Cuyahoga Metropolitan Housing Authority

Single Audit Report as of and for the Year Ended December 31, 2006

Board of Directors
Cuyahoga Metropolitan Housing Authority
1441 West 25th Street
Cleveland, Ohio 44113-3101

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2006 through December 31, 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 Cuyahoga Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 15, 2007

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

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Board of Commissioners
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Cuyahoga Metropolitan Housing Authority (the "Authority"), as of and for the year ended December 31, 2006, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cuyahoga Metropolitan Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Cuyahoga Metropolitan Housing Authority, as of December 31, 2005, were audited by other auditors whose report dated August 28, 2006, expressed an unqualified opinion on these statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. 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 the 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 opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cuyahoga Metropolitan Housing Authority, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 10 to the financial statements, the Authority has been audited by outside regulatory agencies and has also been audited in accordance with the provisions of the Single Audit Act Amendment of 1996. Certain unresolved compliance findings and questioned costs exist as a result of audits conducted for 2003 and prior years, the outcome of which is not presently determinable. Accordingly, no provision for any loss that might result from the resolution of these matters has been made in the accompanying financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2007, on our consideration of the Cuyahoga Metropolitan Housing Authority'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 on pages 3 through 11 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 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 that collectively comprise the Cuyahoga Metropolitan Housing Authority's basic financial statements. The accompanying supplemental Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the Supplemental Financial Data Schedule and Reconciliation of the Financial Statements to the Financial Data Schedule, and the Supplemental Schedule of Actual Modernization Costs and Actual Development Costs Incurred on Certain Projects Closed through December 31, 2006, as required by the U.S. Department of Housing and Urban Development are presented for the purpose of additional analysis and are also not a required part of the basic financial statements of the Cuyahoga Metropolitan Housing Authority. These schedules are the responsibility of management of the Authority. Such supplemental schedules have been subjected to auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

August 15, 2007

The Cuyahoga Metropolitan Housing Authority ("CMHA" or the "Authority") owns and manages property and administers rent subsidy programs to provide eligible low-income persons good, safe and affordable housing. CMHA is a political subdivision of the State of Ohio, created under sections 3735.27 to 3735.50 of the Ohio Revised Code and serves the County of Cuyahoga primarily through two federally assisted programs administered by the U.S. Department of Housing and Urban Development ("HUD"): Conventional Low Income Public Housing and Housing Choice Voucher programs.

The following discussion and analysis provides an overview of the Authority's financial activities and should be read in conjunction with the Authority's financial statements which begin on page 14. If you have any questions, please contact – Lou Anne Chung, Chief Financial Officer, 1242 East 49th Street, Cleveland, Ohio 44114-3851 or telephone 216-432-5455 Ext. 3164.

Overview of the Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including Governmental Accounting Standards Board ("GASB") Statement No. 34 (as amended by GASB Statement No. 37). The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provide a comprehensive authority-wide look at the Authority's financial activities. The statements are:

- Statements of Net Assets
- Statements of Revenues, Expenses and Changes in Net Assets
- Statements of Cash Flows

The financial statements are prepared on the accrual basis and present all assets and liabilities of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of December 31, 2006 and 2005 and the results of its operations and cash flows for the years then ended.

2006 Financial Highlights

- The Authority's net assets decreased by $.6 million (or .3%) during 2006. Net assets were $214.8 million and $215.4 million at December 31, 2006 and 2005, respectively.
- Total operating and non-operating revenues decreased by $2.7 million (1.2%) during 2006, and were $227.5 million and $230.2 million for 2006 and 2005, respectively.
- The total expenses of all Authority programs decreased by $9.5 million (4.0%). Total expenses were $228.1 million and $237.6 million for 2006 and 2005, respectively.
- The Authority's unrestricted net assets increased by $14.5 million (or 99%) during 2006, and were $29.1 million and $14.6 million for 2006 and 2005, respectively.

The Authority's Funds

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority generally maintains separate accounting records for each grant program or annual contribution contract, as required by HUD. A list of the more significant programs is as follows:

Conventional Low-Income Public Housing—Under the Conventional Low Income Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Low Income Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable CMHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Low Income 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.

Housing Choice Voucher 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 a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Programs—In addition to the significant programs above, the Authority also maintains the following programs which have assets, liabilities, revenues, or expenses of at least 5% or more of the Authority's total assets, liabilities, revenues, or expenses in either 2006 or 2005:

> *Economic Development and Supportive Services Program*—a grant program funded by HUD that encourages economic self-sufficiency among the Authority's resident population
>
> *Urban Revitalization Demonstrative Grants*—a grant program funded by HUD for the redevelopment of the Authority's properties
>
> *Hope VI Planning Grant*—a grant program funded by HUD for large scale redevelopment of the Authority's properties
>
> *Section 8 New Construction and Moderate Rehabilitation Program*—a grant program for the operation of low-income housing developments where the Authority or private developers contract directly with HUD to develop low-income housing.

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities of the Authority using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The following table reflects the condensed information from the Authority's Statement of Net Assets compared to the prior two years.

CONDENSED STATEMENTS OF NET ASSETS
(in millions)

	December 31		
	2006	2005	2004
Assets			
Current and other assets	$ 96.7	$ 48.3	$ 44.8
Capital assets	202.1	211.4	216.3
Total Assets	298.8	259.7	261.1
Liabilities			
Accounts payable and other current liabilities	36.2	28.8	27.2
Long-term liabilities	47.8	15.5	11.1
Total Liabilities	84.0	44.3	38.3
Net Assets			
Invested in capital assets—net of related debt	182.1	197.4	206.4
Restricted	3.6	3.4	3.5
Unrestricted	29.1	14.6	12.9
Total Net Assets	$ 214.8	$ 215.4	$ 222.8

For more detailed information see page 12 for the Statements of Net Assets.

Major Factors Affecting the Statement of Net Assets

December 31, 2006 compared to December 31, 2005

Current and other assets increased by $48.4 million. Current assets increased $48.1 million and current liabilities increased by $7.4 million. The Authority's current ratio was 2.6 to 1 in 2006. As such, there are sufficient current assets (primarily cash, investments and receivables from HUD) to extinguish current liabilities.

Capital assets decreased to $202.1 million in 2006 from $211.4 million in 2005. The $9.3 million decrease is attributed primarily to current year depreciation and amortization of $25.7 million, offset by capital asset additions of $16.5 million. For additional detail see "Capital Assets and Debt Administration."

Long-term liabilities increased $32.3 million in 2006. The increase is primarily a result of the addition of $33.6 million in capital lease liability and $5.2 million notes payable net of normal pay down on long-term debt and capital lease liabilities of $5.9 million.

December 31, 2005 compared to December 31, 2004

Current and other assets increased by $3.5 million. Current assets increased $3.3 million and current liabilities increased by $1.6 million. The Authority's current ratio remained at 1.5 to 1 in 2005. As such, there are sufficient current assets (primarily cash, investments and receivables from HUD) to extinguish current liabilities.

Capital assets decreased to $211.4 million in 2005 from $216.3 million in 2004. The $4.9 million decrease is attributed primarily to current year depreciation and amortization of $25.2 million, offset by capital asset additions of $20.4 million. For additional detail see "Capital Assets and Debt Administration."

Long-term liabilities increased $4.4 million in 2005. The increase is primarily a result the addition of $5.0 million in bond anticipation notes payable net of normal pay down on long-term debt and capital lease liabilities of $.6 million.

While operating results are a significant measure of the Authority's activities, the analysis of the changes in unrestricted net assets provides a clearer picture of the change in financial well-being. The following presents details on the change in unrestricted net assets during the years ended December 31, 2006 and 2005:

	2006	2005
	(in millions)	
Unrestricted Net Assets—Beginning of year	$ 14.6	$ 12.9
Total change in net assets	(0.6)	(7.4)
Adjustments:		
Depreciation (1)	25.8	25.2
Other—unexpended borrowing on Capital Lease	(26.9)	
Adjusted change in net assets	(1.7)	17.8
Additions to long term debt net of payments on long term debt	32.9	4.1
Capital expenditures	(16.5)	(20.4)
(Increase) decrease in restricted net assets	(0.2)	0.2
Unrestricted Net Assets—End of Year	$ 29.1	$ 14.6

(1) Depreciation is treated as an expense and reduces the net assets invested in capital assets, net of related debt, but does not have an impact on unrestricted net assets.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the operating results of the Authority, as well as the non-operating revenues and expenses. HUD subsidies and grants, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America. Condensed information from the Authority's statements of revenue, expenses and changes in net assets is as follows for the years ended December 31, 2006, 2005 and 2004:

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

(in millions)

	2006	2005	2004
Operating Revenues			
Dwelling rent from tenants	$ 13.8	$ 12.9	$ 13.0
Other revenues	2.9	1.7	2.2
Total Operating Revenues	16.7	14.6	15.2
Operating Expenses			
Housing assistance payments	88.0	93.7	94.4
Depreciation	25.8	25.2	26.6
Administrative	32.6	29.8	29.4
Building maintenance	21.7	19.1	20.7
Utilities	20.5	20.4	18.5
Nonroutine maintenance	26.7	37.4	20.8
Tenant services	3.3	3.6	3.5
General	4.5	4.3	3.8
Protective services	1.9	1.0	1.3
Other	2.0	2.5	2.4
Total Operating Expenses	227.0	237.0	221.4
Operating loss	(210.3)	(222.4)	(206.2)
Non-Operating Revenues (Expenses)			
Subsidies and grants from HUD	208.6	214.6	205.7
Grants—other	0.4	0.2	0.6
Interest income	1.8	0.8	0.4
Interest expense	(1.1)	(0.6)	(0.7)
Other	0.0	0.0	(13.5)
Total Non-Operating Revenues—Net	209.7	215.0	192.5
Change in net assets	(0.6)	(7.4)	(13.7)
Net assets—beginning of year	215.4	222.8	236.5
Net Assets—End of Year	$ 214.8	$ 215.4	$ 222.8

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Assets

December 31, 2006 compared to December 31, 2005

Overall, tenant and other revenue increased 14.3% in 2006, tenant rents increased 7.0% and other revenue increased 70.0%. Occupied units increased 3.1% and average rentals increased 3.7%. The other revenue increase was due to higher amounts earned by the Police and Legal Departments.

HUD subsidies and grants decreased $6.0 million due primarily to lower Capital Fund subsidies, which decreased $8.6 million or 18%. Low Income Public Housing subsidies increased $2.2 million or 4% while Housing Choice Voucher subsidies increased $1.1 million or 1.0% and Section 8 New Construction subsidies decreased $.8 million, or 21%, as 2005 included retroactive rent increases.

Total operating expenses decreased $10.0 million due primarily to lower housing assistance payments ($5.7 million) and lower nonroutine maintenance ($10.7 million) partially offset by higher administrative expenses ($2.8 million) and all other expense categories were up $3.6 million.

December 31, 2005 compared to December 31, 2004

Tenant and other revenue decreased slightly in 2005 as increased occupancy was offset by lower average rent levels.

HUD subsidies and grants increased $8.9 million, due primarily to higher Conventional Low Income subsidy, higher Housing Choice Voucher Program subsidy, higher Capital Fund subsidies, higher housing assistance revenue, and higher Grant subsidies. A 2% increase in units rented and the discontinuation of the year-end settlement process caused the Housing Choice Voucher Program subsidy to increase $2.8 million or 2.7%. Capital Grant funding increased $1.0 million. Housing assistance revenue increased $1.0 million due to settlement of legal action against HUD in which CMHA was awarded back rent and damages dating back to 1994, when HUD changed their method of rent increases to a system that negated previously agreed upon contract rights. Conventional Low Income Public Housing subsidy, including subsidy for extra-ordinary maintenance, increased $1.8 million. Grant subsidies increased $2.2 million due to the increased activity with the Cleveland Housing Network in completing projects.

Total operating expenses increased $15.6 million due to higher administrative expenses, up $0.4 million, higher non-routine maintenance costs at estates not owned by the Authority, up $16.6 million, offset by lower depreciation expense, down $1.4 million. The increase in non-routine maintenance costs is primarily attributed to off-site housing phases of Carver Park (Eastside Neighborhood Homes and Westside Homes), which amounted to $11.0 million. Neither of these projects will be owned by the Authority.

Total other non-operating expenses decreased $13.6 million in 2005 and is attributed primarily to the 2004 loss on demolition of older estates with a net book value of $13.5 million in preparation for the construction of new units.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2006, the Authority had $202.1 million invested in a variety of capital assets (as reflected in the following schedule), which represents a net decrease of $9.3 million from December 31, 2005.

CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)
(in millions)

	December 31		
	2006	2005	2004
Land	$ 27.3	$ 27.3	$ 23.6
Buildings	572.0	553.7	537.3
Equipment—administrative	10.2	10.0	10.5
Equipment—dwelling	10.9	10.4	9.7
Construction in progress	7.9	10.9	12.4
Total	628.3	612.3	593.5
Accumulated depreciation	(426.2)	(400.9)	(377.2)
Capital Assets—Net	$ 202.1	$ 211.4	$ 216.3

The following reconciliation summarizes the 2006 and 2005 change in capital assets, which is presented in detail in Note 5 to the financial statements.

