

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

**REPORT ON EXAMINATION OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

Year Ended March 31, 2000

**Laura J. MacDonald, CPA, Inc
3613 Reserve Commons Drive
Medina, Ohio 44256**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Commissioners
Cambridge Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by Laura J. MacDonald, CPA, Inc. for the audit period April 1, 1999 through March 31, 2000. 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.

JIM PETRO
Auditor of State

March 26, 2001

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**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA
Year Ended March 31, 2000**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

I have audited the accompanying combined balance sheet of the Cambridge Metropolitan Housing Authority as of March 31, 2000, and related combined statements of revenue, expense, and equity, and of cash flows for the year then ended. These financial statements are the responsibility of the Cambridge Metropolitan Housing Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standard's applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

Prior to April 1, 1999 the Authority kept its records and prepared its financial statements in accordance with the basis of accounting prescribed or permitted by the U.S. Department of Housing and Urban Development at that time, which followed a comprehensive basis of accounting other than generally accepted accounting principles. As described in Note 6 to the financial statements, the Authority has adopted the accrual basis of accounting as of April 1, 1999.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Metropolitan Housing Authority as of March 31, 2000, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 25, 2000 on my consideration of the Cambridge Metropolitan Housing Authority's internal control over financial reporting and my 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 my audit.

To the Board of Commissioners
Cambridge Metropolitan Housing Authority
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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 Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The information in this Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Laura J. MacDonald, CPA, Inc.
October 25, 2000

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
COMBINED BALANCE SHEET -
-PROPRIETARY FUND TYPE
MARCH 31, 2000**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	524,535	
Cash, restricted for security deposits		27,998	
Cash, restricted for Family Self Sufficiency Program		31,433	
Accounts receivable:			
HUD		157,287	
Tenants		3,114	
Other		74,723	
Interprogram due from		244,331	
Deferred charges		16,578	
Inventory		434	
		<u> </u>	\$ 1,080,433

PROPERTY AND EQUIPMENT

Land and land improvements		393,177	
Buildings and building improvements		8,643,823	
Furniture, equipment and machinery		197,112	
Leasehold improvements		294,112	
		<u> </u>	9,528,224
Less accumulated depreciation			<u>(3,517,145)</u>
			<u>6,011,079</u>
			<u><u>\$ 7,091,512</u></u>

Please refer to accompanying notes.

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable:		
HUD	\$	10,916
Trade		59,186
Other		1,252
Tenant security deposits		27,998
Accrued wages and compensated absences		19,674
Interprogram due to		244,331
Deferred revenue		157,689
Other current liabilities		8,644
Escrowed deposits for Family Self Sufficiency Program		31,433
		<hr/>
	\$	561,123

EQUITY

Contributed capital		1,542,320
Retained earnings		4,988,069
		<hr/>
		6,530,389

\$ 7,091,512

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
COMBINED STATEMENT OF REVENUE,
EXPENSE, AND EQUITY - PROPRIETARY FUND TYPE
Year Ended March 31, 2000**

OPERATING REVENUE

HUD grants	\$ 2,156,213	
Rental income	<u>348,732</u>	\$ 2,504,945

OPERATING EXPENSES

Administrative	348,137	
Tenant services	39,828	
Utilities	109,792	
Ordinary maintenance and operations	386,204	
General	<u>1,542,250</u>	<u>2,426,211</u>

**NET INCOME FROM OPERATIONS
BEFORE DEPRECIATION**

78,734

DEPRECIATION

Assets acquired with returned earnings	218,852	
Assets acquired with contributed capital	<u>47,250</u>	<u>266,102</u>

NET OPERATING LOSS

\$ (187,368)

NON-OPERATING REVENUES (EXPENSES)

Interest income	13,829	
Loss on disposal of property and equipment	(18,258)	
Other income	<u>363</u>	<u>(4,066)</u>

NET LOSS

(191,434)

EQUITY, BEGINNING OF YEAR

6,387,049

CAPITAL OUTLAYS - CIAP PROGRAMS

171,002

PRIOR PERIOD ADJUSTMENTS

163,772

EQUITY, END OF YEAR

\$ 6,530,389

Please refer to accompanying notes.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2000**

