



Kevin P. Martin & Associates, P.C.

Certified Public Accountants  
Business Consultants

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**FINANCIAL STATEMENTS  
MARCH 31, 2001**

2001-03-31 08:00:00  
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**CAMBRIDGE HOUSING AUTHORITY**  
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To the Board of Commissioners  
Cambridge Housing Authority

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

We have audited the financial statements of Cambridge Housing Authority for the year ended March 31, 2001, and have issued our report thereon dated November 20, 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 and the Commonwealth of Massachusetts Standards for Local Housing Authorities for the Single Audit of Housing Authorities, issued by the Office of the State Auditor, Commonwealth of Massachusetts.

**Compliance**

As part of obtaining reasonable assurance about whether Cambridge Housing 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 material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Cambridge Housing 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 an amount 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.

This report is intended solely for the information and use of the Board of Commissioners, Management, U.S. Department of Housing and Urban Development and the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'Kevin P. Martin &amp; Associates, P.C.', is written over the typed name.

November 20, 2001  
Braintree, Massachusetts



Kevin P. Martin & Associates, P.C.

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To the Board of Commissioners  
Cambridge Housing Authority

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

**Compliance**

We have audited the compliance of Cambridge Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2001. Cambridge Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cambridge Housing Authority's management. Our responsibility is to express an opinion on Cambridge Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Cambridge Housing Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cambridge Housing Authority's compliance with those requirements.

In our opinion, Cambridge Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2001.

**Internal Control Over Compliance**

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

This report is intended solely for the information and use of the Board of Commissioners, Management, U.S. Department of Housing and Urban Development and the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

*Camp Martini & Associates P.C.*

November 20, 2001  
Braintree, Massachusetts

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2001**

**ASSETS:****CURRENT ASSETS:**

## Cash:

Cash - unrestricted	\$ 11,938,450
Cash - restricted	74,700
Cash - tenant security deposits	220,002
Total cash	<u>12,233,152</u>

## Investments:

Investments - unrestricted	11,219,255
Investments - restricted	389,873
Total investments	<u>11,609,128</u>

## Accounts and notes receivables:

Accounts receivable - HUD other projects	3,451,866
Accounts receivable - other government	56,426
Accounts receivable - miscellaneous	408,730
Accounts receivable- tenants - dwelling rents	98,698
Accrued interest receivable	108,082
Total receivables, net of allowances for uncollectibles	<u>4,123,802</u>

## Prepaid expenses and other assets

335,726

**TOTAL CURRENT ASSETS**28,301,808**NONCURRENT ASSETS:**

## Fixed assets:

Land	10,790,122
Buildings	196,907,487
Furniture, equipment & mach. - dwellings	2,269,826
Furniture, equipment & mach. - admin.	2,477,925
Accumulated depreciation	(86,793,300)
Total fixed assets, net of accumulated depreciation	<u>125,652,060</u>

**TOTAL NONCURRENT ASSETS**125,652,060**TOTAL ASSETS**\$ 153,953,868

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**STATEMENT OF FINANCIAL POSITION - CONTINUED  
MARCH 31, 2001**

**LIABILITIES AND EQUITY:****LIABILITIES:****CURRENT LIABILITIES:**

Accounts payable < 90 days	\$ 2,247,904
Accrued wage/payroll taxes payable	66,763
Accrued compensated absences	975,864
Accounts payable - HUD PHA programs	1,615,844
Accounts payable - other government	159,486
Tenant security deposits	219,996
Deferred revenues	301,093
Accrued liabilities - other	1,413,928
Current portion of long-term debt	413,716
Other current liabilities	43,568
<b>TOTAL CURRENT LIABILITIES</b>	<u>7,458,162</u>

**NONCURRENT LIABILITIES**

Noncurrent liabilities - other	1,425,670
Long-term debt - net of current portion - capital projects	7,928,826
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>9,354,496</u>

**TOTAL LIABILITIES** \$ 16,812,658

**EQUITY:**

## Contributed Capital:

Net HUD PHA contributions	\$ 714,110
Other HUD contributions	92,527,137
Other contributions	32,596,931
<b>Total contributed capital</b>	<u>125,838,178</u>

## Reserved fund balance:

Reserved for operating activities	712,069
Reserved for capital activities	113,162
<b>Total reserved fund balance</b>	<u>825,231</u>

Undesignated fund balance/retained earnings 10,477,801

**TOTAL EQUITY** 137,141,210

**TOTAL LIABILITIES AND EQUITY** \$ 153,953,868

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2001**

	Total
<b>REVENUE:</b>	
Net tenant rental revenue	\$ 10,913,262
Total tenant revenue	10,913,262
HUD PHA grants	31,005,551
Other government grants	5,873,773
Investment income - unrestricted	893,577
Investment income - restricted	2,527
Fraud recovery	18,301
Other revenue	1,162,120
<b>TOTAL REVENUE</b>	<b>49,869,111</b>
<b>EXPENSES:</b>	
Administrative	6,816,493
Tenant services	756,546
Utilities	4,031,853
Ordinary maintenance & operation	6,692,725
Protective services	154,085
General expenses	2,264,544
Total Operating Expenses	20,716,246
Excess Operating Revenue Over Operating Expenses	29,152,865
Non-Operating Expenses	
Extraordinary maintenance	2,109,452
Casualty losses - non-capitalized	890
Housing assistance payments	15,386,614
Depreciation expense	9,077,887
Capital outlays - governmental funds	106
Debt principal payment- governmental funds	184,056
Total Non Operating Expenses	26,759,005
<b>TOTAL EXPENSES</b>	<b>47,475,251</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>2,393,860</b>
Beginning equity - restated	134,747,350
Ending equity	\$ 137,141,210

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2001**

Cash flows from operating activities:	
Rental receipts	\$ 10,856,460
HUD PHA Grants	27,336,110
Other Government Grants	2,737,041
Fraud recovery	18,301
Interest receipts	869,449
Other receipts	<u>2,603,577</u>
	44,420,938
Administrative	(6,667,687)
Utilities	(4,149,317)
Tenant Services	(756,546)
Operating and Maintenance	(8,874,287)
Protective Services	(154,085)
Housing Assistance Payments	(14,617,214)
Capital outlays	(106)
General	(2,397,672)
Interest Expense	<u>(293,985)</u>
Net cash provided by operating activities	<u>6,510,039</u>
Cash flows from investing activities:	
Purchase of fixed assets	(6,555,485)
Purchase of investments	<u>(5,062,935)</u>
Net cash used in investing activities	<u>(11,618,420)</u>
Cash flows from financing activities:	
Proceeds from long-term debt	1,125,045
Repayment of long-term debt	<u>(143,822)</u>
Net cash provided by financing activities	<u>981,223</u>
Net decrease in cash and cash equivalents	(4,127,158)
Cash and cash equivalents:	
Beginning of year	<u>16,360,310</u>
End of year	<u>\$ 12,233,152</u>

See accompanying notes

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**STATEMENT OF CASH FLOWS - CONTINUED  
YEAR ENDED MARCH 31, 2001**

## Cash flows from operating activities:

Net income	\$	2,393,860
Adjustment to reconcile net loss to cash provided by operating activities:		
Loss on disposal of fixed assets		1,728,275
Grant proceeds used to finance acquisition costs		(3,178,630)
Depreciation		9,077,887
(Increase) decrease in:		
Accounts receivable		(2,721,082)
Other current assets		12,084
Miscellaneous prepaid expenses		12,069
Increase (decrease) in:		
Accounts payable - operations		728,644
Accounts payable - government		(865,786)
Tenant security deposits		87,297
Deferred credits		(226,895)
Other liabilities		(438,240)
Accrued expenses		(99,444)
Net cash provided by operating activities	\$	<u>6,510,039</u>

## Supplemental Non-Cash Investing and Financing Activities:

During the year ended March 31, 2001, proceeds from long-term debt were used to finance acquisition costs totaling \$5,644,814.

During the year ended March 31, 2001, proceeds from grants were used to finance acquisition costs totaling \$3,178,630.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2001**

**Note 1 - Summary of Organization, Significant Accounting Policies, and Reporting Entity**

- A) Organization - Cambridge Housing Authority ("The Authority") is a government entity which was organized under the laws of the State of Massachusetts to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and the Commonwealth of Massachusetts.

Reporting Entity -The Authority is governed by a Board of Commissioners. The Board has governance responsibilities over all activities related to low rent housing within the city of Cambridge. The Authority receives funding from federal government sources and must comply with the applicable requirements of those funding sources. The Authority is not included in any other governmental "reporting entity" as defined in Section 2100 *Codification of Governmental Accounting and Financial Reporting Standards* since the Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

The criteria used in determining the scope of the entity for financial reporting purposes are as follows:

- The ability of the Board to exercise supervision of a component unit's financial interdependency.
- The Board's governing authority extends to the final decision making authority and is held primarily accountable for decisions.
- The Board appoints the management of an agency who is responsible for the day-to-day operations, and this management is directly accountable to the Board.
- The ability of the Board to significantly influence operations through budgetary approvals, sign and authorize contracts, exercise control over facilities, and approve the hiring or retention of key managerial personnel.
- The ability of the Board to have absolute authority over all funds of the PHA and to have accountability in fiscal matters.
- The activity of a component unit is for the benefit of the reporting entity and/or its residents, and is conducted within the geographic boundaries of the reporting entity.

