

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**REPORT ON AUDIT OF FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED JUNE 30, 2002



**Auditor of State
Betty Montgomery**

Board of Commissioners
Cincinnati Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Malcolm Johnson & Company, P.A. for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cincinnati Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 6, 2003

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Cincinnati Metropolitan Housing Authority
Cincinnati, Ohio

HUD, Cincinnati Area Office
525 Vine Street, 7th Floor
Cincinnati, Ohio 45202-3188

We have audited the financial statements of the Cincinnati Metropolitan Housing Authority ("the Authority") as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cincinnati Metropolitan Housing Authority as of June 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued in the Single Audit Section of our report dated December 13, 2002, a report on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Federal Expenditures of Federal Awards in the Single Audit Section of our report is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Also, the accompanying supplemental information including the Financial Data Schedule, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 financial statements taken as a whole.



Malcolm Johnson & Company, P. A.
Certified Public Accountants

DeBary, Florida
December 13, 2002

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

COMBINED BALANCE SHEET

JUNE 30, 2002

ASSETS

Current assets:

Cash and cash equivalents	\$	1,094,181
Investments - unrestricted		3,636,086
Interest receivable		38,225
Accounts receivable (net of allowance for uncollectibles)		712,039
Due from HUD		12,430,996
Inventories (net of allowance for obsolescence)		322,937
Prepaid insurance		37,438
		18,271,902
Total current assets		18,271,902

Restricted assets:

Cash and cash equivalents--Resident security deposits & escrows		1,535,313
Investments - restricted for payment of security deposits		202,434
Investments - assigned as collateral		1,000,000
Cash and cash equivalents--Proceeds from Fannie Mae note		3,056,777
		5,794,524
Total restricted assets		5,794,524

Other assets:

Notes and mortgages receivable-non-current		11,335,900
Insurance deposits		369,930
		11,705,830
Total other assets		11,705,830

Fixed assets:

Land		10,940,396
Buildings		164,432,410
Furniture, equipment & machinery		3,648,047
Accumulated depreciation		(85,142,623)
Construction in process		74,005,926
		167,884,156
Fixed assets, net of accumulated depreciation		167,884,156

TOTAL ASSETS

\$ 203,656,412

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable	\$ 3,796,106
Accrued wages/taxes payable	750,534
Accrued compensated absences	104,043
Other accrued liabilities	982,043
Due to other governments	490,682
Prepaid rents	77,234
Total current liabilities	6,200,642

Current liabilities payable from restricted assets:

Resident security deposits & FSS escrows	1,726,747
Notes and bonds payable	561,638
Accrued interest payable	66,521
Total current liabilities payable from restricted assets	2,354,906

Noncurrent liabilities:

Notes and bonds payable	21,335,288
Accrued compensated absences	856,245
Workers' compensation contingency	616,045
Total noncurrent liabilities	22,807,578

Total liabilities

31,363,126

Equity:

Contributed capital

Governmental

121,840,906

Retained earnings

Unreserved

50,452,380

Total equity

172,293,286

TOTAL LIABILITIES AND EQUITY

\$ 203,656,412

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2002**

Operating revenues:	
Rental revenue	\$ 12,390,384
HUD grants	96,316,079
Other revenue	1,655,388
Total operating revenues	110,361,851
Operating expenses:	
Administrative	14,838,889
Tenant services	2,497,669
Utilities	8,404,411
Maintenance & operation	18,536,961
Protective services	122,956
General expenses	1,256,263
Housing assistance payments	29,522,696
Depreciation	14,513,762
Total operating expenses	89,693,607
Operating income	20,668,244
Nonoperating revenues (expenses)	
Interest revenue	349,884
Interest expense	(511,398)
Loss on disposition of fixed assets	(7,415,913)
Casualty losses	(144,040)
Total nonoperating expenses	(7,721,467)
Net income	12,946,777
Fund equity - beginning of year - restated	159,346,509
TOTAL FUND EQUITY	\$ 172,293,286

The accompanying notes are an integral part of these financial statements.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002**

Cash Flows From Operating Activities	
Receipts from residents and other deposits	\$ 14,283,422
Other payments	(4,271,698)
Payments to suppliers	(24,386,292)
Payments to/for employees	(16,022,437)
Payments to landlords	(29,522,696)
Net cash used by operating activities	(59,919,701)
 Cash Flows From Noncapital Financing Activities	
Operating subsidies	<u>57,786,776</u>
 Cash Flows From Capital and Related Financing Activities	
Increase in capital debt	15,246,352
Capital contributions	34,204,055
Purchases of capital assets	(32,575,921)
Disposals of capital assets	150,331
Interest paid	(511,398)
Other payments	(144,040)
Net cash provided by capital and related financing activities	<u>16,369,379</u>
 Cash Flows From Investing Activities	
Purchases of investments - net	(4,827,520)
Increase in notes receivable	(11,335,900)
Interest and dividends	380,222
Net cash used by investing activities	<u>(15,783,198)</u>
 Net decrease in cash equivalents	 (1,546,744)
Balance - beginning of the year	<u>7,233,015</u>
Balance - end of the year	<u>\$ 5,686,271</u>
 <u>Reconciliation of Cash Flows to Balance Sheet:</u>	
Cash and cash equivalents	\$ 1,094,181
Investments - restricted for payment of security deposits	1,535,313
Cash and cash equivalents - proceeds from Fannie Mae note	3,056,777
	<u>\$ 5,686,271</u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

Reconciliation of Operating Income to
Net Cash Used By Operating Activities

Operating income	\$ 20,668,244
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	14,513,762
Decrease in accounts receivable	1,117,704
Decrease in inventory	121,416
Decrease in prepaid expenses	564,542
Increase in other assets	(369,930)
Increase in security deposits	775,334
Decrease in accounts payable	(1,989,986)
Increase in accrued wages	205,166
Decrease in compensated absences	(9,639)
Increase in accrued liabilities	19,601
Adjustment to prior year	780,164
Governmental revenues reported in noncapital financing activities	(62,112,024)
Governmental revenues reported in capital financing activities	(34,204,055)
Net cash used by operating activities	<u>\$ (59,919,701)</u>

The accompanying notes are an integral part of these financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** The Cincinnati Metropolitan Housing Authority ("CMHA") is a public body corporate and politic pursuant to laws of the State of Ohio, article 44A. CMHA was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U. S. Department of Housing and Urban Development ("HUD") and other federal agencies.
2. **Reporting Entity:** The governing body of CMHA is its Board of Commissioners, which is composed of five members. The members are appointed as follows: Two (2) by the Mayor of the City of Cincinnati, one (1) by the Hamilton County Commissioners, one (1) by the Court of Common Pleas, and one (1) by the Probate Court. The Board appoints a Chief Executive Officer to administer the business of CMHA. CMHA is not considered a component unit of the City of Cincinnati, as the Board independently oversees CMHA's operations.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity had no component units.

The financial statements of the CMHA include Low-Rent Public Housing under Annual Contributions Contract C-984, Section 8 Housing Assistance Programs under Annual Contributions Contract C-5034, Local Initiatives Programs and the Hamilton County Affordable Housing Program.

3. **Summary of HUD Programs:** The accompanying financial statements include the activities of the Housing Programs subsidized by HUD. A summary of each of these programs and the related contracts with HUD is provided below.
 - a. **Annual Contributions Contract C-984**
 - 1) **Low-Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the CMHA. Funding is provided by tenant rent payments and subsidies provided by HUD.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

3. Summary of HUD Programs: (Continued)

a. Annual Contributions Contract C-984 (Continued)

- 2) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the HOPE VI Program, Comprehensive Grant Program or Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of CMHA's housing units. Funding is provided through programs established by HUD.
- 3) **Public Housing Drug Elimination Program (PHDEP):** This is funded by HUD and used to develop a comprehensive approach to counteract the drug problems facing residents of public housing in targeted communities by hiring security forces to patrol communities and establishing drug awareness and education programs.

b. Annual Contributions Contract C-5034 - Housing Assistance Payments Programs

- 1) **Section 8 Rental Certificates, Rental Vouchers and Moderate Rehabilitation:** These are housing programs wherein low-income tenants lease housing units directly from private landlords rather than through CMHA. HUD contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.
- c. **Economic Development and Supportive Services (EDSS)** – These programs provide reliable transportation for all elderly and disabled residents of CMHA and to contract for housekeeping and personal assistance for residents who meet certain criteria. The program also provides for a service coordinator who implements and coordinates the program. Funding for this program is provided by grants from HUD.
- d. **Resident Opportunities and Supportive Services (ROSS)** - ROSS links public housing residents with supportive services, resident empowerment activities and assistance in becoming economically self sufficient.
- e. **Dormant Component Unit** – The Lincolnview, Inc. was formed by the Board of Commissioners of CMHA for the purpose of CMHA's interest in management of the HOPE VI program after completion of Phase I and II. No activity flows through the dormant corporation as of June 30, 2002, and operational activity will not commence until fiscal year 2003.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. **Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, CMHA reports under the proprietary fund type (enterprise fund), which uses the accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources measurement focus. In this fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 are applied in the preparation of the financial statements.

The enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

5. **Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The modernization and development budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor required for financial statement presentation.
6. **Cash Equivalents:** Cash equivalents consist of demand deposits, a Repo account and U.S. Government instruments. They are stated at fair value.
7. **Interprogram Receivables and Payables:** Interprogram receivables/payables are all current, and are the result of the use of the Low-Rent Public Housing Program as the common paymaster for shared costs of CMHA. Cash settlements are made periodically and all interprogram balances net zero. Interprogram balances are eliminated for financial statement presentation.
8. **Investments:** Investments are recorded at fair value. Investment instruments pertaining to HUD programs consist only of items specifically approved by HUD. All funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Ohio. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by CMHA's agent in CMHA's name.
9. **Inventories:** Inventories are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, CMHA establishes an allowance for obsolete inventory. CMHA relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

A - **Summary of Significant Accounting Policies and Organization:** (Continued)

10. **Prepaid Expenses:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid expenses.
11. **Restricted Assets:** Certain assets may be classified as restricted assets on the balance sheet because their use is restricted by contracts or agreements with outside third parties and lending institutions.
12. **Use of Estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
13. **Fair Value of Financial Instruments:** The carrying amount of the CMHA's financial instruments at June 30, 2002, including cash, investments, accounts receivable and accounts payable closely approximates fair value.

