

***CUYAHOGA METROPOLITAN
HOUSING AUTHORITY***

*Single Audit Report
for the Year Ended
December 31, 2000*



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Commissioners
Cuyahoga Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by Deloitte & Touche LLP for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted this report 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.

JIM PETRO
Auditor of State

July 31, 2001

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited the accompanying financial statements of the Cuyahoga Metropolitan Housing Authority (the "Authority") as of December 31, 2000, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Authority at December 31, 2000, and the results of its operations and the cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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 Amendments of 1996, and is under investigation by regulatory agencies. The outcome of these matters 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.

As discussed in Note 10 to the financial statements, the Authority is a defendant in several lawsuits. The ultimate outcomes of these matters are not presently determinable.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2001 on our consideration of the Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

June 8, 2001

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

BALANCE SHEET AS OF DECEMBER 31, 2000

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 3)	\$ 24,230,118	
Investments – restricted (Notes 3 and 4)	2,887,639	
Accounts receivable tenants - net of allowance for doubtful accounts of \$292,365	147,380	
Accounts receivable – HUD	17,445,857	
Accounts receivable – other	448,144	
Inventory	1,594,962	
Prepaid and other current assets	<u>773,088</u>	
Total current assets	<u>47,527,188</u>	
NON-CURRENT ASSETS:		
Land, property and equipment, net (Note 5)	263,698,928	
Investments - restricted (Notes 3 and 4)	3,414,812	
Debt issuance costs, net of amortization of \$73,813	214,187	
Insurance deposits	<u>520,190</u>	
Total non-current assets	<u>267,848,117</u>	
TOTAL ASSETS	<u>\$ 315,375,305</u>	
LIABILITIES AND EQUITY		
LIABILITIES:		
Current liabilities:		
Accounts payable - vendors		\$ 10,521,762
Accounts payable - HUD		4,027,667
Capital leases (Note 7)		476,474
Accrued expenses (Note 6)		12,541,706
Security and other deposits		1,641,164
Deferred revenues		5,168,305
Current portion of long-term debt (Note 7)		<u>232,875</u>
Total current liabilities		<u>34,609,953</u>
Non-current liabilities:		
Long-term debt, net of current (Note 7)		6,716,604
Capital leases, long-term portion		5,465,173
Workers' compensation liability (Notes 6 and 9)		<u>1,602,000</u>
Total liabilities		<u>48,393,730</u>
Equity		<u>266,981,575</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 315,375,305</u>

See notes to the financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS YEAR ENDED DECEMBER 31, 2000

OPERATING REVENUES:	
Dwelling rent from tenants	\$ 12,135,104
Subsidies and grants from HUD	110,226,193
Housing assistance payments	2,550,707
Grants - other	4,842,009
Other revenues	<u>639,004</u>
Total revenues	130,393,017
OPERATING EXPENSES:	
Administrative	19,958,141
Tenant service	2,952,100
Utilities	14,853,097
Building	45,299,262
General	8,237,889
Nonroutine maintenance	12,606,488
Protective services	2,622,693
Housing assistance payments	<u>49,474,083</u>
Total operating expenses	156,003,753
OPERATING LOSS	(25,610,736)
OTHER INCOME (EXPENSE):	
Interest	1,367,751
Gain on disposal of assets	160,784
Interest expense	(858,975)
Proceeds from home sales	<u>43,681</u>
Total other expense	713,241
NET LOSS	(24,897,495)
BEGINNING RETAINED EARNINGS	273,238,626
CAPITAL GRANTS RECOGNIZED DURING THE YEAR	<u>18,640,444</u>
ENDING RETAINED EARNINGS	<u>\$ 266,981,575</u>

See notes to the financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2000

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating loss	\$ (25,610,736)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	27,903,816
Provision for uncollectible accounts	125,760
Increase (decrease) in operating assets and liabilities:	
Accounts receivable - tenants	(105,920)
Accounts receivable - HUD	(5,220,625)
Accounts receivable - other	(220,322)
Inventory	(10,341)
Prepays and other current assets	3,211,450
Accounts payable	29,386
Accounts payable - HUD	1,688,413
Accrued expenses and other	3,168,926
Security and other deposits	6,502
Deferred revenue	974,107
Workers' compensation	<u>(38,000)</u>
 Net cash provided by operating activities	 5,902,416

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

HUD capital grants	18,640,444
Property and equipment additions	(21,655,805)
Principal paid on debt facilities	(994,291)
Interest paid on debt facilities	(860,027)
Proceeds from sale of property and equipment	<u>500,764</u>
 Net cash used in capital financing activities	 (4,368,915)

CASH FLOW FROM INVESTING ACTIVITIES:

Interest income	1,348,618
Decrease in replacement reserves, net	829,281
Purchase of restricted investments, net of maturities	<u>(751,629)</u>
 Cash flows provided by investing activities	 <u>1,426,270</u>

INCREASE IN CASH AND CASH EQUIVALENTS 2,959,771

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 21,270,347

CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3) \$ 24,230,118

See notes to the financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2000

1. DEFINITION OF THE ENTITY

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

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

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

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

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

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

Woody Woods/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, all of the properties were demolished. The remaining Woody Woods property is market rate housing for Section 8 and non-Section 8 residents.

Local Funds - 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 Board of Commissioners.

Title V/Affordable Housing - Assets in the Title V program represent the proceeds and investment of the proceeds 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 (AO) 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.

Grants Consolidated - During 2000, the Authority received federal, state and local funding under the Public Housing Drug Elimination Grant Program, Youth Violence Grant, Youth Apprenticeship Program, Economic Development Self Sufficiency Grant, Service Coordinators Grant Program for Public Housing, Cuyahoga Work and Training Grant, Ohio Work and Training Grant, Foster Care Grant, Jobs Plus and Y Haven II, Summer Enrichment, Urban Youth Corp, and Youth Training Program. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantor.

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 2000.

The Annual Contribution Contracts for Cuyahoga-Puritas Housing Corporation, Rosalind-Amesbury Housing Assistance Corporation, Cleveland-Rock Glen Housing Assistance Corporation, and Chester Village Housing Incorporated are between HUD and the applicable instrumentalities. The financial statements of the Authority do not reflect any activity for these instrumentalities.

Property Management Organization - During 2000, the Authority provided financial assistance through the Conventional Program to the Hough Area Partners in Progress (“HAPP”).

The Authority has a contract with HAPP that transferred housing management responsibilities for the operations of Addison Townhouses, a conventionally funded property, from CMHA to HAPP. The Authority provides HAPP with a portion of the Authority’s operating subsidy in consideration for these services. The financial statements of the Authority do not include any financial activity, balances, or other information related to HAPP.

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 500 members. The number of votes granted to each member is based upon premiums paid and is limited to a maximum of 10 percent of the total votes available. Due to the lack of significant oversight responsibility and accountability of the Authority’s Board of Commissioners for actions, operations, and fiscal matters of HARRG and HAPI, the degree of financial interdependency is considered insufficient to warrant inclusion of these organizations within the Authority’s reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB 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 Governmental Accounting Standards Board.

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

- a. *Cash and Cash Equivalents* - Cash and cash equivalents include investments with original maturities of three months or less. Cash and cash equivalents are stated at fair value.
- b. *Investments* - Investments are stated at fair value.
- c. *Land, Property and Equipment* - Land, property and equipment are recorded at cost. Property and equipment are depreciated over the estimated useful lives of the assets. Depreciation is computed using the straight line method.
- d. *Debt Obligations* - Debt obligations (and the related debt service requirements) of the Ambleside program and a capital lease for the purchase of heating and energy efficiency equipment are the responsibility of the Authority, and are classified as liabilities in the accompanying financial statements. HUD-guaranteed debt is treated as contributed capital as all debt service requirements are paid directly by HUD.

- 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 separation from the Agency.

