

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

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

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**FOR THE YEAR ENDED JUNE 30, 2000**

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Commissioners  
Cincinnati Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Malcolm Johnson & Company, P.A. for the audit period July 1, 1999 through June 30, 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 Cincinnati Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

March 27, 2001

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Cincinnati Metropolitan Housing  
Cincinnati, Ohio

HUD, Cincinnati Area Office  
525 Vine Street, 7<sup>th</sup> Floor  
Cincinnati, Ohio 45202-3188

We have audited the financial statements of the Cincinnati Metropolitan Housing Authority (The Authority) as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.


We conducted our audit in accordance with generally accepted auditing standards and generally accepted government auditing standards, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cincinnati Metropolitan Housing Authority as of June 30, 2000, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued in the Single Audit Section of our report dated October 6, 2000, reports on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards in the Single Audit Section of our report is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information including the Financial Data Schedule, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Malcolm P. Johnson, P.A.", written in a cursive style.

Malcolm P. Johnson, President  
Certified Public Accountants

DeBary, Florida  
October 6, 2000

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINED BALANCE SHEET**  
**JUNE 30, 2000**

**ASSETS**

**CURRENT ASSETS:**

**Cash:**

Cash - unrestricted	\$ 11,099,411
Cash - other restricted	809,589
Cash - tenant security deposits	872,462

<b>Total cash</b>	<b>12,781,462</b>
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**Accounts and notes receivables:**

Accounts receivable - HUD other projects	8,752,246
Accounts receivable - miscellaneous	267,868
Accounts receivable- tenants - dwelling rents	372,590
Allowance for doubtful accounts - dwelling rents	(50,946)

<b>Total receivables, net of allowances for doubtful accounts</b>	<b>9,341,758</b>
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Prepaid expenses and other assets	457,687
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Inventories	593,023
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Allowance for obsolete inventories	(71,163)
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Interprogram - due from	9,853,377
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<b>TOTAL CURRENT ASSETS</b>	<b>32,956,144</b>
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**NONCURRENT ASSETS:**

**Fixed assets:**

Land	9,493,581
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Buildings	167,873,599
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Furniture, equipment & machinery - administration	3,455,396
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Accumulated depreciation	(75,607,942)
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Construction in progress	37,543,566
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<b>Total fixed assets, net of accumulated depreciation</b>	<b>142,758,200</b>
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<b>TOTAL NONCURRENT ASSETS</b>	<b>142,758,200</b>
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<b>TOTAL ASSETS</b>	<b>\$ 175,714,344</b>
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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINED BALANCE SHEET**

**JUNE 30, 2000**

(Continued)

**LIABILITIES AND EQUITY**

**LIABILITIES:**

**Current Liabilities:**

Accounts payable < 90 days	\$	1,348,324
Accrued wages/payroll taxes payable		692,859
Accrued compensated absences		960,925
Accrued contingency liability		11,000
Accounts Payable - HUD PHA Programs		6,095,847
Accounts payable - other government		242,852
Tenant security deposits		909,917
Deferred revenue		73,262
Current portion of L-T debt - capital projects		52,048
Other current liabilities		83,459
Accrued liabilities - workers comp / FSS escrow		1,925,790
Interprogram - due to		9,853,377
<b>Total Current Liabilities</b>		<b>22,249,660</b>

**Noncurrent Liabilities:**

Long-term debt, net of current - capital projects		5,530,447
<b>Total Noncurrent Liabilities</b>		<b>5,530,447</b>

**TOTAL LIABILITIES**

**27,780,107**

**EQUITY**

**Contributed Capital:**

Project notes (HUD)		83,554,419
Long-term debt - HUD guaranteed		2,346,148
Net HUD PHA contributions		43,718,182
Other HUD contributions		4,857,145
Other contributions		2,907,592
<b>Total Contributed Capital</b>		<b>137,383,486</b>

**Retained Earnings**

**10,550,751**

**TOTAL EQUITY AND OTHER CREDITS**

**147,934,237**

**TOTAL LIABILITIES AND EQUITY**

**\$ 175,714,344**

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

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**REVENUE**

Net tenant rental revenue	\$	13,764,786
Tenant revenue - other		170,201
<b>Total tenant revenue</b>		<b>13,934,987</b>
HUD PHA grants		53,874,000
Investment income - unrestricted		641,150
Other revenue		657,917
<b>TOTAL REVENUE</b>		<b>69,108,054</b>

**EXPENSES**

**OPERATING EXPENSES:**

**Administrative:**

Administrative salaries		5,527,850
Auditing fees		39,001
Outside management fees		21,190
Compensated absences		120,338
Employee benefit contributions- administrative		1,439,110
Other operating- administrative		10,489,518

**Tenant services:**

Tenant services - salaries		220,990
Employee benefit contributions- tenant services		55,275
Tenant services - other		4,143,188

**Utilities:**

Water		2,475,475
Electricity		3,399,518
Gas		3,522,490
Labor		756,630
Employee benefit contributions- utilities		193,462
Other utilities expense		53,610

**Ordinary maintenance & operation:**

Labor		5,582,649
Materials & other		3,018,312
Contract costs		4,027,700
Employee benefit contributions- maintenance		1,326,597

**Protective services:**

Labor		45,845
Other contract costs		144,659
Employee benefit contributions- protective services		110,549

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2000**

(Continued)

<b>General expenses:</b>	
Insurance premiums	300,989
Other general expenses	293,034
Payments in lieu of taxes	242,852
Bad debt - tenant rents	619,414
Interest expense	87,595
Severance expense	19,603
<b>TOTAL OPERATING EXPENSES</b>	<b>48,277,443</b>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>20,830,611</b>
<b>OTHER EXPENSES:</b>	
Extraordinary maintenance	104,007
Casualty losses - non capitalized	66,149
Housing assistance payments	20,626,938
Depreciation expense	12,275,524
<b>TOTAL EXPENSES</b>	<b>81,350,061</b>
<b>EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES</b>	<b>(12,242,007)</b>
<b><u>FUND EQUITY</u></b>	
<b>Capital Contributions</b>	<b>12,400,862</b>
<b>Retained earnings - beginning of year</b>	<b>210,328,215</b>
Prior period adjustments and equity transfers	<b>(62,552,833)</b>
<b>Adjusted retained earnings - beginning of year</b>	<b>147,775,382</b>
<b>TOTAL FUND EQUITY</b>	<b>\$ 147,934,237</b>

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

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from residents and other	\$ 9,144,870
Payments to landlords	(20,797,094)
Payments to suppliers	(14,313,830)
Payments to/for employees	(17,637,007)
Other receipts (payments)	(3,761,536)
<b>Net cash provided (used) by operating activities</b>	<b>(47,364,597)</b>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating subsidies	<u>53,874,000</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from capital debt	1,470,688
Capital contributions	12,400,863
(Purchases) / disposals of capital assets	(21,745,036)
Principal paid on capital debt	(49,416)
Other receipts (payments)	3,575,186
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(4,347,715)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sales and maturities of investments	8,320,505
Interest and dividends	641,150
<b>Net cash provided by investing activities</b>	<b>8,961,655</b>
 <b>Net increase / (decrease) in cash equivalents</b>	 <b>11,123,343</b>
<b>Balance - beginning of the year</b>	<b>1,658,119</b>
<b>Balance - end of the year</b>	<b>\$ <u>12,781,462</u></b>

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

CINCINNATI METROPOLITON HOUSING AUTHORITY  
Cincinnati, Ohio

COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2000  
(Continued)

Reconciliation of Excess (Deficiency) of Total Revenues Over (Under) Total  
Expenses to Net Cash Provided (Used) By Operating Activities

Excess (Deficiency) of Total Revenues Over (Under)	
Total Expenses	\$ (12,242,007)
Adjustments to reconcile Excess (Deficiency) of Total Revenues Over (Under) Total Expenses to Net Cash Provided (Used) By Operating Activities:	
Increase in accounts receivable	(4,790,117)
Increase in deferred charges	732,613
Decrease in accounts payable	2,996,558
Increase in accrued liabilities	1,104,314
Decrease in deferred credits	(43,684)
Depreciation elimination	12,275,524
Fixed asset additions reported in noncapital activities	7,117,352
Governmental revenues reported in noncapital financing activities	(53,874,000)
Interest revenue reported in investing activities	(641,150)
Net cash provided (used) by operating activities	<u>\$ (47,364,597)</u>

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

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**

**NOTE A - Summary of Significant Accounting Policies and Organization:**

**1. Organization:**

The Cincinnati Metropolitan Housing Authority (the "Authority") is a public body corporate and politic pursuant to laws of the State of Ohio, pursuant to article 44A which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal Agencies.

