

***CUYAHOGA METROPOLITAN
HOUSING AUTHORITY***

*Single Audit Report
for the Year Ended
December 31, 2001*



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Commissioners
Cuyahoga Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by Deloitte & Touche LLP for the audit period January 1, 2001 through December 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 Cuyahoga Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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JIM PETRO
Auditor of State

July 16, 2002

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited the accompanying combined financial statements of the Cuyahoga Metropolitan Housing Authority (the "Authority") as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These combined financial statements are the responsibility of the management of the Authority. 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, such combined financial statements present fairly, in all material respects, the financial position of the Authority at December 31, 2001, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

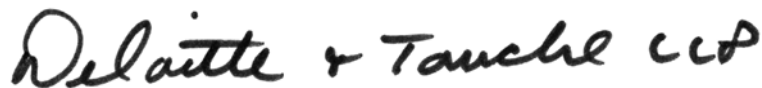
As discussed in Note 2 to the combined financial statements, effective January 1, 2001, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an Amendment of GASB Statement No. 33)*.

As discussed in Note 10 to the combined financial statements, the Authority has been audited by outside regulatory agencies and has also been audited in accordance with the provisions of the Single Audit Act Amendments of 1996. Certain unresolved compliance findings and questioned costs exist as a result of audits conducted for the period January 1, 1990 through July 31, 1998, the outcome of which is not presently determinable. Accordingly, no provision for any loss that might result from the resolution of these matters has been made in the accompanying combined financial statements.

Our audit was performed for the purpose of forming an opinion on the combined financial statements of the Authority taken as a whole. The accompanying Supplemental Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Supplemental Financial Data Schedule and Reconciliation of the Combined Financial Statements to the Financial Data Schedule, as required by the U.S. Department of Housing and Urban Development (“HUD”), are presented for the purpose of additional analysis and are not a required part of the combined financial statements. These schedules are the responsibility of management of the Authority. Such supplemental schedules have been subjected to auditing procedures applied in our audit of the combined financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

The Supplemental Schedule of Actual Modernization Costs Incurred on Certain Projects Closed Through December 31, 2001 on page 45 is presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the combined financial statements, and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2002 on our consideration of the Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

May 31, 2002

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

COMBINED BALANCE SHEET AS OF DECEMBER 31, 2001

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note 3)	\$ 20,060,195
Cash and investments - restricted (Notes 3 and 4)	3,741,549
Accounts receivable tenants - net of allowance for doubtful accounts of \$235,856	149,576
Accounts receivable - HUD	17,138,184
Accounts receivable - other	484,632
Inventory	1,113,443
Prepaid expenses and other current assets	<u>401,350</u>

Total current assets 43,088,929

NON-CURRENT ASSETS:

Land, property and equipment, net (Note 5)	250,672,874
Cash and investments - restricted (Notes 3 and 4)	2,922,099
Debt issuance costs, net of amortization of \$86,110	201,890
Investment in joint venture (Note 1)	<u>556,639</u>

Total non-current assets 254,353,502

TOTAL ASSETS \$ 297,442,431

LIABILITIES AND EQUITY

CURRENT LIABILITIES:

Accounts payable - vendors	\$ 9,901,022
Accounts payable - HUD	3,057,843
Accrued expenses (Note 6)	11,880,141
Security and other deposits	1,566,161
Current portion of long-term debt (Note 7)	223,533
Current portion of capital leases (Note 7)	<u>502,850</u>

Total current liabilities 27,131,550

NON-CURRENT LIABILITIES:

Long-term debt, net of current portion (Note 7)	6,505,271
Capital leases, net of current portion (Note 7)	4,962,324
Payable to HUD - utility allowance (Note 6)	3,000,000
Workers' compensation liability (Notes 6 and 9)	<u>1,959,000</u>

Total non-current liabilities 16,426,595

EQUITY 253,884,286

TOTAL LIABILITIES AND EQUITY \$ 297,442,431

See notes to the combined financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN EQUITY YEAR ENDED DECEMBER 31, 2001

OPERATING REVENUES:

Dwelling rent from tenants	\$ 12,531,556
Subsidies and grants from HUD	127,880,097
Grants - other	3,887,295
Other revenues	<u>1,430,937</u>

Total revenues 145,729,885

OPERATING EXPENSES:

Administrative	20,257,970
Tenant service	3,306,338
Utilities	15,915,778
Building	18,918,077
General	9,891,326
Nonroutine maintenance	15,396,372
Protective services	2,211,046
Housing assistance payments	58,780,443
Depreciation	<u>28,903,254</u>

Total operating expenses 173,580,604

OPERATING LOSS (27,850,719)

OTHER INCOME (EXPENSE):

Capital grants (Note 2)	14,379,317
Gain on disposal of assets	16,128
Interest income	1,176,120
Interest expense	<u>(818,135)</u>

Total other income 14,753,430

NET LOSS (13,097,289)

BEGINNING EQUITY 266,981,575

ENDING EQUITY \$253,884,286

See notes to the combined financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating loss	\$(27,850,719)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	28,903,254
Provision for utility allowance	3,000,000
Provision for (recovery of) uncollectible accounts	(56,509)
Provision for obsolete inventory	450,000
Amortization of bond issuance costs	12,297
Changes in operating assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable - tenants	54,313
Accounts receivable - HUD	307,673
Accounts receivable - other	(39,465)
Inventory	31,519
Prepaid expenses and other assets	371,738
Increase (decrease) in liabilities:	
Accounts payable	(620,740)
Accounts payable - HUD	(969,824)
Accrued expenses and other	(660,334)
Security and other deposits	(75,003)
Deferred revenue	(5,168,305)
Workers' compensation	357,000
Net cash used in operating activities	<u>(1,953,105)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

HUD capital grants	14,379,317
Property and equipment additions	(15,989,873)
Repayment of debt and capital lease obligations	(697,148)
Interest paid on debt and capital lease obligations	(819,366)
Proceeds from sale of property and equipment	<u>128,801</u>
Net cash used in capital financing activities	<u>(2,998,269)</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Interest income	1,179,097
Change in restricted investments and insurance deposits - net	<u>381,574</u>
Cash flows provided by investing activities	<u>1,560,671</u>

DECREASE IN CASH AND CASH EQUIVALENTS (3,390,703)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 24,230,118

CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3) \$ 20,839,415 *

* The amount includes \$20,060,195 of unrestricted cash and cash equivalents and \$779,220 of restricted cash.

See notes to the combined financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2001

1. DEFINITION OF THE ENTITY

The Cuyahoga Metropolitan Housing Authority (the "Authority") is a political subdivision organized under the laws of the State of Ohio. The Authority is responsible for operating certain low-rent housing programs in Cuyahoga County under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority's combined financial statements include all programs that are considered to be within its administrative control. The Authority generally maintains separate accounting records for each grant program or annual contribution contract, as required by HUD. A list of the various programs, including HUD Annual Contributions Contract Number ("ACC"), if applicable, is as follows:

Conventional Low-Rent Housing Program (ACC C-5003) ("Conventional Program") - The Authority develops, modernizes and manages low-rent housing projects. This program accounts for housing operations primarily funded under ACC C-5003, which also includes the Capital Fund Program ("CFP"), Comprehensive Grant Program ("CGP") and Urban Revitalization Development Grant ("URD", "HOPE VI").

Homeownership Program (ACC C-5003) - Ownership equity is realized by the family tenant through monthly payments into an earned home payments account and through regular maintenance of the home. A family achieves ownership when the equity increases to a point where it is equal to a predetermined amount based upon the unamortized purchase price of the home. A family may also purchase the home by obtaining financing or otherwise paying the amount by which the purchase price exceeds the family's equity.

Section 8 Voucher, Certificate and Moderate Rehabilitation Programs (ACC C-5015) - The Authority contracts with private landlords and subsidizes the rental for dwelling units. Payments are made to the landlord on behalf of the tenant for the difference between the contract rent amount and the amount that the tenant is required to pay under HUD established guidelines that consider factors such as family composition and income.

Section 8 New Construction Housing Assistance Payment Programs (Ambleside Contract C-77-242, Severance Contract C-78-089 and Quarrytown Contract C-77-330) - These programs account for the operation of low-income housing developments where the Authority or private developers contract directly with HUD to develop low-income housing. The Authority manages all developments and handles all HUD funding and reporting. The Authority owns the Ambleside development. The Annual Contribution Contracts for Severance Housing Corporation ("Severance") and the Cuyahoga County Housing Corporation ("Quarrytown") are between HUD and the Authority. In these cases, the Authority leases the housing projects from a private developer (see Note 7).

Woody Woods and Noah Properties - In September 1996, HUD sold 10 properties on which it had foreclosed to the Authority for \$1 each. In addition, HUD awarded grants of approximately \$20 million for the demolition or rehabilitation of existing properties and new construction of housing. With the exception of Woody Woods and Blainewood (part of the Noah properties), all of the properties were demolished (including the other Noah properties) and the land is currently available for redevelopment. The Woody Woods property currently contains facilities serving both Section 8 and non-Section 8 residents. The Blainewood property has been vacant since it was purchased from HUD in 1996.

Western Reserve Revitalization and Management Company - The Authority has established Western Reserve Revitalization and Management Company, a non-profit affiliate that will partner with The Cleveland Housing Network to construct and modernize affordable housing units for low-income families. The funding and construction are expected to start in 2002. At that time, the assets, liabilities and results of operations will be included in the combined financial statements of the Authority.

Local Fund - In 1998, a \$100,000 contribution of capital was made by Title V to a new local fund. This fund is to be used for expenditures necessary for the accomplishment of the Authority's mission but which do not fall under HUD oversight. All expenditures from the local fund must be approved by the Executive Director and the budget is approved by the Board of Commissioners.

Title V/Affordable Housing - Assets in the Title V program represent the proceeds and investment income realized from the sale of World War II Title V housing projects that were given to the Authority by the U.S. government at the end of the Title V program and other funds transferred to the program by the Authority. In 1994, the Authority transferred \$2,538,638 into Title V from the Ambleside program. This amount represented the excess proceeds on the bond refinancing of the Ambleside property. These assets are subject to the terms of a Memorandum of Understanding between HUD and the Authority. All activity within this program must comply with the laws of the State of Ohio and the Administrative Orders issued by the Board of Commissioners of the Authority (the "Board").

