

CINCINNATI METROPOLITAN HOUSING AUTHORITY

Regular Audit

Year Ended June 30, 2005



**Auditor of State
Betty Montgomery**

Board of Commissioners
Cincinnati Metropolitan Housing Authority
Cincinnati, Ohio

We have reviewed the *Independent Auditor's Report* of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Cassidy Schiller & Associates Inc., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cincinnati Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 23, 2006

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CINCINNATI METROPOLITAN HOUSING AUTHORITY

REGULAR AUDIT

YEAR ENDED JUNE 30, 2005

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INDEPENDENT AUDITOR'S REPORT

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



HUD, Cleveland Area Office
Renaissance Building
1350 Euclid Avenue, Suite 500
Cleveland, Ohio 44115-1815

We have audited the accompanying basic financial statements of the Cincinnati Metropolitan Housing Authority, (CMHA), as of and for the year ended June 30, 2005 as listed in the table of contents. These financial statements are the responsibility of CMHA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above presents fairly, in all material respects, the financial position of CMHA, as of June 30, 2005, and changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2005 on our consideration of CMHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements of the Cincinnati Metropolitan Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-*

Profit Organizations, and is not a required part of the basic financial statements of CMHA. Also, the accompanying supplemental information such as the combining and individual nonmajor program financial statements is presented for purposes of additional analysis and is not a required part of the financial statements. The Financial Data Schedule is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, consisting of the letters 'C', 'S', and 'A' in a cursive, stylized font.

November 11, 2005

**Cincinnati Metropolitan Housing Authority
Management's Discussion and Analysis
June 30, 2005**

This discussion and analysis provides the reader with narrative overview and financial analysis of Cincinnati Metropolitan Housing Authority's (Authority) financial activities and performance for the year ended June 30, 2005. This section should be read in conjunction with the audited financial statements and accompanying notes.

Financial Highlights

- CMHA's total assets and liabilities were \$243,936,795 and \$21,415,732 respectively, and therefore the net assets were \$222,521,063 as of June 30, 2005.
- Total revenues including capital contributions and total expenses were \$101,120,966 and \$101,585,178 respectively resulting in (\$464,212) change in net assets for fiscal year 2005.
- Fiscal 2005 resulted in a net increase in cash and cash equivalents of \$2,832,323 and purchase of \$17,111,088 in fixed assets.

Overview of the Financial Statements

- **Management's Discussion and Analysis** The "Management's Discussion and Analysis" is intended to serve as an introduction to the Authority-wide financial statements. The Authority-wide financial statements and Notes to Financial Statements included in the Audit Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types and in compliance with the regulations set forth in GASB 34.
- **Authority-wide Financial Statements** The Authority-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. They consist of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.
- **Notes to Financial Statements** The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Overview of the Financial Statements

The Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Conventional Public Housing Under the Conventional or Low Rent Housing program, the Authority rents units that it owns to low income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant

Funding to enable the Authority to provide the housing at a rent that is based upon approximately 30% of household income.

Capital Fund Program The Conventional Public Housing program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. The formula funding methodology used is based upon the number of units, including the bedroom sizes and the age of the buildings/units.

Housing Choice Vouchers Program Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through the Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at approximately 30% of household income.

Hope VI Grant The Hope VI Grants are programs funded by HUD for redevelopment of the Authority's properties. It is a mixed financing and mixed use development with homeownership opportunities for public housing residents.

Overview of the Authority's Financial Position and Operations

Net Assets

The Authority's total assets decreased by \$3.3 million during the fiscal year, primarily in current assets. This reduction is a result of operational losses and the use of cash to satisfy current obligations.

Total liabilities decreased for fiscal year 2005 by \$2.2 million dollars. The primary cause of this reduction was the change in due to other governments, which reflects a reduction of \$1.8 million. The Housing Choice Voucher program funding rules have changed from fiscal year 2004. The Authority is now funded based on different funding formula, and the elimination of the year-end settle up has caused the significant reduction in due to other government of \$1.8 million.

Of the \$1.1 million reduction in total net assets, \$.7 million is attributable to prior year adjustment due to an overstatement of Construction In Progress and Accounts Receivable in fiscal year 2004. The Authority received subsidies each month based on a pre-approved amount by HUD and grants were drawn down based on expenditures against a pre-authorized funding level. The Authority's consolidated revenue was not sufficient to cover all expenses, including depreciation resulting in operational deficit for fiscal year 2005.

**Statement of Net Assets
(Condensed)**

	2005 (millions)	2004 (millions)
Current Assets	\$ 16.5	\$ 19.7
Other Assets	21.2	21.2
Capital Assets	<u>206.2</u>	<u>206.3</u>
Total Assets	243.9	247.2
Current Liabilities	7.1	8.7
Long Term Liabilities	<u>14.3</u>	<u>14.9</u>
Total Liabilities	21.4	23.6
Net Assets:		
Invested in Capital Assets, Net of Related Debt	191.9	191.6
Unrestricted Net Assets	<u>30.6</u>	<u>32.0</u>
Total Net Assets	222.5	223.6

Revenues, Expenses and Change in Net Assets

The Authority's operational deficit for fiscal year 2005 is \$.5 million on a consolidated basis. The Authority faced funding reductions in multiple programs. The Housing Choice Voucher program funding was reduced significantly based on both the new funding methodology as well as a 96% pro-ratio factor applied to both Administrative Fees Earned and Housing Assistance Payments. Low Income Public Housing operating subsidy was pro-rated at 98%, and Capital funding was reduced by \$1.1 million. The Authority has made many program changes to offset the funding reductions and is continuing in its efforts to manage the current and future subsidy reductions.

Operational expenses increased for the fiscal year by \$2 million. Some of the significant increases were in benefit costs, cost of utilities, and housing assistance payments. Depreciation expenses increased by \$.3 million for fiscal year 2005 as compared to prior year.

**Statement of Revenues, Expenses and Changes in Net Assets for the Year Ended
(Condensed)**

	2005 (millions)	2004 (millions)
Operating/Other Revenues	\$ 14.0	\$ 13.6
Governmental Revenues	<u>87.1</u>	<u>93.9</u>
Total Operating Revenues	101.1	107.5
Operating Expenses	86.2	84.2
Depreciation Expense	<u>15.3</u>	<u>15.0</u>
Total Operating Expenses	101.5	99.2
Total Non-Operating Revenues/Expenses	- .1	-1.2
Change in Net Assets	-.5	7.1
Net Assets, Beginning of Year	223.6	216.5
Prior Year Adjustment	<u>-.7</u>	<u>0</u>
Adjusted Net Assets, Beginning of Year	222.9	216.5
Net Assets, End of Year	<u><u>222.5</u></u>	<u><u>223.6</u></u>

Budgetary Highlights

For the year ended June 30, 2005, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with accounting procedures prescribed by the applicable funding agency.

As indicated by the excess of expenses over revenues, when adjusted by depreciation expense, the Authority was under funded for the fiscal year 2005 and it was necessary to use reserves to cover expenses. The Authority's net assets decreased during the fiscal year.

Capital Assets and Debt Administration

As of June 30, 2005 the Authority's investment in capital assets for its Proprietary Fund was \$206,210,148 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and construction in progress.

Major capital assets purchased from grants of \$17,111,088 during the fiscal year pertained to expenditures made in accordance with the Authority's Capital Fund program.

The Authority's long-term portion of debt as of June 30, 2005 was \$12,197,600. The long term debt was comprised of Hamilton County HOME and local bank loans for development of low rent housing in Hamilton County, lease-purchase agreement utilized to purchase equipment for energy cost savings program, and Fannie Mae bridge loans for Hope VI program and other mixed finance and low rent housing programs.

Economic Factors

The following factors were considered in preparing the Authority's budget for the fiscal year 2006:

- Change in funding levels and pro-ration factors for Housing Choice Voucher, Low Income Public Housing, Capital Fund, and Replacement Housing Factor.
- Inflationary and weather condition factors which effect utility rates and cost of operational materials and supplies.
- Increases in salary and benefit costs (e.g. health insurance, public employee retirement fund).

Contacting the Authority

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Donald Troendle, Executive Director, Cincinnati Metropolitan Housing Authority, 16 West Central Parkway, Cincinnati, Ohio 45202.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF NET ASSETS
JUNE 30, 2005**

ASSETS

Current assets:

Cash and cash equivalents - unrestricted	\$ 8,442,168
Cash and cash equivalents - restricted	1,708,778
Investments, at fair value	2,564,727
Accounts receivable, net of allowance for doubtful accounts	814,432
Due from other governments	2,224,574
Inventory, net of allowance for obsolescence	247,336
Prepaid insurance	<u>545,131</u>
Total current assets	16,547,146

Property and equipment:

Land	26,871,580
Buildings	243,117,441
Furniture, equipment and machinery	3,306,978
Leasehold improvements	70,970
Construction in progress	<u>77,197,617</u>
	350,564,586
Less accumulated depreciation	<u>144,354,438</u>
	206,210,148

Other assets:

Notes and mortgages receivable	17,700,924
Interest receivable	3,306,804
Insurance deposits	<u>171,773</u>
Total other assets	<u>21,179,501</u>

Total assets	<u><u>\$ 243,936,795</u></u>
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**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF NET ASSETS
JUNE 30, 2005**

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	2,023,232
Accrued wages & taxes payable		642,180
Accrued compensated absences		134,614
Other accrued liabilities		338,106
Due to other governments		771,143
Notes and bonds payable - current portion		2,118,746
Accrued interest payable		8,647
Prepaid rents		11,602
Payable from restricted assets:		
Resident security deposits		1,060,993
		1,060,993
Total current liabilities		7,109,263

Noncurrent liabilities:

Notes payable, net of current portion		12,197,600
Workers' compensation contingency		320,503
Accrued compensated absences		1,140,581
Payable from restricted assets:		
Family self sufficiency escrows		647,785
		647,785
Total noncurrent liabilities		14,306,469
		14,306,469
Total liabilities		21,415,732

Net assets:

Investment in property and equipment, net of related debt		191,893,802
Unrestricted net assets		30,627,261
		222,521,063
		222,521,063

Total liabilities and net assets	\$	243,936,795
		243,936,795

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2005**

Operating revenues:	
Rental revenue	\$ 12,567,493
Governmental revenue	87,159,091
Other revenue	<u>1,394,382</u>
Total operating revenues	101,120,966
 Operating expenses:	
Administrative	16,827,574
Tenant services	1,279,404
Utilities	9,397,753
Ordinary maintenance and operations	12,266,389
Protective services	210,098
General expenses	1,911,710
Housing assistance payments	44,267,055
Depreciation	<u>15,315,758</u>
Total operating expenses	<u>101,475,741</u>
 Operating loss	 (354,775)
 Nonoperating revenues (expenses):	
Interest revenue	1,297,256
Interest expense	(340,805)
Loss on disposition and sales of fixed assets	(1,033,272)
Casualty losses	<u>(32,616)</u>
Total nonoperating expenses	<u>(109,437)</u>
 Changes in net assets	 (464,212)
 Net assets, beginning of year as reported	 223,676,389
 Prior year adjustments and corrections of errors	 (691,114)
 Net assets, beginning of the year as restated	 <u>222,985,275</u>
 Net assets, end of year	 <u><u>\$ 222,521,063</u></u>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005**