14. **Fixed Assets:**

- a. **Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentations.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

- b. **Depreciation:** Pursuant to the enterprise GAAP method, the cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building modernization	10 years
Office and other equipment	5 years

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

14. Fixed Assets: (Continued)

- c. Maintenance and Repairs Expenditures: Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations.
 - d. Impairment of Long-Lived Assets: CMHA has been and is currently involved in various demolition activities in conjunction with its HOPE VI and modernization programs. In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of", CMHA has at June 30, 2002, recognized in the accompanying financial statements the impact of the demolition activities. Under the provisions of the statement, long-lived assets are to be reviewed for impairment. If the sum of the expected future cash flows is less than the carrying value amount of the asset, an impairment loss should be recognized. In the current year, there was no impairment loss.
15. Compensated Absences: Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of CMHA and its employees, is accrued as employees earn the right to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of CMHA and its employees are accounted for in the period in which such services are rendered or in which such events take place.
16. Litigation Losses: CMHA recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred when the loss is probable and the loss is reasonably estimable.
17. Annual Contribution Contracts: Annual Contributions Contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of CMHA's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by CMHA.
18. Risk Management: CMHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CMHA carries commercial insurance for major risks of loss including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

The CMHA self-insures workers' compensation with commercial coverage commencing at \$250,000 per incident.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

B - Deposits and Investments: For purposes of the Statement of Cash Flows, CMHA considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by CMHA or with an unaffiliated bank or trust company for the account of CMHA.

CMHA's maintains collateralization in accordance with state and HUD requirements.

Deposits: The three credit risk categories for deposits are defined as follows:

- (1) Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution trust department or agent in the entity's name.
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

	Credit Risk Category			Fair Value
	1	2	3	
Demand Deposits	\$ 2,349,305	\$ -	\$ -	\$ 2,349,305
Repurchase Agreements	3,215,676	-	-	3,215,676
U.S. Treasury Instruments	119,740	-	-	119,740
Total in banks	\$ 5,684,721	\$ -	\$ -	5,684,721
Cash on hand				1,550
Total funds on deposits				\$ 5,686,271
<u>Reconciliation of deposit analysis to balance sheet:</u>				
Cash and cash equivalents				\$ 1,094,181
Cash and cash equivalents - Resident security deposits and escrow				1,535,313
Cash and cash equivalents - Proceeds from Fannie Mae note				3,056,777
				\$ 5,686,271

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

B - Deposits and Investments: (Continued)

Investments: The three credit risk categories for investments are defined as follows:

- (1) Insured or registered, or securities held by the government or its agent in the government's name.
- (2) Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the government's name.
- (3) Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the government's name.

	Credit Risk Category			<u>Fair Value</u>
	1	2	3	
U.S. Treasury Instruments	\$ 3,827,355	\$ -	\$ -	\$ 3,827,355
Certificates of Deposit	1,011,165	-	-	1,011,165
Total investments	<u>\$ 4,838,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,838,520</u>

Reconciliation of investment analysis to balance sheet:

Investments - unrestricted	\$ 3,636,086
Investments - restricted for payment of security deposits	202,434
Investments - assigned as collateral	<u>1,000,000</u>

Total Investments **\$ 4,838,520**

C - Accounts Receivable:

Tenants (net of allowance for doubtful accounts of \$34,300)	\$ 249,480
The Affiliates	279,014
Other	<u>183,545</u>
	<u>\$712,039</u>

D - Notes Receivable: All notes receivable are the result of financing for Lincoln and Laurel HOPE IV revitalization projects. The majority of these receivables are to be paid 40 years from the date of the note. TCB Home Builders LLC note is to be received upon closing the sale of the last unit in the Lincoln Court Homeownership. The Homebuyer notes are comprised of various notes with the same terms. The first \$50,000 is forgiven at 10% per year over 10 years, and any amount over \$50,000 will be due on the sale of the home or 30 years from the date of the note. No interest is assigned to the Homebuyer notes. No portion of the notes receivable are to be paid within the next year. The following schedule summarizes the details pertaining to the notes receivable:

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

D - Notes Receivable: (Continued)

<u>Amount</u>	<u>Maker</u>	<u>Date of Note</u>	<u>Interest</u>	<u>Maturity Date</u>	<u>Term</u>
\$ 5,730,797	Lincoln Court Partnerships	LCI-3/20/01 LCII-3/20/01 LCIII-2/28/02	AFR	40 years	Long
2,440,000	Lincoln Court Partnerships II & III	LCII-3/20/01 LCIII-2/28/02	AFR	40 years	Long
181,180	Homebuyers	Various		See above note	Long
450,000	TCB Homebuyers LLC	11/2000 (200,000) 11/2001 (250,000)		Upon closing of the last unit in Lincoln Court Homeownership	Long
<u>2,533,923</u>	Laurel Home Partnership	10/24/02	AFR	40 years	Long
<u>\$11,335,900</u>					

E - Land, Buildings and Equipment:

	<u>Balance June 30, 2001</u>	<u>Adjustment to Restate Beginning Balance</u>	<u>Adjusted Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2002</u>
Land	\$ 10,939,679	\$ -	\$ 10,939,679	\$ 717	\$ -	\$ -	\$ 10,940,396
Buildings	167,569,937	3,353,576	170,923,513	3,631,416	(24,877,744)	14,755,225	164,432,410
Equipment - Administration	3,600,518	(1)	3,600,517	47,530	-	-	3,648,047
Construction in Progress	<u>63,218,469</u>	<u>(3,353,576)</u>	<u>59,864,893</u>	<u>28,896,258</u>	<u>-</u>	<u>(14,755,225)</u>	<u>74,005,926</u>
Total	<u>245,328,603</u>	<u>(1)</u>	<u>245,328,602</u>	<u>32,575,921</u>	<u>(24,877,744)</u>	<u>-</u>	<u>253,026,779</u>
Accumulated Depreciation	<u>(87,940,365)</u>	<u>4</u>	<u>(87,940,361)</u>	<u>(14,513,762)</u>	<u>17,311,500</u>	<u>-</u>	<u>(85,142,623)</u>
TOTAL	<u>\$ 157,388,238</u>	<u>\$ 3</u>	<u>\$157,388,241</u>	<u>\$ 18,062,159</u>	<u>\$(7,566,244)</u>	<u>\$ -</u>	<u>\$167,884,156</u>

F - Other Accrued Liabilities:

Accrued workmen's compensation - current portion	\$250,000
Contract retainages	718,744
Other	<u>13,299</u>
	<u>\$982,043</u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

G - Due to Other Governments:

HUD	\$ 119,687
City of Cincinnati (PILOT)	<u>370,995</u>
	<u>\$490,682</u>

H - Notes Payable: Notes payable at June 30, 2002 consist of the following:

<u>Item</u>	<u>Authority Program</u>	<u>Principal Balance</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Interest Expense</u>
1	Hamilton County	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
2	Hamilton County	1,018,676	-	1,018,676	-
3	Hamilton County	1,200,000	-	1,200,000	-
4	Hamilton County	900,000	-	900,000	-
5	Hamilton County	428,630	16,902	411,728	26,528
6	Hamilton County	1,092,298	40,873	1,051,425	59,405
7	Hamilton County	<u>948,000</u>	<u>-</u>	<u>948,000</u>	<u>103,007</u>
	Subtotal	<u>6,587,604</u>	<u>57,775</u>	<u>6,529,829</u>	<u>188,940</u>
8	LRPH	<u>6,869,347</u>	<u>503,863</u>	<u>6,365,484</u>	<u>299,062</u>
9	HOPE VI	2,440,000	-	2,440,000	-
10	HOPE VI	1,999,975	-	1,999,975	-
11	HOPE VI	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>
	Subtotal	<u>8,439,975</u>	<u>-</u>	<u>8,439,975</u>	<u>-</u>
	Total	<u>\$21,896,926</u>	<u>\$ 561,638</u>	<u>\$21,335,288</u>	<u>\$ 488,002</u>

<u>Item</u>	<u>Payee</u>	<u>Date of Note</u>	<u>Rate of Interest</u>	<u>Accrued Interest</u>	<u>Final Maturity</u>
1	Hamilton County (HOME)	Jan 1996	2.0%	to be forgiven	2021
2	Hamilton County (HOME)	Mar 1998	2.0%	to be forgiven	2023
3	Hamilton County (HOME)	Nov 1998	2.0%	to be forgiven	2024
4	Hamilton County (HOME)	Nov 1998	2.0%	to be forgiven	2024
5	Fifth/Third Bank	Apr 1998	5.2%	3,750	2004
6	U. S. Bank	Dec 1998	5.25%	-	2018
7	Fifth/Third Bank	Dec 2001	5.2%	-	2003
8	Fifth/Third Bank (Vestar)	Aug 2001	5.1%	29,165	2014
9	City of Cincinnati (HOME)	Jun 2000	NA	-	2032
10	City of Cincinnati (CDBG)	Sep 2001	3.5%	-	2032
11	Fannie Mae	May 2002	LIBOR+1.10	23,397	2005

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

H - Notes Payable: (Continued)

- 1.-4. Hamilton County (HOME) Loans:** Hamilton County provided HOME funds for the development of low-rent housing units in Hamilton County. These loans (and interest of 2% per annum) will be forgiven at the rate of 10% annually commencing in the sixteenth year if the units are preserved as low-rent housing throughout the entire twenty-five year duration. CMHA therefore does not record interest expense and accruals on these loans, since CMHA's very mission is to provide low-rent housing.
- 5.-7. Hamilton County Bank Loans:** These loans were acquired in order to expand the Hamilton County program. The loans are with local banks.
- 8. Low-Rent Public Housing Loan:** This loan is in the form of a lease-purchase agreement between CMHA and Fifth Third Bank. Proceeds of the loan were used to purchase equipment which will reduce energy costs so that the savings from the conservation will exceed the cost of the loan.
- 9. City of Cincinnati CDBG Loan:** This loan was acquired for the construction of public improvements. For fiscal year 2002 the interest expense is prorated.
- 10. City of Cincinnati HOME Grant:** This loan is forgiven upon maturity of the HOPE VI Grant Agreement if all units are placed in service. It therefore has characteristics of a grant. This grant matures in 2004. This grant is recorded as a note payable due to the contingency restriction whereby the assets acquired with the funds must be fully placed into service by the maturity date of the HOPE VI Grant.
- 11. Fannie Mae Loan:** This loan was acquired on behalf of the development partner. The loan proceeds are drawn from Fannie Mae by CMHA. CMHA then re-loans these funds to the developer. Interest rates and terms upon the developer is approximately equal to CMHA's interest rates and terms with Fannie Mae.

