

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2001**

BRECKSVILLE, OHIO



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215
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Board of Trustees
Regional Income Tax Agency

We have reviewed the Independent Auditor's Report of the Regional Income Tax Agency, Cuyahoga County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 2001 through December 31, 2001. 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.

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JIM PETRO
Auditor of State

June 27, 2002

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REGIONAL INCOME TAX AGENCY

*Comprehensive Annual Financial Report
for the Year Ended December 31, 2001*

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

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PREPARED BY THE FINANCE DEPARTMENT

Christy J. Price – Director of Finance
Lori A. Starcher – Internal Auditor/Accountant
Kimberly L. Schindler - Accountant
Sandra M. Majkrzak - Accounting Clerk
Elaine S. Zdanowicz - Accounting Clerk

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REGIONAL INCOME TAX AGENCY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2001

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INTRODUCTORY SECTION

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Fax:440/526-8013

April 26, 2002

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, 2001.

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 2000.
- 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 89 municipalities in 2001.

The Agency also offers data processing services to member municipalities. Services include systems development and technical assistance.

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

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 2001 annual unemployment rate for the Primary Metropolitan Statistical Area was 4.5 percent, which is comparable to the rate for the State of Ohio (4.3 percent) and the national rate (4.8 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, fourteen are service providers, three are manufacturing concerns, five are governments, one is a utility, one is a university, and one is a sports organization.

MAJOR INITIATIVES

In 2001, R.I.T.A. recorded record high tax collections of \$411.0 million and an average percentage net cost of collections of 1.72 percent.

The municipalities of Sabina and Wellston became members on July 1, 2001. The cities of Martins Ferry, Marysville, and Oberlin became members on January 1, 2002. The city of Worthington is joining the agency on July 1, 2002. Several other municipalities have shown 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 has remained the same.

The Agency is in the midst of business re-engineering. Agency functions, processes and services are being updated. We are testing a new imaging and document workflow system and developing 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 funded under two capital leases.

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 2001.

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.
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	<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.
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<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.
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The Board of Trustees of the
Regional Income Tax Agency
And Member Municipalities

FINANCIAL INFORMATION

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

	<u>December 31,</u>		Percentage
	<u>2001</u>	<u>2000</u>	<u>Increase</u> <u>(Decrease)</u>
Cash, cash equivalents and investments	\$ 33,697.2	\$ 33,983.0	(0.8)%
Receivables	136,571.4	37,259.1	266.5
Fixed assets (net)	3,248.4	2,607.7	24.5
Total assets	203,255.9	80,741.8	151.7
Total liabilities	203,006.1	80,446.6	152.3
Retained earnings of proprietary fund types	249.9	275.3	(9.2)

In total, both assets and liabilities increased about 152 percent. The increases are primarily due to the impact of the GASB 33 implementation.

The following table presents a summary of operating information (amounts in thousands of dollars):

	<u>Years Ended December 31,</u>		Percentage
	<u>2001</u>	<u>2000</u>	<u>Increase</u> <u>(Decrease)</u>
Operating revenues:			
Tax collection fees	\$ 7,074.9	\$ 4,612.3	53.4%
Charges for services	<u>719.8</u>	<u>511.3</u>	<u>40.8</u>
Total operating revenues	<u>7,794.7</u>	<u>5,123.6</u>	<u>52.1</u>
Total nonoperating revenues	<u>1,510.4</u>	<u>2,584.1</u>	<u>(41.6)</u>
Total revenues	\$ <u>9,305.1</u>	\$ <u>7,707.7</u>	<u>20.7</u>
Operating expenses:			
Personal services	\$ 5,708.3	\$ 4,374.7	30.5%
Travel and transportation	97.3	58.9	65.2
Facilities and telephone	384.7	434.6	(11.5)
Equipment/software maintenance and other	293.5	207.3	41.6
Professional and processing	1,190.5	1,289.3	(7.7)
Forms and envelopes	467.7	292.5	59.9
Insurance and miscellaneous	81.7	76.3	7.1
Material and supplies	620.9	563.3	10.2
Depreciation and amortization	<u>486.0</u>	<u>346.6</u>	<u>40.2</u>
Total operating expenses	\$ <u>9,330.6</u>	\$ <u>7,643.5</u>	<u>23.8%</u>

In total, revenues and expenses for 2001 are higher than 2000. The growth in charges for services revenues is due to the members' increased demand for delinquent tax programs. The decrease in interest income is the result of the significant decline in market interest rates.

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

Personal services expense rose in 2001 due to lower employee attrition and the addition of new positions needed for the processing of our growing collections. The higher cost of equipment/software maintenance and depreciation is directly related to the upgrade of the computerized tax system. The change in forms and envelopes is due to increased volume and development of form modifications to meet imaging requirements.

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 2001, there were no tax collections for nonmembers.

Operating revenues are comparable to 2001. Rent expense increased to reflect the current market rates of the renovated space. Professional and processing increased due to business consulting.

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 and tax collection fees increased for the reasons noted previously. Interest income decreased due to declining rates.

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 and the County of Cuyahoga as detailed in Note 5 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 repurchases are made with institutions under master repurchase agreements.

With respect to the level of credit risk assumed, R.I.T.A.'s repurchase agreements are in category three, as established by the Governmental Accounting Standards Board. 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 StarOhio investments are not classified by risk categories because they

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

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 and the Agency offers two healthcare plans. As described in footnote 11, one is standard premium-based insurance plan and the other is a self-insurance policy.

INDEPENDENT AUDIT

The financial statements of the Regional Income Tax Agency for the fiscal year ended December 31, 2001 have been audited by the independent public accounting firm of Ciuni & Panichi, Inc. 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, 2000. The award is the highest form of official recognition in governmental accounting and financial reporting. A copy of the 2000 Certificate of Achievement has been included in this report. This is the sixteenth 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 2001 award.

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

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,

A handwritten signature in black ink, reading "Christy J. Price". The signature is fluid and cursive, with the first name "Christy" being more prominent than the last name "Price".

Christy J. Price
Deputy Executive Director
Director of Finance

REGIONAL INCOME TAX AGENCY

OFFICERS AND BOARD MEMBERS

DECEMBER 31, 2001

COUNCIL OF GOVERNMENTS

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, Ohio |

BOARD OF TRUSTEES

OFFICERS

- | | |
|---------------|---|
| Chairman | - William Schuchart |
| 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 |
| Robert G. Tribby | - Finance Director/Tax Administrator, City of Mayfield Heights, Ohio |

REGIONAL INCOME TAX AGENCY

MANAGEMENT OFFICIALS

DECEMBER 31, 2001

Executive Director

Mr. Thomas Zammikiel

Deputy Director/Director of Finance

Mrs. Christy Price

Resource Management Director

Mr. Richard Barille

Executive Assistant/Board Clerk

Mrs. Lynn Recko

Development Director

Mr. Jeff Christman

Municipal Services Manager

Mr. Ralph Glatzhofer

Operations:

Accelerated Collections Director

Mr. Joe Zamiska

Business Compliance Manager

Mr. Mark Taranto

Records Processing Manager

Ms. Mariann Buemi

Registration Manager

Mr. Jack Davenport

Taxation Director

Mr. Gary Chips

Information Services:

Director

Mr. Tom Wojnarowski

Assistant Director Development

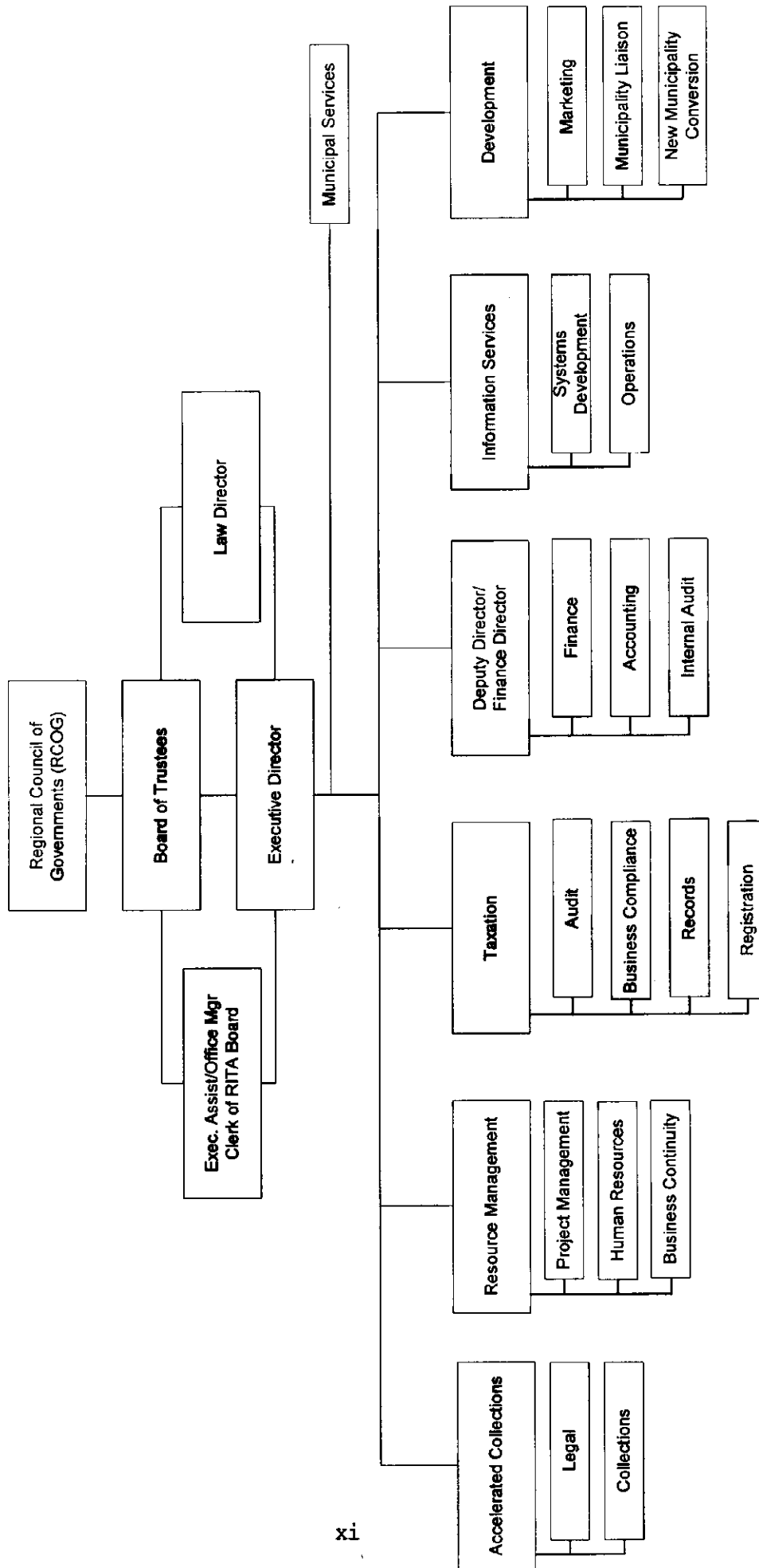
Mr. Mike Kobe

Operations Manager

Ms. Amy O'Donnell

Regional Income Tax Agency

December 31, 2001



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, 2000

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.



Timothy A. Dwyer
President

Jeffrey L. Esser
Executive Director

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 and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of R.I.T.A.'s management. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of R.I.T.A. as of December 31, 2001, 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.

As described in Note 12 to the general-purpose financial statements, R.I.T.A. adopted the provisions of the Governmental Accounting Standards Board Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* as of December 31, 2001. This results in a change to R.I.T.A.'s method of accounting for certain nonexchange revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2002, on our consideration of R.I.T.A.'s internal control over financial reporting and on 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.

Board of Trustees

The combining and individual fund financial statements and schedules listed in the table of contents 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 information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Cimini & Ciminelli, Inc.", written in a cursive style.

Cleveland, Ohio
April 26, 2002

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GENERAL PURPOSE FINANCIAL STATEMENTS

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REGIONAL INCOME TAX AGENCY

COMBINED BALANCE SHEET – ALL FUND TYPES

DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	
Assets:				
Cash and Cash Equivalents	\$ 25,930	\$ 1,647,531	\$ 32,023,737	\$ 33,697,198
Receivables:				
Trade Accounts	42,219	99,373	-	141,592
Interest	-	-	782	782
Income Taxes of Member Municipalities, Net	-	-	136,429,041	136,429,041
Due from Other Funds	187,706	5,947,260	-	6,134,966
Fixed Assets:				
Land	-	103,660	-	103,660
Building	-	2,523,367	-	2,523,367
Office Equipment	43,267	1,617,586	-	1,660,853
Equipment Leased to Members	32,966	-	-	32,966
Vehicles	-	40,021	-	40,021
Projects in Process	-	5,542,517	-	5,542,517
	76,233	9,827,151	-	9,903,384
Less Accumulated Depreciation and Amortization	41,328	1,424,849	-	1,466,177
Net Fixed Assets	34,905	8,402,302	-	8,437,207
Other Assets – Due From Trust	-	17,952,653	-	17,952,653
Deferred Loan Fees, Net	-	353,723	-	353,723
Other Assets	10,343	98,430	-	108,773
Total Assets	\$ <u>301,103</u>	\$ <u>34,501,272</u>	\$ <u>168,453,560</u>	\$ <u>203,255,935</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ 3,368	\$ 842,594	\$ -	\$ 845,962
Refunds Payable	-	-	1,733,760	1,733,760
Accrued Wages and Benefits	45,330	729,861	-	775,191
Current Portion of Capital Lease	-	1,386,937	-	1,386,937
Other Liabilities	-	61,370	-	61,370
Capital Lease Obligation	-	21,081,397	-	21,081,397
Due to Other Funds	-	187,706	5,947,260	6,134,966
Due to Other Governments	-	5,189,585	160,772,540	165,962,125
Deferred Revenue	2,552	5,021,822	-	5,024,374
Total Liabilities	51,250	34,501,272	168,453,560	203,006,082
Fund Equity:				
Retained Earnings – Unreserved	249,853	-	-	249,853
Total Liabilities and Fund Equity	\$ <u>301,103</u>	\$ <u>34,501,272</u>	\$ <u>168,453,560</u>	\$ <u>203,255,935</u>

See Accompanying Notes to the General-Purpose 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, 2001

	<u>Proprietary Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Operating Revenues:			
Tax Collection Fees	\$ -	\$ 7,074,998	\$ 7,074,998
Charges for Services and Other Revenues	<u>361,763</u>	<u>358,055</u>	<u>719,818</u>
Total Operating Revenues	<u>361,763</u>	<u>7,433,053</u>	<u>7,794,816</u>
Operating Expenses:			
Personal Services	284,215	5,424,077	5,708,292
Travel and Transportation	9,134	88,216	97,350
Office Rent and Maintenance	10,789	166,689	177,478
Equipment and Software Maintenance	40,807	243,292	284,099
Cost Of Equipment Purchased For Members	9,384	-	9,384
Professional and Processing	13,546	1,176,959	1,190,505
Telephone and Utilities	3,747	203,416	207,163
Forms and Envelopes	-	467,687	467,687
Insurance	345	40,271	40,616
Miscellaneous Expenses	402	40,679	41,081
Material and Supplies	7,176	613,747	620,923
Depreciation and Amortization	<u>17,243</u>	<u>468,795</u>	<u>486,038</u>
Total Operating Expenses	<u>396,788</u>	<u>8,933,828</u>	<u>9,330,616</u>
Operating Loss	(35,025)	(1,500,775)	(1,535,800)
Non-Operating Revenues (Expense):			
Net Interest Income	9,207	1,635,615	1,644,822
Net Interest Expense	-	(134,840)	(134,840)
Gain on Disposal of Fixed Assets	<u>412</u>	<u>-</u>	<u>412</u>
Total Non-Operating Revenues (Expense)	<u>9,619</u>	<u>1,500,775</u>	<u>1,510,394</u>
Net Loss	(25,406)	-	(25,406)
Retained Earnings, Beginning of Year	<u>275,259</u>	<u>-</u>	<u>275,259</u>
Retained Earnings, End of Year	\$ <u>249,853</u>	\$ <u>0</u>	\$ <u>249,853</u>

