

***REGIONAL INCOME
TAX AGENCY***

General Purpose Financial Statements
for the Year Ended
December 31, 2000
and Independent Auditors' Reports
Required Under *Government Auditing Standards*



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have reviewed the independent auditor's report of the Regional Income Tax Agency, 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 these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

July 25, 2001

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REGIONAL INCOME TAX AGENCY

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10107 Brecksville Road - Brecksville, Ohio 44141-3275
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May 11, 2001

Dear Users of the Regional Income Tax Agency's General Purpose Financial Statements:

The accompanying general purpose financial statements of the Regional Income Tax Agency ("R.I.T.A.") as of and for the year ended December 31, 2000 include the financial statements and notes required under accounting principles generally accepted in the United States of America that are essential to fair presentation of R.I.T.A.'s proprietary fund types. Additional information regarding the R.I.T.A.'s financial activities for 2000 is available in R.I.T.A.'s separately issued Comprehensive Annual Financial Report ("CAFR") for the year ended December 31, 2000. Copies of the CAFR can be obtained by contacting me at:

Regional Income Tax Agency
10107 Brecksville Road
Brecksville, Ohio 44141-3275

Telephone 440-526-0900

Sincerely,

A handwritten signature in cursive script that reads "Christy J. Price".

Christy J. Price,
Deputy Executive Director/Finance Director

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the accompanying general purpose financial statements of the Regional Income Tax Agency ("R.I.T.A.") as of December 31, 2000, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of R.I.T.A. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements present fairly, in all material respects, the financial position of R.I.T.A. at December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2001 on our consideration of R.I.T.A.'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

May 11, 2001

REGIONAL INCOME TAX AGENCY

COMBINED BALANCE SHEET - ALL FUND TYPES

DECEMBER 31, 2000

(With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Agency	2000	1999
ASSETS:					
Cash and cash equivalents	\$ 23,235	\$ 4,910,956	\$ 28,554,847	\$ 33,489,038	\$ 35,977,861
Investments			493,976	493,976	502,178
Receivables:					
Trade accounts	38,329	14,766		53,095	51,783
Interest		35,047		35,047	3,812
Income taxes of member municipalities			37,170,938	37,170,938	29,841,542
Due from other funds	198,177	1,854,635		2,052,812	1,776,233
Fixed assets:					
Land		103,660		103,660	103,660
Building		1,957,000		1,957,000	1,957,000
Office equipment	33,309	1,201,388		1,234,697	1,164,720
Equipment leased to members	116,603			116,603	181,550
Vehicles		40,021		40,021	10,198
Projects in Process		266,250		266,250	
	149,912	3,568,319		3,718,231	3,417,128
Less accumulated depreciation and amortization	114,530	996,035		1,110,565	1,014,967
Net fixed assets	35,382	2,572,284		2,607,666	2,402,161
Other assets - due from trust		4,770,048		4,770,048	
Other assets	21,793	47,400		69,193	87,497
TOTAL ASSETS	\$ 316,916	\$ 14,205,136	\$ 66,219,761	\$ 80,741,813	\$ 70,643,067
LIABILITIES AND FUND EQUITY:					
Accounts payable	\$ 3,319	\$ 327,545		\$ 330,864	\$ 402,419
Refunds payable			\$ 996,846	996,846	666,050
Accrued wages and benefits	35,786	568,266		604,052	537,191
Current portion of capital lease		77,580		77,580	99,393
Capital lease obligation		4,770,048		4,770,048	77,580
Due to other funds		198,177	1,854,635	2,052,812	1,776,233
Due to other governments		7,118,578	63,368,280	70,486,858	65,986,637
Deferred revenue	2,552	1,094,174		1,096,726	843,129
Other liabilities		50,768		50,768	43,374
Total liabilities	41,657	14,205,136	66,219,761	80,466,554	70,432,006
FUND EQUITY - Retained earnings - unreserved	275,259			275,259	211,061
TOTAL LIABILITIES AND FUND EQUITY	\$ 316,916	\$ 14,205,136	\$ 66,219,761	\$ 80,741,813	\$ 70,643,067

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
OPERATING REVENUES:				
Tax collection fees		\$ 4,612,317	\$ 4,612,317	\$ 3,799,159
Charges for services and other revenues	\$ 358,399	152,902	511,301	528,439
Total operating revenues	<u>358,399</u>	<u>4,765,219</u>	<u>5,123,618</u>	<u>4,327,598</u>
OPERATING EXPENSES:				
Personal services	212,619	4,162,057	4,374,676	3,863,162
Travel and transportation	12,961	45,937	58,898	64,553
Office rent and maintenance	3,192	243,548	246,740	114,173
Equipment and software maintenance	34,441	167,892	202,333	197,776
Cost of equipment purchased for members	5,013		5,013	15,834
Professional and processing	5,142	1,284,188	1,289,330	587,828
Telephone and utilities	3,802	184,091	187,893	176,685
Forms and envelopes		292,481	292,481	261,950
Insurance	720	32,342	33,062	38,435
Miscellaneous expenses	1,374	41,873	43,247	20,981
Material and supplies	7,412	555,925	563,337	486,255
Depreciation and amortization	<u>19,951</u>	<u>326,617</u>	<u>346,568</u>	<u>315,039</u>
Total operating expenses	<u>306,627</u>	<u>7,336,951</u>	<u>7,643,578</u>	<u>6,142,671</u>
OPERATING INCOME (LOSS)	<u>51,772</u>	<u>(2,571,732)</u>	<u>(2,519,960)</u>	<u>(1,815,073)</u>
NONOPERATING REVENUE (EXPENSE):				
Net interest income	11,447	2,573,335	2,584,782	1,878,970
Gain (loss) on disposal of fixed assets	<u>979</u>	<u>(1,603)</u>	<u>(624)</u>	<u>-</u>
Total nonoperating revenue	<u>12,426</u>	<u>2,571,732</u>	<u>2,584,158</u>	<u>1,878,970</u>
NET INCOME	64,198		64,198	63,897
RETAINED EARNINGS, BEGINNING OF YEAR	<u>211,061</u>		<u>211,061</u>	<u>147,164</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 275,259</u>	<u>\$ -</u>	<u>\$ 275,259</u>	<u>\$ 211,061</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from municipalities	\$ 261,851	\$ 11,187,193	\$ 11,449,044	\$ 10,734,295
Cash payments:				
To suppliers for goods and services	(59,509)	(2,902,657)	(2,962,166)	(1,893,931)
To employees for services	(179,377)	(3,343,945)	(3,523,322)	(3,031,196)
For employee benefits	(34,723)	(749,770)	(784,493)	(777,600)
For retainer refund		(6,370,695)	(6,370,695)	(7,187,538)
Net cash used for operating activities	<u>(11,758)</u>	<u>(2,179,874)</u>	<u>(2,191,632)</u>	<u>(2,155,970)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sales of fixed assets	3,454	640	4,094	
Acquisition of fixed assets	(13,830)	(542,961)	(556,791)	(245,998)
Payments on capital lease obligations		(99,393)	(99,393)	(94,957)
Cash paid for interest		(6,028)	(6,028)	(10,464)
Net cash used for capital and related financing activities	<u>(10,376)</u>	<u>(647,742)</u>	<u>(658,118)</u>	<u>(351,419)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on cash equivalents and investment	<u>11,447</u>	<u>2,573,335</u>	<u>2,584,782</u>	<u>1,878,970</u>
Net cash provided by investing activities	<u>11,447</u>	<u>2,573,335</u>	<u>2,584,782</u>	<u>1,878,970</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,687)	(254,281)	(264,968)	(628,419)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,922</u>	<u>5,165,237</u>	<u>5,199,159</u>	<u>5,827,578</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 23,235</u>	<u>\$ 4,910,956</u>	<u>\$ 4,934,191</u>	<u>\$ 5,199,159</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:				
Other assets held in trust acquired through capital lease	<u>\$ -</u>	<u>\$ 4,770,048</u>	<u>\$ 4,770,048</u>	<u>\$ -</u>

See notes to combined financial statements.

(Continued)

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals For December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
Reconciliation of operating income (loss) to net cash used for operating activities:				
Operating income (loss)	\$ 51,772	\$ (2,571,732)	\$ (2,519,960)	\$ (1,815,073)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:				
Depreciation and amortization	19,951	326,617	346,568	315,039
Cash paid for interest		6,028	6,028	10,464
Changes in assets and liabilities:				
Trade accounts receivable	6,876	(8,188)	(1,312)	9,530
Interest receivable		(31,235)	(31,235)	(3,812)
Due from other funds	(105,979)	(170,600)	(276,579)	(114,157)
Other assets	11,363	6,941	18,304	(14,939)
Accounts payable	3,188	(74,743)	(71,555)	95,023
Accrued wages and benefits	(1,481)	68,342	66,861	52,389
Other liabilities		7,394	7,394	(20,012)
Due to other funds		105,979	105,979	6,469
Due to other governments		(95,722)	(95,722)	(745,015)
Deferred revenue	2,552	251,045	253,597	68,124
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (11,758)</u>	<u>\$ (2,179,874)</u>	<u>\$ (2,191,632)</u>	<u>\$ (2,155,970)</u>

See notes to combined financial statements.

(Concluded)

REGIONAL INCOME TAX AGENCY

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2000

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Income Tax Agency (“R.I.T.A.” or the “Agency”) is an independent entity set up to provide an efficient collection of municipal income taxes for the member municipalities of a Regional Council of Governments (the “Members”) formed under Section 167 of the Ohio Revised Code. The members elect a nine member Board of Trustees to oversee Agency operations. R.I.T.A. has a fiduciary responsibility to collect income taxes for its Members at the rates levied and then distribute the income taxes (net of related expenses and refunds) to its Members. Distributions of tax collections to Members are based upon information provided by taxpayers on tax returns and other supporting data. R.I.T.A. also provides data processing, printing and purchasing services to Members who request such services.

The following summarizes the significant accounting policies applied in the preparation of the accompanying combined financial statements.

General - The accompanying financial statements were prepared in accordance 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”), “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,” R.I.T.A. has elected to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, except those that conflict or contradict GASB pronouncements.

Reporting Entity - For financial reporting purposes, R.I.T.A.’s general purpose financial statements include all funds for which R.I.T.A. is financially accountable. Financial accountability, as defined by the GASB, exists if R.I.T.A. appoints a voting majority of an organization’s governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, R.I.T.A. The Agency may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on R.I.T.A. Also taken into consideration are any other organizations for which the nature and significance of their relationship with R.I.T.A. are such that exclusion would cause the financial statements to be misleading or incomplete. On this basis, there were no other organizations that required incorporation into the financial statements.

Basis of Presentation - Fund Accounting - R.I.T.A.'s accounting system is organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenses. The various funds are summarized by type in the combined financial statements.

The following fund types are used by R.I.T.A.:

Proprietary Fund Types - Proprietary fund types are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. The following are R.I.T.A.'s proprietary fund types:

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of R.I.T.A. is that the costs of providing goods or special services to the Members and tax collection services to non-members on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - This fund is used to account for the tax collection services provided to Members on a cost sharing basis.

Fiduciary Fund Type - Fiduciary funds are used to account for assets that are held by R.I.T.A. in a fiduciary capacity.

Agency Fund - This fund is used to account for assets held by R.I.T.A. as an agent for other governments. This fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Measurement Focus/Basis of Accounting - Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net total assets. Proprietary fund types are accounted for using the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

Even though the fiduciary fund type does not involve the measurement of results of operations, the modified accrual basis of accounting is followed for recognizing assets and liabilities. Amounts due to R.I.T.A. are recognized when received in cash except for those amounts susceptible to accrual, which are recorded as receivables when measurable and available to satisfy current obligations. "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Amounts susceptible to accrual at the end of the year consist of income taxes, penalties and interest received within the first 31 days after year end. Under the modified accrual basis of accounting, liabilities are recognized when incurred, if measurable.

Budgetary Accounting - Although not required under the Ohio Revised Code, an annual operating budget, which lapses as of the end of the year, is adopted for management purposes. The budget is adopted for the proprietary funds on the same accounting basis used to reflect actual revenues and expenses. The Executive Director is authorized to transfer budget amounts between departments and between line items within any fund; however, any change in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A. The Board of Trustees of R.I.T.A. passed an appropriation amendment to R.I.T.A.'s fiscal 2000 budget.

Cash and Cash Equivalents - A substantial portion of R.I.T.A.'s cash balances is invested on a daily basis principally in cash equivalents which represent highly liquid investments with a maturity of three months or less when purchased. At December 31, 2000, R.I.T.A.'s cash equivalents consisted of repurchase agreements and investments with the State Treasurer's investment pool ("STAROhio"), Huntington Capital Corporation, and FirstMerit Bank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

Fixed Assets - All fixed assets are recorded at historical cost and are capitalized in the fund that utilizes the assets.

Depreciation is charged to operations of proprietary fund types over the assets' estimated useful lives using the straight-line method, with one half year's depreciation in the year of acquisition. Estimated useful lives are as follows:

Building	16 years
Office equipment	5 years
Equipment leased to members	3 years
Vehicles	3 years

Allocation of Expenses to Members - R.I.T.A. allocates to Members net operating expenses in the internal service fund, after reduction for interest income and charges for services. The Members' allocation is based upon the average of the percentage of each Member's transactions to total transactions and the percentage of each Member's revenue to total revenue.

Compensated Absences - R.I.T.A.'s employees accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay benefits are accrued when incurred in proprietary funds and are reported as a fund liability.

Claims - As described in Note 10, R.I.T.A. is self-insured within certain limits for employee health care benefits. R.I.T.A. recognizes a liability for health care claims if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of this loss can be reasonably estimated.

Interfund Transactions - During the course of normal operations, R.I.T.A. has transactions between funds including transfers of resources to provide services. Such transfers are generally reflected as operating transfers or as reimbursements (reduction in expense) in the accompanying combined financial statements.