Cash flows from operating activities:	
Receipts from residents and other deposits	\$ 12,846,606
Governmental operating revenues	90,976,391
Other receipts	1,319,094
Payments to suppliers	(23,335,097)
Payments to/for employees	(18,878,419)
Payments to landlords	<u>(45,447,776)</u>
Net cash provided by operating activities	17,480,799
Cash flows from capital and related financing activities:	
Purchases of fixed assets	(16,687,906)
Proceeds from sale of fixed assets	869,836
Principal paid on capital debt	(1,471,411)
Proceeds from borrowings	1,071,849
Interest paid	(347,240)
Other payments	<u>(32,021)</u>
Net cash used in capital and related financing activities	(16,596,893)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	4,975,364
Purchases of investments	(4,500,712)
Payments received for notes receivable	1,642,551
Issuance of notes receivable	(343,480)
Interest and dividends	<u>174,694</u>
Net cash provided by investing activities	<u>1,948,417</u>
Net increase in cash and cash equivalents	2,832,323
Cash and cash equivalents, beginning of year	<u>7,318,623</u>
Cash and cash equivalents, end of year	<u><u>\$ 10,150,946</u></u>

See accompanying notes and report of independent auditors.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005**

Reconciliation of net operating loss to net cash
provided by operating activities:

Operating loss	\$	(354,775)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation elimination		15,315,758
Decrease in accounts receivable		279,113
Decrease in due to/(from) other governments		2,726,387
Decrease in inventory		49,903
Increase in prepaid expenses		(182,512)
Increase in security deposits		65,810
Increase in accounts payable		90,048
Decrease in accrued wages / taxes payable		(223,152)
Increase in compensated absences		53,002
Increase in accrued liabilities		(306,122)
Decrease in deferred revenue		(89,808)
Increase in other liabilities		57,147
		17,480,799
Net cash provided by operating activities	\$	17,480,799

Noncash capital and related financing activities:

Property and equipment of \$423,182 acquired through accounts payable

CINCINNATI METROPOLITAN HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2005

1. Summary of significant accounting policies

A. Organization

The Cincinnati Metropolitan Housing Authority (CHMA) is a public body corporate and politic created under the laws of the State of Ohio and was organized for the purposes of acquiring, developing, leasing, operating and administering low-rent housing programs for qualified individuals.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units, to make housing assistance payments, and to make annual contributions ("subsidies") to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to CMHA for low-rent operations.

B. Reporting entity

The governing body of CMHA is its Board of Commissioners, which is composed of five members. The members are appointed as follows: Two (2) by the Mayor of the City of Cincinnati, one (1) by the Hamilton County Commissioners, one (1) by the Court of Common Pleas, and one (1) by the Probate Court. The Board appoints a Chief Executive Officer to administer the business of CMHA. CMHA is not considered a component unit of the City of Cincinnati, as the Board independently oversees CMHA's operations.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, in that financial statements include all organizations, activities, and functions for which CMHA is financially accountable. Financial accountability is defined by the component unit being fiscally dependent on CMHA. Based upon the application of these criteria, the reporting entity had no component units.

The financial statements of the CMHA include Low-Rent Public Housing under Annual Contributions Contract C-984, Section 8 Housing Assistance Programs under Annual Contributions Contract C-5034, Local Initiatives Programs and the Hamilton County Affordable Housing Program.

C. Summary of HUD Programs

The accompanying financial statements include the activities of the Housing Programs subsidized by HUD. A summary of each of these programs and the related contracts with HUD is provided below.

1. Annual Contributions Contract

a. Low rent public housing

This type of housing consists of apartments and single-family dwellings owned and operated by CMHA. Funding is provided by tenant rent payments and subsidies provided by HUD.

b. Modernization and development

Substantially all additions to land, buildings, and equipment are accomplished through the HOPE VI Program or Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of CMHA's housing units. Funding is provided through programs established by HUD.

2. Annual Contributions Contract – Housing Assistance Payments Programs

a. Housing choice vouchers and moderate rehabilitation

These are housing programs wherein low-income tenants lease housing units directly from private landlords rather than through CMHA. HUD contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

3. Resident opportunities and supportive services (ROSS)

ROSS links public housing residents with supportive services, resident empowerment activities and assistance in becoming economically self sufficient.

4. Service coordinator for public housing program

CMHA administers the service coordinator for this public housing program to provide a service coordinator who is responsible for limited case management and referral services for elderly and disabled public housing residents. Funding for this program is provided by grants from HUD.

D. Basis of presentation of accounting

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

CMHA uses the proprietary fund type to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The transactions of each fund are reflected in self-balancing groups of accounts and accounting entities that are separate from the activities reported in other funds. Funds are classified into three categories: governmental, proprietary and fiduciary. CMHA uses the proprietary category for its programs.

Based on compelling reasons offered by HUD, CMHA reports under the proprietary fund type (enterprise fund), which uses the accrual basis of accounting. Proprietary funds are used to account for CMHA's ongoing activities, which are similar to those found in the private sector. The proprietary fund type which is used by CMHA is the enterprise fund.

The enterprise fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Pursuant to the election option made available by *GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, CMHA follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins that do not conflict or contradict GASB pronouncements.

E. Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The modernization and development budgets are adopted on a "project length" basis. This budget is submitted to the Department of Housing and Urban Development and once approved by HUD is approved by the Board of the Housing authority. Budgets are not, however, legally adopted nor required for financial statement presentation.

F. Revenue recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which they relate and all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which CMHA must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to CMHA on a reimbursement basis. Tenant rental revenues are recognized during the period of occupancy. Other receipts are recognized when the related expenses are incurred. Expenses are recognized as incurred.

G. Cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

H. Restricted cash and cash equivalents

Cash and cash equivalents have been classified as restricted on the balance sheet for family self-sufficiency escrows, resident security deposits and other HUD restricted funds that are to be used for HUD projects and development.

I. Receivables / bad debts

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

J. Interprogram receivables and payables

During the course of normal operations, CMHA has numerous transactions between funds. Interprogram receivables/payables are all current, and are the result of the use of the Low Rent Public Housing Program as the common paymaster for shared costs of CMHA. Cash settlements are made periodically and all interprogram balances net zero. Interprogram balances are eliminated for financial statement presentation.

K. Investments

Investments are recorded at fair value. Fair value generally represents quoted market prices for investments traded in the public marketplace. Investment Income, including changes in the fair value of investments, is recorded as nonoperating revenue in the operating statements. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances. Investment instruments pertaining to HUD programs consist only of items specifically approved by both HUD requirements and the requirements of the State of Ohio.

L. Inventories

Inventories (consisting of materials and supplies) are valued at costs using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, CMHA establishes an allowance for obsolete inventory. CMHA relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

M. Prepaid items

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

N. Restricted assets

Certain assets may be classified as restricted assets on the balance sheet because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets.

It is CMHA's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Use of estimates

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

P. Fair value of financial instruments

The carrying amount of CMHA's financial instruments at June 30, 2005, including cash, investments, accounts receivable and accounts payable closely approximate fair value.

Q. Fixed assets

1. Book value

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

Land values were derived from development closeout documentations.

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

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

2. Depreciation

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

Depreciation commences on modernization and development additions in the year following completion.

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

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

3. Maintenance and repairs expenditures

Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations.

R. Compensated absences

Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. The amounts are accrued as they are earned by employees if two conditions are met:

- (1) The employees right to receive compensation are attributable to services already rendered and
- (2) It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

S. Equity transfers

Transfers presented on the accompanying combining statements represent the transfer of equity for closed programs/grants as required by HUD reporting guidelines.

T. Annual contribution contracts

Annual Contribution Contracts provide that HUD shall have CMHA to audit and examine the records of public housing authorities. Accordingly, final determination of CMHA's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by CMHA.

2. Deposits and investments

The provisions of the Ohio Revised Code and CMHA's written investment policy and HUD regulations govern the investment and deposit of CMHA monies. Only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments. CMHA is also generally permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, the State Treasurer's investment pool (STAR Ohio), and

obligations of certain political subdivisions of Ohio and the United States government and its agencies. These investments must mature within three years of their purchase. CMHA may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. Any public depository in which CMHA places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Obligations furnished as security must be held by CMHA or with an unaffiliated bank or trust company for the account of CMHA.

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 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in CMHA's name.

A. Deposits

At year-end, the carrying amount of CMHA's deposits was \$10,150,946 (including \$8,442,168 of unrestricted funds, \$1,708,778 of restricted funds and \$2,050 of petty cash) and the bank balance was \$10,080,906. Of the bank balance, \$200,000 was covered by federal depository insurance and \$9,950,946 was covered by collateral held by third party trustees pursuant to section 135.181 of the Ohio Revised Code, in collateral pools serving all public funds on deposit with specific depository institutions.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, CMHA's deposits may not be returned to it. CMHA does not have a custodial credit risk policy.

B. Investments

CMHA's investments at June 30, 2005 are summarized below:

<u>Investment</u>	<u>Maturity Year</u>	0-1 Years Before <u>Maturity</u>	Credit Rating <u>Moody's / S&P</u>
Federal National Mortgage Association	08/24/05	\$ 995,100	N/A
Federal Home Loan Bank	09/07/05	498,750	Aaa / AAA
Federal Home Loan Mortgage	12/30/05	491,200	N/A
Federal Home Loan Bank	03/30/06	495,470	Aaa / AAA
Certificates of Deposit	Various	84,207	N/A
Total		<u>2,564,727</u>	

Custodial Credit Risk:

The risk that, in the event of a failure of a counter party, CMHA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. CMHA employs the use of "safekeeping" accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

Interest Rate Risk:

The risk that CMHA will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy by limiting investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of three years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the "prudent investor" rule to attempt to limit such risk.

The three credit risk categories for investments are defined as follows:

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

	<u>Credit Risk Category</u>			<u>Fair value</u>
	1	2	3	
Certificate of deposit	\$84,207			\$ 84,207
U.S. Government Securities		\$ 2,480,520		<u>2,480,520</u>
				<u>\$ 2,564,727</u>

3. Accounts receivable

Tenants (net of allowance for doubtful accounts of \$66,342)	\$ 149,532
The Affiliates/Project Monitoring; Other receivables	<u>664,900</u>
	<u>\$ 814,432</u>

4. Interprogram transfers

CMHA will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by CMHA's Board of Commissioners. Interprogram balances are eliminated for financial statement presentation.

