

CINCINNATI METROPOLITAN HOUSING AUTHORITY

Regular Audit

Year Ended June 30, 2006



Mary Taylor, CPA

Auditor of State

Board of Commissioners
Cincinnati Metropolitan Housing Authority
16 West Central Parkway
Cincinnati, Ohio 45202

We have reviewed the *Report of Independent Auditors* of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Cassidy Schiller & Associates, for the audit period July 1, 2005 through June 30, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 1, 2007

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CINCINNATI METROPOLITAN HOUSING AUTHORITY

REGULAR AUDIT

YEAR ENDED JUNE 30, 2006

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Report of Independent Auditors

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, 2006 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 present fairly, in all material respects, the financial position of CMHA, as of June 30, 2006, 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 3, 2006 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

CERTIFIED PUBLIC ACCOUNTANTS

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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.

CSA

November 3, 2006

**Cincinnati Metropolitan Housing Authority
Management's Discussion and Analysis
June 30, 2006**

This discussion and analysis provides the reader with narrative overview and financial analysis of Cincinnati Metropolitan Housing Authority's (CMHA) financial activities and performance for the year ended June 30, 2006. This section should be read in conjunction with the audited financial statements and accompanying notes.

Financial Highlights

- CMHA's total assets and liabilities were \$257,941,055 and \$27,946,308 respectively, and therefore the net assets were \$229,994,747 as of June 30, 2006.
- Total revenues including capital contributions and total expenses were \$101,990,850 and \$96,462,710 respectively resulting in \$5,528,140 change in net assets for fiscal year 2006.
- Fiscal 2006 resulted in a net increase in cash and cash equivalents of \$3,848,209 and purchase of \$16,414,043 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 increased by \$14.0 million during the fiscal year. Cash and cash equivalents increased by \$3.8 over fiscal year 2006, and investments increased by \$1.3 million. The increase in cash was primarily due to receipt of additional HAP funds from both HUD and from the merger of Housing Choice Voucher programs with Hamilton County. Capital assets and other assets reflected \$6.1 million increase over the fiscal period primarily due to acquisitions for the Public Housing Program and new development at the City West site. The balance due from Other Government increased this fiscal by \$2.2 million due to retroactive subsidy funding from HUD.

Total liabilities increased for fiscal year 2006 by \$6.6 million dollars. The primary cause of this increase was the change in notes payable, which reflects an increase of \$4.2 million. Fannie Mae bridge loans were utilized for both the acquisition program as well as Hope VI program. Another contributing factor to the increase was Accounts Payable, which reflects accruals of contractual payments for capital expenses.

The increase of \$7.4 million in total net assets was primarily attributable to \$1.9 million prior period adjustment made to reflect a construction-related note payable in fiscal year 2005. The reduction overall Authority expenses can be directly attributable to English Woods. This significantly reduced depreciation expenses, the legal expenses and overall operational expenses.

Statement of Net Assets (Condensed) (millions)

	2006	2005	Change
ASSETS			
Current Assets	\$ 24.2	\$ 16.5	\$ 7.7
Other Assets	25.1	21.2	3.9
Capital Assets	<u>208.6</u>	<u>206.2</u>	2.4
Total Assets	257.9	243.9	14.0
LIABILITIES AND NET ASSETS			
Current Liabilities	14.3	7.1	7.2
Long Term Liabilities	<u>13.7</u>	<u>14.3</u>	(0.6)
Total Liabilities	28.0	21.4	6.6
Net Assets:			
Invested in Capital Assets, Net of Related Debt	196.4	191.9	4.5
Unrestricted Net Assets	<u>33.5</u>	<u>30.6</u>	2.9
Total Net Assets	229.9	222.5	7.4
Total Liabilities and Net Assets	257.9	243.9	14.0

Revenues, Expenses and Change in Net Assets

The Authority's operational income for fiscal year 2006 was \$5.4 million on a consolidated basis. The Authority saw growth in its Housing Choice Voucher Program due to administration of Hamilton County's Housing Choice Voucher Program in preparation for the merger of the two programs under Cincinnati Metropolitan Housing Authority's management. Simultaneously, the Authority experienced cost reductions due to the closing and demolition of English Woods. English Woods was a large public housing development, with over 700 dwelling units.

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

	2006	2005	Change
Operating/Other Revenues	\$ 14.4	\$ 14.0	\$ 0.4
Governmental Revenues	87.5	87.1	0.4
Total Operating Revenues	101.9	101.1	0.8
Operating Expenses	84.1	86.2	-2.1
Depreciation Expense	13.9	15.3	-1.4
Total Operating Expenses	98.0	101.5	-3.5
Total Non-Operating Revenues/Expenses	1.5	-0.1	1.6
Change in Net Assets	5.4	-0.5	5.9
Net Assets, Beginning of Year	222.6	223.6	-1.0
Prior Year Adjustment	1.9	-0.7	2.6
Adjusted Net Assets, Beginning of Year	224.5	222.9	1.6
Net Assets, End of Year	229.9	222.5	7.4

Budgetary Highlights

For the year ended June 30, 2006, 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, the Authority was not under funded for the fiscal year 2006 and it was necessary to use reserves to cover expenses. As a result, the Authority's net assets increased during the fiscal year.

Capital Assets and Debt Administration

As of June 30, 2006 the Authority's investment in capital assets for its Proprietary Fund was \$196,436,248 (net of accumulated depreciation). This represents a decrease of \$4.5 million. This is primarily due to the increase in debt associated with new development coupled with the demolition of units at English Woods.

Major capital assets purchased from grants of \$10.9 million during the fiscal year pertained to expenditures made in accordance with the Authority's Capital Fund and HOPE VI programs.

The Authority's long-term portion of debt as of June 30, 2006 was \$11,526,596. 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.

Economic Factors

The following factors were considered in preparing the Authority's budget for the fiscal year 2007:

- Change in funding methods, 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 (significant increases are anticipated beginning September 1, 2006), public employee retirement fund).
- Changes in financial reporting requirements in the Public Housing Program associated with the transition to Asset Management. This change was made in anticipation of future HUD reporting requirements.
- Changes in the Housing Choice Voucher Program associated with the Hamilton County program merger. This includes items such as increases in staffing level, HAP payments, subsidy amounts, and general administrative expenses.
- Increases in the number of dwelling units in the public housing portfolio as well as the development of a 100-unit mixed finance property.

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, 2006**

ASSETS

Current assets:

Cash and cash equivalents - unrestricted	\$	12,530,216
Cash and cash equivalents - restricted		1,468,939
Investments, at fair value		3,926,885
Accounts receivable, net of allowance for doubtful accounts		1,294,412
Due from other governments		4,399,509
Inventory, net of allowance for obsolescence		218,249
Prepaid insurance		370,599
		24,208,809
Total current assets		24,208,809

Property and equipment:

Land		26,998,554
Buildings and building improvements		243,883,338
Furniture, equipment and machinery		3,242,000
Construction in progress		91,935,932
		366,059,824
Less: accumulated depreciation		157,426,943
		208,632,881

Other assets:

Notes and mortgages receivable		20,252,138
Interest receivable		4,675,454
Insurance deposits		171,773
		25,099,365
Total other assets		25,099,365

Total assets	\$	257,941,055
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**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF NET ASSETS
JUNE 30, 2006**

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	4,491,315
Accrued wages and taxes payable		308,499
Accrued compensated absences		153,936
Other accrued liabilities		700,035
Due to other governments		480,117
Notes and bonds payable - Fannie Mae		6,329,266
Notes and bonds payable - current portion		670,037
Accrued interest payable		12,820
Prepaid rents		53,565
Payable from restricted assets:		
Resident security deposits		1,071,769
Total current liabilities		14,271,359

Noncurrent liabilities:

Notes payable, net of current portion		11,526,596
Workers' compensation contingency		556,181
Accrued compensated absences		1,155,529
Payable from restricted assets:		
Family self sufficiency escrows		436,643
Total noncurrent liabilities		13,674,949
Total liabilities		27,946,308

Net assets:

Investment in property and equipment, net of related debt		196,436,248
Unrestricted net assets		33,558,499
		229,994,747

Total liabilities and net assets	\$	257,941,055
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**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2006**