Deferred Revenue - Deferred revenue represents tax collection fees received that will be earned in the subsequent month.

Comparative Data - Comparative totals for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in R.I.T.A.'s financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Financial Statements - The total columns on the accompanying combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. The data in these columns do not present financial information in accordance with GAAP. The totals include funds that use different bases of accounting and include interfund transactions that have not been eliminated. Consequently, such data is not comparable to a consolidation.

2. DEPOSITS AND INVESTMENTS

R.I.T.A.'s funds are required to be deposited and invested under the terms of R.I.T.A.'s investment policy and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit R.I.T.A. to invest in certificates of deposit, savings accounts, money market accounts, STAROhio, and obligations of the United States Government or certain agencies thereof. R.I.T.A. may also enter into repurchase agreements with any eligible depository or security dealers who are members of the National Association of Securities Dealers, for a period not exceeding 30 days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") or may pledge a pool of government securities that have a face value that is at least 110 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and 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 R.I.T.A.'s name.

Deposits - At December 31, 2000, the carrying amount of R.I.T.A.'s deposits was \$1,172,900 and the bank balance was \$1,845,130. Of the bank balance, \$281,278 was covered by FDIC insurance and \$1,563,852 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$1,563,852 was covered by a pool of government securities as described above. At year end R.I.T.A. had \$300 of undeposited cash on hand.

Investments - R.I.T.A.'s investments are categorized below to give an indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which securities are held by R.I.T.A. or its agent in R.I.T.A.'s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in R.I.T.A.'s name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by their trust department or agent but not in R.I.T.A.'s name.

	<u>Risk Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
FHLB Term Notes			\$ 493,976	\$ 493,976	\$ 493,976
Repurchase agreements	\$ 6,880,000		20,370,000	27,250,000	27,250,000
Subtotal	6,880,000		20,863,976	27,743,976	27,743,976
STAR Ohio Investments				5,065,838	5,065,838
Total	<u>\$ 6,880,000</u>		<u>\$ 20,863,976</u>	<u>\$ 32,809,814</u>	<u>\$ 32,809,814</u>

STAR Ohio investments are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Act of 1940. Investments in STAR Ohio are valued using STAR Ohio's share price, which is the price at which the investments could be redeemed.

R.I.T.A.'s investments (including cash equivalents) are recorded at cost, which approximates market. Under Statement No. 31 of the GASB, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", R.I.T.A. is required to report investments with maturities greater than one year at fair value.

3. DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at December 31, 2000 are as follows:

Amount	Due To	Due From
\$ 198,177	Enterprise Fund	Internal Service Fund
<u>1,854,635</u>	Internal Service Fund	Agency Fund
<u>\$2,052,812</u>		

4. CAPITAL LEASE COMMITMENTS AND RELATED PARTY TRANSACTIONS

Computer equipment acquired under a capital lease and included in property consists of:

Description	Amount at December 31, 2000
Computer equipment	\$ 295,000
Accumulated amortization	<u>217,420</u>
Total	<u>\$ 77,580</u>

The following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments, as of December 31, 2000:

2001	<u>\$ 79,066</u>
Total minimum lease payments	79,066
Less amount representing interest	<u>1,486</u>
Present value of net minimum lease payments	<u>\$ 77,580</u>

Effective December 19, 2000, the Members entered into a capital lease agreement with the Cleveland – Cuyahoga County Port Authority (“Authority”). The Members are leasing the “Series 2000B Project” from the Authority. The “Series 2000B Project” provides funds for the acquisition and installation of personal property consisting of an HVAC system, computer equipment, computer software and certain other furnishing and equipment to be located and used at the Agency.

The initial term of the lease agreement ends on December 31, 2001, and is renewable for successive one-year terms upon appropriation of funds by R.I.T.A.’s Board of Trustees to pay the rental payments. The final renewal term ends on November 15, 2010 when the remaining balance under the lease is due. At the end of the lease term, the Members have the option to purchase the “Series 2000B Project” for \$1.

Proceeds from this arrangement are held in trust and distributed as expensed.

Future minimum lease payments under the “Series 2000B” lease agreement are as follows:

Year Ending	Total
2001	\$ 347,548
2002	689,276
2003	689,819
2004	693,674
2005	695,639
Thereafter	<u>3,919,054</u>
Future minimum lease payments	7,035,010
Less amount representing interest	<u>2,264,962</u>
Present value of future minimum lease payments	<u><u>\$ 4,770,048</u></u>

5. TAX COLLECTION FEES

During each year, R.I.T.A. withholds, as its tax collection fee, a portion of the taxes, penalties and interest collected. At year-end, the amounts withheld in excess of operating expenses less other revenues is determined and recorded as amounts due to other governments in the internal service fund. In the subsequent year, this excess is distributed to the Members. At December 31, 2000, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$ 11,727,689
Charges for services and other revenues	152,902
Net Interest income	2,573,335
Loss on disposal of fixed assets	<u>1,603</u>
Subtotal	14,455,529
Operating expenses	<u>7,336,951</u>
Excess of amounts withheld (due to other governments)	<u><u>\$ 7,118,578</u></u>

6. COMPENSATED ABSENCES

R.I.T.A. employees accumulate vacation leave and unlimited sick leave based upon hours worked and years of service. Upon retirement or death, employees are paid 25 percent of accumulated sick leave, not to exceed 250 hours. Sick leave in excess of the 250 hour maximum is not paid upon retirement or death but will be paid only upon illness while in the employment of R.I.T.A.

During the first six years of employment, employees can earn 10 days of vacation leave per year. During the next seven years of employment, employees can earn 15 days per year. After 13 years of employment, an employee can earn 20 days and after 21 years of service, employees can earn 25 days per year. Employees may accrue, and be paid upon termination of employment with R.I.T.A., up to a maximum of 20 days in the first six years of employment, 30 days during the next seven years of service, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 2000, the liability accrued for vacation and sick leave is \$382,446. The amounts applicable to the Enterprise Fund of \$13,694 and Internal Service Fund of \$368,752 are included in accrued wages and benefits on the combined balance sheet.

7. OPERATING LEASE COMMITMENTS

R.I.T.A. as Lessor - A portion of the revenue included in the Enterprise Fund for 2000 is derived from the rental of computer hardware to members. The rentals primarily consist of three-year agreements and provide for monthly payments to R.I.T.A. The following schedule provides an analysis of R.I.T.A.'s investment in computer equipment subject to operating leases as of December 31, 2000:

Computer equipment leased to members	\$ 116,603
Accumulated depreciation	<u>101,011</u>
Net computer equipment leased to members	<u>\$ 15,592</u>

In addition to computer hardware, R.I.T.A. also leases computer software to members. These leases are primarily three-year agreements and provide for monthly payments to R.I.T.A. The total rental income recognized by the Enterprise Fund under R.I.T.A.'s hardware and software leases during 2000 was \$349,539. Future minimum rentals under all software and hardware leases as of December 31, 2000 are as follows:

2001	\$ 215,799
2002	115,226
2003	<u>17,788</u>
Total	<u>\$ 348,813</u>

The carrying value of the computer software leased to members at December 31, 2000 was not significant.

8. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the GASB, "Accounting for Pensions by State and Local Governmental Employers," which has an effective date of 1998. Accordingly, the following footnote disclosure has been prepared in accordance with GASB No. 27.

Plan Description - Effective July 1, 1991, all employees of R.I.T.A. are required to be members of the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. The financial report may be obtained 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 or (800) 222-PERS (7377).

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5 percent of their covered payroll to PERS. The Retirement Board instituted a temporary employer contribution rate rollback of 20 percent for the calendar year 2000. The employer contribution rates for calendar years 2000, 1999, and 1998 were 10.84 percent, 13.55 percent and 13.55 percent, respectively. The Agency's contributions (including contributions for other postemployment benefits described in Note 9) to PERS for the years ended December 31, 2000, 1999 and 1998 were \$378,251, \$274,571 and \$250,819, respectively, equal to 100 percent of the required contributions for each year.

9. POSTRETIREMENT HEALTHCARE BENEFITS

In addition to the pension benefits described previously, PERS provides postretirement healthcare coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients is available. The healthcare 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 (4.3 percent of qualifying wages in 2000 and 4.2 percent in 1999) is set aside for the funding of postretirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the employer contribution rate used to fund healthcare for 2000, 1999 and 1998 were \$150,052, \$128,660 and \$109,915, respectively, equal to 100 percent of the required contributions for each year. At December 31, 2000, R.I.T.A. was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS.

The assumptions and calculations noted below were based on the Retirement System’s latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75 percent. An annual increase of 4.75 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent. Health care costs were assumed to increase 4.75 percent annually.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the Retirement System’s net assets available for OPEB at December 31, 1999 was \$10,805,500. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473,600 and \$1,668,100, respectively.

10. INSURANCE COVERAGE

R.I.T.A. is exposed to various risks of loss including employee health care costs, errors and omissions, torts and legal judgments, and damage and destruction of assets.

R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage, a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. R.I.T.A. is insured through the State of Ohio for workers’ compensation. R.I.T.A. employees have two health care options, one of which is standard premium-based insurance coverage and one that is a self-insurance policy. R.I.T.A.’s self-insurance costs related to employee health care cover up to a maximum exposure of \$27,500 per employee, with an aggregate annual exposure of \$433,926. As of December 31, 2000, the liability accrued for health care claims is \$119,528. The amounts applicable to the Enterprise Fund of \$16,724 and Internal Service Fund of \$102,804 are included in accrued wages and benefits on the combined balance sheet. The liabilities represent R.I.T.A.’s best estimates based upon available information and include an estimate for claims that have been incurred but not reported. Settled claims have not exceeded R.I.T.A.’s commercial coverage in any of the past three fiscal years.

Changes in R.I.T.A.'s health care claims liability were as follows:

December 31,	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
1999	\$ 119,528	\$ 165,037	\$ (165,037)	\$ 119,528
2000	119,528	199,874	(199,874)	119,528

11. SUBSEQUENT EVENT

On May 29, 2001, R.I.T.A. entered into an agreement with KPMG Consulting (“KPMG”) to improve the PC network infrastructure, to enhance the imaging and document workflow infrastructure, to build a new tax system and to implement a customer management system. The contract amount is \$11,714,400. The projects will be funded through a capital lease with the Cleveland – Cuyahoga County Port Authority.

12. NEW ACCOUNTING STANDARDS

The GASB 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 Agency by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. Statement No. 33 and Statement No. 36 are effective for the Agency’s year ending December 31, 2001 and Statement No. 34 is effective for the year ending December 31, 2003. The Agency is performing an analysis of the impact of these two statements on its reported financial condition and results of operations.

* * * * *

**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 Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the financial statements of the Regional Income Tax Agency ("R.I.T.A."), as of and for the year ended December 31, 2000, and have issued our report thereon dated May 11, 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 R.I.T.A.'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 a certain immaterial instance of noncompliance that we have reported to R.I.T.A., in a separate letter dated May 11, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered R.I.T.A.'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 R.I.T.A., in a separate letter, as referred to above, dated May 11, 2001.

This report is intended solely for the information and use of the Board of Trustees, management of R.I.T.A. and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

May 11, 2001

**STATUS OF PRIOR YEAR
COMMENTS ON INTERNAL CONTROL
AND LEGAL COMPLIANCE**

There were no comments on internal control and legal compliance included in the prior year reports.

REGIONAL INCOME TAX AGENCY

*Comprehensive Annual Financial Report
for the Year Ended December 31, 2000*

Issued by the Finance Department
Christy J. Price,
Deputy Executive Director/Finance Director

PREPARED BY THE FINANCE DEPARTMENT

Christy J. Price – Deputy Executive Director/Finance Director
Lori Starcher - Accountant
Sandra M. Majkrzak - Accounting Clerk
Elaine S. Zdanowicz - Accounting Clerk

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INTRODUCTORY SECTION

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10107 Brecksville Road - Brecksville, Ohio 44141-3275
TDD 440/526-5332 1-800-860-RITA 440/526-0900
Fax:440/526-8013

May 11, 2001

The Board of Trustees of the
Regional Income Tax Agency
and Member Municipalities

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") for the Regional Income Tax Agency ("R.I.T.A." or the "Agency") for the year ended December 31, 2000.

The responsibility for the accuracy of this CAFR rests with the Finance Department of R.I.T.A. We believe the information, as presented, is accurate in all material respects. The data is presented in a manner designed to fairly set forth the financial position and results of operations of R.I.T.A. as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of R.I.T.A.'s financial activities are included.

The CAFR is organized into three sections:

- The Introductory Section presents the letter of transmittal, a listing of officials, an organization chart, and a copy of the Certificate of Achievement for Excellence in Financial Reporting for 1999.
- The Financial Section includes the general purpose financial statements and individual fund statements that provide additional detailed information relative to the general purpose financial statements.
- The Statistical Section contains pertinent financial, economic and demographic information for comparative years.

REPORTING ENTITY AND GENERAL GOVERNMENTAL FUNCTIONS

R.I.T.A. was established to collect and distribute municipal income taxes. The Agency was created by the members of a Regional Council of Governments, under Section 167 of the Ohio Revised Code. Membership has grown from 38 municipalities in 1971 to 86 municipalities in 2000.

The Agency also offers data processing services to member municipalities. Services include systems development, technical assistance, and the procurement of hardware, software, and computer supplies.

For financial reporting purposes, R.I.T.A.'s general purpose financial statements include all funds for which the Agency is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board, exists if the Agency appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, R.I.T.A. The Agency may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on R.I.T.A. Also taken into consideration are any other organizations for which the nature and significance of their relationship with R.I.T.A. are such that exclusion would cause R.I.T.A.'s financial statements to be misleading or incomplete. On this basis, there were no other organizations that required incorporation into the financial statements.

ECONOMIC INFORMATION

R.I.T.A. primarily serves municipalities that are suburbs of the City of Cleveland, Ohio, which is the County Seat of Cuyahoga County. The two major business sections in Cuyahoga County are the service and manufacturing industries. The primary employers in the service industry provide health care services and business services. The primary employers in the manufacturing industry produce fabricated metal products and machinery.