Based upon the above criteria, all the operations of the PHA are included in these financial statements and there are no operations or component units, which have been excluded in this report.

The financial statements include Low-Income Housing Program under annual contributions contract number B-1549, Section 8 Housing Assistance Program under annual contributions contract numbers B-1118. A description of the Non-Federally Aided programs is as follows:

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2001**

**Note 1 - Summary of Organization, Significant Accounting Policies, and Reporting Entity - continued**

State-Aided Projects - The Authority prepares its financial statements for its state-aided projects on the basis of accounting prescribed by generally accepted accounting principles.

Cambridge Affordable Housing Corp. - A private non-profit corporation under the provisions of Chapter 180 of the General Laws of the Commonwealth of Massachusetts. The Organization has been granted tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3). The primary purpose is to acquire, improve (through rehabilitation, new construction or otherwise) and to make available at the lowest possible cost to persons and families with low and moderate income in every race, religion, and nationality, housing in the City of Cambridge. Cambridge Affordable Housing Corp. and the Cambridge Housing Authority have common members among their Boards.

Essex Street Management, Inc. - A private non-profit corporation under the provisions of Chapter 180 of the General Laws of the Commonwealth of Massachusetts. The Organization has been granted tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3). The primary purpose is to acquire, improve (through rehabilitation, new construction or otherwise) and to make available at the lowest possible cost to persons and families with low and moderate income in every race, religion, and nationality, housing in the City of Cambridge. Essex Street Management, Inc. and the Cambridge Housing Authority have common members among their Boards.

Lancaster Street, LLC - A single member limited liability company organized on June 20, 2000 under the laws of the State of Delaware to acquire and operate a 65 unit apartment complex located at 8-10 Lancaster Street in Cambridge, Massachusetts in such a manner that qualifies expenditures on the premises for the low-income housing tax credit provided by Section 42 of the Internal Revenue Code and to otherwise foster low-income housing. Cambridge Affordable Housing Corp. is the member of Lancaster Street, LLC. Cambridge Affordable Housing Corp. and the Cambridge Housing Authority have common members among their boards.

Revolving Fund - This fund is maintained as a common paying agent for all programs. Accounts receivable are due from PHA programs and advances represent funds received from the same programs.

- B) Proprietary Fund - The Authority utilizes the full accrual method of accounting for proprietary fund types. The authority does not follow Statements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.
- C) Revenue Recognition - Rental revenue is recognized on a monthly basis as the rents become due. Tenant rent is accrued on a monthly basis. Grant revenue is recognized when earned. Subsidy revenue is recognized when received.
- D) Tenant Security Deposits - The Authority requires tenant security deposits equal to \$200 or one month's rent, whichever is less. The security deposit, as well as interest accrued on the deposit, are due the tenant after move-out, less any withholding due to damages.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2001**

**Note 1 - Summary of Organization, Significant Accounting Policies, and Reporting Entity - continued**

- E) Property, Equipment and Depreciation - Fixed assets acquired by purchase are recorded at cost. Betterments and major renewals that extend useful lives of property and equipment have been capitalized. Routine repairs and maintenance are expensed as incurred. Contributed assets are recorded at their fair market value at the date of gift. In the absence of original cost records, appraisals of historical cost or fair market value at the date of gift have been recorded. Depreciation is computed by using the straight-line method over the estimated useful lives of the related assets. A summary of the estimated useful lives is as follows:

	<u>Years</u>
Buildings	40
Building and land improvements	15-20
Appliances	7
Furniture, equipment, and machinery	3-5

Depreciation expense for the year ended March 31, 2001 amounted to \$9,077,887.

- F) Allowance for Doubtful Accounts - The Authority uses the allowance method of accounting for accounts receivable. As of March 31, 2001, the allowance had a balance of \$21,323.
- G) Cash and Cash Equivalents - For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. All of the Authority's cash balances are being held in banks located in Massachusetts. The cash is secured up to \$100,000 through the Federal Deposit Insurance Corporation and its market value equals its carrying value. The commercial bank in which the majority of the Authority's funds are deposited has pledged \$12,000,000 of U.S. Government securities as collateral for the Authority's deposits.
- H) Restricted Investments - Restricted investments consist of reserves from tenants which are to be used towards the purchase of homes in the Homeownership program.
- I) Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- J) Interfund Transactions - Interfund payables and receivables are reimbursed on a periodic basis as funds become available.
- K) Income Taxes - The Authority is a government entity which is subsidized by the Federal Government and the Commonwealth of Massachusetts. The Authority is not subject to Federal or State income taxes, nor is it required to file Federal or State income tax returns.
- L) Budgetary Process - Budgets are prepared by the Fiscal Staff and approved by the Board of Commissioners. The budgets are submitted to the appropriate regulatory agency for their oversight approval. Expenditures, in relation to the budget, are reviewed by management on an ongoing basis.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 2 - Pension Plan**

The Authority participates in the Cambridge Retirement System through the Commonwealth of Massachusetts. The plan maintains that all employees working twenty hours or more contribute to this plan at various rates depending on the duration of their employment. The Authority contributed \$890,615 for the year ended March 31, 2001.

**Note 3 - Correction of an Error**

During the year ended March 31, 2001 errors were found in certain balances contained in previously issued financial statements. These errors primarily relate to the non-profit corporations being consolidated into Cambridge Housing Authority's financial statements. Equity as of March 31, 2000 was restated for the effect of the error corrections.

Equity, March 31, 2000 as previously stated	\$ 134,484,547
Grant revenue incorrectly recorded as long-term debt	165,157
Accounts receivable understated	17,081
Fixed assets overstated	(14,474)
Accounts payable understated	(7,840)
Long-term debt overstated	69,024
Property and equipment over-depreciated	42,039
Liability incorrectly recorded as equity	<u>(8,184)</u>
Equity, March 31, 2000 as restated	<u>\$ 134,747,350</u>

**Note 4 - Investments**

The Authority has investments in government bonds, U.S. Treasury Bills, and Certificates of Deposit through Salomon Smith Barney, FleetBoston Financial, and Citizen's Bank in the Authority's name. Salomon Smith Barney is a member of Securities Investor Protection Corporation (SIPC) and securities are protected by SIPC up to \$500,000. Additional securities protection, for balances in excess of \$500,000, is provided by Gulf Insurance Company and/ or Asset Guaranty. Investments are carried at their fair market value, which approximates costs. The balance of investments as of March 31, 2001 is \$11,609,128 consisting of U.S. Treasury Bills totaling \$422,424, government bonds totaling \$11,076,704, and Certificates of Deposit totaling \$110,000.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 5 - Summary of Fixed Assets**

The following is a summary of changes in general fixed assets. Please note that beginning balances include error corrections discussed above in Note 3:

	<u>Balance at 4/1/00</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance at 3/31/01</u>
<u>Land:</u>					
Low Rent 14.850 (Federal)	\$6,677,544	\$ -	\$ -	\$ -	\$6,677,544
Homeownership MA 315 (Federal)	44,202	-	-	-	44,202
Project 400-1 (State)	701,477	-	1,322,373	-	2,023,850
Project 689 (State)	151,490	-	-	-	151,490
State Developments (State)	1,322,373	-	(1,322,373)	-	-
Cambridge Affordable Housing Corp. (Business Activity)	95,167	99,967	-	-	195,134
Lancaster Street, LLC (Business Activity)	-	1,065,920	-	-	1,065,920
<u>Construction in Progress-Land</u>					
State Development	632,632	-	-	(650)	631,982
<u>Building:</u>					
Low Rent 14.850 (Federal)	125,891,459	-	-	-	125,891,459
Homeownership MA 315 (Federal)	137,381	-	-	-	137,381
Project 400-1 (State)	25,314,292	96	1,855,330	-	27,169,718
Project 667-3B (State)	1,277,250	-	-	-	1,277,250
Project 689 (State)	1,325,544	-	-	-	1,325,544
State Modernization (State)	15,044,352	-	1,543,868	(201,634)	16,386,586

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 5 - Summary of Fixed Assets – continued**

	<b>Balance at 4/1/00</b>	<b><u>Additions</u></b>	<b><u>Transfers</u></b>	<b><u>Disposals</u></b>	<b>Balance at 3/31/01</b>
<b><u>Building - continued:</u></b>					
State Developments					
<i>(State)</i>	1,862,599	-	(1,840,130)	(22,469)	-
Cambridge Affordable Housing Corp.					
<i>(Business Activity)</i>	605,564	1,220,998	-	-	1,826,562
Lancaster Street LLC					
<i>(Business Activity)</i>	-	9,379,691	-	-	9,379,691
Essex Street Management, Inc.					
<i>(Business Activity)</i>	-	632,725	-	-	632,725
<b><u>Building:</u></b>					
<b><u>Construction in Progress</u></b>					
State Modernization	1,960,856	61,127	(1,543,868)	(52,590)	425,525
Federal Modernization	11,329,877	2,365,800	-	(1,281,961)	12,413,716
State Development	16,747	24,583	-	-	41,330
<b><u>Furniture, Equipment &amp; Machinery-Admin &amp; Dwelling</u></b>					
Low Rent 14.850					
<i>(Federal)</i>	3,691,941	244,303	-	(417,564)	3,518,680
Homeownership MA 315					
<i>(Federal)</i>	19,215	-	-	(19,215)	-
Mod Rehab 14.856					
<i>(Federal)</i>	17,540	-	-	(17,540)	-
PIH Drug Elimination 14.854					
<i>(Federal)</i>	5,639	-	-	(5,639)	-
Workforce					
<i>(Federal)</i>	6,719	-	-	(6,719)	-
EDSS					
<i>(Federal)</i>	9,935	1,083	(2,895)	(484)	7,639
Project 400-1					
<i>(State)</i>	745,454	8,714	102,360	(147,721)	708,807
Project 200-4A					
<i>(State)</i>	93,581	8,272	-	-	101,853
Project 667-3B					
<i>(State)</i>	73,564	3,246	-	(10,595)	66,215

