

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS AND SUPPLEMENTAL DATA FOR THE
YEAR ENDED MARCH 31, 2001**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Commissioners
Cambridge Metropolitan Housing Authority
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We have reviewed the Independent Auditor's Report of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period April 1, 2000 through March 31, 2001. 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

January 7, 2002

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CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

FOR THE YEAR ENDED MARCH 31, 2001

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

We have audited the accompanying balance sheet of the Cambridge Metropolitan Housing Authority, Cambridge, Ohio, as of and for the year ended March 31, 2001, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 Cambridge Metropolitan Housing Authority as of March 31, 2001, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 27, 2001, on our consideration of Cambridge Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Cambridge Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards, 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 financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

J.E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.
November 27, 2001

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
BALANCE SHEET
FOR THE YEAR ENDED MARCH 31, 2001

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 728,298
Investments-Unrestricted	316,007
Tenant Accounts Receivable- Net of \$ 2,799 Doubtful Accounts	1,036
Accounts Receivable - HUD	31,549
Accounts Receivable-Other	64,640
Interprogram Due From	8,025
Prepaid Expenses	16,891
Inventory	<u>2,291</u>
 Total Current Assets	 1,168,737
 Property and Equipment - Net of \$ 3,843,481 Accumulated Depreciation	 <u>5,831,887</u>
 Total Assets	 <u>\$ 7,000,624</u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable - Vendors	\$ 43,513
Accounts Payable - HUD	20,187
Accounts Payable- Governments	28,439
Interprogram Due To	8,025
Tenant Security Deposits	29,656
Accrued Wages and Payroll Taxes	31,981
Accrued Compensated Absences	1,302
Deferred Revenues	195,279
Other Current Liabilities	5,497
Accrued Liabilities - Other	<u>1,000</u>
 Total Current Liabilities	 <u>364,879</u>

Non-Current Liabilities

Non-current liabilities - other	<u>29,341</u>
Total Non-Current Liabilities	<u>29,341</u>

Total Liabilities	394,220
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Equity

Contributed Capital	6,238,845
Retained Earnings	<u>367,559</u>

Total Equity	<u>6,606,404</u>
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Total Liabilities and Equity	<u>\$ 7,000,624</u>
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The accompanying notes are an integral part of these financial statements.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2001

<u>Revenue</u>	
HUD Grants	\$ 2,284,920
Other Government Grants	30,582
Rental Income	386,620
Investment Income-Unrestricted	21,615
Other Revenue	<u>11,962</u>
 Total Revenue	 2,735,699
<u>Expenses (before depreciation)</u>	
Housing Assistance Payments	1,710,528
Administrative Salaries	122,415
Employee Benefits	63,444
Other Administrative Expense	104,809
Tenant Services - Salaries	38,822
Tenant Services - Other	1,919
Material and Labor-Maintenance	190,484
Contract Services	83,345
Utilities	107,392
General Expenses	22,999
Payments in Lieu of Taxes	28,439
Bad Debt- Tenant Rents	<u>5,288</u>
 Total Expenses	 <u>2,479,884</u>
 Income (Loss) before Depreciation & Other Costs	 255,815
Depreciation	<u>326,335</u>
 Operating Income (Loss)	 (70,520)
 Retained Earnings - Beginning of Year	 4,988,069
Equity transfer	<u>(4,538,038)</u>
Retained Earnings - End of Year	<u>379,511</u>
 Contributed Capital - Beginning of Year	 1,542,318
Equity transfer	4,538,038
Contributed Capital	<u>146,537</u>
Contributed Capital - End of Year	<u>6,226,893</u>
 Total Equity - End of Year	 <u>\$ 6,606,404</u>

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2001

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (70,520)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	326,335
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	2,078
Accounts Receivable- Other	10,083
Accounts Receivable- HUD	125,738
Prepaid Expenses	(313)
Inventory- net of allowance	(1,857)
Interprogram Due From	236,306
Accounts Payable- Vendor	(15,673)
Accounts Payable-HUD	9,271
Accounts Payable- Other	27,186
Interprogram Due To	(236,306)
Accrued Wages & Taxes Payable	21,501
Accrued Compensated Absences	(7,892)
Tenant Security Deposits	1,658
Deferred Revenues	37,590
Other Current Liabilities	348
Accrued Liabilities - Other	(2,495)
Non-current Liabilities - Other	(2,092)
Total Adjustments	531,466
Net Cash Provided By Operating Activities	460,946

Cash Flows from Investing Activities

Change in Property and Equipment	(147,144)
Change in Investments	(142,493)
Net Cash Used By Investing Activities	(289,637)

Cash Flows from Capital and Related Financing Activities

Contributed Capital	146,537
Net Cash Provided by Capital and Related Financing Activities	146,537
Increase (Decrease) In Cash and Cash Equivalents	317,846
Cash and Cash Equivalents - Beginning of Year	410,452
Cash and Cash Equivalents - End of Year	\$ 728,298

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and 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.