Operating revenues:	
Rental revenue	\$ 12,121,236
Governmental revenue	76,669,135
Other revenue	<u>2,297,765</u>
Total operating revenues	91,088,136
Operating expenses:	
Administrative	16,294,749
Tenant services	1,319,494
Utilities	10,121,716
Ordinary maintenance and operations	12,665,284
Protective services	270,631
General expenses	1,774,861
Housing assistance payments	41,687,394
Depreciation	<u>13,852,258</u>
Total operating expenses	<u>97,986,387</u>
Operating loss	(6,898,251)
Nonoperating revenues (expenses):	
Interest revenue	1,992,159
Interest expense	(334,670)
Loss on disposition and sales of fixed assets	(92,236)
Casualty losses	<u>(41,576)</u>
Total nonoperating revenues (expenses)	<u>1,523,677</u>
Changes in net assets before capital contributions	(5,374,574)
Capital contributions	<u>10,902,714</u>
Net change in net assets	5,528,140
Net assets, beginning of year as reported	222,521,063
Prior year adjustments and correction of errors	<u>1,945,544</u>
Net assets, beginning of the year as restated	<u>224,466,607</u>
Net assets, end of year	<u><u>\$ 229,994,747</u></u>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities:	
Receipts from residents and other deposits	\$ 12,051,366
Governmental operating revenues	73,609,806
Other receipts	1,940,394
Payments to suppliers	(21,343,494)
Payments to/for employees	(18,133,343)
Payments to landlords	<u>(41,898,536)</u>
Net cash provided by operating activities	6,226,193
Cash flows from capital and related financing activities:	
Purchases of fixed assets	(16,414,043)
Proceeds from sale of fixed assets	46,816
Principal paid on capital debt	(653,616)
Proceeds from borrowings	4,863,169
Interest paid	(330,497)
Capital contributions	10,902,714
Other payments	<u>(41,576)</u>
Net cash used in capital and related financing activities	(1,627,033)
Cash flows from investing activities:	
Purchases of investments	(1,362,158)
Issuance of notes receivable	(12,302)
Interest and dividends	<u>623,509</u>
Net cash used in investing activities	<u>(750,951)</u>
Net increase in cash and cash equivalents	3,848,209
Cash and cash equivalents, beginning of year	<u>10,150,946</u>
Cash and cash equivalents, end of year	<u><u>\$ 13,999,155</u></u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

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

Operating loss	\$	(6,898,251)
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Adjustments to reconcile net operating loss to net cash
provided by operating activities:

Depreciation		13,852,258
Increase in accounts receivable		(479,980)
Increase in due to/(from) other governments		(3,059,329)
Decrease in inventory		29,087
Decrease in prepaid expenses		174,532
Increase in security deposits		10,776
Increase in accounts payable		2,468,083
Decrease in accrued wages and taxes payable		(333,681)
Increase in compensated absences		34,270
Increase in accrued liabilities		361,929
Increase in deferred revenue		41,963
Increase in other liabilities		24,536

Net cash provided by operating activities	\$	<u>6,226,193</u>
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CINCINNATI METROPOLITAN HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006

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 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 has the option of following subsequent FASB guidance for their business – type and enterprise funds issued prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. CMHA has elected not to apply those FASB statements and interpretations issued after November 30, 1989 to its enterprise funds.

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 statement of net assets 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 statement of net assets 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, 2006, 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

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and sick leave are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of year end, and on various percentages, based on their respective bargaining units, of the leave balances accumulated by employees who have completed ample service time with CMHA. These employees are expected to become eligible in the future to receive such payments.

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 \$13,999,155 (including \$12,523,327 of unrestricted funds, \$1,468,939 of restricted funds and \$6,889 of petty cash) and the bank balance was \$15,590,075. Of the bank balance, \$165,448 was covered by federal depository insurance and \$15,424,627 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, 2006 are summarized below:

<u>Investment</u>	<u>Maturity Year</u>	<u>0-1 Years Before Maturity</u>	<u>Credit Rating</u> <u>Moody's / S&P</u>
Federal National Mortgage Association	09/29/06	\$ 987,200	N/A
Federal Home Loan Mortgage	11/28/06	988,400	Aaa / AAA
Federal Home Loan Mortgage	07/18/06	1,456,755	N/A
Federal Home Loan Mortgage	12/15/06	<u>494,530</u>	Aaa / AAA
Total		<u>3,926,885</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	
U.S. Government Securities		\$ 3,926,885		\$ <u>3,926,885</u>
3. Accounts receivable				
Tenants (net of allowance for doubtful accounts of \$17,265)				\$ 272,141
The Affiliates/Project Monitoring; Other receivables				<u>1,022,271</u>
				\$ <u>1,294,412</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	\$ 614,411	\$ -
Low Rent Public Housing	-	103,790
Housing Choice Vouchers	101,865	-
Affordable Housing HOME Investment Partnership Program	-	189,183
Section 8 Moderate Rehabilitation M0002SR0001	-	4,037
Section 8 Moderate Rehabilitation M0004MRO002	-	8,444
Section 8 Moderate Rehabilitation M0004MRO004	-	40,979
Section 8 Moderate Rehabilitation M0004MRO005	-	6,147
Section 8 Moderate Rehabilitation M0004MRO006	-	51,743
Section 8 Moderate Rehabilitation M0002SCO002	-	4,639
Revitalization of Severely Distressed Public Housing	-	192,608
Resident Opportunity and Supportive Services	5,149	194
Public Housing Capital Fund Program	<u>-</u>	<u>119,661</u>
Totals	<u>\$ 721,425</u>	<u>\$ 721,425</u>

5. Due from other governments

U.S. Department of Housing and Urban Development \$ 4,399,509

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>9,267,495</u>	Laurel	LHI-10/24/02	AFR	40 years	Long
	Home	LHII-7/24/03			
	Partnerships	LHIV-11/22/02			
		LHIV-11/01/04			
<u>\$ 20,252,138</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

	Balance <u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2006</u>
Land	\$ 26,871,580	\$ 126,974	\$ -	\$ 26,998,554
Buildings and building improvement	243,188,411	1,696,312	1,001,385	243,883,338
Furniture, equipment and machinery	3,306,978	125,517	190,495	3,242,000
Construction in progress	<u>77,197,617</u>	<u>14,738,315</u>	-	<u>91,935,932</u>
Total	<u>350,564,586</u>	<u>16,687,118</u>	<u>1,191,880</u>	<u>366,059,824</u>
Accumulated depreciation – buildings and building improvement	(141,849,242)	(13,948,843)	(897,434)	(154,900,651)
Accumulated depreciation – furniture, equipment and machinery	<u>(2,505,196)</u>	<u>(21,096)</u>	-	<u>(2,526,292)</u>
Total accumulated depreciation	<u>(144,354,438)</u>	<u>(13,969,939)</u>	<u>(897,434)</u>	<u>(157,426,943)</u>
Total	\$ <u>206,210,148</u>	\$ <u>2,717,179</u>	\$ <u>294,446</u>	\$ <u>208,632,881</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, 2006 total leave to be paid upon termination is \$1,309,465. \$153,936 is current and \$1,155,529 is long-term.

Schedule of Changes in Compensated Absences:

<u>June 30, 2005</u>		<u>Additions</u>	<u>Payments</u>	<u>June 30, 2006</u>	
<u>Current Portion</u>	<u>Long-term Portion</u>			<u>Current Portion</u>	<u>Long-term Portion</u>
\$ <u>134,614</u>	\$ <u>1,140,581</u>	\$ <u>271,100</u>	\$ <u>236,830</u>	\$ <u>153,936</u>	\$ <u>1,155,529</u>

10. Other accrued liabilities

Accrued worker's compensation – current portion	\$ 153,809
Contract retainages	393,118
Other	<u>153,108</u>
	\$ <u>700,035</u>

11. Due to other governments

U.S. Department of Housing and Urban Development	\$ 32,802
City of Cincinnati – Payment in Lieu of Taxes (PILOT)	<u>447,315</u>
	\$ <u>480,117</u>

12. Notes payable – Fannie Mae

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

At June 30, 2006, CMHA has the following outstanding Fannie Mae notes:

	<u>Amount</u>	<u>Terms</u>
Fannie Mae Note #791	\$2,398,000	LIBOR + 1.3%
Fannie Mae Note #755	<u>3,931,266</u>	LIBOR + 1.1%
	<u>\$6,329,266</u>	

Both notes expire on June 30, 2009 and carry \$4,000,000 maximum amounts. Interest expense for these notes was \$34,242 for the year ended June 30, 2006.

13. Notes payable

Item	Authority Program	Principal Balance	Current Portion	Long-term Portion	Interest Expense	Payee	Interest Rate	Note Date
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	1,250,274	36,547	1,213,727	46,148	Fifth/Third Bank – 158	4.0%	Dec 2001
7	Hamilton Cnty	<u>919,278</u>	<u>49,319</u>	<u>869,959</u>	<u>46,140</u>	US Bank	5.25%	Dec 1998
Total Hamilton County		7,438,228	85,866	7,352,362	92,288			
8	Low Rent Public Housing	<u>4,758,405</u>	<u>584,171</u>	<u>4,174,234</u>	<u>208,140</u>	CitiCapital	5.1%	Aug 2001
All Programs		<u>\$12,196,633</u>	<u>\$ 670,037</u>	<u>\$ 11,526,596</u>	<u>\$300,428</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.