**2. Reporting Entity:**

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

The financial statements of the Cincinnati Metropolitan Housing Authority include Low-Income Public Housing under Annual Contributions Contract C-984, Section 8 Housing Assistance Programs under Annual Contributions Contract C-5034, a PHA Local Initiatives Program and the Hamilton County Affordable Housing Program.

**3. Basis of Presentation and Accounting:**

In prior fiscal years, the financial statements of the Authority were presented in an other comprehensive basis of accounting as defined by the U.S. Department of HUD. All public housing authorities have now been instructed by HUD to begin financial reporting in accordance with GAAP as of the fiscal year beginning on or after October 1, 1998.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2000**

**(Continued)**

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

Under GAAP methodology, operations of the Authority are recorded in the Proprietary Fund Type. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

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

**4. Budgets:**

Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a "project length" basis. Budgets are not, however, legally adopted nor legally required for financial statement presentation.

**5. Cash Equivalents:**

Cash equivalents consist principally of certificates of deposit, repurchase agreements and U.S. treasury bills and are stated at cost, which approximates market value.

**6. Interfund Receivables and Payables:**

Interfund receivables/payables are all current, and are the result of the use of the Public Housing Program as the common paymaster for all operations of the Authority. Cash settlements are made periodically, and all interfund balances are reconciled and net zero.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2000**

**(Continued)**

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

**7. Investments:**

Investments are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by the U.S. Department of Housing and Urban Development. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name.

**8. Inventories:**

Inventories are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

**9. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items.

**10. Restricted Assets:**

Certain assets may be classified as restricted assets on the balance sheet because their use is restricted for modernization programs, security deposits held in trust and Family Self-sufficiency Escrow.

**11. Risk Management:**

Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.



**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
(Continued)

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

**12 Fixed Assets:**

**a. Book Value:**

All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

None of the fixed assets were estimated, however.

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

All normal expenditures of preparing an asset for use are capitalized.

**b. Depreciation:**

The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization & development in the year following completion.

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

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

**c. Maintenance and Repairs:**

Maintenance and repairs are charged to operations when incurred. Betterments in excess of \$1,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
**(Continued)**

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

**13. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**14. Use of Estimates:**

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

**NOTE B - Cash and Cash Equivalents:**

1. The Authority is allowed to invest in certain "approved investment securities" in accordance with HUD guidelines. Approved investments generally include any of the following:
  - a. Direct obligations of the United States of America or obligations fully guaranteed by the United States of America.
  - b. Bonds, indentures, notes or other obligations issued by agencies or instrumentalities of the United States of America, the obligations of which are full faith and credit obligations of the United States of America.
  - c. Interest-bearing time or demand deposits or other similar banking arrangements, which are federally insured. A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by HUD designated securities held in the Authority's name.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
**(Continued)**

**NOTE B - Cash and Cash Equivalents: (Continued)**

- d. Certificates of deposit or other similar banking arrangements which are federally insured. A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by HUD designated securities.
- e. Repurchase agreements collateralized by direct obligations of, or obligations in the payment of principal and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America.

2. The three credit risk categories are defined as follows:

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

	<u>Credit Risk Category</u>			<u>Market Value</u>	<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
<b><u>Deposits:</u></b>					
Cash in					
Checking/ and					
U.S. Government					
Securities	<u>\$ 12,781,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,781,462</u>	<u>\$ 12,781,462</u>

**Reconciliation of Cash Equivalents to the Combined Balance Sheet:**

Cash	\$ 745,007
Investments – Government Securities	10,354,405
Restricted Assets	<u>1,682,050</u>
	<b><u>\$12,781,462</u></b>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
(Continued)

**NOTE C - Land, Buildings and Equipment:**

	<b>Adjusted GAAP Balance June 30, 1999</b>	<b>Additions</b>	<b>Transfers/ Deductions</b>	<b>Balance June 30, 2000</b>
Land	\$ 9,493,581	\$ -	\$ -	\$ 9,493,581
Buildings	165,553,295	2,320,304	-	167,873,599
Equipment	3,168,376	287,019	-	3,455,395
Construction in progress	<u>18,408,853</u>	<u>19,134,713</u>	-	<u>37,543,566</u>
	196,624,105	21,742,036	-	218,366,142
Accumulated Depreciation	<u>( 63,332,418)</u>	<u>( 12,275,523)</u>	-	<u>( 75,607,941)</u>
	<b><u>\$ 133,291,687</u></b>	<b><u>\$ 9,466,513</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 142,758,200</u></b>

**NOTE D - Fixed Liabilities and Debt Service Funds (ACC C-984) – Low Income Public Housing:**

In fiscal years prior to that beginning October 1, 1998, the Housing Authority recorded on its books of account fixed liabilities, annual interest and principal payments, contributions from HUD for such payments, and debt service fund transactions. The U.S. Department of HUD has since determined that all such transactions resemble conduit debt and should be treated as such. An adjustment to remove the conduit-type debt has been made by the Housing Authority, with no resultant impact upon operations.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2000**

**(Continued)**

**NOTE D - Fixed Liabilities and Debt Service Funds (ACC C-984) – Low Income Public Housing: (Continued)**

**Long-Term Debt – Business Activities (Hamilton County Affordable Housing Programs):**

Hamilton County provided HOME funds for the development of the units subject to construction acquisition with rehabilitation. The funds will be loaned to Cincinnati Metropolitan Housing Authority at 2% per annum simple interest for a term of 20 years for new construction and 15 years for acquisition with rehabilitation. All interest and payment of principle on said loans will be deferred for the term of the loan then repaid on a ten year amortization schedule except that if the units are maintained for low income use, 10% of the accrued interest and principle will be forgiven for each full year that the units are preserved as low income housing. At December 31, 1999 the Total amount of HOME notes (\$3,331,676) and bank notes (\$2,250,819) provided was \$5,582,495. All units presently purchased and under lease are to tenants with income at the required low income housing level.

The outstanding balance of Bank Notes Payable at December 31, 1999 was \$2,250,819. The notes are payable quarterly each year in the amounts and at the interest rate listed below:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2001	\$ 677,048	5.2-7.75%
2002	54,838	5.2-5.25%
2003	57,766	5.2-5.25%
2004	454,795	5.2-5.25%
2005	45,368	5.25%
Thereafter	<u>961,004</u>	5.25%
	2,250,819	
Less Current Portion	<u>52,048</u>	
	<b><u>\$2,198,771</u></b>	

The debt is secured by the property purchased in conjunction with the Hamilton county HOME Investment Partnership Act agreement to cooperate in the development of scattered site Low-Income Rental Housing throughout Hamilton County, Ohio.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
**(Continued)**

**NOTE E - Annual Contributions by Federal Agencies:**

Annual Contributions Contract C-984 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget. Operating subsidy contributions for the year ended June 30, 2000, were \$19,853,140.

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

HUD contributions for the year ended June 30, 2000 were as follows:

Section 8 Certificates	\$12,503,624
Section 8 Vouchers	8,804,617
Section 8 Moderate Rehabilitation	<u>1,801,471</u>
	<b><u>\$23,109,712</u></b>

**NOTE F - Retirement Commitments:**

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

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2000**

**(Continued)**

**NOTE F - Retirement Commitments: (Continued)**

b. **Funding Policy:** The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for employees other than law enforcement. The 1999 employer contribution rate for local government employer units was 13.55% of covered payroll. The Authority's total payroll and covered payroll for the year ended June 30, 2000 was \$14,278,834 and \$14,011,054 respectively. The Authority's contribution to PERS for the year ended June 30, 2000 was \$3,087,657, which consisted of \$1,190,261 from employees and \$1,897,396 from the Authority.

**NOTE G - Other Post-Employment Benefits:**

Public Employees Retirement System of Ohio provided post-retirement health care coverage to aid and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement Number 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2000 employer contribution rate for local government employers was 13.55% of covered payroll: 4.2% was the portion that was used to fund health care for the year 1999. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. The employer contributions actually made by the Authority to fund post-employment benefits during fiscal 1999 was \$588,464, based on the 1999 rate.