The 2000 annual unemployment rate for the Primary Metropolitan Statistical Area was 4.4 percent, which is comparable to the rate for the State of Ohio (4.1 percent) and the national rate (4.0 percent).

The diversity of Cuyahoga County's economy is demonstrated in the industries that make up the 25 largest companies submitting withholding tax payments to R.I.T.A. Of the 25 largest withholders, 11 are service providers, nine are manufacturing concerns, three are governments, one is a utility, and one is a sports organization.

MAJOR INITIATIVES

In 2000, R.I.T.A. recorded record high tax collections of \$386.9 million and a low, average percentage net cost of collections of 1.19 percent.

The City of North Royalton became a member on January 1, 2000. Several other municipalities have shown serious interest in R.I.T.A.'s tax collection services. Management is continually monitoring the needs that result from R.I.T.A.'s growth. R.I.T.A.'s mission to provide high quality, cost effective municipal services remains the same.

The Agency is now focusing on business re-engineering. Agency functions, processes and services are being examined and updated. We are building an imaging and document workflow system, a customer management system and a new tax system. KPMG Consulting is assisting us in these efforts. The overall project objective is to streamline operations, expand Agency services and continue significant growth. Financing for these initiatives is available under a capital lease.

INTERNAL ACCOUNTING CONTROLS

Emphasis is placed on the adequacy of R.I.T.A.'s internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the valuation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that R.I.T.A.'s internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

BUDGETARY CONTROLS

Although not required under the Ohio Revised Code, an annual operating budget is adopted for management purposes in accordance with the by-laws of R.I.T.A.'s charter. R.I.T.A.'s budget is prepared on the same basis of accounting as the financial statements. The Executive Director is authorized to transfer budget amounts between departments and between line items within any fund; however, any budget amendment that changes the total budget of an individual fund requires the approval of the Board of Trustees of R.I.T.A. There was one amendment in 2000.

FUND STRUCTURE

The fund structure of R.I.T.A. includes the following fund types and categories:

Fund Type	Fund Category
<i>Proprietary</i>	<i>Enterprise Fund.</i> This fund is used to account for the data processing and other services provided to member municipalities. Accounting for this fund is on the accrual basis using a flow of economic resources measurement focus.
	<i>Internal Service Fund.</i> This fund is used to account for the tax collection services provided to member municipalities. Accounting for this fund is on the accrual basis using a flow of economic resources measurement focus.
<i>Fiduciary</i>	<i>Agency Fund.</i> This fund is used to account for all income taxes held by R.I.T.A. as an agent for its member municipalities. Accounting for the fund is on the modified accrual basis of accounting. Agency funds are custodial in nature and do not involve measurement of the results of operations.

FINANCIAL INFORMATION

The following table presents a summary of combined balance sheet information (amounts in thousands of dollars):

	December 31,		Percentage Increase (Decrease)
	2000	1999	
Cash, cash equivalents and investments	\$ 33,983.0	\$ 36,480.0	(6.8)%
Receivables	37,259.1	29,897.1	24.6
Fixed assets (net)	2,607.7	2,402.2	8.6
Total assets	80,741.8	70,643.1	14.3
Total liabilities	80,466.6	70,432.0	14.2
Retained earnings of proprietary fund types	275.3	211.1	30.4

In total, both assets and liabilities increased about 14 percent. The increases are primarily due to the growth in tax collections.

The following table presents a summary of operating information for the Agency's proprietary fund types (amounts in thousands of dollars):

	Years Ended December 31,		Percentage Increase (Decrease)
	2000	1999	
Operating revenues:			
Tax collection fees	\$ 4,612.3	\$ 3,799.2	21.4 %
Charges for services	<u>511.3</u>	<u>528.4</u>	(3.2)
Total operating revenues	5,123.6	4,327.6	18.4
Total nonoperating revenues (interest and other income)	<u>2,584.2</u>	<u>1,879.0</u>	37.6
Total revenues	<u>\$ 7,707.8</u>	<u>\$ 6,206.6</u>	24.2
Operating expenses:			
Personal services	\$ 4,374.7	\$ 3,863.2	13.2
Travel and transportation	58.9	64.6	(8.8)
Facilities and telephone	434.6	290.8	49.4
Equipment/software maintenance and other	207.3	213.6	(2.9)
Professional and processing	1,289.3	587.8	119.3
Forms and envelopes	292.5	261.9	11.7
Insurance and miscellaneous	76.3	59.4	28.5
Material and supplies	563.3	486.3	15.8
Depreciation and amortization	<u>346.6</u>	<u>315.0</u>	10.0
Total operating expenses	<u>\$ 7,643.6</u>	<u>\$ 6,142.6</u>	24.4

Overall, total 2000 revenues and expenses are greater than 1999. The growth in interest income is primarily due to the higher investment rates that were available during the year. The Agency initiatives contributed to the increase in expense. The variance in tax collection fees is a result of the greater expense.

In total, personal services expense increased to meet the needs of our growing tax collections. Facilities and telephone grew because of the building remodeling done as a part of the business re-engineering project. Consulting fees for the project resulted in the increase in professional services.

ENTERPRISE FUND

R.I.T.A.'s Enterprise Fund is used to account for revenues from data processing and other services provided to member municipalities and tax collection services provided to nonmembers. During 2000, there were no tax collections for nonmembers.

Operating income decreased because two software lease agreements were not renewed and less computer equipment was resold. Personal services dropped due to vacancies.

INTERNAL SERVICE FUND

R.I.T.A.'s Internal Service Fund reflects the results of operations for tax processing services. The member municipalities advance monies (retainers) during the year to R.I.T.A. for operations. The retainers are a percentage of the taxes collected for the municipalities. At year end, costs are allocated to the members, and any excess retainer (retainer over costs) or shortfall (costs over retainer) is refunded to/recovered from the municipalities in the subsequent year. Overall, operating expenses, interest income and tax collection fees increased for the reasons noted previously.

AGENCY FUND

R.I.T.A.'s Agency Fund is used to account for the income tax receipts collected, held, and distributed by the Agency for member municipalities.

DEBT ADMINISTRATION

Under the laws of the State of Ohio, R.I.T.A is prohibited from entering into debt arrangements. However, the Agency has secured financing through the Cleveland – Cuyahoga County Port Authority as detailed in Note 4 of the financial statements.

CASH MANAGEMENT

Daily tax receipts are invested as received in accordance with Ohio Revised Code Sections 135 and 167. Monies can be invested in certificates of deposit, repurchase agreements, obligations of the United States Government or certain of its agencies.

Investments in certificates of deposit and repurchase agreements are collateralized by U.S. Government securities or pools of securities as authorized by Ohio law. Repurchase agreements are usually limited to overnight or very short periods of time. All institutions under master repurchase agreements.

With respect to the level of credit risk assumed, R.I.T.A.'s repurchase agreements are in category one and three, as established by the Governmental Accounting Standards Board. Category one includes investments that are insured or registered, or for which securities are held by R.I.T.A., or its agent in R.I.T.A.'s name. Category three includes uninsured or unregistered investments for which securities are held by the counterparty, or by their trust department or agent, but not in R.I.T.A.'s name. The STAR Ohio investments are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. Investment emphasis is on security, liquidity and yield, in that order.

RISK MANAGEMENT

Acting as a fiduciary for its members, R.I.T.A.'s management is risk averse. Policies have been established with stringent limitations to minimize risk and protect the member municipalities from financial loss. R.I.T.A. also employs several measures to keep taxpayer data strictly confidential.

R.I.T.A. is exposed to the risk of a variety of accidental losses. The primary technique used for risk mitigation is the purchase of insurance policies. R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage and a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. Additionally, R.I.T.A. is insured through the State of Ohio for workers' compensation. The Agency also offers two healthcare plans. One of which is standard premium-based insurance coverage and one that is a self-insurance policy, as further described in footnote 10.

INDEPENDENT AUDIT

The financial statements of the Regional Income Tax Agency for the fiscal year ended December 31, 2000 have been audited by the independent public accounting firm of Deloitte & Touche LLP. Their independent auditors' report is included in the Financial Section of this CAFR.

The financial statements are the responsibility of R.I.T.A.'s management. The responsibility of the independent public accountants is to express an opinion on R.I.T.A.'s financial statements based on their audit. An audit is conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that the audit be planned and performed in a manner to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (G.F.O.A.) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Regional Income Tax Agency for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1999. The award is the highest form of official recognition in governmental accounting and financial reporting. A copy of the 1999 Certificate of Achievement has been included in this report. This is the fourteenth consecutive year R.I.T.A. has received this award.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report with contents that conform to program standards. Such reports must satisfy both generally accepted accounting principles for governments and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting it to the G.F.O.A. to determine its eligibility for a 2000 award.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedication of the Finance Department staff. I wish to thank my staff members for their efforts and assistance in the preparation of this document. I also thank R.I.T.A.'s Executive Director and Board of Trustees for their interest and support of this endeavor and for the manner in which they have directed the financial operations of R.I.T.A.

The Administration Department staff has my appreciation for its assistance in the preparation and assembly of this document. Finally, I express my thanks to all department heads and their staffs for their cooperation during the past year in the financial matters of R.I.T.A.

Sincerely,



Christy J. Price,
Deputy Executive Director/Finance Director

REGIONAL INCOME TAX AGENCY

REGIONAL COUNCIL OF GOVERNMENTS
DECEMBER 31, 2000

OFFICERS

- President - Mayor Walter F. Ehrnfelt - City of Strongsville, Ohio
- Secretary - Mayor Beryl Rothschild - City of University Heights, Ohio
- Treasurer - Mayor Kathy Mulcahy - Village of Orange

REGIONAL INCOME TAX AGENCY DECEMBER 31, 2000

OFFICERS

- Chairman - Robert G. Tribby, Finance Director/Tax Administrator -
City of Mayfield Heights, Ohio
- Vice Chairman - Mark A. Cegelka, Finance Director/Tax Administrator, City of Bedford
Heights, Ohio/Tax Administrator, Village of Glenwillow, Ohio
- Secretary - Tim Pope, Finance Director/Tax Administrator -
City of Middleburg Heights, Ohio
- Treasurer - Mayor Gerald A. Trafis - City of Seven Hills, Ohio

OTHER BOARD MEMBERS

- Karen Fegan - Finance Director/Tax Administrator, City of North Royalton, Ohio
- Mayor Gary Gottschalk - Mayor, Village of Oakwood
- Robert Hamilton - Finance Director/Tax Administrator, City of Avon, Ohio
- Mayor John T. Kocevar - Mayor, City of South Euclid
- William Schuchart - Chief Administrative Officer, City of Shaker Heights, Ohio

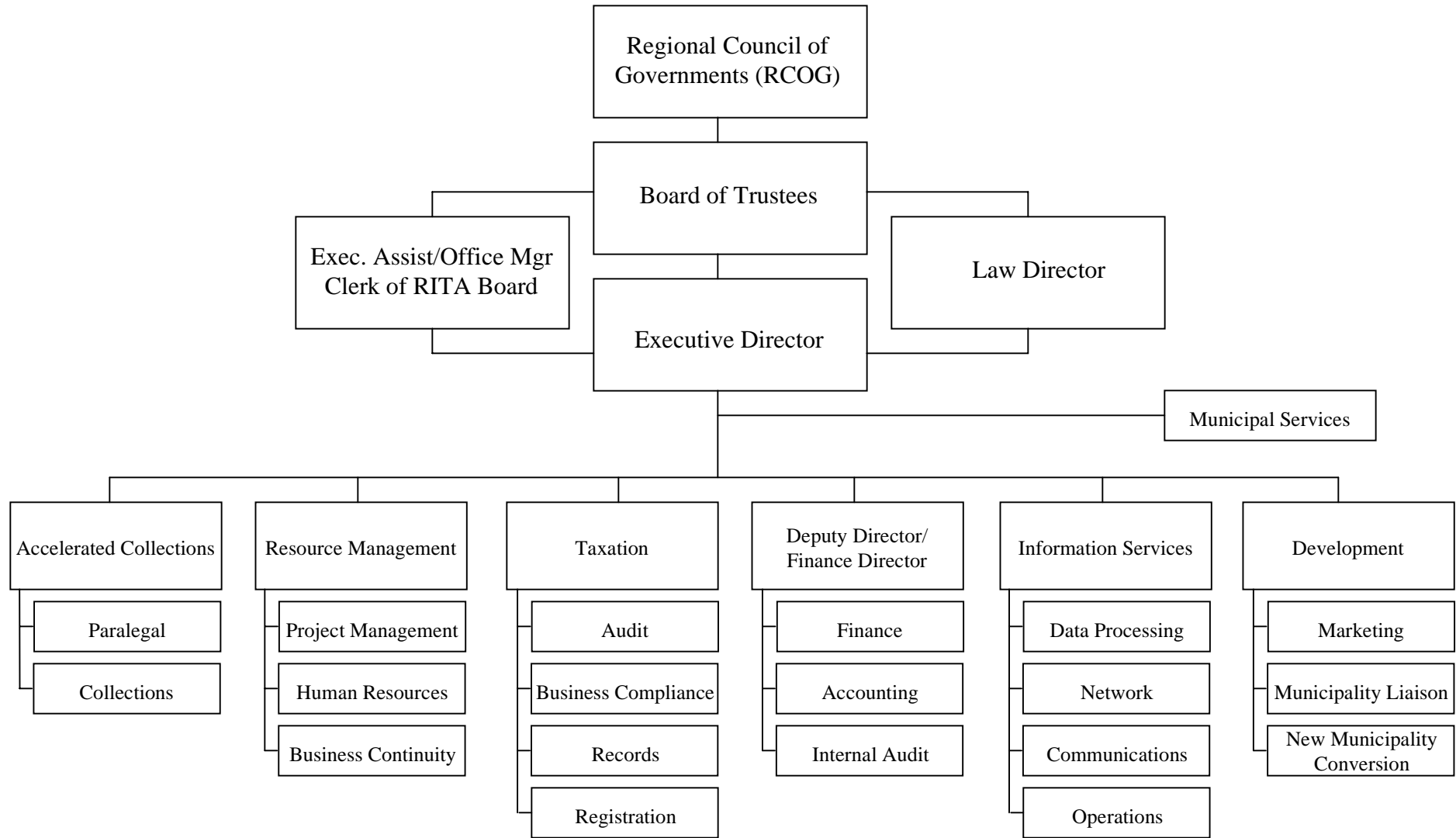
REGIONAL INCOME TAX AGENCY

MANAGEMENT OFFICIALS DECEMBER 31, 2000

Executive Director	Mr. Thomas Zammikiel
Deputy Director/Director of Finance & Administration	Mrs. Christy Price
Executive Assistant/Board Clerk	Mrs. Lynn Recko
Development Director	Mr. Jeff Christman
Resource Management Director	Mr. Richard Barille
Municipal Services Manager	Mr. Ralph Glatzhofer
Taxation Operations:	
Director	Mr. Gary Chips
Business Compliance Manager	Mr. Mark Taranto
Claims Manager	Mr. Joe Zamiska
Records Processing Manager	Ms. Mariann Buemi
Information Services:	
Director	Mr. Michael Kobe
Assistant Director	Mr. Daniel Andre
Communications Manager	Mr. Robert Kelley
Operations Manager	Ms. Amy O'Donnell