CitiCapital loan (Item 8):

This loan is in the form of a lease-purchase agreement between CMHA and CitiCapital. 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.

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>
2007	\$ 670,037	\$ 282,744	\$ 952,781
2008	699,583	253,198	952,781
2009	729,345	223,437	952,782
2010	760,633	192,149	952,782
2011	793,142	159,639	952,781
2012 – 2016	3,323,188	387,338	3,710,526
2017 – 2021	3,107,269	157,158	3,264,427
2022 – 2026	1,865,882	64,335	1,930,217
2027 – 2028	<u>247,554</u>	<u>4,409</u>	<u>251,963</u>
Total	<u>\$ 12,196,633</u>	<u>\$ 1,724,407</u>	<u>\$ 13,921,040</u>

14. Changes in long-term liabilities

	<u>Balance June 30, 2005</u>		<u>Total</u>	<u>Payments</u>	<u>Additions</u>	<u>Total</u>	<u>Balance June 30, 2006</u>	
	<u>Current</u>	<u>Noncurrent</u>					<u>Current</u>	<u>Noncurrent</u>
Notes payable	\$ 2,118,746	\$12,197,600	\$14,316,346	\$ 653,616	\$4,863,169	\$18,525,899	\$6,999,303	\$11,526,596
Workers comp contingency	143,940	320,503	464,443	-	245,547	709,990	153,809	556,181
Compensated absences	134,614	1,140,581	1,275,195	236,830	271,100	1,309,465	153,936	1,155,529
Family self-sufficiency funds	-	647,785	647,785	214,408	3,266	436,643	-	436,643
	<u>\$ 2,397,300</u>	<u>\$ 14,306,469</u>	<u>\$ 16,703,769</u>	<u>\$ 1,104,854</u>	<u>\$ 5,383,082</u>	<u>\$ 20,981,997</u>	<u>\$ 7,307,048</u>	<u>\$ 13,674,949</u>

15. 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 for a retirement benefit similar in nature to the Traditional Pension 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 member and employer contributions. The member contribution rates are 8.5% for members other than law enforcement and public safety. The 2005 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				
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
2006	13.55%	8.50%	14,607,544	14,013,085	1,898,773	1,191,112

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

16. 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 2006 employer contribution rate (identified above) that was used to fund health care for the year 2006 was 4.00% of covered payroll, which amounted to \$560,523.

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, 2004. 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 unfunded 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 2004 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 355,287. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 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.

17. 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.

Effective December 1, 2005, OHAPCI joined the Public Entity Risk Consortium (PERC), a risk consortium composed of OHAPCI and four other public entity risk pools and public entities. The other four members are: 1) the Small Housing Authority Risk Pool (SHARP), composed of 36 Ohio public housing authorities; 2) Buckeye Ohio Risk Management Association, Inc. (BORMA), composed of the cities of Bowling Green, Defiance, Napoleon, Sandusky and Willard Ohio; 3) Midwest Pool Risk Management Agency, Inc. (MPRMA), composed of the counties of Auglaize, Hancock, Mercer, Shelby and Van Wert, Ohio; and 4) Wayne County, Ohio. Other members will be added as they are approved by the existing 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.

18. 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, 2006, 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, 2006 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, 2006:

<u>Description</u>	
Unpaid claims and claim adjustment expenses at beginning of the year	\$ 10,671
Provision for insured events of the current year	<u>130,882</u>
Total incurred claims and claim adjustment expenses	141,553
Claims and claim adjustment expenses attributable to insured events	<u>(129,207)</u>
Total unpaid claims and claim adjustment expenses at end of year	\$ <u>12,346</u>

The \$12,346 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.

19. Commitments

CMHA is engaged in modernization programs funded by HUD. In this regard, CMHA has entered into construction-type contracts, with approximately \$1,500,000 remaining until completion.

20. 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.

21. 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.

22. 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 the 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.

23. Schedule of changes to net assets

	Investments In Capital Assets – Net of Related Debt	Unrestricted Net Assets	Total
Balance beginning of year	\$ 191,893,802	\$ 30,627,261	\$ 222,521,063
Adjustments to restate beginning balance*	<u>-</u>	<u>1,945,544</u>	<u>1,945,544</u>
Adjusted balance, beginning of year	191,893,802	32,572,805	224,466,607
Change in net assets	<u>4,542,446</u>	<u>985,694</u>	<u>5,528,140</u>
Balance at end of year	<u>\$ 196,436,248</u>	<u>\$ 33,558,499</u>	<u>\$ 229,994,747</u>

*Adjustments to restate beginning balance

Correction of prior year receivables and payables	\$ (378,632)
Audit correction of a 2004 note receivable erroneously expensed and revised by HUD	<u>2,324,176</u>
Net adjustments to restate beginning balance	<u>\$ 1,945,544</u>

24. 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 NET ASSETS
JUNE 30, 2006

	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	\$ 1,297,475	\$ 10,558	\$ -	\$ 2,729,891	\$ 44,813	\$ 162,417	\$ 5,578	\$ 423,781
Cash and cash equivalents - restricted investments, at fair value	-	52,265	-	980,031	-	-	-	-
Accounts receivable, net of allowance for doubtful accounts	741	92,133	-	3,926,885	-	-	-	-
Due from other governments	803,653	-	3,813	543,457	-	-	-	-
Due from other programs	614,411	-	-	1,813,743	3,044	17,053	-	-
Inventory, net of allowance for obsolescence	-	-	-	218,249	-	-	-	-
Prepaid insurance	-	-	-	370,599	-	-	-	-
Total current assets	2,716,280	154,956	3,813	10,582,855	47,857	179,470	5,578	423,781
Property and equipment:								
Land	-	1,578,043	-	25,420,511	-	-	-	-
Buildings and building improvements	998	6,340,833	-	237,251,748	-	-	-	-
Furniture, equipment and machinery	29,416	-	-	2,772,578	-	-	-	-
Construction in progress	3,314,135	-	-	-	-	-	-	-
	3,344,549	7,918,876	-	265,444,837	-	-	-	-
Less: accumulated depreciation	25,952	920,237	-	156,075,866	-	-	-	-
	3,318,597	6,998,639	-	109,368,971	-	-	-	-
Other assets:								
Notes and mortgages receivable	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	54,432	-	-	-	-
Insurance deposits	-	-	-	171,773	-	-	-	-
Total other assets	-	-	-	226,205	-	-	-	-
Total assets	\$ 6,034,877	\$ 7,153,595	\$ 3,813	\$ 120,178,031	\$ 47,857	\$ 179,470	\$ 5,578	\$ 423,781

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 2006

	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	\$ 200,326	\$ 44,797	\$ 34	\$ 1,512,161	\$ 72	\$ 348	\$ 52	\$ 439
Accrued wages and taxes payable	3,923	-	19	230,037	40	196	29	247
Accrued compensated absences	830	-	3	139,095	8	39	6	50
Other accrued liabilities	510	-	-	306,407	-	-	-	-
Due to other programs	-	189,183	4,037	103,790	8,444	40,979	6,147	51,743
Due to other governments	-	-	-	447,315	-	-	32,096	706
Notes and bonds payable - Fannie Mae	2,832,080	-	-	-	-	-	-	-
Notes and bonds payable - current portion	-	85,966	-	584,171	-	-	-	-
Accrued interest payable	-	-	-	12,820	-	-	-	-
Prepaid rents	62	3,561	-	49,942	-	-	-	-
Payable from restricted assets:								
Resident security deposits	7,639	52,265	-	1,011,665	-	-	-	-
Total current liabilities	3,045,370	375,672	4,093	4,397,403	8,564	41,562	38,330	53,185
Noncurrent liabilities:								
Notes payable, net of current portion	-	7,352,362	-	4,174,234	-	-	-	-
Workers' compensation contingency	-	-	-	556,181	-	-	-	-
Accrued compensated absences	4,533	-	39	965,121	82	399	62	504
Payable from restricted assets:								
Family self sufficiency escrows	-	-	-	-	-	-	-	-
Total noncurrent liabilities	4,533	7,352,362	39	5,695,536	82	399	62	504
Total liabilities	3,049,903	7,728,034	4,132	10,092,939	8,646	41,961	38,392	53,689
Net assets:								
Investment in property and equipment, net of related debt	3,318,597	(439,569)	-	104,610,566	-	-	-	-
Unrestricted net assets	(333,623)	(134,850)	(319)	5,474,526	39,211	137,509	(32,814)	370,092
	2,984,974	(574,439)	(319)	110,085,092	39,211	137,509	(32,814)	370,092
Total liabilities and net assets	\$ 6,034,877	\$ 7,153,595	\$ 3,813	\$ 120,178,031	\$ 47,857	\$ 179,470	\$ 5,578	\$ 423,781