**NOTE H - Self-Funded Health Benefits:**

The Housing Authority is self-insured for employee dental and vision coverage and maintains a \$90,000 stop-loss policy. The Authority has contracted with a third party administrator to direct this program.

**NOTE I - Related Parties:**

The Housing Authority's Low-Income Public Housing Program acts as a common paymaster for all the entities associated with the Authority and periodically receives reimbursement from them. Certain other expenditures are also paid by the Authority's Low-Income Public Housing program and are later reimbursed. At June 30, 2000 interfund balances net zero.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2000**  
**(Continued)**

**NOTE J - Contingencies:**

1. The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.
2. The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended June 30, 2000.

**NOTE K - Restatement of Fund Equity:**

In prior fiscal years, the financial statements of the Authority were presented in another comprehensive basis of accounting as defined by the U.S. Department of HUD. All public housing authorities have now been instructed by HUD to begin financial reporting in accordance with GAAP as of the fiscal year beginning on or after October 1, 1998. Adjustments to fund equity are the result of this conversion.

<b>Fund equity as stated at June 30, 1999</b>	<b><u>\$ 210,328,215</u></b>
<b>Adjustments to restate beginning balance</b>	
Re-establishment of property ledger (Soft Costs and Capitalization Minimums)	(132,082,793)
Recognition of prior year accumulated depreciation	( 63,332,417)
Other full accrual conversion entries	495,202
Eliminate conduit-type debt	137,353,228
Recognition of obsolete inventory	( 71,163)
HUD Adjustments to Prior Year Section 8 Program Settlements	( 140,890)
Prior Years Cumulative Tenant Service Program Costs	( 5,995,971)
Prior Years OCBOA Modernization format	<u>1,221,971</u>
<b>Net adjustments to restate beginning balance</b>	<b><u>( 62,552,833)</u></b>
<b>Fund equity as restated at June 30, 1999</b>	<b><u>\$ 147,775,382</u></b>



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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**

Cincinnati, Ohio

**COMBINING BALANCE SHEET**

**JUNE 30, 2000**

	<u>Low-Income Public Housing</u>	<u>Comprehensive Grant Program</u>	<u>Public &amp; Indian Housing Drug Elimination Program</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
<b>Cash:</b>			
Cash - unrestricted	\$ 9,850,268	\$ --	\$ --
Cash - other restricted	--	--	--
Cash - tenant security deposits	872,462	--	--
<b>Total cash</b>	<b>10,722,730</b>	<b>--</b>	<b>--</b>
<b>Accounts and notes receivables:</b>			
Accounts receivable - HUD other projects	--	1,123,654	93,208
Accounts receivable - miscellaneous	267,868	--	--
Accounts receivable- tenants - dwelling rents	363,383	--	--
Allowance for doubtful accounts - dwelling rents	(50,946)	--	--
<b>Total receivables, net of allowances for doubtful accounts</b>	<b>580,305</b>	<b>1,123,654</b>	<b>93,208</b>
Prepaid expenses and other assets	450,095	--	--
Inventories	593,023	--	--
Allowance for obsolete inventories	(71,163)	--	--
Interprogram - due from	2,882,471	--	--
<b>TOTAL CURRENT ASSETS</b>	<b>15,157,461</b>	<b>1,123,654</b>	<b>93,208</b>
<b>NONCURRENT ASSETS:</b>			
<b>Fixed assets:</b>			
Land	9,493,581	--	--
Buildings	161,755,582	--	--
Furniture, equipment & machinery - administration	2,978,520	--	--
Leasehold improvements	--	--	--
Accumulated depreciation	(75,154,235)	--	--
Construction in progress	--	35,226,311	--
<b>Total fixed assets, net of accumulated depreciation</b>	<b>99,073,448</b>	<b>35,226,311</b>	<b>--</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>99,073,448</b>	<b>35,226,311</b>	<b>--</b>
<b>TOTAL ASSETS</b>	<b>\$ 114,230,909</b>	<b>\$ 36,349,965</b>	<b>\$ 93,208</b>

<u>HOPE VI Program</u>	<u>Section 8 Certificates</u>	<u>Section 8 Vouchers</u>	<u>Section 8 Mod Rehab #2</u>	<u>Section 8 Mod Rehab #4</u>	<u>Section 8 Mod Rehab #5</u>
\$ --	\$ 1,058,771	\$ --	\$ --	\$ --	\$ --
--	809,589	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>1,868,360</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
2,234,004	5,236,800	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>2,234,004</u>	<u>5,236,800</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	7,592	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	358,773	6,297,895	45,353	78,908	12,381
<u>2,234,004</u>	<u>7,471,525</u>	<u>6,297,895</u>	<u>45,353</u>	<u>78,908</u>	<u>12,381</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	476,876	--	--	--	--
--	--	--	--	--	--
--	(330,486)	--	--	--	--
<u>2,317,255</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>2,317,255</u>	<u>146,390</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>2,317,255</u>	<u>146,390</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 4,551,259</u>	<u>\$ 7,617,915</u>	<u>\$ 6,297,895</u>	<u>\$ 45,353</u>	<u>\$ 78,908</u>	<u>\$ 12,381</u>

<u>Section 8 Mod Rehab #6</u>	<u>Section 8 Mod Rehab #13</u>	<u>Congregate Housing Services Program</u>	<u>Elderly Service Coordinator Program</u>	<u>HOME Investment Partnerships Program</u>	<u>Total Programs</u>
\$ --	\$ --	\$ --	\$ --	\$ 190,372	\$ 11,099,411
--	--	--	--	--	809,589
--	--	--	--	--	872,462
--	--	--	--	<b>190,372</b>	<b>12,781,462</b>
--	32,650	18,077	13,853	--	8,752,246
--	--	--	--	--	267,868
--	--	--	--	9,207	372,590
--	--	--	--	--	(50,946)
--	<b>32,650</b>	<b>18,077</b>	<b>13,853</b>	<b>9,207</b>	<b>9,341,758</b>
--	--	--	--	--	457,687
--	--	--	--	--	593,023
--	--	--	--	--	(71,163)
52,288	--	--	--	125,308	9,853,377
<b>52,288</b>	<b>32,650</b>	<b>18,077</b>	<b>13,853</b>	<b>324,887</b>	<b>32,956,144</b>
--	--	--	--	--	9,493,581
--	--	--	--	6,118,017	167,873,599
--	--	--	--	--	3,455,396
--	--	--	--	--	--
--	--	--	--	(123,221)	(75,607,942)
--	--	--	--	--	37,543,566
--	--	--	--	<b>5,994,796</b>	<b>142,758,200</b>
--	--	--	--	<b>5,994,796</b>	<b>142,758,200</b>
<b>\$ 52,288</b>	<b>\$ 32,650</b>	<b>\$ 18,077</b>	<b>\$ 13,853</b>	<b>\$ 6,319,683</b>	<b>\$ 175,714,344</b>

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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINING BALANCE SHEET**

**JUNE 30, 2000**

(Continued)

	<b>Low-Income Public Housing</b>	<b>Comprehensive Grant Program</b>	<b>Public &amp; Indian Housing Drug Elimination Program</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts payable < 90 days	\$ 967,403	\$ 278,651	\$ 27,772
Accrued wages/payroll taxes payable	633,305	--	--
Accrued compensated absences	855,042	--	--
Accrued contingency liability	11,000	--	--
Accounts Payable - HUD PHA Programs	--	--	--
Accounts payable - other government	242,852	--	--
Tenant security deposits	872,462	--	--
Deferred revenue	71,553	--	--
Current portion of L-T debt - capital projects	--	--	--
Other current liabilities	79,582	--	--
Accrued liabilities - workers comp / FSS escrow	1,116,201	--	--
Interprogram - due to	--	845,003	65,436
<b>Total Current Liabilities</b>	<b>4,849,400</b>	<b>1,123,654</b>	<b>93,208</b>
<b>Noncurrent Liabilities:</b>			
Long-term debt, net of current - capital projects	--	--	--
<b>Total Noncurrent Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>	<b>4,849,400</b>	<b>1,123,654</b>	<b>93,208</b>
<b>EQUITY:</b>			
<b>Contributed Capital:</b>			
Project notes (HUD)	83,554,419	--	--
Long-term debt - HUD guaranteed	2,346,148	--	--
Net HUD PHA contributions	6,028,226	35,226,311	--
Other HUD contributions	4,857,145	--	--
Other contributions	2,425,492	--	--
<b>Total Contributed Capital</b>	<b>99,211,430</b>	<b>35,226,311</b>	<b>--</b>
<b>Retained Earnings</b>	<b>10,170,079</b>	<b>--</b>	<b>--</b>
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>109,381,509</b>	<b>35,226,311</b>	<b>--</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 114,230,909</b>	<b>\$ 36,349,965</b>	<b>\$ 93,208</b>