CHANGES IN CAPITAL ASSETS
(in millions)

	2006	2005
Capital Assets—Beginning of Year	$ 211.4	$ 216.3
Additions	16.5	20.4
Retirements—net		(0.1)
Depreciation expense	(25.8)	(25.2)
Capital Assets—End of Year	$ 202.1	$ 211.4

December 31, 2006 compared to December 31, 2005

Capital additions in 2006 were primarily for estate improvements through the Modernization Program under which $15.2 million was expended for capital improvements. Equipment purchases totaled $1.3 million. There were no land purchases.

Several major capital improvement projects were completed in 2006. The Lakeview Estates Phase II modernization project was completed with the conversion of 104 units into 64 units with occupancy occurring in Spring 2006.

The Valleyview redevelopment project began in early 2006 with an estimated completion date set for Summer 2007. This is a mixed income development project with a total of 102 units, of which 51 units will be Low Income Public Housing units. The total cost of this project will be $14 million when completed.

Another major redevelopment project began in Fall 2006 at Riverside Park Estates. Ninety new units will be constructed under this project with an estimated completion occurring at the end of 2007 with a total cost of $13 million.

An Energy Performance Contract was entered into with Siemens Building Technologies under which a total of $33.6 million will be expended for improvements in heating, water consumption, and lighting technologies over a two-year period. Through December 31, 2006, $6.7 million in improvements had been completed.

In addition to these major improvement projects, roofs were replaced at four estates, a new Water Splash park was constructed at Woodhill Homes Estate and the west wing of the Louis Stokes Community Center was renovated to be used as a library and day care center.

Under the Basic Order Agreement Program (BOA), more than 50 long standing vacant units were renovated using small vendors.

Equipment purchases include vehicles for police and inspection use, computer upgrades and appliances for the estates.

December 31, 2005 compared to December 31, 2004

Capital additions in 2005 were primarily for estate improvements through the Modernization Program under which $16.3 million was expended for capital improvements. Land and equipment purchases totaled $4.1 million.

In 2005, the second phase of the Carver Park redevelopment project, consisting of 89 new units, was completed. Overall, 279 new units were constructed at Carver Park from 2003–2005. At over $30 million, this was the largest new development project completed by the Authority in 30 years. In 2005, $6.7 million was expended on this project.

The King Kennedy North Family Redevelopment program (Phoenix Village) which began in 2002 continued with the completion of 48 town homes in Phase II of the project in 2005. Overall a total of 98 new units were constructed from 2003–2005 with a total cost of $15 million. In 2005, $2.0 million was expended on this project.

The second phase of the Lakeview Terrace modernization and renovation program consisting of the conversion of 104 units to 64 units which began in March 2004, was complete at year-end. The units are expected to be ready for occupancy in early 2006. In 2005, $4.2 million was expended on this project.

In addition to these major improvements, the roofs were replaced at six estates, new security systems were installed at six estates, parking lots were replaced at four estates and new signage was installed at six estates.

Equipment purchases include vehicles for police and inspection use, computer upgrades and appliances for the estates.

Debt Outstanding

As of December 31, 2006, the Authority had $45.9 million in long-term debt and capital lease obligations compared to $13.4 million at December 31, 2005, for a $32.5 million increase. The following summarizes these obligations:

OUTSTANDING DEBT, AT YEAR-END
(in millions)

	December 31		
	2006	2005	2004
Energy program—capital lease	$ 36.3	$ 3.3	$ 3.9
Bond anticipation note	5.2	5.0	0.0
Ambleside refinancing	5.4	5.7	6.0
Total	46.9	14.0	9.9
Less current portion	(1.0)	(0.6)	(0.9)
Long-term portion	$ 45.9	$ 13.4	$ 9.0

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the U.S. Department of Housing and Urban Development operating subsidy for the Conventional Low Income Housing program was funded at 86.02%
- Local labor supply and demand, which can affect salary and wage rates of the Authority
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs, which affects the costs of the programs
- Employee health insurance costs continue to rise. During 2006 they increased 19.5% over 2005.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2006 AND 2005

	2006	2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 32,065,395	$ 16,423,486
Investments	0	4,408,901
Cash and investments—restricted	37,174,869	5,267,829
Accounts receivable tenants—net of allowance for doubtful accounts of $1,004,349 and $887,126	743,649	391,132
Accounts receivable—HUD	18,292,659	12,706,730
Accounts receivable—other government	129,151	126,548
Accounts receivable—other	973,905	1,451,826
Inventory	644,331	866,495
Prepaid expenses and other current assets	2,039,818	2,367,473
Total Current Assets	92,063,777	44,010,420
Non-Current Assets:		
Capital assets:		
Land	27,300,633	27,309,133
Property and equipment—net	174,798,433	184,106,221
Total capital assets	202,099,066	211,415,354
Investments—restricted	3,639,937	3,436,338
Debt issuance costs, net of amortization of $135,302 and $123,004	140,401	152,699
Investment in joint venture	855,200	727,898
Total Non-Current Assets	206,734,604	215,732,289
TOTAL ASSETS	298,798,381	259,742,709

	2006	2005
LIABILITIES		
Current Liabilities:		
Accounts payable—vendors	$ 18,325,138	$ 13,494,793
Accounts payable—HUD	4,003,618	3,018,309
Accrued expenses	10,983,942	9,951,019
Security and other deposits	1,942,900	1,801,779
Current portion of long-term debt	316,761	
Current portion of capital leases	658,316	623,786
Total Current Liabilities	36,230,675	28,889,686
Non-Current Liabilities:		
Long-term debt—net of current portion	10,346,429	10,720,831
Capital leases—net of current portion	35,608,192	2,656,508
Workers' compensation liability	1,853,000	2,110,000
Total Non-Current Liabilities	47,807,621	15,487,339
TOTAL LIABILITIES	84,038,296	44,377,025
NET ASSETS		
Invested in capital assets—net of related debt	182,058,978	197,414,229
Restricted	3,600,596	3,348,874
Unrestricted	29,100,511	14,602,581
TOTAL NET ASSETS	$ 214,760,085	$ 215,365,684

See notes to the financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	**2005**
OPERATING REVENUES		
Dwelling rent from tenants	$ 13,775,605	$ 12,891,441
Other revenues	2,926,355	1,724,323
Total Operating Revenues	16,701,960	14,615,764
OPERATING EXPENSES		
Housing assistance payments	88,023,986	93,654,438
Depreciation	25,745,042	25,238,494
Administrative	32,626,379	29,840,301
Building maintenance	21,713,837	19,094,845
Utilities	20,471,321	20,449,680
Nonroutine maintenance	26,702,709	37,351,548
Tenant services	3,323,629	3,628,986
General	4,507,721	4,270,259
Protective services	1,862,435	991,998
Other	2,033,346	2,504,395
Total Operating Expenses	227,010,405	237,024,944
OPERATING LOSS	(210,308,445)	(222,409,180)
NONOPERATING REVENUES (EXPENSES)		
HUD operating subsidies and grants	197,023,839	200,961,994
HUD capital grants	11,538,349	13,623,530
Grants—other	454,145	273,893
Interest income	1,829,603	782,972
Interest expense	(1,143,090)	(636,796)
Total Nonoperating Revenues—Net	209,702,846	215,005,593
CHANGE IN NET ASSETS	(605,599)	(7,403,587)
NET ASSETS—Beginning of year	215,365,684	222,769,271
NET ASSETS—End of year	$214,760,085	$215,365,684

See notes to the financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tenant rents	$ 13,423,088	$ 12,717,813
Cash payments to suppliers for goods and services	(65,199,945)	(74,136,163)
Cash paid for salaries and benefits	(39,970,783)	(40,101,126)
Housing assistance payments	(88,023,986)	(93,654,438)
Other receipts	3,258,071	1,163,214
Other payments	(2,136,927)	(2,329,773)
Net Cash Used in Operating Activities	(178,650,482)	(196,340,473)
CASH FLOWS FROM NONCAPITAL FINANCING		
HUD operating subsidies and grants	193,463,823	197,226,987
Other grants	451,542	643,137
Cash Provided by Noncapital Financing Activities	193,915,365	197,870,124
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
HUD capital grants	10,497,745	11,411,694
Property and equipment additions	(16,453,379)	(20,424,949)
Proceeds from issuance of bond anticipation notes and Equipment Lease Agreement	38,850,000	5,000,000
Repayment of debt and capital lease obligations	(5,921,427)	(869,072)
Interest paid on debt and capital lease obligations	(767,302)	(638,427)
Proceeds from sale of capital assets	168,775	53,315
Net Cash Used in Capital and Related Financing Activities	26,374,412	(5,467,439)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(7,833,265)	(11,387,102)
Proceeds from maturity of investments	12,255,755	10,922,647
Interest income	1,831,658	781,055
Net Cash Provided by (Used in) Investing Activities	6,254,148	316,600
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47,893,443	(3,621,188)
CASH AND CASH EQUIVALENTS—Beginning of year	18,105,310	21,726,498
CASH AND CASH EQUIVALENTS—End of year*	$ 65,998,753	$ 18,105,310

* The amount includes $32,065,395 and $16,423,486 unrestricted cash and cash equivalents and $33,933,358 and $1,681,824 of restricted cash in 2006 and 2005, respectively.

See notes to the financial statements.

(Continued)

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (210,308,445)	$ (222,409,180)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	25,745,042	25,238,494
Provision for uncollectible accounts	117,224	495,309
Amortization of bond issue costs	12,298	12,298
Loss on sale of capital assets	(144,151)	30,264
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable tenants	(469,741)	(668,937)
Accounts receivable—other	475,867	(591,373)
Inventory	222,164	131,769
Prepaid expenses and other assets	327,655	(1,190,744)
Increase (decrease) in liabilities:		
Accounts payable	4,830,345	985,828
Accrued expenses and other	657,139	1,463,475
Security and other deposits	141,121	202,324
Workers' compensation	(257,000)	(40,000)
Net Cash Used in Operating Activities	$ (178,650,482)	$ (196,340,473)

See notes to the financial statements. (Concluded)

1. DEFINITION OF THE ENTITY

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

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

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

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

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

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

1. DEFINITION OF THE ENTITY (CONTINUED)

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

Western Reserve Revitalization and Management Company—The Authority has established Western Reserve Revitalization and Management Company ("Western Reserve") as a wholly-owned subsidiary. Western Reserve was established for the purpose of owning an investment as the general partner, together with The Cleveland Housing Network, in the Cleveland New Construction Limited Partnership ("CNC III"). CNC III was established for the purpose of developing single-family homes and townhouses as part of a scattered-site lease-purchase project. CNC III is not considered a component unit of the Authority as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement 14. Accordingly, the assets, liabilities, and results of operations of CNC III are not included in the accompanying financial statements.

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

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

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

1. DEFINITION OF THE ENTITY (CONTINUED)

Other Grants—During 2006 and 2005, the Authority received federal, state and local funding under the Public Housing Drug Elimination Grant Program, Youth Violence Grant, Resident Opportunities and Supportive Services Program, Foster Care Grant, City of Cleveland CDBG, PAL Youth Enrichment Program, PAL Safety Town, George Gund Foundation, The Cleveland Foundation, Youth Health Program, NFL Youth Football Grant, Supportive Housing Program, and private donations. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantors.

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

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

Nonprofit Corporations—In accordance with housing subsidy contracts, the Authority has designated several Section 8 nonprofit corporations (Severance Housing Corporation, Cuyahoga Housing Corporation, Cuyahoga-Puritas Housing Corporation, Rosalind-Amesbury Housing Assistance Corporation, Cleveland-Rock Glen Housing Assistance Corporation, and Chester Village Housing Incorporated) to serve as instrumentalities of the Authority to assist in the development and financing of housing projects. The Board of the Authority appoints the Board of Trustees of the Severance Housing Corporation, Cuyahoga-Puritas Housing Corporation, Rosalind-Amesbury Housing Assistance Corporation, Cleveland-Rock Glen Housing Assistance Corporation, and Chester Village Housing Incorporated, the members of which are all the same. The Authority's Board of Commissioners must approve all actions of the instrumentalities and, upon their dissolution, all assets and residual receipts are to be distributed to the Authority. These Section 8 nonprofit corporations have no employees, perform no day-to-day functions, and the officers thereof serve in a non-paid status. There are no assets or liabilities in these corporations and there were no revenues earned or expenses incurred during 2006 and 2005.

