

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT

FOR THE YEAR ENDED MARCH 31, 2008



Mary Taylor, CPA

Auditor of State

Board of Directors
Cambridge Metropolitan Housing Authority
1100 Maple Court
Cambridge, Ohio 43725

We have reviewed the *Independent Auditor's Report* of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2007 through March 31, 2008. 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 Cambridge Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 7, 2008

This Page is Intentionally Left Blank.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
 FOR THE YEAR ENDED MARCH 31, 2008

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
Basic Financial Statements:	
Statement of Net Assets	13
Statement of Revenues, Expenses and Changes in Net Assets	14
Statement of Cash Flows	15
Notes to the Financial Statements	16-28
Supplemental Financial Data:	
Statement of Net Assets	29-30
Statement of Revenues, Expenses and Changes in Net Assets by Program	31
Statement of Capital Grants - Completed	32
Schedule of Expenditures of Federal Awards	33
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34-35
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	36-37
Schedule of Findings and Questioned Costs	38-39
Status of Prior Year Citations and Recommendations	40

This Page is Intentionally Left Blank.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying basic financial statements of the Cambridge Metropolitan Housing Authority as of and for the year ended March 31, 2008, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These basic financial statements are the responsibility of the Cambridge Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

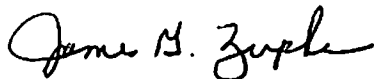
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Metropolitan Housing Authority as of March 31, 2008, and the changes in net assets and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 18, 2008 on our consideration of the Cambridge Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Cambridge Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the basic financial statements of the Cambridge Metropolitan Housing Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.


James G. Zupka, CPA, Inc.
Certified Public Accountants

September 18, 2008

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

Throughout this document, references to “we”, “our”, “Authority” or “us” refer to the Cambridge Metropolitan Housing Authority.

Management’s Discussion and Analysis

The Cambridge Metropolitan Housing Authority’s (the Authority) Management’s Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position (it’s ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

This Management Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements (beginning on page 13).

FINANCIAL HIGHLIGHTS

- The Authority’s total net assets decreased by \$187,061 (or 2 percent) during the fiscal year ended 2008. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net assets were \$7,453,728 and \$7,640,789 for 2008 and 2007 respectively.
- The business-type activities revenue increased by \$425,513 (or 10 percent) during the fiscal year ended 2008, and were \$4,717,191 and \$4,291,678 for 2008 and 2007 respectively.
- The total expenses of all Authority programs increased by \$626,745 (or 15 percent). Total expenses were \$4,904,252 and \$4,277,507 for 2008 and 2007 respectively.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

Using This Annual Report

The report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

MD&A

**- Management Discussion
and Analysis (new) -**

Basic Financial Statements

**- Authority-Wide Financial Statements
(new) - pgs 13-15**

**- Notes to Financial Statements
(Expanded/Restructured) - pgs 16 - 26**

**Other Required Supplementary
Information**

**- Required Supplementary Information
pgs 27 - 30
(Other than MD&A)
(Expanded)**

The primary focus of the Authority’s financial statements is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (Authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT

The Authority-wide financial statements (see pages 13-15) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These statements include a **Statement of Net Assets**, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The Statement is presented in the format where assets, minus liabilities, equals "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Assets (the "**Unrestricted** Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Authority-wide financial statements also include a **Statement of Revenues, Expenses and Changes in Fund Net Assets** (similar to an Income Statement). This statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a **Statement of Cash Flows** is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT (Continued)

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting. The Authority has the Public Housing Operating Fund, Capital Fund, Housing Choice Voucher Program, Mod Rehab Fund, and a Business Activity Fund. The financial statements reflect the transactions for these programs.

The Authority's Funds

Business Type Funds

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program - Under the Housing Choice voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income. The Housing Choice Voucher Program also includes the Family Self-Sufficiency Program (FSS), which is a grant program funded by the Department of Housing and Urban Development that encourages economic self-sufficiency among the Authority's resident population.