<u>Fund</u>	<u>Due from other fund</u>	<u>Due to other fund</u>
Local Business Initiatives	\$ 95,141	\$ 801
Low Rent Public Housing	924,468	65,308
Housing Choice Vouchers	160,331	
Affordable Housing HOME Investment Partnership Program		189,184
Section 8 Moderate Rehabilitation M0002SR0001		7,280
Section 8 Moderate Rehabilitation M0004MRO002		11,648
Section 8 Moderate Rehabilitation M0004MRO004		53,873
Section 8 Moderate Rehabilitation M0004MRO005		7,280
Section 8 Moderate Rehabilitation M0004MRO006		58,241
Section 8 Moderate Rehabilitation M0002SCO002		7,281
Revitalization of Severely Distressed Public Housing		123,280
Public Housing Capital Fund Program	<u> </u>	<u>655,764</u>
Totals	<u>\$ 1,179,940</u>	<u>\$ 1,179,940</u>

5. Due from other governments

U.S. Department of Housing and Urban Development \$ 2,224,574

6. Notes receivable

All notes receivable are the result of financing for Lincoln and Laurel HOPE VI revitalization projects. The majority of these receivables are to be paid 40 years from the date of the note. The first \$50,000 is forgiven at 10% per year over 10 years, and any amount over \$50,000 will be due on the sale of the homes or 30 years from the date of the note. No portion of the notes receivable are to be paid within the next year. The following schedule summarizes the details pertaining to the notes receivable:

<u>Amount</u>	<u>Maker</u>	<u>Date of Note</u>	<u>Interest</u>	<u>Maturity Date</u>	<u>Term</u>
\$ 10,984,643	Lincoln	LCI-3/20/01	AFR	40 years	Long
	Court	LCII-3/20/01			
	Partnerships	LCIII-2/28/02			
		LCIV-10/18/01			
<u>6,716,281</u>	Laurel	LHI-10/24/02	AFR	40 years	Long
	Home	LHII-7/24/03			
	Partnerships	LHIV-11/22/02			
<u>\$ 17,700,924</u>					

7. Ground lease

In regards to the above notes receivable, the Partnerships entered into a 75 year ground lease in the total amount of \$837,000. A ground lease payment of \$297,000 was made upon execution of the agreement. The remaining \$540,000 is evidenced by notes receivable from the developer.

The term commences November 8, 2000 and ends November 8, 2075. In addition, the Partnership is required to pay an annual rent payment equal to 10% of the project's net income. Other than real estate taxes, for which CMHA has responsibility, the Partnership is responsible for paying all charges associated with the property. The ground lease contains other restrictive covenants relating to the use of the property as more fully described in the agreement.

Pursuant to the ground lease the Partnership is to make a PILOT payment each year equal to 10% of rental income, as defined in the agreement.

8. Property and equipment

	Restated Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Land	\$ 26,897,388	\$ -	\$ 25,808	\$ 26,871,580
Buildings	245,916,608	630	2,799,797	243,117,441
Furniture & Fixtures & Equipment – Administration	3,123,089	267,355	83,466	3,306,978
Leasehold improvements	70,970	-	-	70,970
Construction in progress	<u>60,366,899</u>	<u>16,843,103</u>	<u>12,385</u>	<u>77,197,617</u>
Total	336,374,954	17,111,088	2,921,456	350,564,586
Accumulated Depreciation	<u>(130,011,428)</u>	<u>(15,315,758)</u>	<u>(972,748)</u>	<u>(144,354,438)</u>
Total	\$ <u>206,363,526</u>	\$ <u>1,795,330</u>	\$ <u>1,948,708</u>	\$ <u>206,210,148</u>

9. Compensated absences payable

CMHA follows GASB Statement No.16 "Accounting for Compensated Absences" to account for compensated absences. Accrued vacation is paid upon termination. Sick leave is paid to exempt employees who have at least 10 years service and voluntarily resign, retire or are laid off from CMHA, at the level of 50% of their unused leave balance up to a maximum payment of 1,000 hours less two times the amount of sick usage over the prior three (3) years. For the AFSCME and Building Trade unions, sick leave shall be forfeited upon employee's separation for any reason except retirement in which the payout will be 50% up to a maximum of 600 hours. For the IOUE union, sick leave shall be forfeited upon the employee's separation for any reason except retirement in which the level of payout will be the following: 1) employees hired before January 1, 1986 shall be paid at 50% of their balance in excess of 600 hours; 2) employees hired on or after January 1, 1986 shall be paid at 50% of their balance up to 800

hours; or 3) employees hired after July 1, 2003 shall be paid at 50% of their balances up to a maximum of 600 hours.

At June 30, 2005 total leave to be paid upon termination is \$1,275,195. \$134,614 is current and \$1,140,581 is long-term.

Schedule of Changes in Compensated Absences:

<u>June 30, 2004</u>		<u>Additions</u>	<u>Current Portion</u>	<u>June 30, 2005</u>	
<u>Current Portion</u>	<u>Long-term Portion</u>			<u>Payments</u>	<u>Long-term Portion</u>
\$ <u>104,013</u>	\$ <u>1,118,180</u>	\$ <u>53,002</u>	-	\$ <u>134,614</u>	\$ <u>1,140,581</u>

10. Other accrued liabilities

Accrued worker's compensation – current portion	\$ 143,940
Contract retainages	64,998
Other	<u>129,168</u>
	\$ <u>338,106</u>

11. Due to other governments

U.S. Department of Housing and Urban Development	\$ 242,010
City of Cincinnati – Payment in Lieu of Taxes (PILOT)	<u>529,133</u>
	\$ <u>771,143</u>

12. Notes payable

<u>Item</u>	<u>Authority Program</u>	<u>Principal Balance</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Interest Expense</u>	<u>Pavee</u>	<u>Interest Rate</u>	<u>Note Date</u>
1	Hamilton Cnty	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	HOME	2.0%	Jan 1996
2	Hamilton Cnty	1,018,676	-	1,018,676	-	CDBG	2.0%	Mar 1998
3	Hamilton Cnty	1,200,000	-	1,200,000	-	HOME	2.0%	Nov 1998
4	Hamilton Cnty	900,000	-	900,000	-	HOME	2.0%	Oct 1999
5	Hamilton Cnty	1,150,000	-	1,150,000	-	HOME	2.0%	Jun 2002
6	Hamilton Cnty	1,286,870	36,013	1,250,857	51,708	Fifth/Third Bank – 158	4.0%	Dec 2001
7	Hamilton Cnty	<u>966,056</u>	<u>46,779</u>	<u>919,277</u>	<u>53,072</u>	US Bank	5.25%	Dec 1998
	Total Hamilton County	7,521,602	82,792	7,438,810	104,780			
8	Low Rent Public Housing	5,319,478	560,688	4,758,790	230,025	Fifth/Third Bank (Vestar)	5.1%	Aug 2001
9	HOPE VI All Programs	<u>1,475,266</u>	<u>1,475,266</u>	-	<u>6,000</u>	Fannie Mae	LIBOR + 1.1%	Feb 2003
		<u>\$14,316,346</u>	<u>\$2,118,746</u>	<u>\$12,197,600</u>	<u>\$340,805</u>			

Hamilton County (HOME & CDBG) loans (Items 1-5):

Hamilton County provided Home and CDBG funds for the development of low-rent housing units in Hamilton County. These loans (and interest of 2% per annum) will be forgiven at the rate of 10% annually commencing in the sixteenth year, provided the units are preserved as low-income housing throughout the entire twenty-five year duration. CMHA therefore does not record interest expense or accruals on these loans, since CMHA's mission is to provide low-income housing, and has no plans to convert the units to market rate.

Bank loans (Items 6-7):

These loans were acquired to expand the affordable housing program using locally available funds. There is no capitalized interest.

Vestar loan (Item 8):

This loan is in the form of a lease-purchase agreement between CMHA and Fifth/Third Bank. Proceeds of the loan were used to purchase equipment which will reduce energy costs to the savings from the conservation will exceed the cost of the loan.

Fannie Mae loans (Item 9):

These loans were acquired on behalf of the development partner. The loan proceeds are drawn from Fannie Mae by CMHA. CMHA then re-loans these funds to the developer. Interest rates and terms upon the developer are approximately equal to CMHA's interest rates and terms with Fannie Mae

The following is a summary of CMHA's future annual debt service requirements for the notes payable:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2006	\$ 2,118,746	\$ 309,328	\$ 2,428,074
2007	670,928	281,853	952,781
2008	699,583	253,198	952,781
2009	729,345	223,437	952,782
2010	760,633	192,149	952,782
2011 - 2015	3,581,216	496,207	4,077,423
2016 - 2020	3,059,952	186,748	3,246,700
2021 - 2025	2,263,518	78,567	2,342,085
2026 - 2028	<u>432,425</u>	<u>11,357</u>	<u>443,782</u>
Total	\$ <u>14,316,346</u>	\$ <u>2,032,844</u>	\$ <u>16,349,190</u>

13. Changes in long-term liabilities

	<u>Balance June 30, 2004</u>		<u>Total</u>	<u>Payments</u>	<u>Additions</u>	<u>Total</u>	<u>Balance June 30, 2005</u>	
	<u>Current</u>	<u>Noncurrent</u>					<u>Current</u>	<u>Noncurrent</u>
Notes payable	\$ 1,886,075	\$12,829,833	\$14,715,908	\$1,471,411	\$1,071,849	\$14,316,346	\$2,118,746	\$12,197,600
Workers comp contingency	271,581	327,385	598,966	134,523	-	464,443	143,940	320,503
Compensated absences	104,013	1,118,180	1,222,193	-	53,002	1,275,195	134,614	1,140,581
Family self-sufficiency funds	-	590,638	590,638	148,741	205,888	647,785	-	647,785
	<u>\$ 2,261,669</u>	<u>\$ 14,866,036</u>	<u>\$ 17,127,705</u>	<u>\$ 1,754,675</u>	<u>\$1,330,739</u>	<u>\$16,703,769</u>	<u>\$2,397,300</u>	<u>\$14,306,469</u>

14. Defined benefit pension plan

The following information was provided by the PERS of Ohio to assist CMHA in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

CMHA contributes to the Public Employees' Retirement System of Ohio (PERS), a cost sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377 (PERS).

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
3. The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

The Ohio Revised Code provides statutory authority for employees and employer contributions. The employee contribution rates are 8.5% for employees other than law enforcement and public safety. The 2004 employer contribution rate for local government employer units was 13.55% of covered payroll, 9.55% to fund the pension and 4.00% to fund health care. The contribution requirements of plan members and CMHA are established and may be amended by the Public Employees Retirement Board. CMHA's contributions to the PERS of Ohio are listed in the schedule below:

	Percentage of Covered Payroll		Total Payroll	Payroll Covered	Authority Contributions	Employee Contributions
	Employer	Employee				
2003	13.55%	8.50%	\$15,410,106	\$15,142,614	\$2,052,068	\$1,287,145
2004	13.55%	8.50%	14,939,767	14,596,789	1,977,801	1,240,701
2005	13.55%	8.50%	14,569,766	14,206,280	1,924,951	1,207,514

The amounts contributed were equal to the required contributions for each year.