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 2006

ASSETS

	Section 8 Moderate Rehabilitation M0004SC0002	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Congregate Housing Service Program	Interprogram Elimination	Total
Current assets:								
Cash and cash equivalents - unrestricted	\$ -	\$ 5,320,130	\$ 2,535,573	\$ -	\$ -	\$ -	\$ -	\$ 12,530,216
Cash and cash equivalents - restricted	-	436,643	-	-	-	-	-	1,468,939
Investments, at fair value	-	-	-	-	-	-	-	3,926,885
Accounts receivable, net of allowance for doubtful accounts	-	182,822	404,514	194	70,551	-	-	1,294,412
Due from other governments	2,043	-	176,502	-	1,579,658	-	-	4,399,509
Due from other programs	-	101,865	-	5,149	-	-	(721,425)	218,249
Inventory, net of allowance for obsolescence	-	-	-	-	-	-	-	370,599
Prepaid insurance	-	-	-	-	-	-	-	-
Total current assets	2,043	6,041,460	3,116,589	5,343	1,650,209	-	(721,425)	24,208,809
Property and equipment:								
Land	-	-	-	-	-	-	-	26,998,554
Buildings and building improvements	-	289,759	-	-	-	-	-	243,883,338
Furniture, equipment and machinery	-	440,006	-	-	-	-	-	3,242,000
Construction in progress	-	729,765	32,118,043	-	56,503,754	-	-	91,935,932
	-	357,642	32,118,043	-	56,503,754	-	-	366,059,824
Less: accumulated depreciation	-	372,123	32,118,043	-	47,246	-	-	157,426,943
	-	-	-	-	56,456,508	-	-	208,632,881
Other assets:								
Notes and mortgages receivable	-	-	20,252,138	-	-	-	-	20,252,138
Interest receivable	-	-	4,621,022	-	-	-	-	4,675,454
Insurance deposits	-	-	-	-	-	-	-	171,773
Total other assets	-	-	24,873,160	-	-	-	-	25,099,365
Total assets	2,043	6,413,583	60,107,792	5,343	58,106,717	-	(721,425)	257,941,055

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS
JUNE 30, 2006

	Section 8 Moderate Rehabilitation M0002SC0002	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Congregate Housing Service Program	Interprogram Elimination	Total
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	\$ 40	\$ 130,381	\$ 1,243,385	\$ 5,149	\$ 1,354,131	\$ -	\$ -	\$ 4,491,315
Accrued wages and taxes payable	23	62,807	404	-	10,774	-	-	308,499
Accrued compensated absences	5	13,900	-	-	-	-	-	153,936
Other accrued liabilities	-	-	-	-	393,118	-	-	700,035
Due to other programs	4,639	-	192,608	194	119,661	-	(721,425)	-
Due to other governments	-	-	-	-	-	-	-	480,117
Notes and bonds payable - Fannie Mae	-	-	3,497,186	-	-	-	-	6,329,266
Notes and bonds payable - current portion	-	-	-	-	-	-	-	670,037
Accrued interest payable	-	-	-	-	-	-	-	12,820
Prepaid rents	-	-	-	-	-	-	-	53,565
Payable from restricted assets:								
Resident security deposits	-	200	-	-	-	-	-	1,071,769
Total current liabilities	4,707	207,288	4,933,583	5,343	1,877,684	-	(721,425)	14,271,359
Noncurrent liabilities:								
Notes payable, net of current portion	-	-	-	-	-	-	-	11,526,596
Workers' compensation contingency	-	-	-	-	-	-	-	556,181
Accrued compensated absences	45	184,744	-	-	-	-	-	1,155,529
Payable from restricted assets:								
Family self sufficiency escrows	-	436,643	-	-	-	-	-	436,643
Total noncurrent liabilities	45	621,387	-	-	-	-	-	13,674,949
Total liabilities	4,752	828,675	4,933,583	5,343	1,877,684	-	(721,425)	27,946,308
Net assets:								
Investment in property and equipment, net of related debt	-	372,123	32,118,043	-	56,456,508	-	-	186,436,248
Unrestricted net assets	(2,709)	5,212,785	23,056,166	-	(227,475)	-	-	33,558,499
	(2,709)	5,584,908	55,174,209	-	56,229,033	-	-	229,994,747
Total liabilities and net assets	\$ 2,043	\$ 6,413,583	\$ 60,107,792	\$ 5,343	\$ 58,106,717	\$ -	\$ (721,425)	\$ 257,941,055

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2006

	Local Initiatives Business Activities	Affordable Housing HOME Investment Partnership Program	Section 8 Moderate Rehabilitation M0004SR0001	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	\$ 17,862	\$ 686,379	\$ -	\$ 11,416,995	\$ -	\$ -	\$ -	\$ -
Governmental revenue	-	-	46,477	23,151,134	162,488	711,103	84,209	751,555
Other revenue	1,278,852	4,078	1	751,029	-	2	-	3
Total operating revenues	1,296,714	690,457	46,478	35,319,158	162,488	711,105	84,209	751,558
Operating expenses:								
Administrative	332,753	123,294	2,518	9,479,946	5,264	25,546	3,833	32,256
Tenant services	-	-	-	1,029,860	-	-	-	-
Utilities	1,045	97,548	-	10,023,123	-	-	-	-
Ordinary maintenance and operations	988,632	361,311	205	11,262,077	435	2,110	317	2,664
Protective services	-	-	-	270,631	-	-	-	-
General expenses	29,458	4,751	2,320	1,567,367	4,860	23,581	3,538	29,774
Housing assistance payments	-	-	35,763	-	145,882	631,822	75,460	665,846
Depreciation	5,190	82,426	-	13,674,683	-	-	-	-
Total operating expenses	1,357,078	669,330	40,806	47,307,687	156,441	683,059	83,148	730,540
Operating income (loss)	(60,364)	21,127	5,672	(11,988,529)	6,047	28,046	1,061	21,018
Nonoperating revenues (expenses):								
Interest revenue	55,112	401	1,124	344,922	2,354	11,419	1,714	14,418
Interest expense	(34,242)	(92,288)	-	(208,140)	-	-	-	-
Gain (loss) on disposition of fixed assets	30,499	-	-	(122,735)	-	-	-	-
Casualty losses	-	-	-	(41,576)	-	-	-	-
Total nonoperating revenues (expenses)	51,369	(91,887)	1,124	(27,529)	2,354	11,419	1,714	14,418
Change in net assets before capital contributions	(8,995)	(70,760)	6,796	(12,016,058)	8,401	39,465	2,775	35,436
Capital contributions	-	-	-	-	-	-	-	-
Net change in net assets	(8,995)	(70,760)	6,796	(12,016,058)	8,401	39,465	2,775	35,436
Net assets, beginning of year as reported	2,414,504	(471,490)	16,693	121,902,576	9,140	56,096	(24,788)	330,876
Prior year adjustments and correction of errors	-	(141,893)	(23,808)	12,585	21,670	41,948	(10,801)	3,780
Net assets, beginning of the year as restated	2,414,504	(613,383)	(7,115)	121,915,161	30,810	98,044	(35,589)	334,656
Equity transfer	579,465	109,704	-	185,989	-	-	-	-
Net assets, end of year	2,994,974	(574,439)	(319)	110,085,092	39,211	137,509	(32,814)	370,092

