



REGIONAL INCOME TAX AGENCY

**General Purpose Financial Statements
for the Year Ended
December 31, 1999
and Independent Auditors' Reports
Required Under *Government Auditing Standards***



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Regional Income Tax Agency

We have reviewed the Independent Auditor's Report of the Regional Income Tax Agency, Cuyahoga County, prepared by Deloitte & Touche LLP for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

August 9, 2000

REGIONAL INCOME TAX AGENCY

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**INDEPENDENT AUDITORS' REPORT**

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the accompanying general purpose financial statements of the Regional Income Tax Agency ("R.I.T.A.") as of December 31, 1999, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of R.I.T.A. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of R.I.T.A. at December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2000 on our consideration of R.I.T.A.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Deloitte & Touche LLP

May 9, 2000

REGIONAL INCOME TAX AGENCY

COMBINED BALANCE SHEET - ALL FUND TYPES DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Agency	1999	1998
ASSETS:					
Cash and cash equivalents	\$ 33,922	\$ 5,165,237	\$ 30,778,702	\$ 35,977,861	\$ 35,085,425
Investments			502,178	502,178	
Receivables:					
Trade accounts	45,205	6,578		51,783	61,313
Interest		3,812		3,812	
Income taxes of member municipalities			29,841,542	29,841,542	26,404,271
Due from other funds	92,198	1,684,035		1,776,233	1,662,076
Fixed assets:					
Land		103,660		103,660	103,660
Building		1,957,000		1,957,000	1,957,000
Office equipment	25,648	1,139,072		1,164,720	945,656
Equipment leased to members	181,550			181,550	158,536
Vehicles		10,198		10,198	10,198
	<u>207,198</u>	<u>3,209,930</u>		<u>3,417,128</u>	<u>3,175,050</u>
Less accumulated depreciation and amortization	<u>163,220</u>	<u>851,747</u>		<u>1,014,967</u>	<u>703,848</u>
Net fixed assets	<u>43,978</u>	<u>2,358,183</u>		<u>2,402,161</u>	<u>2,471,202</u>
Other assets	<u>33,156</u>	<u>54,341</u>		<u>87,497</u>	<u>72,558</u>
TOTAL ASSETS	\$ 248,459	\$ 9,272,186	\$ 61,122,422	\$ 70,643,067	\$ 65,756,845
LIABILITIES AND FUND EQUITY:					
Accounts payable	\$ 131	\$ 402,288		\$ 402,419	\$ 307,396
Refunds payable			\$ 666,050	666,050	695,380
Accrued wages and benefits	37,267	499,924		537,191	484,802
Current portion of capital lease		99,393		99,393	94,957
Other liabilities		43,374		43,374	63,386
Capital lease		77,580		77,580	176,973
Due to other funds		92,198	1,684,035	1,776,233	1,662,076
Due to other governments		7,214,300	58,772,337	65,986,637	61,349,706
Deferred revenue		843,129		843,129	775,005
Total liabilities	<u>37,398</u>	<u>9,272,186</u>	<u>61,122,422</u>	<u>70,432,006</u>	<u>65,609,681</u>
FUND EQUITY - Retained earnings - unreserved	<u>211,061</u>			<u>211,061</u>	<u>147,164</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ 248,459	\$ 9,272,186	\$ 61,122,422	\$ 70,643,067	\$ 65,756,845