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 5 - Summary of Fixed Assets – continued**

	<b>Balance at 4/1/00</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Balance at 3/31/01</b>
<b><u>Furniture, Equipment, &amp; Machinery-Admin &amp; Dwelling - continued</u></b>					
Project 689 (State)	31,992	999	-	-	32,991
MRVP (State)	7,357	-	-	(7,357)	-
Gateways (State)	34,338	872	2,895	(3,785)	34,320
State Modernization (State)	16,713	-	-	-	16,713
State Developments (State)	117,560	-	(117,560)	-	-
Cambridge Affordable Housing Corp. (Business Activity)	-	40,632	-	-	40,632
Lancaster Street, LLC (Business Activity)	-	213,606	-	-	213,606
Essex Street Management, Inc. (Business Activity)	-	6,295	-	-	6,295
<b><u>Accumulated Depreciation:</u></b>					
Federal Programs	58,517,735	6,099,968	-	(461,158)	64,156,545
State Programs	19,665,326	2,977,919	-	(6,490)	22,636,755

**Note 6 - Long-Term Debt**

Consists of the following at March 31, 2001:

Lancaster Street, LLC has a first mortgage note payable to East Cambridge Savings Bank in the original amount of \$4,525,000, collateralized by real property located on Lancaster Street. The note is due in monthly installments of \$33,203, including interest at an annual rate 8.00%. Final payment is due August 2030.

\$ 4,503,317

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 6 - Long-Term Debt - continued**

<p>Lancaster Street, LLC has a second mortgage note payable to the Cambridge Affordable Housing Trust in the original amount of \$1,500,000, collateralized by real property located on Lancaster Street. Through August 2010 interest only payments, at an annual rate of 2.00%, are required monthly for accrued interest on the outstanding principal. Commencing August 2010, the note will be due in equal monthly payments of principal and interest in amounts sufficient to amortize the loan in full by the maturity date in April 2020.</p>	1,496,000
<p>Essex Street Management, Inc. has a first mortgage note payable to Cambridge Trust Company in the original amount of \$65,700, collateralized by real property located on Cambridge Street. Interest payments with a rate of 8.5% of \$465 are due in monthly installments. Final payment is due December 2002.</p>	65,700
<p>Essex Street Management, Inc. has a second mortgage note payable to the City of Cambridge in the original amount of \$40,000, collateralized by real property located on Cambridge Street. Principal is due December 2003.</p>	40,000
<p>Essex Street Management, Inc. has a first mortgage note payable to Cambridge Trust Company in the original amount of \$66,000, collateralized by real property located on Concord Avenue. Interest payments with a rate of 8.5% of \$468 are due in monthly installments. Final payment is due February 2003.</p>	66,000
<p>Essex Street Management, Inc. has a second mortgage note payable to the City of Cambridge in the original amount of \$40,000, collateralized by real property located on Concord Avenue. Principal is due December 2003.</p>	40,000
<p>Essex Street Management, Inc. has a first mortgage note payable to Cambridge Trust Company in the original amount of \$58,000, collateralized by real property located on Lee Street. Interest payments with a rate of 8.5% of \$387 are due in monthly installments. Final payment is due February 2003.</p>	58,000
<p>Essex Street Management, Inc. has a second mortgage note payable to the City of Cambridge in the original amount of \$40,000, collateralized by real property located on Lee Street. Principal is due February 2004.</p>	40,000
<p>Cambridge Affordable Housing Corporation has a construction mortgage note payable to Cambridge Trust Company in the original amount of \$650,000. Interest accrues at the Base Rate, which is the highest base or prime rate on corporate loans at large U.S. money center commercial banks as reported in the Wall Street Journal. The base rate at March 31, 2001 was 8.00%. Interest is payable in consecutive monthly installments beginning March 2001. Final principal payment is due March 2002. The note is collateralized by real property located on Ashton Place.</p>	250,000

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 6 - Long-Term Debt - continued**

Cambridge Affordable Housing Corporation has a first mortgage note payable to the Massachusetts Housing Partnership Fund Board in the original amount of \$49,659, collateralized by real property located on Massachusetts Avenue. The note is due in monthly installments of \$385, including interest at an annual rate of 8.59%. Final payment is due June 2020. 49,417

Cambridge Affordable Housing Corporation has a second mortgage note payable to the Massachusetts Housing Partnership Fund Board in the original amount of \$40,000, collateralized by real property located on Massachusetts Avenue. No interest is accrued on this note. Principal payment is due December 2020. 40,000

Cambridge Affordable Housing Corporation has a first mortgage note payable to the Massachusetts Housing Partnership Fund Board in the original amount of \$55,500, collateralized by real property located on Harvard Street. The note is due in monthly installments of \$426, including interest at an annual rate of 8.48%. Final payment is due in April 2020. 55,151

Cambridge Affordable Housing Corporation has a second mortgage note payable to the Massachusetts Housing Partnership Fund Board in the original amount of \$40,000, collateralized by real property located on Harvard Street. Principal payment is due December 2020. 40,000

Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of \$60,000, collateralized by real property located on Prospect Street. Currently, the note is due in monthly installments of \$400, including interest at an annual rate of 7.00%. Every three years the interest rate is updated to 1% below the Prime Rate published in the Wall Street Journal thirty days prior to the Adjustment Date. At no time shall the interest rate exceed 14.25%. The amount of each monthly installment due and payable after an Adjustment Date will be changed so that the principal will be fully paid by December 2006. 57,247

Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of \$64,000, collateralized by real property located on Prospect Street. Currently, the note is due in monthly installments of \$427, including interest at an annual rate of 7.00%. Every three years the interest rate is updated to 1% below the Prime Rate published in the Wall Street Journal thirty days prior to the Adjustment Date. At no time shall the interest rate exceed 14.25%. The amount of each monthly installment due and payable after an Adjustment Date will be changed so that the principal will be fully paid by December 2006. 61,063

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 6 - Long-Term Debt - continued**

<p>Cambridge Affordable Housing Corporation has a first mortgage note payable to the Massachusetts Housing Partnership Fund in the original amount of \$49,300, collateralized by real property located on Homer Avenue. The note is due in monthly installments of \$483, including interest at an annual rate of 8.91%. A balloon payment of \$31,390 is due in March 2020.</p>	48,987
<p>Cambridge Affordable Housing Corporation has a second mortgage with Massachusetts Housing Partnership Fund in the original amount of \$29,750, collateralized by real property located on Homer Avenue. Payment on the note is deferred until March 2020.</p>	29,750
<p>Cambridge Affordable Housing Corporation has a first mortgage note payable to the Massachusetts Housing Partnership Fund in the original amount of \$59,500, collateralized by real property located on Clifton Street. The note is due in monthly installments of \$483, including interest at an annual rate of 9.09%. A balloon payment of \$38,299 is due in April 2020.</p>	59,101
<p>Cambridge Affordable Housing Corporation has a second mortgage with Massachusetts Housing Partnership Fund in the original amount of \$38,000, collateralized by real property located on Clifton Street. Payment on the note is deferred until February 2020.</p>	38,000
<p>Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of \$80,000, collateralized by real property located on Brookline Street. The note is due in monthly installments of \$560, including interest at an annual rate of 7.50%. Final payment is due January 2030.</p>	78,572
<p>Cambridge Affordable Housing Corporation has a first mortgage note payable to the Cambridge Trust Company in the original amount of \$100,000, collateralized by real property located on Richdale Avenue. The note is due in monthly installments of \$403, including interest at an annual rate of 7.50%. Final payment is due May 2028.</p>	55,989
<p>Cambridge Housing Authority has a loan payable to the Marquette National Bank of Bridgeview, Illinois in the original amount of \$1,382,983 for a package of energy related capital improvements and equipment designed to reduce both energy consumption and cost at one of the Authority's developments. The loan is due in monthly installments of \$14,541, including interest at 4.95%. Final payment is due May 13, 2009.</p>	<u>1,170,248</u>
<p>Total</p>	\$ 8,342,542
<p>Less: Current Portion</p>	<u>413,716</u>
<p>Total Long-Term Debt</p>	<u>\$ 7,928,826</u>

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 6 - Long-Term Debt - continued**

Future minimum principal payments over the next five years are as follows:

<u>Year Ended</u>	<u>Amount</u>
2002	\$ 413,716
2003	363,128
2004	303,754
2005	194,732
2006	206,404

During 2001, total interest expense incurred on mortgages and notes amounted to \$293,985.

