprise funds are proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating activity generally arises from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Commission consist primarily of rental charges to tenants and operating grants from HUD, and include, to a lesser extent, certain operating amounts of capital and redevelopment grants that offset operating expenses.

Operating expenses for the Commission include the cost of administrative, tenant services, utilities, maintenance, protective services, general operations, depreciation and housing assistance payments. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted are also available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources, as needed.

3. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector; thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded in the period incurred. The Commission maintains its accounts in accordance with the chart of accounts prescribed by HUD.

For financial reporting purposes, the Commission considers its grants associated with operations as operating revenue because these funds more closely represent revenues 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 revenues, expenses and changes in net assets.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Budgets

Budgets are prepared on an annual basis for each major HUD program, approved by the Board, and are used as a management tool throughout the accounting cycle. Budgets are not legally adopted nor required for financial statement presentation.

5. Income taxes

The Commission is a governmental entity and is not subject to federal or state income taxes. The component units did not have a tax liability at year end.

6. Summary of HUD programs

The accompanying basic financial statements include the activities of several housing programs subsidized by HUD at the Commission. A summary of each significant program is provided below.

Low Rent Housing Programs

The Low Rent Public Housing Programs include the following: asset management projects ("AMPs"), which collect operating subsidy, Public Housing Capital Fund, Hope VI, Replacement Housing Factor Funds, Capital Fund Recovery Grant and various other related HUD grants.

The purpose of the public housing program is to provide decent and affordable housing to low-income families at reduced rents. The developments are owned, maintained and managed by the Commission. The developments/units are acquired, developed and modernized under HUD's Development, HOPE VI, Capital Fund and Replacement Housing Fund programs.

Funding of the program operations and development is provided by federal annual contributions, operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition and other allowances).

Central Office Cost Center

The Central Office Cost Center ("COCC") is a business unit within the Commission that generates revenue through fee for service from other Commission programs and activities.

Housing Assistance Programs

The Housing Assistance Programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. Funding of the program 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 Section 8 Housing Choice Voucher Program, Section 8 New Construction and Section 8 Moderate Rehabilitation.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Summary of HUD programs (continued)

Hope VI Programs and Mixed Financing

The Hope VI programs are for the redevelopment and acquisition of additional housing units utilizing financing from HUD and other public and private sources.

The Commission has entered into Mixed-Finance Annual Contributions Contracts approved by HUD for the discretely presented component units. HUD, through the Commission, has provided Hope VI, Replacement Housing, and Capital funds for the developments. As disclosed in Note B-3, the Hope VI funds received by the Commission from HUD were converted into mortgage notes and were loaned to the respective discretely presented component units, which are required to repay the respective mortgage notes when the respective properties realize net cash flows from operations as defined in the respective agreements.

Business Activities

The Commission also participates in other activities that are not sponsored by HUD; these are classified as business activities, and include development activities and the management of the component units.

7. Assets, liabilities and net assets

a. *Cash and cash equivalents*

For financial statement purposes, cash and cash equivalents are considered to be cash in banks and short term investments with original maturities of three months or less from the date of acquisition.

b. *Receivables, net*

Current receivables consist of revenues earned at year-end and not yet received. The HUD receivable is principally a result of grant revenue being accrued for allowable program expenses not yet funded. As of June 30, 2009, there is an allowance for uncollectible tenant receivables of \$354,837. Allowances are determined by management based on periodic aging and prior experience.

c. *Notes, loans and mortgages receivable, net*

Notes, loans, and mortgages receivable consist of mortgage loans made to the discretely presented component units, primarily utilizing Hope VI funds (see Notes A-6 and B-3), as well as loans made to tenants for their participation in the Homeownership Program. Since the HOPE VI notes maturity is several years in the future, management has estimated that these notes are fully collectible and there is no basis for a bad debt reserve as June 30, 2009. The homeownership loans are presented net of their related amortization (see Note B-3).

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net assets (continued)

d. *Accrued interest receivable restricted*

Accrued interest receivable restricted consists of the interest receivable related to the mortgage loans made to the discretely presented component units (see Note A-6 and B-3); interest for these notes is not due within the next 12 months and therefore is classified as noncurrent. The accrued interest receivable is considered restricted due to the fact that the related loans were made using Hope VI funds and therefore are restricted upon repayment by HUD guidelines.

e. *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. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at fair market value on the date contributed. During the year assets were donated to the Commission (see Note B-4).

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

Structures and improvements	27.5 - 40 years
Equipment - dwelling and administrative	5 - 10 years

f. *Accrued 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% of accrued sick leave upon retirement after 25 years of service. The estimated liability for vested leave benefits is recorded when it is earned as an expense in the basic financial statements.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net assets (continued)

g. Deferred revenues

Deferred revenues include amounts collected before revenue recognition criteria are met. The deferred items consist of deferred operating subsidy, prepaid ground lease payments and tenant prepaid rent in the amounts of \$224,872, \$495,933 and \$67,855, respectively.

h. Net assets

In accordance with GASB No. 34, total equity is classified into three components of net assets, as of June 30, 2009:

i. Invested in capital assets, net of related debt

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

ii. Restricted net assets

This category consists of net assets restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The balance sheet of the Commission reports \$75,323,516 of restricted net assets which consists of Section 8 HAP reserves that are restricted by HUD guidelines (see Note B-10-c), as well as mortgage notes receivable that were loaned using Hope VI funds and therefore are restricted upon repayment by HUD guidelines (see Note B-3).

iii. Unrestricted net assets

This category includes all of the remaining net assets that do not meet the definition of the other two categories.

i. Eliminations

i. 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, 2009, \$605,631 was eliminated.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Assets, liabilities and net assets (continued)

i. Eliminations (continued)

ii. Management fees

The Commission's Central Office Cost Center internally charges fees to the AMPs of the Commission. These charges include management fees, bookkeeping fees, and asset management fees. For financial reporting purposes, \$4,506,711 of management fees have been eliminated for the year ended June 30, 2009.

iii. Fee for service

The Commission's Central Office Cost Center internally charges fees to other programs and projects of the Commission. These charges include legal and specialized maintenance expenses. For financial reporting purposes, \$296,132 of internal charges have been eliminated for the year ended June 30, 2009.

8. Tenant revenue

As provided by GASB Statement No. 34 and related guidance, tenant revenue is presented in the financial statements net of the bad debt expense for uncollectible amounts of \$95,624.

9. Application of FASB standards

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, offers the option of following all Financial Accounting Standards Board ("FASB") standards issued after November 30, 1989, unless the latter conflicts with or contradicts GASB pronouncements, or not following FASB standards issued after such date. The Commission elected the option to not follow FASB pronouncements issued after November 30, 1989.

10. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES

1. Deposits and investments

As of June 30, 2009, the Commission's cash and cash equivalents consists of cash in banks of \$26,621,775. The Commission had no investments as of June 30, 2009.

In accordance with GASB Statement No. 40, The Commission's exposure to risk is disclosed as follows:

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of June 30, 2009, the Commission had no investments, and therefore was not exposed to interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is the Commission's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of June 30, 2009, the Commission had no investments, and therefore was not exposed to credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned. The Commission does have a deposit policy for custodial credit risk, which requires collateral to be held in the Commission's name by its agent or by the bank's trust department for the qualifying accounts. As of June 30, 2009, none of the Commission's bank balances were exposed to custodial credit risk.

Restricted Cash

As of June 30, 2009, restricted cash consists of:

<i>Current</i>	
Family self-sufficiency escrow	\$ 29,863
Tenant security deposits	290,079
HAP equity	<u>11,534,087</u>
Subtotal current	11,854,029
<i>Noncurrent</i>	
Family self-sufficiency escrow	<u>42,191</u>
Total restricted cash	<u>\$ 11,896,220</u>

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

2. Receivables, net

As of June 30, 2009, receivables, net consist of:

Due from HUD	\$ 4,591,701
Tenant receivables	663,662
Fraud recovery	55,699
Other receivables	<u>48,813</u>
	5,359,875
Allowance for doubtful accounts - tenants	<u>(354,837)</u>
	<u>\$ 5,005,038</u>

3. Notes, loans and mortgages receivable

As disclosed in Note A-6, the Commission has entered into Mixed-Finance Annual Contributions Contracts approved by HUD for all of the discretely presented component units. HUD, through the Commission, has provided Hope VI funds to the discrete component unit developments.

The component units are required to repay their mortgage notes when the respective properties realize net cash flows from operations as defined in each mortgage agreement. All of the notes are secured by the respective properties. The Commission has also provided payment for amounts related to contract retention on behalf of the discretely presented component units and will be repaid this amount as cash becomes available. All receivables are considered fully collectible and mature as listed below.

During 2009, the Commission made loans of \$496,318 to new homeowners under the Homeownership Program. The loans do not have scheduled payments and are forgiven through time per the loan agreement; the Commission amortizes the loan receivables over the 7 year debt forgiveness schedule. The homeownership loans are presented net of amortization of \$91,552.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

3. Notes, loans and mortgages receivable (continued)

At June 30, 2009, noncurrent notes, advances, loans and mortgages receivable consist of the following balances and terms:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance</u>
<i>Due from discretely presented component units:</i>			
TVP II (Hope VI)	December 2038	0.45%	\$ 22,930,193
TVP II (Business Activities)	December 2038	7.00%	2,584,579
TVP IV (Hope VI)	December 2038	0.45%	20,990,363
WEA I (Hope VI)	January 2048	4.72%	1,279,824
WEA I (Hope VI)	January 2048	0.00%	840,500
WEA II (Hope VI)	January 2048	4.72%	1,888,460
WEA II (Hope VI)	January 2048	0.00%	797,955
WEA III (Hope VI)	January 2051	4.72%	1,560,470
WEA IV (Hope VI)	January 2051	4.72%	1,764,801
WEA V (Hope VI)	January 2051	4.72%	2,057,829
WILF (Hope VI)	June 2049	5.20%	3,713,013
Subtotal			<u>60,407,987</u>
<i>Due from other:</i>			
Homeownership loans, net	various	0%	<u>1,575,157</u>
Total noncurrent notes receivable			<u><u>\$ 61,983,144</u></u>

When the above Hope VI notes are paid back they will be considered restricted program income to be used for similar project developments in the future. As of June 30, 2009, the notes are considered restricted as follows:

Restricted	\$ 59,398,565
Unrestricted	<u>2,584,579</u>
	<u><u>\$ 61,983,144</u></u>

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

4. Capital assets, net

A summary of changes in capital assets is as follows:

	Balance at July 1, 2008	Transfers in/ Additions	Transfers out/ Deletions	Balance at June 30, 2009
Non-depreciable:				
Land	\$ 46,215,643	\$ 426,000	\$ -	\$ 46,641,643
Construction in progress	7,864,576	11,151,602	10,376,892	8,639,286
Total non-depreciable	<u>54,080,219</u>	<u>11,577,602</u>	<u>10,376,892</u>	<u>55,280,929</u>
Depreciated:				
Structures and improvements	54,814,224	11,140,344	-	65,954,568
Equipment - dwelling	2,330,480	1,573,044	-	3,903,524
Equipment - administrative	317,015	278,167	7,010	588,172
Total depreciated	<u>57,461,719</u>	<u>12,991,555</u>	<u>7,010</u>	<u>70,446,264</u>
Total capital assets	<u>111,541,938</u>	<u>24,569,157</u>	<u>10,383,902</u>	<u>125,727,193</u>
Less accumulated depreciation				
Structures and improvements	(4,583,647)	(2,984,560)	-	(7,568,207)
Equipment - dwelling	(336,266)	(386,262)	(7,010)	(715,518)
Equipment - administrative	(29,213)	(34,204)	-	(63,417)
Total accumulated depreciation	<u>(4,949,126)</u>	<u>(3,405,026)</u>	<u>(7,010)</u>	<u>(8,347,142)</u>
Capital assets, net	<u>\$ 106,592,812</u>	<u>\$ 21,164,131</u>	<u>\$ 10,376,892</u>	<u>\$ 117,380,051</u>

The assets of the Commission are valued at fair market value of the date of their donation (see Note A-7-e). During the current year, the City has donated assets with an appraised asset value of approximately \$3 million. In addition, HUD through the Capital Fund Program also contributed approximately \$10 million to building improvements.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

5. Other current liabilities

As of June 30, 2009, other current liabilities consist of:

Utility accrual	79,864
Telephone accrual	135,072
Contract retention	520,481
Other	16,451
	\$ 751,868
	\$ 751,868

6. Noncurrent liabilities

A summary of changes in noncurrent liabilities is as follows:

	Payable at July 1, 2008	Additions	Reductions	Payable at June 30, 2009	Due within one year
FSS escrow	\$ 60,182	\$ 13,913	\$ (2,041)	\$ 72,054	\$ 29,863
Pension liability	516,193	757,854	(1,133,794)	140,253	140,253
Compensated absences	488,350	403,207	(443,295)	448,262	257,238
	\$ 1,064,725	\$ 1,174,974	\$(1,579,130)	\$ 660,569	\$ 427,354

7. Risk management

The Commission is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

8. Capital donation from the City

Previously, the Commission was considered a discrete component unit of the City and during that time all of their assets were held in the City's name. In conjunction with the Agreement, the City was required to transfer all of the Commission's assets to them, for management of their day to day operations. These assets were considered donations from the City and accordingly were recorded at fair market value. Appraisals were performed on all fixed assets, which included an estimate of their remaining useful lives. These appraisals were used to record the fixed assets and the current year additions are included in our basic financial statements as contributed capital from the City. The total appraised value of the capital assets being utilized by the Commission approximates \$107 million, of which approximately \$3 million was transferred in the current year and \$103 million was transferred in prior years. There is a remaining amount of approximately \$1 million, which is planned to be transferred in future years.

9. Defined benefit retirement plan

The Commission participates in The Municipal Employee's Retirement System of Michigan (the "Plan"), an agent of a multiple-employer public employee retirement system administered by the MERS Retirement Board which is established by Legislature and whom has the power to amend provisions. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Plan administrator.

The Plan provides for retirement, survivor, death and disability benefits. Under normal retirement provisions, a member may retire after reaching age 60 with at least 10 years of credited service, age 55, if at least 15 years of service; or at age 50, if at least 25 years of service. The Commission has also selected an optional early retirement plan, which specifies that full pension benefit is payable at age 55, if at least 15-30 years of service, or at age 50, if at least 25-30 years of service.

Benefits vest after 6 years of credited service at 2% - 2.5%, dependent on which plan each member selects, of a member's average earnings for each year of credited service up to 32 years with a maximum of 80%. Average earnings are the average of the highest consecutive 3 year period of employee's compensation for credited service. The Plan is to be fully funded by the Commission and the required contribution rate for the members is 0%. The annual required contribution rate of the employer is \$725,436 and is based on a valuation of payroll.

The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 4.50%, (c) withdrawal rates based on the years of service, (d) separate retirement rates applicable to the plan selected by the Commission and (e) disability rates. Both (a) and (b) include an inflation component of cost-of-living 3% - 4%. The cost method used was the normal method. The unfunded actuarial accrued liability is amortized as a closed period level percentage of projected payrolls, over a 28 year period. As of June 30, 2009, there was an unfunded actuarial accrued liability; therefore, the remaining amortization period at year end was 28 years.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

9. Defined benefit retirement plan (continued)

The required schedule of funding progress presents multi-year trend information about the actuarial value of the plan assets.

Actuarial Date	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
December 30, 2006	\$ 476,749	80%	\$ 381,399
December 30, 2007	\$ 1,294,097	70%	\$ 905,868
December 31, 2008	\$ 2,287,372	79%	\$ 1,807,024

10. Commitments and contingencies

a. *Legal*

The Commission is party to various pending or threatened legal actions arising in the normal course of operations. The Commission's legal counsel has advised that these actions could result in a future liability of \$360,902; accordingly this liability has been included in the financial statements as an accrued contingency liability.

b. *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 disallowances.

c. *Section 8 Housing Choice Voucher Program*

The Commission has received cumulative funding in excess of housing assistance payments ("HAP") and earned administrative fees through the Section 8 Housing Choice Voucher Program (the "program") under the implementation of the Consolidated Appropriations Act 2005, *Funding Provisions for the Housing Choice Voucher Program*. Due to decreases in federal funding, HUD decreased their HAP payments made to the Commission, forcing them to use their HAP reserves. As of June 30, 2009, the remaining HAP reserve is \$11,534,087, which is subject to possible future recapture.