CASH FLOWS FROM OPERATING ACTIVITIES

Net operating loss	\$ (187,368)
Adjustments to reconcile net operating loss to net cash provided by operating activities:	
Prior period adjustments	16,308
Depreciation	266,102
(Increase) decrease in assets:	
Accounts receivable - HUD	(150,815)
Accounts receivable - tenants	2,929
Accounts receivable - other	232,537
Inventory	(434)
Deferred charges	(1,441)
Increase (decrease) in liabilities:	
Accounts payable - HUD	(37,346)
Accounts payable - trade	55,837
Accounts payable - other	(134,797)
Tenant security deposits	10,569
Accrued wages and compensated absences	19,674
Deferred revenue	157,410
Other current liabilities	(4,579)
Escrowed deposits for Family Self Sufficiency Program	6,098

**NET CASH PROVIDED BY
OPERATING ACTIVITIES**

\$ 250,684

**CASH FLOWS FROM NON-CAPITAL FINANCING
ACTIVITIES**

-

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Acquisition of capital assets	(178,545)
Capital grant proceeds	171,002
Gain/(loss) on sale of property and equipment	(18,258)

**NET CASH PROVIDED BY CAPITAL AND
RELATED FINANCING ACTIVITIES**

(25,801)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	13,829
Other income	363

**NET CASH PROVIDED BY
INVESTING ACTIVITIES**

14,192

NET INCREASE IN CASH AND CASH EQUIVALENTS

239,075

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

344,891

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 583,966

Please refer to accompanying notes.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
Year Ended March 31, 2000

Non-cash transactions:

During the year ended March 31, 2000, the Authority recorded prior period adjustments to convert to the GAAP basis of accounting. These non-cash transactions affected the following accounts:

Property and equipment	\$1,096,716
Accumulated depreciation	3,263,767
Notes payable	(3,176,951)
Accrued interest	(1,330,996)

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2000

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cambridge Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide safe and sanitary housing for people in low to moderate income brackets, through rent subsidies provided by HUD. It is the Authority's policy to perform physical inspections of all units at least annually.

Accounting Basis

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles. Under this method, revenues are recognized when they are earned and measurable, and expenditures are recognized as incurred.

In accordance with Statement Number 20 of the Government Accounting Standards Board, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority follows GASB guidance applicable to proprietary funds as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Fund Accounting

The Authority uses fund accounting to segregate activity by program. All funds of the Authority are of the proprietary fund type and are classified as enterprise funds. Enterprise funds are used to account for operations that are operated in a manner similar to private business enterprises. During the year ended March 31, 2000, the Authority had separate enterprise funds for the Low Rent Public Housing Program, the Public Housing CIAP Program, the Section 8 Rental Voucher Program, the Section 8 Rental Certificate Program, and the Lower Income Housing Moderate Rehabilitation Programs.

Cash and Investments

Investment procedures are restricted by HUD regulations and by the provisions of the Ohio Revised Code. Purchased investments are valued at cost.

HUD Handbook 7475.1, Chapter 4, Section 1 authorizes the Authority to make investments in:

- Direct Obligations of the Federal Government
- Obligations of Federal Government Agencies
- Securities of Government-Sponsored Agencies
- Demand and Savings Deposits
- Certificates of Deposits

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2000

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(Continued)

The Authority's cash and investment balances with banks as of March 31, 2000 were as follows:

<u>Annual Contribution Contract</u>	<u>Bank Balance</u>	<u>Book Balance</u>	<u>Market Value</u>
Public Housing (C-5080)	\$284,881	\$255,896	\$255,896
Section 8 Housing (C-5050)	<u>332,433</u>	<u>328,070</u>	<u>328,070</u>
	<u>\$617,314</u>	<u>\$583,966</u>	<u>\$583,966</u>

As of March 31, 2000, the bank balance consisted of \$417,971 in demand deposits and \$199,343 in certificates of deposit. Of this amount, \$341,493 was collateralized by Federal Depository Insurance and the remaining \$275,821 was collateralized with specific government securities pledged by banks.

Restricted Cash

Tenant security deposits and deposits associated with the operation of the Family Self Sufficiency Program are required to be held in separate accounts and generally are not available for operating purposes.

Property and Equipment

Property and equipment is stated at cost. Renewals and betterments are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	15 years
Buildings and building improvements	10-40 years
Furniture, equipment and machinery	5 years
Leasehold improvements	15 years

Inventory

The Authority's inventories, which consist primarily of maintenance supplies, are carried at cost using the "first-in first-out" method, and are valued at the lower of cost or market.

Deferred Revenue

Deferred revenue represents unexpended housing assistance receipts for fiscal 2001, received in fiscal 2000.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Actual results could vary from the estimates that were used.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2000

Statement of Cash Flows

The Statement of Cash Flows is presented in accordance with Government Accounting Standards Board Statement No. 9. The Authority considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consist of certificates of deposit at March 31, 2000. There were no cash payments for interest or income taxes during the year ended March 31, 2000.