Business Activity - Business activity represents other services that the PHA provides to Noble Metropolitan Housing Authority, Monroe Metropolitan Housing Authority, Cambridge Management Corporation, Huston Hills, LLC and Cambridge Apartments, LP for a fee for services that the PHA provides to the entities. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT (Continued)

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

Table 1 - Statement of Net Assets

	<u>2008</u>	<u>2007*</u>
Current and Other Assets	\$ 1,773,163	\$ 2,208,361
Capital Assets	<u>5,858,053</u>	<u>5,691,763</u>
Total Assets	<u>\$ 7,631,216</u>	<u>\$ 7,900,124</u>
Other Liabilities	\$ 160,481	\$ 197,039
Long-Term Liabilities	<u>17,007</u>	<u>62,296</u>
Total Liabilities	<u>177,488</u>	<u>259,335</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 5,858,053	\$ 5,691,763
Restricted	360,187	0
Unrestricted	<u>1,235,488</u>	<u>1,949,026</u>
Total Net Assets	<u>7,453,728</u>	<u>7,640,789</u>
Total Liabilities and Net Assets	<u>\$ 7,631,216</u>	<u>\$ 7,900,124</u>

* Restated

For more detailed information see page 13 for the Statement of Net Assets.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT (Continued)

Major Factors Affecting the Statement of Net Assets

The decrease in current assets of \$435,198 was due mainly to the use of pre-2004 Section 8 Operating Reserves and expending Public Housing Reserves on the Maple Heights addition and other assets.

Table 2 presents details on the change in Unrestricted Net Assets.

Table 2 - Change of Unrestricted Net Assets

Beginning Balance - March 31, 2007	\$ 1,949,026
Results of Operations	(187,061)
Adjustments:	
Reclass to Restricted Net Assets - Section 8	(360,187)
Current Year Depreciation Expense	450,216
Capital Expenditures	<u>(616,506)</u>
Ending Balance - March 31, 2008	<u>\$ 1,235,488</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT (Continued)

Major Factors Affecting the Statement of Net Assets (Continued)

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

Table 3 - Statement of Revenue, Expenses and Changes in Net Assets

	<u>2008</u>	<u>2007*</u>
<u>Revenues</u>		
Operating Subsidies	\$ 3,405,219	\$ 3,251,346
Capital Grants	327,806	325,725
Tenant Revenue	474,299	440,259
Management Fees	344,683	197,865
Interest Income	68,904	76,483
Other Revenues	<u>96,280</u>	<u>0</u>
Total Revenues	<u>4,717,191</u>	<u>4,291,678</u>
<u>Expenses</u>		
Administrative	655,078	629,863
Tenant Services	42,805	40,850
Utilities	111,640	108,391
Ordinary Maintenance & Operations	687,118	464,940
Insurance	42,327	35,000
Other Expenses	3,222	33,005
Payments in lieu of Taxes	36,489	33,365
Housing Assistance Payments	2,720,557	2,478,102
Depreciation	450,216	441,160
Loss on Sale of Assets	0	12,831
Extraordinary Maintenance	<u>154,800</u>	<u>0</u>
Total Expenses	<u>4,904,252</u>	<u>4,277,507</u>
Change in Net Assets	<u>\$ (187,061)</u>	<u>\$ 14,171</u>

* Restated

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

AUTHORITY-WIDE FINANCIAL STATEMENT (Continued)

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Assets

HUD PHA Operating Grants increased by \$153,873 (5 percent). This increase was primarily due to unit months leased and to an increase in subsidy funding as a result of new methodology used to calculate funding. In March 2007, the PHA unit months leased was 10,776; for the fiscal year ending March 2008, the unit months leased was 10,900. The decrease of 124 unit months resulted in the PHA increase in HUD Operating Subsidy received.

Total Tenant Revenue increased by \$34,040 (7.7 percent). This increase was primarily due to increased tenant rents.

Management Fees revenues increased \$146,818 (74 percent) which can be attributed to increased management fees earned in the business activity program.

The total expenses increased by \$626,745 (15 percent). Ordinary Maintenance and Operations increased by \$222,178 (48 percent) for the year as a result of the completion of the Huston Hills, LLC Housing Project and the use of temporary employees to cover the workload. Extraordinary maintenance of \$154,800 was used to fund operating expenses for the Huston Hills, LLC by using Pre-2004 operating reserves.

The Housing Assistance Payments increased by \$242,455 (10 percent). This increase was due to the increase in unit months leased and per unit costs of HAP payments.

CAPITAL ASSETS

As of year end, the Authority had \$5,858,053 invested in a variety of capital assets as reflected in the following schedule, net of accumulated depreciation. This represents a net decrease (current purchases less depreciation) of \$166,290 or (3 percent) from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	2008	2007*
Land and Land Rights	\$ 415,810	\$ 413,575
Buildings	9,727,931	9,428,348
Equipment	646,440	508,740
Leasehold Improvements	692,485	638,784
Construction in Progress	460,905	337,618
Accumulated Depreciation	<u>(6,085,518)</u>	<u>(5,635,302)</u>
Total	<u>\$ 5,858,053</u>	<u>\$ 5,691,763</u>

*Restated

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

CAPITAL ASSETS (Continued)

The following reconciliation summarizes the change in Capital Assets, which are presented in detail on page 23 of the Notes.