The Commission is no longer required to complete a settlement statement, HUD Form 52681, for the program. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2008-9, the cumulative amount of program subsidy received as of June 30, 2009, is presented as operating income, with net program income/loss being reflected in restricted net assets in the basic financial statements.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

10. Commitments and contingencies (continued)

d. Funds awarded

The Commission receives funding from HUD through Hope VI, Replacement Housing Fund, Capital Fund, Public Housing Development Programs and the Capital Fund Recovery Grant 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, 2009, for qualifying eligible expenditures amounted to \$22,809,974, \$52,521,724, \$12,026,147, \$1,907,501 and \$16,467,611, respectively.

e. Loans

The Commission has obligated to make loans as needed to the discrete component units not to exceed \$66,723,960 in the aggregate (see Note B-3 and Note C). As of June 30, 2009, the Commission is still liable for \$120,291 of this commitment.

11. Concentrations

For the year ended June 30, 2009, approximately 91% of revenues and 49% of receivables reflected in the basic financial statements are from HUD.

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.

12. Financial data schedule

As required by HUD, the Commission prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format treats several items differently than the financial statements; (1) depreciation expense and housing assistance payments are excluded from operating activities, (2) investment revenue is included in operating activities, (3) tenant revenue and bad debt expense are reflected separately, (4) the blended component units' activities are presented in the Business Activities column and (5) the total column includes the discretely presented component units and primary government, as all discretely presented component units are in the "component unit" column, and all blended component units are in the "business activities" column.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE B - DETAILED NOTES (continued)

13. Leasing activities

The Commission is the lessor of dwelling units to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Commission may cancel the leases only for cause. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue. Primarily all of the capital assets of the Commission are for these leasing activities except for administrative offices and equipment.

14. Subsequent events

Management has evaluated subsequent events through February 23, 2010 the date in which the financial statements were able to be used, and noted no significant items to be disclosed.

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS

The following partnerships are considered discrete component units of the Commission and are presented in accordance with GASB No. 14. Certain items may have changed for presentation purposes from the separately issued audited financial statements to conform to the Commission's presentation. The following footnotes are presented pursuant to GASB No. 14, which states that the reporting entity's financial statements should make those component unit disclosures that are essential to fair presentation of the financial reporting entity's general purpose financial statements. The following footnotes are those that are material to the Commission and are not meant to be a full representation of each component unit's required disclosures. A copy of each component unit's separately issued audited financial statements can be obtained from the Commission's management.

The following are for-profit entities that follow all applicable FASB standards regardless of issue date:

- Woodbridge Estates Apartments I, LLC.
- Woodbridge Estates Apartments II, LLC.
- Woodbridge Estates Apartments III, Limited Dividend Housing Association, LLC.
- Woodbridge Estates Apartments IV, Limited Dividend Housing Association, LLC.
- Woodbridge Estates Apartments V, Limited Dividend Housing Association, LLC.
- Woodbridge ILF Associates Limited Dividend Housing Association, Limited Partnership
- The Villages at Parkside II, LLC
- The Villages at Parkside IV, LLC.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

1. The Woodbridge Estates Apartments I, LLC. (the "Company")

Woodbridge Estates Apartments II, LLC was formed as a limited liability company under the laws of the State of Michigan on May 29, 2002 for the purpose of constructing, developing and operating a mixed-income residential housing project. The Project consists of 48 rental units located in Detroit, Michigan operating under the name Woodbridge Estates Apartments - Phase 1 (the Project). The Project commenced operations in July 2004.

a. Mortgage notes payable

i. Construction note

On January 31, 2003, the Company entered into a first mortgage construction/permanent note with Capri Capital Finance, LLC in the amount of \$1,663,000. The note was subsequently assumed by First Lender on April 11, 2005. The note bears interest of 6.305% and provides for monthly interest only payments of \$8,738 for the period from February 1, 2003, to the Permanent Loan Delivery Date (construction period), as defined. Commencing on the Permanent Loan Delivery Date the note bears interest of 7.06% and provides for monthly payments in the amount of \$11,131 including interest until June 1, 2037. If the note is prepaid more than ninety days before the maturity date, a prepayment premium is due. The amount of the prepayment premium is calculated based on provisions in the note agreement. The loan agreement was amended in January 2007 and \$100,000 of the note was prepaid without penalty. Interest expense amounted to \$98,513 for the year ended December 31, 2008. Accrued interest amounted to \$8,197 at December 31, 2008.

ii. AFR loan agreement

On January 31, 2003, the Company entered into a second mortgage AFR loan agreement with the DHC. The loan agreement provides for DHC to loan an amount not to exceed \$1,279,824 which is payable in 45 years and bears interest at the federal rate applicable to long-term loans, compounded annually, as calculated in accordance with IRC Section 1274(d) as of the date of each advance (4.72% at December 31, 2008). The Company is required to pay the lender \$500 the first year with payments increasing by 2.5% in each of the succeeding 29 years. Beginning in the 31st year, interest is due and payable as defined in the note. Interest and principal shall be payable only from net available cash flow, net proceeds or condemnations as defined. Interest expense amounted to \$56,952 and accrued interest amounted to \$280,104 as of and for the year ended December 31, 2008.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

1. The Woodbridge Estates Apartments I, LLC. (continued)

a. *Mortgage notes payable (continued)*

iii. *Mortgage Loan Agreement*

On January 31, 2003, the Company entered into a third mortgage loan agreement with DHC Woodbridge Corporation, an affiliate of DHC. The loan agreement provides for DHC Woodbridge Corporation to fund a loan for \$840,510, which is payable in 45 years at 0% interest rate.

A summary of long-term debt of the Company is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Notes payable to Authority	\$ 2,120,334	\$ 2,120,334	\$ -
Mortgage payable	1,563,000	1,561,078	16,000
Subtotal	<u>\$ 3,683,334</u>	<u>\$ 3,681,412</u>	<u>\$ 16,000</u>

The mortgage notes payable are collateralized by the rental property and are guaranteed by affiliates of the managing member.

The future principal maturities for the notes payable at December 31 are as follows:

2009	\$ 16,000
2010	25,000
2011	27,000
2012	29,000
2013	31,000
Thereafter	<u>3,553,412</u>
	<u>3,681,412</u>

2. The Woodbridge Estates Apartments II, LLC. (the "Company")

Woodbridge Estates Apartments II, LLC was formed as a limited liability company under the laws of the State of Michigan on May 29, 2002 for the purpose of constructing, developing and operating a mixed-income residential housing project. The Project consists of 70 rental units located in Detroit, Michigan operating under the name Woodbridge Estates Apartments - Phase II (the Project). The Project commenced operations in April 2004.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

2. The Woodbridge Estates Apartments II, LLC. (continued)

a. *Mortgage Notes Payable*

i. *Construction Note*

On January 31, 2003, the Company entered into a first mortgage construction/permanent note with Capri Capital Finance, LLC in the amount of \$2,650,000. The note was subsequently assumed by First Lender on April 11, 2005. The note bears interest of 6.305% and provides for monthly interest only payments of \$13,924 for the period from February 1, 2003, to the Permanent Loan Delivery Date (construction period), as defined. Commencing on the Permanent Loan Delivery Date the note bears interest of 7.06% and provides for monthly payments in the amount of \$17,737 including interest until June 1, 2037. If the note is prepaid more than ninety days before the maturity date, a prepayment premium is due. The amount of the prepayment premium is calculated based on provisions in the note agreement. The loan agreement was amended in January 2007 and \$400,000 of the note was prepaid without penalty. Interest expense amounted to \$141,716 for the year ended December 31, 2008. Accrued interest amounted to \$11,950 at December 31, 2008.

ii. *AFR Loan Agreement*

On January 31, 2003, the Company entered into a second mortgage AFR loan agreement with the DHC. The loan agreement provides for DHC to loan an amount not to exceed \$1,888,460 which is payable in 45 years and bears interest at the federal rate applicable to long-term loans, compounded annually, as calculated in accordance with IRC Section 1274(d) as of the date of each advance (4.72% at December 31, 2008). The Company is required to pay the lender \$500 the first year with payments increasing by 2.5% in each of the succeeding 29 years. Beginning in the 31st year, interest is due and payable as defined in the note. Interest and principal shall be payable only from net available cash flow, net proceeds or condemnations as defined. Interest expense amounted to \$84,037 and accrued interest amounted to \$408,451 as of and for the year ended December 31, 2008.

iii. *Mortgage Loan Agreement*

On January 31, 2003, the Company entered into a third mortgage loan agreement with DHC Woodbridge Corporation, an affiliate of DHC. The loan agreement provides for DHC Woodbridge Corporation to fund a loan for \$797,954, which is payable in 45 years at 0% interest rate.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

2. The Woodbridge Estates Apartments II, LLC. (continued)

A summary of long-term debt of the Company is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Note payable to Authority	\$ 2,686,414	\$ 2,686,414	\$ -
Mortgage payable	2,250,000	2,241,798	37,000
Subtotal	\$ 4,936,414	\$ 4,928,212	\$ 37,000

The mortgage notes payable are collateralized by the rental property and are guaranteed by affiliates of the managing member.

The future principal maturities for the notes payable at December 31 are as follows:

2009	\$ 37,000
2010	59,000
2011	63,000
2012	68,000
2013	73,000
Thereafter	4,628,212
	4,928,212

3. The Woodbridge Estates Apartments III Limited Dividend Housing Association LLC (the "Company")

Woodbridge Estates Apartments III Limited Dividend Housing Association LLC was formed as a limited liability company under the laws of the State of Michigan on March 9, 2001 for the purpose of constructing, developing and operating a mixed-income residential housing project. The Project consists of 42 rental units located in Detroit, Michigan operating under the name Woodbridge Estates Apartments - Phase III (the Project). The Project commenced operations in 2006.

a. Mortgage Notes Payable

i. Construction Note

On February 23, 2006, the Company entered into a first mortgage construction/permanent note with First Lender in the amount of \$1,543,300. The note provides for monthly payments of \$8,835 including interest at 6.04% until March 2047. If the note is prepaid more than ninety days before the maturity date, a prepayment premium is due. The amount of the prepayment premium is calculated based on provisions in the note agreement. For the year ending December 31, 2008, interest expense amounted to \$91,263. At year end, accrued interest amounted to \$7,683.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

3. The Woodbridge Estates Apartments III Limited Dividend Housing Association LLC (continued)

a. *Mortgage Notes Payable (continued)*

ii. *AFR Loan Agreement*

On February 23, 2006, the Company entered into a second mortgage AFR loan agreement with the Commission. The loan agreement provides for DHC to loan an amount not to exceed \$1,600,000 which is payable in 45 years and bears interest at the federal rate applicable to long-term loans, compounded annually, as calculated in accordance with IRC Section 1274(d) as of the date of each advance (4.72% at December 31, 2008). During the initial 26 years, the Company is not required to pay interest. Beginning in the 27th year, interest is due and payable as defined in the note. Interest and principal shall be payable only from net available cash flow, net proceeds or condemnations as defined. Interest expense amounted to \$69,385 for the year ending December 31, 2008. Accrued interest amounted to \$152,114 at December 31, 2008.

iii. *Mortgage Loan Agreement*

On September 29, 2006, the Company entered into a third mortgage loan agreement with the City of Detroit. The loan agreement provides for the City of Detroit to fund a loan for \$500,000 which is payable in 30 years and bears interest at 4.52%. In 2008, \$500,000 was advanced on the loan. Interest expense amounted to \$1,238 for the year ended December 31, 2008. Accrued interest amounted to \$1,238 at December 31, 2008.

A summary of long-term debt of the Company is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Notes payable to Authority	\$ 1,559,212	\$ 1,559,212	\$ -
Mortgage payable	1,418,551	2,026,366	10,500
Subtotal	\$ 2,977,763	\$ 3,585,578	\$ 10,500

The mortgage notes payable are collateralized by the rental property and are guaranteed by affiliates of the managing member.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

3. The Woodbridge Estates Apartments III Limited Dividend Housing Association LLC (continued)

a. *Mortgage Notes Payable (continued)*

The future principal maturities for the notes payable at December 31 are as follows:

2009	\$	10,500
2010		11,200
2011		11,900
2012		12,600
2013		13,400
Thereafter		<u>3,525,978</u>
		<u><u>3,585,578</u></u>

b. *Guarantees*

Affiliates of the managing member have guaranteed the payment and completion of construction to the second mortgage lender, DHC.

c. *Adjustment*

The accompanying financial statements for December 31, 2007, have been restated to correct an error in recording of organization costs. In prior years, organization costs have been reflected as an intangible asset and amortized on a straight-line basis over five years. It was determined that the proper financial statement presentation should have been to expense organization costs when incurred. The effect of the restatement was to decrease other intangible assets by \$46,465 in the accompanying balance sheet for December 31, 2007, and decrease amortization expense and net loss by \$11,616 for the year ended December 31, 2007, in the statement of operations. Members' equity at January 1, 2007, has been adjusted for the effects of the restatement on prior years.

4. The Woodbridge Estates Apartments IV Limited Dividend Housing Association LLC (the "Company")

Woodbridge Estates Apartments IV Limited Dividend Housing Association LLC was formed as a limited liability company under the laws of the State of Michigan on March 9, 2001 for the purpose of constructing, developing and operating a mixed-income residential housing project. The Project consists of 51 rental units located in Detroit, Michigan operating under the name Woodbridge Estates Apartments - Phase IV (the Project). The Project commenced operations in 2006.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

4. The Woodbridge Estates Apartments IV Limited Dividend Housing Association LLC (continued)

a. *Mortgage Notes Payable*

i. *Construction Note*

On February 23, 2006, the Company entered into a first mortgage construction/permanent note with First Lender in the amount of \$2,037,200. The note provides for monthly payments of \$11,266 including interest at 6.04% until March 2047. If the note is prepaid more than ninety days before the maturity date, a prepayment premium is due. The amount of the prepayment premium is calculated based on provisions in the note agreement. For the year ending December 31, 2008, interest expense amounted to \$120,546. At year end, accrued interest amounted to \$10,142.

ii. *AFR Loan Agreement*

On February 23, 2006, the Company entered into a second mortgage AFR loan agreement with the Commission. The loan agreement provides for DHC to loan an amount not to exceed \$1,800,000 which is payable in 45 years and bears interest at the federal rate applicable to long-term loans, compounded annually, as calculated in accordance with IRC Section 1274(d) as of the date of each advance (4.72% at December 31, 2008). During the initial 26 years, the Company is not required to pay interest. Beginning in the 27th year, interest is due and payable as defined in the note. Interest and principal shall be payable only from net available cash flow, net proceeds or condemnations as defined. Interest expense amounted to \$78,480 for the year ending December 31, 2008. Accrued interest amounted to \$178,090 at December 31, 2008.

iii. *Mortgage Loan Agreement*

On September 29, 2006, the Company entered into a third mortgage loan agreement with the City of Detroit. The loan agreement provides for the City of Detroit to fund a loan for \$500,000 which is payable in 30 years and bears interest at 4.52%. In 2008, \$500,000 was advanced on the loan. Interest expense amounted to \$1,238 for the year ended December 31, 2008. Accrued interest amounted to \$1,238 at December 31, 2008.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

4. The Woodbridge Estates Apartments IV Limited Dividend Housing Association LLC (continued)

a. Mortgage Notes Payable (continued)

A summary of long-term debt of the Company is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Note payable to Authority	\$ 1,763,593	\$ 1,763,593	\$ -
Mortgage payable	1,881,488	2,514,845	13,900
Subtotal	\$ 3,645,081	\$ 4,278,438	\$ 13,900

The mortgage notes payable are collateralized by the rental property and are guaranteed by affiliates of the managing member.