Joint Venture—The Authority is a member of the Housing Authority Risk Retention Group ("HARRG") and the Housing Authority Property Insurance, Inc. ("HAPI"). HARRG and HAPI are nonprofit, tax exempt mutual insurance companies that are wholly owned by their public housing authority members. HARRG operates under the Federal Liability Risk Retention Act. It provides liability insurance coverages solely to public housing authorities and public housing and redevelopment agencies throughout the United States. HAPI is a captive insurance company formed pursuant to the Vermont Captive Insurance Companies Act. It provides property insurance to public housing authorities and public housing and redevelopment authorities throughout the United States. The Board of Directors is elected by HARRG's approximately 752 members. The number of votes granted to each member is based upon premiums paid and is limited to a maximum of 10% of the total votes available. Due to the lack of significant oversight responsibility and accountability of the Authority's Board of Commissioners for actions, operations, and fiscal matters of HARRG and HAPI, the degree of financial interdependency is considered insufficient to warrant inclusion of these organizations within the Authority's reporting entity. HARRG and HAPI issue stand-alone financial reports that include financial statements and required supplementary information.

1. **DEFINITION OF THE ENTITY** (CONTINUED)

Interested parties may obtain a copy by making a written request to Housing Authority Insurance, c/o Mark Wilson, P.O. Box 189, Cheshire, CT 06410 or by calling 203-272-8220.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an Authority-wide basis.

Statement No. 34 requires the following, which collectively make up the Authority's basic financial statements:

Basic financial statements:
- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets
- Statement of Cash Flows
- Notes to the financial statements

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

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

a. *Cash and Cash Equivalents*—Cash and cash equivalents include investments with original maturities of three months or less. Cash and cash equivalents are stated at fair value.

b. *Investments*—Investments are stated at fair value.

c. *Capital Assets*—Capital assets (items with an individual cost greater than $1,500, or appliances less than $1,500, and a useful life exceeding two years), including land, property and equipment, are recorded at cost. Property and equipment are depreciated using the straight line method over the estimated useful lives of the assets, which are as follows:

Property	15–40 Years
Equipment	3–7 Years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. *Debt Obligations*—Debt obligations (and the related debt service requirements) of the Ambleside program, bond anticipation note, and a capital lease for the purchase of heating and energy efficiency equipment are the responsibility of the Authority, and are classified as liabilities in the accompanying financial statements.

e. *Compensated Absences*—Vacation time may be accrued and carried over from year to year up to a maximum of 240 hours. Earned vacation time is due and payable to employees upon termination of employment.

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

f. *Debt Amortization Funds*—Debt amortization funds consist of restricted cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at fair value.

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

h. *Debt Issuance Costs and Original Issue Discounts*—Bond premiums, original issuance discounts and bond issuance costs are amortized over the life of the underlying debt using the effective interest method.

i. *Indirect Costs*—Certain indirect costs are charged to programs under a cost allocation plan. These indirect costs are accumulated in and allocated from the Conventional Low-Rent Housing Program.

j. *Inventory*—Inventory is valued using an average costing method. Expense is recorded based upon consumption.

k. *Use of Estimates*—The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, at and during the reporting period. Actual results could differ from those estimates.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLCIIES (CONTINUED)

m. *Reclassifications*—Certain amounts reported in the previous year have been reclassified to conform to the current year presentation.

3. DEPOSITS AND INVESTMENTS

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

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

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

Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does have a deposit policy that addresses custodial credit risk. At year-end, the carrying amount of the Authority's deposits was $65,998,753, and the bank balance was $68,259,378, the difference representing outstanding checks and other in-transit items. Of the bank balance, $600,000 was covered by federal depository insurance, $8,482,152 was collateralized with securities held at the Federal Reserve Bank, $32,611,380 was covered by pooled collateral held by the financial institution, $25,836,584 was collateralized with identified pledged securities not in the Authority's name, and $729,262 in non public funds were not collateralized.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments—Investments held by the Authority at December 31, 2006 are presented below, categorized by investment type and credit quality rating. Credit ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All investments mature within one year.

Description	Total Fair Value/ Carrying Value	Credit Quality Rating
Federal National Mortgage Association discount notes	$ 1,512,330	AAA
Federal Home Loan Mortgage Corp. securities	889,070	AAA
Federal Farm Credit Bank discount notes	445,455	AAA
Subtotal	2,846,855	
Money market fund	4,034,593	Not Rated
Total Primary Government Investments	$ 6,881,448	

A reconciliation of cash and investments as shown on the statement of net assets at December 31, 2006 and 2005 to the deposits and investments included in this note is as follows:

	2006	**2005**
Cash and cash equivalents	$32,065,395	$16,423,486
Investments	0	4,408,901
Cash and investments—restricted:		
Current asset	37,174,869	5,267,829
Non-current asset	3,639,937	3,436,338
Total	$72,880,201	$29,536,554
Carrying amount of deposits	$65,998,753	$18,105,310
Carrying amount of investments	6,881,448	11,431,244
Total	$72,880,201	$29,536,554

4. RESTRICTED CASH AND INVESTMENTS

At December 31, 2006 and 2005, the Authority had the following cash and investments, the use of which was restricted under the terms of various grant programs, debt obligations, and other requirements:

	2006	2005
Conventional Program:		
Tenant security deposits	$ 1,062,900	$ 1,061,700
Industrial Commission of Ohio escrow fund	4,304,182	3,709,533
Siemens Energy Performance Contract	30,794,823	
CMHA Charities Fund, Inc.	199,582	173,326
Western Reserve	529,680	94,025
Homeownership Program:		
Earned home payment account and nonroutine maintenance reserves	163,700	163,560
Ambleside:		
Tenant security deposits	38,730	37,302
Nonroutine maintenance reserves	737,380	717,970
Debt amortization funds	1,249,921	1,152,398
Severance:		
Tenant security deposits	81,335	78,423
Nonroutine maintenance reserves	1,488,936	1,402,411
Quarrytown:		
Tenant security deposits	39,278	37,424
Nonroutine maintenance reserves	124,359	76,095
Total	$ 40,814,806	$ 8,704,167

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006 was as follows:

	January 1, 2006	Additions	Deletions	December 31, 2006
Capital assets not being depreciated:				
Land	$ 27,309,133	$ 0	$ (8,500)	$ 27,300,633
Construction in progress (net change)	10,930,839		(3,059,461)	7,871,378
Total capital assets not being depreciated	38,239,972	0	(3,067,961)	35,172,011
Capital assets being depreciated:				
Property and equipment	574,095,422	19,512,841	(443,321)	593,164,942
Less accumulated depreciation	400,920,040	25,745,044	(427,197)	426,237,887
Total capital assets being depreciated—net	173,175,382	(6,232,203)	(16,124)	166,927,055
Capital Assets—Net	$ 211,415,354	$ (6,232,203)	$ (3,084,085)	$ 202,099,066

Capital asset activity for the year ended December 31, 2005 was as follows:

	January 1, 2005	Additions	Deletions	December 31, 2005
Capital assets not being depreciated:				
Land	$ 23,554,223	$ 3,760,900	$ (5,990)	$ 27,309,133
Construction in progress (net change)	12,437,778		(1,506,939)	10,930,839
Total capital assets not being depreciated	35,992,001	3,760,900	(1,512,929)	38,239,972
Capital assets being depreciated:				
Property and equipment	557,550,021	18,170,990	(1,625,589)	574,095,422
Less accumulated depreciation	377,229,544	25,238,494	(1,547,998)	400,920,040
Total capital assets being depreciated—net	180,320,477	(7,067,504)	(77,591)	173,175,382
Capital Assets—Net	$ 216,312,478	$ (3,306,604)	$ (1,590,520)	$ 211,415,354

The Authority maintains detailed records that track fixed assets by category. The following schedules list fixed asset balances for individual programs at December 31, 2006 and 2005:

5. CAPITAL ASSETS (CONTINUED)

Programs	2006 Land	2006 Property	2006 Equipment	2006 Accumulated Depreciation	2006 Net
Conventional Low-Rent Housing Program	$23,174,663	$569,626,735	$18,268,112	$(417,113,800)	$193,955,710
Homeownership Program	92,130	1,294,406	29,622	(964,693)	451,465
Housing Choice Voucher and Moderate Rehabilitation Programs		282,365	1,220,985	(964,396)	538,954
Opportunity Square	3,696,000				3,696,000
Title V	278,000	558,000	28,894	(586,894)	278,000
Section 8 New Construction Housing Assistance Payment Programs:					
Ambleside	59,840	6,070,520	378,994	(4,654,190)	1,855,164
Severance		387,681	309,016	(404,506)	292,191
Quarrytown		456,633	324,397	(329,700)	451,330
Other		1,170,548	629,412	(1,219,708)	580,252
Total	$27,300,633	$579,846,888	$21,189,432	$(426,237,887)	$202,099,066

Programs	2005 Land	2005 Property	2005 Equipment	2005 Accumulated Depreciation	2005 Net
Conventional Low-Rent Housing Program	$26,879,163	$554,961,373	$17,539,696	$(392,507,332)	$206,872,900
Homeownership Program	92,130	1,294,406	29,460	(910,991)	505,005
Housing Choice Voucher and Moderate Rehabilitation Programs		39,609	1,169,768	(742,450)	466,927
Title V	278,000	558,000	28,894	(586,894)	278,000
Section 8 New Construction Housing Assistance Payment Programs:					
Ambleside	59,840	6,018,050	369,122	(4,458,060)	1,988,952
Severance		368,002	282,485	(365,491)	284,996
Quarrytown		456,633	321,425	(278,746)	499,312
Other		959,927	629,411	(1,070,076)	519,262
Total	$27,309,133	$564,656,000	$20,370,261	$(400,920,040)	$211,415,354

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses at December 31, 2006 and 2005 consist of the following items:

	2006	2005
Payroll and related accruals	$ 5,747,281	$ 5,690,837
Workers' compensation—current portion	1,000,000	1,000,000
Other litigation reserves	1,266,368	754,011
Other	2,970,293	2,506,171
Total	$ 10,983,942	$ 9,951,019

7. DEBT AND LEASE OBLIGATIONS

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

The bonds are secured by a pledge of all revenues generated by the Ambleside project, including the housing assistance payments from HUD, and by a mortgage on the Ambleside property. The serial bonds are payable in June and December of each year through December 2005 and bear interest at rates ranging from 6.55% to 6.75%. The term bond matures on June 1, 2018 and bears interest at a rate of 7.00%.

The following is a summary of Ambleside's future debt service requirements for bonds payable as of December 31, 2006, is as follows:

Year	Principal	Interest	Total
2007	$ 330,000	$ 389,375	$ 719,375
2008	355,000	365,925	720,925
2009	380,000	340,725	720,725
2010	410,000	313,600	723,600
2011	435,000	284,375	719,375
2012-2016	2,620,000	915,420	3,535,420
2017-2018	1,115,000	70,055	1,185,055
Total payments	5,645,000	2,679,475	8,324,475
Less—Unamortized Bond Discount	(221,810)		(221,810)
Total	$ 5,423,190	$ 2,679,475	$ 8,102,665

7. DEBT AND LEASE OBLIGATIONS (CONTINUED)

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

Capital Lease—In 1997, the Authority entered into a tax exempt capital lease to acquire equipment to upgrade the heating and energy efficiency of several properties. The agreement expires in September 2010. At December 31, 2006 and 2005, the net book value of equipment under capital lease was $3,057,001 and $3,517,898, respectively.

Payments under the agreement are as follows:

2007	$ 785,969
2008	785,969
2009	785,969
2010	589,476
	2,947,383
Less amount representing interest	(290,875)
Principal Amount	$ 2,656,508

Capital Lease—On October 10, 2006, the Authority entered into an equipment lease-purchase agreement to acquire equipment under an energy performance contract to upgrade the heating and energy efficiency of several properties. The total amount of the contract is $33,610,000 of which $6,720,389 was committed at December 31, 2006. Principal payments do not commence until April 10, 2008. Interest from inception to April 10, 2007 in the amount of $707,818 was added to principal.

7. DEBT AND LEASE OBLIGATIONS (CONTINUED)

Payments under the agreement are as follows:

	Principal	Interest	Total
2007		$ 718,958	$ 718,958
2008	1,679,091	1,420,450	3,099,541
2009	2,322,021	1,331,395	3,653,416
2010	2,420,853	1,232,563	3,653,416
2011	2,523,892	1,129,524	3,653,416
2012 - 2016	14,325,238	3,941,840	18,267,078
2017 - 2020	11,046,723	826,877	11,873,600
	34,317,818	10,601,607	44,919,425
Less interest added to principal	(707,818)		(707,818)
Principal Amount	$ 33,610,000	$ 10,601,607	$ 44,211,607

Bond Anticipation Note, Series 2005—In December 2005, the Authority entered into a Bond Anticipation Note for the purchase and initial project related expenses necessary to acquire approximately 25 acres of land to be used as the site of a consolidated administrative and operations facility. The Bond Anticipation Note was issued in anticipation of the issuance of permanent financing bonds, the proceeds of which will be used to pay off the Bond Anticipation Note and complete development of the property. The maturity date of the Note is December 1, 2006. On September 20, 2006, the Authority entered into a Bond Anticipation Note with a March 1, 2008 maturity date to replace this Bond Anticipation Note. On December 1, 2006, the original note was retired. The new note has a balance of $5,240,000 with a 4% interest rate.