Table 5 - Change in Capital Assets

Beginning Balance - March 31, 2007	\$ 5,704,058
Current Year Additions	616,506
Current Year Depreciation Expense	(450,216)
Prior Period Adjustment to Accumulated Depreciation	<u>(12,295)</u>
 Ending Balance - March 31, 2008	 <u><u>\$ 5,858,053</u></u>

Current Year Additions are summarized as follows:

Construction in Progress	\$ 330,041
Building and Building Improvements	198,600
Land Improvements	21,678
Furniture, Equipment and Machinery	<u>66,187</u>
 Total 2008 Additions	 <u><u>\$ 616,506</u></u>

Debt Outstanding

As of year-end, the Authority had no debt outstanding.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED MARCH 31, 2008
(Unaudited)**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Jolinda Baranich, Executive Director, Cambridge Metropolitan Housing Authority, P.O. Box 1388, Cambridge, Ohio 43725.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF NET ASSETS
MARCH 31, 2008**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 410,437
Investments	815,255
Accounts Receivable - HUD	73,263
Accounts Receivable - Miscellaneous	13,778
Tenant Accounts Receivable, Net of Allowance	353
Prepaid Expenses and Other Assets	37,980
Inventories	<u>8,027</u>
Total Current Assets	<u>1,359,093</u>

Restricted Assets

Investment - Tenant Security Deposits	35,169
Cash and Cash Equivalents - FSS Escrow	17,007
Cash and Cash Equivalents - Tenant Council	1,707
Cash and Cash Equivalents - HAP Equity	<u>360,187</u>
Total Restricted Assets	<u>414,070</u>

Capital Assets

Nondepreciable Capital Assets	876,715
Depreciable Capital Assets, Net	<u>4,981,338</u>
Total Capital Assets	<u>5,858,053</u>

TOTAL ASSETS **\$7,631,216**

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 49,676
Accrued Wages and Payroll Taxes	20,739
Accrued Compensated Absences - Current Portion	3,322
Accounts Payable - Other Governments	36,489
Tenant Security Deposits	35,169
Deferred Revenue	<u>15,086</u>
Total Current Liabilities	<u>160,481</u>

Noncurrent Liabilities

FSS Program Liability	<u>17,007</u>
Total Noncurrent Liabilities	<u>17,007</u>
TOTAL LIABILITIES	<u>177,488</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	5,858,053
Restricted Net Assets	360,187
Unrestricted Net Assets	<u>1,235,488</u>
TOTAL NET ASSETS	<u>\$7,453,728</u>

See accompanying notes to the basic financial statements.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2008**

<u>Operating Revenues</u>	
Net Tenant Revenue	\$ 474,299
HUD Operating Grants	3,405,219
Management Fees	344,683
Other Revenues	<u>96,280</u>
Total Operating Revenues	<u>4,320,481</u>
 <u>Operating Expenses</u>	
Housing Assistance Payments	2,720,557
Administrative	655,078
Tenant Services	42,805
Utilities	111,640
Maintenance	687,118
General	<u>82,038</u>
Total Operating Expenses before Depreciation	<u>4,299,236</u>
 Income Before Depreciation	 21,245
 Depreciation	 <u>450,216</u>
 Operating Income	 <u>(428,971)</u>
 <u>Non-Operating Revenues (Expenses)</u>	
Capital Grants	327,806
Interest Income	68,904
Extraordinary Maintenance	<u>(154,800)</u>
 Total Non-Operating Revenues (Expenses)	 <u>241,910</u>
 Change in Net Assets	 (187,061)
 Total Net Assets - Beginning of Year	 7,653,084
Prior Period Adjustment	<u>(12,295)</u>
 Total Net Assets - End of Year	 <u>\$7,453,728</u>

See accompanying notes to the basic financial statements.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008