The future principal maturities for the notes payable at December 31 are as follows:

2009	\$ 13,900
2010	14,700
2011	15,600
2012	16,600
2013	17,700
Thereafter	4,199,938
	4,278,438

b. Guarantees

Affiliates of the managing member have guaranteed the payment and completion of construction to the second mortgage lender, DHC.

c. Adjustment

The accompanying financial statements for December 31, 2007, have been restated to correct an error in recording of organization costs. In prior years, organization costs have been reflected as an intangible asset and amortized on a straight-line basis over five years. It was determined that the proper financial statement presentation should have been to expense organization costs when incurred. The effect of the restatement was to decrease other intangible assets by \$42,373 in the accompanying balance sheet for December 31, 2007, and decrease amortization expense by \$10,594 for the year ended December 31, 2007, in the statement of operations. Members' equity at January 1, 2007, has been adjusted for the effects of the restatement on prior years.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

5. The Woodbridge Estates Apartments V Limited Dividend Housing Association LLC (the "Company")

Woodbridge Estates Apartments V Limited Dividend Housing Association LLC was formed as a limited liability company under the laws of the State of Michigan on July 3, 2002 for the purpose of constructing, developing and operating a mixed-income residential housing project. The Project consists of 70 rental units located in Detroit, Michigan operating under the name Woodbridge Estates Apartments - Phase V (the Project). The Project commenced operations in 2006.

a. Mortgage Notes Payable

i. Construction Note

On February 23, 2006, the Company entered into a first mortgage construction/permanent note with First Lender in the amount of \$3,267,400. The note provides for monthly payments of \$11,266 including interest at 6.04% until March 2047. If the note is prepaid more than ninety days before the maturity date, a prepayment premium is due. The amount of the prepayment premium is calculated based on provisions in the note agreement. For the year ending December 31, 2008, interest expense amounted to \$193,157. At year end, accrued interest amounted to \$16,266.

ii. AFR Loan Agreement

On February 23, 2006, the Company entered into a second mortgage AFR loan agreement with the Commission. The loan agreement provides for DHC to loan an amount not to exceed \$2,100,000 which is payable in 45 years and bears interest at the federal rate applicable to long-term loans, compounded annually, as calculated in accordance with IRC Section 1274(d) as of the date of each advance (4.72% at December 31, 2008). During the initial 26 years, the Company is not required to pay interest. Beginning in the 27th year, interest is due and payable as defined in the note. Interest and principal shall be payable only from net available cash flow, net proceeds or condemnations as defined. Interest expense amounted to \$91,532 for the year ending December 31, 2008. Accrued interest amounted to \$201,236 at December 31, 2008.

iii. Mortgage Loan Agreement

On September 29, 2006, the Company entered into a third mortgage loan agreement with the City of Detroit. The loan agreement provides for the City of Detroit to fund a loan for \$500,000 which is payable in 30 years and bears interest at 4.52%. In 2008, \$500,000 was advanced on the loan. Interest expense amounted to \$1,238 for the year ended December 31, 2008. Accrued interest amounted to \$1,238 at December 31, 2008.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

5. The Woodbridge Estates Apartments V Limited Dividend Housing Association LLC (continued)

a. *Mortgage Notes Payable (continued)*

A summary of long-term debt of the Company is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Note payable to Authority	\$ 2,056,904	\$ 2,056,904	\$ -
Mortgage payable	2,995,920	3,731,546	22,200
Subtotal	\$ 5,052,824	\$ 5,788,450	\$ 22,200

The mortgage notes payable are collateralized by the rental property.

The future principal maturities for the notes payable at December 31 are as follows:

2009	\$ 22,200
2010	23,600
2011	25,100
2012	26,700
2013	28,300
Thereafter	5,662,550
	5,788,450

b. *Guarantees*

Affiliates of the managing member have guaranteed the payment and completion of construction to the second mortgage lender, DHC.

c. *Adjustment*

The accompanying financial statements for December 31, 2007, have been restated to correct errors in recording of organization costs and deferred loan fees. In prior years, organization costs have been reflected as an intangible asset and amortized on a straight-line basis over five years. It was determined that the proper financial statement presentation should have been to expense organization costs when incurred. Also, in prior years, deferred loan fees had been amortized on a straight-line bases over five years, it has been determined that the proper financial statement presentation should have been to amortize deferred loan fees on a straight-line basis over the term of the first mortgage. The effect of these restatements was to decrease other intangible assets by \$53,519 in the accompanying balance sheet for December 31, 2007, and decrease amortization expense and net loss by \$46,162 for the year ended December 31, 2007, in the statement of operations. Members' equity at January 1, 2007 has been adjusted for the effects of the restatement on prior years.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

6. The Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (the "Partnership")

Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (the "Partnership") was formed on June 30, 2004 under the Michigan Uniform Limited Partnership Act for the purpose of acquiring, owning, constructing, and operating a rental housing project under the Hope VI Implementation Grant Agreement regulated by the Detroit Housing Commission (DHC) and the U.S. Department of Housing and Urban Development (HUD). The project consists of 100 units located in Detroit, Michigan and is currently operating under the name of The Village of Woodbridge. The project was completed in January 2006, and stabilization was met as of December 31, 2006.

a. Funded Reserves

i. Regulatory Agreement

According to the Regulatory Agreement, the Partnership must initially fund the PHA reserve in the amount of \$194,073. At December 31, 2008, the balance in this account was \$214,389. This reserve is owned by the Commission and, at the expiration of the Regulatory and Operating Agreement, any funds remaining shall be disbursed to the Commission for public housing expenses.

ii. Hope VI Loan Agreement

According to the Hope VI loan agreement, the Partnership must fund a supplemental reserve up to \$500,000. This reserve is funded through net available cash flow. The reserve can be accessed for expenses as outlined in the HOPE VI loan agreement. As of December 31, 2008, \$130,612 has been funded and was used during 2008 to pay a portion of the outstanding developer fee. No amounts had been funded as of December 31, 2007.

b. Related Party Transactions

i. Developer Fees

The development agreement specifies total payment of \$1,000,000. Developer fees are payable for services rendered in negotiating, coordinating, and supervising the planning, architectural, engineering, and construction services necessary for construction of the project. The developer fees are capitalized as part of the building and improvements and have been earned and recognized in accordance with the development fee agreement. As of December 31, 2008, \$9,235 of these developer fees remains payable.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

6. The Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (continued)

c. Related Party Transactions (continued)

ii. Developer Fees (continued)

A portion of the developer fees payable in the amount of \$9,235 at December 31, 2008 is deferred in the form of a note that bears interest at the long-term applicable federal rate of 4.72% in place at the date of the first additional capital contribution was made (December 14, 2007) and compounds annually. Interest expense and accrued interest on developer fees totaled \$445 at December 31, 2008.

d. Mortgage Payable

i. Hope VI Mortgage Note

The Partnership has a HOPE VI mortgage note dated June 30, 2004 for the adjusted final amount of \$3,713,014 that is held by the Commission on behalf of the City of Detroit. The note bears interest at the long-term applicable federal rate (AFR) of 5.2% in place at the date of the mortgage and compounds annually. The loan was fully funded as of December 31, 2006 and will mature on June 30, 2049. The loan provides for payments of principal and interest of 100 percent of net cash flow, after payment of the deferred development fee and the funding of the supplemental reserve. The loan is collateralized by real estate held for lease and an assignment of rents and leases. Accrued interest on the note was \$481,699 at December 31, 2008.

A summary of long-term debt of the Partnership is as follows:

	Payable at 1/1/2008	Payable at 12/31/2008	Due within one year
Note payable to Authority	\$ 3,713,014	\$ 3,713,014	\$ -
Mortgage payable	82,109	9,235	-
Subtotal	<u>\$ 3,795,123</u>	<u>\$ 3,722,249</u>	<u>\$ -</u>

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

6. The Woodbridge ILF Associates Limited Dividend Housing Association Limited Partnership (continued)

e. *Contingencies*

The project's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the investor limited partner.

7. The Villages at Parkside II, LLC (the "Company")

The Villages at Parkside II, LLC (the "Company") was formed on December 2, 1996, to acquire property located in Detroit, Michigan and to rehabilitate, construct and operate affordable and market rate residential housing (the "project"). The Project consists of 137 residential units of which 114 have been set aside for occupancy by qualified low income individuals or families.

a. *Mortgage Notes Payable*

i. *Hope VI Note*

The City of Detroit, through the Detroit Housing Commission, is providing mortgage financing in the amount of \$22,930,193 through the HOPE VI Program administered by the U.S. Department of Housing and Urban Development. This note, which is secured by the property, accrues simple interest at the rate of .45% per annum. No payments of principal or interest are due until maturity, December 2038. As of June 30, 2009, interest of \$1,095,454 has been accrued on this note, including \$103,186 incurred during 2009.

ii. *Construction Loan*

The City of Detroit, through the Detroit Housing Commission is providing construction financing in the amount of \$3,362,595. This note, which is secured by the property, accrues interest at the rate of 7% per annum, compounded annually. No principal or interest payments are due until maturity, December 31, 2038. During the year ended June 30, 2009, interest of \$186,281 was incurred and payments of \$124,813 for principal and \$299,813 for interest were made from capital contributions. As of June 30, 2009, principal of \$2,584,579 remains outstanding along with accrued interest of \$144,737.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

7. The Villages at Parkside II, LLC (the "Company") (continued)

a. *Mortgage Notes Payable (continued)*

iii. *Development fee*

For services in connection with the development of the Project, the Company has agreed to pay affiliates of the managing members, a development fee in the total amount of \$1,765,374. During 2009, the remaining fee of \$27,996 and accrued interest of \$3,055 was paid in full.

A summary of long-term debt of the Partnership is as follows:

	Payable at 7/1/2008	Payable at 06/30/2009	Due within one year
Note payable to Authority	\$ 25,639,585	\$ 25,514,772	\$ -
Mortgage payable	27,996	-	-
Subtotal	\$ 25,667,581	\$ 25,514,772	\$ -

b. *Rental Revenues*

The Company has entered into agreements with the City of Detroit through the Detroit Housing Commission (collectively "the City") for the receipt of annual operating subsidies through 2039. This subsidy, calculated on an annual basis and payable in monthly installments, is equal to estimated project expenses less estimated subsidy unit income (primarily the tenants' paid portion of rent). If the actual required operating subsidy, as determined by management subsequent to year end, is less than the amount received such excess must be returned to the City. During the year ended June 30, 2009, the Company earned operating subsidies totaling \$353,167 in accordance with this agreement.

c. *Ground Lease*

In December 1996, the Company entered into a ground lease with the City of Detroit through the Detroit Housing Commission ("DHC"). The initial term of the lease is 30 years with a provision for up to an additional four consecutive extended terms of 10 years each. The ground lease provides that DHC shall receive payments of \$10 per year for the entire lease.

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

8. The Villages at Parkside IV, LLC (the "Company")

The Villages at Parkside IV, LLC (the "Company") was formed on December 2, 1996, to acquire property located in Detroit, Michigan and to rehabilitate, construct and operate affordable and market rate residential housing (the "project"). The Project consists of 139 residential units set aside for occupancy by qualified low income individuals or families.

a. Mortgage Notes Payable

i. Hope VI Note

The City of Detroit, through the Detroit Housing Commission, is providing mortgage financing in the amount of \$20,990,363 through the HOPE VI Program administered by the U.S. Department of Housing and Urban Development. This note, which is secured by the property, accrues simple interest at the rate of .45% per annum. No payments of principal or interest are due until maturity, December 2038. As of June 30, 2009, interest of \$1,018,982 has been accrued on this note, including \$94,795 incurred during the year ended 2009.

i. Construction loan

The City of Detroit through the Detroit Housing Commission provided construction financing in the amount of \$2,050,301. This note, which was secured by the property, accrues interest at the rate of 7% per annum, compounded annually. No principal or interest payments are due until maturity, December 31, 2038. All principal has been fully repaid. During 2009, the remaining outstanding accrued interest of \$2,445 was paid.

iii. Development fee

For services in connection with the development of the Project, the Company has agreed to pay affiliates of the managing members, a development fee in the total amount of \$1,605,372. During 2009, the remaining fee of \$290,702 and accrued interest of \$31,720 was paid in full.

A summary of long-term debt of the Partnership is as follows:

	Payable at 7/1/2008	Payable at 06/30/2009	Due within one year
Note payable to Authority	\$ 20,990,363	\$ 20,990,363	\$ -
Mortgage payable	290,702	-	-
Subtotal	\$ 21,281,065	\$ 20,990,363	\$ -

Detroit Housing Commission

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

NOTE C - DISCRETELY PRESENTED COMPONENT UNITS (continued)

8. The Villages at Parkside IV, LLC (the "Company") (continued)

b. Rental Revenues

The Company has entered into agreements with the City of Detroit through the Detroit Housing commission (collectively "the City") for the receipt of annual operating subsidies through 2039. This subsidy, calculated on an annual basis and payable in monthly installments, is equal to estimated project expenses less estimated unit income (primarily the tenants' paid portion of rent). If the actual required operating subsidy, as determined by management subsequent to year end, is less than the amount received such excess must be returned to the City. During the year ended June 30, 2009, the Company earned operating subsidies totaling \$372,840 in accordance with this agreement.

c. Ground Lease

In December 1996, the Company entered into a ground lease with the City of Detroit through the Detroit Housing Commission ("DHC"). The initial term of the lease is 30 years with a provision for up to an additional four consecutive extended terms of 10 years each. The ground lease provides that DHC shall receive payments of \$10 per year for the entire lease.

REQUIRED SUPPLEMENTAL INFORMATION

Detroit Housing Commission

SCHEDULE OF FUNDING PROGRESS - EMPLOYEE PENSION

Year ended June 30, 2009

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b)/c]
12/31/2006	\$ 1,533,564	\$ 1,914,963	\$ (381,399)	80%	\$ 6,215,231	6%
12/31/2007	\$ 2,109,574	\$ 3,015,442	\$ (905,868)	70%	\$ 5,375,509	17%
12/31/2008	\$ 6,645,568	\$ 8,452,592	\$ (1,807,024)	79%	\$ 5,966,229	30%

SUPPLEMENTAL INFORMATION

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009																					
Line Item No.	Account Description	AMP1 Operating	AMP1 Capital	AMP2 Operating	AMP2 Capital	AMP3 Operating	AMP3 Capital	AMP4 Operating	AMP4 Capital	AMP5 Operating	AMP5 Capital	AMP6 Operating	AMP6 Capital	AMP7 Operating	AMP7 Capital	AMP8 Operating	AMP8 Capital	AMP9 Operating	AMP9 Capital	AMP11 Operating	AMP11 Capital
111	Cash - Unrestricted	386,212	-	6,326	-	1,683	-	785	-	481,021	-	294,973	-	780	-	368,917	-	9,746	-	575	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	26,763	-	40,163	-	24,500	-	-	-	-	-	-	-	20,289	-	-	-	-	-	17,396	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	412,975	-	46,489	-	26,183	-	785	-	481,021	-	294,973	-	21,069	-	368,917	-	9,746	-	17,971	-
122	Accounts Receivable - HUD Other Projects	99,483	-	14,535	-	348,463	-	98,512	-	-	-	-	-	43,159	-	-	-	34,527	-	21,578	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	30,102	-	-	-	-	-	-	-	-	-	-	-	-	-	1,145	-	5,276	-
126	Accounts Receivable - Tenants - Dwelling Rents	47,414	-	45,834	-	70,709	-	-	-	-	-	-	-	2,811	-	-	-	-	-	7,713	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(19,828)	-	(29,945)	-	(36,270)	-	-	-	-	-	-	-	(282)	-	-	-	-	-	(2,400)	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	127,069	-	60,526	-	382,902	-	98,512	-	-	-	-	-	45,688	-	-	-	35,672	-	32,167	-
142	Prepaid Expenses and Other Assets	9,549	-	10,144	-	17,674	-	3,411	-	3,411	-	3,411	-	2,738	-	-	-	-	-	1,767	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	-	-	28,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,563	-
150	Total Current Assets	549,593	-	145,239	-	426,759	-	102,708	-	484,432	-	298,384	-	69,495	-	368,917	-	60,981	-	51,905	-
161	Land	3,820,000	-	3,550,000	-	2,070,000	-	4,413,091	-	3,822,031	-	546,422	-	320,000	-	2,199,999	-	6,660,000	-	390,000	-
162	Buildings	3,475,917	-	6,824,687	-	4,652,221	-	-	-	798,456	-	-	-	5,430,437	-	-	-	-	-	2,350,000	-
163	Furniture, Equipment & Machinery - Dwellings	7,010	-	11,180	-	567,818	-	252,940	-	-	-	-	-	257,660	-	-	-	-	-	178,050	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	67,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(281,531)	-	(578,168)	-	(863,433)	-	(76,048)	-	(207,897)	-	-	-	(313,865)	-	-	-	-	-	(168,371)	-
167	Construction in Progress	-	-	87,240	-	475,297	-	-	-	-	-	-	-	-	-	-	-	98,148	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	7,021,396	-	9,894,939	-	6,969,289	-	4,589,983	-	4,412,590	-	546,422	-	5,694,232	-	2,199,999	-	6,758,148	-	2,749,679	-
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	7,021,396	-	9,894,939	-	6,969,289	-	4,589,983	-	4,412,590	-	546,422	-	5,694,232	-	2,199,999	-	6,758,148	-	2,749,679	-
190	Total Assets	7,570,989	-	10,040,178	-	7,396,048	-	4,692,691	-	4,897,022	-	844,806	-	5,763,727	-	2,568,916	-	6,819,129	-	2,801,584	-
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	83,972	-	139,693	-	281,792	-	240	-	-	-	748	-	60,937	-	-	-	2,000	-	39,637	-
313	Accounts Payable >90 Days Past Due	80	-	42,804	-	1,358	-	-	-	-	-	-	-	32,240	-	-	-	34,527	-	33,857	-
321	Accrued Wage/Payroll Taxes Payable	19,819	-	14,526	-	10,539	-	-	-	-	-	-	-	12,639	-	-	-	-	-	-	-
322	Accrued Compensated Absences	-	-	-	-	11,624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	350,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	3,030	-	2,836	-	2,436	-	-	-	2,387	-	2,908	-	2,424	-	-	-	-	-	1,151	-
341	Tenant Security Deposits	26,763	-	40,163	-	24,500	-	-	-	-	-	-	-	20,289	-	-	-	-	-	17,396	-
342	Deferred Revenues	17,250	-	6,305	-	9,401	-	-	-	103,633	-	64,464	-	3,840	-	20,169	-	3,421	-	572	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	21,154	-	27,495	-	91,354	-	1,228	-	3,622	-	2,701	-	15,171	-	-	-	-	-	4,082	-
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram due to	6,385	-	6,292	-	3,140	-	2,601	-	10,482	-	8,359	-	4,228	-	5,851	-	3,583	-	2,478	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	178,453	-	631,016	-	436,144	-	4,069	-	120,124	-	79,180	-	151,768	-	26,020	-	43,531	-	99,173	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	-	-	-	-	8,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	8,533	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300	Total Liabilities	178,453	-	631,016	-	444,677	-	4,069	-	120,124	-	79,180	-	151,768	-	26,020	-	43,531	-	99,173	-
508.1	Invested in capital assets, net of related debt	7,021,396	-	9,894,939	-	6,969,289	-	4,589,983	-	4,412,590	-	546,422	-	5,694,232	-	2,199,999	-	6,758,148	-	2,749,679	-
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
512.1	Unrestricted Net Assets	371,140	-	(485,777)	-	(17,918)	-	98,639	-	364,308	-	219,204	-	(82,273)	-	342,897	-	17,450	-	(47,268)	-
513	Total Equity	7,392,536	-	9,409,162	-	6,951,371	-	4,688,622	-	4,776,898	-	765,626	-	5,611,959	-	2,542,896	-	6,775,598	-	2,702,411	-
600	Total Liabilities and Equity	7,570,989	-	10,040,178	-	7,396,048	-	4,692,691	-	4,897,022	-	844,806	-	5,763,727	-	2,568,916	-	6,819,129	-	2,801,584	-