Regional Income Tax Agency

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional Income Tax Agency, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the accompanying general purpose financial statements of the Regional Income Tax Agency ("R.I.T.A.") as of December 31, 2000, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of R.I.T.A. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements present fairly, in all material respects, the financial position of R.I.T.A. at December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the foregoing table of contents, which are also the responsibility of the management of R.I.T.A., are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of R.I.T.A. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 45 - 60 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of R.I.T.A. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

May 11, 2001

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GENERAL PURPOSE FINANCIAL STATEMENTS

REGIONAL INCOME TAX AGENCY

COMBINED BALANCE SHEET - ALL FUND TYPES

DECEMBER 31, 2000

(With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Agency	2000	1999
ASSETS:					
Cash and cash equivalents	\$ 23,235	\$ 4,910,956	\$ 28,554,847	\$ 33,489,038	\$ 35,977,861
Investments			493,976	493,976	502,178
Receivables:					
Trade accounts	38,329	14,766		53,095	51,783
Interest		35,047		35,047	3,812
Income taxes of member municipalities			37,170,938	37,170,938	29,841,542
Due from other funds	198,177	1,854,635		2,052,812	1,776,233
Fixed assets:					
Land		103,660		103,660	103,660
Building		1,957,000		1,957,000	1,957,000
Office equipment	33,309	1,201,388		1,234,697	1,164,720
Equipment leased to members	116,603			116,603	181,550
Vehicles		40,021		40,021	10,198
Projects in Process		266,250		266,250	
	<u>149,912</u>	<u>3,568,319</u>		<u>3,718,231</u>	<u>3,417,128</u>
Less accumulated depreciation and amortization	<u>114,530</u>	<u>996,035</u>		<u>1,110,565</u>	<u>1,014,967</u>
Net fixed assets	<u>35,382</u>	<u>2,572,284</u>		<u>2,607,666</u>	<u>2,402,161</u>
Other assets - due from trust		4,770,048		4,770,048	
Other assets	<u>21,793</u>	<u>47,400</u>		<u>69,193</u>	<u>87,497</u>
TOTAL ASSETS	<u>\$ 316,916</u>	<u>\$ 14,205,136</u>	<u>\$ 66,219,761</u>	<u>\$ 80,741,813</u>	<u>\$ 70,643,067</u>
LIABILITIES AND FUND EQUITY:					
Accounts payable	\$ 3,319	\$ 327,545		\$ 330,864	\$ 402,419
Refunds payable			\$ 996,846	996,846	666,050
Accrued wages and benefits	35,786	568,266		604,052	537,191
Current portion of capital lease		77,580		77,580	99,393
Capital lease obligation		4,770,048		4,770,048	77,580
Due to other funds		198,177	1,854,635	2,052,812	1,776,233
Due to other governments		7,118,578	63,368,280	70,486,858	65,986,637
Deferred revenue	2,552	1,094,174		1,096,726	843,129
Other liabilities		50,768		50,768	43,374
Total liabilities	41,657	14,205,136	66,219,761	80,466,554	70,432,006
FUND EQUITY - Retained earnings - unreserved	<u>275,259</u>			<u>275,259</u>	<u>211,061</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 316,916</u>	<u>\$ 14,205,136</u>	<u>\$ 66,219,761</u>	<u>\$ 80,741,813</u>	<u>\$ 70,643,067</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
OPERATING REVENUES:				
Tax collection fees		\$ 4,612,317	\$ 4,612,317	\$ 3,799,159
Charges for services and other revenues	\$ 358,399	152,902	511,301	528,439
Total operating revenues	<u>358,399</u>	<u>4,765,219</u>	<u>5,123,618</u>	<u>4,327,598</u>
OPERATING EXPENSES:				
Personal services	212,619	4,162,057	4,374,676	3,863,162
Travel and transportation	12,961	45,937	58,898	64,553
Office rent and maintenance	3,192	243,548	246,740	114,173
Equipment and software maintenance	34,441	167,892	202,333	197,776
Cost of equipment purchased for members	5,013		5,013	15,834
Professional and processing	5,142	1,284,188	1,289,330	587,828
Telephone and utilities	3,802	184,091	187,893	176,685
Forms and envelopes		292,481	292,481	261,950
Insurance	720	32,342	33,062	38,435
Miscellaneous expenses	1,374	41,873	43,247	20,981
Material and supplies	7,412	555,925	563,337	486,255
Depreciation and amortization	<u>19,951</u>	<u>326,617</u>	<u>346,568</u>	<u>315,039</u>
Total operating expenses	<u>306,627</u>	<u>7,336,951</u>	<u>7,643,578</u>	<u>6,142,671</u>
OPERATING INCOME (LOSS)	<u>51,772</u>	<u>(2,571,732)</u>	<u>(2,519,960)</u>	<u>(1,815,073)</u>
NONOPERATING REVENUE (EXPENSE):				
Net interest income	11,447	2,573,335	2,584,782	1,878,970
Gain (loss) on disposal of fixed assets	<u>979</u>	<u>(1,603)</u>	<u>(624)</u>	<u>-</u>
Total nonoperating revenue	<u>12,426</u>	<u>2,571,732</u>	<u>2,584,158</u>	<u>1,878,970</u>
NET INCOME	64,198		64,198	63,897
RETAINED EARNINGS, BEGINNING OF YEAR	<u>211,061</u>		<u>211,061</u>	<u>147,164</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 275,259</u>	<u>\$ -</u>	<u>\$ 275,259</u>	<u>\$ 211,061</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals for December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from municipalities	\$ 261,851	\$ 11,187,193	\$ 11,449,044	\$ 10,734,295
Cash payments:				
To suppliers for goods and services	(59,509)	(2,902,657)	(2,962,166)	(1,893,931)
To employees for services	(179,377)	(3,343,945)	(3,523,322)	(3,031,196)
For employee benefits	(34,723)	(749,770)	(784,493)	(777,600)
For retainer refund		(6,370,695)	(6,370,695)	(7,187,538)
Net cash used for operating activities	<u>(11,758)</u>	<u>(2,179,874)</u>	<u>(2,191,632)</u>	<u>(2,155,970)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sales of fixed assets	3,454	640	4,094	
Acquisition of fixed assets	(13,830)	(542,961)	(556,791)	(245,998)
Payments on capital lease obligations		(99,393)	(99,393)	(94,957)
Cash paid for interest		(6,028)	(6,028)	(10,464)
Net cash used for capital and related financing activities	<u>(10,376)</u>	<u>(647,742)</u>	<u>(658,118)</u>	<u>(351,419)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on cash equivalents and investment	<u>11,447</u>	<u>2,573,335</u>	<u>2,584,782</u>	<u>1,878,970</u>
Net cash provided by investing activities	<u>11,447</u>	<u>2,573,335</u>	<u>2,584,782</u>	<u>1,878,970</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,687)	(254,281)	(264,968)	(628,419)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,922</u>	<u>5,165,237</u>	<u>5,199,159</u>	<u>5,827,578</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 23,235</u>	<u>\$ 4,910,956</u>	<u>\$ 4,934,191</u>	<u>\$ 5,199,159</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:				
Other assets held in trust acquired through capital lease	<u>\$ -</u>	<u>\$ 4,770,048</u>	<u>\$ 4,770,048</u>	<u>\$ -</u>

See notes to combined financial statements.

(Continued)

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 2000 (With Comparative Totals For December 31, 1999)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2000	1999
Reconciliation of operating income (loss) to net cash used for operating activities:				
Operating income (loss)	\$ 51,772	\$ (2,571,732)	\$ (2,519,960)	\$ (1,815,073)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:				
Depreciation and amortization	19,951	326,617	346,568	315,039
Cash paid for interest		6,028	6,028	10,464
Changes in assets and liabilities:				
Trade accounts receivable	6,876	(8,188)	(1,312)	9,530
Interest receivable		(31,235)	(31,235)	(3,812)
Due from other funds	(105,979)	(170,600)	(276,579)	(114,157)
Other assets	11,363	6,941	18,304	(14,939)
Accounts payable	3,188	(74,743)	(71,555)	95,023
Accrued wages and benefits	(1,481)	68,342	66,861	52,389
Other liabilities		7,394	7,394	(20,012)
Due to other funds		105,979	105,979	6,469
Due to other governments		(95,722)	(95,722)	(745,015)
Deferred revenue	2,552	251,045	253,597	68,124
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (11,758)</u>	<u>\$ (2,179,874)</u>	<u>\$ (2,191,632)</u>	<u>\$ (2,155,970)</u>

See notes to combined financial statements.

(Concluded)

REGIONAL INCOME TAX AGENCY

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2000

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Income Tax Agency (“R.I.T.A.” or the “Agency”) is an independent entity set up to provide an efficient collection of municipal income taxes for the member municipalities of a Regional Council of Governments (the “Members”) formed under Section 167 of the Ohio Revised Code. The members elect a nine member Board of Trustees to oversee Agency operations. R.I.T.A. has a fiduciary responsibility to collect income taxes for its Members at the rates levied and then distribute the income taxes (net of related expenses and refunds) to its Members. Distributions of tax collections to Members are based upon information provided by taxpayers on tax returns and other supporting data. R.I.T.A. also provides data processing, printing and purchasing services to Members who request such services.

The following summarizes the significant accounting policies applied in the preparation of the accompanying combined financial statements.

General - The accompanying financial statements were prepared in accordance 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”), “Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,” R.I.T.A. has elected to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, except those that conflict or contradict GASB pronouncements.

Reporting Entity - For financial reporting purposes, R.I.T.A.’s general purpose financial statements include all funds for which R.I.T.A. is financially accountable. Financial accountability, as defined by the GASB, exists if R.I.T.A. appoints a voting majority of an organization’s governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, R.I.T.A. The Agency may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on R.I.T.A. Also taken into consideration are any other organizations for which the nature and significance of their relationship with R.I.T.A. are such that exclusion would cause the financial statements to be misleading or incomplete. On this basis, there were no other organizations that required incorporation into the financial statements.

Basis of Presentation - Fund Accounting - R.I.T.A.'s accounting system is organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenses. The various funds are summarized by type in the combined financial statements.

The following fund types are used by R.I.T.A.:

Proprietary Fund Types - Proprietary fund types are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. The following are R.I.T.A.'s proprietary fund types:

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of R.I.T.A. is that the costs of providing goods or special services to the Members and tax collection services to non-members on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund - This fund is used to account for the tax collection services provided to Members on a cost sharing basis.

Fiduciary Fund Type - Fiduciary funds are used to account for assets that are held by R.I.T.A. in a fiduciary capacity.

Agency Fund - This fund is used to account for assets held by R.I.T.A. as an agent for other governments. This fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

Measurement Focus/Basis of Accounting - Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenue) and decreases (i.e., expenses) in net total assets. Proprietary fund types are accounted for using the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned, and expenses are recognized when the related liabilities are incurred.

Even though the fiduciary fund type does not involve the measurement of results of operations, the modified accrual basis of accounting is followed for recognizing assets and liabilities. Amounts due to R.I.T.A. are recognized when received in cash except for those amounts susceptible to accrual, which are recorded as receivables when measurable and available to satisfy current obligations. "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Amounts susceptible to accrual at the end of the year consist of income taxes, penalties and interest received within the first 31 days after year end. Under the modified accrual basis of accounting, liabilities are recognized when incurred, if measurable.

Budgetary Accounting - Although not required under the Ohio Revised Code, an annual operating budget, which lapses as of the end of the year, is adopted for management purposes. The budget is adopted for the proprietary funds on the same accounting basis used to reflect actual revenues and expenses. The Executive Director is authorized to transfer budget amounts between departments and between line items within any fund; however, any change in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A. The Board of Trustees of R.I.T.A. passed an appropriation amendment to R.I.T.A.'s fiscal 2000 budget.

Cash and Cash Equivalents - A substantial portion of R.I.T.A.'s cash balances is invested on a daily basis principally in cash equivalents which represent highly liquid investments with a maturity of three months or less when purchased. At December 31, 2000, R.I.T.A.'s cash equivalents consisted of repurchase agreements and investments with the State Treasurer's investment pool ("STAROhio"), Huntington Capital Corporation, and FirstMerit Bank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

Fixed Assets - All fixed assets are recorded at historical cost and are capitalized in the fund that utilizes the assets.