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CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

H - Notes Payable: (Continued)

The notes payable mature as follows:

	<u>Hamilton County HOME</u>	<u>LRPH Vestar</u>	<u>HOPE VI HOME</u>	<u>HOPE VI CDBG</u>	<u>HOPE VI Fannie Mae</u>	<u>Total</u>
2002	\$ 57,775	\$ -	\$ -	\$ -	\$ -	\$ 57,775
2003	1,402,790	503,863	-	-	-	1,906,653
2004	45,368	490,416	2,440,000	-	-	2,975,784
2005	47,797	516,021	-	-	4,000,000	4,563,818
2006	50,356	542,962	-	-	-	593,318
2007	53,053	571,309	-	-	-	624,362
2008-2012	411,037	3,336,351	-	-	-	3,747,388
2013-2017	1,941,186	908,425	-	-	-	2,849,611
2018-2022	2,056,378	-	-	-	-	2,056,378
2023-2027	521,864	-	-	-	-	521,864
2042	-	-	-	1,999,975	-	1,999,975
	<u>6,587,604</u>	<u>6,869,347</u>	<u>2,440,000</u>	<u>1,999,975</u>	<u>4,000,000</u>	<u>21,896,926</u>
Less current portion	<u>57,775</u>	<u>503,863</u>	-	-	-	<u>561,638</u>
Long-term portion	<u>\$ 6,529,829</u>	<u>\$ 6,365,484</u>	<u>\$ 2,440,000</u>	<u>\$ 1,999,975</u>	<u>\$ 4,000,000</u>	<u>\$ 21,335,288</u>

I - Annual Contributions by Federal Agencies:

Annual Contributions Contract C-984 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget. Operating subsidy contributions for the year ended June 30, 2002, were \$20,259,692.

Annual Contributions Contract C-5034 - Annual Contributions Contracts on Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. The Authority is also eligible to receive reimbursements for preliminary expense prior to lease up.

HUD contributions for the year ended June 30, 2002 were as follows:

Section 8 Housing Choice Vouchers	\$31,626,226
Section 8 Moderate Rehabilitation	<u>1,859,520</u>
	<u>\$33,485,746</u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

J - Retirement Commitments:

1. **Plan Description:** CMHA contributes to the Public Employees' Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by State Statute per Chapter 145 of the Ohio Revised Code. The Public Employees' Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-466-2085.
2. **Funding Policy:** The Ohio Revised Code provides statutory authority for employee and employer contributions.

The employee and employers contributions for the current and two preceding years were as follows:

	<u>Percentage of Covered Payroll</u>		<u>Total Payroll</u>	<u>Payroll Covered</u>	<u>Authority Contributions</u>	<u>Employee Contributions</u>
	<u>Employer</u>	<u>Employee</u>				
2000	13.55%	8.5%	\$14,278,834	\$ 14,011,054	\$ 1,897,396	\$ 1,190,261
2001	13.55%	8.5%	14,567,740	14,299,545	1,937,588	1,215,465
2002	13.55%	8.5%	14,553,109	14,292,572	1,936,626	1,214,871

- K - Other Post-Employment Benefits:** Public Employees Retirement System of Ohio provided post-retirement health care coverage to aid and service retirees with 10 or more years of qualifying Ohio service credit. The method of funding by CMHA is Advance-funded on an actuarially determined basis. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement Number 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2002 employer contribution rate for local government employers was 13.55% of covered payroll: 4.3% was the portion that was used to fund health care for the year 2001. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. The employer contributions actually made by CMHA to fund post-employment benefits during fiscal 2002 was \$614,581, based on the 2001 rate.

- L - Self-Funded Health Benefits:** CMHA is self-insured for employee dental and vision coverage. CMHA has contracted with a third party administrator to direct this program. Health insurance is Carried Choice Care. It provides a maximum life benefit of \$1 million per individual.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

M - Compensated Absences Payable: Accrued vacation is paid upon termination. 240 hours of sick leave is payable upon termination if the employee has accrued at least 1000 hours. If the employee has attained 70 points (age and years of service) at termination, the entire sick leave accrual may be converted to a post-employment health plan. The cost of current leave privileges computed in accordance with GASB Statement No. 16, "Compensated Absences", is recognized as a current year expenditure in the period in which it is earned, in accordance with GAAP.

At June 30, 2002 total leave to be paid upon termination is \$960,287. \$104,043 is current and \$856,245 is long-term.

N - Commitments: CMHA is engaged in modernization programs funded by HUD. In this regard, CMHA has entered into construction-type contracts, with approximately \$8,142,665 remaining until completion.

O - Economic Dependency: HUD provides approximately 87% of CMHA's operating and modernization revenues.

P - Contingencies:

1. CMHA is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of CMHA's attorney that resolution of these matters will not have a material adverse effect on the financial condition of CMHA.
2. CMHA is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There was one such examination for the year ended June 30, 2002. There were no findings issued.

Q - Conduit Type Debt: Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of CMHA. Accordingly, this debt has not been recorded in the financial statements of CMHA. Additionally, HUD no longer provides debt service information to CMHA.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002
(Continued)

R - Schedule of Changes in Fund Equity:

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance beginning of year	\$ 150,666,324	\$ 7,900,018	\$ 158,566,342
Recategorize equity	(14,361,678)	14,361,678	-
Adjustments to restate beginning balance*	(145,710)	925,877	780,167
Adjusted balance beginning of year	136,158,936	23,187,573	159,346,509
Net income	-	12,946,777	12,946,777
Depreciation add-back	(14,318,030)	14,318,030	-
Balance at end of year	<u>\$ 121,840,906</u>	<u>\$ 50,452,380</u>	<u>\$ 172,293,286</u>

***Adjustments to restate beginning balance**

Reimbursement of funds utilized in HOPE VI	\$ 660,556
Recognition of deferred HUD revenue from 1999	80,561
Reversal of prior year adjustment	49,423
Reclassification of costs from hard to soft	(10,373)

Net adjustments to restate beginning balance **\$ 780,167**

- S - New Accounting Pronouncements:** The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analyses – for State and Local Governments (SGAS 34)". This statement is a change in the reporting model for governmental entities. It will require a "dual perspective" approach along with management discussion and analysis and reporting of infrastructure assets and depreciation. Due to the significance of the changes, GASB has allowed an extended implementation period depending on the entities' revenues. The management at CMHA has indicated they will implement this standard for the fiscal year ending June 30, 2004.

SUPPLEMENTAL INFORMATION

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND EQUITY
JUNE 30, 2002

	Business Activities	Congregate Housing Services Program	HOME Investment Partnership Program	Section 8 Mod Rehab Single Room Occupancy Program	Low Rent Public Housing Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Mod Rehab Program 002	Section 8 Mod Rehab Program 004	Section 8 Mod Rehab Program 005
ASSETS										
Current assets:										
Cash and cash equivalents	\$ 588,718	\$ --	\$ 7,860	\$ --	\$ --	\$ --	\$ 497,603	\$ --	\$ --	\$ --
Investments - unrestricted	--	--	--	2,987,078	--	--	649,008	--	--	--
Interest receivable	--	--	--	33,935	--	--	4,290	--	--	--
Accounts receivable (net of allowance for uncollectibles)	119,609	10	50,211	369,641	--	--	172,568	--	--	--
Due from HUD	--	--	--	--	--	83,607	985,710	--	36,782	--
Due from other programs	94,160	--	--	12,206,199	--	--	110,908	101,016	--	7,697
Inventories (net of allowance for obsolescence)	--	--	--	322,937	--	--	--	--	--	--
Prepaid insurance	550	--	6,727	29,113	--	--	1,048	--	--	--
Total current assets	803,037	10	64,798	15,948,903	83,607	2,421,135	101,016	36,782	7,697	
Restricted assets:										
Cash and cash equivalents--Resident security deposits & escrows	--	--	50,854	745,778	--	--	738,681	--	--	--
Investments - restricted for payment of security deposits	--	--	--	202,434	--	--	--	--	--	--
Investments - assigned as collateral	--	--	--	--	--	--	1,000,000	--	--	--
Cash and cash equivalents--Proceeds from Fannie Mae note	--	--	--	--	--	--	--	--	--	--
Total restricted assets	--	--	50,854	948,212	--	--	1,738,681	--	--	--
Other assets:										
Notes and mortgages receivable-non-current	--	--	--	--	--	--	--	--	--	--
Insurance deposits	--	--	--	369,930	--	--	--	--	--	--
Total other assets	--	--	--	369,930	--	--	--	--	--	--
Fixed assets:										
Land	--	--	1,446,815	9,493,581	--	--	--	--	--	--
Buildings	1,000	--	5,828,486	158,602,924	--	--	--	--	--	--
Furniture, equipment & machinery	28,488	--	--	3,093,144	--	--	526,415	--	--	--
Accumulated depreciation	(5,697)	--	(391,265)	(84,323,099)	--	--	(422,562)	--	--	--
Construction in process	--	--	--	--	--	--	--	--	--	--
Fixed assets, net of accumulated depreciation	23,791	--	6,884,036	86,866,550	83,607	103,853	4,263,669	101,016	36,782	7,697
TOTAL ASSETS	\$ 826,828	\$ 10	\$ 6,999,688	\$ 104,133,595	\$ 83,607	\$ 4,263,669	\$ 101,016	\$ 36,782	\$ 7,697	

LIABILITIES AND EQUITY

Current liabilities:																
Accounts payable	\$	159	\$	--	\$	--	\$	2,290,757	\$	30,208	\$	77,631	\$	--	\$	--
Accrued wages/taxes payable		7,633		--		--		670,510		--		72,391		--		--
Accrued compensated absences		791		--		--		88,754		--		14,498		--		--
Other accrued liabilities		--		--		--		263,299		--		--		--		--
Due to other programs		--		10		143,286		--		53,399		1,156,145				7,308
Due to other governments		--		--		--		370,995		--		--				56,367
Prepaid rents		--		--		5,719		71,515		--		--				--
Total current liabilities		8,583		10		149,005		3,755,830		83,607		1,320,665		56,367		23,674
Current liabilities payable from restricted assets:																
Resident security deposits & FSS escrows		--		--		50,854		937,212		--		738,681		--		--
Notes and bonds payable		--		--		57,775		503,863		--		--		--		--
Accrued interest payable		--		--		3,750		29,195		--		--		--		--
Total current liabilities payable from restricted assets		--		--		112,379		1,470,270		--		738,681		--		--
Noncurrent liabilities:																
Notes and bonds payable		--		--		6,529,828		6,365,485		--		--		--		--
Accrued compensated absences		4,502		--		--		788,172		--		63,571		--		--
Workers' compensation contingency		--		--		--		616,045		--		--		--		--
Total noncurrent liabilities		4,502		--		6,529,828		7,769,702		--		63,571		--		--
Total liabilities		13,085		10		6,791,212		12,995,802		83,607		2,122,917		56,367		23,674
Equity:																
Contributed capital																
Governmental																
Retained earnings																
Unreserved		--		--		--		83,193,052		--		--		--		--
Total equity		813,743		--		208,476		7,944,741		--		2,140,752		44,649		(15,977)
Total LIABILITIES AND EQUITY		813,743		--		208,476		91,137,793		--		2,140,752		44,649		(15,977)
		826,828		10		6,999,688		104,133,595		83,607		4,263,669		101,016		36,782
																7,697