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
OPERATING REVENUES:				
Tax collection fees		\$ 3,799,159	\$ 3,799,159	\$ 3,083,965
Charges for services and other revenues	\$ 387,359	141,080	528,439	474,120
Total operating revenues	<u>387,359</u>	<u>3,940,239</u>	<u>4,327,598</u>	<u>3,558,085</u>
OPERATING EXPENSES:				
Personal services	222,410	3,640,752	3,863,162	3,316,391
Travel and transportation	10,798	53,755	64,553	37,725
Office rent and maintenance	6,116	108,057	114,173	199,257
Equipment and software maintenance	23,582	174,194	197,776	163,780
Cost of equipment purchased for members	15,834		15,834	13,470
Professional and processing	19,668	568,160	587,828	692,357
Telephone and utilities	6,442	170,243	176,685	175,605
Forms and envelopes		261,950	261,950	187,701
Insurance	110	38,325	38,435	38,231
Miscellaneous expenses	37	20,944	20,981	46,302
Material and supplies	6,660	479,595	486,255	461,027
Depreciation and amortization	18,947	296,092	315,039	156,221
Total operating expenses	<u>330,604</u>	<u>5,812,067</u>	<u>6,142,671</u>	<u>5,488,067</u>
OPERATING INCOME (LOSS)	56,755	(1,871,828)	(1,815,073)	(1,929,982)
NONOPERATING REVENUE - Interest income	<u>7,142</u>	<u>1,871,828</u>	<u>1,878,970</u>	<u>1,923,547</u>
NET INCOME (LOSS)	63,897	-	63,897	(6,435)
RETAINED EARNINGS, BEGINNING OF YEAR	<u>147,164</u>		<u>147,164</u>	<u>153,599</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 211,061</u>	<u>\$ -</u>	<u>\$ 211,061</u>	<u>\$ 147,164</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from municipalities	\$ 379,814	\$ 10,354,481	\$ 10,734,295	\$10,741,663
Cash payments:				
To suppliers for goods and services	(107,512)	(1,796,883)	(1,904,395)	(1,881,175)
To employees for services	(190,285)	(2,840,911)	(3,031,196)	(2,544,730)
For employee benefits	(35,733)	(741,867)	(777,600)	(674,399)
For retainer refund		(7,187,538)	(7,187,538)	(6,516,984)
Net cash provided by (used for) operating activities	<u>46,284</u>	<u>(2,212,718)</u>	<u>(2,166,434)</u>	<u>(875,625)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(26,316)	(219,682)	(245,998)	(2,128,435)
Payments on capital lease obligations		(94,957)	(94,957)	(23,070)
Net cash used for capital and related financing activities	<u>(26,316)</u>	<u>(314,639)</u>	<u>(340,955)</u>	<u>(2,151,505)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on cash equivalents	7,142	1,871,828	1,878,970	1,923,547
Net cash provided by investing activities	<u>7,142</u>	<u>1,871,828</u>	<u>1,878,970</u>	<u>1,923,547</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,110	(655,529)	(628,419)	(1,103,583)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,812</u>	<u>5,820,766</u>	<u>5,827,578</u>	<u>6,931,161</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,922</u>	<u>\$ 5,165,237</u>	<u>\$ 5,199,159</u>	<u>\$ 5,827,578</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH FINANCING ACTIVITIES:				
Cash paid for interest	<u>\$ -</u>	<u>\$ 10,464</u>	<u>\$ 10,464</u>	<u>\$ 3,286</u>
Computer equipment acquired through capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,000</u>

See notes to combined financial statements.

(Continued)

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals For December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 56,755	\$ (1,871,828)	\$ (1,815,073)	\$ (1,929,982)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	18,947	296,092	315,039	156,221
Changes in assets and liabilities:				
Trade accounts receivable	(1,073)	10,603	9,530	(5,339)
Interest receivable		(3,812)	(3,812)	94
Due from other funds	(6,469)	(107,688)	(114,157)	(8,999)
Other assets	(17,238)	2,299	(14,939)	41,186
Accounts payable	(1,030)	96,053	95,023	68,621
Accrued wages and benefits	(3,608)	55,997	52,389	97,289
Other liabilities		(20,012)	(20,012)	27,534
Due to other funds		6,469	6,469	(1,432)
Due to other governments		(745,015)	(745,015)	719,823
Deferred revenues		68,124	68,124	(40,641)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 46,284	\$ (2,212,718)	\$ (2,166,434)	\$ (875,625)

See notes to combined financial statements.

(Concluded)

REGIONAL INCOME TAX AGENCY

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1999

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Income Tax Agency ("R.I.T.A." or the "Agency") is an independent entity set up to provide an efficient collection of municipal income taxes for the member municipalities of a Regional Council of Governments (the "Members") formed under Section 167 of the Ohio Revised Code. The members elect a nine member Board of Trustees to oversee 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.

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

General - The accompanying financial statements were prepared in accordance with generally accepted accounting principles (GAAP). In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," R.I.T.A. has elected to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, except those that conflict or contradict GASB pronouncements.

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

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

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

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

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

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

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

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

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

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

Budgetary Accounting - Although not required under the Ohio Revised Code, an annual operating budget, which lapses as of the end of the year, is adopted for management purposes. The budget is adopted for the proprietary funds on the same accounting basis used to reflect actual revenues and expenses. The Executive Director is authorized to transfer budget amounts between departments and between line items within any fund; however, any change in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A. The Board of Trustees of R.I.T.A. passed an appropriation amendment to R.I.T.A.'s fiscal 1999 budget.