Use of Estimates

The preparation of financial statements in accordance 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 assets and liabilities at the date of financial statements, and the reported amounts of revenues expenses during the reporting period. Actual results could differ from those estimates.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents

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

Tenant Receivables - Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

Property and Equipment

Property and Equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred.

Useful Lives

Buildings	40 Years
Land & Building Improvements	15 Years
Furniture & Equipment	5 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

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

Investments

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

NOTE 2 - CASH AND INVESTMENTS

Cash

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

NOTE - CASH AND INVESTMENTS (continued)

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

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

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The following show the Authority's deposits (bank balances) in each category:

Category 1 . . .	\$ 348,056	was covered by federal depository insurance.
Category 2 . . .	\$ 729,526	was covered by specific collateral pledged by the financial institution in the name of the Authority.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

NOTE 2 - CASH AND INVESTMENTS (continued)

The Authority had the following Book balances at June 30, 2001:

	Cash	Investments	Total
Low Rent Public Housing	\$ 222,568	\$ 217,823	\$ 440,391
Capital Fund	238		238
Section 8 Certificates	304,482	98,184	402,666
Section 8 Vouchers	128,827		128,827
Section 8 Mod Rehab	72,183	-	72,183
Total	<u>\$ 728,298</u>	<u>\$ 316,007</u>	<u>\$ 1,044,305</u>

Investments

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

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name.

The Authority's nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2001

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at March 31, 2001, by class is as follows:

Land	\$ 393,177
Buildings and Building Improvements	8,790,967
Furniture, Equipment- Administrative	197,112
Leasehold Improvements	<u>294,112</u>
Total	9,675,368
Less Accumulated Depreciation	<u>(3,843,481)</u>
Net Property and Equipment	<u>\$ 5,831,887</u>

NOTE 4 - ADMINISTRATIVE FEE

The Authority receives an "administrative fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts. The rates are as follows:

A. Certificates

Units per month x \$ 44.59/unit - July to Sept

Units per month x \$ 45.26/unit - October to June

B. Vouchers

Units per month x \$ 40.80/unit - July to Sept

Units per month x \$ 42.26/unit - Oct to June

NOTE 5 - RETIREMENT AND OTHER BENEFIT PLANS

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer deferred benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

NOTE 5 - RETIREMENT AND OTHER BENEFIT PLANS (continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2001 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to PERS, for the years ending June 30 were as follows:

	Contribution	%
3/31/01	\$ 43,037	13.55%
3/31/00	\$ 53,572	13.55%
3/31/99	\$ 41,666	13.55%

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability 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 No. 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 employee and employer contributions. The 2000 employer contribution rate for state employers was 10.84 % of covered payroll: 4.3 % was the portion that was used to fund health care for the year, under the new calculation methodology effective January 1, 1998. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB. OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely. The number of benefit recipients eligible for OPEB at March 31, 2001, was 401,339.

NOTE 6 - COMPENSATED ABSENCES

Vacation policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will not be carried forward without approval of the Executive Director.

At March 31, 2001, \$ 1,302 was accrued by the Authority for unused vacation time.

NOTE 7 - INSURANCE

The Housing Authority maintains comprehensive insurance coverage with private carriers for health real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverages and no settlements exceeded insurance coverage during the past three years.

NOTE 8 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At March 31, 2001 the Authority was involved in no matters which management believes would have a material effect on the financial statements.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2001

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Low Rent Public Housing	14.850	\$ <u>208,676</u>
Public Housing- Comprehensive Improvement Assistance Program	14.852	<u>213,263</u>
Capital Fund Program	14.872	<u>28,331</u>
 Section 8 Tenant Based Cluster:		
Section 8 Rental Certificate Program	14.857	3,349
Section 8 Rental Voucher Program	14.855	1,838,674
Section 8 Mod rehab	14.856	<u>143,480</u>
Sub-Total		<u>1,985,503</u>
 Total Federal Assistance		 \$ <u>2,435,773</u>

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

See Independent Auditors' Report

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
Supplemental Financial Data Schedule
Balance Sheet