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND EQUITY
JUNE 30, 2002
(Continued)

	Section 8 Mod Rehab Program 006	Section 8 Mod Rehab Program 0013	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Economic Development & Supportive Services	HOPE VI Program	Resident Opportunity and Supportive Services Program	Capital Fund Program	Interprogram Elimination	Total
ASSETS										
Current assets:										
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,094,181
Investments - unrestricted	--	--	--	--	--	--	--	--	--	3,636,086
Interest receivable	--	--	--	--	--	--	--	--	--	38,225
Accounts receivable (net of allowance for uncollectibles)	--	--	--	--	--	--	--	--	--	712,039
Due from HUD	--	--	--	--	--	10,302,220	27,281	995,396	--	12,430,996
Due from other programs	--	62,861	--	--	--	--	--	--	(12,619,656)	--
Inventories (net of allowance for obsolescence)	--	--	--	--	--	--	--	--	--	322,937
Prepaid insurance	--	--	--	--	--	--	--	--	--	37,438
Total current assets	--	62,861	--	--	--	10,302,220	27,281	995,396	(12,619,656)	18,271,902
Restricted assets:										
Cash and cash equivalents--Resident security deposits & escrows	--	--	--	--	--	--	--	--	--	1,535,313
Investments - restricted for payment of security deposits	--	--	--	--	--	--	--	--	--	202,434
Investments - assigned as collateral	--	--	--	--	--	--	--	--	--	1,000,000
Cash and cash equivalents--Proceeds from Fannie Mae note	--	--	--	--	--	3,056,777	--	--	--	3,056,777
Total restricted assets	--	--	--	--	--	3,056,777	--	--	--	5,794,524
Other assets:										
Notes and mortgages receivable-non-current	--	--	--	--	--	11,335,900	--	--	--	11,335,900
Insurance deposits	--	--	--	--	--	--	--	--	--	369,930
Total other assets	--	--	--	--	--	11,335,900	--	--	--	11,705,830
Fixed assets:										
Land	--	--	--	--	--	--	--	--	--	10,940,396
Buildings	--	--	--	--	--	--	--	--	--	164,432,410
Furniture, equipment & machinery	--	--	--	--	--	--	--	--	--	3,648,047
Accumulated depreciation	--	--	--	--	--	--	--	--	--	(85,142,623)
Construction in process	--	--	--	33,494,103	--	19,511,944	--	20,999,879	--	74,005,926
Fixed assets, net of accumulated depreciation	--	--	--	33,494,103	--	19,511,944	--	20,999,879	--	167,884,156
TOTAL ASSETS	\$ --	\$ 62,861	\$ --	\$ 33,494,103	\$ --	\$ 44,206,841	\$ 27,281	\$ 21,995,275	\$ (12,619,656)	\$ 203,656,412

LIABILITIES AND EQUITY

Current liabilities:

Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 93,650	\$ --	\$ 3,796,106
Accrued wages/taxes payable	--	--	--	--	--	--	750,534
Accrued compensated absences	--	--	--	--	--	--	104,043
Other accrued liabilities	--	--	--	--	718,744	--	982,043
Due to other programs	54,444	--	--	10,995,705	26,356	(12,619,656)	--
Due to other governments	2,559	5,592	--	--	--	--	490,682
Prepaid rents	--	--	--	--	--	--	77,234
Total current liabilities	57,003	5,592	--	12,298,481	27,281	(12,619,656)	6,200,642

Current liabilities payable from restricted assets:

Resident security deposits & FSS escrows	--	--	--	--	--	--	1,726,747
Notes and bonds payable	--	--	--	--	--	--	561,638
Accrued interest payable	--	--	--	33,576	--	--	66,521
Total current liabilities payable from restricted assets	--	--	--	33,576	--	--	2,354,906

Noncurrent liabilities:

Notes and bonds payable	--	--	--	8,439,975	--	--	21,335,288
Accrued compensated absences	--	--	--	--	--	--	856,245
Workers' compensation contingency	--	--	--	--	--	--	616,045
Total noncurrent liabilities	--	--	--	8,439,975	--	--	22,807,578
Total liabilities	57,003	5,592	--	20,772,032	27,281	(12,619,656)	31,363,126

Equity:

Contributed capital	--	--	--	4,386,539	--	--	121,840,906
Governmental	--	--	30,613,867	--	3,647,448	--	--
Retained earnings	--	--	--	--	--	--	--
Unreserved	(57,003)	57,269	2,880,236	19,048,270	17,352,430	--	50,452,380
Total equity	(57,003)	57,269	33,494,103	23,434,809	20,999,878	--	172,293,286
TOTAL LIABILITIES AND EQUITY	\$ --	\$ 62,861	\$ 33,494,103	\$ 44,206,841	\$ 27,281	\$ (12,619,656)	\$ 203,656,412

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2002

	Congregate Housing Services Program	HOME Investment Partnership Program	Section 8 Mod Rehab Single Room Occupancy Program	Low Rent Public Housing Program	Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Mod Rehab Program 002	Section 8 Mod Rehab Program 004	Section 8 Mod Rehab Program 005
Operating revenues:									
Rental revenue	--	\$ 638,008	--	\$ 11,752,376	\$ --	\$ --	--	\$ --	--
HUD grants	83,782	--	45,922	20,259,682	1,856,783	31,626,226	200,157	733,020	110,112
Other revenue	626,325	23,709	--	691,586	--	36,203	--	--	--
Total operating revenues	626,325	661,717	45,922	32,703,644	1,856,783	31,662,429	200,157	733,020	110,112
Operating expenses:									
Administrative	178,648	56,657	5,660	8,853,642	--	2,228,332	13,919	46,004	5,898
Tenant services	--	--	--	409,653	1,856,783	--	--	--	--
Utilities	--	92,927	--	8,310,428	--	1,056	--	--	--
Maintenance & operation	--	283,740	93	13,648,278	--	48,663	228	752	96
Protective services	--	--	--	122,956	--	--	--	--	--
General expenses	747	6,135	4,141	1,189,544	--	52,732	329	1,089	139
Housing assistance payments	--	--	34,833	--	--	27,899,260	171,882	650,544	95,702
Depreciation	5,698	145,710	--	14,318,030	--	44,324	--	--	--
Total operating expenses	185,093	585,169	44,727	46,852,531	1,856,783	30,274,367	186,358	698,389	101,835
Operating income (loss)	441,232	76,548	1,195	(14,148,887)	--	1,388,062	13,799	34,631	8,277
Nonoperating revenues (expenses)									
Interest revenue	18,675	1,535	118	280,349	--	46,588	291	962	123
Interest expense	--	(188,939)	--	(299,062)	--	--	--	--	--
Loss on disposition of fixed assets	--	--	--	(7,415,913)	--	--	--	--	--
Casualty losses	--	--	--	(144,040)	--	--	--	--	--
Total nonoperating revenues (expenses)	18,675	(187,404)	118	(7,578,666)	--	46,588	291	962	123
Net income (loss)	459,907	(110,856)	1,313	(21,727,553)	--	1,434,650	14,090	35,593	8,400
Fund equity - beginning of year	353,836	319,332	4,007	98,039,933	--	469,686	30,559	(6,119)	(24,377)
Prior year adjustments and correction of errors	--	--	--	14,825,413	--	236,416	--	--	--
Adjusted fund equity - beginning of year	353,836	319,332	4,007	112,865,346	--	706,102	30,559	(6,119)	(24,377)
TOTAL FUND EQUITY	\$ 813,743	\$ 208,476	\$ 5,320	\$ 91,137,793	\$ --	\$ 2,140,752	\$ 44,649	\$ 29,474	\$ (15,977)

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

	Section 8 Mod Rehab Program 006	Section 8 Mod Rehab Program 0013	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Economic Development & Supportive Services	HOPE VI Program	Resident Opportunity and Supportive Services Program	Capital Fund Program	Total
Operating revenues:									
Rental revenue	\$ 714,804	\$ 55,505	\$ --	\$ 2,882,106	\$ 73,164	\$ 18,511,224	\$ 74,287	\$ 19,089,305	\$ 12,390,384
HUD grants	--	--	--	--	--	277,565	--	--	96,316,079
Other revenue	--	--	--	--	--	--	--	--	1,655,388
Total operating revenues	714,804	55,505	--	2,882,106	73,164	18,788,789	74,287	19,089,305	110,361,851
Operating expenses:									
Administrative	54,026	5,427	--	1,870	--	1,651,931	--	1,736,875	14,838,889
Tenant services	--	--	--	--	73,164	--	74,287	--	2,497,669
Utilities	--	--	--	--	--	--	--	--	8,404,411
Maintenance & operation	883	88	--	--	--	4,554,140	--	--	18,536,961
Protective services	--	--	--	--	--	--	--	--	122,956
General expenses	1,278	129	--	--	--	--	--	--	1,256,263
Housing assistance payments	626,059	44,416	--	--	--	--	--	--	29,522,696
Depreciation	--	--	--	--	--	--	--	--	14,513,762
Total operating expenses	682,246	50,060	--	1,870	73,164	6,206,071	74,287	1,736,875	89,693,607
Operating income (loss)	32,558	5,445	--	2,880,236	--	12,582,718	--	17,352,430	20,668,244
Nonoperating revenues (expenses)									
Interest revenue	1,130	113	--	--	--	--	--	--	349,884
Interest expense	--	--	--	--	--	(23,397)	--	--	(511,398)
Loss on disposition of fixed assets	--	--	--	--	--	--	--	--	(7,415,913)
Casualty losses	--	--	--	--	--	--	--	--	(144,040)
Total nonoperating revenues (expenses)	1,130	113	--	--	--	(23,397)	--	--	(7,721,467)
Net income (loss)	33,688	5,558	--	2,880,236	--	12,559,321	--	17,352,430	12,946,777
Fund equity - beginning of year	(90,691)	2,288	(424,140)	45,369,092	--	10,875,488	--	3,647,448	158,566,342
Prior year adjustments and correction of errors	--	49,423	424,140	(14,755,225)	--	--	--	--	780,167
Adjusted fund equity - beginning of year	(90,691)	51,711	--	30,613,867	--	10,875,488	--	3,647,448	159,346,509
TOTAL FUND EQUITY	(57,003)	57,269	\$ --	\$ 33,494,103	\$ --	\$ 23,434,809	\$ --	\$ 20,999,878	\$ 172,293,286