See Accompanying Notes to the General-Purpose Financial Statements

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS –PROPRIETARY FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash Flows from Operating Activities:			
Cash Receipts from Municipalities	\$ 368,756	\$ 11,626,021	\$ 11,994,777
Cash Payments:			
To Suppliers for Goods and Services	(83,831)	(2,530,286)	(2,614,117)
To Employees for Services	(219,298)	(4,099,463)	(4,318,761)
For Employee Benefits	(55,375)	(1,163,020)	(1,218,395)
For Retainer Refund	<u>-</u>	<u>(6,346,969)</u>	<u>(6,346,969)</u>
Net Cash Provided by (Used for) Operating Activities	<u>10,252</u>	<u>(2,513,717)</u>	<u>(2,503,465)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets	(16,764)	(2,141,237)	(2,158,001)
Principal Payments on Capital Lease Obligations	-	(109,246)	(109,246)
Interest Payments of Capital Lease Obligations	<u>-</u>	<u>(134,840)</u>	<u>(134,840)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(16,764)</u>	<u>(2,385,323)</u>	<u>(2,402,087)</u>
Cash Flows from Investing Activities:			
Interest on Cash Equivalents	<u>9,207</u>	<u>1,635,615</u>	<u>1,644,822</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,695	(3,263,425)	(3,260,730)
Cash and Cash Equivalents, Beginning of Year	<u>23,235</u>	<u>4,910,956</u>	<u>4,934,191</u>
Cash and Cash Equivalents, End of Year	\$ <u>25,930</u>	\$ <u>1,647,531</u>	\$ <u>1,673,461</u>
Supplemental Disclosure of Non-Cash Financing Activities:			
Other Assets Held in Trust Acquired Through Capital Lease	\$ <u>-</u>	\$ <u>17,340,181</u>	\$ <u>17,340,181</u>
Deferred Finance Fees Settled by Incurrence of Capital Lease Obligation	\$ <u>-</u>	\$ <u>159,819</u>	\$ <u>159,819</u>

Continued

See Accompanying Notes to the General-Purpose Financial Statements

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS –PROPRIETARY FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Reconciliation of Operating Loss to Net Cash from Operating Activities:			
Operating Loss	\$ (35,025)	\$ (1,500,775)	\$ (1,535,800)
Adjustments to Reconcile Operating Loss to Net Cash from Operating Activities:			
Depreciation and Amortization	17,243	468,795	486,038
Amortization on Deferred Loan Fees	-	36,048	36,048
Gain on Disposal of Fixed Assets	412	-	412
Changes in Assets and Liabilities:			
Trade Accounts Receivable	(3,890)	(84,607)	(88,497)
Interest Receivable	-	35,047	35,047
Due from Other Funds	10,471	(110,569)	(100,098)
Other Assets	11,449	(51,030)	(39,581)
Accounts Payable	49	515,049	515,098
Accrued Wages and Benefits	9,543	161,595	171,138
Other Liabilities	-	10,602	10,602
Due to Other Funds	-	(10,471)	(10,471)
Due to Other Governments	-	(1,928,993)	(1,928,993)
Deferred Revenues	-	(54,408)	(54,408)
Net Cash Provided by (Used for) Operating Activities	\$ <u>10,252</u>	\$ <u>(2,513,717)</u>	\$ <u>(2,503,465)</u>

See Accompanying Notes to the General-Purpose Financial Statements

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2001

NOTE 1 – DESCRIPTION OF OPERATIONS

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 the 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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.

B. 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 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 require incorporation into the financial statements.

C. 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.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION – FUND ACCOUNTING (CONTINUED)

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.

D. MEASUREMENT FOCUS AND 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. However, with the implementation of GASB 33 (see Note 12), it was necessary to record deferred revenue in the Internal Service Fund when recording the amount due from the Agency Fund. This amount is an estimate that R.I.T.A. will withhold from its members when collecting the taxes on 2001 earnings. This amount, \$5,021,822, has not been recorded as revenue for the following reasons: (1) the transactions have not yet been processed, therefore, the money has not yet been earned; and (2) if it were to be recorded as revenue, it would be included in the retainer refund calculation and money that has not yet been collected by R.I.T.A. would be prematurely refunded to its members.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Even though the fiduciary fund type does not involve the measurement of result 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 amount 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, per GASB 33, at the end of the year consist of income taxes, penalties and interest earned in 2001 and prior, but not yet paid to R.I.T.A. Under the modified accrual basis of accounting, liabilities are recognized when incurred, if measurable.

E. BUDGETARY PROCESS

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. aproved an appropriation amendment to R.I.T.A.’s fiscal 2001 budget.

F. 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, 2001, 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 First Merit Bank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

G. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Income taxes of member municipalities receivable is shown net of a \$2,309,497 allowance for doubtful accounts.

H. FIXED ASSETS AND DEPRECIATION

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

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. FIXED ASSETS AND DEPRECIATION (CONTINUED)

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
Equipment and Software	5-10 years
Equipment leased to Members	3 years
Vehicles	3 years

I. DEFERRED LOAN FEES

R.I.T.A. has capitalized the cost of obtaining capital lease financing. Amortization is taken using the effective interest method over the term of the related capital lease obligation. Deferred loan fees of \$389,771 are shown net of \$36,048 of accumulated amortization at December 31, 2001.

J. 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 collections to total collections.

K. 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 fund liabilities.

L. CLAIMS

As described in Note 11, 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.

M. 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.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. DEFERRED REVENUE

Deferred revenue in the Internal Service Fund represents tax collection fees received that will be earned in subsequent periods as the tax receivables are collected. In the Enterprise Fund the deferred revenue is the prepayment for equipment and installation services.

O. TOTAL COLUMN ON COMBINED FINANCIAL STATEMENTS

The total column on the accompanying combined financial statements is captioned “Memorandum Only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or changes in cash flows in conformity with accounting principles generally accepted in the United States of America. The total includes funds that use different basis of accounting and include interfund transactions that have not been eliminated. Consequently, such data are not comparable to a consolidation.

NOTE 3 – 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, 2001, the carrying amount of R.I.T.A.’s deposits was \$4,184,754 and the bank balance was \$3,878,544. Of the bank balance, \$291,381 was covered by FDIC insurance and \$3,587,163 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$3,587,163 was covered by a pool of government securities as described above. At year end, R.I.T.A. had \$400 of undeposited cash on hand.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

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>3</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Repurchase agreements	\$ <u>5,075,000</u>	\$ <u>5,075,000</u>	\$ <u>5,075,000</u>
Subtotal	\$ <u>5,075,000</u>	5,075,000	5,075,000
STAROhio investments*		<u>24,437,044</u>	<u>24,437,044</u>
Total		\$ <u>29,512,044</u>	\$ <u>29,512,044</u>

* Non-categorized

STAROhio 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. STAROhio 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 STAROhio are valued using STAROhio'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.

NOTE 4 – DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at December 31, 2001 are as follows:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 187,706	Enterprise Fund	Internal Service Fund
<u>5,947,260</u>	Internal Service Fund	Agency Fund
\$ <u>6,134,966</u>		

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – CAPITAL LEASE COMMITMENTS

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.