**Note 7 - Related Party Transactions**

Neville Manor

The Authority is involved in a joint venture effort to redevelop the Michael J. Neville Nursing Home. The Authority has a minority board interest in Neville Communities Inc. (NCI) a 501(c) entity. NCI was created exclusively for charitable purposes, to assist in the development of projects (primarily the Michael J. Neville Nursing Home and Assisted Living), undertakings and other activities that will assist in providing affordable housing and medical services alternatives for elderly individuals of low and moderate income. NCI performs these services consistent with standards for operation as a charitable activity under the Internal Revenue Code. Neville Manor owes \$165,000 to the Authority as of March 31, 2001 for cash advances.

Cambridge Affordable Housing Corporation

The Authority has a major association in Cambridge Affordable Housing Corporation, which is attributable to having common members among their respective boards. See supplemental financial statements for the Cambridge Affordable Housing Corporation's current financial position. All material inter-company transactions and accounts have been eliminated in consolidation.

Essex Street Management, Inc.

The Authority has a major association in Essex Street Management, Inc., which is attributable to having common members among their respective boards. See supplemental financial statements for Essex Street Management, Inc.'s current financial position. All material inter-company transactions and accounts have been eliminated in consolidation.

Lancaster Street, LLC

Lancaster Street, LLC is a single-member limited liability company controlled 100% by Cambridge Affordable Housing Corporation. The Authority has common board members with Cambridge Affordable Housing Corporation. See supplemental financial statements for Lancaster Street, LLC's current financial position. All material inter-company transactions and accounts have been eliminated in consolidation.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 8 - Inter-program Advances**

All significant inter-program balances are eliminated through consolidation. At March 31, 2001, the inter-program advances for the Cambridge Housing Authority were as follows:

<u>Program Owning</u>	<u>Program Owed</u>	<u>Amount</u>
Federal Low Rent	Revolving Fund	\$ (719,816)
Federal Low Rent	Payroll Revolving Fund	10,254
Section 8 MTW	Revolving Fund	277,294
Section 8 MTW	Payroll Revolving Fund	113,297
Section 8 MTW	Section 8 Certificate	774,984
Section 8 Rental Voucher	Revolving Fund	458,097
Section 8 Mod Rehab	Revolving Fund	368,511
Section 8 Mod Rehab	Payroll Revolving Fund	15,378
PIH Drug Elimination Program	Revolving Fund	443,949
PIH Drug Elimination Program	Payroll Revolving Fund	34,739
ROSS/EDSS	Revolving Fund	144,129
Shelter + Care	Revolving Fund	72,419
Shelter + Care	Payroll Revolving Fund	626
SCPH	Revolving Fund	50,786
Business Activities - C.A.H.C.	Revolving Fund	19,724
Business Activities - Lancaster	Revolving Fund	19,610
Business Activities - Essex	Revolving Fund	10,510
Business Activities - Rindge	Revolving Fund	638
Business Activities - Day Care	Revolving Fund	81
Homeowners	Revolving Fund	(269)
Homeowners	Payroll Revolving Fund	984
Federal Leased Housing	Revolving Fund	134,020
Federal Leased Housing	Payroll Revolving Fund	7,833
400-1	Revolving Fund	146,571
400-1	Payroll Revolving Fund	64,751
400-1	Section 8 MTW	80,000
400-1	Shelter + Care	12,152
MRVP	Revolving Fund	18,502
MRVP	Payroll Revolving Fund	8,440
Revolving Fund	Section 8 MTW	1,000,000
State Mod	Revolving Fund	65,557
State Mod	Payroll Revolving Fund	16,434
689	Revolving Fund	(5,047)
689	Payroll Revolving Fund	1,141
667-3B	Revolving Fund	11,854
667-3B	Payroll Revolving Fund	6,749

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 8 - Inter-program Advances - continued**

<u>Program Owing</u>	<u>Program Owed</u>	<u>Amount</u>
200-4A	Revolving Fund	\$ 4,840
200-4A	Payroll Revolving Fund	8,359
State Development	Revolving Fund	19,323
State Development	Payroll Revolving Fund	459
Gateways	Revolving Fund	7,170
Workforce	Revolving Fund	74,824
Workforce	Payroll Revolving Fund	28,808
Payroll Revolving Fund	Federal Low Rent	453,350
Payroll Revolving Fund	400-1	153,026
Bid Deposit	Revolving Fund	<u>74,043</u>
Total		<u>\$ 4,489,084</u>

**Note 9 - Moving To Work Demonstration Deregulation Program (MTW)**

The Authority has completed its second year of participation in the Department of Housing and Urban Development's MTW program at March 31, 2001. MTW was approved by Congress in Section 204(a) of the Omnibus Consolidated Reversions and Appropriations Act of 1996 (Public Law 104-134), and allows unprecedented fiscal and regulatory flexibility in hopes of increased efficiency while requesting that the Authority provide economic incentives and opportunities to residents to encourage work. The Department of Housing and Urban Development has approved the extension of the end date of the MTW Demonstration program by two years, from an original end date of March 31, 2004 to a new end date of March 31, 2006. This two year extension extends the program from a 5 year term to a 7 year term. The extension will provide the Authority with additional time to implement and assess important facets of the demonstration.

The MTW program is comprehensive in nature, encompassing the major federally assisted programs. The purpose of the MTW program is to allow the Authority the opportunity to design and test innovative housing and self-sufficiency strategies for low-income families. As required by the MTW program, the authority must develop an annual MTW Plan to describe the activities for the upcoming year. This annual plan is concurrent with the Authority's fiscal year. See, in the supplemental information section, the financial statements summary of the MTW program during the year ended March 31, 2001.

**Note 10 - Economic Dependency**

The Authority receives a majority of its funding from government sources. The Authority's operations are concentrated in low-income and elderly multifamily real estate market. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, U.S. Department of Housing and Urban Development (HUD) and the Massachusetts Department of Housing & Community Development (DHCD). Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and DHCD.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**NOTES TO FINANCIAL STATEMENTS - Continued  
MARCH 31, 2001**

**Note 11 - Contingencies**

The Authority has entered into numerous grant agreements to fund the purchases of various properties. Pursuant to the agreements, the Authority's failure to maintain the properties as affordable housing through the maturity dates will result in the Agency owing funds back to the grantor, including accrued interest at an annual rate of 8.00%. The Agency has entered into agreements for the following:

<u>Grantor</u>	<u>Property</u>	<u>Amount</u>	<u>Maturity Date</u>
Cambridge Affordable Housing Trust	Richdale Avenue	\$ 20,000	April 2048
Cambridge Affordable Housing Trust	Brookline Street	50,000	January 2050
Cambridge Affordable Housing Trust	Homer Avenue	33,420	March 2050
Cambridge Affordable Housing Trust	Clifton Street	24,250	February 2050
Cambridge Affordable Housing Trust	Harvard Street	50,000	April 2050
Cambridge Affordable Housing Trust	Massachusetts Avenue	36,580	June 2050
Cambridge Affordable Housing Trust	Prospect Street	37,487	December 2050
Cambridge Affordable Housing Trust	Ashton Place	376,500	February 2051
Cambridge Affordable Housing Trust	Lancaster Street	2,350,000	July 2050
City of Cambridge	Lancaster Street	245,550	July 2050
City of Cambridge	Cambridge Street	40,000	December 2051
City of Cambridge	Concord Avenue	40,000	December 2051
City of Cambridge	Lee Street	40,000	December 2051

**SUPPLEMENTAL INFORMATION**

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 Financial Data Schedule-Federal Programs  
 Statement of Financial Position  
 March 31, 2001