Line Item No.	Account Description	Business Activities	Congregate Housing Service Program	HOME Investment Partnerships Program	Section 8 Moderate Rehabilitation Single Room Occupancy	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
111	Cash - Unrestricted	\$588,718	\$0	\$7,860	\$0	\$0	\$0	\$497,603
113	Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$738,681
114	Cash - Tenant Security Deposits	\$0	\$0	\$50,854	\$0	\$745,778	\$0	\$0
100	Total Cash	\$588,718	\$0	\$58,714	\$0	\$745,778	\$0	\$1,236,284
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$83,607	\$985,710
125	Accounts Receivable - Miscellaneous	\$119,609	\$10	\$34,165	\$0	\$136,207	\$0	\$172,568
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$16,046	\$0	\$267,734	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$-34,300	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$33,935	\$0	\$4,290
120	Total Receivables, net of allowances for doubtful accounts	\$119,609	\$10	\$50,211	\$0	\$403,576	\$83,607	\$1,162,568
131	Investments - Unrestricted	\$0	\$0	\$0	\$0	\$2,987,078	\$0	\$649,008
135	Investments - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$202,434	\$0	\$0
132	Investments Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
142	Prepaid Expenses and Other Assets	\$550	\$0	\$6,727	\$0	\$29,113	\$0	\$1,048
143	Inventories	\$0	\$0	\$0	\$0	\$394,100	\$0	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$-71,163	\$0	\$0
144	Interprogram Due From	\$94,160	\$0	\$0	\$36,815	\$12,206,199	\$0	\$110,908
150	Total Current Assets	\$803,037	\$10	\$115,652	\$36,815	\$16,897,115	\$83,607	\$4,159,816
161	Land	\$0	\$0	\$1,446,815	\$0	\$9,493,581	\$0	\$0
162	Buildings	\$1,000	\$0	\$5,828,486	\$0	\$158,602,924	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$28,488	\$0	\$0	\$0	\$3,093,144	\$0	\$526,415
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$-5,697	\$0	\$-391,265	\$0	\$-84,323,099	\$0	\$-422,562
167	Construction In Progress	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160	Total Fixed Assets, Net of Accumulated Depreciation	\$23,791	\$0	\$6,884,036	\$0	\$66,866,550	\$0	\$103,853
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174	Other Assets	\$0	\$0	\$0	\$0	\$369,930	\$0	\$0
180	Total Non-Current Assets	\$23,791	\$0	\$6,884,036	\$0	\$87,236,480	\$0	\$103,853
190	Total Assets	\$826,828	\$10	\$6,999,688	\$36,815	\$104,133,595	\$83,607	\$4,263,669

Line Item No.	Account Description	Business Activities	Congregate Housing Service Program	HOME Investment Partnerships Program	Section 8 Moderate Rehabilitation Single Room Occupancy	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
312	Accounts Payable <= 90 Days	\$159	\$0	\$0	\$0	\$2,290,757	\$30,208	\$77,631
321	Accrued Wage/Payroll Taxes Payable	\$7,633	\$0	\$0	\$0	\$670,510	\$0	\$72,391
322	Accrued Compensated Absences - Current Portion	\$791	\$0	\$0	\$0	\$88,754	\$0	\$14,498
325	Accrued Interest Payable	\$0	\$0	\$3,750	\$0	\$29,195	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$31,495	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$370,995	\$0	\$0
341	Tenant Security Deposits	\$0	\$0	\$50,854	\$0	\$937,212	\$0	\$0
342	Deferred Revenues	\$0	\$0	\$5,719	\$0	\$71,515	\$0	\$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$57,775	\$0	\$503,863	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$263,299	\$0	\$738,681
347	Interprogram Due To	\$0	\$10	\$143,286	\$0	\$0	\$53,399	\$1,156,145
310	Total Current Liabilities	\$8,583	\$10	\$261,384	\$31,495	\$5,226,100	\$83,607	\$2,059,346
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$6,529,828	\$0	\$6,365,485	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$4,502	\$0	\$0	\$0	\$788,172	\$0	\$63,571
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$0	\$616,045	\$0	\$0
350	Total Noncurrent Liabilities	\$4,502	\$0	\$6,529,828	\$0	\$7,769,702	\$0	\$63,571
300	Total Liabilities	\$13,085	\$10	\$6,791,212	\$31,495	\$12,995,802	\$83,607	\$2,122,917
502	Project Notes (HUD)	\$0	\$0	\$0	\$0	\$75,910,415	\$0	\$0
503	Long-term Debt - HUD Guaranteed	\$0	\$0	\$0	\$0	\$4,857,145	\$0	\$0
504	Net HUD PHA Contributions	\$0	\$0	\$0	\$0	\$2,425,492	\$0	\$0
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$83,193,052	\$0	\$0
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$813,743	\$0	\$208,476	\$5,320	\$7,944,741	\$0	\$2,140,752
513	Total Equity/Net Assets	\$813,743	\$0	\$208,476	\$5,320	\$91,137,793	\$0	\$2,140,752
600	Total Liabilities and Equity/Net Assets	\$826,828	\$10	\$6,999,688	\$36,815	\$104,133,595	\$83,607	\$4,263,669

Line Item No.	Account Description	Business Activities	Congregate Housing Service Program	HOME Investment Partnerships Program	Section 8 Moderate Rehabilitation Single Room Occupancy	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
703	Net Tenant Rental Revenue	\$0	\$0	\$638,008	\$0	\$11,752,376	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$218,349	\$0	\$0
705	Total Tenant Revenue	\$0	\$0	\$638,008	\$0	\$11,970,725	\$0	\$0
706	HUD PHA Operating Grants	\$0	\$83,782	\$0	\$45,922	\$20,259,682	\$1,856,783	\$31,626,226
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
711	Investment Income - Unrestricted	\$18,675	\$0	\$1,535	\$118	\$280,349	\$0	\$26,725
715	Other Revenue	\$626,325	\$0	\$23,709	\$0	\$473,237	\$0	\$36,203
716	Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$-7,415,913	\$0	\$0
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$19,863
700	Total Revenue	\$645,000	\$83,782	\$663,252	\$46,040	\$25,568,080	\$1,856,783	\$31,709,017

Line Item No.	Account Description	Business Activities	Congregate Housing Service Program	HOME Investment Partnerships Program	Section 8 Moderate Rehabilitation Single Room Occupancy	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
911	Administrative Salaries	\$138,437	\$0	\$0	\$3,441	\$4,680,612	\$0	\$1,354,321
912	Auditing Fees	\$0	\$0	\$0	\$21	\$35,604	\$0	\$8,406
913	Outside Management Fees	\$0	\$0	\$49,871	\$0	\$0	\$0	\$0
914	Compensated Absences	\$-911	\$0	\$0	\$-6	\$90,173	\$0	\$-2,337
915	Employee Benefit Contributions - Administrative	\$33,186	\$0	\$0	\$918	\$1,229,400	\$0	\$361,695
916	Other Operating - Administrative	\$7,936	\$0	\$6,786	\$1,286	\$2,817,853	\$0	\$506,247
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$110,873	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$25,348	\$0	\$0
924	Tenant Services - Other	\$0	\$83,782	\$0	\$0	\$273,432	\$1,856,783	\$0
931	Water	\$0	\$0	\$0	\$0	\$1,844,376	\$0	\$1,056
932	Electricity	\$0	\$0	\$0	\$0	\$2,925,772	\$0	\$0
933	Gas	\$0	\$0	\$0	\$0	\$2,692,460	\$0	\$0
935	Labor	\$0	\$0	\$0	\$0	\$666,264	\$0	\$0
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$181,556	\$0	\$0
938	Other Utilities Expense	\$0	\$0	\$92,927	\$0	\$0	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$51,144	\$0	\$5,620,870	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$232,596	\$32	\$1,770,707	\$0	\$12,443
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$0	\$61	\$3,160,636	\$0	\$36,220
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$1,528,107	\$0	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$39,497	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$74,850	\$0	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$8,609	\$0	\$0
961	Insurance Premiums	\$0	\$0	\$0	\$77	\$375,998	\$0	\$30,320
962	Other General Expenses	\$320	\$0	\$890	\$4,064	\$232,574	\$0	\$22,412
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$370,995	\$0	\$0
964	Bad Debt - Tenant Rents	\$0	\$0	\$5,245	\$0	\$209,977	\$0	\$0
967	Interest Expense	\$0	\$0	\$188,939	\$0	\$299,062	\$0	\$0
968	Severance Expense	\$427	\$0	\$0	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$179,395	\$83,782	\$628,398	\$9,894	\$31,265,605	\$1,856,783	\$2,330,783
970	Excess Operating Revenue over Operating Expenses	\$465,605	\$0	\$34,854	\$36,146	\$-5,697,525	\$0	\$29,378,234
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$1,567,958	\$0	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$144,040	\$0	\$0
973	Housing Assistance Payments	\$0	\$0	\$0	\$34,833	\$0	\$0	\$27,899,260
974	Depreciation Expense	\$5,698	\$0	\$145,710	\$0	\$14,318,030	\$0	\$44,324
900	Total Expenses	\$185,093	\$83,782	\$774,108	\$44,727	\$47,295,633	\$1,856,783	\$30,274,367
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$459,907	\$0	\$-110,856	\$1,313	\$-21,727,553	\$0	\$1,434,650

Line Item No.	Account Description	Business Activities	Congregate Housing Service Program	HOME Investment Partnerships Program	Section 8 Moderate Rehabilitation Single Room Occupancy	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$353,836	\$0	\$319,332	\$4,007	\$98,039,933	\$0	\$469,686
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$14,825,413	\$0	\$236,416
1112	Depreciation Add Back	\$0	\$0	\$0	\$0	\$14,318,030	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$0	\$0	\$16,896,303
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$13,744,213
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$16,457	\$0	\$0	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$16,457	\$0	\$0	\$30,640,516
1120	Unit Months Available	0	0	1,368	240	64,470	0	80,136
1121	Number of Unit Months Leased	0	0	1,325	187	63,006	0	73,592

Line Item No.	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0006	Section 8 Rental Certificate Program	Public Housing Grant Program
111	Cash - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
113	Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100	Total Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$36,782	\$0	\$0	\$0	\$0
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$0	\$36,782	\$0	\$0	\$0	\$0
131	Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
135	Investments - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132	Investments Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$101,016	\$62,861	\$0	\$7,697	\$0	\$0	\$0
150	Total Current Assets	\$101,016	\$62,861	\$36,782	\$7,697	\$0	\$0	\$0
161	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0
162	Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
167	Construction In Progress	\$0	\$0	\$0	\$0	\$0	\$0	\$33,494,103
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$33,494,103
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174	Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180	Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$33,494,103
190	Total Assets	\$101,016	\$62,861	\$36,782	\$7,697	\$0	\$0	\$33,494,103