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009																					
Line Item No.	Account Description	AMP1 Operating	AMP1 Capital	AMP2 Operating	AMP2 Capital	AMP3 Operating	AMP3 Capital	AMP4 Operating	AMP4 Capital	AMP5 Operating	AMP5 Capital	AMP6 Operating	AMP6 Capital	AMP7 Operating	AMP7 Capital	AMP8 Operating	AMP8 Capital	AMP9 Operating	AMP9 Capital	AMP11 Operating	AMP11 Capital
70300	Net Tenant Rental Revenue	380,404	-	242,398	-	265,454	-	-	-	-	-	-	-	317,463	-	-	-	-	-	-	242,733
70400	Tenant Revenue - Other	1,853	-	13,859	-	20,908	-	-	-	-	-	-	-	4,550	-	-	-	-	-	-	2,821
70500	Total Tenant Revenue	382,257	-	256,257	-	286,362	-	-	-	-	-	-	-	322,013	-	-	-	-	-	-	245,554
70600	HUD PHA Grants	1,559,483	165,614	871,399	364,853	663,841	987,460	127,022	86,462	595,192	50,453	497,313	151,021	400,315	549,812	414,562	-	418,579	224,158	262,726	59,939
70610	HUD PHA Capital Grants	-	375,917	-	301,897	-	1,967,322	-	-	-	-	-	-	-	247,240	-	-	-	-	98,148	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	285	-	2,490	-	1,177	-	889	-	1,280	-	1,370	-	1,410	-	1,321	-	-	-	-	821
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	81,411	-	49,594	-	25,055	-	19,774	-	126,538	-	75,000	-	14,544	-	17,992	-	-	-	-	6,606
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	2,023,436	541,531	1,179,740	666,750	976,435	2,954,782	147,685	86,462	723,010	50,453	573,683	151,021	738,282	797,052	433,875	-	418,579	322,306	515,707	59,939
91100	Administrative salaries	86,597	-	76,594	-	88,531	-	-	-	22,622	-	22,622	-	99,651	-	7,738	-	-	-	-	62,157
91200	Auditing fees	10,909	-	10,210	-	8,298	-	8,429	-	7,413	-	9,031	-	9,200	-	-	-	5,230	-	-	4,145
91300	Management Fee	56,279	151,594	49,401	141,893	89,351	121,882	31,208	-	82,338	-	100,310	-	31,754	121,275	70,217	-	31,221	84,286	20,820	57,606
91310	Book-Keeping Fee	21,707	-	20,093	-	14,430	-	-	-	-	-	-	-	12,915	-	-	-	-	-	-	8,033
91400	Advertising and Marketing	561	-	5,472	-	1,061	-	-	-	1,676	-	2,768	-	4,153	-	812	-	-	-	-	109
91500	Employee benefit contributions - administrative	22,636	-	36,518	-	41,197	-	-	-	9,264	-	6,730	-	34,468	-	1,325	-	-	-	-	22,034
91600	Office Expenses	98,065	-	193,289	-	11,362	-	1,250	-	4,007	-	3,007	-	87,568	-	-	-	-	-	-	53,929
91700	Legal Expense	10,540	-	151,758	-	1,447	-	102	-	-	-	75,000	-	13,389	-	-	-	-	-	-	1,792
91800	Travel	868	-	13,482	-	5,636	-	-	-	-	-	-	-	2,983	-	-	-	-	-	-	873
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	12,930	-	47,919	-	167,175	-	3,791	-	3,792	-	4,627	-	71,754	-	-	-	4,711	-	-	3,347
92000	Asset Management Fee	30,000	-	-	-	-	-	-	-	-	-	-	-	24,000	-	-	-	-	-	-	11,400
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	50	-	1,748	-	8,337	-	44,796	-	71,722	-	4,432	-	-	-	301	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	16,041	-	1,850	-	5,585	-	-	-	-	-	-	-	11,141	-	-	-	1,066	-	-	7,048
93100	Water	136,803	-	23,422	-	73,497	-	5,919	-	23,023	-	3,249	-	22,946	-	-	-	-	-	-	10,685
93200	Electricity	7,380	-	131,779	-	12,441	-	-	-	43,677	-	1,710	-	118,015	-	225	-	-	-	-	102,678
93300	Gas	18,331	-	86,576	-	179,560	-	3,222	-	15,572	-	7,883	-	141,246	-	-	-	-	-	-	57,241
93400	Fuel	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	318,964	-	47,928	-	140,787	-	5,579	-	2,089	-	14,030	-	51,112	-	-	-	-	-	-	16,687
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	113,951	-	127,821	-	302,493	-	-	-	12,292	-	12,292	-	88,343	-	-	-	-	-	-	37,746
94200	OMO - Materials and Other	18,732	-	166,001	-	130,149	-	2,465	-	1,296	-	214	-	219,050	-	32,256	-	-	-	-	13,850
94300	Ordinary Maintenance and Operations - Contract Costs	541,028	-	231,958	-	252,244	-	-	-	120,709	-	15,518	-	197,729	-	-	-	2,000	-	-	50,169
94500	Employee Benefit Contributions - Ordinary Maintenance	42,024	-	-	-	127,359	-	-	-	5,722	-	4,636	-	-	-	-	-	-	-	-	-
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	18,282	-	61,023	-	83,540	-	-	-	4,531	-	484	-	79,127	-	-	-	-	-	-	70,331
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	30,346	-	31,062	-	49,100	-	12,079	-	12,447	-	12,541	-	9,820	-	12,891	-	-	-	-	7,036
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	7,684	-	7,114	-	7,233	-	-	-	653	-	653	-	297	-	-	-	-	-	-	21,322
96140	All other Insurance	18,759	-	20,758	-	19,632	-	17,136	-	17,136	-	17,042	-	12,962	-	929	-	-	-	-	6,174
96200	Other General Expenses	3,370	-	5,761	-	-	-	-	-	-	-	-	-	-	-	-	-	483,559	-	-	13,567
96210	Compensated Absences	-	-	-	-	23,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	62,210	-	-	-	-	-	1,756	-	-	-	512	-	20,178	-	-	-	-	-	-	2,240
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	1,705,057	151,594	1,547,839	141,893	1,837,782	121,882	101,273	-	435,055	-	386,581	-	1,367,936	121,275	126,690	-	542,118	84,286	605,413	57,606
97000	Excess Operating Revenue over Operating Expenses	318,379	389,937	(368,099)	524,857	(861,347)	2,832,900	46,412	86,462	287,955	50,453										

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009

Line Item No.	Account Description	AMP1 Operating	AMP1 Capital	AMP2 Operating	AMP2 Capital	AMP3 Operating	AMP3 Capital	AMP4 Operating	AMP4 Capital	AMP5 Operating	AMP5 Capital	AMP6 Operating	AMP6 Capital	AMP7 Operating	AMP7 Capital	AMP8 Operating	AMP8 Capital	AMP9 Operating	AMP9 Capital	AMP11 Operating	AMP11 Capital
10010	Operating transfers in	14,020	-	222,960	-	865,578	-	86,462	-	50,453	-	151,021	-	428,537	-	-	-	139,872	-	2,333	-
10020	Operating transfers out	-	(14,020)	-	(222,960)	-	(865,578)	-	(86,462)	-	(50,453)	-	(151,021)	-	(428,537)	-	-	-	(139,872)	-	(2,333)
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,918,050
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	14,000	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(50,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,000)
10100	Total other financing sources (Uses)	(35,980)	(14,020)	222,960	(222,960)	865,578	(865,578)	86,462	(86,462)	50,453	(50,453)	151,021	(151,021)	442,537	(428,537)	-	-	139,872	(139,872)	2,876,383	(2,333)
10000	Excess (deficiency) of total revenue over (under) total expenses	170,531	375,917	(383,195)	301,897	(337,680)	1,967,322	99,933	-	285,178	-	338,123	-	(349,952)	247,240	307,185	-	16,333	98,148	2,618,306	-
11030	Beginning Equity	6,846,088	-	9,490,460	-	5,321,729	-	4,588,689	-	4,491,720	-	427,503	-	5,714,671	-	2,235,711	-	6,661,117	-	84,105	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	3,000	-	2,808	-	2,412	-	-	-	-	-	-	-	2,400	-	-	-	1,668	-	1,140	-
11210	Number of Unit Months Leased	2,895	-	2,679	-	1,924	-	-	-	-	-	-	-	1,722	-	-	-	1,606	-	1,071	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	219,503	-	(624,908)	-	(180,208)	-	86,789	-	324,642	-	183,578	-	(199,006)	-	332,340	-	(27,727)	-	(99,486)	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	375,917	-	301,897	-	1,618,383	-	-	-	-	-	-	-	247,240	-	-	-	-	98,148	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	288,388	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	60,551	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009																					
Line Item No.	Account Description	AMP12		AMP13		AMP14		AMP15		AMP16		AMP17		AMP18		AMP19		AMP20		AMP21	
		Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital
111	Cash - Unrestricted	25,192	-	84,804	-	39,932	-	316,344	-	129,643	-	161	-	617	-	150	-	551	-	28,817	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	10,645	-	7,768	-	1,720	-	36,214	-	30,346	-	19,634	-	18,773	-	35,868	-	-	-	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	35,837	-	92,572	-	41,652	-	352,558	-	159,989	-	19,795	-	19,390	-	36,018	-	551	-	28,817	-
122	Accounts Receivable - HUD Other Projects	-	-	1,474	-	-	-	114,939	-	305	-	31,451	-	37,103	-	6,251	-	-	-	-	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	1,124	-	-	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	138,581	-	157,821	-	2,856	-	73,140	-	42,709	-	3,493	-	64,012	-	6,569	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(83,754)	-	(95,511)	-	(570)	-	(32,248)	-	(21,697)	-	(158)	-	(30,012)	-	(2,162)	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	54,827	-	63,784	-	2,286	-	155,831	-	21,317	-	35,910	-	71,103	-	10,658	-	-	-	-	-
142	Prepaid Expenses and Other Assets	12,664	-	8,432	-	6,556	-	16,208	-	13,718	-	3,156	-	3,364	-	8,189	-	-	-	-	9,347
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	-	-	-	-	15,960	-	-	-	-	-	-	-	17,160	-	-	-	-	-	-	-
150	Total Current Assets	103,328	-	164,788	-	66,454	-	524,597	-	195,024	-	58,861	-	111,017	-	54,865	-	551	-	38,164	-
161	Land	66,350	-	73,500	-	59,250	-	2,080,000	-	1,630,000	-	200,000	-	350,000	-	313,244	-	-	-	-	276,000
162	Buildings	7,344,677	-	7,358,222	-	3,168,000	-	9,561,406	-	2,880,000	-	5,173,480	-	3,539,406	-	2,334,992	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	6,890	-	1,056,553	-	438,346	-	277,190	-	182,370	-	319,680	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	93,145	-	95,315	-	-	-	90,073	-	78,426	-	18,115	-	11,105	-	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(1,300,758)	-	(1,118,704)	-	(897,779)	-	(807,891)	-	(267,235)	-	(661,757)	-	(472,102)	-	(186,717)	-	-	-	-	-
167	Construction In Progress	37,848	-	37,848	-	37,848	-	345,860	-	654,264	-	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	6,241,262	-	6,446,181	-	2,374,209	-	12,326,001	-	5,413,801	-	5,007,028	-	3,610,779	-	2,781,199	-	-	-	-	276,000
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	6,241,262	-	6,446,181	-	2,374,209	-	12,326,001	-	5,413,801	-	5,007,028	-	3,610,779	-	2,781,199	-	-	-	-	276,000
190	Total Assets	6,344,590	-	6,610,969	-	2,440,663	-	12,850,598	-	5,608,825	-	5,065,889	-	3,721,796	-	2,836,064	-	551	-	-	314,164
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	41,642	-	28,274	-	16,606	-	179,901	-	21,631	-	21,947	-	40,854	-	43,216	-	-	-	-	133
313	Accounts Payable >90 Days Past Due	10,545	-	10,442	-	194	-	99,613	-	1,425	-	48	-	1,290	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	3,561	-	4,068	-	-	-	8,705	-	8,036	-	10,586	-	4,904	-	-	-	-	-	-	-
322	Accrued Compensated Absences	3,510	-	5,167	-	-	-	8,394	-	19,052	-	-	-	8,816	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,443
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	1,636	-	1,781	-	1,612	-	4,956	-	1,890	-	2,424	-	1,733	-	3,587	-	-	-	-	-
341	Tenant Security Deposits	10,645	-	7,768	-	1,720	-	36,214	-	30,346	-	19,634	-	18,773	-	35,868	-	-	-	-	-
342	Deferred Revenues	8,133	-	4,046	-	4,666	-	9,594	-	23,387	-	947	-	3,853	-	2,778	-	586	-	1,401	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	3,616	-	4,643	-	4,935	-	78,252	-	11,855	-	4,887	-	5,580	-	11,789	-	-	-	-	-
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram due to	15,920	-	15,025	-	801	-	32,470	-	2,702	-	4,384	-	14,151	-	6,789	-	404	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	99,208	-	81,214	-	30,534	-	458,099	-	120,324	-	64,857	-	99,954	-	104,027	-	990	-	59,977	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	7,763	-	5,707	-	-	-	6,103	-	5,803	-	-	-	7,270	-	-	-	-	-	-	-
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	7,763	-	5,707	-	-	-	6,103	-	5,803	-	-	-	7,270	-	-	-	-	-	-	-
300	Total Liabilities	106,971	-	86,921	-	30,534	-	464,202	-	126,127	-	64,857	-	107,224	-	104,027	-	990	-	59,977	-
508.1	Invested in capital assets, net of related debt	6,241,262	-	6,446,181	-	2,374,209	-	12,326,001	-	5,413,801	-	5,007,028	-	3,610,779	-	2,781,199	-	-	-	-	276,000
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
512.1	Unrestricted Net Assets	(3,643)	-	77,867	-	35,920	-	60,395	-	68,897	-	(5,996)	-	3,793	-	(49,162)	-	(439)	-	(21,813)	-
513	Total Equity	6,237,619	-	6,524,048	-	2,410,129	-	12,386,396	-	5,482,698	-	5,001,032	-	3,614,572	-	2,732,037	-	(439)	-	-	254,187
600	Total Liabilities and Equity	6,344,590	-	6,610,969	-	2,440,663	-	12,850,598	-	5,608,825	-	5,065,889	-	3,721,796	-	2,836,064	-	551	-	-	314,164