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

2002	\$ 693,660
2003	689,819
2004	693,674
2005	695,639
2006	695,714
Thereafter	<u>3,223,337</u>
Future minimum lease payments	6,691,843
Less amount representing interest	<u>1,723,510</u>
Present value of future minimum lease payments	\$ <u>4,968,333</u>

On December 1, 2001, the Members entered into a lease agreement with National City Leasing Corporation (“NCLC”) to provide funds for the acquisition and installation of personal property consisting of computer equipment, computer software and certain other furnishings and equipment to be located and used at the Agency.

The initial term of the lease agreement ends on December 31, 2002, and is renewable for one month thereafter to January 31, 2003 at the option of the Agency. After all required lease payments are made, ownership of the leased property will transfer to R.I.T.A. The Agency also has the option to purchase the leased property on any date after June 30, 2002 at a price specified in the lease agreement.

Future minimum lease payments under the agreement with National City Leasing Corporation are as follows:

2002	\$ 693,277
2003	<u>17,591,904</u>
Future minimum lease payments	18,285,181
Less amount representing interest	<u>785,181</u>
Present value of future minimum lease payments	\$ <u>17,500,000</u>

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 5 – CAPITAL LEASE COMMITMENTS (CONTINUED)

Proceeds in the amount of \$17,952,653 from capital lease arrangements are held in trust at December 31, 2001, and are distributed as project costs are incurred. Project costs in the amount of \$5,542,517 have been capitalized as of December 31, 2001.

NOTE 6 – 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 Members. At December 31, 2001, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$ 12,264,583
Charges for services and other revenues	358,055
Net interest income	<u>1,635,615</u>
Subtotal	14,258,253
Operating expenses	<u>9,068,668</u>
Excess of amounts withheld (due to other governments)	\$ <u>5,189,585</u>

NOTE 7 – 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 employment, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 2001, the liability accrued for vacation and sick leave is \$501,634. The amounts applicable to the Enterprise Fund of \$25,000 and Internal Service Fund of \$476,634 are included in accrued wages and benefits on the combined balance sheet.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 8 – OPERATING LEASE COMMITMENTS

R.I.T.A. as Lessor – A portion of the revenue included in the Enterprise Fund for 2001 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, 2001:

Computer equipment leased to Members	\$ 32,966
Accumulated depreciation	<u>22,374</u>
Net computer equipment leased to Members	\$ <u>10,591</u>

In addition to computer hardware, R.I.T.A. also leases computer software to Members. These leases are month to month or three-year agreements that 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 2001 was \$339,717. Future minimum rentals under the three-year software and hardware leases as of December 31, 2001 are as follows:

2002	\$ 115,226
2003	<u>17,788</u>
Total	\$ <u>133,014</u>

The carrying value of the computer software leased to Members at December 31, 2001 was not significant.

NOTE 9 – DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the Governmental Accounting Standards Board (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.

R.I.T.A. contributes to the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. 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. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 9 – DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

During 2001, PERS employees contributed 8.5 percent of their salary to the plan. The Retirement Board instituted a temporary employer contribution rate rollback of 20 percent for calendar year 2000. The decision to rollback rates was based on the December 31, 2000 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The 2001 employer contribution rate was 13.55 percent of covered payroll. The Agency's contributions to the System for the years ended December 31, 2001, 2000, and 1999, were \$581,141, \$378,251, and \$408,130, respectively, equal to the required contributions for each year.

NOTE 10 – POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employees Retirement System (PERS) of Ohio provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credits. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was 13.55 percent of covered payroll, of which 4.30 percent was used to fund health care for the year. The Agency's actual contribution for 2001, which was used to fund post-employment benefits, was \$184,396.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS.

The post-retirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on PERS' latest actuarial review performed as of December 31, 2000: an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2000 was 7.75 percent; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used – meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75 percent compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent; and health care costs are assumed to increase 4.75 percent annually. The actuarially accrued post-retirement health care liability for PERS at December 31, 2000 was \$11,735,900. The net assets were \$14,364,600, leaving an unfunded actuarial accrued liability of \$2,628,700. The number of active contributing participants was 411,076.

REGIONAL INCOME TAX AGENCY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2001

NOTE 11 – 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 \$409,175. As of December 31, 2001, the liability accrued for health care claims is \$156,598. The amounts applicable to the Enterprise Fund of \$14,932 and Internal Service Fund of \$141,666 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:

	Balance at Beginning <u>Of Year</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at End <u>of Year</u>
2000	\$ 119,528	\$ 199,874	\$ (199,874)	\$ 119,528
2001	119,528	445,526	(408,456)	156,598

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

For 2001, the Agency implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The affect on the Agency in implementing this accounting principle was a balance sheet effect only. There was no effect on retained earnings as of December 31, 2001. Therefore, comparative financial statements will not be presented.

NOTE 13 – NEW ACCOUNTING STANDARDS

The Government Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This statement revises accounting and reporting standards for general purpose external financial reporting by governmental units. This statement is effective for the year ending December 31, 2004. The Agency has not completed the final analysis of the impact of this statement on its reported financial condition and results of operation.

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

ENTERPRISE FUND

REGIONAL INCOME TAX AGENCY

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 SHEET

DECEMBER 31, 2001

Assets:

Cash and Cash Equivalents	\$ 25,930
Receivables – Trade Accounts	42,219
Due from Other Funds	187,706
Fixed Assets:	
Office Equipment	43,267
Equipment Leased to Members	<u>32,966</u>
	76,233
Less Accumulated Depreciation and Amortization	<u>41,328</u>
Net Fixed Assets	34,905
Other Assets	<u>10,343</u>
 Total Assets	 \$ <u><u>301,103</u></u>

Liabilities and Fund Equity:

Accounts Payable	\$ 3,368
Accrued Wages and Benefits	45,330
Deferred Revenues	<u>2,552</u>
Total Liabilities	51,250

Fund Equity:

Retained Earnings – Unreserved	<u>249,853</u>
 Total Liabilities and Fund Equity	 \$ <u><u>301,103</u></u>

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2001

Operating Revenues:

Charges for Services and Other Revenues \$ 361,763

Operating Expenses:

Personal Services	284,215
Travel and Transportation	9,134
Office Rent and Maintenance	10,789
Equipment and Software Maintenance	40,807
Cost of Equipment Purchased for Members	9,384
Professional and Processing	13,546
Telephone and Utilities	3,747
Insurance	345
Miscellaneous Expenses	402
Material and Supplies	7,176
Depreciation and Amortization	<u>17,243</u>
Total Operating Expenses	<u>396,788</u>

Operating Loss (35,025)

Non-Operating Revenues:

Net Interest Income	9,207
Gain on Disposal of Fixed Assets	<u>412</u>
Total Non-Operating Revenues	<u>9,619</u>

Net Loss (25,406)

Retained Earnings, Beginning of Year 275,259

Retained Earnings, End of Year \$ 249,853

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2001

Cash Flows from Operating Activities:	
Cash Receipts from Municipalities	\$ 368,756
Cash Payments:	
To Suppliers for Goods and Services	(83,831)
To Employees for Services	(219,298)
For Employee Benefits	<u>(55,375)</u>
Net Cash Provided by Operating Activities	<u>10,252</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Fixed Assets	<u>(16,764)</u>
Cash Flows from Investing Activities:	
Interest on Cash Equivalents	<u>9,207</u>
Net Increase in Cash and Cash Equivalents	2,695
Cash and Cash Equivalents, Beginning of Year	<u>23,235</u>
Cash and Cash Equivalents, End of Year	\$ <u>25,930</u>

Continued

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

Reconciliation Of Operating Loss to Net Cash Provided from

Operating Activities:

Operating Loss	\$ (35,025)
----------------	-------------

Adjustments to Reconcile Operating Loss to Net Cash from

Operating Activities:

Depreciation and Amortization	17,243
-------------------------------	--------

Gain on Disposal Of Fixed Assets	412
----------------------------------	-----

Changes in Assets and Liabilities:

Trade Accounts Receivable	(3,890)
---------------------------	---------

Due from Other Funds	10,471
----------------------	--------

Other Assets	11,449
--------------	--------

Accounts Payable	49
------------------	----

Accrued Wages and Benefits	<u>9,543</u>
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Net Cash Provided by Operating Activities	\$ <u><u>10,252</u></u>
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REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

SCHEDULE OF REVENUES AND EXPENSES – BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 360,000	\$ 361,763	\$ 1,763
Interest Income	<u>9,250</u>	<u>9,207</u>	<u>(43)</u>
Total Revenues	<u>369,250</u>	<u>370,970</u>	<u>1,720</u>
<u>Expenses</u>			
Personal Services	284,270	284,215	55
Other	<u>151,990</u>	<u>112,573</u>	<u>39,417</u>
Total Expenses	<u>436,260</u>	<u>396,788</u>	<u>39,472</u>
Net Loss	\$ <u>(67,010)</u>	\$ <u>(25,818)</u>	\$ <u>41,192</u>

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

INTERNAL SERVICE FUND

REGIONAL INCOME TAX AGENCY

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 SHEET

DECEMBER 31, 2001

Assets:

Cash and Cash Equivalents	\$ 1,647,531
Receivables:	
Trade Accounts	99,373
Due from Other Funds	5,947,260
Fixed Assets:	
Land	103,660
Building	2,523,367
Office Equipment	1,617,586
Vehicles	40,021
Projects in Progress	<u>5,542,517</u>
	9,827,151
Less Accumulated Depreciation and Amortization	<u>1,424,849</u>
Net Fixed Assets	8,402,302
Other Assets – Due from Trust	17,952,653
Deferred Loan Fees, Net	353,723
Other Assets	<u>98,430</u>
 Total Assets	 \$ <u>34,501,272</u>

Liabilities and Fund Equity:

Accounts Payable	\$ 842,594
Accrued Wages and Benefits	729,861
Current Portion of Capital Lease	1,386,937
Other Liabilities	61,370
Capital Lease Obligation	21,081,397
Due to Other Funds	187,706
Due to Other Governments	5,189,585
Deferred Revenues	<u>5,021,822</u>
Total Liabilities	34,501,272

Fund Equity:

Retained Earnings	<u>-</u>
 Total Liabilities and Fund Equity	 \$ <u>34,501,272</u>

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2001

Operating Revenues:

Tax Collection Fees	\$ 7,074,998
Charges for Services and Other Revenues	<u>358,055</u>
Total Operating Revenues	<u>7,433,053</u>

Operating Expenses:

Personal Services	5,424,077
Travel and Transportation	88,216
Office Rent and Maintenance	166,689
Equipment and Software Maintenance	243,292
Professional and Processing	1,176,959
Telephone and Utilities	203,416
Forms and Envelopes	467,687
Insurance	40,271
Miscellaneous Expenses	40,679
Material and Supplies	613,747
Depreciation and Amortization	<u>468,795</u>
Total Operating Expenses	<u>8,933,828</u>

Operating Loss (1,500,775)

Non-Operating Revenues (Expense):

Net Interest Income	1,635,615
Net Interest Expense	<u>(134,840)</u>
Total Non-Operating Revenues (Expense)	<u>1,500,775</u>

Net Income -

Retained Earnings, Beginning of Year -

Retained Earnings, End of Year \$ -

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2001

Cash Flows from Operating Activities:	
Cash Receipts from Municipalities	\$ 11,626,021
Cash Payments:	
To Suppliers for Goods and Services	(2,530,286)
To Employees for Services	(4,099,463)
For Employee Benefits	(1,163,020)
For Retainer Refund	<u>(6,346,969)</u>
Net Cash Used for Operating Activities	<u>(2,513,717)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Fixed Assets	(2,141,237)
Principal Payments on Capital Lease Obligations	(134,840)
Interest Payments of Capital Lease Obligations	<u>(109,246)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(2,385,323)</u>
Cash Flows from Investing Activities:	
Interest on Cash Equivalents	<u>1,635,615</u>
Net Decrease in Cash and Cash Equivalents	(3,263,425)
Cash and Cash Equivalents, Beginning of Year	<u>4,910,956</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>1,647,531</u></u>
Supplemental Disclosure of Non-Cash Financing Activities:	
Other Assets Held in Trust Acquired Through Capital Lease	\$ <u>17,340,181</u>
Deferred Finance Fees Settled By Incurrence of Capital Lease Obligation	\$ <u>159,819</u>

Continued

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2001

Reconciliation Of Operating Loss to Net Cash from Operating

Activities:

Operating Loss	\$ (1,500,775)
----------------	----------------

Adjustments to Reconcile Operating Loss to Net Cash from	
--	--

Operating Activities:

Depreciation and Amortization	468,795
-------------------------------	---------

Amortization on Deferred Loan Fees	36,048
------------------------------------	--------

Changes in Assets and Liabilities:

Trade Accounts Receivable	(84,607)
---------------------------	----------

Interest Receivable	35,047
---------------------	--------

Due from Other Funds	(110,569)
----------------------	-----------

Other Assets	(51,030)
--------------	----------

Accounts Payable	515,049
------------------	---------

Accrued Wages and Benefits	161,595
----------------------------	---------

Other Liabilities	10,602
-------------------	--------

Due to Other Funds	(10,471)
--------------------	----------

Due to Other Government	(1,928,993)
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Deferred Revenues	(54,408)
-------------------	----------

Net Cash Used for Operating Activities	\$ <u>(2,513,717)</u>
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REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENSES – BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tax Collection Fees	\$ 8,091,610	\$ 7,074,998	\$ (1,016,612)
Charges for Services and Other Revenues	270,000	358,055	88,055
Interest Income	<u>1,675,000</u>	<u>1,635,615</u>	<u>(39,385)</u>
Total Revenues	<u>10,036,610</u>	<u>9,068,668</u>	<u>(967,942)</u>
<u>Expenses</u>			
Personal Services	5,844,520	5,424,077	420,443
Other	<u>4,192,090</u>	<u>3,644,591</u>	<u>547,499</u>
Total Expenses	<u>10,036,610</u>	<u>9,068,668</u>	<u>967,942</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

REGIONAL INCOME TAX AGENCY

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 SHEET

DECEMBER 31, 2001

Assets:

Cash and Cash Equivalents	\$ 32,023,737
Receivables:	
Interest	782
Income Taxes of Member Municipalities, Net	<u>136,429,041</u>
Total Assets	\$ <u>168,453,560</u>

Liabilities:

Refunds Payable	\$ 1,733,760
Due to Other Funds	5,947,260
Due to Other Governments	<u>160,772,540</u>
Total Liabilities	\$ <u>168,453,560</u>

REGIONAL INCOME TAX AGENCY

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance at January 1, 2001	Additions	Deductions	Balance at December 31, 2001
Assets:				
Cash and Cash Equivalents	\$ 28,554,847	\$ 409,353,200	\$ (405,884,310)	\$ 32,023,737
Investments	493,976	-	(493,976)	-
Receivables:				
Interest	-	782	-	782
Income Taxes of Member Municipalities, Net	<u>37,170,938</u>	<u>136,429,041</u>	<u>(37,170,938)</u>	<u>136,429,041</u>
Total Assets	\$ <u>66,219,761</u>	\$ <u>545,783,023</u>	\$ <u>(443,549,224)</u>	\$ <u>168,453,560</u>
Liabilities:				
Refunds Payable	\$ 996,849	\$ 11,224,521	\$ (10,487,607)	\$ 1,733,760
Due to Other Funds	1,854,635	14,115,623	(10,022,998)	5,947,260
Due to Other Governments	<u>63,368,280</u>	<u>504,905,529</u>	<u>(407,501,269)</u>	<u>160,772,540</u>
Total Liabilities	\$ <u>66,219,761</u>	\$ <u>530,245,673</u>	\$ <u>(428,011,874)</u>	\$ <u>168,453,560</u>