Exhibit E

Line Item #	Account Description	LOW RENT 14.850	SECTION 8 M-T-W PROGRAM 14.855	SECTION 8 RENTAL VOUCHER PROGRAM 14.855	SECTION 8 RENTAL CERT. PROGRAM/EXIST. HOUSING 14.857	SECTION 8 MOD REHAB. PROGRAM 14.856	PIH DRUG ELIMIN. PROGRAM 14.854	HOUSING/ONLINE DEVELOP & SUPPORTIVE SERVICES PROGRAM 14.864	SHELTER + CARE	SCPH	FSS	BUSINESS ACTIVITIES C.A.I.L.C.	BUSINESS ACTIVITIES - LANCASTER	BUSINESS ACTIVITIES - ESSEX	BUSINESS ACTIVITIES - RINDGE	BUSINESS ACTIVITIES - DAY CARE	HOMEOWNERS	FEDERAL LEASED HOUSING	TOTAL
<b>ASSETS:</b>																			
<b>CURRENT ASSETS:</b>																			
Cash:																			
111	Cash - unrestricted	1,774,598	5,143,694	-	35,589	785,257	163,021	41,719	39,285	8,559	76,146	186,048	36,075	13,055	28,647	42,122	567,278	227,340	9,168,433
112	Cash - restricted - modernization and development																		
113	Cash - other restricted																		
114	Cash - tenant security deposits	120,844										2,292	57,563					212	180,911
100	Total cash	1,895,442	5,143,694	-	35,589	785,257	163,021	41,719	39,285	8,559	76,146	188,340	93,638	13,055	28,647	42,122	567,490	227,340	9,349,344
Accounts and notes receivables:																			
121	Accounts receivable - PHA projects																		
122	Accounts receivable - HUD other projects	1,579,708		1,201,940		37,815	377,120	114,697	18,669	44,687								77,230	3,451,866
124	Accounts receivable - other government																		
125	Accounts receivable - miscellaneous	69,305	776,773				98		3,448					11,618		450		(3,307)	858,385
126	Accounts receivable- tenants - dwelling rents	77,882										1,490	2,421				362		82,155
126.1	Allowance for doubtful accounts - dwelling rents	(21,523)																	(21,523)
126.2	Allowance for doubtful accounts - other																		
127	Notes and mortgages receivable- current																		
128	Fraud recovery																		
128.1	Allowance for doubtful accounts - fraud																		
129	Accrued interest receivable	63,663	18,725										17,264			375	2,997		103,024
120	Total receivables, net of allowances for doubtful accounts	1,769,035	795,498	1,201,940	-	37,815	377,218	114,697	22,117	44,687	-	1,490	19,685	11,618	-	825	3,359	73,923	4,473,907
Current investments																			
131	Investments - unrestricted	5,343,880	4,198,688									50,000	910,043			48,733			10,551,344
132	Investments - restricted																389,873		389,873
142	Prepaid expenses and other assets	248,696	12,929																261,625
143	Inventories																		
143.1	Allowance for obsolete inventories																		
144	Interprogram - due from	453,351	1,080,000		774,984				12,151										2,320,486
146	Amounts to be provided																		
150	TOTAL CURRENT ASSETS	9,710,404	11,230,809	1,201,940	810,573	823,072	540,239	156,416	73,553	53,246	76,146	239,830	1,023,366	24,673	28,647	91,680	960,722	301,263	27,346,579
<b>NONCURRENT ASSETS:</b>																			
Fixed assets:																			
161	Land	6,677,544																	
162	Buildings	138,305,178										195,134	1,065,920				44,202		7,982,800
163	Furniture, equipment & machinery - dwellings	1,400,500										1,826,562	9,379,691	632,725			137,381		150,281,537
164	Furniture, equipment & machinery - administration	2,118,180										40,632	213,606	6,295					1,661,033
165	Leasehold improvements							7,639											2,125,819
166	Accumulated depreciation	(63,790,363)						(4,827)				(51,138)	(194,515)	(4,072)			(111,630)		(64,156,545)
160	Total fixed assets, net of accumulated depreciation	84,711,039	-	-	-	-	-	2,812	-	-	-	2,011,190	10,464,702	634,948	-	-	69,953	-	97,894,644
Other non-current assets:																			
171	Notes and mortgages receivable - non-current																		
172	Notes and mortgages receivable-non-current - past due																		
174	Other assets																		
175	Undistributed debits																		
176	Investment in joint ventures																		
180	TOTAL NONCURRENT ASSETS	84,711,039	-	-	-	-	-	2,812	-	-	-	2,011,190	10,464,702	634,948	-	-	69,953	-	97,894,644
190	TOTAL ASSETS	94,421,443	11,230,809	1,201,940	810,573	823,072	540,239	159,228	73,553	53,246	76,146	2,251,020	11,488,068	659,621	28,647	91,680	1,030,675	301,263	125,241,223

Continuing Audit  
**Financial Data Schedule-Federal Programs**  
**Statement of Financial Position**  
**March 31, 2001**

Exhibit E

Line Item #	Account Description	LOW RENT 14.850	SECTION # M-T-W PROGRAM 14.855	SECTION # RENTAL VOUCHER PROGRAM 14.855	SECTION # RENTAL CERT. PRGM/EXIST. HOUSING 14.857	SECTION # MOD REHAB. PROGRAM 14.856	PIH DRUG ELIMIN. PROGRAM 14.854	NON-ECONOMIC DEVELOP. & SUPPORTIVE SERVICES PROGRAM 14.864	SHELTER + CARE	SCPH	FSS	BUSINESS ACTIVITIES - C.A.H.C.	BUSINESS ACTIVITIES - LANCASTER	BUSINESS ACTIVITIES - ESSEX	BUSINESS ACTIVITIES - RINDGE	BUSINESS ACTIVITIES - DAY CARE	HOMEOWNERS	FEDERAL LEASED HOUSING	TOTAL
<b>LIABILITIES AND EQUITY:</b>																			
<b>Liabilities:</b>																			
<b>Current Liabilities:</b>																			
311	Bank overdraft																		
312	Accounts payable < 90 days	174,053	765,068	-		(612)		8,018	-			2,400							948,927
313	Accounts payable > 90 days past due																		-
321	Accrued wage/payroll taxes payable	30,440	10,650			753			53								23	657	42,576
322	Accrued compensated absences	576,321	201,638			14,260			993								427	12,437	806,076
324	Accrued contingency liability	259,727															1,779		261,506
325	Accrued interest payable																		-
331	Accounts Payable - HUD PHA Programs			713,524	801,498	100,822													1,615,844
332	Accounts Payable - PHA projects																		-
333	Accounts payable - other government																		-
341	Tenant security deposits	120,844										2,292	57,563				206		180,905
342	Deferred revenue	81,640	157,727									33,811				1,644	133		274,955
343	Current portion of L-T debt - capital projects	119,251										254,865	39,600						413,716
344	Current portion of L-T debt - operating borrowings																		-
345	Other current liabilities																		-
346	Accrued liabilities - other	664,251															5,611		669,862
347	Interprogram - due to	(709,562)	1,165,575	458,097		383,889	478,688	144,129	73,045	50,786		19,724	19,610	10,510	638	81	715	141,853	2,237,778
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>1,316,965</b>	<b>2,300,658</b>	<b>1,171,621</b>	<b>801,498</b>	<b>499,112</b>	<b>478,688</b>	<b>152,147</b>	<b>74,091</b>	<b>50,786</b>	<b>-</b>	<b>313,092</b>	<b>116,773</b>	<b>10,510</b>	<b>638</b>	<b>1,725</b>	<b>8,894</b>	<b>154,947</b>	<b>7,452,145</b>
<b>NONCURRENT LIABILITIES:</b>																			
351	Long-term debt, net of current - capital projects	1,050,997										984,912	5,959,717	518,000					8,513,626
352	Long-term debt, net of current - operating borrowings																		-
353	Non-current liabilities- other	1,151,443									76,146						87,543		1,315,132
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>2,202,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,146</b>	<b>984,912</b>	<b>5,959,717</b>	<b>518,000</b>	<b>-</b>	<b>-</b>	<b>87,543</b>	<b>-</b>	<b>9,828,758</b>
300	<b>TOTAL LIABILITIES</b>	<b>3,519,405</b>	<b>2,300,658</b>	<b>1,171,621</b>	<b>801,498</b>	<b>499,112</b>	<b>478,688</b>	<b>152,147</b>	<b>74,091</b>	<b>50,786</b>	<b>76,146</b>	<b>1,298,004</b>	<b>6,076,490</b>	<b>528,510</b>	<b>638</b>	<b>1,725</b>	<b>96,437</b>	<b>154,947</b>	<b>17,280,903</b>
<b>EQUITY:</b>																			
501	Investment in general fixed assets																		-
<b>Contributed Capital:</b>																			
502	Project notes (HUD)																		-
503	Long-term debt - HUD guaranteed																		-
504	Net HUD PHA contributions																	7,110	7,110
505	Other HUD contributions	92,502,137												25,000					92,527,137
507	Other contributions											173,557						1,735,383	1,908,940
508	Total contributed capital	92,502,137										173,557		25,000				1,735,383	94,443,187
<b>Reserved fund balance:</b>																			
509	Reserved for operating activities														14,779	78,100			92,879
510	Reserved for capital activities														9,512				9,512
511	Total reserved fund balance														24,291	78,100			102,391
512	Undesignated fund balance/retained earnings	(1,600,099)	8,930,151	30,319	9,075	323,960	61,551	7,081	(538)	2,460		779,459	5,411,578	106,111	3,718	11,855	(801,145)	139,206	13,414,742
513	<b>TOTAL EQUITY</b>	<b>90,902,038</b>	<b>8,930,151</b>	<b>30,319</b>	<b>9,075</b>	<b>323,960</b>	<b>61,551</b>	<b>7,081</b>	<b>(538)</b>	<b>2,460</b>	<b>-</b>	<b>953,016</b>	<b>5,411,578</b>	<b>131,111</b>	<b>28,009</b>	<b>89,955</b>	<b>934,238</b>	<b>146,316</b>	<b>107,960,320</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>94,421,443</b>	<b>11,230,809</b>	<b>1,201,940</b>	<b>810,573</b>	<b>823,072</b>	<b>540,239</b>	<b>159,228</b>	<b>73,553</b>	<b>53,246</b>	<b>76,146</b>	<b>2,251,020</b>	<b>11,488,068</b>	<b>659,621</b>	<b>28,647</b>	<b>91,680</b>	<b>1,030,675</b>	<b>301,263</b>	<b>125,241,223</b>