15. Other post-employment benefits

The following information was provided by the PERS of Ohio to assist CMHA in complying with GASB Statement No. 12, *"Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Governmental Employers."*

The PERS of Ohio provides post-employment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No.12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund post-employment health care through their contributions to the PERS of Ohio. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.00% of covered payroll, which amounted to \$568,251.

The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2003. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfounded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2003 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants in the traditional and combined plans was 369,885. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2003 is \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plus (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

16. Risk management

CMHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. CMHA maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. CMHA also maintains employee major medical coverage with private carriers. Employee dental coverage is provided through self-insurance.

Effective December 1, 1998, CMHA entered into a joint insurance pool, Ohio Housing Authority Property and Casualty, Inc. (OHAPCI), with other Ohio housing authorities. The pool covers property, general liability, law enforcement liability, automobile liability, crime liability, boiler and machinery and public officials' liability up to limits stated below. It is intended for the public purpose of enabling housing authorities to obtain insurance coverage, to provide methods for paying claims, and to provide for a formalized, jointly administered self-insurance fund for its members.

OHAPCI is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member housing authorities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters, and the corporation maintains its own book of account. Budgeting and financing of OHAPCI is subject to the approval of the board. Currently, the participating housing authorities are Cincinnati, Dayton, Akron, and Youngstown. The following is a summary of insurance coverage at year-end:

Primary Property	\$5 Million/occurrence
Excess Property	\$5 Million to \$50 Million
Casualty/General Liability	\$1 Million/occurrence
Excess Crime	\$500,000
Excess Liability	\$1 Million to \$4 Million
Boiler/Machinery	\$50 Million
Pollution	\$500,000/occurrence/\$2 Million (aggregate)

During the year, settled claims for CMHA did not exceed the coverage provided by OHAPCI.

17. Self insurance

CMHA has entered into a joint insurance pool with other Ohio housing authorities. The Ohio Housing Authority Property and Casualty, Inc. (OHAPCI) pool covers property, general liability, law enforcement liability, automobile liability, crime liability, boiler and machinery and public officials' liability up to established limits. OHAPCI assesses the members of the pool and annual premium to fund estimated amounts needed to pay prior and current year claims. As of June 30, 2005, the pool maintained a reserve in excess of actual and estimated claims relative to CMHA.

CMHA makes payments to the Plan Trustee based on estimated amounts needed to pay prior and current year claims. The June 30, 2005 claims liability is based on the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

CMHA also has a self-insured dental and vision plan that covers all employees electing to participate. A reconciliation of claims liabilities is shown below for the year ended June 30, 2005:

Description

Unpaid claims and claim adjustment expenses at beginning of the year	\$ 14,674
Provision for insured events of the current year	<u>107,415</u>
Total incurred claims and claim adjustment expenses	122,089
Claims and claim adjustment expenses attributable to insured events	<u>(111,418)</u>
Total unpaid claims and claim adjustment expenses at end of year	\$ <u>10,671</u>

The \$10,671 liability is recorded in current accrued liabilities on the statement of net assets.

CMHA makes payments to the Plan Administrator for claims paid during the previous operating month.

18. Commitments

CMHA is engaged in modernization programs funded by HUD. In this regard, CMHA has entered into construction-type contracts, with approximately \$3,800,000 remaining until completion.

19. Economic dependency

HUD provides approximately 85% of CMHA's operating and modernization revenues. If the amount of revenues received from HUD falls below critical levels, CMHA reserves could be adversely affected.

20. Contingencies

CMHA is a defendant in several lawsuits arising from its normal course of business. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of CMHA's attorney that resolution of these matters will not have a materially adverse effect on the financial condition of CMHA.

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although CMHA expects such amounts, if any, to be immaterial.

21. Conduit type debt

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of CMHA. Accordingly, this debt has not been recorded in the financial statements of CMHA. Additionally, HUD no longer provides debt service to CMHA.

22. Schedule of changes to net assets

	Investments in Capital Assets -Net of Related Debt	Unrestricted Net Assets	Total
Balance beginning of year	\$ 191,602,613	\$ 32,073,776	\$ 223,676,389
Adjustments to restate beginning balance*	<u>(593,368)</u>	<u>(97,746)</u>	<u>(691,114)</u>
Adjusted balance, beginning of year	191,009,245	31,976,030	222,985,275
Change in net assets	<u>884,557</u>	<u>(1,348,769)</u>	<u>(464,212)</u>
Balance at end of year	<u>\$ 191,893,802</u>	<u>\$ 30,627,261</u>	<u>\$ 222,521,063</u>

*Adjustments to restate beginning balance

Correction of prior year payables and expenses	\$ (22,363)
Correction of prior year receivables and revenues	(75,383)
Audit correction of pre 2005 fixed assets due to HUD budget revisions made 7/05	<u>(593,368)</u>
Net adjustments to restate beginning balance	<u>\$ (691,114)</u>

23. Leasing activities (as lessor)

CMHA is the lessor of dwelling units mainly to low-income residents. The rents under the lease are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. CMHA may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue." Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions, which impact personal income and local job availability.

SUPPLEMENTAL INFORMATION

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND NET ASSETS
JUNE 30, 2005

	Local Initiatives Business Activities	Affordable Housing HOME Investment Partnership Program	Section 8 Moderate Rehabilitation M0004SRO001	Low Rent Public Housing	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006
ASSETS								
Current assets:								
Cash and cash equivalents - unrestricted	\$ 1,174,566	\$ 20,713	\$ 33,492	\$ 4,551,260	\$ 53,590	\$ 247,852	\$ 33,494	\$ 267,949
Cash and cash equivalents - restricted	-	52,273	-	1,008,442	-	-	-	-
Investments	-	-	-	2,564,727	-	-	-	-
Accounts receivable, net of allowance for doubtful account:	4,798	71,493	-	493,949	-	-	-	-
Due from other governments	222,762	-	-	-	-	-	-	123,343
Due from other programs	95,141	-	-	924,468	-	-	-	-
Inventory, net of allowance for obsolescence	-	-	-	247,336	-	-	-	-
Prepaid insurance	-	-	-	544,197	-	-	-	-
Total current assets	1,497,267	144,479	33,492	10,334,379	53,590	247,852	33,494	391,292
Property and equipment:								
Land	-	1,578,043	-	25,293,537	-	-	-	-
Buildings	1,000	6,340,834	-	236,775,607	-	-	-	-
Furniture, equipment and machinery	77,402	-	-	2,887,563	-	-	-	-
Leasehold improvements	-	-	-	-	-	-	-	-
Construction in progress	933,385	-	-	-	-	-	-	-
Less: accumulated depreciation	1,011,787	7,918,877	-	264,956,707	-	-	-	-
	20,761	730,837	-	143,298,812	-	-	-	-
	991,026	7,188,040	-	121,657,895	-	-	-	-
Other assets:								
Notes and mortgages receivable	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	11,273	-	-	-	-
Insurance deposits	-	-	-	171,773	-	-	-	-
Total other assets	-	-	-	183,046	-	-	-	-
Total assets	\$ 2,488,293	\$ 7,332,519	\$ 33,492	\$ 132,175,320	\$ 53,590	\$ 247,852	\$ 33,494	\$ 391,292

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND NET ASSETS
JUNE 30, 2005

	Local Initiatives Business Activities	Affordable Housing HOME Investment Partnership Program	Section 8 Moderate Rehabilitation M0002SR0001	Low Rent Public Housing	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	\$ 56,906	\$ 31,576	\$ 123	\$ 1,190,481	\$ 196	\$ 908	\$ 123	\$ 982
Accrued wages/taxes payable	10,698	-	80	445,392	128	592	80	641
Accrued compensated absences	1,061	-	7	112,537	12	55	7	59
Other accrued liabilities	208	-	-	272,900	-	-	-	-
Due to other programs	801	189,184	7,280	65,308	11,648	53,873	7,280	58,241
Due to other governments	-	-	9,247	528,134	32,367	135,872	50,730	-
Notes and bonds payable - current portion	-	82,792	-	560,688	-	-	-	-
Accrued interest payable	-	8,647	-	-	-	-	-	-
Prepaid rents	-	727	-	10,875	-	-	-	-
Payable from restricted assets:								
Resident security deposits	-	52,273	-	1,008,720	-	-	-	-
Total current liabilities	69,674	365,199	16,737	4,196,035	44,351	191,300	58,220	59,923
Noncurrent liabilities:								
Notes payable, net of current portion	-	7,438,810	-	4,758,790	-	-	-	-
Workers' compensation contingency	-	-	-	320,503	-	-	-	-
Accrued compensated absences	4,115	-	62	997,416	99	456	62	493
Payable from restricted assets:								
Family self sufficiency escrows	-	-	-	-	-	-	-	-
Total noncurrent liabilities	4,115	7,438,810	62	6,076,709	99	456	62	493
Total liabilities	73,789	7,804,009	16,799	10,272,744	44,450	191,756	58,282	60,416
Net assets:								
Investment in property and equipment - net of related debt	991,026	(333,562)	-	116,338,417	-	-	-	-
Unrestricted net assets	1,423,478	(137,928)	16,693	5,564,159	9,140	56,096	(24,788)	330,876
	2,414,504	(471,490)	16,693	121,902,576	9,140	56,096	(24,788)	330,876
Total liabilities and net assets	\$ 2,488,293	\$ 7,332,519	\$ 33,492	\$ 132,175,320	\$ 53,590	\$ 247,852	\$ 33,494	\$ 391,292

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND NET ASSETS
JUNE 30, 2005

ASSETS	Section 8 Moderate Rehabilitation M0004SC0002	Housing Choice Vouchers	Revitalization of Severly Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Interprogram Elimination	Total
Current assets:							
Cash and cash equivalents - unrestricted	\$ 33,494	\$ 488,623	\$ 1,537,135	\$ -	\$ -	\$ -	\$ 8,442,168
Cash and cash equivalents - restricted	-	648,063	-	-	-	-	1,708,778
Investments	-	-	-	-	-	-	2,564,727
Accounts receivable, net of allowance for doubtful accounts	-	105,465	68,176	-	70,551	-	814,432
Due from other governments	-	25,500	663,501	-	1,189,468	-	2,224,574
Due from other programs	-	160,331	-	-	-	(1,179,940)	-
Inventory, net of allowance for obsolescence	-	-	-	-	-	-	247,336
Prepaid insurance	-	934	-	-	-	-	545,131
Total current assets	33,494	1,428,916	2,268,812	-	1,260,019	(1,179,940)	16,547,146
Property and equipment:							
Land	-	-	-	-	-	-	26,871,580
Buildings	-	-	-	-	-	-	243,117,441
Furniture, equipment and machinery	-	342,013	-	-	-	-	3,306,978
Leasehold improvements	-	70,970	-	-	-	-	70,970
Construction in progress	-	-	28,559,620	-	47,704,612	-	77,197,617
	-	412,983	28,559,620	-	47,704,612	-	350,564,586
	-	256,782	-	-	47,246	-	144,354,438
	-	156,201	28,559,620	-	47,657,366	-	206,210,148
Less: accumulated depreciation	-	-	-	-	-	-	-
Other assets:							
Notes and mortgages receivable	-	-	17,700,924	-	-	-	17,700,924
Interest receivable	-	-	3,295,531	-	-	-	3,306,804
Insurance deposits	-	-	-	-	-	-	171,773
Total other assets	-	-	20,996,455	-	-	-	21,179,501
Total assets	\$ 33,494	\$ 1,585,117	\$ 51,824,887	\$ -	\$ 48,917,385	\$ (1,179,940)	\$ 243,936,795