STATISTICAL SECTION
(UNAUDITED)

REGIONAL INCOME TAX AGENCY

TABLE OF STATISTICAL DATA – LAST TEN FISCAL YEARS

DECEMBER 31, 2001

TABLE 1

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Number of cities	89	86	85	81	78	70	68	62	57	54
Net distributions (A)	\$ <u>403,337,929</u>	\$ <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>182,212,236</u>	\$ <u>167,495,506</u>
Number of employees (B)	116	100	95	82	80	77	76	76	79	69
Internal service fund revenue and other financing sources:										
Retainer	\$ 7,074,998	\$ 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
Interest	1,635,615	2,573,335	1,871,828	1,916,511	1,710,418	1,459,714	1,441,343	955,902	554,948	590,869
Other (C)	<u>358,055</u>	<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>
Total	\$ <u>9,068,668</u>	\$ <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>
Internal service fund expenses and other financing uses:										
Administration	\$ 1,301,472	\$ 1,348,174	\$ 929,931	\$ 996,116	\$ 948,653	\$ 967,025	\$ 870,245	\$ 852,683	\$ 839,224	\$ 852,833
Taxation (E)	6,363,884	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
Information Services (F)	<u>1,403,312</u>	<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>
Total (D)	\$ <u>9,068,668</u>	\$ <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>
Distribution to municipalities relating to previous year	\$ <u>6,346,969</u>	\$ <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>
Enterprise Fund:										
Revenue (C)	\$ 371,795	\$ 370,825	\$ 394,501	\$ 354,816	\$ 351,388	\$ 294,555	\$ 266,039	\$ 306,080	\$ 313,670	\$ 274,932
Expenses (D)	<u>396,788</u>	<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>
Net income (loss)	\$ <u>(24,993)</u>	\$ <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>

- 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 January 1, 1999, the Audit and Collection Departments were combined, forming the Tax Department. Previous years' data were combined with this change.
 (F) As of January 1, 1999, the Data Processing Department was reclassified Information Services.

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RECEIPTS – LAST TEN FISCAL YEARS

DECEMBER 31, 2001

TABLE 2

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Ashville (A)	\$ 285,831	\$ 214,315	\$ 121,748	\$ 135,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aurora	5,588,485	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
Avon	2,676,128	2,302,999	1,898,535	1,719,507	1,465,381	1,233,356	994,823	1,041,299	703,032	655,959
Avon Lake (A)	6,615,760	6,801,989	5,972,032	5,585,553	2,618,106	-	-	-	-	-
Bay Village	4,097,083	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
Beachwood (A)	15,616,185	15,309,941	13,686,500	13,362,577	13,993,918	-	-	-	-	-
Beachwood East Jedd (A)	487,332	74,760	-	-	-	-	-	-	-	-
Beachwood West Jedd (D)	2,702	4,287	-	-	-	-	-	-	-	-
Bedford Heights (A)	9,256,246	8,648,407	8,552,301	8,453,556	8,967,834	7,807,135	-	-	-	-
Bentleyville	832,449	754,140	639,770	663,363	698,199	509,965	364,315	307,548	304,542	213,540
Berea	8,709,248	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
Bexley (A)	5,367,039	4,570,838	4,447,977	4,132,681	3,607,633	989,991	-	-	-	-
Boston Heights	356,147	325,043	232,605	195,280	164,792	194,222	186,829	177,682	143,516	142,305
Brady Lake (A)	16,226	13,024	11,201	16,537	17,422	14,254	14,746	14,482	13,659	15,642
Brecksville	12,388,352	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
Broadview Heights	7,129,747	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
Brooklyn Heights	3,830,887	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
Canal Fulton (B)	-	-	-	-	-	-	-	-	-	51,061
Chagrin Falls	2,461,744	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
Cuyahoga Heights	6,144,117	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
East Cleveland	7,105,718	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
Elyria	20,300,452	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
Fairview Park	4,472,064	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
Galena (A)	108,153	98,262	76,982	79,445	16,661	-	-	-	-	-
Garfield Heights	8,785,379	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
Glenwillow (A)	922,770	1,004,948	680,271	803,082	462,817	-	-	-	-	-
Grandview Heights	3,593,972	3,792,821	3,538,895	2,893,057	-	-	-	-	-	-
Highland Heights	6,200,741	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
Hudson	7,137,023	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
Hunting Valley (A)	383,540	615,552	599,331	-	-	-	-	-	-	-
Independence	18,364,277	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
Kirtland (C)	2,033,147	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	751,022	626,357	548,006	456,238	465,261	417,012	346,190	312,112	259,494	164,582
Lakemore (A)	701,644	685,874	694,300	663,748	627,893	606,140	603,467	552,118	519,087	504,964
Lakewood	16,093,018	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
Lockland (A)	1,780,473	1,812,351	1,897,163	1,978,042	1,828,836	842,337	-	-	-	-
Lyndhurst	5,564,293	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
Maple Heights	6,536,726	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
Martins Ferry (D)	-	-	-	-	-	328	89,804	255,433	-	-
Mayfield Heights	8,677,150	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
Mayfield Village	6,902,239	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
Middleburg Heights	12,514,175	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

Continued

REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 2

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Milan (E)	238,728	219,323	237,827	205,591	191,491	229,452	179,260	169,488	159,468	152,008
Milford Center (A)	123,857	101,066	93,254	48,398	-	-	-	-	-	-
Mogadore	1,881,797	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
Moreland Hills	2,405,163	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
Mount Gilead (A)	762,999	848,532	346,824	-	-	-	-	-	-	-
Mount Sterling (F)	660,489	682,820	615,627	554,408	541,371	512,895	388,440	420,802	325,950	340,647
New Albany (A)	4,496,119	3,022,408	2,562,427	1,521,742	1,271,040	1,104,195	799,203	648,290	254,101	-
Newburgh Heights	824,891	714,556	690,282	676,939	618,543	613,278	629,330	571,200	525,791	505,767
Newtown (A)	1,081,732	1,011,380	974,675	937,648	9,940	-	-	-	-	-
North Lewisburg (A)	193,246	184,973	181,975	182,184	166,724	132,179	14,152	-	-	-
North Olmsted	11,581,380	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
North Royalton (A)	7,611,612	6,495,643	-	-	-	-	-	-	-	-
Oakwood Village	3,126,813	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
Olmsted Falls	2,266,339	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
Orange	2,211,599	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
Orange Chagrin Highland Jedd (A)	48,608	49,073	-	-	-	-	-	-	-	-
Ottawa (A)	1,544,661	1,775,889	1,705,193	1,657,050	177,796	-	-	-	-	-
Pepper Pike	3,712,518	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
Plain City (A)	601,232	567,304	544,133	494,703	470,292	427,720	433,213	360,916	196,797	-
Plymouth	29,733	-	-	-	-	-	-	-	-	-
Powell (A)	2,279,293	1,993,122	1,866,089	1,496,480	1,377,631	1,215,436	1,053,993	1,102,961	373,615	-
Reminderville	670,310	623,810	579,310	398,653	365,043	400,778	344,863	379,801	343,823	281,878
Reynoldsburg (A)	9,289,276	9,481,422	8,413,084	7,172,374	5,959,704	4,847,158	4,700,231	-	-	-
Richmond Heights	4,178,336	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
Richwood (A)	163,110	163,836	166,252	160,466	140,359	148,329	53,507	-	-	-
Riverside (A)	4,114,665	2,929,139	2,548,948	2,579,935	2,355,571	2,332,371	2,325,874	1,301,959	-	-
Sabina	94,135	-	-	-	-	-	-	-	-	-
Saint Paris (A)	228,198	252,788	241,663	245,841	89,692	-	-	-	-	-
Salineville (A)	172,899	167,933	176,716	131,656	94,784	81,250	77,213	62,060	-	-
Seven Hills	4,274,161	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
Shaker Heights	18,979,360	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
Shawnee Hills (A)	173,700	156,452	142,284	128,200	120,378	125,355	125,802	24,318	-	-
Sheffield Village	1,268,642	1,309,299	1,224,643	1,021,930	1,057,513	1,064,650	940,205	918,269	744,420	615,693
Silver Lake (A)	414,610	385,577	394,968	386,214	374,649	338,541	382,909	62,340	-	-
South Euclid	5,736,905	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
South Solon (A)	26,878	42,002	21,694	35,240	5,688	-	-	-	-	-
Streetsboro	4,610,661	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
Steubenville (A)	7,695,389	8,366,631	4,758,637	4,537,816	4,402,893	4,311,000	386,625	-	-	-
Strongsville	18,670,908	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
Sunbury (A)	1,017,569	881,688	937,443	-	-	-	-	-	-	-