<u>Cash Flows from Operating Activities</u>	
Cash Received from HUD	\$3,440,054
Cash Received from Tenants	479,476
Cash Received for Management Fees	370,578
Cash Received from Other Revenues	96,280
Cash Payments for Housing Assistance	(2,720,557)
Cash Payments for Administrative Expenses	(702,036)
Cash Payments to FSS Escrow	(45,289)
Cash Payments for Other Operating Expenses	(925,324)
Net Cash Provided by Operating Activities	<u>(6,818)</u>
 <u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(616,506)
Extraordinary Maintenance	(154,800)
Capital Grants Received	<u>327,806</u>
 Net Cash Provided by Capital and Other Related Financing Activities	 <u>(443,500)</u>
 <u>Cash Flows from Investing Activities</u>	
Interest Received	<u>68,904</u>
Net Cash Provided by Investing Activities	<u>68,904</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	 (381,414)
Cash and Cash Equivalents, Beginning	<u>2,021,176</u>
Cash and Cash Equivalents, Ending	<u>\$1,639,762</u>
 <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Net Operating Income	\$ (428,971)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	450,216
(Increase) Decrease in:	
Accounts Receivable - HUD	34,835
Accounts Receivable - Miscellaneous	25,895
Tenant Accounts Receivable	1,378
Prepaid Expenses	(6,601)
Inventories	(1,723)
Increase (Decrease) in:	
Accounts Payable	(46,395)
Accrued Payroll, Benefits and Taxes	6,038
Tenant Security Deposits	1,455
FSS Program Liability	(45,289)
Deferred Revenue (HUD Subsidy)	2,344
Net Cash Provided by Operating Activities	<u>\$ (6,818)</u>

See accompanying notes to the basic financial statements.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Cambridge Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U. S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected to apply the provisions of Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989 that do not conflict with GASB pronouncements. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation (Continued)

The Authority's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flows needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Use of Estimates

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: **(1)** the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee; and **(2)** it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Capital Assets

Capital assets are recorded at cost. Costs with a threshold of \$1,000 materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Furniture and Equipment	5-7 years
Vehicles	5 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

NOTE 2: **CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2008, the Authority implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. GASB Statement No. 48 establishes criteria that governments will use to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings. The statement also includes disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not affect the presentation of the financial statements of the Authority.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

A. **Deposits** (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

At year-end, the carrying amount of the Authority's deposits was \$1,639,762 (including \$1,225,692 of unrestricted funds, \$414,070 of restricted funds, and \$250 of petty cash; \$850,424 of the total funds are non-negotiable certificates of deposit) and the bank balance was \$1,693,270.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits totaling \$400,000 were covered by Federal Depository Insurance and deposits totaling \$1,293,270 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

B. **Investments**

HUD, State Statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At March 31, 2008, the Authority held no investments as defined by Gasb Statement No. 40.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires those funds which are not operating reserve funds to be invested in investments with a maximum term of one year or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

Generally, the Authority places no limit on the amount it may invest in any one insurer. However, the investment policy limits the investment of HUD - approved mutual funds to no more than 20 percent of the Authority's available investment funds. The Authority's deposits in financial institutions represents 100 percent of its deposits.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)**

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

Reconciliation of cash and cash equivalents and investments is as follows:

	<u>Cash and Cash</u>	<u>Investments</u>
	<u>Equivalents*</u>	
Per Statement of Net Assets	\$ 789,338	\$ 850,424
Certificates of Deposit (Nonnegotiable)	<u>850,424</u>	<u>(850,424)</u>
Per GASB Statement No. 3	<u>\$ 1,639,762</u>	<u>\$ 0</u>

*Includes Petty Cash

NOTE 4: **RESTRICTED ASSETS**

The Authority's assets restricted as to purpose are as follows:

Tenant Security Deposits	\$ 35,169
Family Self Sufficiency (FSS) Program Escrow	17,007
Tenant Council	1,707
Housing Assistance Payments (HAP) Equity	<u>360,187</u>
Total Restricted Assets	<u>\$ 414,070</u>

The FSS Program is designed to promote employment and increase savings among families receiving Section 8 vouchers or living in public housing.

This space intentionally left blank.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 5: CAPITAL ASSETS

A summary of capital assets at March 31, 2008 by class is as follows:

	<u>Balance</u> <u>3/31/2007</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3/31/2008</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 413,575	\$ 0	\$ 2,235	\$ 0	\$ 415,810
Construction in Progress	<u>337,618</u>	<u>(204,519)</u>	<u>327,806</u>	<u>0</u>	<u>460,905</u>
Total Capital Assets not Being Depreciated	<u>751,193</u>	<u>(204,519)</u>	<u>330,041</u>	<u>0</u>	<u>876,715</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Building Improvements	9,428,348	100,983	198,600	0	9,727,931
Land Improvements	638,784	32,023	21,678	0	692,485
Furniture, Equipment and Machinery	<u>508,740</u>	<u>71,513</u>	<u>66,187</u>	<u>0</u>	<u>646,440</u>
Total Capital Assets Being Depreciated	<u>10,575,872</u>	<u>204,519</u>	<u>286,465</u>	<u>0</u>	<u>11,066,856</u>
<u>Accumulated Depreciation</u>					
Building and Building Improvements	(5,015,766)	(3,743)	(306,651)	0	(5,326,160)
Land Improvements	(293,688)	(1,191)	(45,232)	0	(340,111)
Furniture, Equipment and Machinery	<u>(313,553)</u>	<u>(7,361)</u>	<u>(98,333)</u>	<u>0</u>	<u>(419,247)</u>
Total Accumulated Depreciation	<u>(5,623,007)</u>	<u>(12,295)</u>	<u>(450,216)</u>	<u>0</u>	<u>(6,085,518)</u>
Total Capital Assets Being Depreciated, Net	<u>4,952,865</u>	<u>192,224</u>	<u>(163,751)</u>	<u>0</u>	<u>4,981,338</u>
Total Capital Assets	<u>\$ 5,704,058</u>	<u>\$ (12,295)</u>	<u>\$ 166,290</u>	<u>\$ 0</u>	<u>\$ 5,858,053</u>