Depreciation is charged to operations of proprietary fund types over the assets' estimated useful lives using the straight-line method, with one half year's depreciation in the year of acquisition. Estimated useful lives are as follows:

Building	16 years
Office equipment	5 years
Equipment leased to members	3 years
Vehicles	3 years

Allocation of Expenses to Members - R.I.T.A. allocates to Members net operating expenses in the internal service fund, after reduction for interest income and charges for services. The Members' allocation is based upon the average of the percentage of each Member's transactions to total transactions and the percentage of each Member's revenue to total revenue.

Compensated Absences - R.I.T.A.'s employees accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay benefits are accrued when incurred in proprietary funds and are reported as a fund liability.

Claims - As described in Note 10, R.I.T.A. is self-insured within certain limits for employee health care benefits. R.I.T.A. recognizes a liability for health care claims if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of this loss can be reasonably estimated.

Interfund Transactions - During the course of normal operations, R.I.T.A. has transactions between funds including transfers of resources to provide services. Such transfers are generally reflected as operating transfers or as reimbursements (reduction in expense) in the accompanying combined financial statements.

Deferred Revenue - Deferred revenue represents tax collection fees received that will be earned in the subsequent month.

Comparative Data - Comparative totals for the prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in R.I.T.A.'s financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Financial Statements - The total columns on the accompanying combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. The data in these columns do not present financial information in accordance with GAAP. The totals include funds that use different bases of accounting and include interfund transactions that have not been eliminated. Consequently, such data is not comparable to a consolidation.

2. DEPOSITS AND INVESTMENTS

R.I.T.A.'s funds are required to be deposited and invested under the terms of R.I.T.A.'s investment policy and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit R.I.T.A. to invest in certificates of deposit, savings accounts, money market accounts, STAROhio, and obligations of the United States Government or certain agencies thereof. R.I.T.A. may also enter into repurchase agreements with any eligible depository or security dealers who are members of the National Association of Securities Dealers, for a period not exceeding 30 days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") or may pledge a pool of government securities that have a face value that is at least 110 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and 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 R.I.T.A.'s name.

Deposits - At December 31, 2000, the carrying amount of R.I.T.A.'s deposits was \$1,172,900 and the bank balance was \$1,845,130. Of the bank balance, \$281,278 was covered by FDIC insurance and \$1,563,852 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$1,563,852 was covered by a pool of government securities as described above. At year end R.I.T.A. had \$300 of undeposited cash on hand.

Investments - R.I.T.A.'s investments are categorized below to give an indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which securities are held by R.I.T.A. or its agent in R.I.T.A.'s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in R.I.T.A.'s name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by their trust department or agent but not in R.I.T.A.'s name.

	<u>Risk Category</u>			<u>Carrying Amount</u>	<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
FHLB Term Notes			\$ 493,976	\$ 493,976	\$ 493,976
Repurchase agreements	\$ 6,880,000		20,370,000	27,250,000	27,250,000
Subtotal	6,880,000		20,863,976	27,743,976	27,743,976
STAR Ohio Investments				5,065,838	5,065,838
Total	<u>\$ 6,880,000</u>		<u>\$ 20,863,976</u>	<u>\$ 32,809,814</u>	<u>\$ 32,809,814</u>

STAR Ohio investments are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Act of 1940. Investments in STAR Ohio are valued using STAR Ohio's share price, which is the price at which the investments could be redeemed.

R.I.T.A.'s investments (including cash equivalents) are recorded at cost, which approximates market. Under Statement No. 31 of the GASB, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", R.I.T.A. is required to report investments with maturities greater than one year at fair value.

3. DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at December 31, 2000 are as follows:

Amount	Due To	Due From
\$ 198,177	Enterprise Fund	Internal Service Fund
<u>1,854,635</u>	Internal Service Fund	Agency Fund
<u>\$2,052,812</u>		

4. CAPITAL LEASE COMMITMENTS AND RELATED PARTY TRANSACTIONS

Computer equipment acquired under a capital lease and included in property consists of:

Description	Amount at December 31, 2000
Computer equipment	\$ 295,000
Accumulated amortization	<u>217,420</u>
Total	<u>\$ 77,580</u>

The following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments, as of December 31, 2000:

2001	<u>\$ 79,066</u>
Total minimum lease payments	79,066
Less amount representing interest	<u>1,486</u>
Present value of net minimum lease payments	<u>\$ 77,580</u>

Effective December 19, 2000, the Members entered into a capital lease agreement with the Cleveland – Cuyahoga County Port Authority (“Authority”). The Members are leasing the “Series 2000B Project” from the Authority. The “Series 2000B Project” provides funds for the acquisition and installation of personal property consisting of an HVAC system, computer equipment, computer software and certain other furnishing and equipment to be located and used at the Agency.

The initial term of the lease agreement ends on December 31, 2001, and is renewable for successive one-year terms upon appropriation of funds by R.I.T.A.’s Board of Trustees to pay the rental payments. The final renewal term ends on November 15, 2010 when the remaining balance under the lease is due. At the end of the lease term, the Members have the option to purchase the “Series 2000B Project” for \$1.

Proceeds from this arrangement are held in trust and distributed as expensed.

Future minimum lease payments under the “Series 2000B” lease agreement are as follows:

Year Ending	Total
2001	\$ 347,548
2002	689,276
2003	689,819
2004	693,674
2005	695,639
Thereafter	<u>3,919,054</u>
Future minimum lease payments	7,035,010
Less amount representing interest	<u>2,264,962</u>
Present value of future minimum lease payments	<u><u>\$ 4,770,048</u></u>

5. TAX COLLECTION FEES

During each year, R.I.T.A. withholds, as its tax collection fee, a portion of the taxes, penalties and interest collected. At year-end, the amounts withheld in excess of operating expenses less other revenues is determined and recorded as amounts due to other governments in the internal service fund. In the subsequent year, this excess is distributed to the Members. At December 31, 2000, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$ 11,727,689
Charges for services and other revenues	152,902
Net Interest income	2,573,335
Loss on disposal of fixed assets	<u>1,603</u>
Subtotal	14,455,529
Operating expenses	<u>7,336,951</u>
Excess of amounts withheld (due to other governments)	<u><u>\$ 7,118,578</u></u>

6. COMPENSATED ABSENCES

R.I.T.A. employees accumulate vacation leave and unlimited sick leave based upon hours worked and years of service. Upon retirement or death, employees are paid 25 percent of accumulated sick leave, not to exceed 250 hours. Sick leave in excess of the 250 hour maximum is not paid upon retirement or death but will be paid only upon illness while in the employment of R.I.T.A.

During the first six years of employment, employees can earn 10 days of vacation leave per year. During the next seven years of employment, employees can earn 15 days per year. After 13 years of employment, an employee can earn 20 days and after 21 years of service, employees can earn 25 days per year. Employees may accrue, and be paid upon termination of employment with R.I.T.A., up to a maximum of 20 days in the first six years of employment, 30 days during the next seven years of service, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 2000, the liability accrued for vacation and sick leave is \$382,446. The amounts applicable to the Enterprise Fund of \$13,694 and Internal Service Fund of \$368,752 are included in accrued wages and benefits on the combined balance sheet.

7. OPERATING LEASE COMMITMENTS

R.I.T.A. as Lessor - A portion of the revenue included in the Enterprise Fund for 2000 is derived from the rental of computer hardware to members. The rentals primarily consist of three-year agreements and provide for monthly payments to R.I.T.A. The following schedule provides an analysis of R.I.T.A.'s investment in computer equipment subject to operating leases as of December 31, 2000:

Computer equipment leased to members	\$ 116,603
Accumulated depreciation	<u>101,011</u>
Net computer equipment leased to members	<u>\$ 15,592</u>

In addition to computer hardware, R.I.T.A. also leases computer software to members. These leases are primarily three-year agreements and provide for monthly payments to R.I.T.A. The total rental income recognized by the Enterprise Fund under R.I.T.A.'s hardware and software leases during 2000 was \$349,539. Future minimum rentals under all software and hardware leases as of December 31, 2000 are as follows:

2001	\$ 215,799
2002	115,226
2003	<u>17,788</u>
Total	<u>\$ 348,813</u>

The carrying value of the computer software leased to members at December 31, 2000 was not significant.

8. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the GASB, "Accounting for Pensions by State and Local Governmental Employers," which has an effective date of 1998. Accordingly, the following footnote disclosure has been prepared in accordance with GASB No. 27.

Plan Description - Effective July 1, 1991, all employees of R.I.T.A. are required to be members of the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. The financial report may be obtained 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 or (800) 222-PERS (7377).

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5 percent of their covered payroll to PERS. The Retirement Board instituted a temporary employer contribution rate rollback of 20 percent for the calendar year 2000. The employer contribution rates for calendar years 2000, 1999, and 1998 were 10.84 percent, 13.55 percent and 13.55 percent, respectively. The Agency's contributions (including contributions for other postemployment benefits described in Note 9) to PERS for the years ended December 31, 2000, 1999 and 1998 were \$378,251, \$274,571 and \$250,819, respectively, equal to 100 percent of the required contributions for each year.

9. POSTRETIREMENT HEALTHCARE BENEFITS

In addition to the pension benefits described previously, PERS provides postretirement healthcare coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients is available. The healthcare 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 (4.3 percent of qualifying wages in 2000 and 4.2 percent in 1999) is set aside for the funding of postretirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the employer contribution rate used to fund healthcare for 2000, 1999 and 1998 were \$150,052, \$128,660 and \$109,915, respectively, equal to 100 percent of the required contributions for each year. At December 31, 2000, R.I.T.A. was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS.

The assumptions and calculations noted below were based on the Retirement System’s latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75 percent. An annual increase of 4.75 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent. Health care costs were assumed to increase 4.75 percent annually.

OPEB are advance-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the Retirement System’s net assets available for OPEB at December 31, 1999 was \$10,805,500. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473,600 and \$1,668,100, respectively.

10. INSURANCE COVERAGE

R.I.T.A. is exposed to various risks of loss including employee health care costs, errors and omissions, torts and legal judgments, and damage and destruction of assets.

R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage, a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. R.I.T.A. is insured through the State of Ohio for workers’ compensation. R.I.T.A. employees have two health care options, one of which is standard premium-based insurance coverage and one that is a self-insurance policy. R.I.T.A.’s self-insurance costs related to employee health care cover up to a maximum exposure of \$27,500 per employee, with an aggregate annual exposure of \$433,926. As of December 31, 2000, the liability accrued for health care claims is \$119,528. The amounts applicable to the Enterprise Fund of \$16,724 and Internal Service Fund of \$102,804 are included in accrued wages and benefits on the combined balance sheet. The liabilities represent R.I.T.A.’s best estimates based upon available information and include an estimate for claims that have been incurred but not reported. Settled claims have not exceeded R.I.T.A.’s commercial coverage in any of the past three fiscal years.

Changes in R.I.T.A.'s health care claims liability were as follows:

December 31,	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
1999	\$ 119,528	\$ 165,037	\$ (165,037)	\$ 119,528
2000	119,528	199,874	(199,874)	119,528

11. SUBSEQUENT EVENT

On May 29, 2001, R.I.T.A. entered into an agreement with KPMG Consulting (“KPMG”) to improve the PC network infrastructure, to enhance the imaging and document workflow infrastructure, to build a new tax system and to implement a customer management system. The contract amount is \$11,714,400. The projects will be funded through a capital lease with the Cleveland – Cuyahoga County Port Authority.

12. NEW ACCOUNTING STANDARDS

The GASB 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 Agency by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. Statement No. 33 and Statement No. 36 are effective for the Agency’s year ending December 31, 2001 and Statement No. 34 is effective for the year ending December 31, 2003. The Agency is performing an analysis of the impact of these two statements on its reported financial condition and results of operations.

* * * * *

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES**

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ENTERPRISE FUND

ENTERPRISE FUND

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services be financed or recovered primarily through user charges. R.I.T.A.'s Enterprise Fund is used to account for tax collection services to non-members (if any) and for the data processing and other services provided to member municipalities.