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	Section 8 Moderate Rehabilitation M0004SC0002	Housing Choice Vouchers	Revitalization of Severely Distressed Public Housing	Resident Opportunity and Supportive Services	Public Housing Capital Fund Program	Congregate Housing Service Program	Interprogram Elimination	Total
Operating revenues:								
Rental revenue	\$ 46,945	\$ -	\$ 628,015	\$ 177,401	\$ 1,668,427	\$ 112,233	\$ -	\$ 12,121,236
Governmental revenue	-	48,129,148	628,015	177,401	1,668,427	112,233	-	76,669,135
Other revenue	-	252,416	11,384	-	-	-	-	2,297,765
Total operating revenues	46,945	48,381,564	639,399	177,401	1,668,427	112,233	-	91,068,136
Operating expenses:								
Administrative	2,893	3,989,922	628,095	-	1,668,429	-	-	16,294,749
Tenant services	-	-	-	177,401	-	112,233	-	1,319,494
Utilities	-	-	-	-	-	-	-	10,121,716
Ordinary maintenance and operations	239	47,294	-	-	-	-	-	12,665,284
Protective services	-	-	-	-	-	-	-	270,631
General expenses	2,670	106,542	-	-	-	-	-	1,774,861
Housing assistance payments	36,231	40,096,390	-	-	-	-	-	41,687,394
Depreciation	-	42,713	-	-	47,246	-	-	13,852,258
Total operating expenses	42,033	44,282,861	628,095	177,401	1,715,675	112,233	-	97,986,387
Operating income (loss)	4,912	5,098,703	11,304	-	(47,248)	-	-	(6,898,251)
Nonoperating revenues (expenses):								
Interest revenue	1,291	124,627	1,434,777	-	-	-	-	1,992,159
Interest expense	-	-	-	-	-	-	-	(334,670)
Gain (loss) on disposition of fixed assets	-	-	-	-	-	-	-	(92,236)
Casualty losses	-	-	-	-	-	-	-	(41,576)
Total nonoperating revenues (expenses)	1,291	124,627	1,434,777	-	-	-	-	1,523,677
Change in net assets before capital contributions	6,203	5,223,330	1,446,081	-	(47,248)	-	-	(5,374,574)
Capital contributions	-	-	2,072,808	-	8,829,906	-	-	10,902,714
Net change in net assets	6,203	5,223,330	3,518,889	-	8,782,658	-	-	5,528,140
Net assets, beginning of year as reported	12,149	612,657	50,219,542	(11,018)	47,454,126	-	-	222,521,063
Prior year adjustments and correction of errors	(21,061)	(25,501)	2,085,358	11,018	(7,751)	-	-	1,945,544
Net assets, beginning of the year as restated	(8,912)	587,156	52,304,900	-	47,446,375	-	-	224,466,607
Equity transfer	-	(225,578)	(649,580)	-	-	-	-	-
Net assets, end of year	(2,709)	5,584,908	55,174,209	-	56,229,033	-	-	229,994,747

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

Line Item #	Account Description	Affordable Housing HOME	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	10,558	1,297,475	2,729,891	5,320,130	2,535,573	-	44,813	162,417
112	Cash - Restricted for Modernization and Development	-	-	-	-	-	-	-	-
113	Cash - Other restricted	-	-	11,000	436,643	-	-	-	-
114	Cash - Security Deposits	52,265	-	969,031	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100	Total Cash	62,823	1,297,475	3,709,922	5,766,773	2,535,573	-	44,813	162,417
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	803,653	1,813,743	-	176,502	-	3,044	17,053
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125	Accounts Receivable - Misc.	79,264	-	284,926	182,822	404,514	194	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	12,869	741	275,796	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	(17,265)	-	-	-	-	-
127	Notes, Loans & Mortgages receivable - current	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	54,432	-	-	-	-	-
120	Total Accounts Receivable	92,133	804,394	2,411,632	182,822	581,016	194	3,044	17,053
131	Investments - Unrestricted	-	-	3,926,885	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liab	-	-	-	-	-	-	-	-
142	Prepaid Expenses	-	-	370,599	-	-	-	-	-
143	Inventories	-	-	238,249	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	(20,000)	-	-	-	-	-
144	Interprogram Due From	-	614,411	-	101,865	-	5,149	-	-
145	Assets held for Sale	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-
150	Total Current Assets	154,956	2,716,280	10,637,287	6,041,460	3,116,589	5,343	47,857	179,470
161	Land	1,578,043	-	25,420,511	-	-	-	-	-
162	Building	6,340,833	998	237,251,748	289,759	-	-	-	-
163	Furniture, Equipment & machinery - Dwellings	-	-	-	-	-	-	-	-
164	Furniture, Equipment & machinery - Admin	-	29,416	2,772,578	440,006	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(920,237)	(25,952)	(156,075,866)	(357,642)	-	-	-	-
167	Construction in Progress	3,314,135	-	-	-	32,118,043	-	-	-
160	Total Fixed Assets, Net of Depreciation	6,998,639	3,318,597	109,368,971	372,123	32,118,043	-	-	-
171	Notes, Loans & Mortgages Rec'ble - Non Current	-	-	-	-	20,252,138	-	-	-
172	Notes, Loans & Mortgages Rec'ble - Non Current-Past Due	-	-	-	-	-	-	-	-
173	Grants Receivable - non current	-	-	-	-	-	-	-	-
174	Other Assets	-	-	171,773	-	4,621,022	-	-	-
180	Total Non-Current Assets	6,998,639	3,318,597	109,540,744	372,123	56,991,203	-	-	-
190	Total Assets	7,153,595	6,034,877	120,178,031	6,413,583	60,107,792	5,343	47,857	179,470

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

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		Section 8 Moderate Rehabilitation
		\$					\$			M0004MR0002	M0004MR0004	
311	Bank Overdraft	44,797		200,326	1,512,161	130,381	1,243,385		5,149		72	348
312	Accounts Payable <= 90 Days	-		3,923	230,037	62,807	404		-		40	196
313	Accounts Payable > 90 days	-		830	139,095	13,900			-		8	39
321	Accrued Wage/Payroll Taxes payable	-		-	-	-	-	-	-		-	-
322	Accrued Compensated Balances	-		-	-	-	-	-	-		-	-
324	Accrued Contingency Liability	-		-	-	-	-	-	-		-	-
325	Accrued Interest Payable	-		-	12,820	-	-	-	-		-	-
331	Accounts Payable - HUD PHA Programs	-		-	-	-	-	-	-		-	-
332	Accounts Payable - PHA Projects	-		-	-	-	-	-	-		-	-
333	Accounts Payable - Other Government	-		7,639	447,315	200	-	-	-		-	-
341	Tenant Security Deposits	52,265		62	1,011,665	-	-	-	-		-	-
342	Deferred Revenues	3,561		-	49,942	-	-	-	-		-	-
343	Current Portion of Long-term Debt - Capital Projects	85,866		-	584,171	-	-	-	-		-	-
344	Other Current Liabilities	-		-	-	-	-	-	-		-	-
345	Accrued Liabilities - Other	-		510	306,407	-	192,608	-	194		8,444	40,979
346	Interprogram Due to	189,183		-	103,790	-	3,497,186	-	-		-	-
347	Loan Liability - Current	-		2,832,080	-	-	-	-	-		-	-
348	Loan Liability - Long-term	-		3,045,370	4,397,403	207,288	4,933,583	-	5,343		8,564	41,562
310	Total Current Liabilities	7,728,034		3,049,903	10,092,939	828,675	4,933,583	-	5,343		8,646	41,961
351	Long-term Debt, Net of Current-Capital Projects	7,352,362		-	4,174,234	-	-	-	-		-	-
352	Long-term Debt, Net of Current-operating borrowings	-		-	-	-	-	-	-		-	-
353	Non-Current Liabilities - Other	-		-	556,181	436,643	-	-	-		-	-
354	Accrued Compensated Balances - Non-Current	-		4,533	965,121	184,744	-	-	-		82	399
355	Loan Liability - non-current	-		-	-	-	-	-	-		-	-
350	Total Non-Current Liabilities	7,352,362		4,533	5,695,536	621,387	-	-	-		82	399
300	Total Liabilities	15,080,396		7,594,806	20,188,475	1,450,062	9,867,166	-	10,686		17,286	83,960
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	(439,589)		3,318,597	104,610,566	372,123	32,118,043	-	-		-	-
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	-		-	-	-	-	-	-		-	-
513	Undesignated Fund Balance/Retained Earnings	(134,850)		(333,623)	5,474,526	5,212,785	23,056,166	-	-		39,211	137,509
513.1	Unrestricted Net Assets	(574,439)		2,984,974	110,085,092	5,584,908	55,174,209	-	-		39,211	137,509
600	Total Liabilities and Equity	7,153,595		6,034,877	120,178,031	6,413,583	60,107,792		5,343		47,857	179,470