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009																					
Line Item No.	Account Description	AMP12 Operating	AMP12 Capital	AMP13 Operating	AMP13 Capital	AMP14 Operating	AMP14 Capital	AMP15 Operating	AMP15 Capital	AMP16 Operating	AMP16 Capital	AMP17 Operating	AMP17 Capital	AMP18 Operating	AMP18 Capital	AMP19 Operating	AMP19 Capital	AMP20 Operating	AMP20 Capital	AMP21 Operating	AMP21 Capital
70300	Net Tenant Rental Revenue	162,052	-	197,040	-	13,697	-	681,141	-	39,182	-	368,256	-	266,185	-	710,923	-	-	-	-	-
70400	Tenant Revenue - Other	13,636	-	23,548	-	1,248	-	19,466	-	14,075	-	5,562	-	11,400	-	12,331	-	-	-	-	-
70500	Total Tenant Revenue	175,688	-	220,588	-	14,945	-	700,607	-	53,257	-	373,818	-	277,585	-	723,254	-	-	-	-	-
70600	HUD PHA Grants	503,204	87,268	595,973	100,399	23,167	372,871	803,893	776,546	812,645	345,299	319,288	323,124	296,348	362,409	786,284	451,584	5,649	23,547	31,941	8,507
70610	HUD PHA Capital Grants	-	112,300	-	-	-	-	-	2,337,640	-	287,642	-	389,520	-	219,806	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	852	-	945	-	515	-	2,158	-	1,127	-	3,286	-	732	-	971	-	-	-	150	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	10,848	-	10,871	-	10,580	-	58,606	-	79,199	-	11,886	-	19,206	-	9,860	-	-	-	-	-
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,965)	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	690,592	199,568	828,377	100,399	49,207	372,871	1,565,264	3,114,186	946,228	632,941	708,278	712,644	593,871	582,215	1,468,404	451,584	5,649	23,547	32,091	8,507
91100	Administrative salaries	29,904	-	68,941	-	27,368	-	160,894	-	94,539	-	73,800	-	103,973	-	207,957	-	-	-	-	-
91200	Auditing fees	5,574	-	6,068	-	5,005	-	16,995	-	6,440	-	5,533	-	5,905	-	602	-	-	-	-	-
91300	Management Fee	54,288	81,860	62,787	89,137	2,879	72,159	176,054	248,009	81,363	94,595	33,930	121,275	68,174	86,712	60,517	179,488	3,558	9,701	-	-
91310	Book-Keeping Fee	8,788	-	10,140	-	465	-	28,433	-	13,140	-	13,800	-	11,010	-	23,348	-	-	-	1,373	-
91400	Advertising and Marketing	689	-	809	-	204	-	1,567	-	1,157	-	4,136	-	575	-	1,023	-	-	-	-	-
91500	Employee benefit contributions - administrative	18,087	-	28,581	-	11,565	-	76,533	-	53,586	-	36,818	-	45,126	-	86,488	-	-	-	-	-
91600	Office Expenses	7,674	-	3,872	-	2,913	-	27,805	-	13,011	-	81,972	-	10,168	-	179,916	-	-	-	-	-
91700	Legal Expense	6,025	-	2,712	-	1,681	-	5,707	-	205	-	10,342	-	-	-	10,455	-	-	-	-	-
91800	Travel	52	-	50	-	50	-	2,953	-	740	-	12,340	-	1,318	-	550	-	51	-	-	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	2,133	-	2,284	-	2,306	-	148,779	-	235,020	-	66,384	-	55,371	-	7,052	-	3,021	-	8,507	-
92000	Asset Management Fee	16,200	-	17,640	-	-	-	49,080	-	3,435	-	24,000	-	-	-	35,520	-	1,920	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	-	510	-	201	-	912	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	211	-	160	-	145	-	15,077	-	2,909	-	11,996	-	4,931	-	3,704	-	-	-	-	-
93100	Water	35,863	-	35,401	-	31,889	-	43,445	-	21,942	-	7,528	-	13,165	-	24,054	-	-	-	-	-
93200	Electricity	7,417	-	13,502	-	12,286	-	300,959	-	21,433	-	-	-	-	-	294,965	-	-	-	-	-
93300	Gas	25,679	-	27,720	-	20,539	-	144,777	-	24,156	-	226,099	-	248,849	-	152,939	-	-	-	1,407	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	76,738	-	76,882	-	69,112	-	103,023	-	66,806	-	7,934	-	5,171	-	31,496	-	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	162,626	-	187,203	-	42,719	-	135,954	-	150,371	-	119,578	-	83,734	-	215,206	-	-	-	-	-
94200	OMO - Materials and Other	33,810	-	21,188	-	2,953	-	84,527	-	43,075	-	165,237	-	58,102	-	71,239	-	-	-	-	-
94300	Ordinary Maintenance and Operations - Contract Costs	104,647	-	83,604	-	33,209	-	403,409	-	176,539	-	98,652	-	172,846	-	298,697	-	156	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	88,067	-	84,701	-	14,666	-	54,462	-	48,690	-	-	-	32,521	-	-	-	-	-	-	-
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	171,085	-	-	-	78,446	-	98,581	-	60,847	-	-	-	-	-
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	39,018	-	26,201	-	23,690	-	44,614	-	40,169	-	9,488	-	9,143	-	41,896	-	-	-	35,852	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workers' Compensation	4,517	-	4,852	-	1,624	-	6,741	-	5,547	-	5,804	-	5,278	-	90,482	-	-	-	-	-
96140	All other Insurance	14,221	-	14,999	-	12,255	-	32,718	-	16,575	-	12,955	-	12,261	-	21,562	-	-	-	16,686	-
96200	Other General Expenses	-	-	-	-	-	-	-	-	-	-	9,688	-	-	-	6,688	-	45,567	-	-	-
96210	Compensated Absences	14,141	-	10,340	-	-	-	16,683	-	20,747	-	-	-	14,923	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,728	-	-	-	-	-
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	756,349	81,860	791,147	89,137	319,724	72,159	2,253,186	248,009	1,141,595	94,595	1,120,460	121,275	1,061,125	86,712	1,948,567	179,488	56,248	9,701	62,452	-
97000																					

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M1001 FYED: 06/30/2009																					
Line Item No.	Account Description	AMP12 Operating	AMP12 Capital	AMP13 Operating	AMP13 Capital	AMP14 Operating	AMP14 Capital	AMP15 Operating	AMP15 Capital	AMP16 Operating	AMP16 Capital	AMP17 Operating	AMP17 Capital	AMP18 Operating	AMP18 Capital	AMP19 Operating	AMP19 Capital	AMP20 Operating	AMP20 Capital	AMP21 Operating	AMP21 Capital
10010	Operating transfers in	5,408	-	11,262	-	300,712	-	921,967	-	250,704	-	201,849	-	275,697	-	299,276	-	13,846	-	8,507	-
10020	Operating transfers out	-	(5,408)	-	(11,262)	-	(300,712)	-	(921,967)	-	(250,704)	-	(201,849)	-	(275,697)	-	(272,096)	-	(13,846)	-	(8,507)
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	55,000	-	-	-	33,000	-	207,000	-	16,000	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(64,000)	-	(33,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,000)	-	-
10100	Total other financing sources (Uses)	(58,592)	(5,408)	(21,738)	(11,262)	300,712	(300,712)	976,967	(921,967)	250,704	(250,704)	234,849	(201,849)	482,697	(275,697)	315,276	(272,096)	4,846	(13,846)	8,507	(8,507)
10000	Excess (deficiency) of total revenue over (under) total expenses	(576,448)	112,300	(371,014)	-	(270,850)	-	(198,983)	1,944,210	(41,452)	287,642	(401,028)	389,520	(146,865)	219,806	(263,358)	-	(45,753)	-	(21,854)	-
11030	Beginning Equity	6,663,919	-	6,857,214	-	2,643,131	-	10,641,169	-	4,582,243	-	5,012,540	-	3,541,631	-	2,995,395	-	45,314	-	276,041	-
11040	Prior Period Adjustments, Equity transfer and correction of errors	37,848	-	37,848	-	37,848	-	-	-	654,265	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,620	-	1,764	-	1,596	-	4,908	-	1,872	-	2,400	-	1,716	-	3,552	-	192	-	-	-
11210	Number of Unit Months Leased	1,169	-	1,352	-	62	-	3,791	-	1,752	-	1,840	-	1,468	-	3,113	-	183	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	(71,573)	-	9,213	-	2,720	-	(137,476)	-	(34,151)	-	(102,524)	-	(80,728)	-	(219,732)	-	(5,126)	-	(36,364)	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	150,148	-	37,848	-	37,848	-	1,432,357	-	881,356	-	371,405	-	219,806	-	-	-	-	-	-
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	825,195	-	60,551	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	80,088	-	-	-	18,115	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M1001 FYED: 06/30/2009																			
Line Item No.	Account Description	AMP65		AMP71		AMP72		AMP73		AMP74		AMP75		AMP Other		Total AMPs 14,850	COCC		COCC Total
		Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital		Operating	Capital	
111	Cash - Unrestricted	40,746	-	156	-	519	-	40,002	-	48,635	-	62,854	-	386,434	-	2,756,575	392,489	-	392,489
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,079	-	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	40,746	-	156	-	519	-	40,002	-	48,635	-	62,854	-	386,434	-	3,046,654	392,489	-	392,489
122	Accounts Receivable - HUD Other Projects	2,127	-	-	-	1,970	-	-	-	-	-	-	-	897,837	-	1,753,714	57,313	-	57,313
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,647	564	-	564
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	663,862	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(354,837)	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	(91,552)	-	(91,552)	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	4,299,312	-	4,299,312	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	2,127	-	-	-	1,970	-	-	-	-	-	-	-	5,105,597	-	6,307,946	57,877	-	57,877
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,739	150,800	-	150,800
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	9,700	-	-	-	-	-	-	-	-	-	-	-	-	-	86,463	480,391	-	480,391
150	Total Current Assets	52,573	-	156	-	2,489	-	40,002	-	48,635	-	62,854	-	5,492,031	-	9,574,802	1,081,557	-	1,081,557
161	Land	-	-	-	-	-	-	-	-	-	-	-	-	13,231,756	-	46,071,643	570,000	-	570,000
162	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64,891,901	1,062,667	-	1,062,667
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,555,687	347,837	-	347,837
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	453,565	97,674	-	97,674
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,202,256)	(142,248)	-	(142,248)
167	Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	-	2,042,208	-	3,816,561	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	15,273,964	-	110,587,101	1,935,930	-	1,935,930
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,490,117	-	-	-
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	74,764,081	-	170,077,218	1,935,930	-	1,935,930
190	Total Assets	52,573	-	156	-	2,489	-	40,002	-	48,635	-	62,854	-	80,256,112	-	179,652,020	3,017,487	-	3,017,487
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	-	-	-	-	773	-	-	-	-	-	-	-	324,814	-	1,328,810	235,020	-	235,020
313	Accounts Payable >90 Days Past Due	2,127	-	-	-	-	-	-	-	-	-	-	-	-	-	270,550	50,824	-	50,824
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97,383	256,315	-	256,315
322	Accrued Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,563	157,066	-	157,066
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350,902	10,000	-	10,000
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	549	-	-	58,992	-	-	-
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,079	-	-	-
342	Deferred Revenues	2,677	-	752	-	-	-	398	-	454	-	-	-	495,933	-	788,660	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	53,334	-	345,698	26,434	-	26,434
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram due to	3,556	-	593	-	1,293	-	350	-	404	-	485	-	180,176	-	332,902	33,763	-	33,763
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	8,360	-	1,345	-	2,066	-	748	-	858	-	1,034	-	1,054,257	-	3,957,330	769,422	-	769,422
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,179	118,941	-	118,941
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,179	118,941	-	118,941
300	Total Liabilities	8,360	-	1,345	-	2,066	-	748	-	858	-	1,034	-	1,054,257	-	3,998,509	888,363	-	888,363
508.1	Invested in capital assets, net of related debt	-	-	-	-	-	-	-	-	-	-	-	-	15,273,964	-	110,587,101	1,935,930	-	1,935,930
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,789,429	-	-	-
512.1	Unrestricted Net Assets	44,213	-	(1,189)	-	423	-	39,254	-	47,777	-	61,820	-	138,462	-	1,276,981	193,194	-	193,194
513	Total Equity	44,213	-	(1,189)	-	423	-	39,254	-	47,777	-	61,820	-	79,201,855	-	175,653,511	2,129,124	-	2,129,124
600	Total Liabilities and Equity	52,573	-	156	-	2,489	-	40,002	-	48,635	-	62,854	-	80,256,112	-	179,652,020	3,017,487	-	3,017,487

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M1001 FYED: 06/30/2009																			
Line Item No.	Account Description	AMP65 Operating	AMP65 Capital	AMP71 Operating	AMP71 Capital	AMP72 Operating	AMP72 Capital	AMP73 Operating	AMP73 Capital	AMP74 Operating	AMP74 Capital	AMP75 Operating	AMP75 Capital	AMP Other Operating	AMP Other Capital	Total AMPs 14.850	COCC Operating	COCC Capital	COCC Total
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,886,928	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145,257	-	-	-
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,032,185	-	-	-
70600	HUD PHA Grants	572,306	85,201	54,711	13,341	74,144	89,147	80,322	7,883	93,306	9,096	122,120	22,126	-	1,046,238	17,750,091	-	486,780	486,780
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171,258	7,508,690	-	312,462	312,462
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,785,681	1,967,311	3,752,992
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,452	-	235,452
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	222,135	-	222,135
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296,132	-	296,132
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,539,400	1,967,311	4,506,711
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,779	2,751	-	2,751
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	4,067	-	631,637	173,846	-	173,846
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,965)	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	784,926	-	-	-	-	-
70000	Total Revenue	572,306	85,201	54,711	13,341	74,144	89,147	80,322	7,883	93,306	9,096	122,120	22,126	788,993	2,217,496	30,677,343	2,715,997	2,766,553	5,482,550
91100	Administrative salaries	-	-	-	-	-	-	-	-	-	-	-	-	109,359	-	1,343,247	2,293,227	-	2,293,227
91200	Auditing fees	5,155	-	828	-	1,881	-	489	-	564	-	753	-	-	-	151,895	4,684	-	4,684
91300	Management Fee	31,201	83,074	4,918	13,341	11,120	30,319	2,974	7,883	3,402	9,096	4,530	12,126	131,250	-	3,113,155	-	-	-
91310	Book-Keeping Fee	12,038	-	1,898	-	4,290	-	1,148	-	1,313	-	1,748	-	-	-	222,135	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,772	16,284	-	16,284
91500	Employee benefit contributions - administrative	-	-	-	-	-	-	-	-	-	-	-	-	35,627	-	566,583	898,611	-	898,611
91600	Office Expenses	39	-	-	-	7,990	-	-	-	-	-	-	-	3,347	-	791,184	353,334	-	353,334
91700	Legal Expense	-	-	-	-	-	-	-	-	-	-	-	-	105,247	-	396,402	32,781	-	32,781
91800	Travel	50	-	-	-	50	-	-	-	-	-	-	-	2,526	-	45,440	177,321	-	177,321
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	-	-	-	-	9,999	-	657,388	-	1,518,290	228,969	-	228,969
92000	Asset Management Fee	6,740	-	2,640	-	6,000	-	1,560	-	1,800	-	2,400	-	-	-	235,452	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,342	-	12,342
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,009	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,907	-	1,907
92400	Tenant Services - Other	2,117	-	-	-	-	-	-	-	-	-	-	-	-	-	83,981	1,900	-	1,900
93100	Water	190	-	-	-	-	-	-	-	-	-	-	-	-	-	513,021	6,314	-	6,314
93200	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,068,467	128,233	-	128,233
93300	Gas	18	-	-	-	-	-	-	-	-	-	-	-	-	-	1,381,814	43,084	-	43,084
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,034,338	14,166	-	14,166
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,792,329	369,723	-	369,723
94200	OMO - Materials and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,064,144	104,204	-	104,204
94300	Ordinary Maintenance and Operations - Contract Costs	2,127	-	214	-	488	-	127	-	147	-	-	-	23,800	-	2,810,017	147,812	-	147,812
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	502,848	174,330	-	174,330
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	726,277	28,792	-	28,792
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447,393	5,508	-	5,508
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-	-	1,392	-	171,193	42,221	-	42,221
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	284,760	29,949	-	29,949
96200	Other General Expenses	477,285	-	53,412	-	130,185	-	37,169	-	40,184	-	53,909	-	-	-	1,360,344	-	-	-
96210	Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,760	238,046	-	238,046
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,624	-	-
96500	Bad Debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	130,931	-	130,931	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	536,960	83,074	63,910	13,341	162,004	30,319	43,467	7,883	47,410	9,096	73,339	12,126	1,200,867	-	22,111,865	5,353,742	-	5,353,742
97000	Excess Operating Revenue over Operating Expenses	35,346	2,127	(9,199)	-	(87,860)	58,828	36,855	-	45,896	-	48,781	10,000	(411,874)	2,217,496	8,565,478	(2,637,745)	2,766,553	128,808
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,318,153	84,235	-	84,235
90000	Total Expenses	536,960	83,074	63,910	13,341	162,004	30,319	43,467	7,883	47,410	9,096	73,339	12,126	1,200,867	-	25,430,018	5,437,977	-	5,437,977