Line Item No.	Account Description	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH004MR0002	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH004MR0003	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH004MR0004	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH004MR0005	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH004MR0006	Section 8 Rental Certificate Program	Public Housing_Comprehensive Grant Program
312	Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325	Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$56,367	\$5,592	\$0	\$23,674	\$2,559	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
341	Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
342	Deferred Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
347	Interprogram Due To	\$0	\$0	\$7,308	\$0	\$54,444	\$0	\$0
310	Total Current Liabilities	\$56,367	\$5,592	\$7,308	\$23,674	\$57,003	\$0	\$0
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300	Total Liabilities	\$56,367	\$5,592	\$7,308	\$23,674	\$57,003	\$0	\$0
502	Project Notes (HUD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
503	Long-term Debt - HUD Guaranteed	\$0	\$0	\$0	\$0	\$0	\$0	\$0
504	Net HUD PHA Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$30,613,867
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$30,613,867
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$44,649	\$57,269	\$29,474	\$-15,977	\$-57,003	\$0	\$2,880,236
513	Total Equity/Net Assets	\$44,649	\$57,269	\$29,474	\$-15,977	\$-57,003	\$0	\$33,494,103
600	Total Liabilities and Equity/Net Assets	\$101,016	\$62,861	\$36,782	\$7,697	\$0	\$0	\$33,494,103

Line Item No.	Account Description	Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation OH004MR0006	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
706	HUD PHA Operating Grants	\$200,157	\$55,505	\$733,020	\$110,112	\$714,804	\$0	\$1,870
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$2,880,236
711	Investment Income - Unrestricted	\$291	\$113	\$962	\$123	\$1,130	\$0	\$0
715	Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
716	Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$200,448	\$55,618	\$733,982	\$110,235	\$715,934	\$0	\$2,882,106

Line Item No.	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH004MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH004MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH004MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH004MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH004MR0006	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
911	Administrative Salaries	\$8,460	\$3,298	\$27,960	\$3,585	\$32,836	\$0	\$0
912	Auditing Fees	\$53	\$21	\$173	\$22	\$204	\$0	\$0
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
914	Compensated Absences	\$-15	\$-6	\$-48	\$-6	\$-57	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$2,259	\$881	\$7,467	\$957	\$8,769	\$0	\$0
916	Other Operating - Administrative	\$3,162	\$1,233	\$10,452	\$1,340	\$12,274	\$0	\$1,870
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
924	Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
931	Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0
932	Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
933	Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0
935	Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
938	Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$78	\$30	\$257	\$33	\$302	\$0	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$150	\$58	\$495	\$63	\$581	\$0	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
961	Insurance Premiums	\$189	\$74	\$626	\$80	\$735	\$0	\$0
962	Other General Expenses	\$140	\$55	\$463	\$59	\$543	\$0	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
967	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
968	Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$14,476	\$5,644	\$47,845	\$6,133	\$56,187	\$0	\$1,870
970	Excess Operating Revenue over Operating Expenses	\$185,972	\$49,974	\$686,137	\$104,102	\$659,747	\$0	\$2,880,236
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0
973	Housing Assistance Payments	\$171,882	\$44,416	\$650,544	\$95,702	\$626,059	\$0	\$0
974	Depreciation Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
900	Total Expenses	\$186,358	\$50,060	\$698,389	\$101,835	\$682,246	\$0	\$1,870
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$14,090	\$5,558	\$35,593	\$8,400	\$33,688	\$0	\$2,880,236

PHA: OH004 FYED: 06/30/2002

Line Item No.	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH004MR0006	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$30,559	\$2,288	\$-6,119	\$-24,377	\$-90,691	\$-424,140	\$45,369,092
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$49,423	\$0	\$0	\$0	\$424,140	\$-14,755,225
1112	Depreciation Add Back	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$75,446	\$0	\$29,252	\$0	\$0	\$0	\$0
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$181,078	\$61,097	\$666,986	\$133,786	\$717,363	\$0	\$0
1116	Total Annual Contributions Available	\$256,524	\$61,097	\$696,238	\$133,786	\$717,363	\$0	\$0
1120	Unit Months Available	612	240	1,812	312	1,920	0	0
1121	Number of Unit Months Leased	460	177	1,516	195	1,788	0	0

PHA: OH004 FYED: 06/30/2002

Line Item No.	Account Description	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$0	\$0	\$0	\$0	\$1,094,181
113	Cash - Other Restricted	\$0	\$3,056,777	\$0	\$0	\$3,795,458
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$796,632
100	Total Cash	\$0	\$3,056,777	\$0	\$0	\$5,686,271
122	Accounts Receivable - HUD Other Projects	\$0	\$10,302,220	\$27,281	\$995,396	\$12,430,996
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$462,559
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0	\$283,780
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$-34,300
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$38,225
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$10,302,220	\$27,281	\$995,396	\$13,181,260
131	Investments - Unrestricted	\$0	\$0	\$0	\$0	\$3,636,086
135	Investments - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$202,434
132	Investments Restricted	\$0	\$0	\$0	\$0	\$1,000,000
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$37,438
143	Inventories	\$0	\$0	\$0	\$0	\$394,100
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$-71,163
144	Interprogram Due From	\$0	\$0	\$0	\$0	\$12,619,656
150	Total Current Assets	\$0	\$13,358,997	\$27,281	\$995,396	\$36,686,082
161	Land	\$0	\$0	\$0	\$0	\$10,940,396
162	Buildings	\$0	\$0	\$0	\$0	\$164,432,410
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$3,648,047
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$0	\$0	\$0	\$0	\$-85,142,623
167	Construction In Progress	\$0	\$19,511,944	\$0	\$20,999,879	\$74,005,926
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$19,511,944	\$0	\$20,999,879	\$167,884,156
171	Notes, Loans, & Mortgages Receivable - Non Current	\$0	\$11,335,900	\$0	\$0	\$11,335,900
174	Other Assets	\$0	\$0	\$0	\$0	\$369,930
180	Total Non-Current Assets	\$0	\$30,847,844	\$0	\$20,999,879	\$179,589,986
190	Total Assets	\$0	\$44,206,841	\$27,281	\$21,995,275	\$216,276,068

PHA: OH004 FYED: 06/30/2002

Line Item No.	Account Description	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$0	\$1,302,776	\$925	\$93,650	\$3,796,106
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$750,534
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$104,043
325	Accrued Interest Payable	\$0	\$33,576	\$0	\$0	\$66,521
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$119,687
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$370,995
341	Tenant Security Deposits	\$0	\$0	\$0	\$0	\$988,066
342	Deferred Revenues	\$0	\$0	\$0	\$0	\$77,234
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$561,638
345	Other Current Liabilities	\$0	\$0	\$0	\$718,744	\$718,744
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$1,001,980
347	Interprogram Due To	\$0	\$10,995,705	\$26,356	\$183,003	\$12,619,656
310	Total Current Liabilities	\$0	\$12,332,057	\$27,281	\$995,397	\$21,175,204
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	\$0	\$8,439,975	\$0	\$0	\$21,335,288
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$856,245
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$0	\$616,045
350	Total Noncurrent Liabilities	\$0	\$8,439,975	\$0	\$0	\$22,807,578
300	Total Liabilities	\$0	\$20,772,032	\$27,281	\$995,397	\$43,982,782
502	Project Notes (HUD)	\$0	\$0	\$0	\$0	\$75,910,415
503	Long-term Debt - HUD Guaranteed	\$0	\$0	\$0	\$0	\$4,857,145
504	Net HUD PHA Contributions	\$0	\$4,386,539	\$0	\$3,647,448	\$41,073,346
508	Total Contributed Capital	\$0	\$4,386,539	\$0	\$3,647,448	\$121,840,906
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$0	\$19,048,270	\$0	\$17,352,430	\$50,452,380
513	Total Equity/Net Assets	\$0	\$23,434,809	\$0	\$20,999,878	\$172,293,286
600	Total Liabilities and Equity/Net Assets	\$0	\$44,206,841	\$27,281	\$21,995,275	\$216,276,068

Line Item No.	Account Description	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$12,390,384
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$218,349
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$12,608,733
706	HUD PHA Operating Grants	\$73,164	\$4,539,835	\$74,287	\$1,736,875	\$62,112,024
706.1	Capital Grants	\$0	\$13,971,389	\$0	\$17,352,430	\$34,204,055
711	Investment Income - Unrestricted	\$0	\$0	\$0	\$0	\$330,021
715	Other Revenue	\$0	\$277,565	\$0	\$0	\$1,437,039
716	Gain/Loss on Sale of Fixed Assets	\$0	\$0	\$0	\$0	\$-7,415,913
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$19,863
700	Total Revenue	\$73,164	\$18,788,789	\$74,287	\$19,089,305	\$103,295,822

PHA: OH004 FYED: 06/30/2002

Line Item No.	Account Description	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Total
911	Administrative Salaries	\$0	\$0	\$0	\$0	\$6,252,950
912	Auditing Fees	\$0	\$0	\$0	\$0	\$44,504
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$49,871
914	Compensated Absences	\$0	\$0	\$0	\$0	\$86,787
915	Employee Benefit Contributions - Administrative	\$0	\$0	\$0	\$0	\$1,645,532
916	Other Operating - Administrative	\$0	\$1,651,931	\$0	\$1,736,875	\$6,759,245
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$110,873
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$25,348
924	Tenant Services - Other	\$73,164	\$0	\$74,287	\$0	\$2,361,448
931	Water	\$0	\$0	\$0	\$0	\$1,845,432
932	Electricity	\$0	\$0	\$0	\$0	\$2,925,772
933	Gas	\$0	\$0	\$0	\$0	\$2,692,460
935	Labor	\$0	\$0	\$0	\$0	\$666,264
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$181,556
938	Other Utilities Expense	\$0	\$0	\$0	\$0	\$92,927
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$5,672,014
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$0	\$2,016,478
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$0	\$0	\$3,198,264
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$1,528,107
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$39,497
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$74,850
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$8,609
961	Insurance Premiums	\$0	\$0	\$0	\$0	\$408,099
962	Other General Expenses	\$0	\$0	\$0	\$0	\$261,520
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$370,995
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0	\$215,222
967	Interest Expense	\$0	\$23,397	\$0	\$0	\$511,398
968	Severance Expense	\$0	\$0	\$0	\$0	\$427
969	Total Operating Expenses	\$73,164	\$1,675,328	\$74,287	\$1,736,875	\$40,046,449
970	Excess Operating Revenue over Operating Expenses	\$0	\$17,113,461	\$0	\$17,352,430	\$63,249,373
971	Extraordinary Maintenance	\$0	\$4,554,140	\$0	\$0	\$6,122,098
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$144,040
973	Housing Assistance Payments	\$0	\$0	\$0	\$0	\$29,522,696
974	Depreciation Expense	\$0	\$0	\$0	\$0	\$14,513,762
900	Total Expenses	\$73,164	\$6,229,468	\$74,287	\$1,736,875	\$90,349,045
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$0	\$12,559,321	\$0	\$17,352,430	\$12,946,777