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

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
703	Net Tenant Rental Revenue	\$ 672,033	\$ 17,862	\$ 11,241,922	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	14,346	-	175,073	-	-	-	-	-
705	Total Tenant Revenue	686,379	17,862	11,416,995	-	-	-	-	-
706.1	HUD PHA Grants - soft cost revenue	-	-	23,151,134	49,129,148	628,015	177,401	162,488	711,103
708	Capital Grants	-	-	-	-	2,072,808	-	-	-
710	Other Government Grants	-	-	-	-	-	-	-	-
711	Investment Income - Unrestricted	401	55,112	344,922	124,696	1,434,777	-	2,354	11,419
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	4,078	1,278,852	751,029	252,416	11,384	-	-	2
716	Gain/Loss on Sale of Fixed Assets	-	30,499	(122,735)	-	-	-	-	-
720	Investment Income - Restricted	-	-	-	(69)	-	-	-	-
700	Total Revenue	690,858	1,382,325	35,541,345	49,506,191	4,146,994	177,401	164,942	722,524
911	Administrative Salaries	46,928	186,060	5,004,405	2,301,528	97	-	2,381	11,554
912	Auditing Fees	-	-	36,818	11,577	-	-	-	-
913	Outside Management Fees	35,122	-	101,462	-	-	-	-	-
914	Compensated Balances	-	184	124,862	31,621	-	-	(10)	(48)
915	Employee Benefit Contributions - Admin	22,335	72,992	1,763,419	677,643	-	-	405	1,963
916	Other Operating - Administrative	18,908	73,517	2,448,980	967,553	627,998	-	2,488	12,077
921	Tenant Services - Salaries	-	-	339,200	-	-	-	-	-
922	Relocation Costs	-	-	96,958	-	-	-	-	-
923	Employee Benefit Contributions - Tenant Serv	-	-	118,720	-	-	-	-	-
924	Tenant Services - Other	-	-	474,962	-	-	177,401	-	-
931	Water	-	299	1,793,762	-	-	-	-	-
932	Electricity	-	127	3,266,762	-	-	-	-	-
933	Gas	-	32	4,048,409	-	-	-	-	-
934	Fuel	-	-	-	-	-	-	-	-
935	labor	-	-	650,546	-	-	-	-	-
937	Employee Benefit Contributions - Utilities	-	-	232,004	-	-	-	-	-
938	Other Utility Expense	97,548	587	11,640	-	-	-	-	-
941	Ordinary Maintenance & Operations - Labor	75,169	-	5,284,815	-	-	-	-	-
942	Ordinary Maintenance & Operations - Materials and Other	60,141	-	1,522,740	18,154	-	-	173	838
943	Ordinary Maintenance & Operations - Contract Costs	190,711	988,632	2,540,275	29,140	-	-	262	1,272
945	Employee Benefit contributions - Ordinary Maintenance	35,289	-	1,895,232	-	-	-	-	-
951	Protective Service - Labor	-	-	61,420	-	-	-	-	-
952	Protective Service - Other Contract Costs	-	-	185,302	-	-	-	-	-
953	Protective Services - Other	-	-	1,976	-	-	-	-	-
955	Employee Benefit contributions - Protective Services	-	-	21,933	-	-	-	-	-
961	Insurance Premiums	-	1,173	819,597	55,815	-	-	115	557
962	Other General Expense	2,786	28,285	140,084	50,727	-	-	4,745	23,024
963	Payments in Lieu of Taxes	-	-	295,948	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	261,234	-	-	-	-	-
965	Bad Debt - Mortgages	-	-	-	-	-	-	-	-
966	Bad Debt - Other	1,967	-	-	-	-	-	-	-
967	Interest Expense	92,288	34,242	208,140	-	-	-	-	-
968	Severance Expense	-	-	50,504	-	-	-	-	-
969	Total Operating Expenses	679,192	1,386,130	33,822,129	4,143,758	628,095	177,401	10,559	51,237

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

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
		\$	\$							
970	Excess Operating Revenue over Operating Expenses	11,666		(3,805)	1,719,216	45,362,433	3,518,889	-	154,283	671,287
971	Extraordinary Maintenance	-	-	-	19,015	-	-	-	-	-
972	Causality Losses - Non-Capitalized	-	-	-	41,576	-	-	-	-	-
973	Housing Assistance Payments	-	-	-	-	40,096,390	-	-	145,882	631,822
974	Depreciation Expense	82,426	-	5,190	13,674,683	42,713	-	-	-	-
975	Fraud Losses	-	-	-	-	-	-	-	-	-
976	Capital Outlays - governmental funds	-	-	-	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-	-	-	-
900	Total Expenses	761,618		1,391,320	47,557,403	44,282,861	628,095	177,401	156,441	683,059
1000	Excess(Deficiency) of Operating Revenue over (Under) Expenses	(70,760)		(8,995)	(12,016,058)	5,223,330	3,518,889	-	8,401	39,465

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SR0001	Public Housing Capital Fund Program	Congregate Housing Service Program	Total
111	Cash - Unrestricted	5,578	423,781					12,530,216
112	Cash - Restricted for Modernizatin and Development							
113	Cash - Other restricted							447,643
114	Cash - Security Deposits							1,021,296
115	Cash - Restricted for Payment of Current Liabilities							
100	Total Cash	5,578	423,781					13,989,155
121	Accounts Receivable - PHA Projects							
122	Accounts Receivable - HUD Other Projects				3,813	1,579,658		4,399,509
124	Accounts Receivable - Other Government		2,043					
125	Accounts Receivable - Misc					70,551		1,022,271
126	Accounts Receivable - Tenants - Dwelling Rents							289,406
126.1	Allowance for Doubtful Accounts - Dwelling Rents							(17,265)
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			2,043	3,813	1,650,209		54,432
120	Total Accounts Receivable			2,043	3,813	1,650,209		5,748,353
131	Investments - Unrestricted							3,926,885
132	Investments - Restricted							
135	Investments - Restricted for Payment of Current Liab							
142	Prepaid Expenses							370,599
143	Inventories							238,249
143.1	Allowance for Obsolete Inventories							(20,000)
144	Interprogram Due From							721,425
145	Assets held for Sale							
146	Amounts to be provided							
150	Total Current Assets	5,578	423,781	2,043	3,813	1,650,209		24,984,666
161	Land							26,986,554
162	Building							243,883,338
163	Furniture, Equipment & machinery - Dwellings							
164	Furniture, Equipment & machinery - Admin							3,242,000
165	Leasehold Improvements							
168	Infrastructure							
166	Accumulated Depreciation					(47,246)		(157,426,943)
167	Construction in Progress					56,503,754		91,955,932
160	Total Fixed Assets, Net of Depreciation					56,456,508		208,632,881
171	Notes, Loans & Mortgages Rec'ble - Non Current							20,252,138
172	Notes, Loans & Mortgages Rec'ble - Non Current-Past Due							
173	Grants Receivable - non current							
174	Other Assets							4,792,795
180	Total Non-Current Assets					56,456,508		233,677,814
190	Total Assets	5,578	423,781	2,043	3,813	58,106,717		258,662,480

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

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	Congregate Housing Service Program	Total
311	Bank Overdraft	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	52	439	40	34	1,354,131	-	4,491,315
313	Accounts Payable > 90 days	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes payable	29	247	23	19	10,774	-	308,499
322	Accrued Compensated Balances	6	50	5	3	-	-	153,936
324	Accrued Contingency Liability	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	12,820
331	Accounts Payable - HUD PHA Programs	32,096	706	-	-	-	-	32,802
332	Accounts Payable - PHA Projects	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	447,315
341	Tenant Security Deposits	-	-	-	-	-	-	1,071,769
342	Deferred Revenues	-	-	-	-	-	-	53,565
343	Current Portion of Long-term Debt - Capital Projects	-	-	-	-	-	-	670,037
345	Other Current Liabilities	-	-	-	-	393,118	-	393,118
346	Accrued Liabilities - Other	-	-	-	-	-	-	306,917
347	Interprogram Due to	6,147	51,743	4,639	4,037	119,661	-	721,425
348	Loan Liability - Current	-	-	-	-	-	-	6,329,266
310	Total Current Liabilities	38,330	53,185	4,707	4,093	1,877,684	-	14,992,784
351	Long-term Debt, Net of Current-Capital Projects	-	-	-	-	-	-	11,526,596
352	Long-term Debt, Net of Current-operating borrowings	-	-	-	-	-	-	-
353	Non-Current Liabilities - Other	-	-	-	-	-	-	992,824
354	Accrued Compensated Balances - Non-Current	62	504	45	39	-	-	1,155,529
355	Loan Liability - non-current	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	62	504	45	39	-	-	13,674,949
300	Total Liabilities	38,392	53,689	4,752	4,132	1,877,684	-	28,667,733
501	Equity	-	-	-	-	-	-	-
501	Investment in general fixed assets	-	-	-	-	-	-	-
502	Contributed Capital	-	-	-	-	-	-	-
502	Project Notes (HUD)	-	-	-	-	-	-	-
503	Long-term Debt - HUD Guaranteed	-	-	-	-	-	-	-
504	Net HUD PHA Contributions	-	-	-	-	-	-	-
505	Other HUD Contributions	-	-	-	-	-	-	-
507	Other Contributions	-	-	-	-	-	-	-
508	Total Contributed Capital	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	-	-	-	-	56,456,508	-	196,436,248
509	Reserved Fund Balance	-	-	-	-	-	-	-
509	Reserved for operating activities	-	-	-	-	-	-	-
510	Reserved for Capital activities	-	-	-	-	-	-	-
511	Total Reserved Fund Balance	-	-	-	-	-	-	-
511.1	Restricted Net Assets	-	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	-	-	-	-	-	-	-
512.1	Undesignated Fund Balance	(32,814)	370,092	(2,709)	(319)	(227,475)	-	33,558,499
513	Total Equity	(32,814)	370,092	(2,709)	(319)	56,229,033	-	229,994,747
600	Total Liabilities and Equity	5,578	423,781	2,043	3,813	58,106,717	-	256,662,480