Cambridge Housing Authority  
 Financial Data Schedule-Federal Programs  
 Statement of Activities  
 For the Year Ended March 31, 2001

Exhibit F

Line Item #	Account Description	LOW RENT 14.850	SECTION 8 M-T-W PROGRAM 14.855	SECTION 8 RENTAL VOUCHER PROGRAM 14.855	SECTION 8 RENTAL CERT. PRGM. EXIST. HOUSING 14.857	SECTION 8 MOD REHAB. PROGRAM 14.856	PIH DRUG ELIMIN. PROGRAM 14.854	ROSS-ECONOMIC DEVELOP. & SUPPORTIVE SERV. PROGRAM 14.864	SHELTER + CARE	SCPH	FSS	BUSINESS ACTIVITIES- C.A.H.C.	BUSINESS ACTIVITIES- LANCASTER	BUSINESS ACTIVITIES- ESSEX	BUSINESS ACTIVITIES- RINDGE	BUSINESS ACTIVITIES- DAY CARE	HOMEOWNERS	FEDERAL LEASED HOUSING	TOTAL	
<b>REVENUE:</b>																				
703	Net tenant rental revenue	7,291,357										40,272	563,091	930				49,428	331,372	8,276,450
704	Tenant revenue - other	10,420																		10,420
705	Total tenant revenue	7,301,777										40,272	563,091	930				49,428	331,372	8,286,870
706	HUD PHA grants	9,044,081	15,398,367	2,673,254	296,378	1,205,969	578,121	230,727	85,131	137,240		47,479		2,144					758,920	30,457,811
708	Other government grants											463,080	2,595,550	120,000						3,178,630
711	Investment income - unrestricted	358,751	333,401		11,733	27,504	3,019		487	1,472		2,914	36,534	130	1,171	4,225	8,609	6,673	796,623	
712	Mortgage interest income																			
714	Fraud recovery	18,301																		18,301
715	Other revenue	755,658	8,231			(1)	36,187	2,294	(446)			113,392	2,809,172	25,000	2,547	11,976	30,951		3,794,961	
716	Gain or loss on sale of fixed assets																			
720	Investment income - restricted																2,527			2,527
700	<b>TOTAL REVENUE</b>	<b>17,478,568</b>	<b>15,739,999</b>	<b>2,673,254</b>	<b>308,111</b>	<b>1,233,472</b>	<b>617,327</b>	<b>233,021</b>	<b>85,172</b>	<b>138,712</b>	<b>-</b>	<b>667,137</b>	<b>6,004,347</b>	<b>148,204</b>	<b>3,718</b>	<b>16,201</b>	<b>91,515</b>	<b>1,096,965</b>	<b>46,535,723</b>	
<b>EXPENSES:</b>																				
<b>Administrative</b>																				
911	Administrative salaries	2,201,720	985,546	46,000	7,000	82,223	232,440	32,883	2,927									439	46,027	3,637,205
912	Auditing fees	10,297	10,070	1,703	341	994												24	603	24,032
913	Outside management fees																			
914	Compensated absences																			
915	Employee benefit contributions- administrative	440,181	337,462	15,640	2,380	18,160	47,350	2,185	1,144									106	15,330	879,938
916	Other operating- administrative	763,092	466,447	73,098	17,705	33,986	483					8,450	28,184	3,495				1,555	19,865	1,416,360
<b>Tenant services</b>																				
921	Tenant services - salaries																			
922	Relocation costs	9,568																		9,568
923	Employee benefit contributions- tenant services																			
924	Tenant services - other	37,075					158,535	195,659	81,060	137,240										609,569
<b>Utilities</b>																				
931	Water	1,126,955											7,619							1,134,574
932	Electricity	998,851				452						1,479	1,999	72			35	243		1,003,131
933	Gas	778,000										1,464	22,247	8						801,719
934	Fuel																			
935	Labor																			
937	Employee benefit contributions- utilities																			
938	Other utilities expense	78,005																		78,005
<b>Ordinary maintenance &amp; operation</b>																				
941	Ordinary maintenance and operations - labor	1,991,625												25,028			3,980			2,020,633
942	Ordinary maintenance and operations - materials &	836,652				2,149	5,639							2,066			103	1,879		849,947
943	Ordinary maintenance and operations - contract cost	1,310,954				2,274														1,315,112
945	Employee benefit contributions- ordinary maintain	670,579										58,638	5,877	2,634	2,887		29,861	1,987		1,415,112
<b>Protective services</b>																				
951	Protective services - labor	3,048					124,661													127,709
952	Protective services- other contract costs																			
953	Protective services - other																			
955	Employee benefit contributions- protective services	881					25,495													127,709
<b>General expenses</b>																				
961	Insurance premiums	157,946				1,466						3,555	18,051	1,684				52	899	183,653

Cambridge Housing Authority  
 Financial Data Schedule-Federal Programs  
 Statement of Activities  
 For the Year Ended March 31, 2001

Exhibit F

Line Item #	Account Description	LOW RENT 14.850	SECTION 8 M-T-W PROGRAM 14.855	SECTION 8 RENTAL VOUCHER PROGRAM 14.855	SECTION 8 RENTAL CERT. PRGM/ EXIST. HOUSING 14.857	SECTION 8 MOD REHAB PROGRAM 14.856	PIH DRUG ELIMIN. PROGRAM 14.854	ROSS-ECONOMIC DEVELOP. & SUPPORTIVE SERV. PROGRAM 14.864	SHELTER + CARE	SCPH	FSS	BUSINESS ACTIVITIES- C.A.H.C.	BUSINESS ACTIVITIES- LANCASTER	BUSINESS ACTIVITIES- ESSEX	BUSINESS ACTIVITIES- RINDGE	BUSINESS ACTIVITIES- DAY CARE	HOMEOWNERS	FEDERAL LEASED HOUSING	TOTAL
962	Other general expenses	675,525	10,898	6,553	2,628	122						3,853		1,760			(413)		700,926
963	Payments in lieu of taxes	435,900										7,464	30,173	183			5,611		479,331
964	Bad debt - tenant rents	4,838															361		5,199
965	Bad debt - mortgages																		-
966	Bad debt - other																		-
967	Interest expense											34,924	255,876	3,185					293,985
968	Severance expense																		-
969	<b>TOTAL OPERATING EXPENSES</b>	<b>12,531,692</b>	<b>1,810,423</b>	<b>142,994</b>	<b>30,054</b>	<b>141,826</b>	<b>594,603</b>	<b>230,727</b>	<b>85,131</b>	<b>137,240</b>	<b>-</b>	<b>119,827</b>	<b>398,254</b>	<b>13,021</b>	<b>-</b>	<b>4,346</b>	<b>42,669</b>	<b>86,833</b>	<b>16,369,640</b>
970	<b>OPERATING EXPENSES</b>	<b>4,946,876</b>	<b>13,929,576</b>	<b>2,530,260</b>	<b>278,057</b>	<b>1,091,646</b>	<b>22,724</b>	<b>2,294</b>	<b>41</b>	<b>1,472</b>	<b>-</b>	<b>547,310</b>	<b>5,606,093</b>	<b>135,183</b>	<b>3,718</b>	<b>11,855</b>	<b>48,846</b>	<b>1,010,132</b>	<b>30,166,083</b>
971	Extraordinary maintenance	1,904,723															20,974		1,925,697
972	Casualty losses - non capitalized	890																	890
973	Housing assistance payments		9,350,859	2,510,785	275,611	1,051,876												1,009,517	14,198,648
974	Depreciation expense	5,857,378					357	2,546				37,666	194,515	4,072				3,435	6,099,969
975	Fraud losses																		-
976	Capital outlays- governmental funds		2,846,913																2,846,913
977	Debt principal payment- governmental funds																		-
978	Dwelling units rent expense																		-
980	<b>TOTAL EXPENSES</b>	<b>20,294,683</b>	<b>14,008,195</b>	<b>2,653,779</b>	<b>305,665</b>	<b>1,193,702</b>	<b>594,960</b>	<b>233,273</b>	<b>85,131</b>	<b>137,240</b>	<b>-</b>	<b>157,493</b>	<b>592,769</b>	<b>17,093</b>	<b>-</b>	<b>4,346</b>	<b>67,078</b>	<b>1,096,350</b>	<b>41,441,757</b>
<b>OTHER FINANCING SOURCES (USES)</b>																			
1001	Operating transfers in																		
1002	Operating transfers out																		
1003	Operating transfers from/to primary government																		
1004	Operating transfers from/to component unit																		
1005	Proceeds from notes, loans and bonds																		
1006	Proceeds from property sales																		
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(2,816,115)</b>	<b>1,731,804</b>	<b>19,475</b>	<b>2,446</b>	<b>39,770</b>	<b>22,367</b>	<b>(252)</b>	<b>41</b>	<b>1,472</b>	<b>-</b>	<b>509,644</b>	<b>5,411,578</b>	<b>131,111</b>	<b>3,718</b>	<b>11,855</b>	<b>24,437</b>	<b>615</b>	<b>5,093,966</b>

Cambridge At  
**Financial Data Schedule-State Programs**  
**Statement of Financial Position**  
**March 31, 2001**