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

- f. *Debt Amortization Funds* - Debt amortization funds consist of cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at market.
- g. *Recognition of Revenue and Expenses* - Subsidies and grants received from HUD and other grantors are generally recognized when received. Tenant rental revenues are recognized during the period of occupancy. Receipts from CGP, URD (HOPE VI) and other grants are recognized when the related expense is incurred. Expenses are recognized as incurred.
- h. *Debt Issuance Costs and Original Issue Discounts* - Bond premiums, original issuance discounts and bond issuance discounts are amortized over the life of the underlying debt using the interest method.
- i. *Indirect Costs* - Certain indirect costs are charged to programs under a cost allocation plan. These indirect costs are accumulated in and allocated from the Conventional Low-Rent Housing Program.
- j. *Inventory* - Inventory is valued using an average costing method. Expense is recorded based upon consumption.
- k. *Use of Estimates* - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, at and during the reported period. Actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

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

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or may pledge a pool of government securities valued at least 110 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by two percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

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

To demonstrate its custodial credit risk with deposits and investments and compliance with the Ohio Revised Code, the Authority follows Governmental Accounting Standards Board Statement No. 3 (GASB No. 3), which has established custodial credit risk categories for deposits and investments as follows:

Deposits:

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

Investments:

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

Deposits - At year-end, the carrying amount of the Authority’s deposits was \$24,230,118 and the bank balance was \$27,479,289, the difference representing outstanding checks and other in-transit items. Of this amount, \$211,426 was covered by FDIC insurance, and \$27,267,863 was collateralized with securities held at the Federal Reserve Bank in the Authority’s name.

Investments - The Authority’s investments are identified by risk category as follows.

Description	December 31, 2000			Fair Value
	Risk Category			
	1	2	3	
Federal National Mortgage Association Discount Notes		\$ 2,370,253		\$ 2,370,253
Federal Home Loan Assn.		349,656		349,656
Certificates of Deposit		33,645		33,645
Money Market		1,817,598		1,817,598
Guaranteed Investment Contract		1,033,319		1,033,319
Savings Accounts (Restricted)		<u>697,980</u>		<u>697,980</u>
Total		<u>\$ 6,302,451</u>		<u>\$ 6,302,451</u>

A reconciliation of cash and investments as shown on the balance sheet at December 31, 2000 follows:

	2000
Cash and cash equivalents	\$24,230,118
Restricted investments and reserves:	
Restricted investments	2,887,639
Replacement reserve/surplus escrow	1,423,132
Debt amortization funds	<u>1,991,680</u>
Total	<u>\$30,532,569</u>
Carrying amount of deposits	\$24,230,118
Carrying amount of investments	<u>6,302,451</u>
Total	<u>\$30,532,569</u>

4. RESTRICTED INVESTMENTS AND RESERVES

At December 31, 2000, the Authority had the following restricted investments and reserves:

Conventional program:	
Tenant security deposits	\$ 889,968
Industrial Commission of Ohio	1,556,551
Homeownership Nonroutine Management	
Reserve and Earned Home Payment	
Account Reserve	273,389
Ambleside:	
Tenant security deposits	32,996
Nonroutine maintenance reserves and escrows	569,218
Debt amortization funds	1,034,699
Severance:	
Tenant security deposits	72,339
Nonroutine maintenance reserves	275,587
Debt amortization funds	866,080
Quarrytown:	
Tenant security deposits	62,396
Nonroutine maintenance reserves	578,327
Debt amortization funds	<u>90,901</u>
	<u>\$ 6,302,451</u>

5. LAND, PROPERTY AND EQUIPMENT

The Authority maintains detailed records that track fixed assets by category. The following schedule lists fixed asset balances for individual programs at December 31, 2000:

Programs	Land	Property	Equipment	Accumulated Depreciation	Net
Conventional Low-Rent Housing Program	\$ 23,100,294	\$ 529,075,253	\$ 14,133,435	\$ (309,049,627)	\$ 257,259,355
Homeownership Program	166,347	1,913,143	18,265	(1,076,436)	1,021,319
Section 8 Voucher, Certificate and Moderate Rehabilitation Program		92,475	467,420	(230,640)	329,255
Title V/Affordable Housing	278,000	1,547,310	112,191	(899,782)	1,037,719
Section 8 New Construction Housing Assistance Payments Programs:					
Ambleside	59,840	5,924,160	286,338	(3,640,467)	2,629,871
Severance		355,160	217,833	(108,507)	464,486
Quarrytown			275,492	(107,674)	167,818
Grants Consolidated		<u>916,322</u>	<u>138,243</u>	<u>(265,460)</u>	<u>789,105</u>
Total	<u>\$ 23,604,481</u>	<u>\$ 539,823,823</u>	<u>\$ 15,649,217</u>	<u>\$ (315,378,593)</u>	<u>\$ 263,698,928</u>

Depreciation is provided on the straight-line basis over the estimated useful life of the respective assets, which are as follows:

Property	15 - 40 Years
Equipment	3 - 7 Years

Depreciation expense for 2000 was \$27,875,255

6. ACCRUED EXPENSES

Accrued expenses at December 31, 2000 consist of the following items:

	2000
Litigation reserves	\$ 6,814,539
Payroll and payroll related accruals	2,995,700
Worker's compensation - current portion	900,000
Accrued interest	41,781
Payments in lieu of taxes	21,833
Other	<u>1,767,853</u>
Total	<u>\$12,541,706</u>

7. DEBT OBLIGATION

Ambleside Bond Refinancing:

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 to retire the mortgage on the Ambleside Section 8 New Construction project. The Authority has entered into a Memorandum of Understanding with the U.S. Department of Housing and Urban Development which states the excess proceeds of this transaction shall be used for the construction of housing for low income elderly, handicapped and disabled people.

The bonds are secured by a pledge of all revenues of the Ambleside project, including the housing assistance payments from HUD, and by a mortgage on the Ambleside property. The serial bonds mature in June and December of each year through December 2005 and bear interest at rates ranging from 6.35 percent to 6.75 percent. The \$5.955 million term bond matures June 1, 2018, and bears interest at a rate of 7.00 percent.

The following is a summary of Ambleside's future debt service requirements for bonds payable as of December 31, 2000:

	Principal	Interest	Total
2001	\$ 225,000	\$ 496,177	\$ 721,177
2002	235,000	481,601	716,601
2003	255,000	465,929	720,929
2004	275,000	448,700	723,700
2005	290,000	431,532	721,532
2006-2017		3,750,018	3,750,018
2015-2018	5,955,000	1,424,238	7,379,238
Less Unamortized Bond Discount	<u>(293,396)</u>	<u> </u>	<u>(293,396)</u>
Total	<u>\$6,941,604</u>	<u>\$7,498,195</u>	<u>\$ 14,439,799</u>

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

Coltman Road Debt:

In April 1996, the Authority assumed a \$47,048 mortgage note payable that related to donated property located on Coltman Road. The note bears interest at 8.55 percent and requires principal and interest payments of \$907 per month through September 2001. The following is a summary of future debt service payments as of December 31, 2000:

	Principal	Interest	Total
2001	<u>\$ 7,875</u>	<u>\$ 288</u>	<u>\$ 8,163</u>

Capital Lease:

In 1997, the Authority entered into a Tax Exempt Installment Purchase Agreement for the purchase of equipment to upgrade the heating and energy efficiency of several properties. The agreement expires in September 2010.

Payments under the agreement are as follows:

2001	\$ 785,969
2002	785,969
2003	785,969
2004	785,969
2005	785,969
Thereafter	<u>3,727,349</u>
	7,657,194
Less amount representing interest	<u>(1,715,547)</u>
Principal amount	<u>\$ 5,941,647</u>

Other Lease Obligations:

The Authority has entered into long term lease agreements with private developers for the Severance and Quarrytown buildings and participates in the Section 8 New Construction Housing Assistance Payments Programs. The Authority manages these properties and performs all HUD funding and reporting requirements. The annual contributions contracts between the Severance Housing Corporation (“Severance”) and the Cuyahoga County Housing Corporation (“Quarrytown”) are between HUD and the Authority.