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M1001 FYED: 06/30/2009																			
Line Item No.	Account Description	AMP65 Operating	AMP65 Capital	AMP71 Operating	AMP71 Capital	AMP72 Operating	AMP72 Capital	AMP73 Operating	AMP73 Capital	AMP74 Operating	AMP74 Capital	AMP75 Operating	AMP75 Capital	AMP Other Operating	AMP Other Capital	Total AMPs 14.850	COCC Operating	COCC Capital	COCC Total
10010	Operating transfers in	2,127	-	-	-	58,828	-	-	-	-	-	10,000	-	1,019,053	-	5,340,472	2,478,735	-	2,478,735
10020	Operating transfers out	-	(2,127)	-	-	-	(58,828)	-	-	-	-	-	(10,000)	-	(1,046,238)	(5,340,477)	(168)	(2,454,091)	(2,454,259)
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,918,050	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	325,000	-	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	(25,000)	-	(1,000)	-	(34,000)	-	(32,000)	-	(33,000)	-	-	-	(325,000)	-	-	-
10100	Total other financing sources (Uses)	2,127	(2,127)	(25,000)	-	57,828	(58,828)	(34,000)	-	(32,000)	-	(23,000)	(10,000)	1,019,053	(1,046,238)	2,918,045	2,478,567	(2,454,091)	24,476
10000	Excess (deficiency) of total revenue over (under) total expenses	37,473	-	(34,199)	-	(30,032)	-	2,855	-	13,896	-	25,781	-	607,179	1,171,258	8,165,370	(243,413)	312,462	69,049
11030	Beginning Equity	6,740	-	33,010	-	30,455	-	36,399	-	33,881	-	36,039	-	76,984,214	-	166,281,128	2,060,075	-	2,060,075
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	439,204	-	1,207,013	-	-	-
11190	Unit Months Available	1,644	-	264	-	600	-	156	-	180	-	240	-	-	-	36,132	-	-	-
11210	Number of Unit Months Leased	1,605	-	253	-	572	-	153	-	175	-	233	-	-	-	29,618	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11270	Excess Cash	(534)	-	(6,515)	-	(13,077)	-	35,632	-	43,826	-	55,708	-	-	-	7,326,388	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,772,353	-	151,748	151,748
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,174,134	-	138,785	138,785
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	158,754	-	21,929	21,929
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	1,171,258	1,171,258	-	-	-

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009														
Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs (Across the Park & Greenhouse) 14.182	Development 14.850b	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation 14.856	Revitalization of Severely Distressed Public Housing 14.866	Housing Choice Voucher Program 14.871	Capital Fund Recovery Grant 14.855	State/Local	Disaster Housing Assistance Grant 97.109	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
111	Cash - Unrestricted	6,286,015	-	-	1,567,801	-	693,845	-	-	-	-	11,696,725	564,557	12,261,282
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	1,373,822	1,373,822
113	Cash - other restricted	-	-	-	-	-	11,576,278	-	-	-	-	11,576,278	1,238,127	12,814,405
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	-	-	-	290,079	244,558	534,637
115	Cash - Restricted for payment of current liability	-	-	-	-	-	29,863	-	-	-	-	-	-	29,863
100	Total Cash	6,286,015	-	-	1,567,801	-	12,299,986	-	-	-	-	23,592,945	3,421,064	27,014,009
122	Accounts Receivable - HUD Other Projects	-	60,144	1,204,207	369,547	386,663	298,316	461,797	-	-	-	4,591,701	-	4,591,701
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	840	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	10,602	-	-	-	-	48,813	38,226	87,039
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	663,662	429,322	1,092,984
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-	-	(354,837)	-	(354,837)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	(91,552)	-	(91,552)
128	Fraud recovery	-	-	-	-	-	55,699	-	-	-	-	55,699	-	55,699
129	Accrued interest receivable	147,241	-	-	-	-	-	-	-	-	-	4,446,553	-	4,446,553
120	Total Receivables, net of allowances for doubtful accounts	147,241	60,144	1,204,207	369,547	386,663	364,617	461,797	-	-	-	9,360,039	468,388	9,828,427
142	Prepaid Expenses and Other Assets	-	-	-	-	-	1,112	-	-	-	-	285,651	56,282	341,933
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	38,777	-	-	-	-	-	-	-	-	(605,631)	-	-	-
150	Total Current Assets	6,472,033	60,144	1,204,207	1,937,348	386,663	12,665,715	461,797	-	-	(605,631)	33,238,635	3,945,734	37,184,369
161	Land	-	-	-	-	-	-	-	-	-	-	46,641,643	2,256,583	48,898,226
162	Buildings	-	-	-	-	-	-	-	-	-	-	65,954,568	94,868,526	160,823,094
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	-	-	3,903,524	2,082,534	5,986,058
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	36,933	-	-	-	-	588,172	-	588,172
165	Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	-	-	-	(2,638)	-	-	-	-	(8,347,142)	(25,835,574)	(34,182,716)
167	Construction In Progress	-	-	2,321,798	-	2,500,927	-	-	-	-	-	8,639,286	5,573,086	14,212,372
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	2,321,798	-	2,500,927	34,295	-	-	-	-	117,380,051	78,945,155	196,325,206
171	Notes, loans, and mortgages receivable - Noncurrent	2,584,579	-	-	-	-	-	-	-	-	-	62,074,696	-	62,074,696
172	Notes, Loans, & Mortgages Receivable - past due	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,119,207	1,119,207
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	2,584,579	-	2,321,798	-	2,500,927	34,295	-	-	-	-	179,454,747	80,064,362	259,519,109
190	Total Assets	9,056,612	60,144	3,526,005	1,937,348	2,887,590	12,700,010	461,797	-	-	(605,631)	212,693,382	84,010,096	296,703,478
311	Bank overdrafts	-	-	-	-	-	-	-	-	-	-	-	847	847
312	Accounts Payable <= 90 Days	5,763	-	928,280	-	253,153	59,112	355,882	-	-	-	3,166,020	311,431	3,477,451
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	9,458	-	-	-	-	330,832	98,021	428,853
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	31,276	-	-	-	-	384,974	-	384,974
322	Accrued Compensated Absences	-	-	-	-	-	43,609	-	-	-	-	257,238	-	257,238
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	360,902	-	360,902
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	54,238	54,238
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	58,992	-	58,992
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	36,791	1,067,862	1,104,653
341	Tenant Security Deposits	-	-	-	-	-	-	-	-	-	-	290,079	238,534	528,613
342	Deferred Revenues	-	-	-	-	-	-	-	-	-	-	788,660	33,339	821,999
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	99,600	99,600
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	223,680	-	43,486	77,005	65,428	-	-	-	781,731	275,000	1,056,731
345	FSS Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	278,433	278,433
347	Interprogram due to	1,241	38,777	52,247	-	90,024	16,190	40,487	-	-	(605,631)	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	7,004	38,777	1,204,207	-	386,663	236,650	461,797	-	-	(605,631)	6,456,219	2,457,305	8,913,524
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	72,389,874	72,389,874
352	Long-Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	42,191	-	-	-	-	42,191	4,170,026	4,212,217
354	Accrued compensated Absences - Non Current	-	-	-	-	-	30,904	-	-	-	-	191,024	-	191,024
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	73,095	-	-	-	-	233,215	76,559,900	76,793,115
300	Total Liabilities	7,004	38,777	1,204,207	-	386,663	309,745	461,797	-	-	(605,631)	6,689,434	79,017,205	85,706,639
508.1	Invested in capital assets, net of related debt	-	-	2,321,798	-	2,500,927	34,295	-	-	-	-	117,380,051	6,455,681	123,835,732
511.1	Restricted Net Assets	-	-	-	-	-	11,534,087	-	-	-	-	75,323,516	2,563,735	77,887,251
512.1	Unrestricted Net Assets	9,049,608	21,367	-	1,937,348	-	821,883	-	-	-	-	13,300,381	(4,026,525)	9,273,856
513	Total Equity	9,049,608	21,367	2,321,798	1,937,348	2,500,927	12,390,265	-	-	-	-	206,003,948	4,992,891	210,996,839
600	Total Liabilities and Equity	9,056,612	60,144	3,526,005	1,937,348	2,887,590	12,700,010	461,797	-	-	(605,631)	212,693,382	84,010,096	296,703,478

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009													Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
Line Item No.	Account Description	Business Activities	NIC S/R Section 8 Programs (Across the Park & Greenhouse) 14.182	Development 14.850b	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation 14.856	Revitalization of Severely Distressed Public Housing 14.866	Housing Choice Voucher Program 14.871	Capital Fund Recovery Grant 14.855	State/Local	Disaster Housing Assistance Grant 97.109	Elimination	Total Primary Government		
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-	-	3,886,928	3,170,388	7,057,316
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-	-	145,257	16,225	161,482
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	-	-	4,032,185	3,186,613	7,218,798
70600	HUD PHA Grants	-	1,076,860	989,069	2,952,132	1,916,902	30,493,604	40,487	-	19,923	-	55,725,848	-	55,725,848
70610	HUD PHA Capital Grants	-	-	2,321,798	-	1,006,048	-	767,810	-	-	-	11,916,808	-	11,916,808
70710	Management Fee	-	-	-	-	-	-	-	-	-	(3,752,992)	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	(235,452)	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	(222,135)	-	-	-
70740	Front-Line Service Fee	-	-	-	-	-	-	-	-	-	(296,132)	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	(4,506,711)	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	320,728	-	-	320,728	726,007	1,046,735
71100	Investment Income - Unrestricted	203,148	-	-	1,589	-	11,818	-	-	-	-	241,085	27,845	268,930
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	9,611	-	-	-	-	9,611	-	9,611
71500	Other revenue	37,178	-	-	8,870	-	430,911	-	-	-	-	1,282,442	2,143,636	3,426,078
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	(220,195)	-	-	-	-	-	(272,160)	-	(272,160)
72000	Investment income - restricted	-	-	-	-	-	106,362	-	-	-	-	891,288	-	891,288
70000	Total Revenue	240,326	1,076,860	3,310,867	2,962,591	2,702,755	31,052,306	808,297	320,728	19,923	(4,506,711)	74,147,835	6,084,101	80,231,936
91100	Administrative salaries	-	19,847	126,597	78,293	187,546	1,193,556	-	-	-	-	5,242,313	658,461	5,900,774
91200	Auditing fees	-	625	-	2,672	-	28,703	-	-	-	-	188,579	20,650	209,229
91300	Management Fee	-	-	-	-	18,750	580,600	40,487	-	-	(3,752,992)	-	-	-
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	(222,135)	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	5,917	-	-	-	-	48,973	14,413	63,386
91500	Employee benefit contributions - administrative	-	6,478	43,374	15,026	59,942	428,390	-	-	-	-	2,018,404	57,215	2,075,619
91600	Office Expenses	9,760	8,402	9,111	7,579	2,814	479,335	-	-	6,508	(434)	1,667,593	340,151	2,007,744
91700	Legal Expense	7,126	-	190,007	-	17,009	20	-	-	-	(18,845)	624,500	49,238	673,738
91800	Travel	-	-	7,725	-	11,786	26,058	-	-	-	-	268,330	-	268,330
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	3,356	8,551	609,288	313	1,589,283	425,783	-	42,729	-	-	4,426,562	429,001	4,855,563
92000	Asset Management Fee	-	-	-	-	-	-	-	-	-	(235,452)	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	12,342	2,675	15,017
92200	Relocation Costs	-	-	-	-	26,399	-	-	-	-	-	159,408	-	159,408
92300	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	1,907	-	1,907
92400	Tenant Services - Other	-	-	-	-	300	-	-	-	-	-	86,181	-	86,181
93100	Water	-	-	-	-	-	-	-	-	-	-	519,335	131,735	651,070
93200	Electricity	-	-	-	-	-	-	-	-	-	-	1,196,700	388,368	1,585,068
93300	Gas	-	-	-	-	-	-	-	-	-	-	1,424,898	21,301	1,446,199
93400	Fuel	-	-	-	-	-	-	-	-	-	-	60	-	60
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-	-	1,048,504	-	1,048,504
93700	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	9,852	-	-	-	-	2,171,904	161,076	2,332,980
94200	OMO - Materials and Other	-	-	-	-	-	3,063	-	-	-	-	1,171,411	494,974	1,666,385
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	35,838	-	277,999	-	(276,853)	2,994,813	-	2,994,813
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	6,123	-	-	-	-	683,301	-	683,301
95100	Protective Services - labor	-	-	-	-	-	-	-	-	-	-	-	63,347	63,347
95200	Protective Services - Other Contract Costs	-	-	-	-	-	4,366	-	-	-	-	759,435	56,907	816,342
95300	Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-	-	-	-	-	452,901	366,070	818,971
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	-	229	2,967	423	3,073	26,787	-	-	-	-	246,893	-	246,893
96140	All other Insurance	-	350	-	2,805	-	32,407	-	-	-	-	350,271	443	350,714
96200	Other General Expenses	-	-	-	-	-	-	-	-	-	-	1,360,344	57,504	1,417,848
96210	Compensated Absences	-	-	-	-	-	64,401	-	-	-	-	403,207	-	403,207
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	139,936	139,936
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	95,624	93,640	189,264
96500	Bad Debt - Mortgages	533,669	-	-	-	-	-	-	-	-	-	664,600	-	664,600
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	1,423,401	1,423,401
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	197,824	197,824
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	553,911	44,482	989,069	107,111	1,916,902	3,351,199	40,487	320,728	6,508	(4,506,711)	30,289,293	5,168,330	35,457,623
97000	Excess Operating Revenue over Operating Expenses	(313,585)	1,032,378	2,321,798	2,855,480	785,853	27,701,107	767,810	-	13,415	-	43,858,542	915,771	44,774,313
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	1,016,056	-	1,533,871	-	36,918,590	-	-	13,415	-	39,481,932	-	39,481,932
97400	Depreciation Expense	-	-	-	-	-	2,638	-	-	-	-	3,405,026	3,130,452	6,535,478
90000	Total Expenses	553,911	1,060,538	989,069	1,640,982	1,916,902	40,272,427	40,487	320,728	19,923	(4,506,711)	73,176,251	8,298,782	81,475,033

Detroit Housing Commission

FINANCIAL DATA SCHEDULE

Year ended June 30, 2009

PHA: M001 FYED: 06/30/2009														
Line Item No.	Account Description	Business Activities	NIC S/R Section 8 Programs (Across the Park & Greenhouse) 14.182	Development 14.850b	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation 14.856	Revitalization of Severely Distressed Public Housing 14.866	Housing Choice Voucher Program 14.871	Capital Fund Recovery Grant 14.855	State/Local	Disaster Housing Assistance Grant 97.109	Elimination	Total Primary Government	Total Component Units (Discretely Presented)	REAC Total (Primary Government and Component Units)
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	7,819,207	-	7,819,207
10020	Operating transfers out	(24,471)	-	-	-	-	-	-	-	-	-	(7,819,207)	-	(7,819,207)
10080	Special Items, net gain/loss	-	-	-	-	-	-	-	-	-	-	2,918,050	-	2,918,050
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	325,000	-	325,000
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	(325,000)	-	(325,000)
10100	Total other financing sources (Uses)	(24,471)	-	-	-	-	-	-	-	-	-	2,918,050	-	2,918,050
10000	Excess (deficiency) of total revenue over (under) total expenses	(338,056)	16,322	2,321,798	1,321,609	785,853	(9,220,121)	767,810	-	-	-	3,889,634	(2,214,681)	1,674,953
11030	Beginning Equity	9,387,664	5,045	-	615,739	2,154,277	21,610,386	-	-	-	-	202,114,314	7,349,929	209,464,243
11040	Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	(439,203)	-	(767,810)	-	-	-	-	(142,357)	(142,357)
11190	Unit Months Available	-	2,400	-	3,660	-	70,716	-	-	27	-	112,935	4,428	117,363
11210	Number of Unit Months Leased	-	2,113	-	3,032	-	59,925	-	-	27	-	94,715	4,428	99,143
11170	Administrative Fee Equity	-	-	-	-	-	856,178	-	-	-	-	856,178	-	856,178
11180	Housing Assistance Payments Equity	-	-	-	-	-	11,534,087	-	-	-	-	11,534,087	-	11,534,087
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	7,326,388	(1,179,802)	6,146,586
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	5,924,101	-	5,924,101
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	1,312,919	-	1,312,919
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	180,683	-	180,683
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	1,171,258	-	1,171,258