The Affordable Housing program was established to provide safe and sanitary housing accommodations within Cuyahoga County, particularly within the City of Cleveland, to low-income families through the construction of housing in conformity with federal "turnkey rules" promulgated by HUD.

Other Grants - During 2001, the Authority received federal, state and local funding under the Public Housing Drug Elimination Grant Program, Youth Violence Grant, Youth Apprenticeship Program, Economic Development Supportive Service Program, Resident Opportunities and Supportive Services Program, Foster Care Grant, Jobs Plus and Supportive Housing Program and Youth Training Program. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantors.

CMHA Charities Fund, Inc. - The Authority has established CMHA Charities Fund, Inc., a 501C(3) Corporation. This charity is to raise funds through donations and fund raising events to be used to provide charitable and educational support for CMHA residents. The assets, liabilities and results of operations are included in the accompanying combined financial statements.

Excluded Entities - Certain entities that conduct activities for the benefit of the Authority or its residents are excluded from the combined financial statements. These entities are:

Nonprofit Corporations - In accordance with housing subsidy contracts, the Authority has designated several Section 8 nonprofit corporations (Severance Housing Corporation, Cuyahoga Housing Corporation, Cuyahoga-Puritas Housing Corporation, Rosalind-Amesbury Housing Assistance Corporation, Cleveland-Rock Glen Housing Assistance Corporation, and Chester Village Housing Incorporated) to serve as instrumentalities of the Authority to assist in the development and financing of housing projects. The Board of the Authority appoints the Board of Trustees of the Severance Housing Corporation, Cuyahoga-Puritas Housing Corporation, Rosalind-Amesbury Housing Assistance Corporation, Cleveland-Rock Glen Housing Assistance Corporation, and Chester Village Housing Incorporated, the members of which are all the same. The Authority's Board of Commissioners must approve all actions of the instrumentalities and,

upon their dissolution, all assets and residual receipts are to be distributed to the Authority. These Section 8 nonprofit corporations have no employees, perform no day-to-day functions, and the officers thereof serve in a non-paid status. There are no assets or liabilities in these corporations and there were no revenues earned or expenses incurred during 2001.

Joint Venture - The Authority is a member of the Housing Authority Risk Retention Group (“HARRG”) and the Housing Authority Property Insurance, Inc. (“HAPI”). HARRG and HAPI are nonprofit, tax exempt mutual insurance companies that are wholly owned by their public housing authority members. HARRG operates under the Federal Liability Risk Retention Act. It provides liability insurance coverages solely to public housing authorities and public housing and redevelopment agencies throughout the United States. HAPI is a captive insurance company formed pursuant to the Vermont Captive Insurance Companies Act. It provides property insurance to public housing authorities and public housing and redevelopment authorities throughout the United States. The Board of Directors is elected by HARRG’s approximately 690 members. The number of votes granted to each member is based upon premiums paid and is limited to a maximum of 10 percent of the total votes available. Due to the lack of significant oversight responsibility and accountability of the Authority’s Board of Commissioners for actions, operations, and fiscal matters of HARRG and HAPI, the degree of financial interdependency is considered insufficient to warrant inclusion of these organizations within the Authority’s reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority has prepared its combined financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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

The significant accounting policies under which the financial statements have been prepared are as follows:

- a. *Cash and Cash Equivalents* - Cash and cash equivalents include investments with original maturities of three months or less. Cash and cash equivalents are stated at fair value.
- b. *Investments* - Investments are stated at fair value.
- c. *Land, Property and Equipment* - Land, property and equipment are recorded at cost. Property and equipment are depreciated over the estimated useful lives of the assets. Depreciation is calculated using the straight-line method over the estimated useful life of the respective assets, which are as follows:

Property	15 - 40 Years
Equipment	3 - 7 Years

- d. *Debt Obligations* - Debt obligations (and the related debt service requirements) of the Ambleside program and a capital lease for the purchase of heating and energy efficiency equipment are the responsibility of the Authority, and are classified as liabilities in the accompanying combined financial statements.
- e. *Compensated Absences* - Vacation time may be accrued and carried over from year to year up to a maximum of 240 hours. Earned vacation time is due and payable to employees upon termination of employment.

For union employees only, a portion of accrued sick time is payable upon retirement. Upon retirement, a union employee can convert up to 120 days of accumulated but unused sick time into a cash payment at the rate of one day for every two days accumulated.

- f. *Debt Amortization Funds* - Debt amortization funds consist of cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at fair value.
- g. *Nonexchange Transactions* - Effective January 1, 2001, the Authority implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement No. 33)*. In general, GASB Statements No. 33 and 36 establish accounting and financial reporting standards which address how and when to report the results of nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. The implementation of these statements resulted in the Authority reporting \$14.4 million of capital grants as other income in the accompanying combined statement of operations and changes in equity. Previously, capital grants received by the Authority were credited directly to equity.

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which the grants relate. Tenant rental revenues are recognized during the period of occupancy. Receipts from CGP, CFP, URD (HOPE VI) and other reimbursement based grants are recognized when the related expenses are incurred. Expenses are recognized as incurred.

- h. *Debt Issuance Costs and Original Issue Discounts* - Bond premiums, original issuance discounts and bond issuance costs are amortized over the life of the underlying debt using the effective interest method.
- i. *Indirect Costs* - Certain indirect costs are charged to programs under a cost allocation plan. These indirect costs are accumulated in and allocated from the Conventional Low-Rent Housing Program.
- j. *Inventory* - Inventory is valued using an average costing method. Expense is recorded based upon consumption.
- k. *Use of Estimates* - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, at and during the reported period. Actual results could differ from those estimates.

1. *Budgetary Accounting and Control* - The Authority's annual budget is prepared on the accrual basis of accounting and approved by the Board of Commissioners. The budget includes anticipated amounts for current year revenues and expenses as well as new capital projects.

The Authority maintains budgetary control by not permitting total operating expenses and expenditures for individual programs to exceed their respective budget amounts without the appropriate approvals. All budget amounts lapse at year end.

3. DEPOSITS AND INVESTMENTS

Legal Requirements - The deposit and investment of the Authority's monies are governed by the provisions of the Ohio Revised Code. The Authority is permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, state and local government investment pools, direct obligations of the Federal government, obligations of Federal government agencies and securities of Federal government agencies. These investments must mature within three years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding 30 days.

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by two percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The Authority is also prohibited from investing in reverse purchase agreements.

To report the custodial credit risk of its deposits and investments, the Authority has classified its deposits and investments in the following categories established in accordance with GASB Statement No. 3:

Deposits:

- | | |
|------------|--|
| Category 1 | Insured or collateralized with securities held by the Authority or by its agent in the Authority's name. |
| Category 2 | Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. |
| Category 3 | Uncollateralized as defined by the GASB (securities pledged with the pledging financial institution's trust department or agent, but not in the Authority's name). |

Investments:

- Category 1 Insured or registered, or securities held by the Authority or its agent in the Authority's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

Deposits - At year-end, the carrying amount of the Authority's deposits was \$21,267,307 and the bank balance was \$21,978,837, the difference representing outstanding checks and other in-transit items. Of the bank balance, \$306,730 was covered by Federal depository insurance, and \$21,672,107 was uninsured and uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the Authority's name, as permitted under Ohio law.

Investments - The Authority's investments at December 31, 2001 are classified by risk category as follows.

Description	Risk Categories			Total Fair Value/ Carrying Value
	1	2	3	
Federal National Mortgage Association discount notes		\$ 840,504		\$ 840,504
Federal Home Loan Mortgage Corp. securities		357,890		357,890
Federal Home Loan Bank securities		<u>1,621,081</u>		<u>1,621,081</u>
		<u>\$2,819,475</u>		2,819,475
Guaranteed investment contract				856,605
Money market fund				<u>1,780,456</u>
Total primary government investments				<u>\$5,456,536</u>

Amounts invested in the guaranteed investment contract and money market fund are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

A reconciliation of cash and investments as shown on the combined balance sheet at December 31, 2001 to the deposits and investments included in this note is as follows:

Cash and cash equivalents	\$20,060,195
Cash and investments - restricted:	
Current asset	3,741,549
Non-current assets	<u>2,922,099</u>
Total	<u>\$26,723,843</u>
Carrying amount of deposits	\$21,267,307
Carrying amount of investments	<u>5,456,536</u>
Total	<u>\$26,723,843</u>

4. RESTRICTED CASH AND INVESTMENTS

At December 31, 2001, the Authority had the following cash and investments, the use of which was restricted under the terms of various grant programs, debt obligations, and other requirements:

Conventional Program:	
Tenant security deposits	\$ 934,487
Industrial Commission of Ohio escrow fund (Note 9)	2,380,000
Homeownership Program:	
Earned home payment account and nonroutine maintenance reserves	284,209
Ambleside:	
Tenant security deposits	34,069
Nonroutine maintenance reserves	598,120
Debt amortization funds	856,605
Severance:	
Tenant security deposits	74,224
Nonroutine maintenance reserves	1,074,042
Quarrytown:	
Tenant security deposits	34,560
Nonroutine maintenance reserves	<u>393,332</u>
	<u>\$6,663,648</u>

5. LAND, PROPERTY AND EQUIPMENT

The Authority maintains detailed records that track fixed assets by category. The following schedule lists fixed asset balances for individual programs at December 31, 2001:

Programs	Land	Property	Equipment	Accumulated Depreciation	Net
Conventional Low-Rent Housing Program	\$23,118,263	\$ 543,041,024	\$ 15,147,809	\$ (336,790,028)	\$ 244,517,068
Homeownership Program	152,416	1,755,454	31,278	(1,036,166)	902,982
Section 8 Voucher, Certificate and Moderate Rehabilitation Programs			651,414	(183,814)	467,600
Title V/Affordable Housing	278,000	1,542,000	112,940	(932,287)	1,000,653
Section 8 New Construction Housing Assistance Payment Programs:					
Ambleside	59,840	5,924,160	276,231	(3,788,083)	2,472,148
Severance		362,440	230,631	(169,678)	423,393
Quarrytown			276,919	(141,037)	135,882
Other		<u>934,904</u>	<u>171,489</u>	<u>(353,245)</u>	<u>753,148</u>
Total	<u>\$23,608,519</u>	<u>\$ 553,559,982</u>	<u>\$ 16,898,711</u>	<u>\$ (343,394,338)</u>	<u>\$ 250,672,874</u>

6. ACCRUED AND OTHER LIABILITIES

Accrued expenses at December 31, 2001 consist of the following items:

Construction claims (Note 10)	\$ 4,540,000
Other litigation reserves (Note 9)	1,760,546
Payroll and payroll related accruals	3,865,628
Workers' compensation - current portion (Note 9)	900,000
Employee medical benefits (Note 9)	328,000
Other	<u>485,967</u>
 Total	 <u><u>\$11,880,141</u></u>

The \$3 million utility allowance payable to HUD at December 31, 2001 represents the estimated excess of the subsidy received from HUD for utility costs for 2001 over the actual utility costs incurred. The amount will be offset against the Authority's operating subsidy from HUD in 2003.