Future minimum lease payments are as follows:

	2001	2002	2003	2004	2005	Thereafter
Severance Building						
10/17/78 - 10/16/2008						
Sublease payment	\$ 289,030	\$ 289,030	\$ 289,030	\$ 289,030	\$ 289,030	\$ 818,920
Debt service contribution	428,485	428,485	428,485	428,485	428,485	1,214,041
Escrow reserves	<u>215,425</u>	<u>215,425</u>	<u>215,425</u>	<u>215,425</u>	<u>215,425</u>	<u>610,371</u>
	<u>932,940</u>	<u>932,940</u>	<u>932,940</u>	<u>932,940</u>	<u>932,940</u>	<u>2,643,332</u>
Quarrytown Building						
8/24/77 - 8/23/07						
Sublease payment	406,250	406,250	406,250	406,250	406,250	677,082
Debt service contribution	397,656	397,656	397,656	397,656	397,656	662,760
Escrow reserves	<u>64,436</u>	<u>64,436</u>	<u>64,436</u>	<u>64,436</u>	<u>64,436</u>	<u>107,392</u>
	<u>868,342</u>	<u>868,342</u>	<u>868,342</u>	<u>868,342</u>	<u>868,342</u>	<u>1,447,234</u>
Total	<u>\$ 1,801,282</u>	<u>\$ 4,090,566</u>				

8. RETIREMENT BENEFITS

Employees and Plan - Employees of the Authority belong to the Public Employees Retirement System of Ohio ("PERS"), a state-wide and state administered defined benefit, cost-sharing multi-governmental employer pension plan, as required by the Ohio Revised Code. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information. Interested parties may obtain a copy by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5 percent of their annual covered salary to PERS. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The 2000 employer contribution rate for local government employer units is 10.84 percent of covered payroll including 4.3 percent that was used to fund postretirement health care benefits. The Authority's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2000, 1999, and 1998 were \$2,612,389, \$2,939,105 and \$2,833,078, respectively, which were equal to the required contributions for each year.

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

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The portion of the employer contribution rate used to fund health care for 2000 and 1999 was 4.3 and 4.2 percent, respectively, of covered payroll. During 2000 and 1999, \$1,717,777 and \$1,318,573, respectively, of the Authority's total contribution to PERS was used for postretirement benefits.

OPEBs are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339 at December 31, 1999 (latest information available). The actuarial value of the Retirement System's net assets available for OPEBs at December 31, 1999 was \$10.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12.5 billion and \$1.7 billion, respectively.

9. WORKERS' COMPENSATION, INSURANCE COVERAGE AND RISK RETENTION

The Authority is self-insured for workers' compensation. 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 liability for self-insured workers' compensation of \$2,502,000, in its Conventional Program, of which \$1,733,000 has been funded.

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 public housing authority members. Through HARRG, the Authority carries \$5,000,000 of general liability coverage, with a \$25,000 deductible, as well as \$1,000,000 of law enforcement liability, with a \$10,000 deductible, and \$2,000,000 of public officials' errors and omissions coverage, with a \$25,000 deductible.

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

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

The Authority 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 recognized by HARRG as qualifying as a tool for premium credit, 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.

The Authority paid \$301,581 in premiums to HAARG and \$266,349 in premiums to HAPI for the year ended December 31, 2000.

10. CONTINGENCIES

There are compliance findings and questioned costs arising from the Authority's 1996, 1997 and 1998 audits performed in accordance with the Single Audit Act Amendments of 1996. The ultimate resolution of the additional compliance findings and questioned costs are not presently determinable. No provision has been made in the financial statements for the effect, if any, of such contingencies.

In addition, certain matters related to the Authority are currently under investigation by regulatory agencies. The outcome of these matters is not presently determinable. No provision has been made in the financial statements for the effects, if any, of such contingencies.

The Authority is a defendant in several lawsuits. 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 RETAINED EARNINGS

The Woody Woods/Noah Properties Fund has a deficit in retained earnings of \$151,483 at December 31, 2000. Management plans to eliminate the deficit through its new joint venture with Cleveland Housing Network to develop the properties.

The Ambleside Fund has an overall deficit in retained earnings of \$2,396,951 resulting from a change in accounting principles that resulted in an adjustment of \$3,291,895 to record the cumulative effect of depreciation on the building and other fixed assets during 1999. Management believes that operating revenues are adequate to cover its debt service and operating expenses.

12. EQUITY TRANSFERS

During 2000, the Authority made net equity transfers as follows:

	Transfer In	Transfer Out
Local Program	\$ 380,000	
Ambleside		<u>\$ 380,000</u>
	<u>\$ 380,000</u>	<u>\$ 380,000</u>

The transfer out from the Ambleside program to the Local Program was a result of a surplus in the debt service reserve fund relative to Ambleside Bond issued December 1, 1994.

13. NEW ACCOUNTING STANDARDS

The Government Accounting Standards Board has issued Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis - for State and Local Governments, and Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB Statement No. 33." These statements establish accounting standards for nonexchange transactions such as grants and other assistance provided to the Authority by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. Statement No. 33 and 36 are effective for the Authority's year ending December 31, 2001 and Statement No. 34 is effective for the year ending December 31, 2002. The Authority has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2000

Federal Grantor/Program Title	CFDA/Contract Number	Federal Revenues	Other Revenues	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (DIRECT PROGRAMS)				
Conventional Low-Rent Housing Programs:				
Subsidy	14.850	\$ 43,421,500	\$ 12,054,492	\$ 54,965,119
Section 8 New Construction and Moderate Rehabilitation Program				
New Construction - Ambleside	14.182	900,300	585,460	1,178,055
New Construction - Severance	14.182	840,122	512,666	1,831,582
New Construction - Quarrytown	14.182	780,804	441,286	1,530,605
Moderate Rehabilitation	14.856	<u>4,994,489</u>		<u>4,750,082</u>
Subtotal CFDA #14.182/14.856		7,515,715	1,539,412	9,290,324
Section 8 Voucher Program	14.855	46,631,674	150,483	46,259,746
Section 8 Certificate Program	14.857	<u>3,124,903</u>		<u>3,027,337</u>
Subtotal CFDA #14.1855/14.857		49,756,577	150,483	49,287,083
Comprehensive Grant Program				
Comprehensive Grant Program - 1995	14.859			141,552
Comprehensive Grant Program - 1996	14.859	25,359		25,440
Comprehensive Grant Program - 1997	14.859	1,262,679		1,024,254
Comprehensive Grant Program - 1998	14.859	8,488,063		9,125,066
Comprehensive Grant Program - 1999	14.859	<u>11,491,263</u>		<u>11,704,978</u>
Subtotal CFDA #14.859		21,267,364		22,021,290
Capital Fund Program	14.872	<u>4,234,542</u>		<u>4,234,542</u>
Urban Revitalization Development Grant	14.866	<u>4,796,242</u>	<u>(218)</u>	<u>4,981,661</u>
Homeownership Program	14.851	<u>395,922</u>	<u>375,090</u>	<u>401,863</u>
Supportive Housing Program	14.235	<u>532,265</u>		<u>532,265</u>
Economic Development Supportive Service Program				
Drug Elimination Grant - 1995	14.854			116,332
Drug Elimination Grant - 1996	14.854	80,036		80,036
Drug Elimination Grant - 1997	14.854	2,481,748		2,481,748
Drug Elimination Grant - 1998	14.854	873,642		873,642
Youth Violence Grant	14.854	<u>215,657</u>		<u>202,193</u>
Subtotal CFDA #14.854		<u>3,651,083</u>		<u>3,753,951</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 135,732,192</u>	<u>\$ 14,119,259</u>	<u>\$ 149,629,080</u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2000

1. GENERAL

The accompanying Supplemental Schedule of Expenditures of Federal Awards 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 supplemental schedule.

2. BASIS OF ACCOUNTING

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented as follows:

Revenue and Expenses are presented on an accrual basis with the exception of fixed assets and depreciation. For this schedule, depreciation expense is not recorded and the costs of fixed assets are included as an expense.