<u>HOPE VI Program</u>	<u>Section 8 Certificates</u>	<u>Section 8 Vouchers</u>	<u>Section 8 Mod Rehab #2</u>	<u>Section 8 Mod Rehab #4</u>	<u>Section 8 Mod Rehab #5</u>
\$ 13,404	\$ 29,012	\$ --	\$ --	\$ --	\$ --
--	59,554	--	--	--	--
--	105,883	--	--	--	--
--	--	--	--	--	--
--	--	6,023,017	29,325	30,505	2,534
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	809,589	--	--	--	--
2,220,600	6,484,564	--	--	--	--
<u>2,234,004</u>	<u>7,488,602</u>	<u>6,023,017</u>	<u>29,325</u>	<u>30,505</u>	<u>2,534</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>2,234,004</u>	<u>7,488,602</u>	<u>6,023,017</u>	<u>29,325</u>	<u>30,505</u>	<u>2,534</u>
--	--	--	--	--	--
--	--	--	--	--	--
2,317,255	146,390	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>2,317,255</u>	<u>146,390</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	(17,077)	274,878	16,028	48,403	9,847
<u>2,317,255</u>	<u>129,313</u>	<u>274,878</u>	<u>16,028</u>	<u>48,403</u>	<u>9,847</u>
<u>\$ 4,551,259</u>	<u>\$ 7,617,915</u>	<u>\$ 6,297,895</u>	<u>\$ 45,353</u>	<u>\$ 78,908</u>	<u>\$ 12,381</u>

<u>Section 8 Mod Rehab #6</u>	<u>Section 8 Mod Rehab #13</u>	<u>Congregate Housing Services Program</u>	<u>Elderly Service Coordinator Program</u>	<u>HOME Investment Partnerships Program</u>	<u>Total Programs</u>
\$ --	\$ --	\$ --	\$ 3,500	\$ 28,582	\$ 1,348,324
--	--	--	--	--	692,859
--	--	--	--	--	960,925
--	--	--	--	--	11,000
10,466	--	--	--	--	6,095,847
--	--	--	--	--	242,852
--	--	--	--	37,455	909,917
--	--	--	--	1,709	73,262
--	--	--	--	52,048	52,048
--	--	--	--	3,877	83,459
--	--	--	--	--	1,925,790
--	34,911	18,077	10,353	174,433	9,853,377
<u>10,466</u>	<u>34,911</u>	<u>18,077</u>	<u>13,853</u>	<u>298,104</u>	<u>22,249,660</u>
--	--	--	--	5,530,447	5,530,447
--	--	--	--	5,530,447	5,530,447
<u>10,466</u>	<u>34,911</u>	<u>18,077</u>	<u>13,853</u>	<u>5,828,551</u>	<u>27,780,107</u>
--	--	--	--	--	83,554,419
--	--	--	--	--	2,346,148
--	--	--	--	--	43,718,182
--	--	--	--	--	4,857,145
--	--	--	--	482,100	2,907,592
--	--	--	--	482,100	137,383,486
<u>41,822</u>	<u>(2,261)</u>	--	--	9,032	10,550,751
<u>41,822</u>	<u>(2,261)</u>	--	--	491,132	147,934,237
<u>\$ 52,288</u>	<u>\$ 32,650</u>	<u>\$ 18,077</u>	<u>\$ 13,853</u>	<u>\$ 6,319,683</u>	<u>\$ 175,714,344</u>



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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2000**

	Low-Income Public Housing	Comprehensive Grant Program	Public & Indian Housing Drug Elimination Program
<b><u>REVENUE</u></b>			
Net tenant rental revenue	\$ 13,355,595	\$ --	\$ --
Tenant revenue - other	170,201	--	--
<b>Total tenant revenue</b>	<b>13,525,796</b>	--	--
HUD PHA grants	19,853,140	3,639,133	3,524,543
Investment income - unrestricted	596,370	--	--
Other revenue	649,685	--	--
<b>TOTAL REVENUE</b>	<b>34,624,991</b>	<b>3,639,133</b>	<b>3,524,543</b>
<b><u>EXPENSES</u></b>			
<b>OPERATING EXPENSES:</b>			
<b>Administrative:</b>			
Administrative salaries	4,290,975	--	--
Auditing fees	33,150	--	--
Outside management fees	--	--	--
Compensated absences	99,136	--	--
Employee benefit contributions- administrative	1,077,860	--	--
Other operating- administrative	2,768,269	3,639,133	--
<b>Tenant services:</b>			
Tenant services - salaries	220,990	--	--
Employee benefit contributions- tenant services	55,275	--	--
Tenant services - other	349,392	--	3,524,543
<b>Utilities:</b>			
Water	2,475,475	--	--
Electricity	3,399,518	--	--
Gas	3,522,490	--	--
Labor	756,630	--	--
Employee benefit contributions- utilities	193,462	--	--
Other utilities expense	--	--	--
<b>Ordinary maintenance &amp; operation:</b>			
Labor	5,491,559	--	--
Materials & other	2,890,014	--	--
Contract costs	4,027,700	--	--
Employee benefit contributions- maintenance	1,326,597	--	--
<b>Protective services:</b>			
Labor	45,845	--	--
Other contract costs	144,659	--	--
Employee benefit contributions- protective services	110,549	--	--

<b>HOPE VI Program</b>	<b>Section 8 Certificates</b>	<b>Section 8 Vouchers</b>	<b>Section 8 Mod Rehab #2</b>	<b>Section 8 Mod Rehab #4</b>	<b>Section 8 Mod Rehab #5</b>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
3,478,219	12,503,624	8,804,617	225,072	627,379	131,181
--	15,723	11,145	272	665	90
--	--	--	--	--	--
<b>3,478,219</b>	<b>12,519,347</b>	<b>8,815,762</b>	<b>225,344</b>	<b>628,044</b>	<b>131,271</b>

--	672,489	476,692	11,627	28,448	3,834
--	3,181	2,255	55	135	18
--	--	--	--	--	--
--	21,202	--	--	--	--
--	196,411	139,226	3,396	8,309	1,120
3,478,219	315,873	238,934	5,827	14,259	1,922

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<u>Section 8 Mod Rehab #6</u>	<u>Section 8 Mod Rehab #13</u>	<u>Congregate Housing Services Program</u>	<u>Elderly Service Coordinator Program</u>	<u>HOME Investment Partnerships Program</u>	<u>Total Programs</u>
\$ --	\$ --	\$ --	\$ --	\$ 409,191	\$ 13,764,786
--	--	--	--	--	170,201
--	--	--	--	<b>409,191</b>	<b>13,934,987</b>
776,695	41,144	151,672	117,581	--	53,874,000
885	139	--	--	15,861	641,150
--	--	--	--	8,232	657,917
<b>777,580</b>	<b>41,283</b>	<b>151,672</b>	<b>117,581</b>	<b>433,284</b>	<b>69,108,054</b>

37,848	5,937	--	--	--	5,527,850
179	28	--	--	--	39,001
--	--	--	--	21,190	21,190
--	--	--	--	--	120,338
11,054	1,734	--	--	--	1,439,110
18,971	2,976	--	--	5,135	10,489,518
--	--	--	--	--	220,990
--	--	--	--	--	55,275
--	--	151,672	117,581	--	4,143,188
--	--	--	--	--	2,475,475
--	--	--	--	--	3,399,518
--	--	--	--	--	3,522,490
--	--	--	--	--	756,630
--	--	--	--	--	193,462
--	--	--	--	53,610	53,610
--	--	--	--	91,090	5,582,649
--	--	--	--	128,298	3,018,312
--	--	--	--	--	4,027,700
--	--	--	--	--	1,326,597
--	--	--	--	--	45,845
--	--	--	--	--	144,659
--	--	--	--	--	110,549

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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2000**

(Continued)