Continued

REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 2

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Toronto (A)	1,158,804	1,075,264	1,167,268	1,314,685	1,131,653	1,018,563	912,951	863,609	706,759	-
University Heights	4,782,707	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
Upper Arlington (G)	13,717,001	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
Valley View	8,155,098	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
Vermilion (A)	1,143,966	1,165,393	216,033	-	-	-	-	-	-	-
Wakeman (A)	132,938	129,744	109,982	101,937	88,096	48,062	13,729	-	-	-
Walton Hills	2,285,189	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
Wellston	239,894	-	-	-	-	-	-	-	-	-
Westlake	14,879,861	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
Willowick	2,166,869	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
Wintersville (A)	609,902	598,457	544,027	517,526	537,105	480,075	90,933	-	-	-
Woodmere	1,511,487	1,406,439	1,491,122	1,526,824	1,313,603	1,348,294	1,213,887	1,115,685	1,113,345	907,327
Totals	\$ <u>411,035,925</u>	\$ <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>

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.

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2001 TABLE OF CENSUS DATA

DECEMBER 31, 2001

TABLE 3

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Belmont County</u>		
Martins Ferry	7,226	\$ 16,672
<u>Champaign County</u>		
North Lewisburg	1,588	18,461
St. Paris	1,998	16,811
<u>Clinton County</u>		
Sabina	2,780	16,481
<u>Columbiana County</u>		
Salineville	1,397	13,895
<u>Cuyahoga County</u>		
Bay Village	16,087	35,318
Beachwood	12,186	40,509
Bedford Heights	11,375	21,791
Bentleyville	947	72,392
Berea	18,970	21,647
Brecksville	13,382	37,838
Broadview Heights	15,967	29,440
Brooklyn Heights	1,558	27,012
Chagrin Falls	4,024	42,885
Cuyahoga Heights	599	21,446
East Cleveland	27,217	12,602
Fairview Park	17,572	27,662
Garfield Heights	30,734	18,988
Glenwillow	449	19,942
Highland Heights	8,082	31,184
Hunting Valley	735	144,281
Independence	7,109	26,447
Lakewood	56,646	23,945
Lyndhurst	15,279	28,206
Maple Heights	26,156	18,676
Mayfield Heights	19,386	24,392
Mayfield Village	3,435	36,360
Middleburg Heights	15,542	25,201
Moreland Hills	3,298	72,001
Newburgh Heights	2,389	18,636

Continued

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2001 TABLE OF CENSUS DATA (CONTINUED)

DECEMBER 31, 2001

TABLE 3

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Cuyahoga County (continued)</u>		
North Olmsted	34,113	24,329
North Royalton	28,648	26,610
Oakwood Village	3,667	15,273
Olmsted Falls	7,962	25,716
Orange	3,236	46,296
Pepper Pike	6,040	71,255
Richmond Heights	10,944	25,738
Seven Hills	12,080	25,014
Shaker Heights	29,405	41,354
South Euclid	23,537	22,383
Strongsville	43,858	29,722
University Heights	14,146	26,949
Valley View	2,179	26,560
Walton Hills	2,400	26,405
Westlake	31,719	37,142
Woodmere	828	22,703
<u>Delaware County</u>		
Galena	305	20,163
Powell	6,247	46,257
Shawnee Hills	419	25,266
Sunbury	2,630	18,861
<u>Erie County</u>		
Milan	1,445	23,143
Vermilion	10,927	23,635
<u>Franklin County</u>		
Bexley	13,203	37,375
Grandview Heights	6,695	27,495
New Albany	3,711	62,131
Reynoldsburg	32,069	23,388
Upper Arlington	33,686	42,025
<u>Hamilton County</u>		
Lockland	3,707	15,661
Newtown	2,420	32,590

Continued

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2001 TABLE OF CENSUS DATA (CONTINUED)

DECEMBER 31, 2001

TABLE 3

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Huron County</u>		
Plymouth	1,852	15,474
Wakeman	951	18,559
<u>Jackson County</u>		
Wellston	6,078	13,476
<u>Jefferson County</u>		
Steubenville	19,015	17,830
Toronto	5,676	15,761
Wintersville	4,067	18,941
<u>Lake County</u>		
Kirtland	6,670	32,148
Willowick	14,361	22,053
<u>Lorain County</u>		
Avon	11,446	28,334
Avon Lake	18,145	32,336
Elyria	55,953	19,344
LaGrange	1,815	19,465
Oberlin	8,195	20,704
Sheffield Village	2,949	25,218
<u>Madison County</u>		
Mount Sterling	1,865	16,138
Plain City	2,832	20,815
South Solon	405	15,152
<u>Montgomery County</u>		
Riverside	23,545	18,702
<u>Morrow County</u>		
Mount Gilead	3,290	19,064
<u>Pickaway County</u>		
Ashville	3,174	16,645

Continued

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 2001 TABLE OF CENSUS DATA (CONTINUED)

DECEMBER 31, 2001

TABLE 3

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Portage County</u>		
Aurora	13,556	35,537
Brady Lake	513	19,357
Streetsboro	12,311	21,764
<u>Putnam County</u>		
Ottawa	4,367	22,476
<u>Summit County</u>		
Boston Heights	1,186	36,960
Hudson	22,439	40,915
Lakemore	2,561	14,837
Mogadore	3,893	20,965
Reminderville	2,347	24,477
Silver Lake	3,019	35,614
<u>Union County</u>		
Marysville	15,942	19,127
Milford Center	626	18,346
Richwood	2,156	16,799

Source: Per Capita Income

Bureau of the Census; Census 2000 Social, Economic and Housing Profiles, Table DP-3 Profile of Selected Economic Characteristics – 2000

Population

U.S. Census Bureau, Census 2000 Summary File 1, GCT-PH1 – Population, Housing Units, Area and Density: 2000

REGIONAL INCOME TAX AGENCY

TABLE OF MUNICIPAL INCOME TAX RATES, CREDITS AND LIMITS – LAST TEN FISCAL YEARS

DECEMBER 31, 2001

TABLE 4

		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Ashville	Tax Rate	0.50%	0.50%	0.29%	0.87%	-	-	-	-	-	-
	Tax Credit	0	0	0	50	-	-	-	-	-	-
	Credit Limit	0.50	0.50	0.29	0.87	-	-	-	-	-	-
Aurora	Tax Rate	1.00	1.00	1.00	1.00	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Avon	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100/50/100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Avon Lake	Tax Rate	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Bay Village	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beachwood	Tax Rate	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Beachwood East Jedd	Tax Rate	1.50	1.50	-	-	-	-	-	-	-	-
Beachwood West Jedd	Tax Rate	1.50	1.50	-	-	-	-	-	-	-	-
Bedford Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
	Tax Credit	100	100	100	100	100	100	-	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
Bentleyville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	25	25	25	25	25	0	25	25	25	25
	Credit Limit	1.00	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00
Berea	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Bexley	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
	Tax Credit	80	80	80	80	80	90	-	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-