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CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program
111	Cash - Unrestricted	\$ 148,765	\$ 12,176,702	\$ -	\$ -	\$ 6,626,072	\$ -
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	896,097	-	-	-	-
100	Total Cash	148,765	13,072,799	-	-	6,626,072	-
121	Accounts Receivable - PHA Projects	-	5,601,082	61,756	-	6,500	-
122	Accounts Receivable - HUD Other Projects	-	-	-	783,377	-	-
125	Accounts Receivable - Miscellaneous	-	348,291	-	2,387	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	4,873	360,905	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(2,132)	(236,139)	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
129	Accrued Interest Receivable	-	32,343	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	2,741	6,106,482	61,756	785,764	6,500	-
131	Investments - Unrestricted	-	-	-	-	-	-
132	Investments Restricted	3,582,543	2,000,422	-	-	-	-
142	Prepaid Expenses and Other Assets	48,049	763,811	-	-	2,600	-
143	Inventories	-	1,594,962	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Interprogram Due From	-	9,107,610	-	-	-	3,155,746
150	Total Current Assets	3,782,098	32,646,086	61,756	785,764	6,635,172	3,155,746
161	Land	59,840	23,100,294	-	-	-	-
162	Buildings	6,279,320	227,265,459	130,430,595	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	779,664	3,874,705	6,870	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	8,678,532	-	138,243	467,419	-
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(3,856,648)	(167,203,759)	(82,869,434)	(10,369)	(230,640)	-
167	Construction In Progress	-	-	-	-	92,475	-
160	Total Fixed Assets, Net of Accumulated Depreciation	3,262,176	95,715,231	47,568,031	127,874	329,254	-
174	Other Assets	214,188	520,190	-	-	-	-
180	Total Non-Current Assets	3,476,364	96,235,421	47,568,031	127,874	329,254	-
190	Total Assets	\$ 7,258,462	\$ 128,881,507	\$ 47,629,787	\$ 913,638	\$ 6,964,426	\$ 3,155,746

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Revitalization of Severely Distressed Public Housing	State/Local	Internal Service Fund
111	Cash - Unrestricted	\$ 1,815,824	\$ -	\$ 2,133,646	\$ -	10,051	\$ 186,718
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-
100	Total Cash	1,815,824	-	2,133,646	-	10,051	186,718
121	Accounts Receivable - PHA Projects	5,358,820	-	-	2,650,477	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	246,065	20,567
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	68,658	-	-	5,307
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(51,269)	-	-	(2,824)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	2,798	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	5,358,820	-	20,187	2,650,477	246,065	23,050
131	Investments - Unrestricted	-	-	-	-	-	-
132	Investments Restricted	-	-	273,389	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Interprogram Due From	-	-	-	-	-	-
150	Total Current Assets	7,174,644	-	2,427,222	2,650,477	256,116	209,768
161	Land	-	-	166,347	-	-	-
162	Buildings	130,857,235	-	1,913,143	35,788,077	-	909,277
163	Furniture, Equipment & Machinery - Dwellings	1,408,784	-	18,265	90,361	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(46,316,595)	-	(1,076,436)	(12,659,839)	-	(255,091)
167	Construction in Progress	3,151,805	-	-	648,253	-	7,045
160	Total Fixed Assets, Net of Accumulated Depreciation	89,101,229	-	1,021,319	23,866,852	-	661,231
174	Other Assets	-	-	-	-	-	-
180	Total Non-Current Assets	89,101,229	-	1,021,319	23,866,852	-	661,231
190	Total Assets	\$ 96,275,873	\$ -	\$ 3,448,541	\$ 26,517,329	\$ 256,116	\$ 870,999

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0006
111	Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-
100	Total Cash	-	-	-	-	-	-
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	-	-	-	-
131	Investments - Unrestricted	-	-	-	-	-	-
132	Investments Restricted	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Interprogram Due From	1,192,018	52,377	194,522	194,522	25,669	25,669
150	Total Current Assets	1,192,018	52,377	194,522	194,522	25,669	25,669
161	Land	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	-	-	-	-
167	Construction In Progress	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	-	-	-	-
190	Total Assets	\$ 1,192,018	\$ 52,377	\$ 194,522	\$ 194,522	\$ 25,669	\$ 25,669

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0007	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0008	Business Activities	Economic Development and Supportive Services Program	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$ -	\$ -	\$ 682,340	\$ -	\$ -	\$ 23,780,118
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	896,097
100	Total Cash	-	-	682,344	-	-	24,676,215
121	Accounts Receivable - PHA Projects	-	-	-	-	2,654,932	16,333,567
122	Accounts Receivable - HUD Other Projects	-	-	-	62,281	-	1,112,290
125	Accounts Receivable - Miscellaneous	-	-	7,528	-	-	358,206
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	439,743
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(292,364)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	35,141
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	7,528	62,281	2,654,932	17,986,583
131	Investments - Unrestricted	-	-	-	-	-	-
132	Investments Restricted	-	-	-	-	-	5,856,354
142	Prepaid Expenses and Other Assets	-	-	13,429	-	-	827,889
143	Inventories	-	-	-	-	-	1,594,962
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Interprogram Due From	69,064	-	-	-	-	13,797,006
150	Total Current Assets	69,064	-	703,297	62,281	2,654,932	64,739,009
161	Land	-	-	278,000	-	-	23,604,481
162	Buildings	-	-	1,547,310	-	-	534,990,416
163	Furniture, Equipment & Machinery - Dwellings	-	-	112,191	-	-	6,290,840
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	9,284,194
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	-	-	(899,782)	-	-	(315,378,593)
167	Construction In Progress	-	-	-	-	1,008,012	4,907,590
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	1,037,719	-	1,008,012	263,698,928
174	Other Assets	-	-	-	-	-	734,378
180	Total Non-Current Assets	-	-	1,037,719	-	1,008,012	264,433,306
190	Total Assets	\$ 69,064	\$ -	\$ 1,741,016	\$ 62,281	\$ 3,662,944	\$ 329,172,315

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program
312	Accounts Payable <= 90 Days	\$ 226,651	\$ 4,365,717	\$ -	\$ 359,996	\$ 285,145	\$ -
321	Accrued Wage/Payroll Taxes Payable	6,236	2,247,363	-	27,000	49,056	-
322	Accrued Compensated Absences	-	-	-	-	-	-
325	Accrued interest payable	41,781	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	1,100,000	-	-	-	-
341	Tenant Security Deposits	91,158	896,097	-	-	391,189	-
342	Deferred Revenues	-	58,631	-	-	6,014,697	-
343	Current Portion of Long-term Debt - Capital Projects	213,731	476,474	-	-	-	-
345	Other Current Liabilities	-	632,690	-	-	-	-
346	Accrued Liabilities - Other	9,750	9,425,301	-	-	-	-
347	Interprogram Due To	218,820	-	61,756	398,804	4,503,996	-
310	Total Current Liabilities	808,127	19,202,273	61,756	785,800	11,244,083	-
351	Long-term Debt, Net of Current - Capital Projects	6,727,873	5,465,174	-	-	-	-
353	Noncurrent Liabilities - Other	-	1,602,000	-	-	-	-
350	Total Noncurrent Liabilities	6,727,873	7,067,174	-	-	-	-
300	Total Liabilities	7,536,000	26,269,447	61,756	785,800	11,244,083	-
502	Project Notes (HUD)	-	-	-	-	-	-
504	Net HUD PHA Contributions	-	97,820,650	47,568,031	-	-	3,155,746
505	Other HUD Contributions	-	-	-	127,838	-	-
508	Total Contributed Capital	-	97,820,650	47,568,031	127,838	-	3,155,746
511	Total Reserved Fund Balance	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	(277,538)	4,791,410	-	-	(4,279,657)	-
513	Total Equity	(277,538)	102,612,060	47,568,031	127,838	(4,279,657)	3,155,746
600	Total Liabilities and Equity	\$ 7,258,462	\$ 128,881,507	\$ 47,629,787	\$ 913,638	\$ 6,964,426	\$ 3,155,746

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Revitalization of Severely Distressed Public Housing	State/Local	Internal Service Fund
312	Accounts Payable <= 90 Days	\$ 3,694,938	\$ -	\$ 1,122	\$ 1,218,900	\$ 134,241	\$ 23,523
321	Accrued Wage/Payroll Taxes Payable	48,000	-	1,748	8,000	3,000	-
322	Accrued Compensated Absences	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	2,016,091	-	-	-	-	6,552
341	Tenant Security Deposits	-	-	256,986	-	-	5,735
342	Deferred Revenues	-	-	-	-	-	-
343	Current Portion of Long-term Debt - Capital Projects	-	-	-	-	-	-
345	Other Current Liabilities	-	-	58,856	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	10,000	-
347	Interprogram Due To	2,645,387	-	-	1,970,665	58,875	329,460
310	Total Current Liabilities	8,404,416	-	318,712	3,197,565	206,116	365,270
351	Long-term Debt, Net of Current - Capital Projects	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	-
300	Total Liabilities	8,404,416	-	318,712	3,197,565	206,116	365,270
502	Project Notes (HUD)	-	-	-	-	-	505,729
504	Net HUD PHA Contributions	87,871,457	-	3,129,829	23,319,764	50,000	-
505	Other HUD Contributions	-	-	-	-	-	-
508	Total Contributed Capital	87,871,457	-	3,129,829	23,319,764	50,000	505,729
511	Total Reserved Fund Balance	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	-	-	-	-	-	-
513	Total Equity	87,871,457	-	3,129,829	23,319,764	50,000	505,729
600	Total Liabilities and Equity	\$ 96,275,873	\$ -	\$ 3,448,541	\$ 26,517,329	\$ 256,116	\$ 870,999