A roll-forward of the Authority's long-term debt and capital lease in 2006 follows:

	January 1, 2006	Increase	Decrease	December 31, 2006	Due Within One Year
Ambleside Bonds	$ 5,720,831	$ -	$ (297,641)	$ 5,423,190	$ 316,761
Bond Anticipation Note	5,000,000	5,240,000	(5,000,000)	5,240,000	
Capital Lease	3,280,294	33,610,000	(623,786)	36,266,508	658,316
Total	$ 14,001,125	$ 38,850,000	$ (5,921,427)	$ 46,929,698	$ 975,077

7. DEBT AND LEASE OBLIGATIONS (CONTINUED)

Other Lease Obligations—The Authority has entered into long-term operating lease agreements with private developers for the Severance and Quarrytown buildings and administers the Section 8 New Construction Housing Assistance Payments Programs for these facilities. The Authority manages these properties and prepares all the necessary reports for HUD. The annual contributions contracts between Severance and Quarrytown are between HUD and the Authority. For 2006 and 2005, the total expense recognized under these operating leases was $1,989,455 and $2,186,848, respectively.

The Authority entered into agreements to lease three separate facilities to house warehouse, office space and centralized maintenance operations. Total expense recognized under these operating leases was $676,585 and $676,585 in 2006 and 2005, respectively. The Authority also leases office equipment under various operating leases. Total expense recognized under these operating leases was $509,120 in 2006 and $509,120 in 2005.

Future minimum lease payments are as follows:

Year	Severance	Quarrytown	Warehouses	Office Equipment	Total
2007	$ 1,077,504	$ 622,095	$ 474,207	$ 196,080	$ 2,369,886
2008	942,816		470,345	110,548	1,523,709
2009				61,142	61,142
2010				2,887	2,887
Total	$ 2,020,320	$ 622,095	$ 944,552	$ 370,657	$ 3,957,624

In addition to minimum lease payments, the Authority is obligated to deposit approximately $83,000 annually in nonroutine maintenance reserves.

8. RETIREMENT BENEFITS

Employees and Plan—Employees of the Authority belong to the Ohio Public Employees Retirement System of Ohio (“OPERS”), a state-wide and state-administered defined benefit, cost-sharing multi-governmental employer pension plan, as required by the Ohio Revised Code. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

OPERS administers three separate pension plans as described below:

8. RETIREMENT BENEFITS (CONTINUED)

The Traditional Pension Plan ("TP")—a cost-sharing multiple-employer defined benefit pension plan.

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 MD plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.

The Combined Plan ("CO")—a cost-sharing multiple-employer defined benefit pension plan. Under the CO plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the TP and CO plans. Members of the MD plan do not qualify for ancillary benefits.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 9.0% of their annual covered salary to OPERS. The 2006 employer contribution rate for local government employer units is 13.70% of covered payroll including 4.5% that was used to fund postretirement health care benefits. The Authority's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2006, 2005 and 2004 were $3,491,103, $3,631,475and $3,810,845, respectively, which were equal to the required contributions for each year.

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

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The portion of the employer contribution rate used to fund health care for 2006 was 4.5% and 2005 was 4% of covered payroll. During 2006 and 2005, $1,737,448 and $1,521,037, respectively, of the Authority's total contribution to OPERS was used for postretirement benefits.

8. RETIREMENT BENEFITS (CONTINUED)

OPERS' latest actuarial review was performed as of December 31, 2005. 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 the 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 to reflect 25% of unrealized market appreciation or depreciation on investment assets annually. The investment return assumption for 2005 was 6.5%. Active employee payroll is assumed to increase 4%, compounded annually, and assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 6% for the next nine years. In subsequent years (ten and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEB provided through OPERS are advance-funded on an actuarially determined basis. The total number of active contributing participants in the TP and CO Plans was 369,214 at December 31, 2006 and 358,804 at December 31, 2005. The actuarial value of OPERS' net assets available for OPEB at December 31, 2005 was $11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $31.3 billion and $20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan ("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.

In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

9. INSURANCE COVERAGE AND RISK RETENTION

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

As described in Note 1, the Authority is a member of HARRG, which is a comprehensive general liability insurance group operated as a joint venture by its 752 public housing authority members. Through HARRG, the Authority carries $5,000,000 of general liability coverage, with a $25,000 deductible, as well as $1,000,000 of law enforcement liability, with a $25,000 deductible, and $2,000,000 of public officials' errors and omissions coverage, with a $25,000 deductible.

9. INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its 810 public housing authority members. Through HAPI, the Authority carries building and contents coverage aggregating $939,588,136 with a $10,000 deductible.

The Authority's commercial automobile fleet and garage keepers coverage includes liability insurance with a combined single limit of $1,000,000 per accident with a $1,000 deductible.

The Authority is self-insured for the following risks:

Workers' Compensation Benefits—The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than $350,000 per individual occurrence and $10,000,000 in the aggregate. The Authority has recorded a $2,853,000 liability for self-insured workers' compensation claims in its Conventional Program and is fully funded at December 31, 2006.

Employee Termination and Other Third-Party Liability Matters—The Authority is self-insured for certain employee termination and miscellaneous third-party claims that are not covered by HARRG.

The changes in the Authority's liabilities for self-insured risks for the years ended December 31, 2006 and 2005 were as follows:

	Workers' Compensation Benefits	Employee Termination and Other
Balance—January 1, 2005	$ 3,150,000	$ 518,653
Incurred claims—net of changes in estimates	1,136,243	238,358
Payments	(1,176,243)	(3,000)
Balance—December 31, 2005	3,110,000	754,011
Incurred claims—net of changes in estimates	962,784	512,357
Payments	(1,219,784)	
Balance—December 31, 2006	$ 2,853,000	$ 1,266,368

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

9. INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs, and the establishment of an accident and incident investigation program. During 2006 and 2005, there were no significant reductions in the Authority's insurance coverage.

The Authority paid $657,729 and $566,724 in premiums to HARRG and $1,153,248 and $1,046,749 in premiums to HAPI for the years ended December 31, 2006 and 2005, respectively. Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

10. CONTINGENCIES

Certain unresolved compliance findings and questioned costs approximating $9.0 million exist that arose from audits of the Authority's financial statements and grant programs for fiscal 2003 and prior years. The ultimate resolution of the compliance findings and questioned costs is not presently determinable. No provision has been made in the financial statements for the effect, if any, of such contingencies.

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

11. DEFICITS IN INDIVIDUAL FUNDS

The Ambleside Fund has an overall net asset deficit of $2,201,808 as of December 31, 2006 resulting from accumulated depreciation on the building and other fixed assets. Management believes that operating revenues will be adequate to cover its debt service and operating expenses in the future.

12. CONSTRUCTION COMMITMENTS

As of December 31, 2006, the Authority had the following significant construction commitments:

Project Type	Amount
Building Renovations	$ 1,266,693
New Construction	6,384,193
Roofing	817,782
Site Improvements	3,152,552
Total	$11,621,220

13. NEW ACCOUNTING STANDARDS

During March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. This statement amends GASB No. 3 and addresses additional cash and investment risks to which governments are exposed. Generally, this statement requires that state and local governments communicate key information about such risks in four principle areas: investment credit risks, including credit quality information issued by rating agencies; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. The provisions of this statement were adopted by the Authority in 2005.

During November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This GASB establishes accounting and financial reporting standards for impairment of capital assets. Under provisions of this Statement, a capital asset is considered impaired when its service has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The adoption of this Statement in 2005 was not material to the financial statements of the Authority.

During August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which addresses how state and local governments should account and report their costs and obligations related to postemployment health care and other non-pension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. GASB No. 45 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. GASB No. 45 will not be effective for the Authority until 2008 and, as such, the Authority has not determined the impact, if any, that this statement will have on its financial statements.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Legislation, an Amendment of GASB Statement No. 34*, which clarifies that a legally enforceable enabling legislation restriction for purposes of determining the existence of restricted net assets is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. Limitations on the use of net assets imposed by enabling legislation must be reported as restricted net assets under GASB Statement No. 34. Under GASB No. 46, the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. In addition, this statement specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation, or if legal enforceability is reevaluated, and requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The requirements of this statement were adopted by the Authority in 2006.

13. NEW ACCOUNTING STANDARDS (CONTINUED)

During July 2005, the GASB issued GASB Statement No. 47, *Accounting for Termination Benefits*. GASB Statement 47 provides accounting and reporting guidance for state and local governments that offer either voluntary termination benefits (e.g., early retirement incentives) or involuntary termination benefits (i.e., severance). The significant requirements of GASB Statement 47 include the recognition in accrual basis financials as a liability and expense for involuntary termination benefits when (1) a termination plan has been approved by those with the authority to commit the government to the plan, (2) the plan has been communicated to the employees, and (3) the amount can be estimated. A liability and expense for voluntary termination benefits should be recognized when the offer is accepted and the amount can be estimated. GASB Statement 47 also requires employers to disclose a description of the termination benefit arrangements, the cost of the termination benefits, and the significant methods and assumptions used to determine termination benefit liabilities. The adoption of this statement in 2006 was not material to the financial statements of the Authority.

14. SUBSEQUENT EVENT

On May 25, 2007, the Authority received approval from HUD to participate in the Capital Fund Financing Program (CFFP) in a pooled transaction with other housing authorities in Ohio.

The CFFP program permits housing authorities to leverage and obligate future capital funds in repayment of Capital Fund Revenue Bonds. It is the Authority's intent to complete the transaction in 2007 and issue revenue bonds for approximately 15.7 million dollars while obligating future capital funds through 2026 towards debt service.

Based on a comprehensive needs assessment, the Authority plans to use the bond proceeds to renovate sixty-two vacant units, replace two roofs, replace windows, restore balconies on fifteen buildings, and upgrade elevators at ten properties.

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

Federal Grantor/Program Title	**CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs		
Conventional Low-Income Housing Programs—Subsidy	14.850	$ 56,204,694
Section 8 New Construction and Moderate Rehabilitation Programs:		
New Construction—Ambleside	14.182	1,166,009
New Construction—Severance	14.182	1,056,996
New Construction—Quarrytown	14.182	914,263
Subtotal CFDA #14.182		3,137,268
Moderate Rehabilitation	14.856	3,647,518
Subtotal CFDA #14.182/14.856 (Section 8 Project-Based Cluster)		6,784,786
Housing Choice Voucher	14.871	102,561,165
Subtotal CFDA #14.182/14.856/14.871		109,345,951
Capital Fund Program:		
Capital Fund Program—2003 and prior	14.872	4,991,423
Capital Fund Program—2004	14.872	10,027,010
Capital Fund Program—2005	14.872	10,740,160
Capital Fund Program—2006	14.872	1,738,514
Subtotal CFDA #14.872		27,497,107
Revitalization of Severely Distressed Housing	14.866	10,746,324
Homeownership Program	14.851	233,276
Supportive Housing Program	14.235	1,018,813
Resident Opportunities and Supportive Services	14.870	53,268
Multifamily Property Disposition	14.199	3,462,750
Total U.S. Department of Housing and Urban Development		$ 208,562,183

See notes to Supplemental Schedule of Expenditures of Federal Awards.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2006

1. BASIS OF PRESENTATION

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

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

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

2. SUBRECIPIENTS

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

Program Title	Subrecipient	Federal CFDA No.	2006 Grant Expenditures
Section 8 Moderate Rehabilitation	Amesbury Rosalind	14.856	$ 571,806
Section 8 Moderate Rehabilitation	Puritas Place	14.856	676,995
Conventional Low-Rent	Progressive Action Council	14.850	310,000
Multifamily Property Disposition	Western Reserve Revitalization and Management Company	14.199	3,450,781

3. MORTGAGE REVENUE BONDS

As shown in the table below, the Authority had subordinate multifamily housing mortgage revenue bonds (the “bonds”) outstanding at December 31, 2004 under the Multifamily Property Disposition Grant. The provisions of the grant agreement pertaining to the bonds impose continuing compliance requirements.