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND NET ASSETS
JUNE 30, 2005

	Section 8 Moderate Rehabilitation M0002SC0002	Housing Choice Vouchers	Revitalization of Severly Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Interprogram Elimination	Total
LIABILITIES AND NET ASSETS							
Current liabilities:							
Accounts payable	\$ 122	\$ 32,326	\$ 5,724	\$ 11,018	\$ 692,747	\$ -	\$ 2,023,232
Accrued wages/taxes payable	80	133,664	1,075	-	49,750	-	642,180
Accrued compensated absences	7	20,869	-	-	-	-	134,614
Other accrued liabilities	-	-	-	-	64,998	-	338,106
Due to other programs	7,281	-	123,280	-	655,764	(1,179,940)	-
Due to other governments	13,793	-	-	-	-	-	771,143
Notes and bonds payable - current portion	-	-	1,475,266	-	-	-	2,118,746
Accrued interest payable	-	-	-	-	-	-	8,647
Prepaid rents	-	-	-	-	-	-	11,602
Payable from restricted assets:							
Resident security deposits	-	-	-	-	-	-	1,060,993
Total current liabilities	21,283	186,859	1,605,345	11,018	1,463,259	(1,179,940)	7,109,263
Noncurrent liabilities:							
Notes payable, net of current portion	-	-	-	-	-	-	12,197,600
Workers' compensation contingency	-	-	-	-	-	-	320,503
Accrued compensated absences	62	137,816	-	-	-	-	1,140,581
Payable from restricted assets:							
Family self sufficiency escrows	-	647,785	-	-	-	-	647,785
Total noncurrent liabilities	62	785,601	-	-	-	-	14,306,469
Total liabilities	21,345	972,460	1,605,345	11,018	1,463,259	(1,179,940)	21,415,732
Net assets:							
Investment in property and equipment - net of related debt	-	156,201	27,084,354	-	47,657,366	-	191,893,802
Unrestricted net assets	12,149	456,456	23,135,188	(11,018)	(203,240)	-	30,627,261
	12,149	612,657	50,219,542	(11,018)	47,454,126	-	222,521,063
Total liabilities and net assets	\$ 33,494	\$ 1,585,117	\$ 51,824,887	\$ -	\$ 48,917,385	\$ (1,179,940)	\$ 243,936,795

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

	Local Initiatives Business Activities	Affordable Housing HOME Investment Partnership Program	Section 8 Moderate Rehabilitation M0004SRO001	Low Rent Public Housing	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006
Operating revenues:								
Rental revenue	\$ -	\$ 637,352	\$ -	\$ 11,930,141	\$ -	\$ -	\$ -	\$ -
Governmental revenue	-	-	54,327	20,602,593	174,562	640,808	92,674	747,922
Other revenue	872,670	6,933	-	306,699	-	-	-	-
Total operating revenues	872,670	644,285	54,327	32,839,433	174,562	640,808	92,674	747,922
Operating expenses:								
Administrative	331,079	118,476	2,711	10,157,067	4,337	20,062	2,711	21,689
Tenant services	-	-	-	1,185,054	-	-	-	-
Utilities	2,393	82,548	-	9,312,812	-	-	-	-
Ordinary maintenance and operation	291,988	353,485	168	11,591,099	269	1,241	168	1,342
Protective services	175	-	-	209,923	-	-	-	-
General expenses	55,199	6,885	2,313	1,675,404	3,701	17,118	2,313	18,506
Housing assistance payments	-	-	43,561	157,339	157,339	561,156	79,758	673,542
Depreciation	5,190	154,513	-	15,033,309	-	-	-	-
Total operating expenses	686,024	715,907	48,753	49,164,668	165,646	599,577	84,950	715,079
Operating income (loss)	186,646	(71,622)	5,574	(16,325,235)	8,916	41,231	7,724	32,843
Nonoperating revenues (expenses):								
Interest revenue	63,439	167	557	51,634	894	4,134	559	4,470
Interest expense	(6,000)	(104,780)	-	(230,025)	-	-	-	-
Loss on disposition of fixed assets	(12,385)	-	-	(1,020,887)	-	-	-	-
Casualty losses	-	-	-	(32,616)	-	-	-	-
Total nonoperating revenues (expenses)	45,054	(104,613)	557	(1,231,894)	894	4,134	559	4,470
Change in net assets	231,700	(176,235)	6,131	(17,557,129)	9,810	45,365	8,283	37,313
Net assets, beginning of year as reported	2,951,809	(517,680)	18,118	139,494,281	66,106	101,566	(4,084)	3,912
Prior year adjustments and correction of errors	-	-	-	-	-	-	-	-
Net assets, beginning of year as restated	2,951,809	(517,680)	18,118	139,494,281	66,106	101,566	(4,084)	3,912
Equity transfer	(769,005)	222,425	(7,556)	(34,576)	(66,776)	(90,835)	(28,987)	289,651
Net assets, end of year	\$ 2,414,504	\$ (471,490)	\$ 16,693	\$ 121,902,576	\$ 9,140	\$ 56,096	\$ (24,788)	\$ 330,876

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005

	Section 8 Moderate Rehabilitation M0004SC0002	Housing Choice Vouchers	Revitalization of Severly Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Interprogram Elimination	Total
Operating revenues:							
Rental revenue	-	\$ -	\$ -	\$ -	\$ -	\$ -	12,567,493
Governmental revenue	64,556	45,871,431	6,387,589	83,332	12,439,297	-	87,159,091
Other revenue	-	129,807	78,273	-	-	-	1,394,382
Total operating revenues	64,556	46,001,238	6,465,862	83,332	12,439,297	-	101,120,966
Operating expenses:							
Administrative	2,711	3,441,878	1,903,532	-	821,321	-	16,827,574
Tenant services	-	-	-	94,350	-	-	1,279,404
Utilities	-	-	-	-	-	-	9,397,753
Ordinary maintenance and operation	168	26,461	-	-	-	-	12,266,389
Protective services	-	-	-	-	-	-	210,098
General expenses	2,313	127,958	-	-	-	-	1,911,710
Housing assistance payments	53,787	42,697,912	-	-	-	-	44,267,065
Depreciation	-	75,500	-	-	47,246	-	15,315,758
Total operating expenses	58,979	46,369,709	1,903,532	94,350	868,567	-	101,475,741
Operating income (loss)	5,577	(368,471)	4,562,330	(11,018)	11,570,730	-	(354,775)
Nonoperating revenues (expenses):							
Interest revenue	559	55,950	1,114,893	-	-	-	1,297,256
Interest expense	-	-	-	-	-	-	(340,805)
Loss on disposition of fixed assets	-	-	-	-	-	-	(1,033,272)
Casualty losses	-	-	-	-	-	-	(32,616)
Total nonoperating revenues (expenses)	559	55,950	1,114,893	-	-	-	(109,437)
Change in net assets	6,136	(312,521)	5,677,223	(11,018)	11,570,730	-	(464,212)
Net assets, beginning of year as reported	71,265	1,118,748	44,488,952	-	35,883,396	-	223,676,389
Prior year adjustments and correction of errors	-	-	(691,114)	-	-	-	(691,114)
Net assets, beginning of the year as restated	71,265	1,118,748	43,797,838	-	35,883,396	-	222,985,275
Equity transfer	(65,252)	(193,570)	744,481	-	-	-	-
Net assets, end of year	12,149	612,657	50,219,542	(11,018)	47,454,126	\$ -	222,521,063

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Affordable Housing HOME Investment Partnership Program	Local Initiatives Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004
111	Cash - Unrestricted	\$ 20,713	\$ 1,174,566	\$ 4,541,058	\$ 488,623	\$ 1,537,135	\$ -	\$ 53,590	\$ 247,852
112	Cash - Restricted for Modernization and Development	-	-	-	-	-	-	-	-
113	Cash - Other restricted	-	-	11,000	648,063	-	-	-	-
114	Cash - Security Deposits	52,273	-	1,007,644	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100	Total Cash	72,986	1,174,566	5,559,702	1,136,686	1,537,135	-	53,590	247,852
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	222,763	-	25,500	663,501	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125	Accounts Receivable - Misc.	69,550	4,796	346,360	105,465	68,176	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	1,943	-	213,932	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(96,342)	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127	Notes, Loans & Mortgages receivable - current	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	11,273	-	3,295,531	-	-	-
120	Total Accounts Receivable	71,493	227,559	505,223	130,965	4,027,208	-	-	-
131	Investments - Unrestricted	-	-	2,564,727	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liab	-	-	-	-	-	-	-	-
142	Prepaid Expenses	-	-	544,196	934	-	-	-	-
143	Inventories	-	-	267,336	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	(20,000)	-	-	-	-	-
144	Interprogram Due From	-	95,141	924,468	160,331	-	-	-	-
145	Assets held for Sale	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-
150	Total Current Assets	144,479	1,497,267	10,345,652	1,428,916	5,564,343	-	53,590	247,852
161	Land	-	-	-	-	-	-	-	-
162	Building	1,578,043	-	25,293,537	-	-	-	-	-
163	Furniture, Equipment & machinery - Dwellings	6,340,834	1,000	236,775,607	-	-	-	-	-
164	Furniture, Equipment & machinery - Admin	-	-	-	-	-	-	-	-
165	Leasehold Improvements	-	77,402	2,887,563	342,013	-	-	-	-
168	Infrastructure	-	-	-	70,970	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(730,837)	(20,761)	(143,298,812)	(256,782)	-	-	-	-
167	Construction in Progress	-	933,385	-	-	-	-	-	-
160	Total Fixed Assets, Net of Depreciation	7,188,040	991,026	121,657,895	156,201	28,559,620	-	-	-
171	Notes, Loans & Mortgages Recible - Non Current	-	-	-	-	17,700,924	-	-	-
172	Notes, Loans & Mortgages Recible - Non Current-Past Due	-	-	-	-	-	-	-	-
173	Grants Receivable - non current	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	7,188,040	991,026	121,657,895	156,201	46,260,544	-	-	-
190	Total Assets	\$ 7,332,519	\$ 2,488,293	\$ 132,175,320	\$ 1,585,117	\$ 51,824,887	\$ -	\$ 53,590	\$ 247,852