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0006
312	Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322	Accrued Compensated Absences	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-	-
342	Deferred Revenues	-	-	-	-	-	-
343	Current Portion of Long-term Debt - Capital Projects	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	13,478	-	-	2,482
347	Interprogram Due To	-	-	13,478	-	-	2,482
310	Total Current Liabilities	-	-	-	-	-	-
351	Long-term Debt, Net of Current - Capital Projects	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-	-
300	Total Liabilities	-	-	13,478	-	-	2,482
502	Project Notes (HUD)	-	-	-	-	-	-
504	Net HUD PHA Contributions	-	52,377	-	194,522	25,669	-
505	Other HUD Contributions	1,192,018	-	-	-	-	-
508	Total Contributed Capital	1,192,018	52,377	-	194,522	25,669	-
511	Total Reserved Fund Balance	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	-	-	(13,478)	-	-	(2,482)
513	Total Equity	1,192,018	52,377	(13,478)	194,522	25,669	(2,482)
600	Total Liabilities and Equity	\$ 1,192,018	\$ 52,377	\$ -	\$ 194,522	\$ 25,669	\$ -

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0007	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0008	Business Activities	Economic Development and Supportive Services Program	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$ -	\$ -	2,925	21,147	59,384	\$ 10,393,689
321	Accrued Wage/Payroll Taxes Payable	-	-	-	3,000	98,000	2,491,403
322	Accrued Compensated Absences	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	41,781
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	3,122,643
341	Tenant Security Deposits	-	-	-	-	-	1,641,165
342	Deferred Revenues	-	-	7,875	-	-	6,073,328
343	Current Portion of Long-term Debt - Capital Projects	-	-	-	-	-	698,080
345	Other Current Liabilities	-	-	-	-	-	691,546
346	Accrued Liabilities - Other	-	-	-	-	-	9,445,051
347	Interprogram Due To	-	105,281	952,320	38,134	2,497,548	13,797,006
310	Total Current Liabilities	-	105,281	963,120	62,281	2,654,932	48,395,692
351	Long-term Debt, Net of Current - Capital Projects	-	-	-	-	-	12,193,047
353	Noncurrent Liabilities - Other	-	-	-	-	-	1,602,000
350	Total Noncurrent Liabilities	-	-	-	-	-	13,795,047
300	Total Liabilities	-	105,281	963,120	62,281	2,654,932	62,190,739
502	Project Notes (HUD)	-	-	-	-	-	505,729
504	Net HUD PHA Contributions	69,064	-	777,896	-	1,008,012	265,043,017
505	Other HUD Contributions	-	-	-	-	-	1,319,856
508	Total Contributed Capital	69,064	-	777,896	-	1,008,012	266,868,602
511	Total Reserved Fund Balance	-	-	-	-	-	-
512	Undesignated Fund Balance/Retained Earnings	-	(105,281)	-	-	-	112,974
513	Total Equity	69,064	(105,281)	777,896	-	1,008,012	266,981,576
600	Total Liabilities and Equity	\$ 69,064	\$ -	\$ 1,741,016	\$ 62,281	\$ 3,662,944	\$ 329,172,315

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE
 YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program
703	Net Tenant Rental Revenue	\$ 1,283,151	\$ 10,586,935	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	-	151,148	-	-	-	-
705	Total Tenant Revenue	1,283,151	10,738,083	-	-	-	-
706	HUD PHA Grants	-	43,421,500	-	-	46,631,674	3,124,903
708	Other Government Grants	2,521,226	-	-	3,651,083	-	-
711	Investment Income - Unrestricted	-	923,494	-	-	114,700	-
714	Fraud Recovery	-	-	-	-	-	-
715	Other Revenue	25,838	425,172	-	-	35,783	-
716	Gain/Loss on Sale of Fixed Assets	(2,371)	(32,257)	-	-	-	-
720	Investment Income - Restricted	230,424	-	-	-	-	-
700	Total Revenue	4,058,268	55,475,992	-	3,651,083	46,782,157	3,124,903
911	Administrative Salaries	113,982	10,693,887	-	171,417	2,224,445	-
912	Auditing Fees	-	76,611	-	-	79,000	-
913	Outside Management Fees	-	-	-	-	77,234	-
915	Employee Benefit Contributions - Administrative	-	2,755,881	-	-	529,342	-
916	Other Operating - Administrative	516,247	2,450,591	-	564,533	844,625	252,417
921	Tenant Services - Salaries	-	460,718	-	288,143	-	-
923	Employee Benefit Contributions - Tenant Services	-	118,730	-	-	-	-
924	Tenant Services - Other	-	467,389	-	838,560	33,444	-
931	Water	69,671	5,969,828	-	-	-	-
932	Electricity	113,709	4,310,099	-	-	-	-
933	Gas	38,883	4,145,805	-	-	-	-
934	Fuel	-	129,465	-	-	-	-
935	Labor	-	10,177	-	-	-	-
937	Employee Benefit Contributions - Utilities	-	2,623	-	-	-	-
938	Other Utilities Expense	-	-	-	-	-	-
941	Ordinary Maintenance and Operations - Labor	213,609	9,295,365	-	-	-	-
942	Ordinary Maintenance and Operations - Materials and Other	80,445	2,184,752	-	-	-	-
943	Ordinary Maintenance and Operations - Contract Costs	273,119	4,695,307	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	-	2,395,473	-	-	-	-
951	Protective Services - Labor	-	384,887	-	1,647,304	-	-
952	Protective Services - Other Contract Costs	-	272,459	-	-	-	-
953	Protective Services - Other	-	201,709	-	116,332	-	-
955	Employee Benefit Contributions - Protective Services	-	99,188	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Revitalization of Severely Distressed Public Housing	State/Local	Internal Service Fund
703	Net Tenant Rental Revenue						
704	Tenant Revenue - Other			127,254			137,764
705	Total Tenant Revenue			127,254			137,764
706	HUD PHA Grants	6,521,420		395,922	996,704		267,446
708	Other Government Grants					780,337	
711	Investment Income - Unrestricted			99,134			
714	Fraud Recovery						
715	Other Revenue		108	1,064		11,535	
716	Gain/Loss on Sale of Fixed Assets	(320)		147,638	(218)		59,885
720	Investment Income - Restricted						
700	Total Revenue	6,521,100	108	771,012	996,486	791,872	465,095
911	Administrative Salaries			69,256		28,612	
912	Auditing Fees						
913	Outside Management Fees						
915	Employee Benefit Contributions - Administrative			19,295			
916	Other Operating - Administrative			222,666		61,383	(28,871)
921	Tenant Services - Salaries					116,927	
923	Employee Benefit Contributions - Tenant Services						
924	Tenant Services - Other					654,807	
931	Water			131			9,707
932	Electricity			844			28,471
933	Gas			3,940			21,598
934	Fuel						
935	Labor						
937	Employee Benefit Contributions - Utilities						
938	Other Utilities Expense						
941	Ordinary Maintenance and Operations - Labor			16,086			
942	Ordinary Maintenance and Operations - Materials and Other			228			52,534
943	Ordinary Maintenance and Operations - Contract Costs						63,551
945	Employee Benefit Contributions - Ordinary Maintenance			4,482			
951	Protective Services - Labor			2,413			
952	Protective Services - Other Contract Costs						
953	Protective Services - Other						
955	Employee Benefit Contributions - Protective Services						