Detroit Housing Commission

SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS AND ADVANCES

Year ended June 30, 2009

PROGRAM	MI28P001501-03	MI28P001502-03	MI28P001501-04	MI28P001501-05	MI28P001501-06	MI28P001501-07	MI28P001501-08	TOTAL
BUDGET	\$ 9,503,508	\$ 3,361,734	\$ 9,639,001	\$ 9,663,792	\$ 8,490,408	\$ 8,709,303	\$ 9,463,798	\$ 58,831,544
ADVANCES								
Cash receipts - prior years	\$ 9,132,254	\$ 2,371,259	\$ 9,270,185	\$ 6,611,741	\$ 3,398,749	\$ 1,311,245	\$ -	\$ 32,095,433
Adjustment	-	(64,763)	(66,748)	-	-	-	-	(131,511)
Cash receipts - prior years - restated	9,132,254	2,306,496	9,203,437	6,611,741	3,398,749	1,311,245	-	31,963,922
Cash receipts - current year	371,254	1,055,238	435,564	2,830,780	4,372,363	2,208,991	3,019,291	14,293,481
Cumulative as of June 30, 2009	9,503,508	3,361,734	9,639,001	9,442,521	7,771,112	3,520,236	3,019,291	46,257,403
COSTS								
Prior years	5,043,284	1,342,586	9,318,005	6,965,297	3,579,496	1,341,276	-	27,589,944
Adjustment	4,460,224	2,019,148	(66,748)	-	(51,965)	-	-	6,360,659
Prior years - restated	9,503,508	3,361,734	9,251,257	6,965,297	3,527,531	1,341,276	-	33,950,603
Current year	-	-	387,744	2,584,788	4,366,202	2,255,476	3,260,584	12,854,794
Cumulative as of June 30, 2009	9,503,508	3,361,734	9,639,001	9,550,085	7,893,733	3,596,752	3,260,584	46,805,397
RECEIVABLE FROM HUD	\$ -	\$ -	\$ -	\$ 107,564	\$ 122,621	\$ 76,516	\$ 241,293	\$ 547,994
SOFT COSTS								
Prior years	\$ 5,043,284	\$ 1,342,586	\$ 3,685,985	\$ 632,763	\$ 2,847,234	\$ 1,285,177	\$ -	\$ 14,837,029
Adjustment	-	-	-	-	-	-	-	-
Prior years - restated	5,043,284	1,342,586	3,685,985	632,763	2,847,234	1,285,177	-	14,837,029
Current year	-	-	192,152	855,126	980,863	1,251,856	2,924,903	6,204,900
Cumulative as of June 30, 2009	5,043,284	1,342,586	3,878,137	1,487,889	3,828,097	2,537,033	2,924,903	21,041,929
HARD COSTS								
Prior years	-	-	5,632,020	6,332,534	732,262	56,099	-	12,752,915
Adjustment	4,460,224	2,019,148	(66,748)	-	(51,965)	-	-	6,360,659
Prior years - restated	4,460,224	2,019,148	5,565,272	6,332,534	680,297	56,099	-	19,113,574
Current year	-	-	195,592	1,729,662	3,385,339	1,003,620	335,681	6,649,894
Cumulative as of June 30, 2009	4,460,224	2,019,148	5,760,864	8,062,196	4,065,636	1,059,719	335,681	25,763,468
CUMULATIVE HARD AND SOFT COSTS	\$ 9,503,508	\$ 3,361,734	\$ 9,639,001	\$ 9,550,085	\$ 7,893,733	\$ 3,596,752	\$ 3,260,584	\$ 46,805,397

NOTE 1

The above schedule reflects adjustments to prior year balances based on corrections made during 2009 to the cumulative costs.

Detroit Housing Commission

SCHEDULE OF ACTUAL REPLACEMENT HOUSING FUND PROGRAM COSTS AND ADVANCES

Year ended June 30, 2009

PROGRAM	MI28R001 501-99	MI28R001 501-00	MI28R001 501-02	MI28R001 501-03	MI28R001 501-04	MI28R001 501-05	MI28R001 501-07	MI28R001 502-03	MI28R001 502-04	MI28R001 502-05	MI28R001 502-06	MI28R001 502-07	MI28R001 502-08	Total
BUDGET	\$ 3,504,802	\$ 4,021,494	\$ 6,505,355	\$ 684,413	\$ 1,264,863	\$ 569,824	\$ 1,281,813	\$ 5,728,700	\$ 7,554,331	\$ 8,697,612	\$ 6,606,378	\$ 8,449,443	\$ 2,816,919	\$ 57,685,747
ADVANCES														
Cash receipts - prior years	\$ 589,378	\$ -	\$ 1,183,711	\$ 26,916	\$ 10,379	\$ 15,677	\$ -	\$ 176,896	\$ -	\$ 32,147	\$ -	\$ -	\$ -	\$ 2,035,104
Cash receipts - current year	294,160	14,337	575	171,416	-	14,070	17,247	160,355	57,044	1,387,934	-	105,253	8,691	2,231,082
Cumulative as of June 30, 2009	883,538	14,337	1,184,286	198,332	10,379	29,747	17,247	337,251	57,044	1,420,081	-	105,253	8,691	4,266,186
COSTS														
Prior years	855,158	-	1,183,711	26,916	10,379	15,677	-	176,896	-	603,748	-	-	-	2,872,485
Adjustment	-	-	-	-	-	-	-	-	-	74,042	-	-	-	74,042
Prior years - restated	855,158	-	1,183,711	26,916	10,379	15,677	-	176,896	-	677,790	-	-	-	2,946,527
Current year	389,471	19,820	267,090	171,416	-	14,070	17,247	243,254	101,152	874,073	-	105,253	14,650	2,217,496
Cumulative as of June 30, 2009	1,244,629	19,820	1,450,801	198,332	10,379	29,747	17,247	420,150	101,152	1,551,863	-	105,253	14,650	5,164,023
RECEIVABLE FROM HUD	\$ 361,091	\$ 5,483	\$ 266,515	\$ -	\$ -	\$ -	\$ -	\$ 82,899	\$ 44,108	\$ 131,782	\$ -	\$ -	\$ 5,959	\$ 897,837
SOFT COSTS														
Prior years	\$ -	\$ -	\$ 583,166	\$ 26,916	\$ -	\$ 3,889	\$ -	\$ 176,368	\$ -	\$ 72,562	\$ -	\$ -	\$ -	862,901
Current year	50,725	19,820	75,575	171,416	-	14,070	17,247	243,254	101,152	233,076	-	105,253	14,650	1,046,238
Cumulative as of June 30, 2009	50,725	19,820	658,741	198,332	-	17,959	17,247	419,622	101,152	305,638	-	105,253	14,650	1,909,139
HARD COSTS														
Prior years	855,158	-	600,545	-	10,379	11,788	-	528	-	531,186	-	-	-	2,009,584
Adjustment	-	-	-	-	-	-	-	-	-	74,042	-	-	-	74,042
Prior years - restated	855,158	-	600,545	-	10,379	11,788	-	528	-	605,228	-	-	-	2,083,626
Current year	338,746	-	191,515	-	-	-	-	-	-	640,997	-	-	-	1,171,258
Cumulative as of June 30, 2009	1,193,904	-	792,060	-	10,379	11,788	-	528	-	1,246,225	-	-	-	3,254,884
CUMULATIVE HARD AND SOFT COSTS	\$ 1,244,629	\$ 19,820	\$ 1,450,801	\$ 198,332	\$ 10,379	\$ 29,747	\$ 17,247	\$ 420,150	\$ 101,152	\$ 1,551,863	\$ -	\$ 105,253	\$ 14,650	\$ 5,164,023

Detroit Housing Commission

SCHEDULE OF ACTUAL HOPE VI COSTS AND ADVANCES

Year ended June 30, 2009

PROGRAM	MI28URD001194	MI28URD001196	MI28URD001296	MI28URD001299	TOTAL
BUDGET	\$ 39,807,342	\$ 10,000,000	\$ 24,224,160	\$ 1,276,000	\$ 75,307,502
ADVANCES					
Cash receipts - prior years	\$ 34,068,325	\$ 9,750,850	\$ 4,440,318	\$ 872,173	\$ 49,131,666
Cash receipts - current year	1,654,037	-	921,335	403,827	2,979,199
Cumulative as of June 30, 2009	35,722,362	9,750,850	5,361,653	1,276,000	52,110,865
COSTS					
Prior years	34,394,100	9,750,850	4,447,864	1,276,000	49,868,814
Adjustment	(294,236)	-	-	-	(294,236)
Prior years - restated	34,099,864	9,750,850	4,447,864	1,276,000	49,574,578
Current year	1,724,795	47,690	1,150,465	-	2,922,950
Cumulative as of June 30, 2009	35,824,659	9,798,540	5,598,329	1,276,000	52,497,528
RECEIVABLE FROM HUD	\$ 102,297	\$ 47,690	\$ 236,676	\$ -	\$ 386,663
SOFT COSTS					
Prior years	\$ 18,380,197	\$ 74,078	\$ 1,840,966	\$ -	\$ 20,295,241
Current year	1,201,297	-	715,605	-	1,916,902
Cumulative as of June 30, 2009	19,581,494	74,078	2,556,571	-	22,212,143
HARD COSTS					
Prior years	16,013,903	9,676,772	2,606,898	1,276,000	29,573,573
Adjustment	(294,236)	-	-	-	(294,236)
Prior years - restated	15,719,667	9,676,772	2,606,898	1,276,000	29,279,337
Current year	523,498	47,690	434,860	-	1,006,048
Cumulative as of June 30, 2009	16,243,165	9,724,462	3,041,758	1,276,000	30,285,385
CUMULATIVE HARD AND SOFT COSTS	\$ 35,824,659	\$ 9,798,540	\$ 5,598,329	\$ 1,276,000	\$ 52,497,528

Detroit Housing Commission

SCHEDULE OF ACTUAL DEVELOPMENT COSTS AND ADVANCES

Year ended June 30, 2009

PROGRAM	MROP 94
BUDGET	<u>\$ 19,578,300</u>
ADVANCES	
Cash receipts - prior years	\$ 14,336,628
Cash receipts - current year	<u>2,129,964</u>
Cumulative as of June 30, 2009	<u>16,466,592</u>
COSTS	
Prior years	14,359,932
Current year	<u>3,310,867</u>
Cumulative as of June 30, 2009	<u>17,670,799</u>
RECEIVABLE FROM HUD	<u>\$ 1,204,207</u>
SOFT COSTS	
Prior years	\$ 6,717,134
Current year	<u>989,069</u>
Cumulative as of June 30, 2009	<u>7,706,203</u>
HARD COSTS	
Prior years	7,642,798
Current year	<u>2,321,798</u>
Cumulative as of June 30, 2009	<u>9,964,596</u>
CUMULATIVE HARD AND SOFT COSTS	<u>\$ 17,670,799</u>

Detroit Housing Commission

SCHEDULE OF ACTUAL CAPITAL FUND RECOVERY GRANT COSTS AND ADVANCES

Year ended June 30, 2009

PROGRAM	501-09
BUDGET	<u>\$ 17,275,908</u>
ADVANCES	
Cash receipts - prior years	\$ -
Cash receipts - current year	<u>346,500</u>
Cumulative as of June 30, 2009	<u>346,500</u>
COSTS	
Prior years	-
Current year	<u>808,297</u>
Cumulative as of June 30, 2009	<u>808,297</u>
RECEIVABLE FROM HUD	<u>\$ 461,797</u>
SOFT COSTS	
Prior years	\$ -
Current year	<u>40,487</u>
Cumulative as of June 30, 2009	<u>40,487</u>
HARD COSTS	
Prior years	-
Current year	<u>767,810</u>
Cumulative as of June 30, 2009	<u>767,810</u>
CUMULATIVE HARD AND SOFT COSTS	<u>\$ 808,297</u>

SINGLE AUDIT SECTION

Detroit Housing Commission

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND LOCAL ASSISTANCE

Year ended June 30, 2009

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Federal Expenditures
FEDERAL AWARDS		
Housing Choice Vouchers	14.871	\$ 30,493,604
Public Housing Capital Fund Program	14.872	15,072,290
Low Rent Public Housing	14.850a	10,985,733
Development	14.850b	3,310,867
Revitalization of Severely Distressed Public Housing	14.866	2,922,950
Section 8 Moderate Rehabilitation	14.856	1,710,588
N/C S/R Section 8 Programs	14.182	1,076,860
Capital Fund Recovery Grant	14.885	808,297
Disaster Housing Assistance Grant	97.109	19,923
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 66,401,112</u>
 <u>Local Assistance</u>		
Infrastructure grant from the City of Detroit, Michigan		<u>320,728</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND LOCAL ASSISTANCE		<u><u>\$ 66,721,840</u></u>

Note 1

The above schedule of expenditures of federal awards and local assistance includes the federal grant activity of the Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program, CFDA No. 14.871, to be an expenditure for the purposes of this schedule. Therefore the amount in this schedule is the total amount received directly from HUD.

Note 3

The accompanying Schedule of Federal Expenditures and Local Assistance excludes revenues recognized in the Financial Data Schedule of \$1,241,544 related to the Section 8 Moderate Rehabilitation Program. These revenues are related to expenses that were incurred in prior years, however at the time DHC was informed that it was unlikely that they would receive the reimbursement of the expenses from HUD, and accordingly they did not recognize the revenue. However, during the year ended June 30, 2009 DHC did receive this reimbursement and as such recognized this revenue.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**



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We have audited the financial statements of the business type-activities and the discretely presented component units of the Detroit Housing Commission (the "Commission"), as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated February 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of all of the Commission's discrete component units, as described in our report on the Commission's financial statements. The financial statements of those entities were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the Detroit Housing Commission, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

February 23, 2010
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



Board of Commissioners
Detroit Housing Commission
Detroit, Michigan

Compliance

We have audited the compliance of the Detroit Housing Commission (“the Commission”) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Commission’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission’s management. Our responsibility is to express an opinion on the Commission’s compliance based on our audit.

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We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission’s compliance with those requirements.

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As described in items 09-1, 09-2, 09-4, and 09-5 in the accompanying schedule of findings and questioned costs, the Commission did not comply with requirements regarding Eligibility and Special Tests and Provisions that are applicable to its Section 8 Housing Choice Voucher program and Low Rent Public Housing program. Compliance with such requirements is necessary, in our opinion, for the Commission to comply with the requirements applicable to those programs.

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, the Commission did not comply, in all material respects, with the requirements referred to above that are applicable to the Section 8 Housing Choice Voucher program and the Low Rent Public Housing program. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 09-3.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we consider all of the identified deficiencies in internal control over compliance to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-1, 09-2, 09-4, and 09-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 09-1, 09-2, 09-4, and 09-5 to be material weaknesses.

The Commission's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the Commission, and federal, state, and other awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

February 23, 2010
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: **Unqualified**

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiencies identified that are not considered to be material weaknesses? **No**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weaknesses identified? **Yes (09-1, 09-2, 09-4, 09-5)**

Significant deficiencies identified that are not considered to be material weaknesses? **No**

Type of auditors' report issued on compliance for major programs:

- Section 8 Housing Choice Voucher – **Adverse (09-1, 09-5)**
- Low Rent Public Housing - **Adverse (09-2, 09-4)**

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? **Yes (09-3)**

The programs tested as major programs are as follows:

Section 8 Housing Choice Voucher - CFDA No. 14.871

Low Rent Public Housing - CFDA No. 14.850

The threshold for distinguishing types A and B programs was: \$1,990,474

Did the auditee qualify as a low-risk auditee? **No**

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

09-1 Eligibility

Section 8 Housing Choice Voucher - CFDA Number 14.871

Material Weakness – Internal Controls

Material Noncompliance

Condition: Out of a total tenant population of approximately 4,994 tenants, 32 tenant files were tested and the results are as follows:

- 2 tenant files did not have a signed U.S. citizen declaration form,
- 3 tenant files lacked the correct utility allowance,
- 2 tenant files lacked proper birth certificates or social security cards,
- 4 tenant files lacked independent third party verification of assets,
- 4 tenant files lacked independent third party verification of income,
- 5 tenant files did not have a correct calculation of income based on third party verification,
- 2 tenant files did not have evidence of rent reasonableness,
- 1 tenant file used an incorrect payment standard,
- 3 tenants did not have a recertification performed within 12 months of their previous recertification,
- 1 tenant file did not have an inspection completed timely.