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Affordable Housing HOME Investment Partnership Program	Local Initiatives Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004
311	Bank Overdraft	\$ 31,576	\$ 56,906	\$ 1,190,481	\$ 32,326	\$ 5,724	\$ 11,018	\$ 196	\$ 908
312	Accounts Payable <= 90 Days	-	-	-	-	-	-	-	-
313	Accounts Payable > 90 Days	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes payable	-	10,698	445,392	133,664	1,075	-	128	592
322	Accrued Compensated Balances	-	1,061	112,537	20,869	-	-	12	55
324	Accrued Contingency Liability	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	8,647	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	32,367	135,872
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	529,134	-	-	-	-	-
341	Tenant Security Deposits	52,273	-	1,008,721	-	-	-	-	-
342	Deferred Revenues	727	-	10,875	-	-	-	-	-
343	Current Portion of Long-term Debt - Capital Projects	82,792	-	560,688	-	1,475,266	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	208	272,899	-	-	-	-	-
347	Interprogram Due to	189,184	801	65,308	-	123,280	-	11,648	53,873
348	Loan Liability - Current	-	-	-	-	-	-	-	-
310	Total Current Liabilities	365,199	69,674	4,196,035	186,859	1,605,345	11,018	44,351	191,300
351	Long-term Debt, Net of Current-Capital Projects	7,438,810	-	4,758,790	-	-	-	-	-
352	Long-term Debt, Net of Current-operating borrowings	-	-	-	-	-	-	-	-
353	Non-Current Liabilities - Other	-	-	320,503	647,785	-	-	-	-
354	Accrued Compensated Balances - Non-Current	-	4,115	997,416	137,816	-	-	99	456
355	Loan Liability - non-current	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	7,438,810	4,115	6,076,709	785,601	-	-	99	456
300	Total Liabilities	7,804,009	73,789	10,272,744	972,460	1,605,345	11,018	44,450	191,756
501	Equity	-	-	-	-	-	-	-	-
502	Contributed Capital	-	-	-	-	-	-	-	-
503	Project Notes (HUD)	-	-	-	-	-	-	-	-
504	Long-term Debt - HUD Guaranteed	-	-	-	-	-	-	-	-
505	Net HUD PHA Contributions	-	-	-	-	-	-	-	-
506	Other HUD Contributions	-	-	-	-	-	-	-	-
507	Other Contributions	-	-	-	-	-	-	-	-
508	Total Contributed Capital	-	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	(333,562)	991,026	116,338,417	156,201	27,084,354	-	-	-
509	Reserved Fund Balance	-	-	-	-	-	-	-	-
510	Reserved for operating activities	-	-	-	-	-	-	-	-
511	Reserved for Capital activities	-	-	-	-	-	-	-	-
511.1	Total Reserved Fund Balance	-	-	-	-	-	-	-	-
512	Restricted Net Assets	-	-	-	-	-	-	-	-
512.1	Undesignated Fund Balance/Retained Earnings	-	-	5,664,159	456,456	-	(11,018)	9,140	56,096
513	Unrestricted Net Assets	(137,928)	1,423,478	-	-	23,135,188	-	-	-
600	Total Liabilities and Equity	(471,490)	2,414,504	121,902,576	612,657	50,219,542	(11,018)	9,140	56,096
		\$ 7,332,519	\$ 2,488,293	\$ 132,175,320	\$ 1,585,117	\$ 51,824,897	\$ -	\$ 53,590	\$ 247,852

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Affordable Housing HOME Investment Partnership Program	Local Initiatives Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Section 8 Moderate Rehabilitation M0004MR0002	Section 8 Moderate Rehabilitation M0004MR0004
703	Net Tenant Rental Revenue	\$ 624,446	\$ -	\$ 11,691,485	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	12,906	-	238,656	-	-	-	-	-
705	Total Tenant Revenue	637,352	-	11,930,141	-	-	-	-	-
706	HUD PHA Grants - soft cost revenue	-	-	20,602,593	45,871,431	1,310,163	83,332	174,562	640,808
706.1	HUD PHA Grants - hard cost revenue	-	-	-	-	5,077,426	-	-	-
708	Other Government Grants	-	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	167	63,439	51,634	55,490	1,114,893	-	894	4,134
712	Mortgage Interest Income	-	-	-	-	-	-	-	-
713	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-
713.1	Cost of Sale of Assets	-	-	-	-	-	-	-	-
714	Fraud Recovery	-	-	-	-	-	-	-	-
715	Other Revenue	6,933	872,670	306,699	129,807	76,273	-	-	-
716	Gain/Loss on Sale of Fixed Assets	-	(12,385)	(1,020,887)	-	-	-	-	-
720	Investment Income - Restricted	-	-	460	-	-	-	-	-
700	Total Revenue	644,452	923,724	31,870,160	46,057,188	7,560,755	83,332	175,456	644,942
911	Administrative Salaries	50,833	181,538	5,021,990	2,137,674	-	-	2,322	10,741
912	Auditing Fees	-	-	65,195	8,496	-	-	32	149
913	Outside Management Fees	36,381	-	94,152	-	-	-	-	-
914	Compensated Balances	-	1,225	12,309	97,056	-	-	110	511
915	Employee Benefit Contributions - Admin	16,028	61,313	1,703,453	552,037	-	-	371	1,715
916	Other Operating - Administrative	15,233	87,003	3,259,960	646,614	1,903,532	-	1,502	6,946
921	Tenant Services - Salaries	-	-	421,082	-	-	-	-	-
922	Relocation Costs	-	-	47,624	-	-	-	-	-
923	Employee Benefit Contributions - Tenant Serv	-	-	129,849	-	-	-	-	-
924	Tenant Services - Other	-	-	586,500	-	-	94,350	-	-
931	Water	-	-	2,060,481	-	-	-	-	-
932	Electricity	-	-	2,812,705	-	-	-	-	-
933	Gas	-	-	3,563,727	-	-	-	-	-
934	Fuel	-	-	-	-	-	-	-	-
935	labor	-	-	624,467	-	-	-	-	-
937	Other Utility Expense	-	-	214,114	-	-	-	-	-
938	Employee Benefit Contributions - Utilities	82,548	2,393	37,317	-	-	-	-	-
941	Ordinary Maintenance & Operations - labor	77,578	-	5,538,921	-	-	-	-	-
942	Ordinary Maintenance & Operations - Materials and Other	33,572	-	1,520,323	3,568	-	-	109	503
943	Ordinary Maintenance & Operations - Contract Costs	218,878	291,987	2,696,577	22,873	-	-	160	738
945	Employee Benefit contributions - Ordinary Maintenance	23,455	-	1,835,286	-	-	-	-	-
951	Protective Service - Labor	-	-	58,664	-	-	-	-	-
952	Protective Service - Other Contract Costs	-	175	130,797	-	-	-	-	-
953	Protective Services - Other	-	-	100	-	-	-	-	-
955	Employee Benefit contributions - Protective Services	-	468	20,360	-	-	-	-	-
961	Insurance Premiums	-	-	803,569	50,177	-	-	329	1,523
962	Other General Expense	2,722	54,732	127,062	77,781	-	-	3,372	15,595
963	Payments in Lieu of Taxes	-	-	401,361	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	198,204	-	-	-	-	-
965	Bad Debt - Mortgages	-	-	-	-	-	-	-	-
966	Bad Debt - Other	-	-	-	-	-	-	-	-
967	Interest Expense	104,780	6,000	230,025	-	-	-	-	-
968	Severance Expense	-	-	107,368	-	-	-	-	-
969	Total Operating Expenses	666,174	666,834	34,323,542	3,596,296	1,903,532	94,350	8,307	38,421

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Affordable Housing HOME Investment Partnership Program	Local Initiatives Business Activities	Low Rent Public Housing	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Section 8 Moderate Rehabilitation M0004NR0002	Section 8 Moderate Rehabilitation M0004NR0004
970	Excess Operating Revenue over Operating Expenses	\$ (21,722)	\$ 236,890	\$ (2,453,362)	\$ 42,460,892	\$ 5,677,223	\$ (11,018)	\$ 167,149	\$ 606,521
971	Extraordinary Maintenance	-	-	37,842	-	-	-	-	-
972	Causality Losses - Non-Capitalized	-	-	32,616	-	-	-	-	-
973	Housing Assistance Payments	-	-	-	42,697,913	-	-	157,339	561,156
974	Depreciation Expense	154,513	5,190	15,033,309	75,500	-	-	-	-
975	Fraud Losses	-	-	-	-	-	-	-	-
976	Capital Outlays - governmental funds	-	-	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-	-	-
900	Total Expenses	820,687	692,024	49,427,309	46,369,709	1,903,532	94,350	165,646	599,577
1000	Excess(Deficiency) of Operating Revenue over (Under) Expenses	\$ (176,235)	\$ 231,700	\$ (17,557,129)	\$ (312,521)	\$ 5,677,223	\$ (11,018)	\$ 9,810	\$ 45,365

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SRO001	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$ 33,494	\$ 267,949	\$ 33,494	\$ 33,492	\$ -	\$ 8,431,966
112	Cash - Restricted for Modernization and Development	-	-	-	-	-	-
113	Cash - Other restricted	-	-	-	-	-	659,063
114	Cash - Security Deposits	-	-	-	-	-	1,059,917
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-
100	Total Cash	33,494	267,949	33,494	33,492	-	10,150,946
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	123,343	-	-	1,189,468	2,224,575
124	Accounts Receivable - Other Government	-	-	-	-	-	-
125	Accounts Receivable - Misc	-	-	-	-	70,551	664,898
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	215,875
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(66,342)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127	Notes, Loans & Mortgages receivable - current	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - fraud	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	3,306,804
120	Total Accounts Receivable	-	123,343	-	-	1,260,019	6,345,810
131	Investments - Unrestricted	-	-	-	-	-	2,564,727
132	Investments - Restricted	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liab	-	-	-	-	-	-
142	Prepaid Expenses	-	-	-	-	-	545,130
143	Inventories	-	-	-	-	-	267,336
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	(20,000)
144	Interprogram Due From	-	-	-	-	-	1,179,940
145	Assets held for Sale	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-
150	Total Current Assets	33,494	391,292	33,494	33,492	1,260,019	21,033,889
161	Land	-	-	-	-	-	26,871,580
162	Building	-	-	-	-	-	243,117,441
163	Furniture, Equipment & machinery - Dwellings	-	-	-	-	-	-
164	Furniture, Equipment & machinery - Admin	-	-	-	-	-	3,306,978
165	Leasehold Improvements	-	-	-	-	-	70,970
168	Infrastructure	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	-	-	(47,246)	(144,354,438)
167	Construction in Progress	-	-	-	-	47,704,612	77,197,617
160	Total Fixed Assets, Net of Depreciation	-	-	-	-	47,657,366	206,210,148
171	Notes, Loans & Mortgages Recble - Non Current	-	-	-	-	-	17,700,924
172	Notes, Loans & Mortgages Recble - Non Current-Past Due	-	-	-	-	-	-
173	Grants Receivable - non current	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	171,773
180	Total Non-Current Assets	-	-	-	-	47,657,366	224,082,845
190	Total Assets	\$ 33,494	\$ 391,292	\$ 33,494	\$ 33,492	\$ 48,917,365	\$ 245,116,735