Program Title	Federal CFDA No.	Bonds Outstanding at December 31, 2006
Multifamily Property Disposition	14.199	$ 4,000,000

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Multifamily Property Disposition	Supportive Housing Program	Low Rent Public Housing	Development	Public Housing Comprehensive Improvement Assistance Program	Public Housing Tenant Opportunities Program	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MF0001
ASSETS											
Current Assets:											
111	Cash - Unrestricted	$3,992,502	$19,469	$743,881	$0	$5,113,565	$0	$0	$0	$0	$0
113	Cash - Other Restricted	$0	$0	$0	$0	$30,794,823	$0	$0	$0	$0	$0
114	Cash - Tenant Security Deposits	$0	$159,343	$0	$0	$1,023,787	$0	$0	$0	$0	$0
100	**Total Cash**	$3,992,502	$178,812	$743,881	$0	$36,932,175	$0	$0	$0	$0	$0
122	Accounts Receivable - HUD Other Projects	$0	$0	$1,218,750	$224,880	$0	$0	$0	$0	$0	$0
124	Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
125	Accounts Receivable - Miscellaneous	$28,360	$1,280	$117,508	$0	$117,679	$0	$0	$0	$0	$0
126	Accounts Receivable - Tenants - Dwelling Rents	$0	$13,882	$21,585	$0	$1,690,084	$0	$0	$0	$0	$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	$0	($6,410)	($11,803)	$0	($969,980)	$0	$0	$0	$0	$0
126.2	Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128	Fraud Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128.1	Allowance for Doubtful Accounts - Fraud	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
129	Accrued Interest Receivable	$0	$6,181	$0	$0	$6,715	$0	$0	$0	$0	$0
120	**Total Receivables, net of allowances for doubtful accounts**	$28,360	$14,933	$1,346,040	$224,880	$844,498	$0	$0	$0	$0	$0
135	Investments - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
132	Investments Restricted	$0	$3,600,596	$0	$0	$4,146,124	$0	$0	$0	$0	$0
142	Prepaid Expenses and Other Assets	$1,229,131	$0	$0	$0	$746,885	$0	$0	$0	$0	$0
143	Inventories	$0	$0	$0	$0	$909,486	$0	$0	$0	$0	$0
143.1	Allowance for Obsolete Inventories	$0	$0	$0	$0	($265,155)	$0	$0	$0	$0	$0
144	Interprogram Due From	$0	$0	$0	$0	$12,434,874	$0	$0	$0	$0	$1,235,291
150	**Total Current Assets**	$5,249,993	$3,794,341	$2,089,921	$224,880	$55,748,887	$0	$0	$0	$0	$1,235,291
Noncurrent Assets:											
161	Land	$3,974,000	$59,840	$0	$0	$23,109,763	$0	$0	$0	$0	$0
162	Buildings	$558,000	$6,914,834	$1,003,202	$0	$194,512,774	$0	$116,247,689	$0	$0	$0
163	Furniture, Equipment & Machinery - Dwellings	$28,894	$1,012,407	$0	$0	$3,611,052	$0	$0	$0	$0	$0
164	Furniture, Equipment & Machinery - Administration	$0	$0	$0	$0	$7,609,482	$0	$0	$18,829	$467,333	$0
165	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
166	Accumulated Depreciation	($586,894)	($5,388,396)	($624,699)	$0	($175,417,806)	$0	($105,116,647)	($18,829)	($452,647)	$0
167	Construction In Progress	$0	$0	$0	$0	$3,132,392	$0	$0	$0	$0	$0
160	**Total Fixed Assets, Net of Accumulated Depreciation**	$3,974,000	$2,598,685	$378,503	$0	$56,557,657	$0	$11,131,042	$0	$14,686	$0
174	Other Assets	$0	$140,401	$0	$0	$855,199	$0	$0	$0	$0	$0
180	**Total Non-Current Assets**	$3,974,000	$2,739,086	$378,503	$0	$57,412,856	$0	$11,131,042	$0	$14,686	$0
190	**Total Assets**	$9,223,993	$6,533,427	$2,468,424	$224,880	$113,161,743	$0	$11,131,042	$0	$14,686	$1,235,291

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0002	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0003	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0004	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0005	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0006	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severely Distressed Public Housing
ASSETS											
Current Assets:											
111	Cash - Unrestricted	$0	$0	$0	$0	$0	$0	$0	$0	$2,353,365	$0
113	Cash - Other Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
114	Cash - Tenant Security Deposits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
100	**Total Cash**	$0	$0	$0	$0	$0	$0	$0	$0	$2,353,365	$0
122	Accounts Receivable - HUD Other Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,197,279
124	Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
125	Accounts Receivable - Miscellaneous	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
126	Accounts Receivable - Tenants - Dwelling Rents	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
126.1	Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
126.2	Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128	Fraud Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
128.1	Allowance for Doubtful Accounts - Fraud	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
129	Accrued Interest Receivable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
120	**Total Receivables, net of allowances for doubtful accounts**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,197,279
135	Investments - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
132	Investments Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
142	Prepaid Expenses and Other Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
143	Inventories	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
143.1	Allowance for Obsolete Inventories	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
144	Interprogram Due From	$89,645	$0	$142,482	$21,457	$15,006	$109,284	$0	$3,371,776	$0	$0
150	**Total Current Assets**	$89,645	$0	$142,482	$21,457	$15,006	$109,284	$0	$3,371,776	$2,353,365	$3,197,279
Noncurrent Assets											
161	Land	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
162	Buildings	$0	$0	$0	$0	$0	$0	$0	$0	$141,460,715	$58,096,562
163	Furniture, Equipment & Machinery - Dwellings	$0	$0	$0	$0	$0	$0	$0	$0	$1,643,313	$236,428
164	Furniture, Equipment & Machinery - Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
165	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
166	Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	($99,186,948)	($29,307,191)
167	Construction In Progress	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,666,654
160	**Total Fixed Assets, Net of Accumulated Depreciation**	$0	$0	$0	$0	$0	$0	$0	$0	$43,917,080	$31,692,453
174	Other Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
180	**Total Non-Current Assets**	$0	$0	$0	$0	$0	$0	$0	$0	$43,917,080	$31,692,453
190	**Total Assets**	$89,645	$0	$142,482	$21,457	$15,006	$109,284	$0	$3,371,776	$46,270,445	$34,889,732

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Resident Opoprtunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Partnership and Community Policing Grants	State/Local	Componenet Units	Other Federal Program 1	Other Federal Program 2	Total
ASSETS										
Current Assets:										
111	Cash - Unrestricted	$0	$16,670,487	$377,187	$0	$23,557	$0	$2,968,553	$0	$32,262,566
113	Cash - Other Restricted	$0	$0	$0	$0	$0	$729,262	$0	$0	$31,524,085
114	Cash - Tenant Security Deposits	$0	$0	$0	$0	$0	$0	$0	$0	$1,183,130
100	**Total Cash**	$0	$16,670,487	$377,187	$0	$23,557	$729,262	$2,968,553	$0	$64,969,781
122	Accounts Receivable - HUD Other Projects	$7,079	$0	$13,644,671	$0	$0	$0	$0	$0	$18,292,659
124	Accounts Receivable - Other Government	$0	$0	$0	$0	$129,151	$0	$0	$0	$129,151
125	Accounts Receivable - Miscellaneous	$0	$304,281	$0	$0	$0	$324,132	$120,000	$0	$1,013,240
126	Accounts Receivable - Tenants - Dwelling Rents	$0	$0	$0	$0	$0	$0	$22,447	$0	$1,747,998
126.1	Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$0	$0	$0	($16,156)	$0	($1,004,349)
126.2	Allowance for Doubtful Accounts - Other	$0	($64,976)	$0	$0	$0	$0	$0	$0	($64,976)
128	Fraud Recovery	$0	$400,603	$0	$0	$0	$0	$0	$0	$400,603
128.1	Allowance for Doubtful Accounts - Fraud	$0	($390,586)	$0	$0	$0	$0	$0	$0	($390,586)
129	Accrued Interest Receivable	$0	$2,728	$0	$0	$0	$0	$0	$0	$15,624
120	**Total Receivables, net of allowances for doubtful accounts**	$7,079	$252,050	$13,644,671	$0	$129,151	$324,132	$126,291	$0	$20,139,364
135	Investments - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$163,700	$0	$163,700
132	Investments Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$7,746,720
142	Prepaid Expenses and Other Assets	$0	$63,802	$0	$0	$0	$0	$0	$0	$2,039,818
143	Inventories	$0	$0	$0	$0	$0	$0	$0	$0	$909,486
143.1	Allowance for Obsolete Inventories	$0	$0	$0	$0	$0	$0	$0	$0	($265,155)
144	Interprogram Due From	$0	$0	$0	$0	$0	$1,147,234	$0	$0	$18,567,049
150	**Total Current Assets**	$7,079	$16,986,339	$14,021,858	$0	$152,708	$2,200,628	$3,258,544	$0	$114,270,763
Noncurrent Assets:										
161	Land	$0	$0	$64,900	$0	$0	$0	$92,130	$0	$27,300,633
162	Buildings	$0	$282,365	$51,437,617	$0	$167,347	$0	$1,294,406	$0	$571,975,511
163	Furniture, Equipment & Machinery - Dwellings	$0	$0	$5,167,837	$0	$0	$0	$15,794	$0	$11,715,725
164	Furniture, Equipment & Machinery - Administration	$1,728	$1,220,985	$0	$139,731	$1,790	$0	$13,828	$0	$9,473,706
165	Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0
166	Accumulated Depreciation	($1,670)	($964,396)	($8,085,208)	($118,917)	($2,946)	$0	($964,693)	$0	($426,237,887)
167	Construction In Progress	$0	$0	$2,072,332	$0	$0	$0	$0	$0	$7,871,378
160	**Total Fixed Assets, Net of Accumulated Depreciation**	$58	$538,954	$50,657,478	$20,814	$166,191	$0	$451,465	$0	$202,099,066
174	Other Assets	$0	$0	$0	$0	$0	$0	$0	$0	$995,600
180	Total Non-Current Assets	$58	$538,954	$50,657,478	$20,814	$166,191	$0	$451,465	$0	$203,094,666
190	**Total Assets**	$7,137	$17,525,293	$64,679,336	$20,814	$318,899	$2,200,628	$3,710,009	$0	$317,365,429

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Multifamily Property Disposition	Supportive Housing Program	Low Rent Public Housing	Development	Public Housing_Comprehensive Improvement Assistance Program	Public Housing Tenant Opportunities Program	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0001
LIABILITIES											
Current Liabilities:											
312	Accounts Payable <= 90 Days	$21,861	$65,684	$17,386	$224,863	$9,226,036	$0	$0	$0	$0	$0
321	Accrued Wage/Payroll Taxes Payable	$0	$29,978	$1,054	$0	$5,143,615	$0	$0	$0	$0	$0
325	Accrued Interest Payable	$59,969	$32,929	$0	$0	$317,624	$0	$0	$0	$0	$0
331	Accounts Payable - HUD PHA Programs	$0	$0	$476,216	$0	$0	$0	$0	$0	$0	$0
333	Accounts Payable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
341	Tenant Security Deposits	$0	$102,145	$15,820	$0	$1,105,480	$0	$0	$0	$0	$0
342	Deferred Revenues	$0	$0	$0	$0	$2,433	$0	$0	$0	$0	$0
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$0	$316,761	$0	$0	$658,316	$0	$0	$0	$0	$0
345	Other Current Liabilities	$371,157	$0	$0	$0	$0	$0	$0	$0	$0	$0
346	Accrued Liabilities - Other	$0	$654,895	$0	$0	$3,338,675	$0	$0	$0	$0	$0
347	Interprogram Due To	$884,825	$1,099,001	$1,388,817	$17	$0	$0	$0	$0	$0	$0
310	**Total Current Liabilities**	$1,337,812	$2,301,393	$1,899,293	$224,880	$19,792,179	$0	$0	$0	$0	$0
Noncurrent Liabilities:											
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	$5,240,000	$5,106,429	$0	$0	$35,608,192	$0	$0	$0	$0	$0
353	Noncurrent Liabilities - Other	$0	$0	$0	$0	$1,853,000	$0	$0	$0	$0	$0
350	**Total Noncurrent Liabilities**	$5,240,000	$5,106,429	$0	$0	$37,461,192	$0	$0	$0	$0	$0
300	**TOTAL LIABILITIES**	$6,577,812	$7,407,822	$1,899,293	$224,880	$57,253,371	$0	$0	$0	$0	$0
NET ASSETS											
508	Total Contributed Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
508.1	Invested in Capital Assets, Net of Related Debt	($1,266,000)	($2,824,505)	$378,503	$0	$47,180,759	$0	$11,131,042	$0	$14,686	$0
511	Total Reserved Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
511.1	Restricted Net Assets	$0	$3,600,596	$0	$0	$0	$0	$0	$0	$0	$0
512.1	Unrestricted Net Assets	$3,912,181	($1,650,486)	$190,628	$0	$8,727,613	$0	$0	$0	$0	$1,235,291
513	**Total Equity/Net Assets**	$2,646,181	($874,395)	$569,131	$0	$55,908,372	$0	$11,131,042	$0	$14,686	$1,235,291
600	**TOTAL LIABILITIES AND EQUITY/NET ASSETS**	$9,223,993	$6,533,427	$2,468,424	$224,880	$113,161,743	$0	$11,131,042	$0	$14,686	$1,235,291