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE
 YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0006
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	-	-	-	-	-	-
705	Total Tenant Revenue	-	-	-	-	-	-
706	HUD PHA Grants	375,815	831,779	153,674	901,947	468,243	102,088
708	Other Government Grants	-	-	-	-	-	-
711	Investment Income - Unrestricted	-	-	-	-	-	-
714	Fraud Recovery	-	-	-	-	-	-
715	Other Revenue	-	-	-	-	-	-
716	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	-
720	Investment Income - Restricted	-	-	-	-	-	-
700	Total Revenue	375,815	831,779	153,674	901,947	468,243	102,088
911	Administrative Salaries	-	-	-	-	-	-
912	Auditing Fees	-	-	-	-	-	-
913	Outside Management Fees	-	-	-	-	-	-
915	Employee Benefit Contributions - Administrative	-	-	-	-	-	-
916	Other Operating - Administrative	30,810	67,320	13,217	63,424	36,916	7,703
921	Tenant Services - Salaries	-	-	-	-	-	-
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
924	Tenant Services - Other	-	-	-	-	-	-
931	Water	-	-	-	-	-	-
932	Electricity	-	-	-	-	-	-
933	Gas	-	-	-	-	-	-
934	Fuel	-	-	-	-	-	-
935	Labor	-	-	-	-	-	-
937	Employee Benefit Contributions - Utilities	-	-	-	-	-	-
938	Other Utilities Expense	-	-	-	-	-	-
941	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-
942	Ordinary Maintenance and Operations - Materials and Other	-	-	-	-	-	-
943	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-
951	Protective Services - Labor	-	-	-	-	-	-
952	Protective Services - Other Contract Costs	-	-	-	-	-	-
953	Protective Services - Other	-	-	-	-	-	-
955	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH003MR0008	Business Activities	Economic Development and Supportive Services Program	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue						\$ 12,135,104
704	Tenant Revenue - Other						151,148
705	Total Tenant Revenue						12,286,252
706	HUD PHA Grants	664,632	1,496,311			3,226,530	109,580,588
708	Other Government Grants				160,982		7,113,628
711	Investment Income - Unrestricted						1,137,328
714	Fraud Recovery						-
715	Other Revenue						499,500
716	Gain/Loss on Sale of Fixed Assets			32,111			204,468
720	Investment Income - Restricted						230,424
700	Total Revenue	664,632	1,496,311	32,111	160,982	3,226,530	131,052,188
911	Administrative Salaries						13,301,599
912	Auditing Fees						155,611
913	Outside Management Fees						77,234
915	Employee Benefit Contributions - Administrative						3,304,518
916	Other Operating - Administrative	54,420	19,114	12,679	39,936		5,229,130
921	Tenant Services - Salaries				121,046		986,834
923	Employee Benefit Contributions - Tenant Services						118,730
924	Tenant Services - Other			4,406			1,998,606
931	Water						6,049,337
932	Electricity						4,453,123
933	Gas						4,210,226
934	Fuel						129,465
935	Labor						10,177
937	Employee Benefit Contributions - Utilities						2,623
938	Other Utilities Expense			768			768
941	Ordinary Maintenance and Operations - Labor						9,525,060
942	Ordinary Maintenance and Operations - Materials and Other						2,317,959
943	Ordinary Maintenance and Operations - Contract Costs			2,560			5,034,537
945	Employee Benefit Contributions - Ordinary Maintenance						2,399,955
951	Protective Services - Labor						2,034,604
952	Protective Services - Other Contract Costs						272,459
953	Protective Services - Other						318,041
955	Employee Benefit Contributions - Protective Services						99,188

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program
961	Insurance Premiums	\$ 9,969	\$ 1,742,537	\$ -	\$ -	\$ 61,589	\$ -
962	Other General Expenses	86,068	(12,155)	-	-	8,998	2,582
963	Payments in Lieu of Taxes	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	329,934	-	-	-	-
967	Interest Expense	520,423	337,422	-	-	-	-
969	Total Operating Expenses	2,036,125	53,518,682	-	3,626,289	3,858,677	254,999
970	Excess Operating Revenue over Operating Expenses	2,022,143	1,957,310	-	24,794	42,923,480	2,869,904
971	Extraordinary Maintenance	124,534	159,181	-	-	-	-
972	Casualty Losses - Non-Capitalized	-	504,857	-	-	-	-
973	Housing Assistance Payments	-	-	-	-	42,245,465	2,772,338
974	Depreciation Expense	219,536	7,975,118	8,697,663	4,791	52,178	-
978	Dwelling Units Rent Expense	1,705,271	-	-	-	-	-
900	Total Expenses	4,085,466	62,157,838	8,697,663	3,631,080	46,156,320	3,027,337
1010	Total Other Financing Sources	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(27,198)	(6,681,846)	(8,697,663)	20,003	625,837	97,566

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Revitalization of Severely Distressed Public Housing	State/Local	Internal Service Fund
961	Insurance Premiums	\$ -	\$ -	7,571	\$ -	\$ -	-
962	Other General Expenses	-	-	-	-	-	-
963	Payments in Lieu of Taxes	-	-	21,833	-	-	-
964	Bad Debt - Tenant Rents	-	-	33,118	-	-	3,419
967	Interest Expense	-	-	-	-	-	-
969	Total Operating Expenses	-	-	401,863	-	861,729	150,409
970	Excess Operating Revenue over Operating Expenses	6,521,100	108	369,149	996,486	(69,857)	314,686
971	Extraordinary Maintenance	7,275,345	-	-	1,182,123	-	133,917
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-
973	Housing Assistance Payments	-	-	-	-	-	-
974	Depreciation Expense	8,529,222	-	70,213	2,223,197	1,250	58,888
978	Dwelling Units Rent Expense	-	-	-	-	-	-
900	Total Expenses	15,804,567	-	472,076	3,405,320	862,979	343,214
1010	Total Other Financing Sources	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(9,283,467)	108	298,936	(2,408,834)	(71,107)	121,881

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0006
961	Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
962	Other General Expenses	-	-	-	-	-	-
963	Payments in Lieu of Taxes	-	-	-	-	-	-
964	Bad Debt - Tenant Rents	-	-	-	-	-	-
967	Interest Expense	-	-	-	-	-	-
969	Total Operating Expenses	30,810	67,320	13,217	63,424	36,916	7,703
970	Excess Operating Revenue over Operating Expenses	345,005	764,459	140,457	838,523	431,327	94,385
971	Extraordinary Maintenance	-	-	-	-	-	-
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	-
973	Housing Assistance Payments	341,165	745,443	145,504	702,061	408,778	85,298
974	Depreciation Expense	-	-	-	-	-	-
978	Dwelling Units Rent Expense	-	-	-	-	-	-
900	Total Expenses	371,975	812,763	158,721	765,485	445,694	93,001
1010	Total Other Financing Sources	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	3,840	19,016	(5,047)	136,462	22,549	9,087

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH003MR0007	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation OH003MR0008	Business Activities	Economic Development and Supportive Services Program	Public Housing Capital Fund Program	Total
961	Insurance Premiums	\$ -	\$ -	17,414	\$ -	\$ -	1,839,080
962	Other General Expenses	-	-	-	-	-	85,493
963	Payments in Lieu of Taxes	-	-	-	-	-	21,833
964	Bad Debt - Tenant Rents	-	-	-	-	-	366,471
967	Interest Expense	-	-	1,130	-	-	858,975
969	Total Operating Expenses	54,420	19,114	38,957	160,982	-	65,201,636
970	Excess Operating Revenue over Operating Expenses	610,212	1,477,197	(6,846)	-	3,226,530	65,850,552
971	Extraordinary Maintenance	-	-	-	-	3,226,530	12,101,630
972	Casualty Losses - Non-Capitalized	-	-	-	-	-	504,857
973	Housing Assistance Payments	602,597	1,425,434	-	-	-	49,474,083
974	Depreciation Expense	-	-	43,199	-	-	27,875,255
978	Dwelling Units Rent Expense	-	-	-	-	-	1,705,271
900	Total Expenses	657,017	1,444,548	82,156	160,982	3,226,530	156,862,732
1010	Total Other Financing Sources	-	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	7,615	51,763	(50,045)	-	-	(25,810,544)

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program	Section 8 Rental Certificate Program
1101	Capital Outlays Enterprise Fund	\$ -	-	-	-	-	-
1102	Debt Principal Payments - Enterprise Funds	193,994	790,546	-	-	-	-
1103	Beginning Equity	129,660	109,293,906	56,265,694	107,835	(4,905,494)	3,058,180
1104	Prior Period Adjustments and Equity Transfers	(380,000)	-	-	-	-	-
1112	Depreciation Add Back	219,536	7,975,118	8,697,663	4,791	52,178	-
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	-	-	-
1114	Pro rata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	-	-	-	2,479,164	2,220,720
1116	Total Annual Contributions Available	-	-	-	-	2,479,164	2,220,720
1120	Unit Months Available	6,828	111,232	-	-	106,616	8,692
1121	Number of Unit Months Leased	6,697	91,678	-	-	103,129	8,692