As of March 31, 2001

	Low Rent Public Housing Program	Capital Fund Program	Comprehensive Improvement Assistance Program	Section 8 Rental Certificates Program	Section 8 Rental Vouchers Program	Section 8 Mod Rehab Program	TOTAL
ASSETS							
Current Assets							
Cash-unrestricted	\$ 184,593	\$ 238	\$ 304,482	\$ 99,486	\$ 72,183	\$ 660,982	
Cash-other restricted	<u>37,975</u>			<u>29,341</u>		<u>67,316</u>	
Total cash	<u>222,568</u>	<u>238</u>	<u>304,482</u>	<u>128,827</u>	<u>72,183</u>	<u>728,298</u>	
Accounts and notes receivables							
Accounts receivable-HUD other projects		8,366	9,874	13,115	194	31,549	
Accounts receivable-miscellaneous	64,640					64,640	
Accounts receivable-tenants-dwelling rent	3,835					3,835	
Allowance for doubtful accounts-dwelling rent	<u>(2,799)</u>					<u>(2,799)</u>	
Total receivables, net of allowances for uncollectibles	<u>65,676</u>	<u>8,366</u>	<u>9,874</u>	<u>13,115</u>	<u>194</u>	<u>97,225</u>	
Current Investments							
Investments-Unrestricted	217,823		98,184			316,007	
Prepaid expenses and other assets	8,670			8,221		16,891	
Inventories	2,291					2,291	
Interprogram-due from	8,025					8,025	
Total Investments	<u>236,809</u>	<u>-</u>	<u>98,184</u>	<u>8,221</u>	<u>-</u>	<u>343,214</u>	
Total current assets	<u>525,053</u>	<u>8,604</u>	<u>402,666</u>	<u>150,163</u>	<u>72,377</u>	<u>1,168,737</u>	
Noncurrent assets							
Land	393,177					393,177	
Buildings	8,604,404	10,939	175,624			8,790,967	
Furniture, equipment and machinery-admin.	197,112					197,112	
Leasehold improvements	294,112					294,112	
Accumulated depreciation	<u>(3,843,479)</u>	<u>(1)</u>	<u>(1)</u>			<u>(3,843,481)</u>	
Total fixed assets, net of accumulated depreciation	<u>5,645,326</u>	<u>10,938</u>	<u>175,623</u>	<u>-</u>	<u>-</u>	<u>5,831,887</u>	
Total non-current assets	<u>5,645,326</u>	<u>10,938</u>	<u>175,623</u>	<u>-</u>	<u>-</u>	<u>5,831,887</u>	
Total assets	\$ <u>6,170,379</u>	\$ <u>19,542</u>	\$ <u>185,497</u>	\$ <u>402,666</u>	\$ <u>150,163</u>	\$ <u>7,000,624</u>	

See Independent Auditors' Report

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
Supplemental Financial Data Schedule
Balance Sheet

As of March 31, 2001

	Low Rent Public Housing Program <u>14,850</u>	Capital Fund Program <u>14,872</u>	Comprehensive Improvement Assistance Program <u>14,852</u>	Section 8 Rental Certificates Program <u>14,857</u>	Section 8 Rental Vouchers Program <u>14,855</u>	Section 8 Mod Rehab Program <u>14,856</u>	<u>TOTAL</u>
LIABILITIES AND EQUITY							
Current liabilities							
Accounts payable< 90 days	\$ 24,691	\$ 8,604	\$ 1,848	\$ 790	\$ 2,626	\$ 4,954	\$ 43,513
Accrued wages/payroll taxes payable	27,582			4,094		305	31,981
Accrued Compensated Absences	731				571		1,302
Accounts payable-HUD PHA Program	28,439		20,187				20,187
Accounts payable-other government	29,656						28,439
Tenant Security Deposits	500				183,044	11,735	29,656
Deferred Revenues	5,497						195,279
Other current liabilities	1,000						5,497
Accrued liabilities-other							1,000
Interprogram due to			8,025				8,025
Total current liabilities	<u>118,096</u>	<u>8,604</u>	<u>9,873</u>	<u>20,977</u>	<u>190,335</u>	<u>16,994</u>	<u>364,879</u>
Non-current liabilities							
Non-current liabilities-other					29,341		29,341
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,341</u>	<u>-</u>	<u>29,341</u>
Total Liabilities	<u>118,096</u>	<u>8,604</u>	<u>9,873</u>	<u>20,977</u>	<u>219,676</u>	<u>16,994</u>	<u>394,220</u>
Equity							
Net HUD PHA contributions	6,052,283	10,938	175,624				6,238,845
Undesignated fund balance/retained earnings				381,689	(69,513)	55,383	367,559
Total equity	<u>6,052,283</u>	<u>10,938</u>	<u>175,624</u>	<u>381,689</u>	<u>(69,513)</u>	<u>55,383</u>	<u>6,506,404</u>
Total liabilities & equity	<u>\$ 6,170,379</u>	<u>\$ 19,542</u>	<u>\$ 185,497</u>	<u>\$ 402,666</u>	<u>\$ 150,163</u>	<u>\$ 72,377</u>	<u>\$ 7,000,624</u>