PHA: OH004 FYED: 06/30/2002

Line Item No.	Account Description	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$0	\$10,875,488	\$0	\$3,647,448	\$158,566,342
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$780,167
1112	Depreciation Add Back	\$0	\$0	\$0	\$0	\$14,318,030
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$17,001,001
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$13,744,213
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0	\$1,776,767
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$0	\$32,521,981
1120	Unit Months Available	0	0	0	0	151,110
1121	Number of Unit Months Leased	0	0	0	0	142,246

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL HOPE VI
GRANT PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

PROGRAM	Lincoln	Laurel	Lincoln Demo	Total
BUDGET	\$ 31,096,590	\$ 35,000,000	\$ 2,563,440	\$ 68,660,030
ADVANCES:				
Cash receipts - prior years	\$ 7,857,441	\$ 3,401,238	\$ --	\$ 11,258,679
Cash receipts - current year	14,222,272	64,322	202,026	14,488,620
Cumulative as of June 30, 2002	\$ 22,079,713	\$ 3,465,560	\$ 202,026	\$ 25,747,299
COSTS AND LOANS:				
Prior year - per audit	\$ 13,681,283	\$ 3,857,015	\$ 202,450	\$ 17,740,748
Current year	12,322,680	5,986,091	--	18,308,771
Cumulative as of June 30, 2002	\$ 26,003,963	\$ 9,843,106	\$ 202,450	\$ 36,049,519
Deficiency of advances due from HUD	\$ (3,924,250)	\$ (6,377,546)	\$ (424)	\$ (10,302,220)
Actual Modernization Cost Certificate issued and agreed to Authority records?	No	No	No	
Soft costs - HUD				
Prior years - audit	\$ 4,073,488	\$ 2,616,455	\$ --	\$ 6,689,943
Current year	1,526,140	2,811,245	202,450	4,539,835
Cumulative as of June 30, 2002	\$ 5,599,628	\$ 5,427,700	\$ 202,450	\$ 11,229,778
Hard costs - HUD				
Prior years	\$ 9,607,793	\$ 1,240,560	\$ --	\$ 10,848,353
Current year	5,212,700	3,117,152	--	8,329,852
Cumulative as of June 30, 2002	\$ 14,820,493	\$ 4,357,712	\$ --	\$ 19,178,205
Loans to developer & others				
Prior years	\$ --	\$ --	\$ --	\$ --
Current year	5,583,842	57,694	--	5,641,536
Cumulative as of June 30, 2002	\$ 5,583,842	\$ 57,694	\$ --	\$ 5,641,536
Cumulative costs and loans - HUD	\$ 26,003,963	\$ 9,843,106	\$ 202,450	\$ 36,049,519
CDBG loan expenditures				
Soft costs	\$ 1,666,236	\$ --	\$ --	\$ 1,666,236
Hard costs	333,739	--	--	333,739
Cumulative as of June 30, 2002	\$ 1,999,975	\$ --	\$ --	\$ 1,999,975

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL DRUG ELIMINATION
COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

PROGRAM YEAR	1999	2000	2001	TOTAL
BUDGET	<u>\$ 1,592,809</u>	<u>\$ 1,660,033</u>	<u>\$ 1,606,085</u>	<u>\$ 4,858,927</u>
ADVANCES:				
Cash receipts - prior years	\$ 996,525	\$ 573,230	\$ --	\$ 1,569,755
Cash receipts - current year	596,284	749,775	572,284	1,918,343
Cumulative as of June 30, 2002	<u>\$ 1,592,809</u>	<u>\$ 1,323,005</u>	<u>\$ 572,284</u>	<u>\$ 3,488,098</u>
COSTS:				
Prior years	\$ 1,063,951	\$ 650,970	\$ --	\$ 1,714,921
Current year	528,858	711,201	616,724	1,856,783
Cumulative as of June 30, 2002	<u>\$ 1,592,809</u>	<u>\$ 1,362,171</u>	<u>\$ 616,724</u>	<u>\$ 3,571,704</u>
Deficiency of advances due from HUD	<u>\$ --</u>	<u>\$ (39,166)</u>	<u>\$ (44,440)</u>	<u>\$ (83,606)</u>
Final SF 269a issued and agreed to PHA records	<u>No</u>	<u>No</u>	<u>No</u>	
Soft costs				
Prior years	\$ 1,063,951	\$ 650,970	\$ --	\$ 1,714,921
Current year	528,858	711,201	616,724	1,856,783
Cumulative as of June 30, 2002	<u>\$ 1,592,809</u>	<u>\$ 1,362,171</u>	<u>\$ 616,724</u>	<u>\$ 3,571,704</u>
Hard costs				
Prior years	\$ --	\$ --	\$ --	\$ --
Current year	--	--	--	--
Cumulative as of June 30, 2002	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Cumulative Hard and Soft Costs	<u>\$ 1,592,809</u>	<u>\$ 1,362,171</u>	<u>\$ 616,724</u>	<u>\$ 3,571,704</u>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL RESIDENT OPPORTUNITY
AND SUPPORTIVE SERVICES COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

GRANT	<u>OH99RSE004P0197</u>	<u>OH01RSV004P0138</u>	<u>TOTAL</u>
BUDGET	\$ 150,000	\$ 134,166	\$ 284,166
ADVANCES:			
Cash receipts - prior years	\$ --	\$ --	\$ --
Cash receipts - current year	6,010	42,106	48,116
Cumulative as of June 30, 2002	<u>\$ 6,010</u>	<u>\$ 42,106</u>	<u>\$ 48,116</u>
COSTS:			
Prior years	\$ 1,110	\$ --	\$ 1,110
Current year	22,029	52,258	74,287
Cumulative as of June 30, 2002	<u>\$ 23,139</u>	<u>\$ 52,258</u>	<u>\$ 75,397</u>
Deficiency of advances due from HUD	<u>\$ (17,129)</u>	<u>\$ (10,152)</u>	<u>\$ (27,281)</u>
Final SF 269a issued and agreed to PHA records	<u>No</u>	<u>No</u>	
Soft costs			
Prior years	\$ 1,110	\$ --	\$ 1,110
Current year	22,029	52,258	74,287
Cumulative as of June 30, 2002	<u>\$ 23,139</u>	<u>\$ 52,258</u>	<u>\$ 75,397</u>
Hard costs			
Prior years	\$ --	\$ --	\$ --
Current year	--	--	--
Cumulative as of June 30, 2002	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Cumulative Hard and Soft Costs	<u>\$ 23,139</u>	<u>\$ 52,258</u>	<u>\$ 75,397</u>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL ECONOMIC DEVELOPMENT
AND SUPPORTIVE SERVICES (EDSS) COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

PROGRAM YEAR	<u>EDSS</u>
BUDGET	<u>\$ 131,537</u>
ADVANCES:	
Cash receipts - prior years	\$ 47,707
Cash receipts - current year	<u>83,830</u>
Cumulative as of June 30, 2002	<u>\$ 131,537</u>
COSTS:	
Prior years	\$ 58,373
Current year	<u>73,164</u>
Cumulative as of June 30, 2002	<u>\$ 131,537</u>
Excess/(deficiency) of advances due to/(from) HUD	<u>\$ --</u>
Final SF 269a issued and agreed to PHA records	<u>Yes</u>
Soft costs	
Prior years	\$ 58,373
Current year	<u>73,164</u>
Cumulative as of June 30, 2002	<u>\$ 131,537</u>
Hard costs	
Prior years	\$ --
Current year	<u>--</u>
Cumulative as of June 30, 2002	<u>\$ --</u>
Cumulative Hard and Soft Costs	<u>\$ 131,537</u>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL CONGREGATE
HOUSING SERVICES PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

PROGRAM YEAR	CHSP
BUDGET	\$ <u>1,015,587</u>
ADVANCES:	
Cash receipts - prior years	\$ 909,109
Cash receipts - current year	<u>106,478</u>
Cumulative as of June 30, 2002	\$ <u>1,015,587</u>
COSTS:	
Prior years	\$ 931,642
Current year	<u>83,945</u>
Cumulative as of June 30, 2002	\$ <u>1,015,587</u>
Excess/(deficiency) of advances due to/(from) HUD	\$ <u> --</u>
Final SF 269a issued and agreed to PHA records	<u> Yes</u>
Soft costs	
Prior years	\$ 931,642
Current year	<u>83,945</u>
Cumulative as of June 30, 2002	\$ <u>1,015,587</u>
Hard costs	
Prior years	\$ --
Current year	<u> --</u>
Cumulative as of June 30, 2002	\$ <u> --</u>
Cumulative Hard and Soft Costs	\$ <u>1,015,587</u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO

STATEMENT AND RECONCILIATION OF ACTUAL CAPITAL FUND
PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002

PROGRAM	RHF CGP 701-99	RHF CFP 501-99	CFP 501-00	CFP 501-01	Total
BUDGET	\$ 131,041	\$ 233,663	\$ 17,804,442	\$ 16,472,068	\$ 34,641,214
ADVANCES:					
Cash receipts - prior years	--	--	\$ 3,870,268	--	\$ 3,870,268
Cash receipts - current year	131,041	233,663	11,662,033	6,718,017	18,744,754
Cumulative as of June 30, 2002	\$ 131,041	\$ 233,663	\$ 15,532,301	\$ 6,718,017	\$ 22,615,022
COSTS:					
Prior year - per audit	--	--	\$ 4,521,114	--	\$ 4,521,114
Current year	131,041	233,663	11,645,692	7,078,909	19,089,305
Cumulative as of June 30, 2002	\$ 131,041	\$ 233,663	\$ 16,166,806	\$ 7,078,909	\$ 23,610,419
Deficiency of advances due from HUD including retainages	--	--	\$ (634,505)	\$ (360,892)	\$ (995,397)
Actual Modernization Cost Certificate issued and agreed to Authority records?	No	No	No	No	
Soft costs					
Prior years	--	--	\$ 873,665	--	\$ 873,665
Current year	--	--	565,110	1,171,765	1,736,875
Cumulative as of June 30, 2002	\$ --	\$ --	\$ 1,438,775	\$ 1,171,765	\$ 2,610,540
Hard costs					
Prior years	--	--	\$ 3,647,449	--	\$ 3,647,449
Current year	131,041	233,663	11,080,582	5,907,144	17,352,430
Cumulative as of June 30, 2002	\$ 131,041	\$ 233,663	\$ 14,728,031	\$ 5,907,144	\$ 20,999,879
Cumulative Hard and Soft Costs	\$ 131,041	\$ 233,663	\$ 16,166,806	\$ 7,078,909	\$ 23,610,419