This space intentionally left blank.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Effective January 1, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries; the percent of contributions increased to 10.0 percent effective January 1, 2008. The Authority's contribution rate for pension benefits was 8.85 percent of covered payroll for January 1, 2007 through June 30, 2007 and 7.85 percent from July 1, 2007 through December 31, 2007; effective January 1, 2008, the percent increased to 8.50 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Authority's required contributions for pension obligations to the traditional and combined plans for the years ended March 31, 2008, 2007 and 2006 were \$48,453, \$47,975, and \$46,218 respectively; 100 percent has been contributed for 2008, 2007 and 2006.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 7: POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available with both the Traditional and the Combined plan. Members of the Member-Directed Plan do not qualify for ancillary benefits including postemployment health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5.00 percent of covered payroll from January 1, 2007 through June 31, 2007 and 6.00 percent from July 1, 2007 through December 31, 2007 was the portion used to fund healthcare benefits. Effective January 1, 2008, the Authority's contribution rate was 14.00 percent of covered payroll; 5.50 percent of covered payroll was the portion that was used to fund healthcare.

Benefits are advance-funded using the individual entry age actuarial cost method of valuation. The difference between assumed and actuarial experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 5.00 percent for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 7: **POST-EMPLOYMENT BENEFITS** (Continued)

Ohio Public Employees Retirement System (Continued)

At December 31, 2007, the number of active contributing participants in the Traditional and Combined Plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual employer contributions for 2008 which were used to fund postemployment benefits were \$33,002. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 8: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Directors based on local and state laws.

All permanent employees will earn 4.6 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation. Upon separation, no payment for unused vacation is made to employees.

At March 31, 2008, based on the vesting method, \$3,322 was accrued by the Authority for unused vacation and sick time of which 100 percent was current.

NOTE 9: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which Cambridge is one. Settled claims have not exceeded the Authority's insurance in any of the past three years.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 10: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 11: MANAGEMENT AGREEMENTS

The Cambridge Metropolitan Housing Authority (the Authority) entered into housing management agreements with the Noble Metropolitan Housing Authority (Noble) and Monroe Metropolitan Housing Authority (Monroe) on March 30, 1987 and August 27, 1990, respectively. Pursuant to these agreements the Authority provides all management services to Noble and Monroe in order that they shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the parties have executed or may, from time to time, execute with HUD. As compensation for these services, Noble and Monroe transfer to the Authority the monthly earned administrative fees as determinable by the Department of Housing and Urban Development or an allocation of actual expenses as determined through the budget process. Total management fees earned for the fiscal year ended March 31, 2008 by the Authority from Noble and Monroe were \$74,588 and \$86,067, respectively. The additional management fees of \$184,028 are made up from the agreements with several other entities.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2008
(CONTINUED)

NOTE 12: PRIOR PERIOD ADJUSTMENT

During the period ending March 31, 2008, the Authority transferred capital assets from the Public Housing Capital Fund Program to the Public Housing Program. This transfer related to assets from prior periods that had depreciation in fiscal year 2007 of \$12,295. This amount therefore is shown as a prior period adjustment.

Prior period adjustments consisted of the following:

Net Assets, March 31, 2007	\$ 7,653,084
Adjustment to Accumulated Depreciation for Transfer of Capital Assets from the Capital Fund Program to Public Housing	<u>(12,295)</u>
Net Assets, March 31, 2007, as Restated	<u>\$ 7,640,789</u>

NOTE 13: EXTRAORDINARY MAINTENANCE

During fiscal year 2008, the Housing Authority disbursed several payments for various operations. The Housing Authority disbursed \$150,000 to Cambridge Management Corporation. These disbursements were used to cover the operating costs of Huston Hills, LLC during its start-up. The Housing Authority disbursed an additional \$4,800 for other operating costs relating to the Housing Authority. All disbursements were funded through the Section 8 Pre-2004 Operating Reserves.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS
MARCH 31, 2008