7. DEBT AND LEASE OBLIGATIONS

Ambleside Bonds:

In December 1994, the Authority, through the Cleveland-Rock Glen Housing Assistance Corporation, issued \$8.3 million in Multifamily Housing Revenue and Revenue Refunding bonds (composed of \$2.4 million of serial bonds and a \$5.9 million term bond) to retire the mortgage obligation on the Ambleside Section 8 New Construction project and provide funds for the construction of housing for low income elderly, handicapped and disabled individuals.

The bonds are secured by a pledge of all revenues generated by the Ambleside project, including the housing assistance payments from HUD, and by a mortgage on the Ambleside property. The serial bonds are payable in June and December of each year through December 2005 and bear interest at rates ranging from 6.45 percent to 6.75 percent. The term bond matures on June 1, 2018 and bears interest at a rate of 7.00 percent.

The following is a summary of Ambleside's future debt service requirements for bonds payable as of December 31, 2001:

Year	Principal	Interest	Total
2002	\$ 235,000	\$ 481,601	\$ 716,601
2003	255,000	465,929	720,929
2004	275,000	448,700	723,700
2005	290,000	431,532	721,532
2006		411,600	411,600
Thereafter	<u>5,955,000</u>	<u>4,762,656</u>	<u>10,717,656</u>
Total payments	7,010,000	7,002,018	14,012,018
Less - unamortized bond discount	<u>(281,196)</u>	<u> </u>	<u>(281,196)</u>
 Total	 <u><u>\$6,728,804</u></u>	 <u><u>\$7,002,018</u></u>	 <u><u>\$13,730,822</u></u>

At the Authority's option, the bonds are subject to redemption after June 1, 2006, in whole or in part, at a specified premium plus accrued interest through the redemption date.

Capital Lease:

In 1997, the Authority entered into a tax exempt capital lease to acquire equipment to upgrade the heating and energy efficiency of several properties. The agreement expires in September 2010. At December 31, 2001, the net book value of equipment under capital lease was \$5,361,486 (cost and accumulated depreciation were \$6,913,454 and \$1,551,968, respectively).

Payments under the agreement are as follows:

2002	\$ 785,969
2003	785,969
2004	785,969
2005	785,969
2006	785,969
Thereafter	<u>2,941,380</u>
	6,871,225
Less amount representing interest	<u>(1,406,051)</u>
Principal amount	<u>\$ 5,465,174</u>

Other Lease Obligations:

The Authority has entered into long-term operating lease agreements with private developers for the Severance and Quarrytown buildings and administers the Section 8 New Construction Housing Assistance Payments Programs for these facilities. The Authority manages these properties and prepares all the necessary reports for HUD. The annual contributions contracts between the Severance Housing Corporation (“Severance”) and the Cuyahoga County Housing Corporation (“Quarrytown”) are between HUD and the Authority. The total expense recognized under these operating leases was \$1,729,466 in 2001.

Future minimum lease payments are as follows:

	2002	2003	2004	2005	2006	Thereafter
Severance Building						
Lease term - 10/17/78 - 10/16/08						
Payments	\$ 902,163	\$ 902,163	\$ 902,163	\$ 902,163	\$ 902,163	\$ 1,691,556
Quarrytown Building						
Lease term - 8/24/77 - 8/23/07						
Payments	<u>827,303</u>	<u>827,303</u>	<u>827,303</u>	<u>827,303</u>	<u>827,303</u>	<u>551,535</u>
Total	<u>\$ 1,729,466</u>	<u>\$ 1,729,466</u>	<u>\$ 1,729,466</u>	<u>\$ 1,729,466</u>	<u>\$ 1,729,466</u>	<u>\$ 2,243,091</u>

In addition to minimum lease payments, the Authority is obligated to deposit approximately \$83,000 annually in nonroutine maintenance reserves (see Note 4).

8. RETIREMENT BENEFITS

Employees and Plan - Employees of the Authority belong to the Public Employees Retirement System of Ohio (“PERS”), a state-wide and state-administered defined benefit, cost-sharing multi-governmental employer pension plan, as required by the Ohio Revised Code. 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 that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5 percent of their annual covered salary to PERS. The 2001 employer contribution rate for local government employer units is 13.55 percent of covered payroll including 4.3 percent that was used to fund postretirement health care benefits. The Authority's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2001, 2000 and 1999 were \$3,073,763, \$2,674,226 and \$2,939,105, respectively, which were equal to the required contributions for each year.

Other Postretirement Benefits - PERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The portion of the employer contribution rate used to fund health care for 2001 and 2000 was 4.3 percent, of covered payroll. During 2001 and 2000, \$1,428,885 and \$1,243,154, respectively, of the Authority's total contribution to PERS was used for postretirement benefits.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076 at December 31, 2000 (latest information available). The actuarial value of the Retirement System's net assets available for benefits at December 31, 2000 was \$11.7 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14.3 billion and \$2.6 billion, respectively.

9. INSURANCE COVERAGE AND RISK RETENTION

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

As described in Note 1, the Authority is a member of HARRG, which is a comprehensive general liability insurance group operated as a joint venture by its 690 public housing authority members. Through HARRG, the Authority carries \$5,000,000 of general liability coverage, with a \$25,000 deductible, as well as \$1,000,000 of law enforcement liability, with a \$10,000 deductible, and \$2,000,000 of public officials' errors and omissions coverage, with a \$25,000 deductible.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its 607 public housing authority members. Through HAPI, the Authority carries building and contents coverage aggregating \$744,276,500 with a \$10,000 deductible.

The Authority's commercial automobile fleet and garage keepers coverage includes liability insurance of \$1,000,000 per accident and uninsured/underinsured motorist coverage of \$1,000,000 per accident with a \$250 deductible.

The Authority is self-insured for the following risks:

- *Health Benefits* - The Authority is self-insured with respect to certain of the health benefit programs offered to its employees. Other programs are fully insured through commercial insurance carriers.
- *Workers' Compensation Benefits* - The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than \$350,000 per individual occurrence and \$10,000,000 in the aggregate. The Authority has recorded a \$2,859,000 liability for self-insured workers' compensation claims in its Conventional Program at December 31, 2001, \$2,380,000 of which has been funded (see Note 4).
- *Employee Termination and Other Third Party Liability Matters* - The Authority is self-insured for certain employee termination and miscellaneous third party claims that are not covered by HARRG.

The changes in the Authority's liabilities for self-insured risks for the years ended December 31, 2001 and 2000 were as follows:

	Health Benefits	Workers' Compensation Benefits	Employee Termination and Other
Balance - January 1, 2000	\$ 328,000	\$2,490,000	\$1,550,075
Incurred claims net of changes in estimates	1,041,570	934,547	545,630
Payments	<u>(1,041,570)</u>	<u>(922,547)</u>	<u>(664,088)</u>
Balance - December 31, 2000	328,000	2,502,000	1,431,617
Incurred claims, net of changes in estimates	1,173,091	1,309,447	370,415
Payments	<u>(1,173,091)</u>	<u>(952,447)</u>	<u>(41,486)</u>
Balance - December 31, 2001	<u>\$ 328,000</u>	<u>\$2,859,000</u>	<u>\$1,760,546</u>

The liabilities above represent the Authority's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic factors.

The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs and the establishment of an accident and incident investigation program. During 2001, there were no significant reductions in the Authority's insurance coverage.

The Authority paid \$366,509 in premiums to HARRG and \$277,594 in premiums to HAPI for the year ended December 31, 2001. Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

10. CONTINGENCIES

Certain unresolved compliance findings and questioned costs approximating \$10 million exist that arose from audits of the Authority's combined financial statements and grant programs for fiscal 1998 and prior years. The ultimate resolution of the compliance findings and questioned costs is not presently determinable. No provision has been made in the combined financial statements for the effect, if any, of such contingencies.

The Authority is a defendant in several lawsuits, including construction claims. Where possible, estimates have been made and reflected in the combined financial statements for the effect, if any, of such contingencies. The ultimate outcome of these matters is not presently determinable.

11. DEFICITS IN INDIVIDUAL FUNDS

The Woody Woods/Noah Properties Fund has a deficit in retained earnings of \$22,371 at December 31, 2001. Management plans to eliminate the deficit through future profitable operations.

The Ambleside Fund has an overall deficit in retained earnings of \$2,709,983 resulting from accumulated depreciation on the building and other fixed assets. Management believes that operating revenues will be adequate to cover its debt service and operating expenses in the future.

12. NEW ACCOUNTING STANDARDS

The GASB has issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units. These statements are effective for the Authority's year ending December 31, 2002. The Authority has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.

During May 2002, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which clarifies existing accounting guidance and provides greater consistency in accounting for organizations that are closely related to a primary government. The standard, which is effective for fiscal years beginning after June 15, 2003, provides criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a state or local government. The Authority has not completed an analysis of the impact of this statement on its reported financial condition and results of operations.

13. IDENTIFICATION OF TENANTS ENROLLED IN MULTIPLE HOUSING ASSISTANCE PROGRAMS

In December 2001, the Authority initiated a review to determine if any current Conventional Program or Section 8 Voucher, Certificate and Moderate Rehabilitation Program ("Section 8 Programs") participants and/or their dependents were enrolled in more than one housing assistance program of the Authority at the same time. The review identified 81 instances of "duplicate subsidy" between the Conventional Program and Section 8 Programs. The Authority determined that these instances of overlapping participation were mainly due to the improper preparation of housing application forms by the participants. The ultimate outcome of this matter is not presently determinable.