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**STATEMENT AND RECONCILIATION OF ACTUAL COMPREHENSIVE
GRANT PROGRAM COSTS AND ADVANCES
FOR THE YEAR ENDED JUNE 30, 2002**

PROGRAM	<u>CGP 707</u>	<u>CGP 708</u>	<u>Total</u>
BUDGET	<u>\$ 16,638,185</u>	<u>\$ 19,672,305</u>	<u>\$ 36,310,490</u>
ADVANCES:			
Cash receipts - prior years	\$ 16,638,185	\$ 16,604,773	\$ 33,242,958
Cash receipts - current year	--	3,067,532	3,067,532
Cumulative as of June 30, 2002	<u>\$ 16,638,185</u>	<u>\$ 19,672,305</u>	<u>\$ 36,310,490</u>
COSTS:			
Prior year - per audit	\$ 16,617,523	\$ 16,810,860	\$ 33,428,383
Prior year adjustment	20,662	--	20,662
Adjusted prior years	16,638,185	16,810,860	33,449,045
Current year	--	2,861,445	2,861,445
Cumulative as of June 30, 2002	<u>\$ 16,638,185</u>	<u>\$ 19,672,305</u>	<u>\$ 36,310,490</u>
Excess/(deficiency) of advances due to/(from) HUD including retainages	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Actual Modernization Cost Certificate issued and agreed to Authority records?	<u>Yes</u>	<u>Yes</u>	
Soft costs			
Prior year - per audit	\$ 1,331,318	\$ 1,422,374	\$ 2,753,692
Prior year adjustment	60,824	--	60,824
Adjusted prior years	1,392,142	1,422,374	2,814,516
Current year	--	1,870	1,870
Cumulative as of June 30, 2002	<u>\$ 1,392,142</u>	<u>\$ 1,424,244</u>	<u>\$ 2,816,386</u>
Hard costs			
Prior year - per audit	\$ 15,286,205	\$ 15,388,486	\$ 30,674,691
Prior year adjustment	(60,824)	--	(60,824)
Adjusted prior years	15,225,381	15,388,486	30,613,867
Current year	20,662	2,859,575	2,880,237
Cumulative as of June 30, 2002	<u>\$ 15,246,043</u>	<u>\$ 18,248,061</u>	<u>\$ 33,494,104</u>
Cumulative Hard and Soft Costs	<u>\$ 16,638,185</u>	<u>\$ 19,672,305</u>	<u>\$ 36,310,490</u>

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SINGLE AUDIT SECTION

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Reportable condition(s) identified that are not considered to be material weaknesses? Yes 	
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Reportable condition(s) identified that are not considered to be material weakness(es)? Yes 	
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850a	Low-Rent Public Housing
14.872	Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:	\$2,889,482
Auditee qualified as low-risk auditee?	Yes

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

2002-1	<u>Condition:</u>	<u>Fixed Asset Inventory</u>
		The Authority has not conducted a physical inventory of fixed assets in the last two years. Such an inventory is necessary to ensure that assets secured with Federal Funds are controlled throughout their useful lives.
	<u>CFDA Number:</u>	14.850a
	<u>Questioned Costs:</u>	Undetermined
	<u>Criteria:</u>	<u>OMB A-102 Common Rule, Section 32</u>
	<u>Cause/Effect:</u>	Internal control procedures addressing this requirement have not been established.
	<u>Recommendation:</u>	We recommend that the Authority establish policies and procedures in accordance with the "Common Rule" which would result in adequate controls over fixed assets.
	<u>Reply:</u>	Due to management staff turnover, the fixed asset inventory was temporarily put aside until FY 03 when staff could be hired. A fixed asset physical inventory will be performed in FY 03. Any procedures and policies will be revised.
2002-2	<u>Condition:</u>	<u>Section 8 Accounting Controls Deficiency</u>
		The Authority issued incorrect year-end settlement statements and an incorrect Financial Data Schedule. This resulted in a settlement on the Voucher program which was approximately \$1 million greater than it should have been.
	<u>CFDA Number:</u>	14.856, 14.871
	<u>Questioned Costs:</u>	None
	<u>Criteria:</u>	Federal reporting must be accurate, reliable and in agreement with Authority records.
	<u>Cause/Effect:</u>	Accountants responsible for the preparation of these documents did not have adequate knowledge regarding the reporting requirements. As a result, financial statements and reports were incorrect, and cash settlements due to or from HUD at June 30, 2002, were incorrect.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS
(Continued)

2002-2 **Condition:** **Section 8 Accounting Controls Deficiency (Continued)**

Recommendation: We recommend that the Authority ensure that personnel assigned to these tasks have adequate knowledge for the performance of the task, and that the reports be subjected to a second-party detail review before they are released.

Reply: Finance staff will be fully trained/retrained on Year-End-Settle-Statements and FDS reports. In the future, experienced second party review will occur on all reports for accuracy.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2002-1 **Fixed Asset Inventory**

 See current finding 2002-1 under Financial Statement Findings.

2002-2 **Section 8 Accounting Controls Deficiency**

 See current finding 2002-2 under Financial Statement Findings.

2002-3 **Condition:** **Deficiencies in Resident Files**

 Our examination of sixty (60) resident files (thirty Public Housing and thirty Section 8) revealed the following issues:

Public Housing

<u># of Files</u>	<u>Issue:</u>
30	Flat rent offer not documented in files

Section 8

<u># of Files</u>	<u>Issue:</u>
4	9886 Federal Privacy Form not present or not dated
2	Income verification is incorrect

CFDA Number: 14.850a, 14.871

Questioned Costs: None

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2002-3	<u>Condition:</u>	<u>Deficiencies in Resident Files (Continued)</u>
	<u>Criteria:</u>	24 CFR Section 960.253, requires that PHA must document that flat rent was offered to all residents; Public and Indian Housing – PIH Notice 94-36, requires the PHA to complete, have a signed and dated copy of the Authorization for the Release of Information/Privacy Act notice, HUD form 9886 and that it be retained in each resident file; 24 CFR 1000.128 requires all household income and deductions to be verified.
	<u>Cause/Effect:</u>	The Authority did not realize that they were required to document the fact that flat rents were offered. Admissions counselors did not realize the importance of dated the 9886 form, because they did not know that the form expires after 15 months.
	<u>Recommendation:</u>	We recommend that the Authority implement controls to ensure that the resident verifies by signature that flat rent is offered. We also recommend that the Section 8 staff be instructed regarding the purpose and necessity for the 9886 form being signed by the residents.
	<u>Reply:</u>	<p>As required by HUD regulations, CMHA implemented flat rents effective July 1, 2000. The admissions and continued occupancy staff has offered residents the flat rent option verbally during the initial certification and recertification interview processes. However, the flat rent is generally not attractive as an option for CMHA residents, since the housing authority maintains ceiling rents that are equivalent to the flat rent.</p> <p>The overwhelming majority of households have income-based rents that are below the rents that would be established under the flat rent options. For these households, the flat rent is clearly not economically beneficial.</p> <p>Upon explanation of the drawbacks and benefits of the flat rent option, residents have universally chosen to maintain their income-based rent. However, the housing authority accepts the recommendation to implement controls to ensure that the resident verifies by signature that the flat rent is officially offered. The admissions and continued occupancy supervisors are in the process of drafting and implementing a new form on which the resident documents, in writing, their choice of the income-based rent or flat rent.</p>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002
(Continued)

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2002-3 Condition: Deficiencies in Resident Files (Continued)

9886 Federal Privacy Form: Current and future Section 8 staff will be retrained on the importance of presenting and having the form 9886 signed by the residents. The Housing Specialist Team Leaders will take increased quality control steps to eliminate this issue.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no Prior Audit Findings.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

CFDA NUMBER	FEDERAL GRANTOR PROGRAM TITLE	PASS THRU ENTITY	FEDERAL EXPENDITURES
<u>U.S. Department of Housing and Urban Development:</u>			
14.170	Congregate Housing Service Program	NA	\$ 83,782
14.249	Moderate Rehabilitation Single Room Occupancy	NA	45,922
14.850a	Low Rent Public Housing Program	NA	20,259,682
14.854	Public and Indian Housing Drug Elimination Program	NA	1,856,783
14.856	Section 8 Moderate Rehabilitation	NA	1,813,598
14.859	Public Housing Comprehensive Grant Program	NA	2,882,106
14.864	Economic Development and Supportive Services	NA	73,164
14.866	Revitalization of Severely Distressed Public Housing	NA	18,511,224
14.870	Resident Opportunity and Supportive Services	NA	74,287
14.871	Section 8 Housing Choice Voucher Program	NA	31,626,226
14.872	Public Housing Capital Fund Program	NA	19,089,305
Total Federal Awards Expenditures			\$ 96,316,079

Notes to the Schedule of Expenditures of Federal Awards:

A. Basis of Accounting:

This schedule is prepared on the accrual basis of accounting.

B. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule:

FDS line 706	HUD PHA Grants	\$ 62,112,024
FDS line 706.1	Capital Grants	34,204,055
		\$ 96,316,079

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

Board of Commissioners
Cincinnati Metropolitan Housing Authority
Cincinnati, Ohio

HUD, Cincinnati Area Office
525 Vine Street, 7th Floor
Cincinnati, Ohio 45202-3188

We have audited the financial statements of the Cincinnati Metropolitan Housing Authority ("The Authority") as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting.

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain other matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs section of our report.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described in the Schedule of Findings and Questioned Costs section of our report are material weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management/Board of Commissioners of the Authority, in a separate letter dated December 13, 2002.

This report is intended for the information and use of the Authority's management 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.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
December 13, 2002

MALCOLM JOHNSON & COMPANY, P.A.
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Board of Commissioners
Cincinnati Metropolitan Housing Authority
Cincinnati, Ohio

HUD, Cincinnati Area Office
525 Vince Street, 7th Floor
Cincinnati, Ohio 45202-3188

Compliance

We have audited the compliance of the Cincinnati Metropolitan Housing Authority ("the Authority") 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, 2002. The Authority'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 Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Authority'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 on the Authority's compliance with those requirements.

In our opinion, the Cincinnati Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 section of our report.

We also noted another immaterial instance of noncompliance that we have reported to management/Board of Commissioners of the Authority in a separate letter dated December 13, 2002.

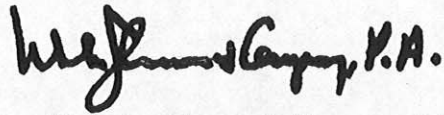
Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit we considered the Authority's internal control over compliance with 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We noted a matter involving the internal control structure and its operation that we have reported to the management/Board of Commissioners of the Authority in a separate letter dated December 13, 2002.

This report is intended for the information and use of the Authority's management 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.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
December 13, 2002



**Auditor of State
Betty Montgomery**

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CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 18, 2003**