See Independent Auditors' Report

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2001

	Low Rent Public Housing Program	Capital Fund Program	Comprehensive Assistance Improvement Program	Section 8 Rental Certificates Program	Section 8 Rental Voucher Program	Section 8 Mod Rehab Program	Total
REVENUE							
HUD Grants	\$ 208,676	\$ 17,393	\$ 103,930	\$ 3,349	\$ 1,808,092	\$ 143,480	\$ 2,284,920
Other Government Grants					30,582		30,582
Rental Income	386,620						386,620
Investment Income-Unrestricted	13,532			5,887	2,004	192	21,615
Other Revenue	322			11,640			11,962
Total Revenue	609,150	17,393	103,930	9,236	1,852,318	143,672	2,735,699
EXPENSES							
Housing Assistance Payments				5,690	1,583,290	121,548	1,710,528
Administrative Salaries	53,094		12,811	1,181	49,963	5,366	122,415
Employee Benefits	37,845		3,340	338	20,587	1,334	63,444
Other Administrative Expense	55,901	31	9,216	542	35,923	3,196	104,809
Tenant Services-Salaries	6,968				31,854		38,822
Tenant Services-Other	1,919						1,919
Material and Labor-Maintenance	123,134	7,517	57,181	37	2,401	214	190,484
Contract Services	52,118	9,845	21,382				83,345
Utilities	107,392						107,392
General Expenses	13,842					62	22,999
Payments in Lieu of Taxes	28,439				9,095		28,439
Bad Debt- Tenant Rents	5,288						5,288
Total Expenses	485,940	17,393	103,930	7,788	1,733,113	131,720	2,479,884
Income (Loss) before Depreciation & Other Costs	123,210	-	-	1,448	119,205	11,952	255,815
Depreciation	326,335	-	-	-	-	-	326,335
Operating Income (Loss)	\$ (203,125)	\$ -	\$ -	\$ 1,448	\$ 119,205	\$ 11,952	\$ (70,520)

See Independent Auditors' Report

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
SCHEDULE OF ACTIVITY
FOR THE YEAR ENDED MARCH 31, 2001

The PHA had 707 units under management.

<u>Management</u>	<u>Units</u>
PHA Owned Housing	170
Section 8 Certificates	46
Section 8 Vouchers	<u>491</u>
TOTAL	<u><u>707</u></u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

See Independent Auditors' Report

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At March 31, 2001

1. The Actual Modernization Grant Costs are as follows:

	Project OH16-902-95	Project OH16-903-96	Project OH16-904-97	Project OH16-906-99	Project OH16-911-97	Project OH16-912-98
Funds Approved	\$ 68,500	\$ 64,000	\$ 90,000	\$ 45,825	\$ 210,000	\$ 210,000
Funds Expended	<u>68,500</u>	<u>64,000</u>	<u>90,000</u>	<u>45,825</u>	<u>210,000</u>	<u>210,000</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 68,500	\$ 64,000	\$ 90,000	\$ 45,825	\$ 210,000	\$ 210,000
Funds Expended	<u>68,500</u>	<u>64,000</u>	<u>90,000</u>	<u>45,825</u>	<u>210,000</u>	<u>210,000</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Date Submitted: 2/23/99 2/23/99 9/27/99 5/17/01 5/18/01

2. The Distribution of Costs as shown on the Schedule/Report of Modernization Grant Expenditures submitted to HUD for approval are in agreement with the Authority's records.

3. All Modernization Grant Costs have been paid and all related liabilities have been discharged through payment

See Independent Auditors' Report

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
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*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

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

Board of Commissioners
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

We have audited the financial statements of Cambridge Metropolitan Housing Authority, Cambridge, Ohio, as of and for the year ended March 31, 2000, and have issued our report thereon dated November 27, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Cambridge Metropolitan Housing Authority's financial statements are free of material misstatement, we 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 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 Cambridge 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.

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.

November 27, 2001

J. E. Slaybaugh & Associates, Inc.

*12 East Main Street
Lexington, Ohio 44904*

*Member AICPA
Member OSCPA*

*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S 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
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Compliance

We have audited the compliance of Cambridge Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2001. Cambridge Metropolitan Housing Authority's major federal programs are 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 each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Cambridge Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cambridge Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cambridge Metropolitan Housing Authority's compliance with those requirements.

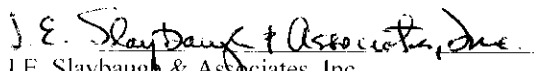
In our opinion, Cambridge Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2001.

Internal Control Over Compliance

The management of Cambridge Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered 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 management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

_____

J.E. Slaybaugh & Associates, Inc.

November 27, 2001

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO

SCHEDULE OF FINDINGS

MARCH 31, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Cambridge Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Cambridge Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
 - Cluster- Tenant Based Section 8 Programs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Cambridge Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED
TO BE REPORTED IN ACCORDANCE WITH *GAGAS*

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None



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
JANUARY 22, 2002**