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND BALANCE SHEETS DECEMBER 31, 2000 AND 1999

	2000	1999
ASSETS:		
Cash and cash equivalents	\$ 23,235	\$ 33,922
Receivables - Trade accounts	38,329	45,205
Due from other funds	198,177	92,198
Fixed assets:		
Office equipment	33,309	25,648
Equipment leased to members	<u>116,603</u>	<u>181,550</u>
	149,912	207,198
Less accumulated depreciation and amortization	<u>114,530</u>	<u>163,220</u>
Net fixed assets	35,382	43,978
Other assets	<u>21,793</u>	<u>33,156</u>
 TOTAL ASSETS	 <u>\$ 316,916</u>	 <u>\$ 248,459</u>
 LIABILITIES AND FUND EQUITY:		
Accounts payable	\$ 3,319	\$ 131
Accrued wages and benefits	35,786	37,267
Deferred revenues	<u>2,552</u>	<u>-</u>
 Total liabilities	 41,657	 37,398
 FUND EQUITY - Retained earnings - unreserved	 <u>275,259</u>	 <u>211,061</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 316,916</u>	 <u>\$ 248,459</u>

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
OPERATING REVENUES:		
Charges for services and other revenues	\$ 358,399	\$ 387,359
Total operating revenues	<u>358,399</u>	<u>387,359</u>
OPERATING EXPENSES:		
Personal services	212,619	222,410
Travel and transportation	12,961	10,798
Office rent and maintenance	3,192	6,116
Equipment and software maintenance	34,441	23,582
Cost of equipment purchased for members	5,013	15,834
Professional and processing	5,142	19,668
Telephone and utilities	3,802	6,442
Insurance	720	110
Miscellaneous expenses	1,374	37
Material and supplies	7,412	6,660
Depreciation and amortization	<u>19,951</u>	<u>18,947</u>
Total operating expenses	<u>306,627</u>	<u>330,604</u>
OPERATING INCOME	51,772	56,755
NONOPERATING REVENUES:		
Net interest income	11,447	7,142
Gain on disposal of fixed assets	<u>979</u>	<u>-</u>
	12,426	7,142
NET INCOME	64,198	63,897
RETAINED EARNINGS, BEGINNING OF YEAR	<u>211,061</u>	<u>147,164</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 275,259</u>	<u>\$ 211,061</u>

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from municipalities	\$ 261,851	\$ 379,814
Cash payments:		
To suppliers for goods and services	(59,509)	(107,512)
To employees for services	(179,377)	(190,285)
For employee benefits	(34,723)	(35,733)
For depreciation	<u> </u>	<u> </u>
Net cash provided by operating activities	<u>(11,758)</u>	<u>46,284</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -		
Proceeds from sale of fixed assets	3,454	
Acquisition of fixed assets	<u>(13,830)</u>	<u>(26,316)</u>
Net cash used for capital and related financing activities	<u>(10,376)</u>	<u>(26,316)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Interest on cash equivalents	<u>11,447</u>	<u>7,142</u>
Net cash provided by investing activities	<u>11,447</u>	<u>7,142</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,687)	27,110
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,922</u>	<u>6,812</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 23,235</u>	<u>\$ 33,922</u>

(Continued)

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 51,772	\$ 56,755
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	19,951	18,947
Changes in assets and liabilities:		
Trade accounts receivable	6,876	(1,073)
Due from other funds	(105,979)	(6,469)
Other assets	11,363	(17,238)
Accounts payable	3,188	(1,030)
Accrued wages and benefits	(1,481)	(3,608)
Deferred revenues	<u>2,552</u>	<u>-</u>
 Total adjustments	 <u>(63,530)</u>	 <u>(10,471)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ (11,758)</u>	 <u>\$ 46,284</u>

(Concluded)

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND SCHEDULE OF REVENUES AND EXPENSES BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for services	\$ 375,600	\$ 358,399	\$ (17,201)
Interest income	6,700	11,447	4,747
Other	<u>-</u>	<u>979</u>	<u>979</u>
TOTAL REVENUES	<u>382,300</u>	<u>370,825</u>	<u>(11,475)</u>
EXPENSES:			
Personal services	249,050	212,619	36,431
Other	<u>137,840</u>	<u>94,008</u>	<u>43,832</u>
TOTAL EXPENSES	<u>386,890</u>	<u>306,627</u>	<u>80,263</u>
NET INCOME (LOSS)	<u>\$ (4,590)</u>	<u>\$ 64,198</u>	<u>\$ 68,788</u>

Note: Although not required by law, an annual operating budget is adopted for management purposes.

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INTERNAL SERVICE FUND

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of significant goods or services provided to other governments on a cost reimbursement basis. R.I.T.A. operates one Internal Service Fund which is the Operating Fund. The member municipalities advance monies (tax collection fees) during the year to R.I.T.A. for operations. These tax collection fees are a percentage of the taxes collected for the member municipalities. At year-end, costs are allocated to members and any excess tax collection fees (amounts withheld over costs) is refunded to member municipalities in the following year.

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND BALANCE SHEETS DECEMBER 31, 2000 AND 1999

	2000	1999
ASSETS:		
Cash and cash equivalents	\$ 4,910,956	\$ 5,165,237
Receivables:		
Trade accounts	14,766	6,578
Interest	35,047	3,812
Due from other funds	1,854,635	1,684,035
Fixed assets:		
Land	103,660	103,660
Building	1,957,000	1,957,000
Office equipment	1,201,388	1,139,072
Vehicles	40,021	10,198
Projects in process	266,250	-
	<u>3,568,319</u>	<u>3,209,930</u>
Less accumulated depreciation and amortization	996,035	851,747
Net fixed assets	<u>2,572,284</u>	<u>2,358,183</u>
Other assets - due from trust	4,770,048	-
Other assets	<u>47,400</u>	<u>54,341</u>
TOTAL ASSETS	<u>\$ 14,205,136</u>	<u>\$ 9,272,186</u>
LIABILITIES AND FUND EQUITY:		
Accounts payable	\$ 327,545	\$ 402,288
Accrued wages and benefits	568,266	499,924
Current portion of capital lease	77,580	99,393
Capital lease obligation	4,770,048	77,580
Due to other funds	198,177	92,198
Due to other governments	7,118,578	7,214,300
Deferred revenue	1,094,174	843,129
Other liabilities	<u>50,768</u>	<u>43,374</u>
Total liabilities	14,205,136	9,272,186
FUND EQUITY - Retained earnings	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 14,205,136</u>	<u>\$ 9,272,186</u>

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
OPERATING REVENUES:		
Tax collection fees	\$ 4,612,317	\$ 3,799,159
Charges for services and other revenues	<u>152,902</u>	<u>141,080</u>
Total operating revenues	<u>4,765,219</u>	<u>3,940,239</u>
OPERATING EXPENSES:		
Personal services	4,162,057	3,640,752
Travel and transportation	45,937	53,755
Office rent and maintenance	243,548	108,057
Equipment and software maintenance	167,892	174,194
Professional and processing	1,284,188	568,160
Telephone and utilities	184,091	170,243
Forms and envelopes	292,481	261,950
Insurance	32,342	38,325
Miscellaneous expenses	41,873	20,944
Material and supplies	555,925	479,595
Depreciation and amortization	<u>326,617</u>	<u>296,092</u>
Total operating expenses	<u>7,336,951</u>	<u>5,812,067</u>
OPERATING LOSS	(2,571,732)	(1,871,828)
NONOPERATING REVENUE:		
Interest income	2,573,335	1,871,828
Gain (loss) on disposal of fixed assets	<u>(1,603)</u>	<u>-</u>
	2,571,732	1,871,828
NET INCOME	-	-
RETAINED EARNINGS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from municipalities	\$ 11,187,193	\$ 10,354,481
Cash payments:		
To suppliers for goods and services	(2,902,657)	(1,786,419)
To employees for services	(3,343,945)	(2,840,911)
For employee benefits	(749,770)	(741,867)
For retainer refund	<u>(6,370,695)</u>	<u>(7,187,538)</u>
Net cash used for operating activities	<u>(2,179,874)</u>	<u>(2,202,254)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sales of fixed assets	640	
Acquisition of fixed assets	(542,961)	(219,682)
Payments on capital lease obligations	(99,393)	(94,957)
Cash paid for interest	<u>(6,028)</u>	<u>(10,464)</u>
Net cash used for capital and related financing activities	<u>(647,742)</u>	<u>(325,103)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Interest on cash equivalents	<u>2,573,335</u>	<u>1,871,828</u>
Net cash provided by investing activities	<u>2,573,335</u>	<u>1,871,828</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(254,281)	(655,529)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,165,237</u>	<u>5,820,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,910,956</u>	<u>\$ 5,165,237</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH FINANCING ACTIVITIES:		
Other assets held in trust acquired through capital lease	<u>\$ 4,770,048</u>	<u>\$ -</u>

(Continued)

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	\$ (2,571,732)	\$ (1,871,828)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization	326,617	296,092
Cash paid for interest	6,028	10,464
Changes in assets and liabilities:		
Trade accounts receivable	(8,188)	10,603
Interest receivable	(31,235)	(3,812)
Due from other funds	(170,600)	(107,688)
Other assets	6,941	2,299
Accounts payable	(74,743)	96,053
Accrued wages and benefits	68,342	55,997
Other liabilities	7,394	(20,012)
Due to other funds	105,979	6,469
Due to other governments	(95,722)	(745,015)
Deferred revenue	<u>251,045</u>	<u>68,124</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (2,179,874)</u>	<u>\$ (2,202,254)</u>

(Concluded)

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND SCHEDULE OF REVENUES AND EXPENSES BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Tax collection fees	\$ 5,991,460	\$ 4,612,317	\$ (1,379,143)
Charges for services and other revenues	270,000	152,902	(117,098)
Interest income	1,911,260	2,573,335	662,075
Other	<u>-</u>	<u>(1,603)</u>	<u>(1,603)</u>
TOTAL REVENUES	<u>8,172,720</u>	<u>7,336,951</u>	<u>(835,769)</u>
EXPENSES:			
Personal services	4,766,240	4,162,057	604,183
Other	<u>3,406,480</u>	<u>3,174,894</u>	<u>231,586</u>
TOTAL EXPENSES	<u>8,172,720</u>	<u>7,336,951</u>	<u>835,769</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Although not required by law, an annual operating budget is adopted for management purposes.

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AGENCY FUND

AGENCY FUND

Agency Funds are used to account for assets held by a governmental unit as an agent for others. R.I.T.A. operates one Agency Fund which is the Tax Receipts Fund. This fund is used to account for the income tax receipts collected for member municipalities.

REGIONAL INCOME TAX AGENCY

AGENCY FUND

BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

	2000	1999
ASSETS:		
Cash and cash equivalents	\$28,554,847	\$30,778,702
Investments	493,976	502,178
Income taxes of member municipalities receivable	<u>37,170,938</u>	<u>29,841,542</u>
TOTAL ASSETS	<u>\$66,219,761</u>	<u>\$61,122,422</u>
LIABILITIES:		
Refunds payable	\$ 996,846	\$ 666,050
Due to other funds	1,854,635	1,684,035
Due to other governments	<u>63,368,280</u>	<u>58,772,337</u>
TOTAL LIABILITIES	<u>\$66,219,761</u>	<u>\$61,122,422</u>

REGIONAL INCOME TAX AGENCY

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2000

	Balance at January 1, 2000	Additions	Deductions	Balance at December 31, 2000
ASSETS:				
Cash and cash equivalents	\$ 30,778,702	\$ 390,204,763	\$ (392,428,618)	\$ 28,554,847
Investments	502,178	493,976	(502,178)	493,976
Income taxes of member municipalities receivable	<u>29,841,542</u>	<u>37,170,938</u>	<u>(29,841,542)</u>	<u>37,170,938</u>
TOTAL ASSETS	<u>\$ 61,122,422</u>	<u>\$ 427,869,677</u>	<u>\$ (422,772,338)</u>	<u>\$ 66,219,761</u>
LIABILITIES:				
Refunds payable	\$ 666,050	\$ 10,225,971	\$ (9,895,175)	\$ 996,846
Due to other funds	1,684,035	13,295,658	(13,125,058)	1,854,635
Due to other governments	<u>58,772,337</u>	<u>388,141,151</u>	<u>(383,545,208)</u>	<u>63,368,280</u>
TOTAL LIABILITIES	<u>\$ 61,122,422</u>	<u>\$ 411,662,780</u>	<u>\$ (406,565,441)</u>	<u>\$ 66,219,761</u>

STATISTICAL SECTION

REGIONAL INCOME TAX AGENCY

TABLE OF STATISTICAL DATA LAST TEN FISCAL YEARS (UNAUDITED)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Number of cities	86	85	81	78	70	68	62	57	54	52
Net distributions (A)	<u>\$ 381,077,887</u>	<u>\$ 358,277,676</u>	<u>\$ 333,820,641</u>	<u>\$ 296,512,963</u>	<u>\$ 260,187,345</u>	<u>\$ 225,863,961</u>	<u>\$ 200,686,846</u>	<u>\$ 182,212,235</u>	<u>\$ 167,495,506</u>	<u>\$ 157,577,978</u>
Number of employees (B)	100	95	82	80	77	76	76	79	69	74
Internal service fund revenue and other financing sources:										
Retainer	\$ 4,765,219	\$ 3,799,159	\$ 3,083,965	\$ 2,800,207	\$ 2,983,668	\$ 2,697,119	\$ 2,896,788	\$ 3,249,071	\$ 3,183,637	\$ 2,591,941
Interest	2,573,335	1,871,828	1,916,511	1,710,418	1,459,714	1,441,343	955,902	554,948	590,869	918,621
Other (C)	<u>151,299</u>	<u>141,080</u>	<u>126,340</u>	<u>91,653</u>	<u>232,291</u>	<u>200,186</u>	<u>173,408</u>	<u>152,188</u>	<u>117,098</u>	<u>166,420</u>
TOTAL	<u>\$ 7,489,853</u>	<u>\$ 5,812,067</u>	<u>\$ 5,126,816</u>	<u>\$ 4,602,278</u>	<u>\$ 4,675,673</u>	<u>\$ 4,338,648</u>	<u>\$ 4,026,098</u>	<u>\$ 3,956,207</u>	<u>\$ 3,891,604</u>	<u>\$ 3,676,982</u>
Internal service fund expenses and other financing uses:										
Administration	\$ 1,348,174	\$ 929,931	\$ 996,116	\$ 948,653	\$ 967,025	\$ 870,245	\$ 852,683	\$ 839,224	\$ 852,833	\$ 793,632
Taxation (E)	4,643,709	3,661,602	3,268,940	2,871,280	2,916,075	2,697,840	2,474,418	2,379,859	2,397,113	2,253,788
Information Services (F)	<u>1,497,970</u>	<u>1,220,534</u>	<u>861,760</u>	<u>782,345</u>	<u>792,573</u>	<u>770,563</u>	<u>698,997</u>	<u>737,124</u>	<u>641,658</u>	<u>629,562</u>
TOTAL (D)	<u>\$ 7,489,853</u>	<u>\$ 5,812,067</u>	<u>\$ 5,126,816</u>	<u>\$ 4,602,278</u>	<u>\$ 4,675,673</u>	<u>\$ 4,338,648</u>	<u>\$ 4,026,098</u>	<u>\$ 3,956,207</u>	<u>\$ 3,891,604</u>	<u>\$ 3,676,982</u>
Distribution to municipalities relating to previous year	<u>\$ 6,394,970</u>	<u>\$ 7,187,538</u>	<u>\$ 6,516,366</u>	<u>\$ 5,250,867</u>	<u>\$ 4,726,132</u>	<u>\$ 3,659,686</u>	<u>\$ 2,700,915</u>	<u>\$ 2,297,331</u>	<u>\$ 2,352,386</u>	<u>\$ 2,569,423</u>
Enterprise fund:										
Revenue (C)	\$ 370,825	\$ 394,501	\$ 354,816	\$ 351,388	\$ 294,555	\$ 266,039	\$ 306,080	\$ 313,670	\$ 274,932	\$ 388,765
Expenses (D)	<u>306,627</u>	<u>330,604</u>	<u>361,251</u>	<u>315,262</u>	<u>229,629</u>	<u>301,115</u>	<u>273,163</u>	<u>327,660</u>	<u>290,593</u>	<u>420,729</u>
Net income (loss)	<u>\$ 64,198</u>	<u>\$ 63,897</u>	<u>\$ (6,435)</u>	<u>\$ 36,126</u>	<u>\$ 64,926</u>	<u>\$ (35,076)</u>	<u>\$ 32,917</u>	<u>\$ (13,990)</u>	<u>\$ (15,661)</u>	<u>\$ (31,964)</u>

Notes: (A) Represents the distributions to the cities during the respective years.