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH033MR0001	Housing Choice Vouchers	Public Housing Capital Fund Program	Other Federal Program 1	Total
ASSETS								
Current Assets								
111	Cash - Unrestricted	\$211,009	\$60,352	\$93,940	\$45,136	\$0	\$0	\$410,437
113	Cash - Other Restricted	\$0	\$1,707	\$0	\$377,194	\$0	\$0	\$378,901
114	Cash - Tenant Security Deposits	\$0	\$35,169	\$0	\$0	\$0	\$0	\$35,169
100	Total Cash	\$211,009	\$97,228	\$93,940	\$422,330	\$0	\$0	\$824,507
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$59,266	\$0	\$13,997	\$0	\$73,263
125	Accounts Receivable - Miscellaneous	\$13,778	\$0	\$0	\$0	\$0	\$0	\$13,778
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$1,304	\$0	\$0	\$0	\$0	\$1,304
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	(\$951)	\$0	\$0	\$0	\$0	(\$951)
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$13,778	\$353	\$59,266	\$0	\$13,997	\$0	\$87,394
131	Investments - Unrestricted	\$77,770	\$195,664	\$0	\$541,821	\$0	\$0	\$815,255
142	Prepaid Expenses and Other Assets	\$9,311	\$12,041	\$0	\$16,628	\$0	\$0	\$37,980
143	Inventories	\$0	\$8,027	\$0	\$0	\$0	\$0	\$8,027
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$25,147	\$12,616	\$0	\$86	\$0	\$0	\$37,849
150	Total Current Assets	\$337,015	\$325,929	\$153,206	\$980,865	\$13,997	\$0	\$1,811,012
Noncurrent Assets								
161	Land	\$0	\$404,075	\$0	\$11,735	\$0	\$0	\$415,810
162	Buildings	\$0	\$9,638,820	\$0	\$89,111	\$0	\$0	\$9,727,931
164	Furniture, Equipment & Machinery - Administration	\$17,899	\$586,464	\$0	\$42,077	\$0	\$0	\$646,440
165	Leasehold Improvements	\$0	\$692,485	\$0	\$0	\$0	\$0	\$692,485
166	Accumulated Depreciation	(\$16,110)	(\$6,051,042)	\$0	(\$18,366)	\$0	\$0	(\$6,085,518)
167	Construction In Progress	\$0	\$0	\$0	\$0	\$460,905	\$0	\$460,905
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,789	\$5,270,802	\$0	\$124,557	\$460,905	\$0	\$5,858,053
180	Total Non-Current Assets	\$1,789	\$5,270,802	\$0	\$124,557	\$460,905	\$0	\$5,858,053
190	Total Assets	\$338,804	\$5,596,731	\$153,206	\$1,105,422	\$474,902	\$0	\$7,669,065

For the purpose of the basic financial statements, interprogram receivables and payables have been eliminated.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS
MARCH 31, 2008

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation OH033MR0001	Housing Choice Vouchers	Public Housing Capital Fund Program	Other Federal Program 1	Total
LIABILITIES								
Current Liabilities								
312	Accounts Payable <= 90 Days	\$30,479	\$17,848	\$0	\$986	\$363	\$0	\$49,676
321	Accrued Wage/Payroll Taxes Payable	\$3,464	\$12,141	\$261	\$4,406	\$467	\$0	\$20,739
322	Accrued Compensated Absences - Current Portion	\$1,336	\$938	\$0	\$1,048	\$0	\$0	\$3,322
333	Accounts Payable - Other Government	\$0	\$36,489	\$0	\$0	\$0	\$0	\$36,489
341	Tenant Security Deposits	\$0	\$35,169	\$0	\$0	\$0	\$0	\$35,169
342	Deferred Revenues	\$7,000	\$8,086	\$0	\$0	\$0	\$0	\$15,086
347	Interprogram Due To	\$86	\$24,596	\$0	\$0	\$13,167	\$0	\$37,849
310	Total Current Liabilities	\$42,365	\$135,267	\$261	\$6,440	\$13,997	\$0	\$198,330
Noncurrent Liabilities								
353	Noncurrent Liabilities - Other	\$0	\$0	\$0	\$17,007	\$0	\$0	\$17,007
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$17,007	\$0	\$0	\$17,007
300	Total Liabilities	\$42,365	\$135,267	\$261	\$23,447	\$13,997	\$0	\$215,337
NET ASSETS								
508	Total Contributed Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.1	Invested in Capital Assets, Net of Related Debt	\$1,789	\$5,270,802	\$0	\$124,557	\$460,905	\$0	\$5,858,053
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511.1	Restricted Net Assets	\$0	\$0	\$0	\$360,187	\$0	\$0	\$360,187
512.1	Unrestricted Net Assets	\$294,650	\$190,662	\$152,945	\$597,231	\$0	\$0	\$1,235,488
513	Total Equity/Net Assets	\$296,439	\$5,461,464	\$152,945	\$1,081,975	\$460,905	\$0	\$7,453,728
600	Total Liabilities and Equity/Net Assets	\$338,804	\$5,596,731	\$153,206	\$1,105,422	\$474,902	\$0	\$7,669,065