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

Line Item #	Account Description	Section 8 Moderate Rehabilitation M0004MR0005	Section 8 Moderate Rehabilitation M0004MR0006	Section 8 Moderate Rehabilitation M0004SC0002	Section 8 Moderate Rehabilitation M0004SRC001	Public Housing Capital Fund Program	Congregate Housing Service Program	Total
703	Net Tenant Rental Revenue							11,931,817
704	Tenant Revenue - Other							189,419
705	Total Tenant Revenue							12,121,236
706	HUD PHA Grants - soft cost revenue	84,209	751,555	46,945	46,477	1,668,427	112,233	76,669,135
706.1	Capital Grants					8,829,906		10,902,714
708	Other Government Grants							
711	Investment Income - Unrestricted	1,714	14,418	1,291	1,124			1,992,228
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				1			2,297,762
716	Gain/Loss on Sale of Fixed Assets		3					(92,233)
720	Investment Income - Restricted							(89)
700	Total Revenue	85,923	765,976	48,236	47,602	10,498,333	112,233	103,890,773
911	Administrative Salaries	1,733	14,589	1,308	1,138			7,571,721
912	Auditing Fees							48,395
913	Outside Management Fees							136,584
914	Compensated Balances	(7)	(62)	(6)	(5)			156,529
915	Employee Benefit Contributions - Admin	295	2,479	222	193			2,541,946
916	Other Operating - Administrative	1,812	15,250	1,369	1,192	1,668,429		5,839,573
921	Tenant Services - Salaries							339,200
922	Relocation Costs							96,958
923	Employee Benefit Contributions - Tenant Serv							116,720
924	Tenant Services - Other						112,233	784,616
931	Water							1,794,061
932	Electricity							3,266,889
933	Gas							4,046,441
934	Fuel							
935	labor							650,546
937	Employee Benefit Contributions - Utilities							232,004
938	Other Utility Expense							109,775
941	Ordinary Maintenance & Operations - labor							5,359,984
942	Ordinary Maintenance & Operations - Materials and Other							1,603,408
943	Ordinary Maintenance & Operations - Contract Costs	126	1,058	95	83			3,752,355
945	Employee Benefit contributions - Ordinary Maintenance	191	1,606	144	122			1,930,521
946	Protective Service - Labor							61,420
951	Protective Service - Other Contract Costs							185,302
952	Protective Services - Other							1,976
953	Protective Benefit contributions - Protective Services							21,933
955	Insurance Premiums	84	703	63	55			878,162
961	Other General Expense	3,454	29,071	2,607	2,265			287,048
962	Payments in Lieu of Taxes							295,948
963	Bad Debt - Tenant Rents							263,201
964	Bad Debt - Mortgages							
965	Bad Debt - Other							
966	Interest Expense							334,670
967	Severance Expense							50,504
968								
969	Total Operating Expenses	7,688	64,694	5,802	5,043	1,668,429	112,233	42,762,390

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
FINANCIAL DATA SCHEDULE (FDS) ELECTRONIC SUBMISSION OF ANNUAL FINANCIAL STATEMENTS
JUNE 30, 2006

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	Congregate Housing Service Program	Total
970	Excess Operating Revenue over Operating Expenses	\$ 78,235	\$ 701,282	\$ 42,434	\$ 42,559	\$ 8,829,904	\$ -	\$ 61,128,383
971	Extraordinary Maintenance	-	-	-	-	-	-	19,015
972	Causality Losses - Non-Capitalized	-	-	-	-	-	-	41,576
973	Housing Assistance Payments	75,460	665,846	36,231	35,763	-	-	41,687,394
974	Depreciation Expense	-	-	-	-	47,246	-	13,852,258
975	Fraud Losses	-	-	-	-	-	-	-
976	Capital Outlays - governmental funds	-	-	-	-	-	-	-
977	Debt principal payment - governmental funds	-	-	-	-	-	-	-
978	Dwelling units rent expense	-	-	-	-	-	-	-
900	Total Expenses	83,148	730,540	42,033	40,806	1,715,675	112,233	98,362,633
1000	Excess(Deficiency) of Operating Revenue over (Under) Expenses	\$ 2,775	\$ 35,436	\$ 6,203	\$ 6,796	\$ 8,782,658	\$ -	\$ 5,528,140

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM
COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2006**

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, 2006	\$ <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, 2006	\$ <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.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL HOPE VI
GRANT PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2006**

Program	<u>Lincoln</u>	<u>Laurel</u>	<u>Lincoln Demo</u>	<u>Total</u>
Budget	\$ 31,093,590	\$ 35,000,000	\$ 2,563,440	\$ 68,657,030
Advances:				
Cash receipts - prior years	\$ 30,780,214	\$ 24,870,993	\$ 2,563,440	\$ 58,214,647
Cash receipts - current year	89,969	2,504,468	-	2,594,437
Cumulative as of June 30, 2006	<u>\$ 30,870,183</u>	<u>\$ 27,375,461</u>	<u>\$ 2,563,440</u>	<u>\$ 60,809,084</u>
Costs and loans:				
Prior years	\$ 30,811,842	\$ 25,502,866	\$ 2,563,440	\$ 58,878,148
Current year	58,341	2,049,097	-	2,107,438
	<u>\$ 30,870,183</u>	<u>\$ 27,551,963</u>	<u>\$ 2,563,440</u>	<u>\$ 60,985,586</u>
Excess/(deficiency) of advances due to/(from) HUD	<u>\$ -</u>	<u>\$ (176,502)</u>	<u>\$ -</u>	<u>\$ (176,502)</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	\$ 6,739,035	\$ 4,639,719	\$ 2,563,440	\$ 13,942,194
Current year	2,417	625,580	-	627,997
Cumulative as of June 30, 2006	<u>\$ 6,741,452</u>	<u>\$ 5,265,299</u>	<u>\$ 2,563,440</u>	<u>\$ 14,570,191</u>
Hard costs - HUD				
Prior years	\$ 15,583,762	\$ 12,975,858	\$ -	\$ 28,559,620
Current year	55,923	1,423,517	-	1,479,440
Cumulative as of June 30, 2006	<u>\$ 15,639,685</u>	<u>\$ 14,399,375</u>	<u>\$ -</u>	<u>\$ 30,039,060</u>
Loans to developer and others				
Prior years	\$ 8,489,044	\$ 5,870,485	\$ -	\$ 14,359,529
Current year	-	2,475,964	-	2,475,964
Cumulative as of June 30, 2006	<u>\$ 8,489,044</u>	<u>\$ 8,346,449</u>	<u>\$ -</u>	<u>\$ 16,835,493</u>
Cumulative costs and loans - HUD	<u>\$ 30,870,181</u>	<u>\$ 28,011,123</u>	<u>\$ 2,563,440</u>	<u>\$ 61,444,744</u>
CDBG loan expenditures				
Prior years	\$ 1,037,782	\$ 2,237,475	\$ -	\$ 3,275,257
Current year	-	-	-	-
Cumulative as of June 30, 2006	<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, 2006

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, 2006	\$ <u><u>1,606,085</u></u>
Costs:	
Prior years	\$ 1,606,085
Current year	<u>-</u>
Cumulative as of June 30, 2006	\$ <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>No</u>
Soft costs	
Prior years	\$ 1,606,085
Current year	<u>-</u>
Cumulative as of June 30, 2006	\$ <u><u>1,606,085</u></u>
Hard costs	
Prior years	\$ -
Current year	<u>-</u>
Cumulative as of June 30, 2006	\$ <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
AND SUPPORTIVE SERVICES COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2006**