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000**

Line Item #	Account Description	Public Housing Comprehensive Grant Program	PIH - Family Investment Corporation	Indian Community Development Block Grant Program	Revitalization of Severely Distressed Public Housing	State/Local	Internal Service Fund
1101	Capital Outlays Enterprise Fund	\$ 14,745,944	\$ -	\$ -	\$ 3,799,538	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-
1103	Beginning Equity	82,408,980	(108)	2,830,893	21,929,060	121,107	383,848
1104	Prior Period Adjustments and Equity Transfers	-	-	-	-	-	-
1112	Depreciation Add Back	8,529,222	-	70,213	2,223,197	-	58,888
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	-	-	-
1114	Pro rata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	-	-	-	-	-	-
1116	Total Annual Contributions Available	-	-	-	-	-	-
1120	Unit Months Available	-	-	737	-	1	360
1121	Number of Unit Months Leased	-	-	650	-	1	360

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0001	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0002	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0003	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0004	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0005	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0006
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-
1103	Beginning Equity	1,188,178	33,361	(8,431)	58,060	3,120	(11,569)
1104	Prior Period Adjustments and Equity Transfers	-	-	-	-	-	-
1112	Depreciation Add Back	-	-	-	-	-	-
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	-	-	-
1114	Pro rata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	72,513	116,569	804,122	394,307	1,102,557	-
1116	Total Annual Contributions Available	72,513	116,569	804,122	394,307	1,102,557	-
1120	Unit Months Available	822	1,771	417	1,740	1,225	256
1121	Number of Unit Months Leased	789	1,653	412	1,676	1,040	235

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
YEAR ENDED DECEMBER 31, 2000

Line Item #	Account Description	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0007	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitat OH003MR0008	Business Activities	Economic Development and Supportive Services Program	Public Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ 1,008,012	\$ 19,553,494
1102	Debt Principal Payments - Enterprise Funds	-	-	9,751	-	-	994,291
1103	Beginning Equity	61,449	(157,044)	447,941	-	-	273,238,626
1104	Prior Period Adjustments and Equity Transfers	-	-	380,000	-	-	-
1112	Depreciation Add Back	-	-	43,199	-	-	27,874,005
1113	Maximum Annual Contributions Commitment (Per ACC)	-	-	-	-	-	-
1114	Pro rata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	3,451,578	2,220,720	-	-	-	12,862,250
1116	Total Annual Contributions Available	3,451,578	2,220,720	-	-	-	12,862,250
1120	Unit Months Available	1,620	1,116	-	-	-	243,433
1121	Number of Unit Months Leased	1,419	912	-	-	-	219,343

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

RECONCILIATION OF THE COMBINED BALANCE SHEET WITH THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2000

ASSETS	Combined Balance Sheet	Reconciling Amount	Financial Data Schedule
Current Assets:			
Cash	\$ 24,230,118	\$ 446,097	1 \$ 24,676,215
Investments - restricted	2,887,639	2,968,715	1 5,856,354
Accounts receivable - tenant	147,380	292,363	2 439,743
Accounts receivable - HUD	17,445,857	-	17,445,857
Accounts receivable - other	448,144	(89,938)	3 358,206
Accounts receivable - interfund	-	13,797,006	4 13,797,006
Allowance for doubtful accounts - tenant	-	(292,364)	2 (292,364)
Accrued interest receivable	-	35,141	3 35,141
Inventory	1,594,962	-	1,594,962
Prepaid expenses and other	773,088	54,801	3 827,889
Total current assets	<u>47,527,188</u>	<u>17,211,821</u>	<u>64,739,009</u>
Non-Current Assets:			
Land, property and equipment:			
Land	23,604,481	-	23,604,481
Buildings	534,916,233	74,183	5 534,990,416
Property	-	-	-
Furniture, equipment & machinery - dwellings	-	6,290,840	5 6,290,840
Furniture, equipment & machinery - administrative	-	9,284,194	5 9,284,194
Equipment	15,649,217	(15,649,217)	5 -
Accumulated depreciation	(315,378,593)	-	(315,378,593)
Construction in progress	4,907,590	-	4,907,590
Land, property and equipment, net	<u>263,698,928</u>	<u>-</u>	<u>263,698,928</u>
Investments - restricted	3,414,812	(3,414,812)	1 -
Debt issuance costs	214,187	(214,187)	6 -
Insurance deposits	520,190	(520,190)	6 -
Other assets	-	734,378	6 734,378
Total non-current assets	<u>267,848,117</u>	<u>(3,414,811)</u>	<u>264,433,306</u>
TOTAL ASSETS	<u>\$ 315,375,305</u>	<u>\$ 13,797,010</u>	<u>\$ 329,172,315</u>
LIABILITIES AND EQUITY			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 10,521,762	\$ (128,073)	7 \$ 10,393,689
Accrued wage/payroll taxes payable	-	2,491,403	7 2,491,403
Accrued compensated absences	-	-	-
Accrued interest payable	-	41,781	7 41,781
Accounts payable - HUD	4,027,667	(905,024)	7 3,122,643
Accounts payable - interfund	-	13,797,006	4 13,797,006
Capital leases	476,474	(476,474)	8 -
Accrued expenses	12,541,706	(12,541,706)	7 -
Security and other deposits	1,641,164	1	1,641,165
Deferred revenue	5,168,305	905,023	7 6,073,328
Contingent liabilities	-	9,445,051	7 9,445,051
Other current liabilities	-	691,546	7 691,546
Current portion of long term debt	232,875	465,205	8 698,080
Total current liabilities	<u>34,609,953</u>	<u>13,785,739</u>	<u>48,395,692</u>
Non-current liabilities			
Long term debt, net of current	6,716,604	5,476,443	8 12,193,047
Capital leases	5,465,173	(5,465,173)	8 -
Other long term liabilities	1,602,000	-	1,602,000
Total liabilities	<u>48,393,730</u>	<u>13,797,009</u>	<u>62,190,739</u>
Net HUD PHA contributions	-	266,868,602	9 266,868,602
Undesignated fund balance/retained earnings	-	112,974	9 112,974
Equity	<u>266,981,575</u>	<u>(266,981,575)</u>	<u>-</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 315,375,305</u>	<u>\$ 13,797,010</u>	<u>\$ 329,172,315</u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

RECONCILIATION OF THE COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS WITH THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2000

	Combined Statement of Revenues, Expenses and Changes in Retained Earnings	Reconciling Amount		Financial Data Schedule
OPERATING REVENUES:				
Dwelling rent from tenants	\$ 12,135,104	\$ -		\$ 12,135,104
Tenant revenue - other	-	151,148	10	151,148
Subsidies and grants (HUD)	110,226,193	(645,605)	10	109,580,588
Housing assistance payments (HAP)	2,550,707	(2,550,707)	10	-
Other government grants	4,842,009	2,271,619	10	7,113,628
Investment income - unrestricted	-	1,137,328	11	1,137,328
Investment income - restricted	-	230,424	11	230,424
Gain on sales of fixed assets	-	204,468	12	204,468
Other revenues	639,004	(139,504)	10	499,500
Total revenues	<u>130,393,017</u>	<u>659,171</u>		<u>131,052,188</u>
OPERATING EXPENSES:				
Administrative	19,958,141	2,109,951	13/14	22,068,092
Tenant service	2,952,100	152,070	13	3,104,170
Utilities	14,853,097	2,622	13	14,855,719
Building	45,299,262	(26,021,751)	13/14/17-1	19,277,511
General	8,237,889	(5,925,012)	13	2,312,877
Nonroutine maintenance	12,606,488	(12,606,488)	15	-
Protective services	2,622,693	101,599	13	2,724,292
Interest expense	-	858,975	16	858,975
Housing assistance payments	49,474,083	(49,474,083)	18	-
Total operating expenses	<u>156,003,753</u>	<u>(90,802,117)</u>		<u>65,201,636</u>
OPERATING INCOME (LOSS)	<u>(25,610,736)</u>	<u>91,461,288</u>		<u>65,850,552</u>
OTHER INCOME (EXPENSE):				
Gain on disposal of assets	160,784	(160,784)	12	-
Extraordinary maintenance	-	(12,101,630)	15	(12,101,630)
Casualty losses - non-capitalized	-	(504,857)	15	(504,857)
Depreciation expense	-	(27,875,255)	14	(27,875,255)
Interest income	1,367,751	(1,367,751)	11	-
Interest expense	(858,975)	858,975	16	-
Dwelling units rent expense	-	(1,705,271)	17	(1,705,271)
Proceeds from home sales	43,681	(43,681)	12	-
Housing assistance payments	-	(49,474,083)	18	(49,474,083)
Total other income (expense)	<u>713,241</u>	<u>(92,374,337)</u>		<u>(91,661,096)</u>
NET LOSS	<u>(24,897,495)</u>	<u>(913,049)</u>		<u>(25,810,544)</u>
BEGINNING RETAINED EARNINGS	273,238,626	-		273,238,626
Capital grants recognized during the year	<u>18,640,444</u>	<u>913,049</u>		<u>19,553,493</u>
ENDING RETAINED EARNINGS	<u>\$ 266,981,575</u>	<u>\$ -</u>		<u>\$ 266,981,575</u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