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH0003MR0002	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0003	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0004	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0005	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0006	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0008	Section 8 Rental Certificate Program	Public Hsouing Comprehensive Grant Program	Revitalization of Severely Distressed Public Housing
LIABILITIES											
Current Liabilities:											
312	Accounts Payable <= 90 Days	$0	$0	$0	$0	$0	$0	$0	$0	$29,700	$2,760,345
321	Accrued Wage/Payroll Taxes Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$27,191
325	Accrued Interest Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
331	Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$0	$0	$0	$2,353,365	$0
333	Accounts Payable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
341	Tenant Security Deposits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
342	Deferred Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0	$74,929
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
345	Other Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
346	Accrued Liabilities - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
347	Interprogram Due To	$0	$1,699	$0	$0	$0	$0	$147,641	$0	$0	$1,277,109
310	**Total Current Liabilities**	$0	$1,699	$0	$0	$0	$0	$147,641	$0	$2,383,065	$4,139,574
Noncurrent Liabilities:											
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
353	Noncurrent Liabilities - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
350	**Total Noncurrent Liabilities**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
300	**TOTAL LIABILITIES**	$0	$1,699	$0	$0	$0	$0	$147,641	$0	$2,383,065	$4,139,574
NET ASSETS											
508	Total Contributed Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
508.1	Invested in Capital Assets, Net of Related Debt	$0	$0	$0	$0	$0	$0	$0	$0	$43,917,080	$31,692,453
511	Total Reserved Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
511.1	Restricted Net Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
512.1	Unrestricted Net Assets	$89,645	($1,699)	$142,482	$21,457	$15,006	$109,284	($147,641)	$3,371,776	($29,700)	($942,295)
513	**Total Equity/Net Assets**	$89,645	($1,699)	$142,482	$21,457	$15,006	$109,284	($147,641)	$3,371,776	$43,887,380	$30,750,158
600	**TOTAL LIABILITIES AND EQUITY/NET ASSETS**	$89,645	$0	$142,482	$21,457	$15,006	$109,284	$0	$3,371,776	$46,270,445	$34,889,732

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Resident Opoprtunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Partnership and Community Policing Grants	State/Local	Componenet Units	Other Federal Program 1	Other Federal Program 2	Total
LIABILITIES										
Current Liabilities:										
312	Accounts Payable <= 90 Days	$0	$112,443	$4,682,113	$0	$32,754	$1,147,234	$4,719	$0	$18,325,138
321	Accrued Wage/Payroll Taxes Payable	$261	$219,630	$317,392	$0	$8,160	$0	$0	$0	$5,747,281
325	Accrued Interest Payable	$0	$0	$0	$0	$0	$0	$0	$0	$410,522
331	Accounts Payable - HUD PHA Programs	$0	$149,640	$1,024,397	$0	$0	$0	$0	$0	$4,003,618
333	Accounts Payable - Other Government	$0	$0	$0	$0	$2,768	$0	$0	$0	$2,768
341	Tenant Security Deposits	$0	$543,534	$0	$0	$0	$0	$175,921	$0	$1,942,900
342	Deferred Revenues	$0	$0	$0	$0	$32,321	$0	$0	$0	$109,683
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$0	$0	$0	$0	$0	$975,077
345	Other Current Liabilities	$0	$28,584	$0	$0	$0	$0	$3,669	$0	$403,410
346	Accrued Liabilities - Other	$0	$316,708	$0	$0	$0	$0	$0	$0	$4,310,278
347	Interprogram Due To	$6,818	$4,881,625	$8,802,791	$0	$76,705	$0	$0	$0	$18,567,048
310	**Total Current Liabilities**	$7,079	$6,252,164	$14,826,693	$0	$152,708	$1,147,234	$184,309	$0	$54,797,723
Noncurrent Liabilities:										
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$0	$0	$0	$0	$0	$45,954,621
353	Noncurrent Liabilities - Other	$0	$0	$0	$0	$0	$0	$0	$0	$1,853,000
350	**Total Noncurrent Liabilities**	$0	$0	$0	$0	$0	$0	$0	$0	$47,807,621
300	**TOTAL LIABILTIIES**	$7,079	$6,252,164	$14,826,693	$0	$152,708	$1,147,234	$184,309	$0	$102,605,344
NET ASSETS										
508	Total Contributed Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0
508.1	Invested in Capital Assets, Net of Related Debt	$58	$538,954	$50,657,478	$20,814	$166,191	$0	$451,465	$0	$182,058,978
511	Total Reserved Fund Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0
511.1	Restricted Net Assets	$0	$0	$0	$0	$0	$0	$0	$0	$3,600,596
512.1	Unrestricted Net Assets	$0	$10,734,175	($804,835)	$0	$0	$1,053,394	$3,074,235	$0	$29,100,511
513	**Total Equity/Net Assets**	$58	$11,273,129	$49,852,643	$20,814	$166,191	$1,053,394	$3,525,700	$0	$214,760,085
600	**TOTAL LIABILITIES AND EQUITY/NET ASSETS**	$7,137	$17,525,293	$64,679,336	$20,814	$318,899	$2,200,628	$3,710,009	$0	$317,365,429

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Multifamily Property Disposition	Supportive Housing Program	Low Rent Public Housing	Development	Public Housing Comprehensive Improvement Assistance Program	Public Housing Tenant Opportunities Program	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MF0001
REVENUES;											
703	Net Tenant Rental Revenue	$0	$1,453,140	$251,255	$0	$11,859,894	$0	$0	$0	$0	$0
704	Tenant Revenue - Other	$0	$0	$0	$0	$188,186	$0	$0	$0	$0	$0
705	**Total Tenant Revenue**	$0	$1,453,140	$251,255	$0	$12,048,080	$0	$0	$0	$0	$0
706	HUD PHA Operating Grants	$0	$3,137,268	$3,462,750	$1,018,813	$56,204,694	$0	$0	$0	$0	$357,060
706.1	Capital Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
708	Other Government Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
711	Investment Income - Unrestricted	$66,352	$0	$13,056	$0	$735,202	$0	$0	$0	$0	$0
715	Other Revenue	$10,138	$53,874	($24,586)	$0	$1,545,942	$0	$0	$0	$0	$0
716	Gain/Loss on Sale of Fixed Assets	$0	$0	($2,670)	$0	$152,436	$0	$0	$0	$0	$0
720	Investment Income - Restricted	$0	$177,358	$0	$0	$130,243	$0	$0	$0	$0	$0
700	**TOTAL REVENUES**	$76,490	$4,821,640	$3,699,805	$1,018,813	$70,816,597	$0	$0	$0	$0	$357,060

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0002	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0003	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0004	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0005	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0006	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severly Distressed Public Housing
REVENUES;											
703	Net Tenant Rental Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
704	Tenant Revenue - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
705	**Total Tenant Revenue**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
706	HUD PHA Operating Grants	$340,968	$106,738	$772,287	$53,664	$112,757	$315,436	$1,588,608	$0	$0	$4,776,564
706.1	Capital Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,969,760
708	Other Government Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
711	Investment Income - Unrestricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
715	Other Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
716	Gain/Loss on Sale of Fixed Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
720	Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
700	**TOTAL REVENUES**	$340,968	$106,738	$772,287	$53,664	$112,757	$315,436	$1,588,608	$0	$0	$10,746,324

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Resident Opoprtunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Partnership and Community Policing Grants	State/Local	Componenet Units	Other Federal Program 1	Other Federal Program 2	Total
REVENUES;										
703	Net Tenant Rental Revenue	$0	$0	$0	$0	$0	$0	$23,130	$0	$13,587,419
704	Tenant Revenue - Other	$0	$0	$0	$0	$0	$0	$0	$0	$188,186
705	**Total Tenant Revenue**	$0	$0	$0	$0	$0	$0	$23,130	$0	$13,775,605
706	HUD PHA Operating Grants	$53,268	$102,561,165	$21,928,518	$0	$0	$0	$233,276	$0	$197,023,834
706.1	Capital Grants	$0	$0	$5,568,589	$0	$0	$0	$0	$0	$11,538,349
708	Other Government Grants	$0	$0	$0	$0	$454,145	$0	$0	$0	$454,145
711	Investment Income - Unrestricted	$0	$516,521	$0	$0	$0	$0	$190,640	$0	$1,521,771
715	Other Revenue	$0	$729,210	$0	$0	$0	$611,008	$769	$0	$2,926,355
716	Gain/Loss on Sale of Fixed Assets	$0	($891)	($3,730)	$0	$0	$0	($994)	$0	$144,151
720	Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$231	$0	$307,832
700	**TOTAL REVENUES**	$53,268	$103,806,005	$27,493,377	$0	$454,145	$611,008	$447,052	$0	$227,692,042

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Multifamily Property Disposition	Supportive Housing Program	Low Rent Public Housing	Development	Public Housing Comprehensive Improvement Assistance Program	Public Housing Tenant Opportunities Program	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MF0001
EXPENSES:											
911	Administrative Salaries	$0	$258,586	$18,498	$16,587	$12,354,907	$0	$0	$0	$0	$0
912	Auditing Fees	$0	$0	$2,700	$0	$294,719	$0	$0	$0	$0	$0
913	Outside Management Fees	$0	$2,211	$16	$0	$669,363	$0	$0	$0	$0	$0
915	Employee Benefit Contributions - Administrative	$0	$78,643	$8,866	$0	$4,351,851	$0	$0	$0	$0	$0
916	Other Operating - Administrative	$156,059	$474,048	$72,937	$17	$2,607,625	$0	$0	$0	$0	$25,067
921	Tenant Services - Salaries	$0	$12,247	$0	$0	$791,661	$0	$0	$0	$0	$0
923	Employee Benefit Contributions - Tenant Services	$0	$3,725	$0	$0	$278,852	$0	$0	$0	$0	$0
924	Tenant Services - Other	$180	$393	$0	$1,002,209	$861,286	$0	$0	$0	$0	$0
931	Water	$0	$65,898	$27,747	$0	$6,042,598	$0	$0	$0	$0	$0
932	Electricity	$0	$148,637	$28,806	$0	$5,651,789	$0	$0	$0	$0	$0
933	Gas	$0	$73,417	$28,998	$0	$8,012,644	$0	$0	$0	$0	$0
934	Fuel	$0	$0	$0	$0	$227,098	$0	$0	$0	$0	$0
938	Other Utilities Expense	$0	$0	$0	$0	$58,767	$0	$0	$0	$0	$0
941	Ordinary Maintenance and Operations - Labor	$0	$256,467	$271	$0	$10,744,690	$0	$0	$0	$0	$0
942	Ordinary Maintenance and Operations - Materials and Other	$0	$82,851	$11,539	$0	$1,885,826	$0	$0	$0	$0	$0
943	Ordinary Maintenance and Operations - Contract Costs	$0	$168,705	$40,586	$0	$4,293,391	$0	$0	$0	$0	$0
945	Employee Benefit Contributions - Ordinary Maintenance	$0	$77,999	$0	$0	$3,784,674	$0	$0	$0	$0	$0
951	Protective Services - Labor	$0	$0	$0	$0	$1,022,426	$0	$0	$0	$0	$0
952	Protective Services - Other Contract Costs	$0	$2,714	$130	$0	$275,047	$0	$0	$0	$0	$0
953	Protective Services - Other	$0	$0	$0	$0	$188,944	$0	$0	$0	$0	$0
955	Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$360,136	$0	$0	$0	$0	$0
961	Insurance Premiums	$0	$10,381	$10,625	$0	$3,279,734	$0	$0	$0	$0	$0
962	Other General Expenses	$38,840	$1,447	$0	$0	$0	$0	$0	$0	$0	($1,157)
963	Payments in Lieu of Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
964	Bad Debt - Tenant Rents	$0	$18,331	$28,320	$0	$1,064,336	$0	$0	$0	$0	$0
967	Interest Expense	$241,129	$422,150	$0	$0	$479,807	$0	$0	$0	$0	$0
969	**Total Operating Expenses**	$436,208	$2,158,850	$280,039	$1,018,813	$69,582,171	$0	$0	$0	$0	$23,910
970	Excess Operating Revenue over Operating Expenses	($359,718)	$2,662,790	$3,419,766	$0	$1,234,426	$0	$0	$0	$0	$333,150
971	Extraordinary Maintenance	$33,100	$10,650	($37,456)	$0	$65,142	$0	$0	$0	$0	$0
972	Casualty Losses - Non-Capitalized	$0	$11,306	$0	$0	$175,929	$0	$0	$0	$0	$0
973	Housing Assistance Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$323,796
974	Depreciation Expense	$0	$289,590	$64,716	$0	$5,710,159	$0	$3,809,978	$1,164	$70,619	$0
978	Dwelling Units Rent Expense	$0	$1,989,458	$0	$0	$0	$0	$0	$0	$0	$0
900	**TOTAL EXPENSES**	$469,308	$4,459,854	$307,299	$1,018,813	$75,533,401	$0	$3,809,978	$1,164	$70,619	$347,706
1010	Total Other Financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	($392,818)	$361,786	$3,392,506	$0	($4,716,804)	$0	($3,809,978)	($1,164)	($70,619)	$9,354