In 2002, the Authority strengthened internal controls designed to prevent duplicate subsidies. These controls include procedures that more clearly identify participants transferring between housing assistance programs and monthly monitoring and follow-up of participant social security numbers that appear in the computer systems of both programs.

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2001

Federal Grantor/Program Title	CFDA Number	Federal Revenues	Other Revenues	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (DIRECT PROGRAMS)				
Conventional Low-Rent Housing Programs:				
Subsidy	14.850	\$ 45,841,953	\$12,966,231	\$ 59,396,322
Section 8 New Construction and Moderate Rehabilitation Programs				
New Construction - Ambleside	14.182	885,340	575,662	1,622,468
New Construction - Severance	14.182	836,412	509,214	1,384,780
New Construction - Quarrytown	14.182	<u>775,506</u>	<u>420,165</u>	<u>1,238,154</u>
Subtotal CFDA #14.182		2,497,258	1,505,041	4,245,402
Moderate Rehabilitation	14.856	<u>4,643,000</u>		<u>4,685,628</u>
Subtotal CFDA #14.182/14.856 (Section 8 Project-Based Cluster)		<u>7,140,258</u>	<u>1,505,041</u>	<u>8,931,030</u>
Section 8 Voucher Program	14.855	59,601,292	161,027	59,319,121
Section 8 Certificate Program	14.857	<u>517,510</u>		<u>324,970</u>
Subtotal CFDA #14.855/14.857 (Section 8 Tenant-Based Cluster)		<u>60,118,802</u>	<u>161,027</u>	<u>59,644,091</u>
Comprehensive Grant Program				
Comprehensive Grant Program - 1997	14.859		(2,934)	444
Comprehensive Grant Program - 1998	14.859	3,692,280	(179)	3,705,167
Comprehensive Grant Program - 1999	14.859	<u>8,387,121</u>	<u>(1,700)</u>	<u>8,456,126</u>
Subtotal CFDA #14.859		12,079,401	(4,813)	12,161,737
Capital Fund Program				
Capital Fund Program - 2000	14.872	9,396,619		9,358,173
Capital Fund Program - 2001	14.872	<u>4,904,404</u>		<u>4,904,404</u>
Subtotal CFDA #14.872		<u>14,301,023</u>		<u>14,262,577</u>
Subtotal CFDA #14.859/14.872		<u>26,380,424</u>	<u>(4,813)</u>	<u>26,424,314</u>
Urban Revitalization Development Grant	14.866	<u>2,370,432</u>	(6)	<u>2,368,895</u>
Homeownership Program	14.851	<u>401,952</u>	<u>260,930</u>	<u>344,807</u>
Supportive Housing Program	14.235	<u>871,689</u>		<u>871,689</u>
Resident Opportunities and Supportive Services	14.870	<u>189,365</u>		<u>189,365</u>
Economic Development Supportive Service Program	14.864	<u>262,078</u>		<u>262,078</u>
Drug Elimination Grant - 1998	14.854	(10,762)		(10,762)
Drug Elimination Grant - 1999	14.854	1,416,732		1,416,732
Drug Elimination Grant - 2000	14.854	1,064,834		1,064,833
Youth Violence Grant	14.854	<u>36</u>		
Subtotal CFDA #14.854		<u>2,470,840</u>		<u>2,470,803</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 146,047,793</u>	<u>\$14,888,410</u>	<u>\$ 160,903,394</u>

See notes to Supplemental Schedule of Expenditures of Federal Awards.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2001

1. BASIS OF PRESENTATION

The accompanying Supplemental Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Cuyahoga Metropolitan Housing Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's combined financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is required to be included on the Schedule.

The information presented in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Catalog of Federal Domestic Assistance ("CFDA") Numbers are presented for each federal grant.

Revenue and expenses are presented on an accrual basis of accounting with the exception of fixed assets and depreciation. For purposes of the Schedule, depreciation expense is not recorded and the cost of fixed asset additions is included as an expenditure.

2. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the Authority provided federal awards to subrecipients as follows:

Program Title	Subrecipient	Federal CFDA No.	2001 Grant Expenditures
Section 8 Moderate Rehabilitation	Amesbury Rosalind	14.856	\$ 544,089
Section 8 Moderate Rehabilitation	Puritas Place	14.856	\$ 687,534

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Business Activities	N/C S/R Section 8 Programs	Supportive Housing Program	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
111	Cash - Unrestricted	\$ 607,564	\$ -	\$ -	\$ 11,631,346	\$ -	\$ -	\$ 1,848,628
113	Cash - Other Restricted	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	142,853	-	934,487	-	-	-
100	Total Cash	607,564	142,853	-	12,565,833	-	-	1,848,628
122	Accounts Receivable - HUD Other Projects	-	-	330,480	5,180,872	62,019	963,839	-
125	Accounts Receivable - Miscellaneous	7,528	-	-	418,819	-	-	65,338
126	Accounts Receivable - Tenants - Dwelling Rents	-	2,208	-	331,599	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	(741)	-	(201,376)	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	(64,757)
128	Fraud Recovery	-	-	-	-	-	-	273,216
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	(262,503)
129	Accrued Interest Receivable	-	565	-	28,069	-	-	-
120	accounts	7,528	2,032	330,480	5,757,983	62,019	963,839	11,294
131	Investments - Unrestricted	-	-	-	1,702,186	-	-	-
135	Liabilities	-	-	-	-	-	-	-
132	Investments Restricted	-	2,922,099	-	1,600,779	-	-	-
142	Prepaid Expenses and Other Assets	13,080	1,064	-	375,167	-	-	26,188
143	Inventories	-	-	-	1,561,064	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	(447,621)	-	-	-
144	Interprogram Due From	-	-	-	9,502,862	-	-	-
150	Total Current Assets	628,172	3,068,048	330,480	32,618,253	62,019	963,839	1,886,110
161	Land	278,000	59,840	-	23,118,263	-	-	-
162	Buildings	1,542,000	6,286,601	-	227,213,630	130,430,595	-	-
163	Furniture, Equipment & Machinery - Dwellings	112,940	783,781	-	6,443,748	6,870	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	6,636,475	-	171,489	651,414
165	Leasehold Improvements	-	-	-	-	-	-	-
166	Accumulated Depreciation	(932,287)	(4,098,800)	-	(174,436,328)	(91,564,997)	(37,535)	(183,814)
167	Construction In Progress	-	-	-	27,799	-	24,817	-
160	Total Fixed Assets, Net of Accumulated Depreciation	1,000,653	3,031,422	-	89,003,587	38,872,468	158,771	467,600
174	Other Assets	-	201,890	-	556,639	-	-	-
180	Total Non-Current Assets	1,000,653	3,233,312	-	89,560,226	38,872,468	158,771	467,600
190	Total Assets	\$ 1,628,825	\$ 6,301,360	\$ 330,480	\$ 122,178,479	\$ 38,934,487	\$ 1,122,610	\$ 2,353,710

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0006	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0007
111	Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - Other Restricted	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-
100	Total Cash	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-
120	accounts	-	-	-	-	-	-	-
131	Investments - Unrestricted	-	-	-	-	-	-	-
135	Liabilities	-	-	-	-	-	-	-
132	Investments Restricted	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144	Interprogram Due From	1,201,393	70,252	-	79,784	39,025	1,193	82,600
150	Total Current Assets	1,201,393	70,252	-	79,784	39,025	1,193	82,600
161	Land	-	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	-	-	-	-	-
167	Construction In Progress	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	-	-	-	-	-
190	Total Assets	\$ 1,201,393	\$ 70,252	\$ -	\$ 79,784	\$ 39,025	\$ 1,193	\$ 82,600

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing
111	Cash - Unrestricted	\$ -	\$ -	\$ 2,248,345	\$ -	\$ -	\$ -	\$ -
113	Cash - Other Restricted	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-
100	Total Cash	-	-	2,248,345	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	3,029,302	-	-	83,822	3,885,076
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-
120	accounts	-	-	3,029,302	-	-	83,822	3,885,076
131	Investments - Unrestricted	-	-	-	-	-	-	-
135	Liabilities	-	-	-	-	-	-	-
132	Investments Restricted	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-
144	Interprogram Due From	-	3,348,286	-	-	-	-	-
150	Total Current Assets	-	3,348,286	5,277,647	-	-	83,822	3,885,076
161	Land	-	-	-	-	-	-	-
162	Buildings	-	-	141,130,146	-	-	-	38,363,817
163	Furniture, Equipment & Machinery - Dwellings	-	-	1,611,265	-	-	-	89,283
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	(55,587,306)	-	-	-	(15,133,170)
167	Construction In Progress	-	-	1,216,440	-	-	-	47,736
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	88,370,545	-	-	-	23,367,666
174	Other Assets	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	88,370,545	-	-	-	23,367,666
190	Total Assets	\$ -	\$ 3,348,286	\$ 93,648,192	\$ -	\$ -	\$ 83,822	\$ 27,252,742