See accompanying notes and report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SRO001	Public Housing Capital Fund Program	Total
311	Bank Overdraft	123	982	123	123	692,747	2,023,233
312	Accounts Payable <= 90 Days	-	-	-	-	-	-
313	Accounts Payable > 90 days	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes payable	80	641	80	80	49,750	642,180
322	Accrued Compensated Balances	7	59	7	7	-	134,614
324	Accrued Contingency Liability	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	8,647
331	Accounts Payable - HUD PHA Programs	50,730	-	13,793	9,247	-	242,009
332	Accounts Payable - PHA Projects	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	529,134
341	Tenant Security Deposits	-	-	-	-	-	1,060,994
342	Deferred Revenues	-	-	-	-	-	11,602
343	Current Portion of Long-term Debt - Capital Projects	-	-	-	-	-	2,118,746
345	Other Current Liabilities	-	-	-	-	64,998	64,998
346	Accrued Liabilities - Other	-	-	-	-	-	273,107
347	Interprogram Due to	7,280	58,241	7,280	7,280	655,764	1,179,939
348	Loan Liability - Current	-	-	-	-	-	-
310	Total Current Liabilities	58,220	59,923	21,283	16,737	1,463,259	8,289,203
351	Long-term Debt, Net of Current-Capital Projects	-	-	-	-	-	12,197,600
352	Long-term Debt, Net of Current-operating borrowings	-	-	-	-	-	-
353	Non-Current Liabilities - Other	-	-	-	-	-	968,288
354	Accrued Compensated Balances - Non-Current	62	493	62	62	-	1,140,581
355	Loan Liability - non-current	-	-	-	-	-	-
350	Total Non-Current Liabilities	62	493	62	62	-	14,306,469
300	Total Liabilities	58,282	60,416	21,345	16,799	1,463,259	22,595,672
501	Equity	-	-	-	-	-	-
502	Investment in general fixed assets	-	-	-	-	-	-
503	Contributed Capital	-	-	-	-	-	-
504	Project Notes (HUD)	-	-	-	-	-	-
505	Long-term Debt - HUD Guaranteed	-	-	-	-	-	-
506	Net HUD PHA Contributions	-	-	-	-	-	-
507	Other HUD Contributions	-	-	-	-	-	-
508	Other Contributions	-	-	-	-	-	-
508.1	Total Contributed Capital	-	-	-	-	-	-
509	Invested in Capital Assets, Net of Related Debt	-	-	-	-	47,657,366	191,893,802
510	Reserved Fund Balance	-	-	-	-	-	-
511	Reserved for operating activities	-	-	-	-	-	-
511.1	Reserved for Capital activities	-	-	-	-	-	-
512	Total Reserved Fund Balance	-	-	-	-	-	-
512.1	Restricted Net Assets	(24,786)	330,876	12,149	16,693	(203,240)	6,206,523
513	Undesignated Fund Balance/Retained Earnings	-	-	-	-	-	24,420,738
600	Unrestricted Net Assets	(24,786)	330,876	12,149	16,693	47,454,126	222,521,063
600	Total Liabilities and Equity	\$ 33,494	\$ 391,292	\$ 33,494	\$ 33,492	\$ 48,917,365	\$ 245,116,735

See accompanying notes and report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SRO001	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue						12,315,931
704	Tenant Revenue - Other						251,562
705	Total Tenant Revenue						12,567,493
706	HUD PHA Grants - soft cost revenue	92,674	747,922	64,556	54,327	876,321	70,518,689
706.1	HUD PHA Grants - hard cost revenue					11,562,976	16,640,402
708	Other Government Grants						-
711	Investment Income - Unrestricted	559	4,470	559	557		1,286,796
712	Mortgage Interest Income						-
713	Proceeds from disposition of assets held for sale						-
713.1	Cost of Sale of Assets						-
714	Fraud Recovery						-
715	Other Revenue						-
716	Gain/Loss on Sale of Fixed Assets						1,394,382
720	Investment Income - Restricted						(1,033,272)
700	Total Revenue	93,233	752,392	65,115	54,884	12,439,297	101,384,950
911	Administrative Salaries	1,451	11,612	1,451	1,451		7,421,063
912	Auditing Fees	20	162	20	20		74,094
913	Outside Management Fees						130,533
914	Compensated Balances	69	552	69	69		111,970
915	Employee Benefit Contributions - Admin	232	1,854	232	232		2,337,467
916	Other Operating - Administrative	939	7,509	939	939	821,321	6,752,437
921	Tenant Services - Salaries						421,062
922	Relocation Costs						47,624
923	Employee Benefit Contributions - Tenant Serv						129,849
924	Tenant Services - Other						680,850
931	Water						2,060,481
932	Electricity						2,812,705
933	Gas						3,563,727
934	Fuel						
935	labor						624,467
937	Employee Benefit Contributions - Utilities						214,114
938	Other Utility Expense						122,258
941	Ordinary Maintenance & Operations - labor						5,616,499
942	Ordinary Maintenance & Operations - Materials and Other	68	544	68	68		1,558,843
943	Ordinary Maintenance & Operations - Contract Costs	100	798	100	100		3,232,311
945	Employee Benefit contributions - Ordinary Maintenance						1,858,741
951	Protective Service - Labor						58,664
952	Protective Service - Other Contract Costs						130,972
953	Protective Services - Other						100
955	Employee Benefit contributions - Protective Services						20,360
961	Insurance Premiums	206	1,646	206	206		858,330
962	Other General Expense	2,107	16,860	2,107	2,107		304,445
963	Payments in Lieu of Taxes						401,361
964	Bad Debt - Tenant Rents						
965	Bad Debt - Mortgages						202,370
966	Bad Debt - Other						
967	Interest Expense						
968	Severance Expense						340,805
969	Total Operating Expenses	5,192	41,537	5,192	5,192	621,321	42,195,890

See accompanying notes and report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2005

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SRO001	Public Housing Capital Fund Program	Total
970	Excess Operating Revenue over Operating Expenses	\$ 88,041	\$ 710,855	\$ 59,923	\$ 49,692	\$ 11,517,976	\$ 59,189,060
971	Extraordinary Maintenance	-	-	-	-	-	37,842
972	Causality Losses - Non-Capitalized	-	-	-	-	-	32,616
973	Housing Assistance Payments	79,758	673,542	53,787	43,561	-	44,267,056
974	Depreciation Expense	-	-	-	-	47,246	15,315,758
975	Fraud Losses	-	-	-	-	-	-
976	Capital Outlays - governmental funds	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-
900	Total Expenses	84,950	715,079	58,979	48,753	868,567	101,849,162
1000	Excess(Deficiency) of Operating Revenue over (Under) Expenses	\$ 8,283	\$ 37,313	\$ 6,136	\$ 6,131	\$ 11,570,730	\$ (464,212)

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM
COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Program	<u>CFP 501-01</u>	<u>CFP 501-02</u>	<u>CFP 501-03</u>
Budget	\$ <u>16,472,068</u>	\$ <u>14,371,877</u>	\$ <u>11,651,861</u>
Advances:			
Cash receipts - prior years	\$ 16,742,068	\$ 14,371,877	\$ 11,651,861
Cash receipts - current year	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2005	\$ <u>16,742,068</u>	\$ <u>14,371,877</u>	\$ <u>11,651,861</u>
Costs:			
Prior years	\$ 16,742,068	\$ 14,371,877	\$ 11,651,861
Current year	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2005	\$ <u>16,742,068</u>	\$ <u>14,371,877</u>	\$ <u>11,651,861</u>
Excess/(deficiency) of advances due to/(from) HUD	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

The Actual Modernization Cost Certificates are in agreement with Authority records.

All modernization work in connection with the grants has been completed.

All liabilities have been paid and there are no undischarged mechanics', laborers', contractors' or material-men's liens against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

There were no budget overruns.

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL HOPE VI
GRANT PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Program	Lincoln	Laurel	Lincoln Demo	Total
Budget	\$ 31,093,590	\$ 35,000,000	\$ 2,563,440	\$ 68,657,030
Advances:				
Cash receipts - prior years	\$ 30,069,547	\$ 16,603,956	\$ 1,924,966	\$ 48,598,469
Cash receipts - current year	710,667	8,267,037	638,474	9,616,178
Cumulative as of June 30, 2005	<u>\$ 30,780,214</u>	<u>\$ 24,870,993</u>	<u>\$ 2,563,440</u>	<u>\$ 58,214,647</u>
Costs and loans:				
Prior years	\$ 30,391,667	\$ 19,550,262	\$ 1,955,260	\$ 51,897,189
Current year	420,175	5,952,604	608,180	6,980,959
	<u>\$ 30,811,842</u>	<u>\$ 25,502,866</u>	<u>\$ 2,563,440</u>	<u>\$ 58,878,148</u>
Excess/(deficiency) of advances due to/(from) HUD	<u>\$ (31,628)</u>	<u>\$ (631,873)</u>	<u>\$ -</u>	<u>\$ (663,501)</u>
Actual Modernization Cost Certificate issued and agreed to Authority records?	<u>No</u>	<u>No</u>	<u>No</u>	
Soft costs - HUD				
Prior years	\$ 6,423,698	\$ 3,659,396	\$ 1,955,260	\$ 12,038,354
Current year	315,337	980,323	608,180	1,903,840
Cumulative as of June 30, 2005	<u>\$ 6,739,035</u>	<u>\$ 4,639,719</u>	<u>\$ 2,563,440</u>	<u>\$ 13,942,194</u>
Hard costs - HUD				
Prior years	\$ 15,005,533	\$ 8,885,174	\$ -	\$ 23,890,707
Current year	578,229	4,090,684	-	4,668,913
Cumulative as of June 30, 2005	<u>\$ 15,583,762</u>	<u>\$ 12,975,858</u>	<u>\$ -</u>	<u>\$ 28,559,620</u>
Loans to developer and others				
Prior years	\$ 8,466,812	\$ 5,837,178	\$ -	\$ 14,303,990
Current year	22,232	33,307	-	55,539
Cumulative as of June 30, 2005	<u>\$ 8,489,044</u>	<u>\$ 5,870,485</u>	<u>\$ -</u>	<u>\$ 14,359,529</u>
Cumulative costs and loans - HUD	<u>\$ 30,811,841</u>	<u>\$ 23,486,062</u>	<u>\$ 2,563,440</u>	<u>\$ 56,861,343</u>
CDBG loan expenditures				
Prior years	\$ 700,000	\$ 2,234,091	\$ -	\$ 2,934,091
Current year	337,782	3,384	-	341,166
Cumulative as of June 30, 2005	<u>\$ 1,037,782</u>	<u>\$ 2,237,475</u>	<u>\$ -</u>	<u>\$ 3,275,257</u>