	<u>Low-Income Public Housing</u>	<u>Comprehensive Grant Program</u>	<u>Public &amp; Indian Housing Drug Elimination Program</u>
<b>General expenses:</b>			
Insurance premiums	255,895	--	--
Other general expenses	279,675	--	--
Payments in lieu of taxes	242,852	--	--
Bad debt - tenant rents	615,791	--	--
Interest expense	--	--	--
Severance expense	--	--	--
<b>TOTAL OPERATING EXPENSES</b>	<b>34,673,758</b>	<b>3,639,133</b>	<b>3,524,543</b>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(48,767)</b>	--	--
<b>OTHER EXPENSES:</b>			
Extraordinary maintenance	104,007	--	--
Casualty losses - non capitalized	66,149	--	--
Housing assistance payments	--	--	--
Depreciation expense	12,151,322	--	--
<b>TOTAL EXPENSES</b>	<b>46,995,236</b>	<b>3,639,133</b>	<b>3,524,543</b>
<b>EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES</b>	<b>(12,370,245)</b>	--	--
<b><u>FUND EQUITY</u></b>			
Capital Contributions	--	11,608,672	--
Retained earnings - beginning of year	179,056,585	22,395,667	4,906,962
Prior period adjustments and equity transfers	(57,304,831)	1,221,972	(4,906,962)
Adjusted retained earnings - beginning of year	121,751,754	23,617,639	--
<b>TOTAL FUND EQUITY</b>	<b>\$ 109,381,509</b>	<b>\$ 35,226,311</b>	<b>\$ --</b>

<b>HOPE VI Program</b>	<b>Section 8 Certificates</b>	<b>Section 8 Vouchers</b>	<b>Section 8 Mod Rehab #2</b>	<b>Section 8 Mod Rehab #4</b>	<b>Section 8 Mod Rehab #5</b>
--	24,517	17,380	424	1,037	140
--	6,981	4,947	121	295	40
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	10,658	7,555	184	451	61
<b>3,478,219</b>	<b>1,251,312</b>	<b>886,989</b>	<b>21,634</b>	<b>52,934</b>	<b>7,135</b>
--	<b>11,268,035</b>	<b>7,928,773</b>	<b>203,710</b>	<b>575,110</b>	<b>124,136</b>
--	--	--	--	--	--
--	--	--	--	--	--
--	11,191,876	7,844,736	198,635	549,170	117,665
--	47,102	--	--	--	--
<b>3,478,219</b>	<b>12,490,290</b>	<b>8,731,725</b>	<b>220,269</b>	<b>602,104</b>	<b>124,800</b>
--	<b>29,057</b>	<b>84,037</b>	<b>5,075</b>	<b>25,940</b>	<b>6,471</b>
<b>408,689</b>	--	--	--	--	--
<b>1,908,566</b>	<b>524,530</b>	<b>190,841</b>	<b>10,953</b>	<b>22,463</b>	<b>3,376</b>
--	(424,274)	--	--	--	--
<b>1,908,566</b>	<b>100,256</b>	<b>190,841</b>	<b>10,953</b>	<b>22,463</b>	<b>3,376</b>
<b>\$ 2,317,255</b>	<b>\$ 129,313</b>	<b>\$ 274,878</b>	<b>\$ 16,028</b>	<b>\$ 48,403</b>	<b>\$ 9,847</b>

Section 8 Mod Rehab #6	Section 8 Mod Rehab #13	Congregate Housing Services Program	Elderly Service Coordinator Program	HOME Investment Partnerships Program	Total Programs
1,380	216	--	--	--	300,989
394	62	--	--	519	293,034
--	--	--	--	--	242,852
--	--	--	--	3,623	619,414
--	--	--	--	87,595	87,595
600	94	--	--	--	19,603
<b>70,426</b>	<b>11,047</b>	<b>151,672</b>	<b>117,581</b>	<b>391,060</b>	<b>48,277,443</b>
<b>707,154</b>	<b>30,236</b>	<b>--</b>	<b>--</b>	<b>42,224</b>	<b>20,830,610</b>
--	--	--	--	--	104,007
--	--	--	--	--	66,149
694,063	30,793	--	--	--	20,626,938
--	--	--	--	77,100	12,275,524
<b>764,489</b>	<b>41,840</b>	<b>151,672</b>	<b>117,581</b>	<b>468,160</b>	<b>81,350,061</b>
<b>13,091</b>	<b>(557)</b>	<b>--</b>	<b>--</b>	<b>(34,876)</b>	<b>(12,242,007)</b>
--	--	--	--	<b>383,501</b>	<b>12,400,862</b>
<b>28,731</b>	<b>(1,704)</b>	<b>713,236</b>	<b>375,773</b>	<b>192,236</b>	<b>210,328,215</b>
--	--	<b>(713,236)</b>	<b>(375,773)</b>	<b>(49,729)</b>	<b>(62,552,833)</b>
<b>28,731</b>	<b>(1,704)</b>	<b>--</b>	<b>--</b>	<b>142,507</b>	<b>147,775,382</b>
<b>\$ 41,822</b>	<b>\$ (2,261)</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 491,132</b>	<b>\$ 147,934,237</b>



**SUPPLEMENTAL INFORMATION**

**FINANCIAL DATA SCHEDULE**

OHO04 06/30/2000

Line Item #	Account Description	Congregate Housing Service Program	HOME Investment Partnerships Program	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Public Housing, Comprehensive Grant Program
111	Cash - Unrestricted	\$0	\$190,372	\$9,850,268	\$0	\$0	\$1,058,771	\$0
113	Cash - Other/Restricted	\$0	\$0	\$0	\$0	\$0	\$809,589	\$0
114	Cash - Tenant Security Deposits	\$0	\$0	\$872,462	\$0	\$0	\$0	\$0
100	Total Cash	\$0	\$190,372	\$10,722,730	\$0	\$0	\$1,868,360	\$0
122	Accounts Receivable - HUD Other Projects	\$18,077	\$0	\$0	\$93,208	\$0	\$5,236,800	\$1,123,654
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$267,868	\$0	\$0	\$0	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$9,207	\$363,383	\$0	\$0	\$0	\$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$-50,946	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$18,077	\$9,207	\$580,305	\$93,208	\$0	\$5,236,800	\$1,123,654
142	Prepaid Expenses and Other Assets	\$0	\$0	\$450,095	\$0	\$0	\$7,592	\$0
143	Inventories	\$0	\$0	\$593,023	\$0	\$0	\$0	\$0
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$-71,163	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$0	\$125,308	\$2,887,471	\$0	\$6,297,895	\$358,773	\$0
150	Total Current Assets	\$18,077	\$324,887	\$15,157,461	\$93,208	\$6,297,895	\$7,471,525	\$1,123,654
161	Land	\$0	\$0	\$9,493,581	\$0	\$0	\$0	\$0
162	Buildings	\$0	\$6,118,017	\$161,755,582	\$0	\$0	\$0	\$0
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$2,978,520	\$0	\$0	\$476,876	\$0
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$0	\$-123,221	\$-75,154,235	\$0	\$0	\$-330,486	\$0
167	Construction In Progress	\$0	\$0	\$0	\$0	\$0	\$0	\$35,226,311
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$5,994,796	\$99,073,448	\$0	\$0	\$146,390	\$35,226,311
180	Total Non-Current Assets	\$0	\$5,994,796	\$99,073,448	\$0	\$0	\$146,390	\$35,226,311
190	Total Assets	\$18,077	\$63,19,683	\$14,230,909	\$93,208	\$6,297,895	\$7,617,915	\$36,349,965

OH004 06/30/2000

Line Item #	Account Description	Revitalization of Severely Disressed Public Housing	Resident Opportunity and Supportive Services	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0006	Total
111	Cash - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,099,411
113	Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$809,589
114	Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$872,462
100	<b>Total Cash</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,781,462
122	Accounts Receivable - HUD Other Projects	\$2,234,004	\$13,853	\$0	\$32,650	\$0	\$0	\$0	\$87,522,246
125	Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$267,868
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,590
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-50,946
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	<b>Total Receivables, net of allowances for doubtful accounts</b>	\$2,234,004	\$13,853	\$0	\$32,650	\$0	\$0	\$0	\$9,341,758
142	Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$457,687
143	Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,023
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-71,163
144	Interprogram Due From	\$0	\$0	\$45,353	\$0	\$78,908	\$12,381	\$52,288	\$9,853,377
150	<b>Total Current Assets</b>	\$2,234,004	\$13,853	\$45,353	\$32,650	\$78,908	\$12,381	\$52,288	\$32,956,144
161	Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,493,681
162	Buildings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$167,873,599
164	Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,455,396
165	Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166	Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-75,607,942
167	Constitution In Progress	\$2,317,255	\$0	\$0	\$0	\$0	\$0	\$0	\$37,643,566
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	\$2,317,255	\$0	\$0	\$0	\$0	\$0	\$0	\$-142,758,200
180	<b>Total Non-Current Assets</b>	\$2,317,255	\$0	\$0	\$0	\$0	\$0	\$0	\$-142,758,200
190	<b>Total Assets</b>	\$4,551,259	\$13,853	\$45,353	\$32,650	\$78,908	\$12,381	\$52,288	\$175,714,344