(B) Represents the number of employees at December 31st.

(C) Includes operating transfers in.

(D) Includes operating transfers out and/or interest.

(E) As of 1/1/1999 the Audit and Collection department were combined forming the Tax Department. Previous years data were combined with this change.

(F) As of 1/1/1999 the Data Processing Department was reclassified Information Services.

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RECEIPTS LAST TEN FISCAL YEARS (UNAUDITED)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Ashville (A)	\$ 214,315	\$ 121,748	\$ 135,907							
Aurora	5,482,449	4,903,958	4,613,196	\$4,065,554	\$3,793,598	\$2,952,359	\$2,632,313	\$2,419,058	\$2,201,027	\$2,152,318
Avon	2,302,999	1,898,535	1,719,507	1,465,381	1,233,356	994,823	1,041,299	703,032	655,959	668,378
Avon Lake (A)	6,801,989	5,972,032	5,585,553	2,618,106						
Bay Village	3,958,331	3,679,207	3,443,980	3,242,559	3,165,731	2,880,337	2,883,368	2,800,370	2,632,702	2,535,703
Beachwood (A)	15,309,941	13,686,500	13,362,577	13,993,918						
Beachwood East Jedd (A)	74,760									
Beachwood West Jedd (A)	4,287									
Bedford Heights (A)	8,648,407	8,552,301	8,453,556	8,967,834	7,807,135					
Bentleyville	754,140	639,770	663,363	698,199	509,965	364,315	307,548	304,542	213,540	293,907
Berea	8,715,217	7,832,988	6,813,677	6,336,502	6,871,159	6,684,186	6,457,628	5,555,464	4,375,191	3,880,093
Bexley (A)	4,570,838	4,447,977	4,132,681	3,607,633	989,991					
Boston Heights	325,043	232,605	195,280	164,792	194,222	186,829	177,682	143,516	142,305	118,033
Brady Lake (A)	13,024	11,201	16,537	17,422	14,254	14,746	14,482	13,659	15,642	
Brecksville	11,156,555	10,825,306	9,763,895	8,514,512	8,497,413	7,631,964	6,770,028	6,432,574	5,886,483	5,684,055
Broadview Heights	6,518,634	6,484,289	5,778,405	5,221,559	4,795,861	4,395,965	3,867,520	3,593,621	3,560,899	3,509,510
Brooklyn Heights	3,839,697	4,019,780	4,022,209	3,871,829	3,629,060	3,274,018	2,888,350	2,531,538	2,320,290	2,336,007
Canal Fulton (B)									51,061	346,156
Chagrin Falls	2,330,019	2,342,701	2,222,508	2,166,839	1,915,500	1,662,981	1,542,816	1,554,535	1,508,145	1,464,640
Cuyahoga Heights	6,807,796	6,459,124	6,157,834	6,500,687	6,131,105	5,941,171	5,587,203	4,678,836	4,562,827	4,907,040
East Cleveland	6,852,297	4,816,657	4,580,887	4,376,386	4,591,547	4,350,083	4,119,057	4,360,861	4,197,635	4,152,778
Elyria	18,904,282	18,277,567	17,285,571	16,509,379	16,753,693	15,591,333	14,472,191	14,513,562	12,523,992	10,930,140
Fairview Park	4,155,487	4,165,793	4,083,613	3,815,603	3,853,536	3,608,452	3,417,043	3,587,207	3,056,856	2,956,517
Galena (A)	98,262	76,982	79,445	16,661						
Garfield Heights	8,480,102	8,526,090	8,031,888	7,449,072	7,348,721	6,764,332	6,061,432	5,741,346	5,724,904	5,270,494
Glenwillow (A)	1,004,948	680,271	803,082	462,817						
Grandview Heights	3,792,821	3,538,895	2,893,057							
Highland Heights	6,248,852	6,220,961	5,890,509	4,343,568	4,191,064	4,032,392	4,350,943	3,963,685	4,216,666	3,763,062
Hudson	6,888,064	6,751,185	6,398,722	5,479,061	5,569,056	5,096,910	4,183,122	1,558,352	1,496,845	1,287,118
Hunting Valley (A)	615,552	599,331								
Independence	18,140,108	17,400,456	17,297,918	16,191,386	14,980,092	13,516,914	11,826,537	11,297,745	9,966,052	9,681,905
Kirtland (C)	1,916,331	1,864,880	1,723,355	1,619,680	1,569,061	1,466,927	1,345,646	1,346,717	1,032,839	
LaGrange	626,357	548,006	456,238	465,261	417,012	346,190	312,112	259,494	164,582	138,497
Lakemore (A)	685,874	694,300	663,748	627,893	606,140	603,467	552,118	519,087	504,964	473,287
Lakewood	14,624,618	12,923,110	12,422,431	11,726,217	11,528,727	10,937,451	10,871,668	10,260,212	10,980,158	11,050,359
Lockland (A)	1,812,351	1,897,163	1,978,042	1,828,836	842,337					
Lyndhurst	5,273,029	5,025,716	5,448,621	4,851,487	5,118,612	4,477,161	4,407,761	4,261,095	3,911,736	3,812,676
Maple Heights	6,140,657	5,879,303	5,452,550	5,342,727	5,523,941	5,465,754	5,638,677	5,285,879	5,211,235	5,173,383
Martins Ferry (D)					328	89,804	255,433			
Mayfield Heights	8,852,255	8,198,951	7,904,008	6,348,043	5,976,407	5,032,107	4,399,514	4,641,274	4,131,232	3,826,343
Mayfield Village	5,934,746	6,179,650	5,958,151	5,382,268	4,773,349	4,265,242	3,427,401	2,856,466	2,680,967	2,726,468

(Continued)

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RECEIPTS LAST TEN FISCAL YEARS (UNAUDITED)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Middleburg Heights	\$ 12,569,270	\$ 11,843,642	\$ 10,743,002	\$ 6,344,927	\$ 6,292,881	\$ 5,627,336	\$ 5,293,750	\$ 4,852,056	\$ 4,565,994	\$ 4,214,396
Milan (E)	219,323	237,827	205,591	191,491	229,452	179,260	169,488	159,468	152,008	141,510
Milford Center (A)	101,066	93,254	48,398							
Mogadore	1,503,705	1,343,437	1,295,390	1,237,897	1,242,694	1,107,174	1,019,193	904,597	836,996	804,947
Moreland Hills	2,210,277	2,521,189	2,512,625	1,940,178	2,046,751	1,754,786	1,775,425	1,752,052	1,798,818	1,639,769
Mount Gilead (A)	848,532	346,824								
Mount Sterling (F)	682,820	615,627	554,408	541,371	512,895	388,440	420,802	325,950	340,647	52,547
New Albany (A)	3,022,408	2,562,427	1,521,742	1,271,040	1,104,195	799,203	648,290	254,101		
Newburgh Heights	714,556	690,282	676,939	618,543	613,278	629,330	571,200	525,791	505,767	506,926
Newtown (A)	1,011,380	974,675	937,648	9,940						
North Lewisburg (A)	184,973	181,975	182,184	166,724	132,179	14,152				
North Olmsted	10,384,159	10,165,050	9,481,964	8,988,042	9,020,351	8,125,245	7,510,172	7,078,226	6,524,598	5,732,786
North Royalton (A)	6,495,643									
Oakwood Village	3,058,141	3,072,958	3,109,151	2,669,909	2,684,769	2,387,936	2,136,849	1,899,198	1,954,079	1,687,307
Olmsted Falls	2,071,072	1,989,119	1,882,537	1,699,709	1,565,202	1,477,734	1,381,303	1,310,012	1,320,706	1,241,684
Orange	1,941,690	2,035,859	1,789,555	1,732,340	1,620,987	1,596,330	1,469,215	1,384,779	1,322,329	1,314,391
Orange Chagrin										
Highland Jedd (A)	49,073									
Ottawa (A)	1,775,889	1,705,193	1,657,050	177,796						
Pepper Pike	3,616,223	3,391,847	3,386,169	3,431,241	3,449,446	2,843,695	2,730,879	2,698,416	2,560,626	2,469,346
Plain City (A)	567,304	544,133	494,703	470,292	427,720	433,213	360,916	196,797		
Powell (A)	1,993,122	1,866,089	1,496,480	1,377,631	1,215,436	1,053,993	1,102,961	373,615		
Reminderville	623,810	579,310	398,653	365,043	400,778	344,863	379,801	343,823	281,878	301,420
Reynoldsburg (A)	9,481,422	8,413,084	7,172,374	5,959,704	4,847,158	4,700,231				
Richmond Heights	3,901,797	3,519,985	3,397,120	2,955,246	2,881,226	2,608,373	2,419,612	1,978,965	1,690,993	1,797,338
Richwood (A)	163,836	166,252	160,466	140,359	148,329	53,507				
Riverside (A)	2,929,139	2,548,948	2,579,935	2,355,571	2,332,371	2,325,874	1,301,959			
Saint Paris (A)	252,788	241,663	245,841	89,692						
Salineville (A)	167,933	176,716	131,656	94,784	81,250	77,213	62,060			
Seven Hills	4,449,611	4,180,028	3,829,752	3,784,418	3,519,901	3,225,516	3,000,426	3,108,667	2,809,046	2,671,146
Shaker Heights	17,066,236	17,493,945	16,784,301	15,534,324	15,320,250	14,393,575	13,370,679	13,117,275	12,475,386	11,905,122
Shawnee Hills (A)	156,452	142,284	128,200	120,378	125,355	125,802	24,318			
Sheffield Village	1,309,299	1,224,643	1,021,930	1,057,513	1,064,650	940,205	918,269	744,420	615,693	535,238
Silver Lake (A)	385,577	394,968	386,214	374,649	338,541	382,909	62,340			
South Euclid	5,336,643	5,350,100	5,310,758	4,817,888	4,952,280	4,677,530	4,496,093	4,432,808	4,257,682	4,121,929
South Solon (A)	42,002	21,694	35,240	5,688						
Streetsboro	4,400,940	4,220,617	3,838,485	3,436,809	3,291,201	2,790,115	2,298,702	1,792,873	1,565,483	1,464,113
Steubenville (A)	8,366,631	4,758,637	4,537,816	4,402,893	4,311,000	386,625				
Strongsville	17,464,177	16,252,376	15,402,382	14,878,164	13,698,465	12,248,032	10,953,223	7,975,732	6,764,556	6,309,842
Sunbury (A)	881,688	937,443								

(Continued)

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RECEIPTS LAST TEN FISCAL YEARS (UNAUDITED)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Toronto (A)	\$ 1,075,264	\$ 1,167,268	\$ 1,314,685	\$ 1,131,653	\$ 1,018,563	\$ 912,951	\$ 863,609	\$ 706,759		
University Heights	4,300,538	4,292,619	4,142,512	3,792,347	3,760,989	3,684,649	3,554,194	3,326,255	\$ 3,367,168	\$ 3,226,342
Upper Arlington (G)	11,464,385	11,951,158	8,582,633	8,015,046	7,842,008	7,936,698	7,649,106	7,948,121	7,288,508	6,429,173
Valley View	6,956,588	7,376,813	6,485,224	5,810,763	5,271,774	4,478,166	4,257,750	3,783,024	3,439,394	3,161,380
Vermilion (A)	1,165,393	216,033								
Wakeman (A)	129,744	109,982	101,937	88,096	48,062	13,729				
Walton Hills	2,530,522	2,542,781	2,313,301	2,332,288	2,619,970	2,570,427	2,357,024	1,994,181	1,781,560	1,794,114
Westlake	13,979,628	13,321,028	12,977,156	11,596,214	10,695,176	9,199,623	8,505,854	6,510,094	5,395,345	5,125,577
Willowick	2,083,067	2,085,456	2,067,897	1,940,813	1,929,931	1,906,514	1,759,298	1,507,389	1,459,320	1,384,927
Winterville (A)	598,457	544,027	517,526	537,105	480,075	90,933				
Woodmere	<u>1,406,439</u>	<u>1,491,122</u>	<u>1,526,824</u>	<u>1,313,603</u>	<u>1,348,294</u>	<u>1,213,887</u>	<u>1,115,685</u>	<u>1,113,345</u>	<u>907,327</u>	<u>673,055</u>
TOTALS	<u>\$386,966,066</u>	<u>\$358,277,676</u>	<u>\$333,798,855</u>	<u>\$298,089,793</u>	<u>\$267,677,806</u>	<u>\$232,333,987</u>	<u>\$209,751,337</u>	<u>\$189,282,516</u>	<u>\$173,908,641</u>	<u>\$163,845,192</u>

Note: Above amounts are the net collections for the period January 1 to December 31 of the respective years.