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0002	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0003	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0004	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0005	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0006	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0008	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severly Distressed Public Housing
EXPENSES:											
911	Administrative Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
912	Auditing Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
913	Outside Management Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
915	Employee Benefit Contributions - Administrative	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
916	Other Operating - Administrative	$23,937	$7,493	$54,217	$3,767	$7,916	$22,145	$111,526	$0	$0	$0
921	Tenant Services - Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
923	Employee Benefit Contributions - Tenant Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
924	Tenant Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$73,809
931	Water	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
932	Electricity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
933	Gas	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
934	Fuel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
938	Other Utilities Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
941	Ordinary Maintenance and Operations - Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
942	Ordinary Maintenance and Operations - Materials and Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
943	Ordinary Maintenance and Operations - Contract Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
945	Employee Benefit Contributions - Ordinary Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
951	Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
952	Protective Services - Other Contract Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
953	Protective Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
955	Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
961	Insurance Premiums	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
962	Other General Expenses	($1,028)	($304)	($2,176)	($38)	($407)	$22,795	($20,065)	$0	$0	$0
963	Payments in Lieu of Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
964	Bad Debt - Tenant Rents	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
967	Interest Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
969	**Total Operating Expenses**	$22,909	$7,189	$52,041	$3,729	$7,509	$44,940	$91,461	$0	$0	$73,809
970	Excess Operating Revenue over Operating Expenses	$318,059	$99,549	$720,246	$49,935	$105,248	$270,496	$1,497,147	$0	$0	$10,672,515
971	Extraordinary Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,702,755
972	Casualty Losses - Non-Capitalized	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
973	Housing Assistance Payments	$311,400	$97,762	$695,727	$49,968	$102,197	$291,676	$1,498,696	$0	$0	$0
974	Depreciation Expense	$0	$0	$0	$0	$0	$0	$0	$0	$9,453,312	$3,271,781
978	Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
900	**Total Expenses**	$334,309	$104,951	$747,768	$53,697	$109,706	$336,616	$1,590,157	$0	$9,453,312	$8,048,345
1010	Total Other Financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	$6,659	$1,787	$24,519	($33)	$3,051	($21,180)	($1,549)	$0	($9,453,312)	$2,697,979

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Resident Opoprtunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Partnership and Community Policing Grants	State/Local	Componenet Units	Other Federal Program 1	Other Federal Program 2	Total
EXPENSES:										
911	Administrative Salaries	$0	$3,987,505	$0	$0	$0	$0	$41,974	$0	$16,678,057
912	Auditing Fees	$0	$72,324	$0	$0	$0	$0	$0	$0	$369,743
913	Outside Management Fees	$0	$145,333	$0	$0	$0	$0	$0	$0	$816,923
915	Employee Benefit Contributions - Administrative	$0	$1,353,751	$0	$0	$0	$0	$17,315	$0	$5,810,426
916	Other Operating - Administrative	$9,694	$1,774,428	$0	$0	$31,104	$3,526,826	$42,424	$0	$8,951,230
921	Tenant Services - Salaries	$35,224	$0	$0	$0	$97,351	$0	$0	$0	$936,483
923	Employee Benefit Contributions - Tenant Services	$0	$0	$0	$0	$0	$0	$0	$0	$282,577
924	Tenant Services - Other	$8,350	$0	$0	$0	$158,342	$0	$0	$0	$2,104,569
931	Water	$0	$4,598	$0	$0	$0	$0	$17,544	$0	$6,158,385
932	Electricity	$0	$25,508	$0	$0	$0	$0	$8,028	$0	$5,862,768
933	Gas	$0	$9,347	$0	$0	$0	$0	$13,590	$0	$8,137,996
934	Fuel	$0	$0	$0	$0	$0	$0	$0	$0	$227,098
938	Other Utilities Expense	$0	$26,307	$0	$0	$0	$0	$0	$0	$85,074
941	Ordinary Maintenance and Operations - Labor	$0	$37,161	$0	$0	$0	$0	$25,389	$0	$11,063,978
942	Ordinary Maintenance and Operations - Materials and Other	$0	$198,229	$0	$0	$0	$0	$4,132	$0	$2,182,577
943	Ordinary Maintenance and Operations - Contract Costs	$0	$91,388	$0	$0	$0	$0	$65	$0	$4,594,135
945	Employee Benefit Contributions - Ordinary Maintenance	$0	$0	$0	$0	$0	$0	$10,474	$0	$3,873,147
951	Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0	$0	$1,022,426
952	Protective Services - Other Contract Costs	$0	$12,973	$0	$0	$0	$0	$65	$0	$290,929
953	Protective Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$188,944
955	Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$360,136
961	Insurance Premiums	$0	$25,673	$0	$0	$0	$0	$13,723	$0	$3,340,136
962	Other General Expenses	$0	$38,552	$0	$0	$0	$0	$0	$0	$76,459
963	Payments in Lieu of Taxes	$0	$0	$0	$0	$0	$0	$1,783	$0	$1,783
964	Bad Debt - Tenant Rents	$0	$0	$0	$0	$0	$0	($21,644)	$0	$1,089,343
967	Interest Expense	$0	$0	$0	$0	$0	$0	$0	$0	$1,143,086
969	**Total Operating Expenses**	$53,268	$7,803,077	$0	$0	$286,797	$3,526,826	$174,862	$0	$85,648,408
970	Excess Operating Revenue over Operating Expenses	$0	$96,002,928	$27,493,377	$0	$167,348	($2,915,818)	$272,190	$0	$142,043,634
971	Extraordinary Maintenance	$0	$0	$21,928,518	$0	$0	$0	$0	$0	$26,702,709
972	Casualty Losses - Non-Capitalized	$0	$804	$0	$0	$0	$0	$0	$0	$188,039
973	Housing Assistance Payments	$0	$84,652,764	$0	$0	$0	$0	$0	$0	$88,023,986
974	Depreciation Expense	$345	$222,582	$2,774,222	$21,011	$1,753	$0	$53,810	$0	$25,745,042
978	Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0	$0	$1,989,458
900	**Total Expenses**	$53,613	$92,679,227	$24,702,740	$21,011	$288,550	$3,526,826	$228,672	$0	$228,297,642
1010	Total Other Financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	($345)	$11,126,778	$2,790,637	($21,011)	$165,595	($2,915,818)	$218,380	$0	($605,600)

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OFREVENUES, E3XPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Multifamily Property Disposition	Supportive Housing Program	Low Rent Public Housing	Development	Public Housing Comprehensive Improvement Assistance Program	Public Housing Tenant Opportunities Program	Public and Indian Housing Drug Elimination Program	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MF0001
1102	Debt Principal Payments - Enterprise Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1103	Beginning Equity	$2,787,857	($946,648)	$627,406	$0	$60,586,785	$0	$14,941,020	$1,164	$85,305	$1,225,937
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	$251,142	($289,533)	($3,450,781)	$0	$38,391	$0	$0	$0	$0	$0
1113	Maximum Annual Contributions Commitment (Per ACC)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$424,922
1114	Months	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1115	Contingency Reserve, ACC Program Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1116	Total Annual Contributions Available	$0	$0	$0	$0	$0	$0	$0	$0	$0	$424,922
1120	Unit Months Available	0	6,840	456	0	105,161	0	0	0	0	756
1121	Number of Unit Months Leased	0	6,803	296	0	102,382	0	0	0	0	730
1117	Administrative Fee Equity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1118	Housing Assistance Payments Equity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH0003MR0002	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0003	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0004	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0005	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0006	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation OH003MR0008	Section 8 Rental Certificate Program	Public Hsouing Comprehensive Grant Program	Revitalization of Severly Distressed Public Housing
1102	Debt Principal Payments - Enterprise Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1103	Beginning Equity	$82,986	($3,486)	$117,963	$21,490	$11,955	$130,464	($146,092)	$3,371,776	$53,340,692	$28,052,179
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1113	Maximum Annual Contributions Commitment (Per ACC)	$313,368	$117,052	$859,026	$49,224	$111,511	$339,503	$5,415,820	$0	$0	$0
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1115	Contingency Reserve, ACC Program Reserve	$64,168	$9,236	$22,603	$4,025	$16,137	$478,238	$750,968	$0	$0	$0
1116	Total Annual Contributions Available	$377,536	$126,288	$881,629	$53,249	$127,648	$817,741	$6,166,788	$0	$0	$0
1120	Unit Months Available	744	204	1,356	84	240	540	3,108	0	0	0
1121	Number of Unit Months Leased	686	202	1,315	72	227	509	2,797	0	0	0
1117	Administrative Fee Equity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1118	Housing Assistance Payments Equity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY PROGRAM
AS OF DECEMBER 31, 2006

Line Item No.	Account Description	Resident Opoprtunity and Supportive Services	Housing Choice Vouchers	Public Housing Capital Fund Program	Partnership and Community Policing Grants	State/Local	Componenet Units	Other Federal Program 1	Other Federal Program 2	Total
1102	Debt Principal Payments - Enterprise Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0
1103	Beginning Equity	$403	$146,351	$47,062,006	$41,825	$596	$518,431	$3,307,320	$0	$215,365,685
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$3,450,781	$0	$0	$0
1113	Maximum Annual Contributions Commitment (Per ACC)	$0	$0	$0	$0	$0	$0	$0	$0	$7,630,426
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	$0	$0	$0	$0	$0	$0	$0	$0	$0
1115	Contingency Reserve, ACC Program Reserve	$0	$0	$0	$0	$0	$0	$0	$0	$1,345,375
1116	Total Annual Contributions Available	$0	$0	$0	$0	$0	$0	$0	$0	$8,975,801
1120	Unit Months Available	0	166,836	0	0	0	0	372	0	286,697
1121	Number of Unit Months Leased	0	162,194	0	0	0	0	138	0	278,351
1117	Administrative Fee Equity	$0	$2,339,300	$0	$0	$0	$0	$0	$0	$2,339,300
1118	Housing Assistance Payments Equity	$0	$8,933,829	$0	$0	$0	$0	$0	$0	$8,933,829

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
RECONCILIATION OF THE STATEMENT OF NET ASSETS
TO THE FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	Combined Statement of Net Assets	Reconciling Amount	Reconciliation Reference (1)	Financial Data Schedule
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 32,065,395	$ 197,171	1	$ 32,262,566
Cash - Other Restricted	0	31,524,085	1	31,524,085
Cash - Tenant Security Deposits	0	1,183,130	1	1,183,130
Cash and Investments - Restricted	37,174,869	(29,428,149)	1	7,746,720
Investments - Restricted for Payment of Current Liabilities	0	163,700	1	163,700
Accounts Receivable - Tenant	743,649	1,004,349	2	1,747,998
Accounts Receivable - HUD	18,292,659	0		18,292,659
Accounts Receivable - Other Government	129,151	0		129,151
Accounts Receivable - Other	973,905	39,335	2/3	1,013,240
Accounts Receivable - Interfund	0	18,567,049	4	18,567,049
Allowance for Doubtful Accounts - Tenant	0	(1,004,349)	2	(1,004,349)
Allowance for Doubtful Accounts - Other	0	(64,976)	2	(64,976)
Fraud Recovery	0	400,603	2	400,603
Allowance for Doubtful Accounts - Fraud	0	(390,586)	2	(390,586)
Accrued interest Receivable	0	15,624	2/3	15,624
Inventory	644,331	265,155	2	909,486
Allowance for Obsolete Inventory	0	(265,155)	2	(265,155)
Prepaid Expenses and Other Current Assets	2,039,818	0		2,039,818
Total Current Assets	92,063,777	22,206,986		114,270,763
Non-Current Assets:				
Land, Property, and Equipment:				
Land	27,300,633	0		27,300,633
Property and Equipment - Net	174,798,433	(174,798,433)	5	0
Buildings	0	571,975,511	5	571,975,511
Furniture, Equipment, and Machinery - Dwellings	0	11,715,725	5	11,715,725
Furniture, Equipment, and Machinery - Administrative	0	9,473,706	5	9,473,706
Accumulated Depreciation	0	(426,237,887)	5	(426,237,887)
Construction in Progress	0	7,871,378	5	7,871,378
Land, Property, and Equipment - Net	202,099,066	0		202,099,066
Cash and Investments - Restricted	3,639,937	(3,639,937)	1	0
Replacement Reserves and Surplus Escrow	0	0		0
Debt Issuance Costs	140,401	(140,401)	6	0
Investment in Joint Venture	855,200	(855,200)	6	0
Other Assets	0	995,600	6	995,600
Total Non-Current Assets	206,734,604	(3,639,938)		203,094,666
TOTAL ASSETS	$ 298,798,381	$ 18,567,048		$ 317,365,429