OH004 06/30/2000

Line Item #	Account Description	Congregate Housing Service Program	HOME Investment Partnerships Program	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Public Housing, Comprehensive Grant Program
312	Accounts Payable <= 90 Days	\$0	\$28,582	\$967,403	\$27,772	\$0	\$29,012	\$278,651
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$633,305	\$0	\$0	\$59,554	\$0
322	Accrued Compensated Absences	\$0	\$0	\$855,042	\$0	\$0	\$105,883	\$0
324	Accrued Contingency Liability	\$0	\$0	\$11,000	\$0	\$0	\$0	\$0
331	Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$6,023,017	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$242,852	\$0	\$0	\$0	\$0
341	Tenant Security Deposits	\$0	\$37,455	\$872,462	\$0	\$0	\$0	\$0
342	Deferred Revenues	\$0	\$1,709	\$71,553	\$0	\$0	\$0	\$0
343	Current Portion of Long-term Debt - Capital Projects	\$0	\$52,048	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$3,877	\$79,582	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$1,116,201	\$0	\$0	\$809,589	\$0
347	Interprogram Due To	\$18,077	\$174,433	\$0	\$65,436	\$0	\$6,484,564	\$845,003
310	Total Current Liabilities	\$18,077	\$298,104	\$4,849,400	\$93,208	\$6,023,017	\$7,488,602	\$1,123,654
351	Long-term Debt, Net of Current - Capital Projects	\$0	\$5,530,447	\$0	\$0	\$0	\$0	\$0
350	Total Noncurrent Liabilities	\$0	\$5,530,447	\$0	\$0	\$0	\$0	\$0
900	Total Liabilities	\$18,077	\$5,828,551	\$4,849,400	\$93,208	\$6,023,017	\$7,488,602	\$1,123,654
502	Project Notes (HUD)	\$0	\$0	\$83,554,419	\$0	\$0	\$0	\$0
503	Long-term Debt - HUD Guaranteed	\$0	\$0	\$2,346,146	\$0	\$0	\$0	\$0
504	Net HUD PHA Contributions	\$0	\$0	\$6,028,226	\$0	\$0	\$146,390	\$35,226,311
505	Other HUD Contributions	\$0	\$0	\$4,857,145	\$0	\$0	\$0	\$0
507	Other Contributions	\$0	\$482,100	\$2,425,492	\$0	\$0	\$0	\$0
508	Total Contributed Capital	\$0	\$482,100	\$99,211,430	\$0	\$0	\$146,390	\$35,226,311
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$0	\$9,032	\$10,170,079	\$0	\$274,878	\$-17,077	\$0
513	Total Equity	\$0	\$491,132	\$109,381,509	\$0	\$274,878	\$129,313	\$35,226,311
600	Total Liabilities and Equity	\$18,077	\$6,319,683	\$114,230,909	\$93,208	\$6,297,895	\$7,617,915	\$36,349,965

01/004 06/30/2000

Line Item #	Account Description	Revolatilization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0006	Total
312	Accounts Payable <= 90 Days	\$13,404	\$3,500	\$0	\$0	\$0	\$0	\$0	\$1,348,324
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$692,859
322	Accrued Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$960,925
324	Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100
331	Accounts Payable - HUD PHA Programs	\$0	\$29,325	\$0	\$0	\$30,505	\$2,534	\$10,466	\$6,095,847
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$242,852
341	Tenant Security Deposits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$909,917
342	Deferred Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$73,262
343	Current Portion of Long-term Debt - Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,048
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,459
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,925,790
347	Interprogram Due To	\$2,220,600	\$10,353	\$0	\$34,911	\$0	\$0	\$0	\$9,853,377
310	Total Current Liabilities	\$2,234,004	\$13,853	\$29,325	\$34,911	\$30,505	\$2,534	\$10,466	\$22,249,660
351	Long-term Debt, Net of Current - Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,530,447
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,530,447
300	Total Liabilities	\$2,234,004	\$13,853	\$29,325	\$34,911	\$30,505	\$2,534	\$10,466	\$27,780,107
502	Project Notes (HUD)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,554,419
503	Long-term Debt - HUD Guaranteed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,346,148
504	Net HUD PHA Contributions	\$2,317,255	\$0	\$0	\$0	\$0	\$0	\$0	\$43,718,182
505	Other HUD Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,857,145
507	Other Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,907,592
508	Total Contributed Capital	\$2,317,255	\$0	\$0	\$0	\$0	\$0	\$0	\$52,839,486
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$0	\$0	\$16,028	\$-2,261	\$48,403	\$9,847	\$41,822	\$10,550,751
513	Total Equity	\$2,317,255	\$0	\$16,028	\$-2,261	\$48,403	\$9,847	\$41,822	\$147,834,237
600	Total Liabilities and Equity	\$4,551,259	\$13,853	\$45,353	\$32,650	\$78,908	\$12,381	\$52,288	\$175,714,344

OH004 06/30/2000

Line Item #	Account Description	Congregate Housing Service Program	HOME Investment Partnerships Program	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
703	Net Tenant Rental Revenue	\$0	\$409,191	\$13,355,595	\$0	\$0	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$170,201	\$0	\$0	\$0	\$0
705	Total Tenant Revenue	\$0	\$409,191	\$13,525,796	\$0	\$0	\$0	\$0
706	HUD PHA Grants	\$151,672	\$0	\$19,953,140	\$3,524,543	\$8,804,617	\$12,503,624	\$3,639,133
711	Investment Income - Unrestricted	\$0	\$15,861	\$596,370	\$0	\$11,145	\$15,723	\$0
715	Other Revenue	\$0	\$8,232	\$649,685	\$0	\$0	\$0	\$0
700	Total Revenue	\$151,672	\$433,284	\$34,624,991	\$3,524,543	\$8,815,762	\$12,519,347	\$3,639,133
911	Administrative Salaries	\$0	\$0	\$4,290,975	\$0	\$476,692	\$672,489	\$0
912	Auditing Fees	\$0	\$0	\$33,150	\$0	\$2,255	\$3,181	\$0
913	Outside Management Fees	\$0	\$21,190	\$0	\$0	\$0	\$0	\$0
914	Compensated Absences	\$0	\$0	\$99,136	\$0	\$0	\$21,202	\$0
915	Employee Benefit Contributions - Administrative	\$0	\$0	\$1,077,860	\$0	\$139,226	\$196,411	\$0
916	Other Operating - Administrative	\$0	\$5,135	\$2,768,269	\$0	\$238,934	\$315,873	\$3,639,133
921	Tenant Services - Salaries	\$0	\$0	\$220,990	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$55,275	\$0	\$0	\$0	\$0
924	Tenant Services - Other	\$151,672	\$0	\$349,392	\$3,524,543	\$0	\$0	\$0
931	Water	\$0	\$0	\$2,475,475	\$0	\$0	\$0	\$0
932	Electricity	\$0	\$0	\$3,399,518	\$0	\$0	\$0	\$0
933	Gas	\$0	\$0	\$3,522,490	\$0	\$0	\$0	\$0
935	Labor	\$0	\$0	\$756,630	\$0	\$0	\$0	\$0
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$193,462	\$0	\$0	\$0	\$0
938	Other Utilities Expense	\$0	\$55,610	\$0	\$0	\$0	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$91,090	\$5,491,559	\$0	\$0	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$128,298	\$2,890,014	\$0	\$0	\$0	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$4,027,700	\$0	\$0	\$0	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$1,326,597	\$0	\$0	\$0	\$0
951	Protective Services - Labor	\$0	\$0	\$45,845	\$0	\$0	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$144,659	\$0	\$0	\$0	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$110,549	\$0	\$0	\$0	\$0