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	State/Local	Internal Service Fund	Component Units	Other Federal Program 1	Other Federal Program 2	Total
111	Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,501,971	\$ 272,386	\$ 19,110,240
113	Cash - Other Restricted	-	-	-	-	26,989	-	-	26,989
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	1,077,340
100	Total Cash	-	-	-	-	26,989	2,501,971	272,386	20,214,569
122	Accounts Receivable - HUD Other Projects	34,875	3,494,416	70,627	-	-	-	2,854	17,138,182
125	Accounts Receivable - Miscellaneous	-	-	-	-	683	-	-	492,368
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	47,450	4,175	385,432
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(32,498)	(1,241)	(235,856)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	(64,757)
128	Fraud Recovery	-	-	-	-	-	-	-	273,216
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	(262,503)
129	Accrued Interest Receivable	-	-	-	-	-	3,530	-	32,164
120	accounts	34,875	3,494,416	70,627	-	683	18,482	5,788	17,758,246
131	Investments - Unrestricted	-	-	-	-	-	-	-	1,702,186
135	Liabilities	-	-	-	-	-	284,209	-	284,209
132	Investments Restricted	-	-	-	-	-	-	-	4,522,878
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	415,499
143	Inventories	-	-	-	-	-	-	-	1,561,064
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	(447,621)
144	Interprogram Due From	-	-	-	-	-	-	-	14,325,395
150	Total Current Assets	34,875	3,494,416	70,627	-	27,672	2,804,662	278,174	60,336,425
161	Land	-	-	-	-	-	152,416	-	23,608,519
162	Buildings	-	1,333,247	-	-	-	1,755,454	910,087	548,965,577
163	Furniture, Equipment & Machinery - Dwellings	-	360,168	-	-	-	17,450	-	9,425,505
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	13,828	-	7,473,206
165	Leasehold Improvements	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	(68,226)	-	-	-	(1,036,166)	(315,709)	(343,394,338)
167	Construction In Progress	-	3,277,615	-	-	-	-	-	4,594,407
160	Total Fixed Assets, Net of Accumulated Depreciation	-	4,902,804	-	-	-	902,982	594,378	250,672,876
174	Other Assets	-	-	-	-	-	-	-	758,529
180	Total Non-Current Assets	-	4,902,804	-	-	-	902,982	594,378	251,431,405
190	Total Assets	\$ 34,875	\$ 8,397,220	\$ 70,627	\$ -	\$ 27,672	\$ 3,707,644	\$ 872,552	\$ 311,767,830

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Business Activities	N/C S/R Section 8 Programs	Supportive Housing Program	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
312	Accounts Payable <= 90 Days	\$ 1,646	\$ 66,197	\$ 247,225	\$ 4,122,470	\$ -	\$ 242,788	\$ 117,683
321	Accrued Wage/Payroll Taxes Payable	-	11,397	-	3,571,114	-	28,427	67,409
325	Accrued Interest Payable	-	40,550	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	10,762	671,476
341	Tenant Security Deposits	-	92,894	-	889,208	-	-	342,005
342	Deferred Revenues	-	-	-	2,684	-	-	-
343	Projects/Mortgage Revenue Bonds	-	223,533	-	502,850	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	19,801
346	Accrued Liabilities - Other	-	-	-	7,895,135	-	-	-
347	Interprogram Due To	951,836	93,658	83,255	-	62,019	681,863	4,827,626
310	Total Current Liabilities	953,482	528,229	330,480	16,983,461	62,019	963,840	6,046,000
351	Revenue Bonds	-	6,505,271	-	4,962,324	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	4,959,000	-	-	-
350	Total Noncurrent Liabilities	-	6,505,271	-	9,921,324	-	-	-
300	Total Liabilities	953,482	7,033,500	330,480	26,904,785	62,019	963,840	6,046,000
504	Net HUD PHA Contributions	-	-	-	89,003,587	47,568,031	127,838	-
508	Total Contributed Capital	-	-	-	89,003,587	47,568,031	127,838	-
511	Total Reserved Fund Balance	-	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	675,343	(732,140)	-	6,270,107	(8,695,563)	30,932	(3,692,290)
513	Total Equity/Net Assets	675,343	(732,140)	-	95,273,694	38,872,468	158,770	(3,692,290)
600	Total Liabilities and Equity/Net Assets	\$ 1,628,825	\$ 6,301,360	\$ 330,480	\$ 122,178,479	\$ 38,934,487	\$ 1,122,610	\$ 2,353,710

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0006	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0007
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-	-	-
342	Deferred Revenues	-	-	-	-	-	-	-
343	Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-
347	Interprogram Due To	-	-	9,838	-	-	-	-
310	Total Current Liabilities	-	-	9,838	-	-	-	-
351	Revenue Bonds	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	-	-
300	Total Liabilities	-	-	9,838	-	-	-	-
504	Net HUD PHA Contributions	-	-	-	-	-	-	-
508	Total Contributed Capital	-	-	-	-	-	-	-
511	Total Reserved Fund Balance	-	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	1,201,393	70,252	(9,838)	79,784	39,025	1,193	82,600
513	Total Equity/Net Assets	<u>1,201,393</u>	<u>70,252</u>	<u>(9,838)</u>	<u>79,784</u>	<u>39,025</u>	<u>1,193</u>	<u>82,600</u>
600	Total Liabilities and Equity/Net Assets	<u>\$ 1,201,393</u>	<u>\$ 70,252</u>	<u>\$ -</u>	<u>\$ 79,784</u>	<u>\$ 39,025</u>	<u>\$ 1,193</u>	<u>\$ 82,600</u>

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ 2,872,847	\$ -	\$ -	\$ 804	\$ 842,864
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	2,497	9,733
325	Accrued Interest Payable	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	2,351,282	-	-	-	9,730
341	Tenant Security Deposits	-	-	-	-	-	-	-
342	Deferred Revenues	-	-	-	-	-	-	-
343	Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-
347	Interprogram Due To	94,628	-	1,052,540	-	-	80,521	3,798,357
310	Total Current Liabilities	94,628	-	6,276,669	-	-	83,822	4,660,684
351	Revenue Bonds	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	-	-
300	Total Liabilities	94,628	-	6,276,669	-	-	83,822	4,660,684
504	Net HUD PHA Contributions	-	-	87,871,457	-	-	-	23,319,764
508	Total Contributed Capital	-	-	87,871,457	-	-	-	23,319,764
511	Total Reserved Fund Balance	-	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	(94,628)	3,348,286	(499,934)	-	-	-	(727,706)
513	Total Equity/Net Assets	(94,628)	3,348,286	87,371,523	-	-	-	22,592,058
600	Total Liabilities and Equity/Net Assets	\$ -	\$ 3,348,286	\$ 93,648,192	\$ -	\$ -	\$ 83,822	\$ 27,252,742

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	State/Local	Internal Service Fund	Component Units	Other Federal Program 1	Other Federal Program 2	Total
312	Accounts Payable <= 90 Days	\$ 9,452	\$ 1,333,188	\$ 758	\$ -	\$ 273	\$ 2,105	\$ 40,725	\$ 9,901,025
321	Accrued Wage/Payroll Taxes Payable	4,207	166,321	718	-	-	3,806	-	3,865,629
325	Accrued Interest Payable	-	-	-	-	-	-	-	40,550
331	Accounts Payable - HUD PHA Programs	-	-	8,041	-	-	-	6,552	3,057,843
341	Tenant Security Deposits	-	-	-	-	-	275,755	5,085	1,604,947
342	Deferred Revenues	-	-	-	-	-	-	-	2,684
343	Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-	726,383
345	Other Current Liabilities	-	-	-	-	-	17,557	-	37,358
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	7,895,135
347	Interprogram Due To	21,216	2,164,363	61,110	-	-	-	342,565	14,325,395
310	Total Current Liabilities	34,875	3,663,872	70,627	-	273	299,223	394,927	41,456,949
351	Revenue Bonds	-	-	-	-	-	-	-	11,467,595
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	4,959,000
350	Total Noncurrent Liabilities	-	-	-	-	-	-	-	16,426,595
300	Total Liabilities	34,875	3,663,872	70,627	-	273	299,223	394,927	57,883,544
504	Net HUD PHA Contributions	-	1,008,012	-	-	-	-	-	248,898,689
508	Total Contributed Capital	-	1,008,012	-	-	-	-	-	248,898,689
511	Total Reserved Fund Balance	-	-	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	-	3,725,336	-	-	27,399	3,408,421	477,625	4,985,597
513	Total Equity/Net Assets	-	4,733,348	-	-	27,399	3,408,421	477,625	253,884,286
600	Total Liabilities and Equity/Net Assets	\$ 34,875	\$ 8,397,220	\$ 70,627	\$ -	\$ 27,672	\$ 3,707,644	\$ 872,552	\$ 311,767,830

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Business Activities	N/C S/R Section 8 Programs	Supportive Housing Program	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
703	Net Tenant Rental Revenue	\$ -	\$ 1,299,549	\$ -	\$ 10,946,079	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	-	-	-	159,080	-	-	-
705	Total Tenant Revenue	-	1,299,549	-	11,105,159	-	-	-
706	HUD PHA Operating Grants	-	-	871,689	45,841,953	263	2,470,840	59,601,292
706.1	Capital Grants	-	-	-	-	-	-	-
708	Other Government Grants	-	2,497,258	-	-	-	-	-
711	Investment Income - Unrestricted	-	5,731	-	730,235	-	-	94,048
715	Other Revenue	36,671	40,544	-	1,082,278	-	-	71,481
716	Gain/Loss on Sale of Fixed Assets	-	(13,604)	-	(19,746)	-	-	(4,502)
720	Investment Income - Restricted	-	172,821	-	68,306	-	-	-
700	Total Revenue	36,671	4,002,299	871,689	58,808,185	263	2,470,840	59,762,319
911	Administrative Salaries	-	149,278	20,020	11,091,383	-	186,129	2,451,837
912	Auditing Fees	-	-	-	163,862	-	-	56,230
913	Outside Management Fees	-	-	-	78,098	-	-	83,452
915	Employee Benefit Contributions - Administrative	-	43,608	-	3,273,675	-	-	688,493
916	Other Operating - Administrative	38,284	517,628	10,217	2,840,834	-	275,808	1,475,297
921	Tenant Services - Salaries	-	-	-	477,820	-	211,399	-
923	Employee Benefit Contributions - Tenant Services	-	-	-	141,031	-	-	-
924	Tenant Services - Other	10,735	750	841,452	800,538	-	583,093	336
931	Water	-	67,345	-	5,932,277	-	-	-
932	Electricity	-	148,735	-	5,008,309	-	-	-
933	Gas	-	22,588	-	4,514,288	-	-	-
934	Fuel	-	-	-	182,952	-	-	-
941	Ordinary Maintenance and Operations - Labor	-	225,067	-	9,662,101	-	-	-
942	Ordinary Maintenance and Operations - Materials and Other	-	114,320	-	2,666,712	-	-	4,884
943	Ordinary Maintenance and Operations - Contract Costs	38,084	155,361	-	4,196,005	-	-	27,783
945	Employee Benefit Contributions - Ordinary Maintenance	-	65,749	-	2,851,816	-	-	-
951	Protective Services - Labor	-	-	-	521,021	-	1,156,312	-
952	Protective Services - Other Contract Costs	-	16,203	-	336,295	-	-	-
953	Protective Services - Other	-	-	-	181,213	-	-	-
955	Employee Benefit Contributions - Protective Services	-	-	-	153,782	-	-	-