NOTES TO THE FINANCIAL DATA SCHEDULE AND THE RECONCILIATION OF THE FINANCIAL STATEMENTS TO THE FINANCIAL DATA SCHEDULE YEAR ENDED DECEMBER 31, 2000

A. BASIS OF PRESENTATION

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

B. 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 Tenant Accounts Receivable net of allowances, but the FDS has a separate line for the allowance.
3. Classification differences exist between Accounts Receivable Other, Accrued Interest Receivable and Prepaid Other from the financial statement to the FDS.
4. Accounts Receivable Interfund are eliminated on the financial statements, but are recorded on the FDS as both a current asset and current liability.
5. Land, Property and Equipment is reflected as a net amount on the financial statements but is recorded on separate line items on the FDS.
6. Capitalized Cost of Bond issuance and Insurance Deposits on the financial statements are recorded as Other Assets on the FDS.
7. Classification differences exist between the financial statements and the FDS: Accounts Payable, Accrued Wages/Payroll Taxes Payable, Accounts Payable - HUD, Accrued Interest Payable, Accrued Expenses and Other, Deferred Revenue, Contingent Liabilities, and Other Current Liabilities.
8. Notes Payable Non-HUD is separated in the financial statements and combined on the FDS.
9. Equity is recorded net on the financial statements but recorded as Net HUD PHA Contributions and Undesignated Fund Balance/Retained Earnings on the FDS.
10. Represents classification differences between the financial statements and the FDS.

11. Interest income on investments is combined on the financial statements and separated between unrestricted and restricted on the FDS.
12. Gain on disposal of assets is recorded as other income on the financial statements and operating revenue on the FDS.
13. Fringe benefit expenses were classified as General in the financial statements but are allocated among the various expense categories on the FDS.
14. Depreciation expense is classified as Operating Expense (Administrative and Building) on the financial statements and Non-Operating on the FDS.
15. Nonroutine maintenance is classified as Operating Expense on the financial statements but as Non-Operating (Extraordinary Maintenance and Casualty losses) on the FDS.
16. Interest Expense is classified as Non-Operating in the financial statements and as Operating on the FDS.
17. Dwelling Units Rent Expense is classified as Building on the financial statements but recorded on a separate line on the FDS.
18. Housing Assistance Payments are classified as Operating expenses in the financial statements and as Non-Operating on the FDS.

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

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

We have audited the financial statements of Cuyahoga Metropolitan Housing Authority (the "Authority") as of and for the year ended December 31, 2000, and have issued our report thereon dated June 8, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated June 8, 2001

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Authority in a separate letter dated June 8, 2001.

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

Deloitte & Touche LLP

June 8, 2001

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

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

Compliance

We have audited the compliance of Cuyahoga Metropolitan Housing Authority (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2000. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants, applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000. However, we noted certain immaterial instances of noncompliance that we have report to management in a separate letter dated June 8, 2001.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over compliance that we have reported to management in a separate letter dated June 8, 2001.

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

Deloitte & Touche LLP

June 8, 2001

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Part I – Summary of Auditors’ Results

1. The independent auditors’ report on the financial statements expressed an unqualified opinion.
2. No reportable conditions in internal control over financial reporting were identified.
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No reportable conditions in internal control over compliance with requirements applicable to major federal awards programs were identified.
5. The independent auditors’ report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133.
7. The Authority’s major programs were:

Name of Federal Program or Cluster	CFDA Number
Section 8 – New Construction	14.182
Section 8 – Voucher Program	14.855
Section 8 – Certificate Program	14.857
Section 8 – Moderate Rehabilitation	14.856
Comprehensive Grant Program	14.859
Drug Elimination / Youth Violence Grant	14.854

8. A threshold of \$3,000,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Authority did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Part II – Financial Statement Findings Section

No reportable matters were identified.

Part III – Federal Award Findings and Questioned Cost Section

No reportable matters were identified.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

STATUS OF PRIOR YEAR FINDINGS YEAR ENDED DECEMBER 31, 2000

	Findings	Still Applicable	Comments
99-1	Access to CCS System	No	The Authority has taken corrective action
99-2	Section 8 Compliance	No	The Authority has taken corrective action
99-3	Public Housing Waiting List	Yes	The Authority's response to this finding is pending approval from HUD.
99-4	Public Housing Eligibility	Yes	The Authority's response to this finding is pending approval from HUD.
99-5	Compliance With Memorandum of Agreement and Allowable Costs	Yes	See Schedule of Other Reports

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF OTHER REPORTS FOR THE YEARS ENDED DECEMBER 31, 2000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT – INSPECTOR GENERAL’S AUDIT OF TITLE V

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

The results of the audit indicate that the Authority did not follow HUD’s requirements for the use of its Title V funds, Office of Management and Budgets Circular A-87, State of Ohio law, and the Authority’s policies regarding the use of Title V funds. Between January 1990 and July 1998, the Authority made payments of \$10,735,243 from Title V funds without adequate supporting documentation. In addition, \$531,966 was spent for items that were not necessary and reasonable low-income housing expenses.

The Authority did not follow its Annual Contributions Contract with HUD regarding the deposit of low-income housing monies. The Authority inappropriately transferred \$45,292 of Low-Income Housing Program funds to its Title V bank account between January 1990 and July 1998.

HUD recommended that the Authority implement controls to correct the weaknesses cited in its report; provide support for or reimburse the Title V fund for unsupported payments and ineligible payments; and transfer \$45,292 from Title V funds to the Low-Income Housing Program funds.

Status – The Authority has repaid \$45,292 from Title V to the Low-Income Housing Program. The remainder of the finding is open.

AUDITOR OF THE STATE OF OHIO – SPECIAL AUDIT REPORT

The Auditor of the State of Ohio conducted a special audit 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 policies. The findings of the report, dated December 15, 1998 are summarized below.

Townhouse Payments – A finding for recovery was issued against Claire E. Freeman-McCown (former Executive Director) and her bonding company in the amount of \$120,723, in favor of the Authority, for mortgage and interest payments made on behalf of Claire E. Freeman-McCown.

MasterCard Payments – Findings for recovery were made individually and jointly and severally against Claire E. Freeman-McCown and Ronnie Davis (former Chief Operating Officer) in the amount of \$202,779. The payments made on the MasterCard relate to airline tickets, meals, hotels, flowers and various miscellaneous items. The items noted in the finding for recovery lacked sufficient supporting documentation.

Payments totaling \$5,842 for a Board of Commissioners retreat were charged to the Title V funds. These expenditures are not specifically allowed under the Memorandum of Understanding between HUD and the Authority. These payments resulted in a federal questioned cost of \$5,842.

Compliance citations were issued relative to the Authority not following its “Procurement Procedures Manual” or its “Travel and Expense Procedures.”

Salary/Bonus/Incentive Payments – Excess payments were made to both Claire E. Freeman-McCown and Ronnie Davis. Federal questioned costs related to these excess payments are as follows:

Claire E. Freeman-McCown	\$ 477,770
Ronnie Davis	\$ 154,777

Management Comments – In addition to the findings and questioned costs noted above, the report made recommendations related to the following areas:

- Establishment of an audit committee
- Internal audit reporting function
- Authorization of bonuses
- Key personnel issues
- Monitoring by the Board of Commissioners

Phase II of the Auditor of the State of Ohio – Special Audit Report is in process and has not yet been released.

Status – Open



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
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CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 16, 2001**