01-1004 06/30/2000

Line Item #	Account Description	Revolatilization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	Total
703	Net Tenant/Rental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
704	Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
705	Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
706	HUD PHA Grants	\$3,478,219	\$117,581	\$225,072	\$41,144	\$627,379	\$131,181	\$776,695	\$53,874,000
711	Investment Income - Unrestricted	\$0	\$0	\$272	\$139	\$665	\$90	\$885	\$641,150
715	Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$657,917
700	Total Revenue	\$3,478,219	\$117,581	\$225,344	\$41,283	\$628,044	\$131,271	\$777,580	\$59,108,064
911	Administrative Salaries	\$0	\$0	\$11,627	\$5,937	\$28,448	\$3,834	\$37,848	\$5,527,850
912	Auditing Fees	\$0	\$0	\$55	\$28	\$135	\$18	\$179	\$39,001
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
914	Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$0	\$0	\$3,396	\$1,734	\$8,309	\$1,120	\$11,054	\$1,439,110
916	Other Operating - Administrative	\$3,478,219	\$0	\$5,827	\$2,976	\$14,259	\$1,922	\$18,971	\$10,489,518
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
924	Tenant Services - Other	\$0	\$117,581	\$0	\$0	\$0	\$0	\$0	\$4,143,188
931	Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
932	Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
933	Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
935	Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
937	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
938	Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
951	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
955	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NO



OF1004 06/30/2000

Line Item #	Account Description	Congregate Housing Service Program	HOME Investment Partnerships Program	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
961	Insurance Premiums	\$0	\$0	\$255,895	\$0	\$17,380	\$24,517	\$0
962	Other General Expenses	\$0	\$519	\$279,675	\$0	\$4,947	\$6,981	\$0
963	Payments in Lieu of Taxes	\$0	\$0	\$242,852	\$0	\$0	\$0	\$0
964	Bad Debt - Tenant Rents	\$0	\$3,623	\$615,791	\$0	\$0	\$0	\$0
967	Interest Expense	\$0	\$87,595	\$0	\$0	\$0	\$0	\$0
968	Severance Expense	\$0	\$0	\$0	\$0	\$7,555	\$10,658	\$0
969	Total Operating Expenses	\$151,672	\$391,060	\$3,673,768	\$3,524,543	\$386,989	\$1,251,312	\$3,639,133
970	Excess Operating Revenue over Operating Expenses	\$0	\$42,224	\$-48,767	\$0	\$7,928,773	\$11,268,035	\$0
971	Extraordinary Maintenance	\$0	\$0	\$104,007	\$0	\$0	\$0	\$0
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$66,149	\$0	\$0	\$0	\$0
973	Housing Assistance Payments	\$0	\$0	\$0	\$0	\$7,844,736	\$11,191,876	\$0
974	Depreciation Expense	\$0	\$77,100	\$12,151,322	\$0	\$0	\$47,102	\$0
900	Total Expenses	\$151,672	\$468,160	\$46,995,236	\$3,524,543	\$8,731,725	\$12,490,290	\$3,639,133
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$0	\$-34,876	\$-12,370,245	\$0	\$84,037	\$29,057	\$0

011004 06/30/2000

Line Item #	Account Description	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0006	Total
961	Insurance Premiums	\$0	\$0	\$424	\$216	\$1,037	\$140	\$1,380	\$300,989
962	Other General Expenses	\$0	\$0	\$121	\$62	\$295	\$40	\$334	\$293,034
963	Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$242,852
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$619,414
967	Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,595
968	Severance Expense	\$0	\$0	\$184	\$94	\$451	\$61	\$600	\$19,603
969	Total Operating Expenses	\$3,478,219	\$117,581	\$21,634	\$11,047	\$52,934	\$7,135	\$70,436	\$48,277,443
970	Excess Operating Revenue over Operating Expenses	\$0	\$0	\$203,710	\$30,236	\$575,110	\$124,136	\$707,154	\$20,830,611
971	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104,007
972	Casualty Losses - Non-Capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$66,149
973	Housing Assistance Payments	\$0	\$0	\$198,635	\$30,793	\$549,170	\$117,665	\$694,063	\$20,626,938
974	Depreciation Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,275,524
900	Total Expenses	\$3,478,219	\$117,581	\$220,269	\$41,840	\$602,104	\$124,800	\$784,489	\$81,350,061
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$0	\$0	\$5,075	\$-557	\$25,940	\$6,471	\$13,091	\$-12,242,007

OH1004 06/30/2000

Line Item #	Account Description	Congregate Housing Service Program	HOME Investment Partnerships Program	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program
1101	Capital Outlays Enterprise Fund	\$0	\$383,501	\$0	\$0	\$0	\$0	\$11,608,672
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$713,236	\$192,236	\$179,056,385	\$4,906,962	\$190,841	\$524,530	\$22,395,667
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$-713,236	\$-49,729	\$-57,304,831	\$-4,906,962	\$0	\$-424,274	\$1,221,972
1112	Depreciation Add Back	\$0	\$0	\$12,075,217	\$0	\$0	\$330,486	\$0
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$14,994,196	\$9,695,241	\$0
1114	Prorata Maximum Annual Contributions Commitment (Per ACC) of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0	\$6,189,900	\$9,032,462	\$0
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$0	\$21,183,776	\$18,727,703	\$0
1120	Unit Months Available	0	0	74575	0	27310	36052	0
1121	Number of Unit Months Leased	0	0	72043	0	22798	32825	0

OH004 06/30/2000

Line Item #	Account Description	Reutilization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0002	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0003	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0004	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0005	Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation OH004MR0006	Total
1101	Capital Outlays Enterprise Fund	\$408,689	\$0	\$0	\$0	\$0	\$0	\$0	\$12,400,862
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,908,566	\$375,773	\$10,953	\$-1,704	\$22,463	\$3,376	\$28,731	\$210,328,215
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$-375,773	\$0	\$0	\$0	\$0	\$0	\$-62,552,893
1112	Depreciation Add Back	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,405,703
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$88,583	\$71,280	\$0	\$0	\$0	\$24,849,302
1114	Prorate Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$-136,489	\$30,136	\$-627,380	\$-131,180	\$776,695	\$15,133,824
1116	Total Annual Contributions Available	\$0	\$0	\$-47,906	\$101,416	\$-627,380	\$-131,180	\$776,695	\$39,983,126
1120	Unit Months Available	0	0	612	240	1812	312	1920	142833
1121	Number of Unit Months Leased	0	0	570	240	1386	165	1848	131695

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**STATEMENT OF ACTUAL COMPREHENSIVE GRANT PROGRAM COSTS**  
**JUNE 30, 2000**

**Annual Contributions Contract C-984**

1. The Comprehensive Grant costs for Phase 706, 707 and 708 are as follows:

	<b>Phase</b>		
	<u>706</u>	<u>707</u>	<u>708</u>
Funds Approved	\$16,175,604.00	\$ 16,638,185.00	\$19,672,305.00
Funds Expended	<u>16,175,604.00</u>	<u>16,191,103.00</u>	<u>6,498,663.20</u>
Excess/(Deficiency) of Funds Approved	<u>\$ -</u>	<u>\$ 447,082.00)</u>	<u>\$13,173,641.80</u>
Funds Advanced	\$16,175,604.00	\$ 16,131,948.93	\$ 5,434,164.07
Funds Expended	<u>16,175,604.00</u>	<u>16,191,103.00</u>	<u>6,498,663.20</u>
Excess/(Deficiency) of Funds Advanced	<u>\$ -</u>	<u>\$ ( 59,154.07)</u>	<u>\$ (1,064,499.13)</u>

2. Cost additions total \$15,247,805.06 were made during the current audit period, and accordingly, were audited by Malcolm Johnson & Company, P. A.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
**Cincinnati, Ohio**

**STATEMENT OF ACTUAL HOPE VI ACTION PROGRAM COSTS**  
**JUNE 30, 2000**

**Annual Contributions Contract C-984**

1. The HOPE VI (602) and (603) Action Program Costs are as follows:

	<b>HOPE VI</b>	
	<b>602</b>	<b>603</b>
Funds Approved	\$ 31,093,590.00	\$35,000,000.00
Funds Expended	4,997,777.63	797,696.21
Excess/(Deficiency) of Funds Approved	<b><u>\$ 26,095,812.37</u></b>	<b><u>\$34,202,303.79</u></b>
Funds Advanced	\$ 3,561,469.48	\$ -
Funds Expended	4,997,777.63	797,696.21
Deficiency of Funds Advanced	<b><u>\$ ( 1,436,308.15)</u></b>	<b><u>\$ ( 797,696.21)</u></b>

2. Cost additions total \$3,880,908.03 were made during the current audit period, and accordingly, were audited by Malcolm Johnson & Company, P. A.
3. This is a U. S. Department of Housing and Urban Development HOPE VI Action Program with CFDA Number 14.866.