NOTE 2 – INSURANCE COVERAGE

As of March 31, 2000, the Authority had general liability insurance of \$1,000,000 (each occurrence) with an aggregate limit of \$2,000,000; commercial property coverage of approximately \$5,725,000; and vehicle liability coverage of \$2,000,000.

NOTE 3 – DEFINED BENEFIT PENSION PLAN

All full-time employees of the Authority participate in the Public Employees Retirement System of Ohio (PERS), which is a cost-sharing, multiple-employer defined benefit pension plan. PERS provides for retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries.

Employees may retire at or after age 60 with 5 years of credited service. They are entitled to reduced benefits at age 55, with 25 years of service. With 30 years of service there is no age requirement or age benefit reduction. Benefit payments vary in amount based on length of public service, age, final average salary level and the type of benefit payment plan selected. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

In addition, PERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an “Other Postemployment Benefit” (OPEB) as described in Statement No. 12 of the Government Accounting Standards Board. A portion of each employer’s contribution to PERS is set-aside for the funding of post retirement health care.

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

PERS expenditures for OPEB during the year ended December 31, 1999 were \$523,599,349. As of December 31, 1999 (the latest information available), the unaudited net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible statewide for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1999, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for health care coverage.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2000

NOTE 3 – DEFINED BENEFIT PENSION PLAN (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions, including the funding of postretirement health care benefits by public employers through their contributions to PERS. Throughout the year ended March 31, 2000, covered employees were required to contribute 8.5% of their salary to PERS. The employer contribution rate for local government employer units was 13.55% of covered payroll; 4.2% of which was used to fund health care. For the fiscal year ended March 31, 2000, the Authority's PERS expense totaled \$53,572 and has been included in administrative expense in the accompanying financial statements. Of this amount, \$14,400 was used to fund postemployment benefits.

For fiscal 2000, the Authority's contribution amount (of \$53,572) was equal to the total dollar amount billed to the Authority by PERS. The Authority's PERS expense for fiscal 1999, 1998 and 1997 was \$41,666; \$34,235; and \$39,207, respectively. The Authority contributed 100% of the amount billed to the Authority by PERS in each of these years.

The Public Employees Retirement System issues a stand-alone financial report. A copy of this report can be obtained by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642, or by calling (614) 466-2085.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Cambridge Management Corporation is a non-profit corporation, organized as an instrumentality of the Cambridge Metropolitan Housing Authority, for the purpose of providing affordable housing in Guernsey and Noble Counties. As of March 31, 2000, accounts receivable totaling \$40,008 from the Cambridge Management Corporation have been included in "accounts receivable – other" in the accompanying combined balance sheet.

NOTE 5 – COMPENSATED ABSENCES

Employees earn two weeks of annual vacation leave per calendar year, allocated proratably. Annual leave may be taken after 120 days of employment. Annual leave may not be accumulated unless approved by the Executive Director. As of March 31, 2000, the accrual for compensated absences totaled \$16,217 and has been included in the accrued wages and compensated absences account balance in the accompanying balance sheet. The expense totaled \$10,214 and has been included in administrative expenses and ordinary maintenance and operations expenses in the accompanying Combined Statement of Revenue, Expense, and Equity.

NOTE 6 – CHANGE IN ACCOUNTING BASIS

Effective April 1, 1999, the Authority adopted the accrual basis of accounting in conformity with generally accepted accounting principles, to conform to the latest requirements of the U.S. Department of Housing and Urban Development (HUD), effective January 1, 1999. Prior to this time, the Authority's financial statements were prepared in accordance with HUD requirements at that time, which followed a comprehensive basis of accounting other than generally accepted accounting principles. As a result of this change in accounting basis, equity has been reduced by \$163,772 to retroactively reflect this change in accounting.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2000

NOTE 7 – CONTRIBUTED CAPITAL

The Authority receives funding for capital projects under various Comprehensive Improvement Assistance Program (CIAP) grants from the U.S. Department of Housing and Urban Development. Such funding is reflected as an increase in the contributed capital balance when it is received. The depreciation expense related to fixed assets purchased with such grants is reflected as a decrease in contributed capital. The activity in the contributed capital account balance during the year ended March 31, 2000 was as follows:

Contributed capital balance at April 1, 1999	\$1,418,568
Add: CIAP funding for capital projects for year ended March 31, 2000	171,002
Less: Depreciation on CIAP projects for year ended March 31, 2000	<u>(47,250)</u>
Contributed capital balance at March 31, 2000	<u>\$1,542,320</u>