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0006	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0007
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	-	-	-	-	-	-	-
705	Total Tenant Revenue	-	-	-	-	-	-	-
706	HUD PHA Operating Grants	286,720	809,713	119,685	852,252	250,929	96,895	705,799
706.1	Capital Grants	-	-	-	-	-	-	-
708	Other Government Grants	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	-	-	-	-	-	-	-
715	Other Revenue	-	-	-	-	-	-	-
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-	-
720	Investment Income - Restricted	-	-	-	-	-	-	-
700	Total Revenue	286,720	809,713	119,685	852,252	250,929	96,895	705,799
911	Administrative Salaries	-	-	-	-	-	-	-
912	Auditing Fees	-	-	-	-	-	-	-
913	Outside Management Fees	-	-	-	-	-	-	-
915	Employee Benefit Contributions - Administrative	-	-	-	-	-	-	-
916	Other Operating - Administrative	22,992	64,931	9,598	68,341	20,122	7,770	56,598
921	Tenant Services - Salaries	-	-	-	-	-	-	-
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
924	Tenant Services - Other	-	-	-	-	-	-	-
931	Water	-	-	-	-	-	-	-
932	Electricity	-	-	-	-	-	-	-
933	Gas	-	-	-	-	-	-	-
934	Fuel	-	-	-	-	-	-	-
941	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-
942	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	-
943	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-
951	Protective Services - Labor	-	-	-	-	-	-	-
952	Protective Services - Other Contract Costs	-	-	-	-	-	-	-
953	Protective Services - Other	-	-	-	-	-	-	-
955	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	-	-	-	-	-	-	-
705	Total Tenant Revenue	-	-	-	-	-	-	-
706	HUD PHA Operating Grants	1,521,007	517,510	3,264,385	-	-	262,078	618,599
706.1	Capital Grants	-	-	8,815,016	-	-	-	1,751,833
708	Other Government Grants	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	-	-	-	-	-	-	-
715	Other Revenue	-	-	-	-	-	-	-
716	Gain/Loss on Sale of Fixed Assets	-	-	(4,814)	-	-	-	(6)
720	Investment Income - Restricted	-	-	-	-	-	-	-
700	Total Revenue	1,521,007	517,510	12,074,587	-	-	262,078	2,370,426
911	Administrative Salaries	-	-	-	-	-	67,423	-
912	Auditing Fees	-	-	-	-	-	-	-
913	Outside Management Fees	-	-	-	-	-	-	-
915	Employee Benefit Contributions - Administrative	-	-	-	-	-	-	-
916	Other Operating - Administrative	121,969	41,499	-	-	-	12,388	-
921	Tenant Services - Salaries	-	-	-	-	-	182,267	-
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
924	Tenant Services - Other	-	-	-	-	-	-	-
931	Water	-	-	-	-	-	-	-
932	Electricity	-	-	-	-	-	-	-
933	Gas	-	-	-	-	-	-	-
934	Fuel	-	-	-	-	-	-	-
941	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-
942	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-	-
943	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-
951	Protective Services - Labor	-	-	-	-	-	-	-
952	Protective Services - Other Contract Costs	-	-	-	-	-	-	-
953	Protective Services - Other	-	-	-	-	-	-	-
955	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	State/Local	Internal Service Fund	Component Units	Other Federal Program 1	Other Federal Program 2	Total
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	106,844	\$ 113,369	\$ 12,465,841
704	Tenant Revenue - Other	-	-	-	-	-	-	-	159,080
705	Total Tenant Revenue	-	-	-	-	-	106,844	113,369	12,624,921
706	HUD PHA Operating Grants	189,365	10,507,529	-	-	-	401,952	-	129,190,455
706.1	Capital Grants	-	3,793,494	-	-	-	-	-	14,360,343
708	Other Government Grants	-	-	40,136	-	-	-	124,226	2,661,620
711	Investment Income - Unrestricted	-	-	-	-	-	93,757	-	923,771
715	Other Revenue	-	-	-	-	29,060	2,118	-	1,262,152
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	58,799	-	16,127
720	Investment Income - Restricted	-	-	-	-	-	11,223	-	252,350
700	Total Revenue	189,365	14,301,023	40,136	-	29,060	674,693	237,595	161,291,739
911	Administrative Salaries	-	-	11,898	-	-	89,597	-	14,067,565
912	Auditing Fees	-	-	-	-	-	-	-	220,092
913	Outside Management Fees	-	-	-	-	-	-	-	161,550
915	Employee Benefit Contributions - Administrative	-	-	-	-	-	25,568	-	4,031,344
916	Other Operating - Administrative	29,891	-	39,760	-	11,367	86,174	57,296	5,808,764
921	Tenant Services - Salaries	159,474	-	30,515	-	-	-	-	1,061,475
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	141,031
924	Tenant Services - Other	-	-	7,963	-	-	-	-	2,244,867
931	Water	-	-	-	-	-	853	-	6,000,475
932	Electricity	-	-	-	-	-	1,460	667	5,159,171
933	Gas	-	-	-	-	-	6,286	30,017	4,573,179
934	Fuel	-	-	-	-	-	-	-	182,952
941	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	48,215	-	9,935,383
942	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	5,322	-	2,791,238
943	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	8,123	36,633	4,461,989
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	13,759	-	2,931,324
951	Protective Services - Labor	-	-	-	-	-	-	-	1,677,333
952	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	352,498
953	Protective Services - Other	-	-	-	-	-	-	-	181,213
955	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	153,782

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001**

Line Item #	Account Description	Business Activities	N/C S/R Section 8 Programs	Supportive Housing Program	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
961	Insurance Premiums	\$ 14,753	\$ 10,637	\$ -	\$ 2,195,782	\$ -	\$ -	\$ 72,908
962	Other General Expenses	-	7,052	-	9,389	-	-	155,533
963	Payments in Lieu of Taxes	-	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	2,861	-	228,354	-	-	-
967	Interest Expense	303	508,337	-	309,495	-	-	-
969	Total Operating Expenses	102,159	2,055,519	871,689	57,817,032	-	2,412,741	5,016,753
970	Excess Operating Revenue over Operating Expenses	(65,488)	1,946,780	-	991,153	263	58,099	54,745,566
971	Extraordinary Maintenance	-	401,062	-	271,136	263	-	-
972	Casualty Losses - Non-Capitalized	-	-	-	248,574	-	-	-
973	Housing Assistance Payments	-	-	-	-	-	-	54,078,974
974	Depreciation Expense	37,065	270,854	-	7,809,809	8,695,563	27,167	79,225
978	Dwelling Units Rent Expense	-	1,729,466	-	-	-	-	-
900	Total Expenses	139,224	4,456,901	871,689	66,146,551	8,695,826	2,439,908	59,174,952
1010	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ (102,553)	\$ (454,602)	\$ -	\$ (7,338,366)	\$ (8,695,563)	\$ 30,932	\$ 587,367

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0006	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0007
961	Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
962	Other General Expenses	(240)	(494)	(120)	126,802	(327)	(76)	1,784
963	Payments in Lieu of Taxes	-	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	-	-	-	-	-
967	Interest Expense	-	-	-	-	-	-	-
969	Total Operating Expenses	22,752	64,437	9,478	195,143	19,795	7,694	58,382
970	Excess Operating Revenue over Operating Expenses	263,968	745,276	110,207	657,109	231,134	89,201	647,417
971	Extraordinary Maintenance	-	-	-	-	-	-	-
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-
973	Housing Assistance Payments	254,593	727,401	106,567	771,847	217,778	85,526	633,881
974	Depreciation Expense	-	-	-	-	-	-	-
978	Dwelling Units Rent Expense	-	-	-	-	-	-	-
900	Total Expenses	277,345	791,838	116,045	966,990	237,573	93,220	692,263
1010	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ 9,375	\$ 17,875	\$ 3,640	\$ (114,738)	\$ 13,356	\$ 3,675	\$ 13,536

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001**

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing
961	Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
962	Other General Expenses	(58,969)	(173,051)	-	-	-	-	-
963	Payments in Lieu of Taxes	-	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	-	-	-	-	-
967	Interest Expense	-	-	-	-	-	-	-
969	Total Operating Expenses	63,000	(131,552)	-	-	-	262,078	-
970	Excess Operating Revenue over Operating Expenses	1,458,007	649,062	12,074,587	-	-	-	2,370,426
971	Extraordinary Maintenance	-	-	3,264,385	-	-	-	618,599
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-
973	Housing Assistance Payments	1,447,354	456,522	-	-	-	-	-
974	Depreciation Expense	-	-	9,310,136	-	-	-	2,479,533
978	Dwelling Units Rent Expense	-	-	-	-	-	-	-
900	Total Expenses	1,510,354	324,970	12,574,521	-	-	262,078	3,098,132
1010	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ 10,653	\$ 192,540	\$ (499,934)	\$ -	\$ -	\$ -	\$ (727,706)

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	State/Local	Internal Service Fund	Component Units	Other Federal Program 1	Other Federal Program 2	Total
961	Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,619	\$ -	\$ 2,302,699
962	Other General Expenses	-	-	-	-	-	-	-	67,283
963	Payments in Lieu of Taxes	-	-	-	-	-	17,557	-	17,557
964	Bad Debt - Tenant Rents	-	-	-	-	-	13,345	1,744	246,304
967	Interest Expense	-	-	-	-	-	-	-	818,135
969	Total Operating Expenses	189,365	-	90,136	-	11,367	324,878	126,357	69,589,203
970	Excess Operating Revenue over Operating Expenses	-	14,301,023	(50,000)	-	17,693	349,815	111,238	91,702,536
971	Extraordinary Maintenance	-	10,507,529	-	-	-	6,100	78,724	15,147,798
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-	248,574
973	Housing Assistance Payments	-	-	-	-	-	-	-	58,780,443
974	Depreciation Expense	-	68,158	-	-	-	65,123	60,618	28,903,251
978	Dwelling Units Rent Expense	-	-	-	-	-	-	-	1,729,466
900	Total Expenses	189,365	10,575,687	90,136	-	11,367	396,101	265,699	174,398,735
1010	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ -	\$ 3,725,336	\$ (50,000)	\$ -	\$ 17,693	\$ 278,592	\$ (28,104)	\$ (13,106,996)