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	\$ 202,957	\$ 120,193	\$ 473,150
Cash receipts - current year	<u>-</u>	<u>-</u>	<u>179,801</u>	<u>179,801</u>
Cumulative as of June 30, 2006	<u>\$ 150,000</u>	<u>\$ 202,957</u>	<u>\$ 299,994</u>	<u>\$ 652,951</u>
Costs:				
Prior years	\$ 150,000	\$ 202,957	\$ 122,592	\$ 475,549
Current year	<u>-</u>	<u>-</u>	<u>177,402</u>	<u>177,402</u>
	<u>\$ 150,000</u>	<u>\$ 202,957</u>	<u>\$ 299,994</u>	<u>\$ 652,951</u>
Excess/(deficiency) of advances due to/(from) HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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	\$ 202,957	\$ 39,461	\$ 392,418
Current year	<u>-</u>	<u>-</u>	<u>260,533</u>	<u>260,533</u>
Cumulative as of June 30, 2006	<u>\$ 150,000</u>	<u>\$ 202,957</u>	<u>\$ 299,994</u>	<u>\$ 652,951</u>
Hard costs				
Prior years	\$ -	\$ -	\$ -	\$ -
Current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative as of June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cumulative hard and soft costs	<u>\$ 150,000</u>	<u>\$ 202,957</u>	<u>\$ 299,994</u>	<u>\$ 652,951</u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL CONGREGATE
HOUSING SERVICES PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2006**

Budget		\$ <u><u>1,133,503</u></u>
Advances:		
Cash receipts - prior years		\$ 1,203,344
Cash receipts - current year		<u>112,233</u>
Cumulative as of June 30, 2006		\$ <u><u>1,315,577</u></u>
Costs:		
Prior years		\$ 1,203,344
Current year		<u>112,233</u>
Cumulative as of June 30, 2006		\$ <u><u>1,315,577</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>112,233</u>
Cumulative as of June 30, 2006		\$ <u><u>1,315,577</u></u>
Hard costs		
Prior years		\$ -
Current year		<u>-</u>
Cumulative as of June 30, 2006		\$ <u><u>-</u></u>
Cumulative hard and soft costs		\$ <u><u>1,315,577</u></u>

CINCINNATI METROPOLITAN HOUSING AUTHORITY
Cincinnati, Ohio

**STATEMENT AND RECONCILIATION OF ACTUAL CAPITAL FUND
PROGRAM COSTS AND ADVANCES
YEAR ENDED JUNE 30, 2006**

Program	CFP 501-01	CFP 501-02	CFP 501-03	CFP 502-03	CFP 501-04	CFP 501-05	RHF CFP 701-99
Budget	\$ 16,472,068	\$ 14,371,877	\$ 11,651,861	\$ 2,799,457	\$ 12,817,841	\$ 11,678,793	\$ 131,041
Advances:							
Cash receipts - prior years	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,730,512	\$ 9,029,177	\$ -	\$ 131,041
Cash receipts - current year	-	-	-	68,944	3,046,357	6,452,573	-
Cumulative as of June 30, 2006	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,799,456	\$ 12,075,534	\$ 6,452,573	\$ 131,041
Costs and loans:							
Prior years	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,740,329	\$ 10,208,828	\$ -	\$ 131,041
Current year	-	-	-	59,127	2,259,264	7,509,205	-
	\$ 16,472,068	\$ 14,371,877	\$ 11,783,891	\$ 2,799,456	\$ 12,468,092	\$ 7,509,205	\$ 131,041
Excess/(deficiency) of advances due to/(from) HUD	\$ -	\$ -	\$ -	\$ -	\$ (392,558)	\$ (1,056,632)	\$ -
Actual Modernization Cost Certificate issued and agreed to Authority records?	Yes	Yes	Yes	No	No	No	Yes
Soft costs							
Prior years	\$ 1,783,563	\$ 1,545,920	\$ 1,346,114	\$ -	\$ 546,395	\$ -	\$ -
Current year	-	-	-	-	75,251	1,593,177	-
Cumulative as of June 30, 2006	\$ 1,783,563	\$ 1,545,920	\$ 1,346,114	\$ -	\$ 621,646	\$ 1,593,177	\$ -
Hard costs							
Prior years	\$ 14,688,505	\$ 12,825,957	\$ 10,467,777	\$ 2,740,329	\$ 9,662,433	\$ -	\$ 131,041
Current year	-	-	-	59,127	2,184,013	5,916,028	-
Cumulative as of June 30, 2006	\$ 14,688,505	\$ 12,825,957	\$ 10,467,777	\$ 2,799,456	\$ 11,846,446	\$ 5,916,028	\$ 131,041
Cumulative hard and soft costs	\$ 16,472,068	\$ 14,371,877	\$ 11,813,891	\$ 2,799,456	\$ 12,468,092	\$ 7,509,205	\$ 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, 2006**

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	\$ 77,408,624
Advances:							
Cash receipts - prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 60,109,427
Cash receipts - current year	-	-	-	-	-	490,964	10,058,638
Cumulative as of June 30, 2006	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 553,441	\$ 70,168,265
Costs and loans:							
Prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 61,298,895
Current year	-	-	-	-	-	621,432	10,449,028
	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 683,909	\$ 71,747,923
Excess/(deficiency) of advances due to/(from) HUD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (130,468)	\$ (1,579,658)
Actual Modernization Cost Certificate issued and agreed to Authority records?	Yes	No	No	No	No	No	
Soft costs							
Prior years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,221,992
Current year	-	-	-	-	-	-	1,668,428
Cumulative as of June 30, 2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,890,420
Hard costs							
Prior years	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 62,477	\$ 56,106,903
Current year	-	-	-	-	-	621,432	8,780,600
Cumulative as of June 30, 2006	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 683,909	\$ 64,887,503
Cumulative hard and soft costs	\$ 233,663	\$ 453,486	\$ 1,658,739	\$ 2,744,946	\$ 437,550	\$ 683,909	\$ 71,777,923

See report of independent auditors.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CINCINNATI, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/PROGRAM	FEDERAL CFDA NUMBER	CONTRACT NUMBER	FEDERAL EXPENDITURES
U.S Department of Housing and Urban Development			
Public and Indian Housing	14.850		\$ 23,151,134
Section 8 Moderate Rehabilitation	14.856	MO002MR0002	\$ 162,488
Section 8 Moderate Rehabilitation	14.856	MO002MR0004	711,103
Section 8 Moderate Rehabilitation	14.856	MO002MR0005	84,209
Section 8 Moderate Rehabilitation	14.856	MO002MR0006	<u>751,555</u>
Total Section 8 Moderate Rehabilitation	14.856		1,709,355
Section 8 Housing Choice Vouchers			
Received directly from the U.S. Department of Housing and Urban Development	14.871		\$ 47,408,106
Received from the pass-through agency - Hamilton County	14.871		<u>1,721,042</u>
Total Section 8 Housing Choice Vouchers	14.871		49,129,148
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	MO004SRO001	46,477
Section 8 New Construction and Substantial Rehabilitation	14.182	MO004SC0002	46,945
Revitalization of Severly Distressed Public Housing	14.866		2,700,823
Resident Opportunity and Supportive Services	14.870		177,401
Congregate Housing Service Program	14.170		112,233
Public Housing Capital Fund Program	14.872		<u>10,498,333</u>
Total Expenditures of Federal Awards			\$ <u><u>87,571,849</u></u>

**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) (CMHA), as of and for the year ended June 30, 2006, and have issued our report thereon dated November 3, 2006. 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 CMHA'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 CMHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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 CMHA in a separate letter dated November 3, 2006.

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 that reads 'CSA'.

November 3, 2006

CERTIFIED PUBLIC ACCOUNTANTS

4705 Lake Forest Drive
Cincinnati, Ohio 45242

513/483.6699 Fax: 513.483.6690
800/378.8606



**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 (CMHA) 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, 2006. CMHA'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 CMHA's management. Our responsibility is to express an opinion on CMHA'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 CMHA'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 CMHA's compliance with those requirements.

In our opinion, CMHA 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, 2006.

Internal Control Over Compliance

The management of CMHA 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 CMHA'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, 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.

CERTIFIED PUBLIC ACCOUNTANTS

4705 Lake Forest Drive
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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.

CSA

November 3, 2006

**CINCINNATI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006**

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):	14.872 Public Housing Capital Fund 14.850 Public and Indian Housing 14.871 Section 8 Housing Choice Vouchers
Dollar Threshold: Type A/B Programs	Type A: > \$2,627,155 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, 2006**

No matters were reported in the prior year.



Mary Taylor, CPA
Auditor of State

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 13, 2007