SUPPLEMENTAL DATA

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL DATA**

To the Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

My report on my audit of the basic financial statements of Cambridge Metropolitan Housing Authority, as of and for the year ended March 31, 2000 appears on page 1. I conducted my audit in accordance with 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, for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying Supplemental Combining Schedule of Revenue and Expense by Program is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Laura J. MacDonald, CPA, Inc.
October 25, 2000

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE , OHIO
SUPPLEMENTAL COMBINING SCHEDULE OF REVENUE
AND EXPENSE BY PROGRAM
YEAR ENDED MARCH 31, 2000**

LINE ITEM #	ACCOUNT DESCRIPTION	LOW RENT PUBLIC HOUSING	PUBLIC HOUSING CIAP PROGRAM	SECTION 8 RENTAL VOUCHER PROGRAM
REVENUE:				
<u>HUD Grants:</u>				
706	HUD PHA grants	\$ 205,526	\$ 165,522	\$ 756,765
708	Other government grants	-	-	-
<u>Rental income:</u>				
703	Net tenant revenue	338,751	-	-
704	Tenant revenue - other	9,981	-	-
711	Interest income	6,578	-	1,220
714	Fraud recovery	-	-	-
716	Gain/loss on sale of fixed assets	(18,258)	-	-
715	Other revenue	56	-	-
TOTAL REVENUES		542,634	165,522	757,985
EXPENSES:				
<u>Administrative:</u>				
911	Administrative salaries	62,756	13,073	37,468
912	Auditing fees	3,983	-	619
915	Employee benefit contributions - administrative	28,499	4,029	9,352
916	Other operating - administrative	57,738	2,580	21,784
		<u>152,976</u>	<u>19,682</u>	<u>69,223</u>
<u>Tenant Services:</u>				
921	Tenant services - salaries	7,826	-	-
923	Employee benefit contributions - tenant service	954	-	-
924	Tenant services - other	3,537	-	-
		<u>12,317</u>	<u>-</u>	<u>-</u>
<u>Utilities:</u>				
931	Water	57,180	-	-
932	Electricity	36,453	-	-
933	Gas	16,159	-	-
		<u>109,792</u>	<u>-</u>	<u>-</u>
<u>Ordinary maintenance and operations:</u>				
941	Labor	101,051	5,414	-
942	Materials and Other	72,202	80,368	1,199
943	Contract costs	48,685	54,673	-
945	Employee benefit contributions - ordinary maintenance	15,507	575	-
952	Protective services - other contract costs	-	4,810	-
		<u>237,445</u>	<u>145,840</u>	<u>1,199</u>
<u>General Expenses:</u>				
961	Insurance premiums	8,501	-	6,948
963	Payments in lieu of taxes	1,253	-	-
964	Bad debt - tenant rent	402	-	-
973	Housing assistance payments	-	-	647,928
974	Depreciation expense	266,102	-	-
1010	Other Financing Sources (Uses)	-	-	-
		<u>276,258</u>	<u>-</u>	<u>654,876</u>
TOTAL EXPENSES		788,788	165,522	725,298
1000	EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES	\$ (246,154)	\$ -	\$ 32,687

Please refer to auditor's report on supplemental data.

SECTION 8 RENTAL CERTIFICATE PROGRAM	LOWER INCOME HOUSING MOD-REHAB I	LOWER INCOME HOUSING MOD-REHAB II	TOTAL
\$ 855,206	\$ 138,219	\$ 7,464	\$ 2,128,702
27,511	-	-	27,511
-	-	-	338,751
-	-	-	9,981
5,652	339	40	13,829
307	-	-	307
-	-	-	(18,258)
-	-	-	56
<u>888,676</u>	<u>138,558</u>	<u>7,504</u>	<u>2,500,879</u>
45,246	8,413	644	167,600
2,606	468	35	7,711
11,949	2,249	170	56,248
<u>29,864</u>	<u>4,286</u>	<u>326</u>	<u>116,578</u>
89,665	15,416	1,175	348,137
27,511	-	-	35,337
-	-	-	954
-	-	-	3,537
<u>27,511</u>	<u>-</u>	<u>-</u>	<u>39,828</u>
-	-	-	-
-	-	-	57,180
-	-	-	36,453
-	-	-	16,159
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,792</u>
-	-	-	-
-	-	-	106,465
1,445	255	20	155,489
-	-	-	103,358
-	-	-	16,082
-	-	-	4,810
<u>1,445</u>	<u>255</u>	<u>20</u>	<u>386,204</u>
234	51	4	15,738
-	-	-	1,253
-	-	-	402
753,129	117,288	6,512	1,524,857
-	-	-	266,102
-	-	-	-
<u>753,363</u>	<u>117,339</u>	<u>6,516</u>	<u>1,808,352</u>
<u>871,984</u>	<u>133,010</u>	<u>7,711</u>	<u>2,692,313</u>
-	-	-	-
<u>\$ 16,692</u>	<u>\$ 5,548</u>	<u>\$ (207)</u>	<u>\$ (191,434)</u>