For the purpose of the basic financial statements, interprogram receivables and payables have been eliminated.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2008

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation OH033MR0001	Housing Choice Vouchers	Public Housing Capital Fund Program	Other Federal Program I	Total
REVENUES								
703	Net Tenant Rental Revenue	\$0	\$459,244	\$0	\$0	\$0	\$0	\$459,244
704	Tenant Revenue - Other	\$0	\$15,055	\$0	\$0	\$0	\$0	\$15,055
705	Total Tenant Revenue	\$0	\$474,299	\$0	\$0	\$0	\$0	\$474,299
706	HUD PHA Operating Grants	\$0	\$233,138	\$163,547	\$2,979,664	\$28,870	\$0	\$3,405,219
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$327,806	\$0	\$327,806
711	Investment Income - Unrestricted	\$5,328	\$20,395	\$24	\$31,505	\$0	\$0	\$57,252
715	Other Revenue	\$344,689	\$3,089	\$0	\$93,185	\$0	\$0	\$440,963
720	Investment Income - Restricted	\$0	\$0	\$0	\$11,652	\$0	\$0	\$11,652
700	Total Revenue	\$350,017	\$730,921	\$163,571	\$3,116,006	\$356,676	\$0	\$4,717,191
EXPENSES								
911	Administrative Salaries	\$102,966	\$45,748	\$8,789	\$126,016	\$15,846	\$0	\$299,365
912	Auditing Fees	\$7,908	\$3,080	\$275	\$3,978	\$0	\$0	\$15,241
914	Compensated Absences	\$1,336	\$938	\$0	\$1,048	\$0	\$0	\$3,322
915	Employee Benefit Contributions - Administrative	\$55,612	\$36,176	\$2,356	\$34,115	\$4,259	\$0	\$132,518
916	Other Operating - Administrative	\$30,620	\$63,645	\$6,238	\$101,949	\$2,180	\$0	\$204,632
921	Tenant Services - Salaries	\$0	\$3,256	\$0	\$27,167	\$0	\$0	\$30,423
923	Employee Benefit Contributions - Tenant Services	\$0	\$335	\$0	\$0	\$0	\$0	\$335
924	Tenant Services - Other	\$0	\$12,047	\$0	\$0	\$0	\$0	\$12,047
931	Water	\$5	\$34,514	\$0	\$33	\$0	\$0	\$34,552
932	Electricity	\$19	\$46,061	\$0	\$89	\$0	\$0	\$46,169
933	Gas	\$36	\$30,138	\$0	\$745	\$0	\$0	\$30,919
941	Ordinary Maintenance and Operations - Labor	\$113,500	\$248,550	\$0	\$0	\$0	\$0	\$362,050
942	Ordinary Maintenance and Operations - Materials and Other	\$3,643	\$198,112	\$0	\$9,902	\$1,993	\$0	\$213,650
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$59,249	\$0	\$917	\$4,592	\$0	\$64,758
945	Employee Benefit Contributions - Ordinary Maintenance	\$3,139	\$43,521	\$0	\$0	\$0	\$0	\$46,660
952	Protective Services - Other Contract Costs	\$0	\$462	\$0	\$0	\$0	\$0	\$462
961	Insurance Premiums	\$4,498	\$15,888	\$0	\$21,941	\$0	\$0	\$42,327
963	Payments in Lieu of Taxes	\$0	\$36,489	\$0	\$0	\$0	\$0	\$36,489
964	Bad Debt - Tenant Rents	\$0	\$2,760	\$0	\$0	\$0	\$0	\$2,760
969	Total Operating Expenses	\$323,282	\$880,969	\$17,658	\$327,900	\$28,870	\$0	\$1,578,679
970	Excess Operating Revenue over Operating Expenses	\$26,735	(\$150,048)	\$145,913	\$2,788,106	\$327,806	\$0	\$3,138,512
971	Extraordinary Maintenance	\$0	\$0	\$0	\$154,800	\$0	\$0	\$154,800
973	Housing Assistance Payments	\$0	\$0	\$138,306	\$2,582,251	\$0	\$0	\$2,720,557
974	Depreciation Expense	\$3,580	\$438,412	\$0	\$8,224	\$0	\$0	\$450,216
900	Total Expenses	\$326,862	\$1,319,381	\$155,964	\$3,073,175	\$28,870	\$0	\$4,904,252
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$23,155	(\$588,460)	\$7,607	\$42,831	\$327,806	\$0	(\$187,061)
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$273,284	\$5,857,700	\$145,338	\$1,025,400	\$337,618	\$13,744	\$7,653,084
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$192,224	\$0	\$13,744	(\$204,519)	(\$13,744)	(\$12,295)
1120	Unit Months Available	0	2,028	576	8,340	0	0	10,944
1121	Number of Unit Months Leased	0	2,013	519	8,368	0	0	10,900
1117	Administrative Fee Equity	\$0	\$0	\$0	\$721,788	\$0	\$0	\$721,788
1118	Housing Assistance Payments Equity	\$0	\$0	\$0	\$360,187	\$0	\$0	\$360,187