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001**

Line Item #	Account Description	Business Activities	N/C S/R Section 8 Programs	Supportive Housing Program	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	7,875	212,800	-	504,297	-	-	-
1103	Beginning Equity	777,896	(277,538)	-	102,612,060	47,568,031	127,838	(4,279,657)
1104	of Errors	-	-	-	-	-	-	-
1112	Depreciation Add Back	37,065	270,854	-	7,809,809	8,695,563	27,167	79,225
1113	Maximum Annual Contributions Commitment (Per ACC)	-	1	-	-	-	-	59,869,573
1114	Period of less than Twelve Months	-	1	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	1	-	-	-	-	6,885,041
1116	Total Annual Contributions Available	-	3	-	-	-	-	66,754,614
1120	Unit Months Available	661	6,828	-	102,300	-	-	126,665
1121	Number of Unit Months Leased	539	6,671	-	90,254	-	-	121,810

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0006	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0007
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-
1103	Beginning Equity	1,192,018	52,377	(13,478)	194,522	25,669	(2,482)	69,064
1104	of Errors	-	-	-	-	-	-	-
1112	Depreciation Add Back	-	-	-	-	-	-	-
1113	Maximum Annual Contributions Commitment (Per ACC)	70,790	47,889	33,960	11,318	98,274	-	-
1114	Period of less than Twelve Months	-	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	46,836	37,861	660,938	334,796	752,336	79,939	2,596,117
1116	Total Annual Contributions Available	117,626	85,750	694,898	346,114	850,610	79,939	2,596,117
1120	Unit Months Available	720	1,595	295	1,740	575	252	1,511
1121	Number of Unit Months Leased	671	1,507	246	1,711	509	230	1,390

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001**

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Economic Development and Supportive Services Program	Revitalization of Severely Distressed Public Housing
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-
1103	Beginning Equity	(105,281)	3,155,746	87,871,457	-	3,129,829	-	23,319,764
1104	of Errors	-	-	-	-	(3,129,829)	-	-
1112	Depreciation Add Back	-	-	9,310,136	-	-	-	2,479,533
1113	Maximum Annual Contributions Commitment (Per ACC)	1,608,435	579,050	-	-	-	-	-
1114	Period of less than Twelve Months	-	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	2,275,986	6,150,162	-	-	-	-	-
1116	Total Annual Contributions Available	3,884,421	6,729,212	-	-	-	-	-
1120	Unit Months Available	1,116	1,423	-	-	-	-	-
1121	Number of Unit Months Leased	946	1,423	-	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001

Line Item #	Account Description	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	State/Local	Internal Service Fund	Component Units	Other Federal Program 1	Other Federal Program 2	Total
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	724,972
1103	Beginning Equity	-	1,008,012	50,000	505,729	-	-	-	266,981,576
1104	of Errors	-	-	-	(505,729)	9,706	3,129,829	505,729	9,706
1112	Depreciation Add Back	-	68,158	-	-	-	65,123	60,618	28,903,251
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	-	-	-	-	62,319,290
1114	Period of less than Twelve Months	-	-	-	-	-	-	-	1
1115	Contingency Reserve, ACC Program Reserve	-	-	-	-	-	-	-	19,820,013
1116	Total Annual Contributions Available	-	-	-	-	-	-	-	82,139,304
1120	Unit Months Available	-	-	1	-	1	661	456	246,800
1121	Number of Unit Months Leased	-	-	1	-	1	539	343	228,791

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

RECONCILIATION OF THE COMBINED BALANCE SHEET TO THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2001

	Combined Balance Sheet	Reconciling Amount		Financial Data Schedule
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 20,060,195	\$ (949,955)	1	\$ 19,110,240
Cash - other restricted		26,989	1	26,989
Cash - tenant security deposits		1,077,340	1	1,077,340
Cash and investments - restricted	3,741,549	781,329	1	4,522,878
Investments - restricted for payment of current liabilities		284,209	1	284,209
Investments - unrestricted		1,702,186	1	1,702,186
Accounts receivable tenant	149,576	235,856	2	385,432
Accounts receivable - HUD	17,138,184	(2)	2	17,138,182
Accounts receivable - other	484,632	7,736	2/3	492,368
Accounts receivable - interfund		14,325,395	4	14,325,395
Allowance for doubtful accounts - tenant		(235,856)	2	(235,856)
Allowance for doubtful accounts - other		(64,757)	2	(64,757)
Fraud recovery		273,216	2	273,216
Allowance for doubtful accounts - fraud		(262,503)	2	(262,503)
Accrued interest receivable		32,164	2/3	32,164
Inventory	1,113,443	447,621	2	1,561,064
Allowance for obsolete inventory		(447,621)	2	(447,621)
Prepaid expenses and other current assets	401,350	14,149	2/3	415,499
Total current assets	<u>43,088,929</u>	<u>17,247,496</u>		<u>60,336,425</u>
Non-current assets:				
Land, property and equipment:				
Land, property and equipment, net	250,672,874	(250,672,874)	5	
Land		23,608,519	5	23,608,519
Buildings		548,965,577	5	548,965,577
Furniture, equipment & machinery - dwellings		9,425,505	5	9,425,505
Furniture, equipment & machinery - administrative		7,473,206	5	7,473,206
Accumulated depreciation		(343,394,338)	5	(343,394,338)
Construction in progress		4,594,407	5	4,594,407
Land, property and equipment, net	<u>250,672,874</u>	<u>2</u>	5	<u>250,672,876</u>
Cash and investments - restricted	2,922,099	(2,922,099)	1	
Replacement reserves and surplus escrow			1	
Debt issuance costs	201,890	(201,890)	6	
Investment in joint venture	556,639	(556,639)	6	
Other assets		758,529	6	758,529
Total non-current assets	<u>254,353,502</u>	<u>(2,922,097)</u>		<u>251,431,405</u>
TOTAL ASSETS	<u>\$ 297,442,431</u>	<u>\$ 14,325,399</u>		<u>\$ 311,767,830</u>

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

RECONCILIATION OF THE COMBINED BALANCE SHEET TO THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2001

	Combined Balance Sheet	Reconciling Amount		Financial Data Schedule
LIABILITIES AND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts payable	\$ 9,901,022	\$ 3	7	\$ 9,901,025
Accrued wage/payroll taxes payable		3,865,629	7	3,865,629
Accrued interest payable		40,550	7	40,550
Accounts payable - HUD	3,057,843			3,057,843
Accounts payable - interfund		14,325,395	4	14,325,395
Current portion of capital leases	502,850	(502,850)	8	
Accrued expenses	11,880,141	(11,880,141)	7	
Security and other deposits	1,566,161	38,786	7	1,604,947
Deferred revenue		2,684	7	2,684
Contingent liabilities		7,895,135	7	7,895,135
Other current liabilities		37,358	7	37,358
Current portion of long term debt	223,533	502,850	8	726,383
Total current liabilities	<u>27,131,550</u>	<u>14,325,399</u>		<u>41,456,949</u>
Non-Current Liabilities:				
Long term debt, net of current portion	6,505,271	4,962,324	8	11,467,595
Capital leases, net of current	4,962,324	(4,962,324)	8	
Payable to HUD	3,000,000	(3,000,000)	8	
Other long term liabilities	1,959,000	3,000,000	8	4,959,000
Total liabilities	<u>43,558,145</u>	<u>14,325,399</u>		<u>57,883,544</u>
Net HUD PHA contributions		248,898,689	9	248,898,689
Undesignated fund balance/retained earnings		4,985,597	9	4,985,597
Equity	<u>253,884,286</u>	<u>(253,884,286)</u>	9	
TOTAL LIABILITIES AND EQUITY	<u>\$ 297,442,431</u>	<u>\$ 14,325,399</u>		<u>\$ 311,767,830</u>

See notes to the Financial Data Schedule and the Reconciliation of the Combined Financial Statements to the Financial Data Schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**RECONCILIATION OF THE COMBINED STATEMENT OF OPERATIONS AND CHANGES IN EQUITY
TO THE FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2001**

	Combined Statement of Operations and Changes in Equity	Reconciling Amount		Financial Data Schedule
OPERATING REVENUES:				
Dwelling rent from tenants	\$ 12,531,556	\$ (65,715)	10	\$ 12,465,841
Tenant revenue - other		159,080	10	159,080
Subsidies and grants (HUD)	127,880,097	1,310,358	10	129,190,455
Grants - other	3,887,295	(1,225,675)	10	2,661,620
Capital grants		14,360,343	10	14,360,343
Investment income - unrestricted		923,771	11	923,771
Investment income - restricted		252,350	11	252,350
Gain on disposal of assets		16,127	12	16,127
Other revenues	1,430,937	(168,785)	10	1,262,152
Total Revenues	<u>145,729,885</u>	<u>15,561,854</u>		<u>161,291,739</u>
OPERATING EXPENSES:				
Administrative	20,257,970	4,031,345	13	24,289,315
Tenant Service	3,306,338	141,035	13	3,447,373
Utilities	15,915,778	(1)		15,915,777
Building	18,918,077	1,201,857	13/16	20,119,934
General	9,891,326	(7,257,483)	13	2,633,843
Nonroutine maintenance	15,396,372	(15,396,372)	15	
Protective services	2,211,046	153,780	13	2,364,826
Depreciation expense	28,903,254	(28,903,254)	14	
Housing assistance payments (HAP)	58,780,443	(58,780,443)	17	
Total operating expenses	<u>173,580,604</u>	<u>(104,809,536)</u>		<u>68,771,068</u>
OPERATING INCOME (LOSS)	<u>(27,850,719)</u>	<u>120,371,390</u>		<u>92,520,671</u>
OTHER INCOME (EXPENSE):				
Gain on disposal of assets	16,128	(16,128)	12	
Capital grants	14,379,317	(14,379,317)	10	
Extraordinary maintenance		(15,147,798)	15	(15,147,798)
Casualty losses - non-capitalized		(248,574)	15	(248,574)
Depreciation expense		(28,903,251)	14	(28,903,251)
Interest expense	(818,135)			(818,135)
Dwelling units rent expense		(1,729,466)	16	(1,729,466)
Interest income	1,176,120	(1,176,120)	11	
Housing assistance payments (HAP)		(58,780,443)	17	(58,780,443)
Total other income (expense)	<u>14,753,430</u>	<u>(120,381,097)</u>		<u>(105,627,667)</u>
NET LOSS	(13,097,289)	(9,707)	10	(13,106,996)
Prior year adjustments		9,706		9,706
BEGINNING EQUITY	<u>266,981,575</u>	<u>1</u>		<u>266,981,576</u>
ENDING EQUITY	<u>\$ 253,884,286</u>	<u>\$</u>		<u>\$ 253,874,580</u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE FINANCIAL DATA SCHEDULE AND THE RECONCILIATION OF THE COMBINED FINANCIAL STATEMENTS TO THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2001

A. BASIS OF PRESENTATION

The Cuyahoga Metropolitan Housing Authority (the "Authority") is required to submit annual financial information to the U.S. Department of Housing and Urban Development ("HUD"), Real Estate Assessment Center ("REAC"). The financial data is submitted to REAC using the Financial Data Schedule ("FDS") format, which is prescribed by REAC and applicable to government entities. The accompanying FDS, prepared in the form prescribed by REAC, differs from the information in the Authority's combined financial statements, prepared in conformity with accounting principles generally accepted in the United States of America, primarily due to classification differences. The accompanying schedule reconciles the Authority's combined financial statements to the FDS.