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
SCHEDULE OF FEDERAL AWARDS EXPENDITURES*
Year Ended March 31, 2000**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>ANNUAL CONTRIBUTION CONTRACT NO.</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Housing and Urban Development:			
Direct Programs:			
PHA Owned Housing:			
Operating Subsidy	14.850	C-5080	\$ 205,526
Comprehensive Improvement Assistance Program	14.852	C-5105	336,524
Housing Assistance Payments Program:			
Section 8 Cluster:			
Section 8 Rental Certificate Program	14.857	C-5050	855,206
Section 8 Rental Voucher Program	14.855	C-5050	725,298
Section 8 Mod. Rehab. I Program	14.856	C-5050	133,010
Section 8 Mod. Rehab. II Program	14.856	C-5050	7,464
			<u>140,474</u>
			<u>1,720,978</u>
			<u>\$ 2,263,028</u>

*This schedule has been prepared on the accrual basis of accounting.

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

To the Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

I have audited the financial statements of the Cambridge Metropolitan Housing Authority as of and for the year ended March 31, 2000, and have issued my report thereon dated October 25, 2000. I conducted my audit in accordance with 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 Cambridge Metropolitan Housing Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Cambridge Metropolitan Housing Authority's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the Board of Commissioners, 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.

Laura J. MacDonald, CPA, Inc.
October 25, 2000

Laura J. MacDonald, CPA, Inc.
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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Compliance

I 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 its major federal program in addition to the provisions of Public and Indian Housing Notice 97-30 for the year ended March 31, 2000. The Cambridge Metropolitan Housing Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. 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. My responsibility is to express an opinion on the Cambridge Metropolitan Housing Authority's compliance based on my audit.

I conducted my audit of compliance in accordance with 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cambridge Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Cambridge Metropolitan Housing Authority's compliance with those requirements.

In my opinion, the 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, 2000.

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 my audit, I considered the 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Cambridge Metropolitan Housing Authority
Cambridge, Ohio
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My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information and use of the Board of Commissioners, 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.

Laura J. MacDonald, CPA, Inc.
October 25, 2000

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FINDINGS
 March 31, 2000**

I. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Was there any material reported noncompliance at the financial statement level (Generally Accepted Government Auditing Standards)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under Section 510?	No
Major Programs:	Housing Assistance Payments Program: Section 8 Cluster- (Existing, Mod. Rehab. and Vouchers)
Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others
Low Risk Auditee?	Yes

II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
GENERAL COMMENTS
Year Ended March 31, 2000**

ACTIVITIES OF THE AUTHORITY

The Cambridge Metropolitan Housing Authority had 756 units in management as of March 31, 2000 as follows:

	<u>Units</u>
Public Housing:	
Project Number OH-033-001	180
Section 8 Programs:	
Project Number: OH16-E033-007/025	127
Project Number: OH16-V033-003/004	399
Project Number: OH16-K033-001	48
Project Number: OH16-K033-002	<u>2</u>
	<u>756</u>

AUDIT ADJUSTMENTS

The following audit adjustments were made as of March 31, 2000, and for the year then ended:

Section 8 Certificates:

1. dr. Accounts Payable-HUD	\$188,712	
cr. HUD Grants		\$188,712

To record adjustments made to HUD Form 52681.

Section 8 Vouchers:

2. dr. HUD Grants	\$188,143	
cr. Accounts Receivable-HUD		\$188,143

To record adjustments made to HUD Form 52681.

Section 8-Mod. Rehab. I

3. dr. Accounts Receivable	\$181	
cr. HUD Grants		\$181

To record adjustments made to HUD Form 52681.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
GENERAL COMMENTS
Year Ended March 31, 2000**

Section 8-Mod. Rehab. II

4. dr. HUD Grants	\$249	
cr. Accounts Payable-HUD		\$249

To record adjustments made to HUD Form 52681.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
APRIL 5, 2001**