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CAPITAL GRANTS - COMPLETED
FOR THE TWELVE MONTHS ENDED MARCH 31, 2008**

Annual Contributions Contract C-838

1. The total amount of modernization costs of the capital grant is shown below:

<u>Project OH</u>	<u>Capital Grant OH16P03350105</u>	<u>Capital Grant OH16P03350106</u>
Funds Approved	\$ 263,819	\$ 253,112
Funds Expended	<u>263,819</u>	<u>253,112</u>
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>	<u>\$ 0</u>
Funds Advanced	\$ 263,819	\$ 253,112
Funds Expended	<u>263,819</u>	<u>253,112</u>
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>	<u>\$ 0</u>

2. All modernization work in connection with the capital grant has been completed.
3. The entire actual modernization cost or liabilities incurred by the Housing Authority have been fully paid.
4. There are no undischarged mechanics', laborers', contractors', or material-mens' liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. The time in which such liens could be filed has expired.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2008**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<i>U.S. Department of Housing and Urban Development</i>		
Direct Programs:		
<u>Public Housing Programs</u>		
Low Rent Public Housing	14.850a	\$ 233,138
Capital Fund Program	14.872	<u>356,676</u>
Total Public Housing Programs		<u>589,814</u>
<u>Section 8 Programs</u>		
Section 8 Tenant Based Program:		
Housing Choice Voucher Program	14.871	2,979,664
Section 8 Moderate Rehabilitation	14.856	<u>163,547</u>
Total Section 8 Programs		<u>3,143,211</u>
Total Federal Assistance		<u>\$3,733,025</u>

NOTE: This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Directors
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying financial statements of the business-type activities of the Cambridge Metropolitan Housing Authority (the Authority), Ohio, as of and for the year ended March 31, 2008, and have issued our report thereon dated September 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

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

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

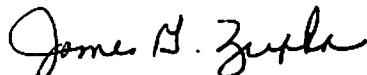
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Cambridge Metropolitan Housing Authority's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the management, Board of Directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

September 18, 2008

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Directors
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Cambridge Metropolitan Housing 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 March 31, 2008. Cambridge Metropolitan Housing Authority's major federal program is 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 its major federal program is the responsibility of the Cambridge Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Cambridge Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cambridge Metropolitan Housing 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 Cambridge Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Cambridge Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2008.

Internal Control Over Compliance

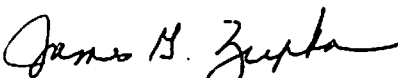
The management of the Cambridge Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cambridge Metropolitan Housing 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cambridge Metropolitan Housing Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, Board of Directors, Auditor of State and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

September 18, 2008

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 MARCH 31, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

2008(i)	Type of Financial Statement Opinion	Unqualified
2008(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2008(ii)	Were there any other significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2008(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2008(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2008(iv)	Were there any other significant deficiency conditions reported for major federal programs?	No
2008(v)	Type of Major Program's Compliance Opinion	Unqualified
2008(vi)	Are there any reportable findings under .510?	No
2008(vii)	Major Programs (list):	Section 8 Housing Choice Voucher CFDA #14.871
2008(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: > all others
2008(ix)	Low Risk Auditee?	Yes

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2008
(CONTINUED)**

2. **FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATUS OF PRIOR YEAR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED MARCH 31, 2008**

The prior audit report, as of March 31, 2007, included no citations.



Mary Taylor, CPA
Auditor of State

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY

GUERNSEY 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
NOVEMBER 25, 2008**