Continued

REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Boston Heights	Tax Rate	1.50%	1.50%	1.25%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Brady Lake	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Brecksville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Broadview Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brooklyn Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Chagrin Falls	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Cuyahoga Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
East Cleveland	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Elyria	Tax Rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75/1.50
	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	1.75	1.75/1.50
Fairview Park	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	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

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Galena	Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Garfield Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00%	2.00%	2.00%	2.00%	2.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Glenwillow	Tax Rate	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Grandview Heights	Tax Rate	2.00	2.00	2.00	2.00	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	-	-	-	-	-	-
Highland Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hudson	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Hunting Valley	Tax Rate	0.75	0.75	1.00							
	Tax Credit	75	50	50							
	Credit Limit	0.75	0.75	1.00							
Independence	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Kirtland	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	25	25	25	25	25	25	25	25	25	25
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
LaGrange	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Lakemore	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Lakewood	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lockland	Tax Rate	2.10	2.10	2.10	2.10	2.10	2.10	-	-	-	-
	Tax Credit	100	100	100	100	100	100	-	-	-	-
	Credit Limit	2.10	2.10	2.10	2.10	2.10	2.10	-	-	-	-
Lyndhurst	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Maple Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	80	80	80	80	80	80	80	75	75	75
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Martins Ferry	Tax Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0/1.0/0	0.00	0.00
	Tax Credit	0	0	0	0	0	0	0	0/100/0	0	0
	Credit Limit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0/1.0/0	0.00	0.00
Mayfield Heights	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mayfield Village	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Middleburg Heights	Tax Rate	1.75	1.75	1.75	1.75	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	75	75	75	75	75	75
	Credit Limit	1.75	1.75	1.75	1.75	1.00	1.00	1.00	1.00	1.00	1.00
Milan	Tax Rate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	Tax Credit	-	100	100	100	100	100	100	100	100	100
	Credit Limit	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Milford Center	Tax Rate	1.00%	1.00%	1.00%	1.00%	-	-	-	-	-	-
	Tax Credit	50	50	50	50	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	-	-	-	-	-	-
Mogadore	Tax Rate	2.00	2.00	1.50	1.50	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Moreland Hills	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	0/12.5	12.5	12.5	12.5	12.5	0/12.5
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mount Gilead	Tax Rate	1.00	1.00	1.00	-	-	-	-	-	-	-
	Tax Credit	100	100	100	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-
Mount Sterling	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Albany	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
	Tax Credit	50	50	50	50	50	50	50	50	50	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Newburgh Heights	Tax Rate	2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	60	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Newtown	Tax Rate	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
North Lewisburg	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00	-	-	-
	Tax Credit	50	50	50	50	50	50	0/50	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00	-	-	-
North Olmsted	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
North Royalton	Tax Rate	1.00	1.00	-	-	-	-	-	-	-	-
	Tax Credit	25	25	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Oakwood	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Village	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Olmsted Falls	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Orange	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	60	60	60	60	60	60	60	60	60	60
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Orange Chagrin											
Highland Jedd	Tax Rate	2.00	2.00	-	-	-	-	-	-	-	-
Ottawa	Tax Rate	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Pepper Pike	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plain City	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Plymouth	Tax Rate	0.50	-	-	-	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	0.50	-	-	-	-	-	-	-	-	-
Powell	Tax Rate	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	-
	Tax Credit	100	100	100	100	100	100	100	50	50	-
	Credit Limit	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-
Reminderville	Tax Rate	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	25	25	25	25	25	25	25	25	25
	Credit Limit	1.50	1.50	1.50	1.25	-	1.00	1.00	1.00	1.00	1.00
Reynoldsburg	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	0/15	-	-	-
	Tax Credit	100	100	100	100	100	100	0/100	-	-	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	0/150	-	-	-

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Richmond Heights	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	1.50%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50/2.00	1.50
Richwood	Tax Rate	0.50	0.50	0.50	0.50	0.50	0.50	0/0.50	-	-	-
	Tax Credit	25	25	25	25	25	25	0/25	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00	-	-	-
Riverside	Tax Rate	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Sabina	Tax Rate	1.00	-	-	-	-	-	-	-	-	-
	Tax Credit	50	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	-	-	-	-	-	-	-	-	-
Saint Paris	Tax Rate	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
	Tax Credit	100	100	100	100	100	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Salineville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
	Tax Credit	50	50	50	50	50	50	50	50	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Seven Hills	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Shawnee Hills	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	-	-
	Tax Credit	100	100	100	100	100	100	100	0/75	-	-
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.00	-	-
Sheffield Village	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Silver Lake	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-

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REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
South Euclid	Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
South Solon	Tax Rate	1.00	1.00	1.00	1.00	0.50	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	0.50	-	-	-	-	-
Steubenville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	0/2.00	-	-	-
	Tax Credit	100	100	100	100	100	100	0/100	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	0/2.00	-	-	-
Streetsboro	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Strongsville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00/1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00/1.50	1.50
Sunbury	Tax Rate	1.00	1.00	2.00	-	-	-	-	-	-	-
	Tax Credit	50	50	100	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	2.00	-	-	-	-	-	-	-
Toronto	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-
	Tax Credit	100	100	100	100	100	100	100	100	100	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-
University Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upper Arlington	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Valley View	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Continued

REGIONAL INCOME TAX AGENCY

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

DECEMBER 31, 2001

TABLE 4

		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Vermilion	Tax Rate	1.00%	1.00%	1.00%	-	-	-	-	-	-	-
	Tax Credit	100	100	100	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-
Wakeman	Tax Rate	1.00	1.00	1.00	1.00%	1.00%	1.00/0%	0/1.00/0%	-	-	-
	Tax Credit	50	50	50	50	50	50/0	0/50/0	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00/0.00	0/1.00/0	-	-	-
Walton Hills	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00%	1.00%	1.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wellston	Tax Rate	0.75	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	0.75	-	-	-	-	-	-	-	-	-
Westlake	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.375	1.375	1.375/1.000	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.375	1.375	1.375/1.00	1.00
Willowick	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	75
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Wintersville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00/0	-	-	-
	Tax Credit	100	100	100	100	100	100	100/0	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00/0	-	-	-
Woodmere	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Regional Income Tax Agency

DECEMBER 31, 2001

REGIONAL INCOME TAX AGENCY

FOR THE YEAR ENDED DECEMBER 31, 2001

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Response to Findings Associated With Audit of Financial Statements Conducted in Accordance With <i>Government Auditing Standards</i>	5

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

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, 2001, wherein we noted that R.I.T.A. reclassified certain assets to the Agency Fund type. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 which 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, which we have reported to management of the R.I.T.A. in a separate letter dated April 26, 2002.

This report is intended solely for the information and use of the Board of Trustees, management of R.I.T.A. and Auditor of State's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "C. P. Ramirez, Jr.", is centered on the page.

Cleveland, Ohio
April 26, 2002

REGIONAL INCOME TAX AGENCY

SCHEDULE OF FINDINGS

DECEMBER 31, 2001

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any material reported noncompliance at the financial statement level (GAGAS)?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None noted.

3. FINDINGS

None noted.

REGIONAL INCOME TAX AGENCY

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2001

None noted.

REGIONAL INCOME TAX AGENCY

**10107 BRECKSVILLE ROAD
BRECKSVILLE, OHIO 44141
(440) 526-0900**

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
FOR THE YEAR ENDED DECEMBER 31, 2001

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
Not applicable			



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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 Bablitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2002**