- (A) Municipality joined the Regional Council of Governments during the year in which tax collections began. All years prior to joining are accordingly left blank.
- (B) Municipality left the Regional Council of Governments December 31, 1991.
- (C) Nonmember tax collections began January 1, 1992; municipality joined the Regional Council of Governments January 1, 1995.
- (D) Municipality joined the Regional Council of Governments March 31, 1994; referendum to appeal the income tax was approved by the electorate effective November 28, 1994 which ended the contractual relationship.
- (E) Nonmember tax collections began April 1, 1990; municipality joined the Regional Council of Governments March 14, 1995.
- (F) Nonmember tax collections began October 1, 1991; municipality joined the Regional Council of Governments January 1, 1995.
- (G) Nonmember tax collections began January 1, 1989; municipality joined the Regional Council of Governments November 12, 1991.

(Concluded)

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2000 TABLE OF CENSUS DATA (UNAUDITED)

	Estimated 1998 Population	Calendar Year 1989 Per capita income
CHAMPAIGN COUNTY		
North Lewisburg	1,841	\$ 11,168
St. Paris	1,774	11,033
COLUMBIANA COUNTY		
Salineville	1,432	8,126
CUYAHOGA COUNTY		
Bay Village	15,859	23,439
Beachwood	10,955	29,871
Bedford Heights	11,471	14,234
Bentleyville	875	29,260
Berea	18,380	14,867
Brecksville	12,623	25,356
Broadview Heights	14,187	17,960
Brooklyn Heights	1,445	15,395
Chagrin Falls	3,945	26,235
Cuyahoga Heights	626	13,246
East Cleveland	29,937	9,020
Fairview Park	16,897	18,768
Garfield Heights	29,160	12,491
Glenwillow	475	14,658
Highland Heights	7,144	18,796
Hunting Valley	787	60,782
Independence	6,690	18,165
Lakewood	55,682	16,258
Lyndhurst	15,109	21,194
Maple Heights	25,302	12,792
Mayfield Heights	18,519	16,099
Mayfield Village	3,332	23,837
Middleburg Heights	14,877	18,158
Moreland Hills	3,249	50,366
Newburgh Heights	2,046	11,525
North Olmsted	33,546	16,567
North Royalton	23,197	17,262
Oakwood Village	3,370	12,362
Olmsted Falls	7,334	16,252
Orange	3,055	35,285
Pepper Pike	6,105	54,473
Richmond Heights	9,520	18,927
Seven Hills	12,276	17,063
Shaker Heights	28,116	32,708
South Euclid	22,355	16,114
Strongsville	41,304	20,217
University Heights	13,409	18,705
Valley View	2,151	15,657
Walton Hills	2,407	18,152
Westlake	29,740	24,000
Woodmere	776	14,540

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2000 TABLE OF CENSUS DATA (UNAUDITED)

	Estimated 1998 Population	Calendar Year 1989 Per capita income
DELAWARE COUNTY		
Galena	379	\$ 12,262
Powell	4,668	38,620
Shawnee Hills	424	13,956
Sunbury	2,143	12,147
ERIE COUNTY		
Milan	1,397	14,760
Vermilion	11,344	14,710
FRANKLIN COUNTY		
Bexley	12,216	28,698
Grandview Heights	6,559	17,699
New Albany	2,883	16,668
Reynoldsburg	29,473	15,670
Upper Arlington	31,699	30,388
HAMILTON COUNTY		
Lockland	3,940	10,121
Newtown	1,973	12,811
HURON COUNTY		
Wakeman	1,021	11,428
JEFFERSON COUNTY		
Steubenville	20,224	11,362
Toronto	5,662	12,525
Wintersville	3,771	12,860
LAKE COUNTY		
Kirtland	6,538	19,215
Willowick	14,448	14,215
LORAIN COUNTY		
Avon	10,615	14,556
Avon Lake	17,171	18,627
Elyria	56,278	11,980
LaGrange	1,614	12,136
Sheffield Village	2,394	14,121
MADISON COUNTY		
Mount Sterling	1,803	11,019
Plain City	2,588	10,829
South Solon	411	9,617
MONTGOMERY COUNTY		
Riverside	26,000	15,008

(Continued)

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2000 TABLE OF CENSUS DATA (UNAUDITED)

	Estimated 1998 Population	Calendar Year 1989 Per capita income
MORROW COUNTY		
Mount Gilead	3,085	\$ 10,622
PICKAWAY COUNTY		
Ashville	2,679	12,022
PORTAGE COUNTY		
Aurora	11,530	22,778
Brady Lake	521	11,659
Streetsboro	11,996	13,545
PUTNAM COUNTY		
Ottawa	4,197	13,298
SUMMIT COUNTY		
Boston Heights	1,225	15,258
Hudson	21,226	27,050
Lakemore	2,622	10,303
Mogadore	3,968	12,621
Reminderville	2,343	18,660
Silver Lake	2,652	25,286
UNION COUNTY		
Milford Center	618	13,542
Richwood	2,096	10,321

Source:

Per Capita Income
U.S. Department of Commerce
Economics and Statistical Administration
Bureau of the Census
1990 CPH - 5 - 37
Table 1 and Table 9

Population

"1990 Census & 1991-1998 Estimates of Ohio's Population State, Counties, and Places."
Data Source: Bureau of the Census, U.S. Department of Commerce,
Prepared and distributed by the Office of Strategic Research, Ohio Department of
Development, June, 1

(Concluded)

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
ASHVILLE	Tax Rate	.50 %	.29 %	.87 %	-	-	-	-	-	-	-
	Tax Credit	0	0	50	-	-	-	-	-	-	-
	Credit Limit	.50	.29	.87	-	-	-	-	-	-	-
AURORA	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
AVON	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100/50/100	100	100
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
AVON LAKE	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	1.5	1.5	1.5	1.5	-	-	-	-	-	-
BAY VILLAGE	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BEACHWOOD	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	1.5	1.5	1.5	1.5	-	-	-	-	-	-
BEACHWOOD EAST JEDD	Tax Rate	1.5 %									
BEACHWOOD WEST JEDD	Tax Rate	1.5 %									
BEDFORD HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	2.0	2.0	2.0	2.0	2.0	-	-	-	-	-
BENTLEYVILLE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	25	25	25	25	-	25	25	25	25	25
	Credit Limit	1.0	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0
BEREA	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
BEXLEY	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-	-
	Tax Credit	80	80	80	80	90	-	-	-	-	-
	Credit Limit	2.0	2.0	2.0	2.0	2.0	-	-	-	-	-
BOSTON HEIGHTS	Tax Rate	1.50 %	1.25 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.25	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BRADY LAKE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-
	Tax Credit	100	100	100	100	100	100	100	100	100	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
BRECKSVILLE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
BROADVIEW HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
BROOKLYN HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
CANAL FULTON	Tax Rate	-	-	-	-	-	-	-	-	-	0.5 %
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	-	-	-	-	-	-	-	-	-	0.5
CHAGRIN FALLS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
CUYAHOGA HEIGHTS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
EAST CLEVELAND	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ELYRIA	Tax Rate	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.5/1.75%	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.5/1.75	1.5
FAIRVIEW PARK	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
GALENA	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.00	-	-	-	-	-	-
GARFIELD HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
GLENWILLOW	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	2.0	2.0	2.0	2.0	-	-	-	-	-	-
GRANDVIEW HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	-	-	-	-	-	-	-
	Tax Credit	100	100	100	-	-	-	-	-	-	-
	Credit Limit	2.0	2.0	2.0	-	-	-	-	-	-	-
HIGHLAND HEIGHTS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
HUDSON	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
HUNTING VALLEY	Tax Rate	0.75 %	1.0 %	-	-	-	-	-	-	-	-
	Tax Credit	50	50	-	-	-	-	-	-	-	-
	Credit Limit	0.75	1.0	-	-	-	-	-	-	-	-

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
INDEPENDENCE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
KIRTLAND	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-
	Tax Credit	25	25	25	25	25	25	25	25	25	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
LAGRANGE	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0
LAKEMORE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LAKEWOOD	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
LOCKLAND	Tax Rate	2.1 %	2.1 %	2.1 %	2.1 %	2.1 %	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	2.1	2.1	2.1	2.1	2.1	-	-	-	-	-
LYNDHURST	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MAPLE HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	80	80	80	80	80	80	75	75	75	75
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
MARTINS FERRY	Tax Rate	-	-	-	-	-	-	0/1.0/0%	-	-	-
	Tax Credit	-	-	-	-	-	-	0/100/0	-	-	-
	Credit Limit	-	-	-	-	-	-	0/1.0/0	-	-	-
MAYFIELD HEIGHTS	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
MAYFIELD VILLAGE	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MIDDLEBURG HEIGHTS	Tax Rate	1.75 %	1.75 %	1.75 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	75	75	75	75	75	75	75
	Credit Limit	1.75	1.75	1.75	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MILAN	Tax Rate	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	.5	.5	.5	.5	.5	.5	.5	.5	.5	.5
MILFORD CENTER	Tax Rate	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-	-
	Tax Credit	50	50	50	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	-	-	-	-	-	-	-
MOGADORE	Tax Rate	2.0 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MORELAND HILLS	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	-	-	-	0/12.5	12.5	12.5	12.5	12.5	0/12.5	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MOUNT GILEAD	Tax Rate	1.0 %	1.0 %	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	-	-	-	-	-	-	-	-
MOUNT STERLING	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0/0%
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
NEW ALBANY	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-
	Tax Credit	50	50	50	50	50	50	50	50	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
NEWBURGH HEIGHTS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
NEWTOWN	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	-	-	-	-	-	-
NORTH LEWISBURG	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	0/1.0%	-	-	-	-
	Tax Credit	50	50	50	50	50	0/50	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	0/1.0	-	-	-	-
NORTH OLMSTED	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.0%
	Tax Credit	100	100	100	100	100	100	100	100	100	100/50
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0/1.0
NORTH ROYALTON	Tax Rate	1.0 %	-	-	-	-	-	-	-	-	-
	Tax Credit	25	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	-	-	-	-	-	-	-	-	-
OAKWOOD VILLAGE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	75
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
OLMSTED FALLS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
ORANGE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	60	60	60	60	60	60	60	60	60	60
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
ORANGE CHAGRIN-HIGHLAND JEDD	Tax Rate	2.0 %									
OTTAWA	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	-	-	-	-	-	-
PEPPER PIKE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
PLAIN CITY	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
POWELL	Tax Rate	.75 %	.75 %	.75 %	.75 %	.75 %	.75 %	.75 %	.75 %	-	-
	Tax Credit	100	100	100	100	100	100	50	50	-	-
	Credit Limit	.25	.25	.25	.25	.25	.25	.50	.50	-	-
REMINDERVILLE	Tax Rate	1.50 %	1.50 %	1.25 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	25	25	25	25	25	25	25	25	25	25
	Credit Limit	1.50	1.50	1.25	-	1.0	1.0	1.0	1.0	1.0	1.0
REYNOLDSBURG	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	0/.15%	-	-	-	-
	Tax Credit	100	100	100	100	100	0/100	-	-	-	-
	Credit Limit	1.5	1.5	1.5	1.5	1.5	0/1.5	-	-	-	-
RICHMOND HEIGHTS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5/2.0	1.5	1.5
RICHWOOD	Tax Rate	0.5 %	0.5 %	0.5 %	0.5 %	0.5 %	0/.5%	-	-	-	-
	Tax Credit	25	25	25	25	25	0/25	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	0/100	-	-	-	-
RIVERSIDE	Tax Rate	1.25 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-
	Tax Credit	100	100	100	100	100	100	100	-	-	-
	Credit Limit	1.25	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
ST. PARIS	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	-	-	-	-	-	-

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
SALINEVILLE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-
	Tax Credit	50	50	50	50	50	50	50	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
SEVEN HILLS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
SHAKER HEIGHTS	Tax Rate	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SHAWNEE HILLS	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.0 %	-	-	-
	Tax Credit	100	100	100	100	100	100	0/75	-	-	-
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.0	-	-	-
SHEFFIELD VILLAGE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SILVER LAKE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-
	Tax Credit	100	100	100	100	100	100	100	-	-	-
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
SOUTH EUCLID	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SOUTH SOLON	Tax Rate	1.0 %	1.0 %	1.0 %	0.5 %	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	0.5	-	-	-	-	-	-

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
STEUBENVILLE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	0/2.0%	-	-	-	-
	Tax Credit	100	100	100	100	100	0/100	-	-	-	-
	Credit Limit	2.0	2.0	2.0	2.0	2.0	0/2.0	-	-	-	-
STREETSBORO	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
STRONGSVILLE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.5%	1.5 %	1.5 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0/1.5	1.5	1.5
SUNBURY	Tax Rate	1.0 %	2.0 %	-	-	-	-	-	-	-	-
	Tax Credit	50	100	-	-	-	-	-	-	-	-
	Credit Limit	1.0	2.0	-	-	-	-	-	-	-	-
TORONTO	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	-	-
UNIVERSITY HEIGHTS	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
UPPER ARLINGTON	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
VALLEY VIEW	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
VERMILION	Tax Rate	1.0 %	1.0 %	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	1.0	1.0	-	-	-	-	-	-	-	-
WAKEMAN	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.00/0%	0/1.0/0%	-	-	-	-
	Tax Credit	50	50	50	50	50/0	0/50/0	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0/0	0/1.0/0	-	-	-	-

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS LAST TEN FISCAL YEARS (UNAUDITED)

		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
WALTON HILLS	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
WESTLAKE	Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.375 %	1.375 %	1.375/1.0%	1.0 %	1.0 %
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.5	1.5	1.5	1.5	1.5	1.375	1.375	.375/1.0	1.0	1.0
WILLOWICK	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
	Tax Credit	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	75	75
	Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
WINTERSVILLE	Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0/0%	-	-	-	-
	Tax Credit	100	100	100	100	100	100/0	-	-	-	-
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0/0	-	-	-	-
WOODMERE	Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.5%
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

TAX RATE - Rate of tax as specified by ordinance, expressed as a percentage.

TAX CREDIT - Credit given for taxes paid to another municipal taxing authority.

CREDIT LIMIT - Maximum amount to which tax credit is applied as specified by ordinance.

(Concluded)



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REGIONAL INCOME TAX AGENCY

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 9, 2001**