(1) See Pages 59-60

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
RECONCILIATION OF THE STATEMENT OF NET ASSETS
TO THE FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	Combined Statement of Net Assets	Reconciling Amount	Reconciliation Reference (1)	Financial Data Schedule
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	$ 18,325,138	$ 0		$ 18,325,138
Accrued Wages/Payroll Taxes Payable	0	5,747,281	7	5,747,281
Accrued Interest Payable	0	410,522	7	410,522
Accounts Payable - HUD	4,003,618	0		4,003,618
Accounts Payable - Other Government	0	2,768	7	2,768
Accounts Payable - Interfund	0	18,567,048	4	18,567,048
Current Portion of Capital Lease	658,316	(658,316)	8	0
Accrued Expenses	10,983,942	(6,673,664)	7	4,310,278
Security and Other Deposits	1,942,900	0		1,942,900
Deferred Revenue	0	109,683	7	109,683
Other Current Liabilities	0	403,410	7	403,410
Current Portion of Long-Term Debt	316,761	658,316	8	975,077
Total Current Liabilities	36,230,675	18,567,048		54,797,723
Non-Current Liabilites				
Long-Term Debt - Net of Current Portion	10,346,429	35,608,192	8	45,954,621
Capital Leases - Net of Current	35,608,192	(35,608,192)	8	0
Other Long-Term Liabilities	1,853,000	0		1,853,000
Total Non-Current Liabilities	47,807,621	0		47,807,621
TOTAL LIABILITIES	84,038,296	18,567,048		102,605,344
NET ASSETS				
Invested in Capital Assets - Net of Related Debt	182,058,978	0		182,058,978
Restricted Net Assets	3,600,596	0		3,600,596
Unrestricted Net Assets	29,100,511	0		29,100,511
TOTAL NET ASSETS	$214,760,085	$ 0		$214,760,085

(1) See Pages 59-60.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS TO THE FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

	Combined Statement of Revenues, Expenses, and Change in Net Assets	Reconciling Amount	Reconciliation Reference (1)	Financial Data Schedule
Operating Revenues				
Dwelling Rent from Tenants	$ 13,775,605	$ (188,186)	9	$ 13,587,419
Tenant Revenue - Other	0	188,186	9	188,186
Subsidies and Grants (HUD)	0	197,023,834	9	197,023,834
Grants - Other	0	454,145	9	454,145
Capital Grants	0	11,538,349	9	11,538,349
Investment Income - Unrestricted	0	1,521,771	10	1,521,771
Investment Income - Restricted	0	307,832	10	307,832
Gain on Disposal of Assets	0	144,151	9	144,151
Other Revenues	2,926,355	0		2,926,355
Total Operating Revenues	16,701,960	210,990,082		227,692,042
Operating Expenses				
Administrative	32,626,379	0		32,626,379
Tenant Services	3,323,629	0		3,323,629
Utilities	20,471,321	0		20,471,321
Building Maintenance	21,713,837	0		21,713,837
General	4,507,721	1,143,086	9	5,650,807
Nonroutine Maintenance	26,702,709	(26,702,709)	12	0
Protective Services	1,862,435	0		1,862,435
Depreciation Expense	25,745,042	(25,745,042)	11	0
Housing Assistance Payments (HAP)	88,023,986	(88,023,986)	14	0
Other	2,033,346	(2,033,346)	9	0
Total Operating Expenses	227,010,405	(141,361,997)		85,648,408
Operating Income (Loss)	(210,308,445)	352,352,079		142,043,634
Other Income (Expense)				
HUD Operating Subsidies and Grants	197,023,839	(197,023,839)	9	0
HUD Capital Grants	11,538,349	(11,538,349)	9	0
Grants - Other	454,145	(454,145)	9	0
Extraordinary Maintenance	0	(26,702,709)	12	(26,702,709)
Casualty Losses - Non-Capitalized	0	(188,039)	9	(188,039)
Depreciation Expense	0	(25,745,042)	11	(25,745,042)
Interest Expenses	(1,143,090)	1,143,090	9	0
Dwelling Units - Rent Expense	0	(1,989,458)	9	(1,989,458)
Interest Income	1,829,603	(1,829,603)	10	0
Housing Assistance Payments (HAP)	0	(88,023,986)	14	(88,023,986)
Total Other Income (Expense)	209,702,846	(352,352,080)		(142,649,234)
Net Loss	(605,599)	(1)	13	(605,600)
Net Assets - Beginning of Year	215,365,684	0		215,365,684
Net Assets - End of Year	$214,760,085	$ (1)	13	$214,760,084

(1) See Pages 59-60.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL DATA SCHEDULE AND THE RECONCILIATION
OF THE FINANCIAL STATEMENTS TO THE FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

1. BASIS OF PRESENTATION

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

2. RECONCILIATION

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

1. The FDS only requires that cash be broken down into restricted and non-restricted amounts and shown as a current asset. The financial statements reflect funds that are restricted and will not be used in the next 12 months as non-current.

2. The financial statements reflect accounts receivable and inventory, net of allowances, but the FDS has a separate line for the allowance.

3. Classification differences exist between accounts receivable-other and accrued interest receivable from the financial statements to the FDS.

4. Accounts receivable interfund and accounts payable interfund are eliminated on the financial statements, but are recorded on the FDS as both a current asset and current liability.

5. Property and Equipment is reflected as a net amount on the financial statements, but is recorded on separate line items on the FDS.

6. Debt issuance costs and the Authority's investment in a joint venture are shown separately on the financial statements, but are recorded as other assets on the FDS.

7. Classification differences exist between the following financial statements and FDS captions: accounts payable—other government, accrued wage/payroll taxes payable, accrued interest payable, accrued expenses, contingent liabilities, accrued compensated absences—current portion, deferred revenue, and other current liabilities.

8. Debt and capital leases are separated between current and long term liabilities in the financial statements and combined on the FDS.

9. The difference represents classification differences between the financial statements and the FDS.

10. Interest income on investments is aggregated and recorded as other income on the financial statements and separated between unrestricted and restricted on the FDS.

2. RECONCILIATION (CONTINUED)

11. Depreciation expense is classified as operating expense on the financial statements and non-operating on the FDS.

12. Nonroutine maintenance is classified as operating expense in the financial statements but as non-operating (extraordinary maintenance) on the FDS.

13. The difference between financial statements and FDS is due to rounding.

14. Housing assistance payments are classified as operating expenses in the financial statements and as non-operating on the FDS.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL SCHEDULE OF ACTUAL MODERNIZATION COSTS
INCURRED ON CERTAIN PROJECTS CLOSED THROUGH DECEMBER 31, 2006

Modernization Project Number	**OH12R003 50102**
Funds approved	$ 3,386,487
Funds expended	3,386,487
Excess of funds approved	$ -
Funds advanced	$ 3,386,487
Funds expended	3,386,487
Excess of funds advanced	$ -

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

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

We have audited the basic financial statements of the Cuyahoga Metropolitan Housing Authority, as of and for the year ended December 31, 2006, which comprise the Cuyahoga Metropolitan Housing Authority's basic financial statements and have issued our report thereon dated August 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Cuyahoga Metropolitan Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cuyahoga Metropolitan Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cuyahoga Metropolitan Housing Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cuyahoga Metropolitan Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Cuyahoga Metropolitan Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Cuyahoga Metropolitan Housing Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Cuyahoga Metropolitan Housing Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cuyahoga Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Auditing Standards*.

We noted certain matters that we reported to the management of the Cuyahoga Metropolitan Housing Authority in a separate letter dated August 15, 2007.

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

August 15, 2007

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

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

Compliance

We have audited the compliance of the Cuyahoga Metropolitan Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. The Cuyahoga Metropolitan Housing Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Cuyahoga Metropolitan Housing Authority's management. Our responsibility is to express an opinion on the Cuyahoga Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, the Cuyahoga Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Cuyahoga Metropolitan Housing Authority as of and for the year ended December 31, 2006, and have issued our report thereon dated August 15, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Cuyahoga 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 OMB Circular A-133 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.

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

August 15, 2007

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Part I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified			
Internal control over financial reporting:				
Material weaknesses identified?		Yes	X	No
Significant deficiencies identified not considered to be material weaknesses?		Yes	X	No
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weaknesses identified?		Yes	X	No
Reportable conditions identified not considered to be material weaknesses?	N/A (None Reported)			
Type of auditors' report issued on compliance for major reports:	Unqualified			
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510(a))?		Yes	X	No
Identification of major programs:				
CFDA Number	Name of Federal Program or Cluster			
14.871	Housing Choice Voucher			
Dollar threshold used to distinguish between Type A and Type B programs	$3,000,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Part II—Financial Statement Findings Section

None

Part III—Federal Award Findings and Questioned Cost Section

None

	Finding	Still Applicable	Comments
03-1	Urban Revitalization Development Grant—HUD Review of Hope VI Program	Yes	See Schedule of Other Reports

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

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

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

The recommendations fell in three categories: (1) implement controls, (2) take administrative action against the former Chief Executive Officer and Chief Operating Officer and (3) provide documentation to support $10,735,243 drawn from Title V funds and reimburse the Title V account $531,966 from non-federal funds for ineligible payments.

Status—The Authority has addressed six of the seven HUD recommendations. Specifically, the recommendation to implement controls has been completed and the recommendation to take corrective action against the prior administration has been pursued by HUD. For the Title V expenditures lacking proper support, the Authority has submitted documentation for $8,196,730 of such expenditures to HUD. To date, HUD has accepted $1,602,500 of the amount submitted. For the ineligible Title V expenditures, the Authority reimbursed the Title V account $387,302 of non-federal funds in April 2003. In June 2003, HUD notified the Authority that the recommendation for reimbursement of ineligible payments is considered closed.

On June 23, 2003, based on notifications from HUD, the Authority transferred $499,895 from non-Federal funds into the Title V account to continue towards resolving the remaining questioned costs. On August 7, 2003, HUD accepted the payment of $499,895 and indicated the remaining unresolved balance was $8,632,848 ($10,735,243 - $1,602,500 - $499,895).

With regard to final closure on the balance of $8,632,848, HUD issued a letter dated November 25, 2003 advising the Authority that OIG has temporarily suspended any repayment actions until such time as the Authority receives a final judgment on a related pending legal action by the Authority to recover alleged damages.

HUD and the Authority continue to have dialogue and on October 6, 2005, the Authority responded to a HUD request to provide information regarding other non-federal funding sources. In a letter dated May 22, 2006 HUD advised the Authority that a repayment agreement might be necessary to close this issue. The Authority has taken the position that an impartial review of previously submitted documentation is necessary and that HUD's request is invalid.

AUDITOR OF THE STATE OF OHIO—SPECIAL AUDIT REPORT

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

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

	Findings for Recovery	Questioned Spending of Federal Grants
Phase I	$ 323,502	$ 638,390
Phase II	258,366	6,411,586

Substantially, all of the questioned costs noted above are included in the Inspector General's report on the previous page. The Authority has responded to the Phase I and Phase II reports by implementing and enforcing improved internal control procedures which will assist in assuring future compliance. Additionally, the Authority has taken appropriate legal action against members of the prior administration and has notified HUD and all other related parties regarding the reports.

Status—The Auditor of State has notified HUD and has made the reports a matter of public record. The Auditor of State considers the matter closed and will not be pursuing any follow-up activity. In June 2003, the Authority was notified that HUD is reviewing the Auditor of State's findings in combination with the OIG recommendations and that a repayment of $499,895 in non-federal funds into the Title V account was required. In June of 2004, HUD issued a notice indicating that $486,209 of the $499,895 payment was applicable towards Auditor of State Findings for Recovery and Questioned Costs.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—REVIEW OF THE HOPE VI PROGRAM FOR THE PERIOD FROM APRIL 1, 2003 THROUGH FEBRUARY 22, 2004

HUD performed a review of the Hope VI program for the period from April 1, 2003 through February 22, 2004 and rendered its report in June 2004. The report detailed nine findings. The status of the findings are summarized below:

- Finding 2004-2—Expenditure Support for Federal Funds Drawn Down Under the Program

  (No Questioned Costs)

- Finding 2004-6—Allocation of Indirect salaries to the Hope VI Program

- Finding 2004-8—Independent Cost Estimates and Cost Analysis of Contractors' Proposals

The provisions of the Authority's Hope VI Grant Agreement, Revitalization Plan, Community and Supportive Service Plan and Hope VI application require compliance with the requirements described in the findings summarized above.

Status—The Authority has provided documentation and responses to HUD and to date, HUD has accepted supporting documentation for all questioned costs. The following table represents the status of each finding:

Finding Number	Status
2004-2	Closed—Amount of questioned costs reduced to $0
2004-6	Open
2004-8	Open

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—REVIEW OF THE HOPE VI PROGRAM FOR THE PERIOD FROM FEBRUARY 2004 THROUGH FEBRUARY 2005

HUD performed a review of the Hope VI program for the period from February 2004 through February 2005 and rendered its report in October 2005. The report detailed six findings. The findings resulting from the review are summarized below:

- Finding 2005-1—The Housing Authority lacked adequate controls to safeguard program funds
- Finding 2005-3—The Housing Authority disbursed HOPE VI program funds in excess of the terms outlined in the contract between the Housing Authority and its vendor
- Finding 2005-6—There were 10 occurrences noted where the Housing Authority has not met the established date to complete a critical milestone (aka "Locked Checkpoint"). Incorporated Finding 2004-1.

Status—The Authority provided documentation and responses to HUD in 2005 and 2006 resulting in the below results:

Finding Number	**Status**
2005-1	Open
2005-3	Closed—January 30, 2007
2005-6	Open

* * * * * *

Mary Taylor, CPA
Auditor of State

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 29, 2007

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