Questioned Costs: Undetermined.

Criteria: 24 CFR 982.516 requires internal controls to be in place to ensure compliance with HUD requirements, as well as, complete and accurate tenant files. The Commission's administrative plan also requires following proper procedures for determination of HAP and verification of income.

Effect: The Commission is not in compliance with all of the HUD requirements regarding eligibility and tenant recertifications, which could result in incorrect HAP payments to landlords.

Cause: Procedures to ensure full compliance with all of the HUD requirements are not properly implemented.

Auditor's Recommendations: The Commission should correct the deficiencies noted in the tested files to ensure proper compliance with the requirements related to tenant eligibility. Procedures should be continuously applied to ensure proper tenant management. Ongoing staff training and timely management reviews should continue to ensure staff is aware of acceptable procedures. Also, skill sets, staffing, and case loads should be reviewed by management to ensure timely and accurate tenant management.

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
(continued)

09-2 Eligibility

Low Rent Public Housing - CFDA Number 14.850

Material Weakness – Internal Controls

Material Noncompliance

Condition: Out of a total tenant population of approximately 2,465 tenants, 33 tenant files were tested and the results are as follows:

- 14 tenant files did not perform annual reexaminations in a timely manner, of which 10 of these did not have a reexamination performed in our year and therefore were unable to be tested,
- 2 tenant files lacked independent third party verification of income,
- 4 tenant files did not properly calculate income based on the third party verification,
- 5 tenant files lacked proper birth certificates or social security cards,
- 3 tenant files were missing the flat rent option form,
- 6 tenant files lacked independent third party verification of assets,
- 2 tenant files did not have an executed HUD form 9886, Release of Information at the time of examination,
- 1 tenant file did not properly calculate their medical expenses based on the support,
- 1 tenant file did not have a signed U.S. citizen declaration form.

Questioned Costs: Undetermined.

Criteria: 24 CFR 960.259 requires the Commission to obtain and document third party verification of income and other factors that affect the determination of rent. Internal controls should be in place to ensure compliance with HUD requirements, as well as, to ensure complete and accurate tenant records.

Effect: The Commission could be charging the incorrect amount of rent or could be housing ineligible tenants.

Cause: The Commission did not completely follow the policies and procedures in place to ensure proper compliance with regards to tenant eligibility requirements.

Auditors' Recommendations: The Commission should correct the deficiencies noted in the tested files to ensure proper compliance with the requirements related to tenant eligibility. Procedures should be continuously applied to ensure proper tenant management. Ongoing staff training and timely management reviews should continue to ensure staff is aware of acceptable procedures. Also, skill sets, staffing, and case loads should be reviewed by management to ensure timely and accurate tenant management.

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
(continued)

09-3 **Special Tests and Provisions - Utility Allowance Schedule**

Section 8 Housing Choice Voucher - CFDA Number 14.871

Other matter required to be reported in accordance with OMB Circular A-133

Condition: During our testing of the Section Eight Management Assessment Program (SEMAP) it was noted that the utility study that was applicable for the year ended June 30, 2009 had been properly completed, however another study had not been completed within twelve months of this study, in accordance with 24 CFR 982.517.

Criteria: 24 CFR 985.517 requires the Commission to perform an annual utility study every twelve months and to adjust its utility allowance schedule if there has been a rate change of 10 percent or more from the last schedule.

Effect: The Commission is not in compliance with the HUD requirements regarding the utility allowance schedule, which could result in incorrect HAP payments.

Cause: The Commission did not perform a utility study within twelve months of the previous study.

Auditors' Recommendations: The Commission should put into place a monitoring system to ensure compliance with the requirement that a utility study be performed every twelve months.

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
(continued)

09-4 Special Test and Provisions - Waiting List

Low Rent Public Housing - CFDA Number 14.850

Material Weakness – Internal Controls

Material Noncompliance

Condition: During our testing of the waiting list, we noted that many of the site based waiting lists were not properly tracking applicants that were either moved in, determined to be nonresponsive or ineligible. Without proper tracking, it cannot be determined that individuals are being selected from the lists and given the opportunity to be housed in the proper order.

Criteria: The Commission's Admissions and Continued Occupancy Policy ("ACOP") requires the Commission to remove a family's name from the waiting list if the family is determined ineligible or refused the assistance offered when they reach the top of the list. In addition, the Commission has entered into a Consent Decree, which requires the Commission to closely monitor the waiting list to ensure applicants are housed fairly.

Effect: It could not be determined that the Commission is housing families in the proper order on the waiting list.

Cause: The Commission does not have adequate systems and controls in place to ensure the waiting list is properly maintained and conforms to the required standards.

Auditors' Recommendations: The Commission should implement systems and controls to adequately maintain a waiting list that ensures applicants are housed, or given the opportunity to be housed in the proper order. Modifications to the process in place during fiscal 2009 are needed to adequately provide support and tracking of the correct procedures.

Detroit Housing Commission

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2009

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
(continued)

09-5 Special Test and Provisions - Waiting List

Section 8 Housing Choice Voucher - CFDA Number 14.871

Material Weakness – Internal Controls

Material Noncompliance

Condition During our testing of the waiting list, we noted that there were numerous applicants who were not properly tracked or issued vouchers based on their application date. It was also noted that more than the allowable threshold of the waiting list applicants did not meet the selection criteria that determined their place on the waiting list as well as their order of selection, in accordance with the applicable HUD regulations and the Commission's policies.

Criteria: In accordance with 24 CFR 982.201 through 982.207, the Commission should follow the policies and procedures documented in its administrative plan for selecting applicants from the waiting list.

Effect: It was determined that the Commission was not housing families in the proper order on the waiting list.

Cause: The Commission did not have adequate systems and controls in place during our period of testing to ensure the waiting list was properly maintained and conforms to the required standards.

Auditors' Recommendations: Although we noted deficiencies in our period of testing (July 1, 2008 – June 30, 2009), it was noted that the Commission had already corrected all known errors related to their waiting list at the time of testing. They should continue to maintain the implemented systems and controls, which were noted at the time of testing to, adequately maintain a waiting list that ensures applicants are housed, or given the opportunity to be housed in the proper order.

Detroit Housing Commission

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

June 30, 2009

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

08-1 Financial Reporting

Material Weakness

Condition: The initial unaudited trial balance and draft Financial Data Schedule required numerous audit entries. In accordance with Statement on Auditing Standards No. 112 ("SAS 112"), this is identified as a material weakness.

Auditor's Recommendations: The auditors recommend that the CFO continue to make improvements in the accounting department to ensure the close of the books of the next fiscal year end has minimal audit adjustments. The unaudited Trial Balance and FDS should be on the accrual basis of accounting and be presented in accordance with GAAP. The Commission needs to ensure that next year's books and records are closed timely and accurately, without relying on audit adjustments considering the external auditors are independent of the internal control process.

Current Year Status: Cleared.

08-2 Eligibility

Section 8 Housing Choice Voucher - CFDA Number 14.871

Material Weakness

Material Noncompliance

Condition: Out of a total tenant population of approximately 5,663, 40 files were tested and the results are as follows:

- 1 did not have annual recertifications completed timely,
- 2 tenant files did not have an executed HUD form 9886, Release of Information at the time of examination.
- 2 did not have a proper birth certificate or custody documentation,
- 3 had incorrect utility allowances,
- 2 were missing third party verification of income,
- 1 was missing third party verification of assets,
- 3 did not have inspections completed timely.

Auditor's Recommendations: Procedures should be continuously applied to ensure proper tenant management. Ongoing staff training and timely management reviews should continue to ensure staff is aware of acceptable procedures. Also, skill sets, staffing, and case loads should be reviewed by management to ensure timely and accurate tenant management.

Current Year Status: Repeated, see finding 09-1.

Detroit Housing Commission

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

June 30, 2009

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (continued)

08-3 Eligibility

Low Rent Public Housing - CFDA Number 14.850

Material Weakness

Material Noncompliance

Condition: Out of a total tenant population of 2,435, 16 files were tested, with the following results:

- 4 files had late annual reexaminations.
- 9 tenant files were missing the flat rent option form.
- 2 tenant files lacked the correct utility allowance.
- 4 tenant files lacked independent third party verification of income.
- 8 tenant files lacked proper birth certificates or social security cards.
- 2 tenant files lacked independent third party verification of assets.
- 5 did not have a signed U.S. citizen declaration.
- 1 file had a security deposit amount on the HUD 50058 form that did not agree to the security deposit listing
- 1 file had a rent amount on the HUD 50058 form that did not agree to the rent roll

Auditors' Recommendations: The Commission needs to correct the deficiencies noted in the tested files and should ensure proper compliance with regards to tenant eligibility requirements. In addition, staff needs to be trained in regards to the rules and regulations to properly administer eligibility.

Current Year Status: Repeated, see finding 09-2.

08-4 Reporting

Section 8 Housing Choice Voucher - CFDA Number 14.871

Other matter required to be reported in accordance with OMB Circular A-133

Condition: During our testing of the Section Eight Management Assessment Program (SEMAP) it was noted that the utility study was not completed within twelve months of the previous study, in accordance with 24 CFR 982.517. In addition, the Commission was subject to a SEMAP confirmatory review performed by HUD staff subsequent to year end. This review was to verify the management performance level and accuracy of the data certified by the Commission for its fiscal year end June 30, 2009. The results of this review have not been officially released; however certain factors were noted that may reduce the SEMAP score originally reported by the Commission.

Auditors' Recommendations: The Commission needs to have a utility study every twelve months, which is different than once a year. We further recommend that the Commission discuss the confirmatory review deficiencies with the local HUD office and should ensure that controls are in place in order to achieve accurate SEMAP reporting.

Current Year Status: Repeated, see finding 09-3.

Detroit Housing Commission

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

June 30, 2009

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (continued)

08-5 Waiting List

Low Rent Public Housing - CFDA Number 14.850

Material Weakness

Material Noncompliance

Condition: During our testing of the waiting list, we noted that many of the site based waiting lists were not properly tracking applicants that were either moved in, determined to be nonresponsive or ineligible. Without proper tracking, it cannot be determined that individuals are being selected from the lists and given the opportunity to be housed in the proper order.

Auditors' Recommendations: The Commission should implement systems and controls to adequately maintain a waiting list that ensures applicants are housed, or given the opportunity to be housed in the proper order. Modifications to the process in place during fiscal 2008 are needed, as it was noted that certain names on the waiting list did not have any indications as to their status when applicants with later application dates were housed.

Current Year Status: Repeated, see finding 09-4.



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CORRECTIVE ACTION PLAN

December 17, 2009

U.S. Department of Housing and Urban Development

The Detroit Housing Commission respectfully submits the following corrective action plan for the year ended June 30, 2009.

Name and address of independent accounting firm:

Brian Nemeroff, Partner
Berman Hopkins Wright & LaHam, CPAs and Associates, LLP
8035 Spyglass Hill Road
Melbourne, Florida 32940

Audit period: July 1, 2008 – June 30, 2009

The findings from the June 30, 2009 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS AND MAJOR FEDERAL AWARD PROGRAMS

09-1 Eligibility

Section 8 Housing Choice Voucher - CFDA Number 14.871

Material Weakness – Internal Controls

Material Noncompliance

Auditor's Recommendations: The Commission should correct the deficiencies noted in the tested files to ensure proper compliance with the requirements related to tenant eligibility. Procedures should be continuously applied to ensure proper tenant management. Ongoing staff training and timely management reviews should continue to ensure staff is aware of acceptable procedures. Also, skill sets, staffing, and case loads should be reviewed by management to ensure timely and accurate tenant management.

Action Taken: Effective November 1, 2009 DHC instituted a new file protocol for HCV program participant files. The new file order gives Housing Specialists the guidance and tools to ensure timely and accurate tenant management. In addition, the agency has implemented a schedule of mandatory staff trainings that occur on a weekly basis that include but are not limited to issues of timely and accurate tenant management.

09-2 Eligibility

Low Rent Public Housing - CFDA Number 14.850

Material Weakness – Internal Controls

Material Noncompliance

Auditors' Recommendations: The Commission should correct the deficiencies noted in the tested files to ensure proper compliance with the requirements related to tenant eligibility. Procedures should be continuously applied to ensure proper tenant management. Ongoing staff training and timely management reviews should continue to ensure staff is aware of acceptable procedures. Also, skill sets, staffing, and case loads should be reviewed by management to ensure timely and accurate tenant management.

Action Taken: A December 14, 2009, deadline has been set for affected staff to cure noted deficiencies, with appropriate corrective action to be taken, if necessary, for failure to comply. DHC's Quality Assurance Analyst (QAA) is following-up with affected staff until the files are cured. Because of previous issues in this area, DHC has hired three new Lead Managers, each who are experienced in proper tenant management. In support of their efforts, weekly compliance reviews of tenant files are now being performed, and weekly meetings are held with the Lead Managers to reiterate proper tenant management. Further, DHC is looking to hire four Operation Specialists to ensure accurate and timely tenant management procedures are followed. Additional training will be provided to staff as needed.

All management staff will be required to take and pass the certification for Occupancy Specialist by June 30, 2010

09-3 Special Tests and Provisions - Utility Allowance Schedule

Section 8 Housing Choice Voucher - CFDA Number 14.871

Other matter required to be reported in accordance with OMB Circular A-133

Auditors' Recommendations: The Commission should put into place a monitoring system to ensure compliance with the requirement that a utility study be performed every twelve months.

Action Taken: DHC procured the services of Northwest Utilities during the month of September 2009 in order to revise the agencies Section 8 – Tenant Furnished Utility Allowances. The new utility allowances went into effect October 21, 2009. In addition, a tracking or monitoring system is being put into place to ensure it will be done every 12 months.

09-4 Special Test and Provisions - Waiting List

Low Rent Public Housing - CFDA Number 14.850

Material Weakness – Internal Controls
Material Noncompliance

Auditors' Recommendations: The Commission should implement systems and controls to adequately maintain a waiting list that ensures applicants are housed, or given the opportunity to be housed in the proper order. Modifications to the process in place during fiscal 2009 are needed to adequately provide support and tracking of the correct procedures.

Action Taken: DHC is working toward moving wait list data to Emphasys Elite, with implementation expected by June 30, 2010. In the interim, wait lists are submitted to DHC as part of site management's monthly reporting requirements, and wait list management is discussed with the Lead Managers during the weekly meetings. Additional training will be provided to staff as needed

09-5 Special Test and Provisions - Waiting List

Section 8 Housing Choice Voucher - CFDA Number 14.871

Material Weakness – Internal Controls
Material Noncompliance

Auditors' Recommendations: Although we noted deficiencies in our period of testing (July 1, 2008 – June 30, 2009), it was noted that the Commission had already corrected all known errors related to their waiting list at the time of testing. They should continue to maintain the implemented systems and controls, which were noted at the time of testing to, adequately maintain a waiting list that ensures applicants are housed, or given the opportunity to be housed in the proper order.

Action Taken: All pre-2008 applicants that the agency is aware of have been screened for eligibility. Once an applicant had been identified as "missing" (not properly showing in the computer system), staff manually input their information. If they met eligibility requirements they were issued Housing Choice Vouchers. Those applicants determined to be ineligible for program participation were notified by mail of their status of ineligibility and dropped from the waiting list. All files of affected applicants have been properly documented with the specific action(s) taken.


DHC is contracting with Elite Systems to perform custom programming and data conversion to resolve software issues. Once completed, we believe that DHC'S waiting list data, selections, and admissions of applicants shall be accurate, and will enable us to properly place and house applicants appropriately from the waiting list. This task is scheduled to be completed no later than January 31, 2010.

Future applicants reaching the top of the waiting list and admissions of the families being selected from the waiting list for admission shall be in accordance with DHC's policies. Only those applicants who applied in 2008 shall be a part of DHC's active waiting list.

During the data conversion process, all previous wait list activity and pre-2008 applicants will be placed in a separate computer archived file. This is being done to make sure that if DHC has unintentionally overlooked any additional pre-2008 applicants, we have access to their original application information. Upon discovery, DHC shall process these applicants on a case by case basis as the need arises.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please contact me at (313) 877-8000.

Sincerely,



Eugene Jones
Executive Director