CINCINNATI METROPOLITAN HOUSING AUTHORITY  
Cincinnati, Ohio

STATEMENT AND CERTIFICATION OF ACTUAL DRUG ELIMINATION GRANT  
PROGRAM COSTS  
JUNE 30,2000

Annual Contributions Contract C-984

OHIO DEP0040197

1. The final SF-269 for Family Investment Center Grant Program:

Federal Share of outlays	<u>\$ 1,913,340.00</u>
Total unliquidated obligations	-
Recipient share of unliquidated obligations	-
Federal share of unliquidated obligations	-
Total Federal Share	<u>1,913,340.00</u>
Total Federal Funds authorized for this funding period	<u>1,913,340.00</u>
Unobligated balance of Federal Funds	<u>\$ -</u>

2. These balances are in agreement with the form SF-269A submitted to HUD by the Authority.
3. Cost additions totaling \$506,080.54 were made during the current audit period and, accordingly, were audited by Malcolm Johnson & Company, P.A.
4. All funds have been expended in accordance with program requirements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY  
Cincinnati, Ohio

STATEMENT OF ACTUAL DRUG ELIMINATION GRANT PROGRAM COSTS  
JUNE 30, 2000

Annual Contributions Contract C-984

1. The Drug Elimination Grant Program costs are as follows:

	<b>Grant Program</b>	
	<b>Drug #6</b>	<b>Drug #7</b>
Funds Approved	\$ 1,898,780.00	\$ 1,592,809.00
Funds Expended	<u>1,375,765.91</u>	<u>235,437.19</u>
Excess of Funds Approved	<u><b>\$ 523,014.09</b></u>	<u><b>\$ 1,357,371.81</b></u>
Funds Advanced	\$ 1,313,653.53	\$ 204,341.83
Funds Expended	<u>1,375,765.91</u>	<u>235,437.19</u>
Deficiency of Funds Advanced	<u><b>\$ ( 62,112.38)</b></u>	<u><b>\$ ( 31,095.36)</b></u>

2. Cost additions totaling \$1,434,003.48 were made during the current audit period and, accordingly, were audited by Malcolm Johnson & Company, P.A.
3. This is a U.S. Department of Housing and Urban Development Drug Elimination Grant Program with CFDA Number 14.854.



CINCINNATI METROPOLITAN HOUSING AUTHORITY  
Cincinnati, Ohio

STATEMENT OF ACTUAL ELDERLY SERVICE COORDINATORS FOR  
PUBLIC HOUSING PROGRAM COSTS

JUNE 30, 2000

Annual Contributions Contract C-984

1. The Service Coordinators for the Public Housing Program Costs are as follows:

Funds Approved	\$ 507,630.00
Funds Expended	<u>493,353.99</u>

Excess of Funds Approved	<u>\$ 14,276.01</u>
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Funds Advanced	\$ 479,301.23
Funds Expended	<u>493,353.99</u>

Deficiency of Funds Advanced	<u>\$( 13,852.76)</u>
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2. Cost additions totaling \$117,580.91 were made during the current audit period, and, accordingly, were audited by Malcolm Johnson & Company, P.A.
3. This is a U. S. Department of Housing and Urban Development Service Coordinators for Public Housing Program with CFDA number 14.167.

CINCINNATI METROPOLITAN HOUSING AUTHORITY  
Cincinnati, Ohio

STATEMENT OF ACTUAL CONGREGATE HOUSING SERVICE PROGRAM COSTS  
JUNE 30, 2000

Annual Contributions Contract C-984

1. The Congregate Housing Service Program Costs are as follows:

Funds Approved	\$ 890,000.00
Funds Expended	<u>864,907.48</u>
Excess of Funds Approved	<u>\$ 25,092.52</u>
Funds Advanced	\$ 846,830.46
Funds Expended	<u>864,907.48</u>
Excess of Funds Advanced	<u>\$ ( 18,077.02)</u>

2. Cost additions totaling \$151,671.84 were made during the current audit period and, accordingly, were audited by Malcolm Johnson & Company, P.A.
3. This is a U. S. Department of Housing and Urban Development Congregate Housing Service Program with CFDA number 14.170.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

**SECTION I - SUMMARY OF AUDITORS RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

<b><u>CFDA Number</u></b>	<b><u>Name of Federal Program</u></b>
14.850	Low-Income Public Housing
14.859	Comp Grant Program
14.854	Drug Elimination Program
14.185	HOPE VI
14.857	Section 8 Certificate Program
14.855	Section 8 Voucher Program

CINCINNATI METROPOLITAN HOUSING AUTHORITY  
Cincinnati, Ohio

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2000

(Continued)

SECTION I - SUMMARY OF AUDITORS RESULTS

(Continued)

Dollar threshold used to distinguish between type A and type B programs:	\$1,988,245
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings.

**SINGLE AUDIT SECTION**

**CINCINNATI METROPOLITAN HOUSING AUTHORITY**  
Cincinnati, Ohio

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2000**

<u>ACC NUMBER</u>	<u>CFDA NUMBER</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>PASS THRU NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b><u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
C-984	14.850a	Public and Indian Housing Operating Subsidy -Conventional	N/A	\$ 19,853,140
C-984	14.866	Revitalization of Severely Distressed Housing (HOPE VI)	N/A	3,886,908
	14.859	Comprehensive Grant Programs	N/A	15,247,805
C-984	14.854	Drug Elimination Program	N/A	3,524,543
C-984	14.239	HOME Partnership	N/A	383,501
	14.170	Congregate Housing Services	N/A	151,672
	14.870	Resident Opportunities and Supportive Services (Elderly Services Program)	N/A	117,581
C-5034	14.857	Section 8 Rental Certificate Program Annual Contributions Earned:	N/A	12,503,624
C-5034	14.855	Section 8 Rental Voucher Program Annual Contributions Earned	N/A	8,804,617
C-5034	14.856	Section 8 Moderate Rehabilitation	N/A	<u>1,801,471</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>				<b><u>\$ 66,274,862</u></b>

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

MALCOLM JOHNSON & COMPANY, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
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FACSIMILE (904) 851-0084

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

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
Cincinnati, Ohio

HUD, Cincinnati Area Office  
525 Vince Street, 7<sup>th</sup> Floor  
Cincinnati, Ohio 45202-3188

We have audited the financial statements of the Cincinnati Metropolitan Housing Authority as of and for the year ended June 30, 2000, and have issued our report thereon dated October 6, 2000. We conducted our 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

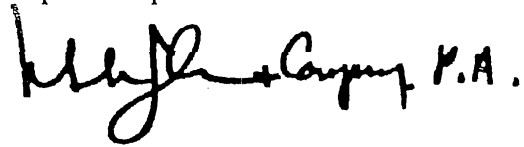
As part of obtaining reasonable assurance about whether the Cincinnati Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants, noncompliance with which could have a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

Internal Control Over Financial Reporting.

In planning and performing our audit, we considered the Cincinnati Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted a matter involving the internal control over financial reporting that we have reported to management/Board of Commissioners of the Cincinnati Metropolitan Housing Authority in a separate letter dated October 6, 2000.

This report is intended for the information and use of the Audit Committee, if any, Housing Authority's management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Malcolm P. Johnson, P.A.", written in a cursive style.

Malcolm P. Johnson, President  
Certified Public Accountants

DeBary, Florida  
October 6, 2000



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

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
Cincinnati, Ohio

HUD, Cincinnati Area Office  
525 Vine Street, 7<sup>th</sup> Floor  
Cincinnati, Ohio 45202-3188

Compliance

We have audited the compliance of the Cincinnati 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 June 30, 2000. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the 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 the Housing Authority's compliance with those requirements.

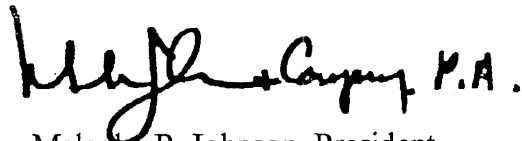
In our opinion, the Cincinnati Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the 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 the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information and use of the Audit Committee, if any, Housing Authority's management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Malcolm P. Johnson, President  
Certified Public Accountants

DeBary, Florida  
October 6, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CINCINNATI METROPOLITAN HOUSING AUTHORITY**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 5, 2001**