B. RECONCILIATION

The following items identify the amounts needed to reconcile the combined financial statements prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental entities, to the FDS:

1. The FDS only requires that cash be broken down into restricted and non-restricted amounts and shown as a current asset. The combined financial statements reflect funds that are restricted and will not be used in the next 12 months as non-current.
2. The combined financial statements reflect Accounts Receivable and Inventory net of allowances, but the FDS has a separate line for the allowance.
3. Classification differences exist between Accounts Receivable Other, Accrued Interest Receivable and Prepaid Other from the combined financial statements to the FDS.
4. Accounts Receivable Interfund are eliminated on the combined financial statements, but are recorded on the FDS as both a current asset and current liability.
5. Land, Property and Equipment is reflected as a net amount on the combined financial statements but is recorded on separate line items on the FDS.
6. Bond issuance costs and the Authority's investment in a joint venture are shown separately on the combined financial statements but are recorded as Other Assets on the FDS.
7. Classification differences exist between the following combined financial statements and FDS captions: Accounts Payable, Accrued Wages/Payroll Taxes Payable, Accrued Interest Payable, Accrued Expenses and Other, Contingent Liabilities, and Other Current Liabilities.
8. Notes Payable Non-HUD and Other Non-current Liabilities are separated in the combined financial statements and combined on the FDS.

9. Equity is recorded net on the combined financial statements but recorded as Net HUD PHA Contributions and Undesignated Fund Balance/Retained Earnings on the FDS.
10. Represents classification differences between the combined financial statements and the FDS.
11. Interest income on investments is aggregated and recorded as other income on the combined financial statements and separated between unrestricted and restricted on the FDS.
12. Gain on disposal of assets is recorded as other expense on the combined financial statements and operating revenue on the FDS.
13. Fringe benefit expenses were classified as General in the combined financial statements but are allocated among the various expense categories on the FDS.
14. Depreciation expense is classified as Operating Expense on the combined financial statements and Non-Operating on the FDS.
15. Nonroutine maintenance is classified as Operating Expense in the combined financial statements but as Non-Operating (Extraordinary Maintenance and Casualty losses) on the FDS.
16. Dwelling Units Rent Expense is classified as Building on the combined financial statements but recorded on a separate line on the FDS.
17. Housing Assistance Payments are classified as Operating expenses in the combined financial statements and as Non-Operating on the FDS.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL SCHEDULE OF ACTUAL MODERNIZATION COSTS INCURRED ON CERTAIN PROJECTS CLOSED THROUGH DECEMBER 31, 2001 (UNAUDITED)

Modernization Project Number	OH12P 3086	OH12P 3088	OH12P 3093	OH12P 370192	OH12P 370394	OH12P 370495	OH12VRP 3194	OH12URD 003P195
Funds approved	\$ 5,000,000	\$ 8,586,542	\$ 4,921,875	\$ 33,319,040	\$ 36,185,636	\$ 33,591,489	\$ 7,280,000	\$ 361,729
Funds expended	<u>5,000,000</u>	<u>8,586,542</u>	<u>4,921,875</u>	<u>33,319,040</u>	<u>36,185,636</u>	<u>33,591,489</u>	<u>7,280,000</u>	<u>351,999</u>
Excess of funds approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,730</u>
Funds advanced	5,000,000	8,586,542	4,921,875	33,319,040	36,185,636	33,591,489	7,280,000	361,729
Funds expended	<u>5,000,000</u>	<u>8,586,542</u>	<u>4,921,875</u>	<u>33,319,040</u>	<u>36,185,636</u>	<u>33,591,489</u>	<u>7,280,000</u>	<u>351,999</u>
Excess of funds advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,730</u>



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

We have audited the combined financial statements of Cuyahoga Metropolitan Housing Authority (the "Authority") as of and for the year ended December 31, 2001, and have issued our report thereon dated May 31, 2002, which contained explanatory paragraphs stating that, effective January 1, 2001, the Authority implemented Government Accounting Standards Board Statement ("GASB") No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues (an Amendment of GASB Statement No. 33)*, and that certain unresolved compliance findings and questioned costs exist as a result of past audits of the Authority performed in accordance with the Single Audit Act Amendments of 1996. 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 the 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 the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 other matters involving the internal control over financial reporting that we have reported to the management of the Authority in a separate letter dated May 31, 2002.

This report is intended solely for the information and use of the Authority's audit committee, management, federal awarding agencies, state funding agencies, pass-through entities and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

May 31, 2002



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO
EACH MAJOR FEDERAL AWARD PROGRAM**

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

Compliance

We have audited the compliance of Cuyahoga Metropolitan Housing Authority (the "Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants, applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the 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 December 31, 2001.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of the Authority's audit committee, management, federal awarding agencies, state funding agencies, pass-through entities and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

May 31, 2002

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2001

Part I – Summary of Auditors’ Results

Combined Financial Statements

- Type of auditors’ report issued: Unqualified
- Internal control over financial reporting:
 - Material weaknesses identified? Yes No
 - Reportable conditions identified not considered to be material weaknesses? N/A (None reported)
- Noncompliance material to financial statements noted? Yes No

Federal Awards

- Internal Control over major programs:
 - Material weaknesses identified? Yes No
 - Reportable conditions identified not considered to be material weaknesses? N/A (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 Circular A-133 (section .510(a))? Yes No
- Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.850	Conventional Low-Rent Housing Program
14.859	Comprehensive Grant Program
14.872	Capital Fund Project
- Dollar threshold used to distinguish between Type A and Type B programs \$3,000,000
- Auditee qualified as low-risk auditee? Yes No

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED DECEMBER 31, 2001

Part II – Financial Statement Findings Section

None

Part III – Federal Award Findings and Questioned Cost Section

None

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

STATUS OF PRIOR YEAR FINDINGS YEAR ENDED DECEMBER 31, 2001

Findings	Still Applicable	Comments
99-3 Public Housing Waiting List	Yes	The Authority's response to this finding is pending approval from HUD.
99-4 Public Housing Eligibility	No	The Authority has taken corrective action.
99-5 Compliance With Memorandum of Agreement and Allowable Costs	Yes	See Schedule of Other Reports

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF OTHER REPORTS FOR THE YEAR ENDED DECEMBER 31, 2001

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - INSPECTOR GENERAL'S AUDIT OF TITLE V

On March 31, 2000, the Department of Housing and Urban Development's ("HUD") Office of the Inspector General ("OIG") released its audit report of the Authority's Title V fund.

The results of the audit indicate that the Authority did not follow HUD's requirements for the use of its Title V funds, Office of Management and Budget's Circular A-87, State of Ohio law, and the Authority's policies regarding the use of Title V funds during the period January 1, 1990 through July 31, 1998. The OIG report recommended that the Cleveland Area Office Director of Public Housing Hub ("HUB"), in conjunction with the Ohio State Office Director of Columbus Multifamily Hub, assure that the Authority address the seven recommendations noted in the report.

The recommendations fell in three categories; (1) implement controls, (2) take administrative action against the former Chief Executive Officer and Chief Operating Officer and (3) provide documentation to support \$11,267,209 drawn from Title V funds.

Status - The recommendation to implement controls has been completed and the recommendation to take corrective action against the prior administration has been pursued by HUD. Documentation to support \$8,196,730 of the Title V expenditures was submitted by the Authority to HUD and the OIG. To date, HUD has accepted \$1,602,500 of the amount submitted.

AUDITOR OF THE STATE OF OHIO - SPECIAL AUDIT REPORT

The Auditor of the State of Ohio conducted a two phase Special Audit of the Authority covering the period January 1, 1990 through May 31, 1998 to determine if certain expenditures made by the Authority were in accordance with the terms of agreements entered into by the Authority, State and Federal law, and the Authority's procedures. The Auditor of State Phase I report was issued on December 15, 1998 and the Phase II report was issued on November 8, 2001.

In both reports, the Auditor of State cited numerous instances where the Authority did not follow established procedures and or lacked procedures and controls during the period under review. Additionally, the Auditor of State issued the following summary of financial findings.

	Findings for Recovery	Questioned Spending of Federal Grants
Phase I	\$ 323,502	\$ 638,839
Phase II	\$ 258,366	\$6,411,586

The Authority has responded to the Phase I and Phase II reports by implementing and enforcing improved internal control procedures which will assist in assuring future compliance. Additionally, the Authority has taken appropriate legal action against members of the prior administration and has notified HUD and all other related parties regarding the reports.

Status - The State Auditor has notified HUD and has made the reports a matter of public record. The Auditor of State considers the matter closed and will not be pursuing any follow-up activity; however, HUD may exercise its authority to perform additional follow-up. Additionally, the Auditor of State has publicly commended the Authority on its improved performance.

* * * * *



STATE OF OHIO
OFFICE OF THE AUDITOR

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA 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
AUGUST 6, 2002**