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL DRUGS ELIMINATION
COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Budget	\$	<u><u>1,606,085</u></u>
Advances:		
Cash receipts - prior years	\$	1,606,085
Cash receipts - current year		<u> </u>
Cumulative as of June 30, 2005	\$	<u><u>1,606,085</u></u>
Costs:		
Prior years	\$	1,606,085
Current year		<u> </u>
Cumulative as of June 30, 2005	\$	<u><u>1,606,085</u></u>
Excess/(deficiency) of advances due to/(from) HUD	\$	<u><u> -</u></u>
Final SF 269a issued and agreed to PHA records		<u><u> No</u></u>
Soft costs		
Prior years	\$	1,606,085
Current year		<u> </u>
Cumulative as of June 30, 2005	\$	<u><u>1,606,085</u></u>
Hard costs		
Prior years	\$	-
Current year		<u> </u>
Cumulative as of June 30, 2005	\$	<u><u> -</u></u>
Cumulative hard and soft costs	\$	<u><u>1,606,085</u></u>

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL RESIDENT OPPORTUNITY
GRANT PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Program	<u>OH99RSE004P0197</u>	<u>OH99RSE004P0089</u>	<u>OH99RSE004P0099</u>	<u>Total</u>
Budget	\$ <u>150,000</u>	\$ <u>202,957</u>	\$ <u>300,000</u>	\$ <u>652,957</u>
Advances:				
Cash receipts - prior years	\$ 150,000	\$ 180,720	\$ 33,769	\$ 364,489
Cash receipts - current year	<u>-</u>	<u>22,237</u>	<u>86,424</u>	<u>108,661</u>
Cumulative as of June 30, 2005	\$ <u>150,000</u>	\$ <u>202,957</u>	\$ <u>120,193</u>	\$ <u>473,150</u>
Costs:				
Prior years	\$ 150,000	\$ 191,738	\$ 39,461	\$ 381,199
Current year	<u>-</u>	<u>11,219</u>	<u>83,131</u>	<u>94,350</u>
	\$ <u>150,000</u>	\$ <u>202,957</u>	\$ <u>122,592</u>	\$ <u>475,549</u>
Excess/(deficiency) of advances due to/(from) HUD	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(2,399)</u>	\$ <u>(2,399)</u>
Final SF 269a issued and agreed to PHA records	<u>No</u>	<u>No</u>	<u>No</u>	
Soft costs				
Prior years	\$ 150,000	\$ 191,738	\$ 39,461	\$ 381,199
Current year	<u>-</u>	<u>11,219</u>	<u>-</u>	<u>11,219</u>
Cumulative as of June 30, 2005	\$ <u>150,000</u>	\$ <u>202,957</u>	\$ <u>39,461</u>	\$ <u>392,418</u>
Hard costs				
Prior years	\$ -	\$ -	\$ -	\$ -
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2005	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Cumulative hard and soft costs	\$ <u>150,000</u>	\$ <u>202,957</u>	\$ <u>39,461</u>	\$ <u>392,418</u>

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL CONGREGATE
HOUSING SERVICES PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Budget	\$ <u><u>1,133,503</u></u>
Advances:	
Cash receipts - prior years	\$ 1,203,344
Cash receipts - current year	<u>-</u>
Cumulative as of June 30, 2005	\$ <u><u>1,203,344</u></u>
Costs:	
Prior years	\$ 1,203,344
Current year	<u>-</u>
Cumulative as of June 30, 2005	\$ <u><u>1,203,344</u></u>
Excess/(deficiency) of advances due to/(from) HUD	\$ <u><u>-</u></u>
Final SF 269a issued and agreed to PHA records	<u>No</u>
Soft costs	
Prior years	\$ 1,203,344
Current year	<u>-</u>
Cumulative as of June 30, 2005	\$ <u><u>1,203,344</u></u>
Hard costs	
Prior years	\$ -
Current year	<u>-</u>
Cumulative as of June 30, 2005	\$ <u><u>-</u></u>
Cumulative hard and soft costs	\$ <u><u>1,203,344</u></u>

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL CAPITAL FUND
PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Program	CFP 501-01	CFP 501-02	CFP 501-03	CFP 502-03	CFP 501-04	RHF CFP 701-99
Budget	\$ 16,472,068	\$ 14,371,877	\$ 11,651,861	\$ 2,799,457	\$ 12,817,841	\$ 131,041
Advances:						
Cash receipts - prior years	\$ 16,472,068	\$ 14,371,877	\$ 9,419,276	\$ 417,137	\$ -	\$ 131,041
Cash receipts - current year	-	-	2,364,615	2,313,375	9,029,177	-
Cumulative as of June 30, 2005	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,730,512	\$ 9,029,177	\$ 131,041
Costs and loans:						
Prior years	\$ 16,472,068	\$ 14,371,877	\$ 10,225,429	\$ 2,185,797	\$ -	\$ 131,041
Current year	-	-	1,558,462	554,532	10,208,828	-
	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,740,329	\$ 10,208,828	\$ 131,041
Excess/(deficiency) of advances due to/(from) HUD	\$ -	\$ -	\$ -	\$ (9,817)	\$ (1,179,651)	\$ -
Actual Modernization Cost Certificate issued and agreed to Authority records?	Yes	Yes	Yes	No	No	Yes
Soft costs						
Prior years	\$ 1,783,563	\$ 1,545,920	\$ 1,071,187	\$ -	\$ -	\$ -
Current year	-	-	274,927	-	546,395	-
Cumulative as of June 30, 2005	\$ 1,783,563	\$ 1,545,920	\$ 1,346,114	\$ -	\$ 546,395	\$ -
Hard costs						
Prior years	\$ 14,688,505	\$ 12,825,957	\$ 9,154,242	\$ 2,185,797	\$ -	\$ 131,041
Current year	-	-	1,313,535	554,532	9,662,433	-
Cumulative as of June 30, 2005	\$ 14,688,505	\$ 12,825,957	\$ 10,467,777	\$ 2,740,329	\$ 9,662,433	\$ 131,041
Cumulative hard and soft costs	\$ 16,472,068	\$ 14,371,877	\$ 11,813,891	\$ 2,740,329	\$ 10,208,828	\$ 131,041

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL CAPITAL FUND
PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2005**

Program	RHF CFP 501-99	RHF CFP 501-00	RHF CFP 501-01	RHF CFP 501-02	RHF CFP 501-03	RHF CFP 502-03	Total
Budget	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 1,957,302	\$ 65,729,831
Advances:							
Cash receipts - prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ -	\$ 46,339,783
Cash receipts - current year	-	-	-	-	-	62,477	13,769,644
Cumulative as of June 30, 2005	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 60,109,427
Costs and loans:							
Prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ -	\$ 48,914,596
Current year	-	-	-	-	-	62,477	12,384,299
	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 61,298,895
Excess/(deficiency) of advances due to/(from) HUD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,189,468)
Actual Modernization Cost Certificate issued and agreed to Authority records?	Yes	No	No	No	No	No	
Soft costs							
Prior years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,400,670
Current year	-	-	-	-	-	-	274,927
Cumulative as of June 30, 2005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,675,597
Hard costs							
Prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ -	\$ 44,513,926
Current year	-	-	-	-	-	62,477	11,592,977
Cumulative as of June 30, 2005	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 56,106,903
Cumulative hard and soft costs	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 60,782,500

See report of independent auditors.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR/PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	FEDERAL EXPENDITURES
U.S Department of Housing and Urban Development			
Public and Indian Housing	14.850		\$ 20,602,593
Section 8 Moderate Rehabilitation	14.856	MO004SRO001	\$ 54,327
Section 8 Moderate Rehabilitation	14.856	MO002MR0002	174,562
Section 8 Moderate Rehabilitation	14.856	MO002MR0004	640,808
Section 8 Moderate Rehabilitation	14.856	MO002MR0005	92,674
Section 8 Moderate Rehabilitation	14.856	MO002MR0006	747,922
Section 8 Moderate Rehabilitation	14.856	MO004SC0002	<u>\$ 64,556</u>
Total Section 8 Moderate Rehabilitation	14.856		1,774,849
Section 8 Housing Choice Vouchers	14.871		45,871,431
Revitalization of Severly Distressed Public Housing	14.866		6,387,589
Resident Opportunity and Supportive Services	14.870		83,332
Public Housing Capital Fund Program	14.872		<u>12,439,297</u>
Total Expenditures of Federal Awards			\$ <u>87,159,091</u>

The accompanying notes are an integral part of this schedule.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Cincinnati Metropolitan Housing Authority and is presented on the basis of accounting described in the notes to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in, or used in the preparation of, the financial statements.

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

To the Board of Trustees
Cincinnati Metropolitan Housing Authority



We have audited the accompanying financial statements of the Cincinnati Metropolitan Housing Authority (a nonprofit organization), as of and for the year ended June 30, 2005, and have issued our report thereon dated November 11, 2005. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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 an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Organization in a separate letter dated November 11, 2005.

This report is intended solely for the information and use of management and the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of the letters 'CSA' in a stylized, cursive font.

November 11, 2005

CERTIFIED PUBLIC ACCOUNTANTS

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Cincinnati, Ohio 45242

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



To the Board of Trustees
Cincinnati Metropolitan Housing Authority

Compliance

We have audited the compliance of Cincinnati Metropolitan Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Cincinnati Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Cincinnati Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Cincinnati Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Cincinnati Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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contracts, and grants caused by error or fraud 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 management, Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of the letters 'C', 'S', and 'A' in a stylized, cursive font.

November 11, 2005

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2005**

Section I – Summary of auditors' results

FINANCIAL STATEMENTS	
Type of Financial Statement Opinion	Unqualified
Was there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
FEDERAL AWARDS	
Was there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs Compliance Opinion	Unqualified
Are there any reportable findings under Section 510?	No
Major Programs (list):	14.850 Public and Indian Housing 14.871 Section 8 Housing Choice Vouchers
Dollar Threshold: Type A/B Programs	Type A: > \$2,614,773 Type B: all others
Low risk auditee?	Yes

Section II – Financial statement findings and questioned costs

No matters to be reported.

Section III – Federal award findings and questioned costs

No matters to be reported.

CINCINNATI METROPOLITAN HOUSING AUTHORITY

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2005**

No matters were reported in the prior year.



**Auditor of State
Betty Montgomery**

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CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 7, 2006**