Exhibit G

Line Item #	Account Description	4001	MRVP	REVOLVING FUND	STATE MOD.	689	667-3B	200-4A	STATE DEVELOP- MENT	GATEWAYS	SUPPORTIVE SERVICES	WORKFORCE	PAYROLL	BID DEPOSIT	TOTAL
<b>ASSETS:</b>															
<b>CURRENT ASSETS:</b>															
Cash:															
111	Cash - unrestricted	823,450	74,419	250,466	44,090	47,242	270,515	404,975	12,276	11,721	53,749	107,349	578,358	91,407	2,770,017
112	Cash - restricted - modernization and development				39,638							35,062			74,700
113	Cash - other restricted														-
114	Cash - tenant security deposits	29,568		5,763			2,796	964							39,091
100	<b>Total cash</b>	<b>853,018</b>	<b>74,419</b>	<b>256,229</b>	<b>83,728</b>	<b>47,242</b>	<b>273,311</b>	<b>405,939</b>	<b>12,276</b>	<b>11,721</b>	<b>53,749</b>	<b>142,411</b>	<b>578,358</b>	<b>91,407</b>	<b>2,883,808</b>
Accounts and notes receivables:															
121	Accounts receivable - PHA projects														-
122	Accounts receivable - HUD other projects														-
124	Accounts receivable - other government						13,262	42,354			810				56,426
125	Accounts receivable - miscellaneous	15,357		67,278		10,000		584				17,520	24,206	200	135,145
126	Accounts receivable- tenants - dwelling rents	34,663					899	2,304							37,866
126.1	Allowance for doubtful accounts - dwelling rents	200													200
126.2	Allowance for doubtful accounts - other														-
127	Notes and mortgages receivable- current														-
128	Fraud recovery														-
128.1	Allowance for doubtful accounts - fraud														-
129	Accrued interest receivable	1,498		450		375	375	2,248				112			5,058
120	<b>Total receivables, net of allowances for doubtful accounts</b>	<b>51,718</b>	<b>-</b>	<b>67,728</b>	<b>-</b>	<b>10,375</b>	<b>14,536</b>	<b>47,490</b>	<b>-</b>	<b>-</b>	<b>810</b>	<b>17,632</b>	<b>24,206</b>	<b>200</b>	<b>234,695</b>
Current investments															
131	Investments - unrestricted	204,937		58,481		48,734	48,734	292,405				14,620			667,911
132	Investments - restricted														-
142	Prepaid expenses and other assets	16,973													16,973
143	Inventories			57,128											57,128
143.1	Allowance for obsolete inventories														-
144	Interprogram - due from	153,026		1,697,321									318,251		2,168,598
146	Amounts to be provided														-
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,279,672</b>	<b>74,419</b>	<b>2,136,887</b>	<b>83,728</b>	<b>106,351</b>	<b>336,581</b>	<b>745,834</b>	<b>12,276</b>	<b>11,721</b>	<b>54,559</b>	<b>174,663</b>	<b>920,815</b>	<b>91,607</b>	<b>6,029,113</b>
<b>NONCURRENT ASSETS:</b>															
Fixed assets:															
161	Land	2,023,850				151,490			631,982						2,807,322
162	Buildings	27,169,716			16,812,110	1,325,544	1,277,250		41,330						46,625,950
163	Furniture, equipment & machinery - dwellings	433,729			16,713	30,298	26,200	101,853							608,793
164	Furniture, equipment & machinery - administration	275,078				2,693	40,015			34,320					352,106
165	Leasehold improvements														-
166	Accumulated depreciation	(13,472,516)			(7,946,870)	(485,587)	(635,572)	(78,158)		(18,052)					(22,636,755)
160	<b>Total fixed assets, net of accumulated depreciation</b>	<b>16,429,857</b>	<b>-</b>	<b>-</b>	<b>8,881,953</b>	<b>1,024,438</b>	<b>707,893</b>	<b>23,695</b>	<b>673,312</b>	<b>16,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,757,416</b>
Other non-current assets:															
171	Notes and mortgages receivable - non-current														-
172	Notes and mortgages receivable-non-current - past due														-
174	Other assets														-
175	Undistributed debits														-
176	Investment in joint ventures														-
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>16,429,857</b>	<b>-</b>	<b>-</b>	<b>8,881,953</b>	<b>1,024,438</b>	<b>707,893</b>	<b>23,695</b>	<b>673,312</b>	<b>16,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,757,416</b>
190	<b>TOTAL ASSETS</b>	<b>17,709,529</b>	<b>74,419</b>	<b>2,136,887</b>	<b>8,965,681</b>	<b>1,130,789</b>	<b>1,044,474</b>	<b>769,529</b>	<b>685,588</b>	<b>27,989</b>	<b>54,559</b>	<b>174,663</b>	<b>920,815</b>	<b>91,607</b>	<b>33,786,529</b>

Cambridge A  
 Financial Data Schedule-State Programs  
 Statement of Financial Position  
 March 31, 2001

Exhibit G

Line Item #	Account Description	4001	MRVP	REVOLVING FUND	STATE MOD.	689	667-3B	200-4A	STATE DEVELOPMENT	GATEWAYS	SUPPORTIVE SERVICES	WORKFORCE	PAYROLL	BID DEPOSIT	TOTAL
<b>LIABILITIES AND EQUITY:</b>															
<b>Liabilities:</b>															
<b>Current Liabilities:</b>															
311	Bank overdraft														-
312	Accounts payable < 90 days	180,043	7,104	1,069,886			19,542	22,402							1,298,977
313	Accounts payable > 90 days past due														-
321	Accrued wage/payroll taxes payable	19,822					3,035	1,330							24,187
322	Accrued compensated absences	138,999					5,611	25,178							169,788
324	Accrued contingency liability	85,842						14,347					291,395		391,584
325	Accrued interest payable														-
331	Accounts Payable - HUD PHA Programs														-
332	Accounts Payable - PHA projects														-
333	Accounts payable - other government	133,899	25,587												159,486
341	Tenant security deposits	29,568		5,763			2,796	964							39,091
342	Deferred revenue	21,066					1,374	3,698							26,138
343	Current portion of L-T debt - capital projects														-
344	Current portion of L-T debt - operating borrowings														-
345	Other current liabilities											20,524	23,044		43,568
346	Accrued liabilities - other	82,752				835	2,310	5,079							90,976
347	Interprogram - due to	303,474	26,942	1,000,000	81,991	(3,906)	18,603	13,199	19,782	7,170		103,632	606,376	74,043	2,251,306
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>995,465</b>	<b>59,633</b>	<b>2,075,649</b>	<b>81,991</b>	<b>(3,071)</b>	<b>53,271</b>	<b>86,197</b>	<b>19,782</b>	<b>7,170</b>	<b>-</b>	<b>124,156</b>	<b>920,815</b>	<b>74,043</b>	<b>4,495,101</b>
<b>NONCURRENT LIABILITIES:</b>															
351	Long-term debt, net of current - capital projects														-
352	Long-term debt, net of current - operating borrowings														-
353	Non-current liabilities- other	4,184		46,526	34,556						25,152			120	110,538
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>4,184</b>	<b>-</b>	<b>46,526</b>	<b>34,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,152</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>110,538</b>
300	<b>TOTAL LIABILITIES</b>	<b>999,649</b>	<b>59,633</b>	<b>2,122,175</b>	<b>116,547</b>	<b>(3,071)</b>	<b>53,271</b>	<b>86,197</b>	<b>19,782</b>	<b>7,170</b>	<b>25,152</b>	<b>124,156</b>	<b>920,815</b>	<b>74,163</b>	<b>4,605,639</b>
<b>EQUITY:</b>															
501	Investment in general fixed assets														-
<b>Contributed Capital:</b>															
502	Project notes (HUD)														-
503	Long-term debt - HUD guaranteed														-
504	Net HUD PHA contributions								707,000						707,000
505	Other HUD contributions														-
507	Other contributions	29,810,833		-	(954,385)	1,056,661	707,893	23,695		16,269	27,059	(34)			30,687,991
508	Total contributed capital	29,810,833		-	(954,385)	1,056,661	707,893	23,695	707,000	16,269	27,059	(34)			31,394,991
<b>Reserved fund balance:</b>															
509	Reserved for operating activities		14,786					572,735						31,669	619,190
510	Reserved for capital activities					16,748		86,902							103,650
511	Total reserved fund balance		14,786			16,748		659,637						31,669	722,840
512	Undesignated fund balance/retained earnings	(13,100,953)		14,712	9,803,519	60,451	283,310		(41,194)	4,550	2,348	50,541		(14,225)	(2,936,941)
513	<b>TOTAL EQUITY</b>	<b>16,709,880</b>	<b>14,786</b>	<b>14,712</b>	<b>8,849,134</b>	<b>1,133,860</b>	<b>991,203</b>	<b>683,332</b>	<b>665,806</b>	<b>20,819</b>	<b>29,407</b>	<b>50,507</b>	<b>-</b>	<b>17,444</b>	<b>29,180,890</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,709,529</b>	<b>74,419</b>	<b>2,136,887</b>	<b>8,965,681</b>	<b>1,130,789</b>	<b>1,044,474</b>	<b>769,529</b>	<b>685,588</b>	<b>27,989</b>	<b>54,559</b>	<b>174,663</b>	<b>920,815</b>	<b>91,607</b>	<b>33,786,529</b>



Cambridge Housing Authority  
Financial Data Schedule-State Programs  
Statement of Activities  
For the Year Ended March 31, 2001

Exhibit H

Line Item #	Account Description	4001	MRVP	REVOLVING FUND	STATE MOD	689	667-3B	200-4A	STATE DEVELOP- MENT	GATEWAYS	SUPPORTIVE SERVICES	WORKFORCE	PAYROLL	BID DEPOSIT	TOTAL
	General expenses														
961	Insurance premiums	25,292				678	1,382	3,273							30,625
962	Other general expenses	406,581			(442)	-	6,550		29,644	49,248		6,719		40,000	538,300
963	Payments in lieu of taxes	17,038				1,676		2,772						600	22,086
964	Bad debt - tenant rents	9,653					1,962	(1,176)							10,439
965	Bad debt- mortgages														-
966	Bad debt - other														-
967	Interest expense														-
968	Severance expense														-
969	<b>TOTAL OPERATING EXPENSES</b>	<b>3,372,222</b>	<b>73,939</b>	<b>-</b>	<b>(23,908)</b>	<b>11,000</b>	<b>142,365</b>	<b>479,079</b>	<b>44,678</b>	<b>161,060</b>	<b>-</b>	<b>24,474</b>	<b>-</b>	<b>61,697</b>	<b>4,346,606</b>
970	<b>OPERATING EXPENSES</b>	<b>78,483</b>	<b>1,192,911</b>	<b>3,008</b>	<b>212,793</b>	<b>17,672</b>	<b>108,098</b>	<b>244,155</b>	<b>24,082</b>	<b>(47,465)</b>	<b>2,348</b>	<b>22,793</b>	<b>-</b>	<b>(25,289)</b>	<b>1,833,589</b>
971	Extraordinary maintenance	67,081				1,200	15,347	100,127							183,755
972	Casualty losses - non capitalized														-
973	Housing assistance payments		1,187,966												1,187,966
974	Depreciation expense	1,797,527			1,092,600	33,622	38,013	8,284	3,430	4,442					2,977,918
975	Fraud losses														-
976	Capital outlays- governmental funds														-
977	Debt principal payment- governmental funds						51,972	132,084							184,056
978	Dwelling units rent expense														-
900	<b>TOTAL EXPENSES</b>	<b>5,236,830</b>	<b>1,261,905</b>	<b>-</b>	<b>1,068,692</b>	<b>45,822</b>	<b>247,697</b>	<b>719,574</b>	<b>48,108</b>	<b>165,502</b>	<b>-</b>	<b>24,474</b>	<b>-</b>	<b>61,697</b>	<b>8,880,301</b>
	<b>OTHER FINANCING SOURCES (USES)</b>														
1001	Operating transfers in														
1002	Operating transfers out														
1003	Operating transfers from/to primary government														
1004	Operating transfers from/to component unit														
1005	Proceeds from notes, loans and bonds														
1006	Proceeds from property sales														
1010	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
1000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>(1,786,125)</b>	<b>4,945</b>	<b>3,008</b>	<b>(879,807)</b>	<b>(17,150)</b>	<b>2,766</b>	<b>3,660</b>	<b>20,652</b>	<b>(51,907)</b>	<b>2,348</b>	<b>22,793</b>	<b>-</b>	<b>(25,289)</b>	<b>(2,700,106)</b>

CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS

STATEMENT OF CERTIFICATION OF ACTUAL PROGRAM COSTS

March 31, 2001

	Scattered Site MA-P003-035	Public Housing Drug Elimination Fiscal Year 1997 MA06-DEP-3-197	Public Housing Drug Elimination Fiscal Year 1998 MA06-DEP-3-198	Roosevelt Towers MA06-P003-042	Economic Development of Support Services - Family Fiscal Year 1997 MA06-EDS-003-0197	Economic Development of Support Services - Elderly Fiscal Year 1997 MA06-EDS-003-1197
FUNDS APPROVED AND ADVANCED	\$ 1,256,768	\$ 476,580	\$ 507,520	\$ 10,824,571	\$ 354,285	\$ 100,000
FUNDS EXPENDED	<u>1,256,768</u>	<u>476,580</u>	<u>507,520</u>	<u>10,824,571</u>	<u>354,285</u>	<u>100,000</u>
EXCESS FUNDS APPROVED AND ADVANCED	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See accompanying notes

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED MARCH 31, 2001**

	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Section 8 Substantial Rehab. (pass through Commonwealth of Mass.)	14.182	200-4A 667-3B	\$ 547,740
Public and Indian Housing	14.850		9,044,081
Public and Indian Housing Drug Elimination	14.854		578,121
Section 8 Tenant Based Cluster:			
Section 8 Rental Voucher Program	14.855		16,661,974
Section 8 Rental Certificate Program	14.857		296,378
			<u>16,958,352</u>
Lower Income Housing Assistance Program -Section 8 Moderate Rehabilitation	14.856		1,193,702
Service Coordinator	14.235		137,240
EDSS	14.864		233,273
Shelter Plus Care	14.238		<u>85,131</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>\$ 28,777,640</u>
<b>Total Expenditures of Federal Awards:</b>			<u><u>\$ 28,777,640</u></u>

The accompanying notes are an integral part of this schedule.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-Continued  
YEAR ENDED MARCH 31, 2001**

**Notes to the Schedule of Expenditures of Federal Awards**

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Cambridge Housing Activity and is presented on the basis of government accounting standards. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the financial statements. Determination of Federal Major Programs was made using a risk-based approach. For the fiscal year ended March 31, 2000, the Authority qualified as a low-risk auditee. The major programs tested are disclosed as such in the Schedule of Findings and Questioned Costs, Summary of Auditors' Results.

Note 2: Major Programs

The Cambridge Housing Authority's Section 8 Tenant Based Cluster was considered Federal Financial Assistance Program and a Type A, major program under the criteria of OMB Circular A-133 with expenditures of \$16,958,352.

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
MARCH 31, 2001**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS -**

**Financial Statements:**

Type of Auditor's Report Issued:	<b>Unqualified</b>
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	<b>NO</b>
Reportable Condition(s) Identified	
Not Considered to be Material Weaknesses?	<b>NO</b>
Noncompliance Material to Financial Statements Noted?	<b>NO</b>

**Federal Awards:**

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	<b>NO</b>
Reportable Condition(s) Identified	
Not Considered to be Material Weaknesses?	<b>NO</b>
Type of Auditor's Report Issued on Compliance:	
for Major Programs:	<b>Unqualified</b>
Any Audit Findings Disclosed that are Required	
to be Reported in Accordance with	
Circular A-133, Section .510(a)?	<b>NO</b>

Identification of Major Programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
------------------------------	--

14.855, 14.857

Section 8 Tenant Based Cluster

**CAMBRIDGE HOUSING AUTHORITY  
CAMBRIDGE, MASSACHUSETTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
MARCH 31, 2001**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS - continued**

Dollar Threshold Used to Distinguish

    Between Type A and Type B Programs:

**\$ 898,926**

Auditee Qualified as Low-Risk Auditee?

**YES**

**SECTION II - FINANCIAL STATEMENT FINDINGS -**

None

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS -**

None

# Office of the Mayor

*From the desk of Michael A. Sullivan*  
Mayor

**To:** Robert W. Healy  
City Councillors

**CC:** Donna Lopez ✓

**From:** Michael A. Sullivan

**Date:** 2/11/2002

**Re:** Audit Report for Cambridge Housing Authority

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I have received a copy of the audit report for the Cambridge Housing Authority from the U.S. Department of Housing and Urban Development.

I have forwarded the report to Donna Lopez in the City Clerk's Office to be placed on file for your review.

2002 FEB 11 A 9:27  
OFFICE OF THE CITY CLERK  
CAMBRIDGE, MASSACHUSETTS

**CITY OF CAMBRIDGE, MA**



**U.S. Department of Housing and Urban Development**  
Office of Public Housing, New England  
Massachusetts State Office  
Thomas P. O'Neill, Jr. Federal Building  
10 Causeway Street  
Boston, Massachusetts 02222-1092  
(617) 994-8400 Fax: (617) 565-7305

The Honorable Michael A. Sullivan  
Mayor, City of Cambridge  
City Hall  
795 Massachusetts Avenue  
Cambridge, MA 02139

FEB - 5 2002

Dear Mayor Sullivan:

Enclosed for your information is a copy of the audit report for the Cambridge Housing Authority for its fiscal year that ended March 31, 2001. The submission of the report satisfies the requirements of the Department of Housing and Urban Development.

If you have any questions or require further information, please contact Valerie Francis, Revitalization Specialist, at (617) 994-8417.

Very sincerely yours,

A handwritten signature in cursive script that reads "Robert P. Cwieka".

Robert P. Cwieka  
Deputy Director  
Office of Public Housing  
New England

Enclosure

S-61

**Communications and Report from  
City Officers #1**

Copy of the audit report for the  
Cambridge Housing Authority  
from the U.S. Department of  
Housing and Urban Development.  
(Copy on file for public inspection  
in the City Clerk's Office)

**In City Council February 25, 2002**

**PLACED ON FILE**