Cash and Cash Equivalents - A substantial portion of R.I.T.A.'s cash balances is invested on a daily basis principally in cash equivalents which represent highly liquid investments with a maturity of three months or less when purchased. At December 31, 1999, R.I.T.A.'s cash equivalents consisted of repurchase agreements and investments with STAROhio, Huntington Capital Corporation, and First MeritBank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

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

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

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

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

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

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

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

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

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

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

Reclassifications - Certain reclassifications were made to the 1998 financial statements to conform to the presentation used in the 1999 financial statements.

2. DEPOSITS AND INVESTMENTS

R.I.T.A.'s funds are required to be deposited and invested under the terms of R.I.T.A.'s investment policy and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit R.I.T.A. to invest in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (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% 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 2% 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, 1999, the carrying amount of R.I.T.A.'s deposits was \$3,755,047 and the bank balance was \$3,898,166. Of the bank balance, \$286,050 was covered by federal depository insurance and \$3,612,116 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$3,612,116 was covered by a pool of government securities as described above.

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.

	Risk Category			Carrying Amount	Fair Value
	1	2	3		
FNMA Term Notes			\$ 502,178	\$ 502,178	\$ 502,178
Repurchase agreements			27,460,000	27,460,000	27,460,000
Subtotal			<u>27,962,178</u>	<u>27,962,178</u>	<u>27,962,178</u>
STAR Ohio Investments				<u>4,762,513</u>	<u>4,762,513</u>
Total				<u>\$32,724,691</u>	<u>\$32,724,691</u>

STAR Ohio investments are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

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

3. DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at December 31, 1999 are as follows:

Amount	Due To	Due From
\$ 92,198	Enterprise Fund	Internal Service Fund
<u>1,684,035</u>	Internal Service Fund	Tax Receipts Agency Fund
<u>\$1,776,233</u>		

4. CAPITAL LEASE COMMITMENTS AND RELATED PARTY TRANSACTIONS

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

Description	Amount at December 31, 1999
Computer equipment	\$ 295,000
Accumulated amortization	<u>118,027</u>
Total	<u>\$ 176,973</u>

The following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments, as of December 31, 1999:

2000	\$ 105,421
2001	79,066
Total minimum lease payments	<u>184,487</u>
Less amount representing interest	7,514
Present value of net minimum lease payments	<u>176,973</u>
Less current portion	99,393
Total	<u>\$ 77,580</u>

5. TAX COLLECTION FEES

During each year, R.I.T.A. withholds, as its tax collection fee, a portion of the taxes, penalties and interest collected. At year-end, the amounts withheld in excess of operating expenses less other revenues is determined and recorded as amounts due to other governments in the internal service fund. In the subsequent year, this excess is distributed to the Members. At December 31, 1999, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$11,013,459
Charges for services and other revenues	141,080
Interest income	1,871,828
Subtotal	<u>13,026,367</u>
Operating expenses	<u>5,812,067</u>
Excess of amounts withheld (due to other governments)	<u>\$ 7,214,300</u>

6. COMPENSATED ABSENCES

R.I.T.A. employees accumulate vacation leave and unlimited sick leave based upon hours worked and years of service. Upon retirement or death, employees are paid 25% 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 ten days of vacation leave per year. During the next seven years of employment, employees can earn 15 days per year. After 13 years of employment, an employee can earn 20 days and after 21 years of service, employees can earn 25 days per year. Employees may accrue, and be paid upon termination of employment with R.I.T.A., up to a maximum of 20 days in the first six years of employment, 30 days during the next seven years of service, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 1999, the liability accrued for vacation and sick leave is \$328,130. The amounts applicable to the Enterprise Fund of \$14,620 and Internal Service Fund of \$313,510 are included in accrued wages and benefits on the combined balance sheet.

7. OPERATING LEASE COMMITMENTS

R.I.T.A. as Lessor - A portion of the revenue included in the Enterprise Fund for 1999 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, 1999:

Computer equipment leased to members	\$ 181,550
Accumulated depreciation	<u>(155,604)</u>
Net computer equipment leased to members	<u>\$ 25,946</u>

In addition to computer hardware, R.I.T.A. also leases computer software to Members. These leases are primarily three-year agreements and provide for monthly payments to R.I.T.A. The total rental income recognized by the Enterprise Fund under R.I.T.A.'s hardware and software leases during 1999 was \$350,272. Future minimum rentals under all software and hardware leases as of December 31, 1999 are as follows:

2000	\$ 243,857
2001	162,204
2002	<u>60,868</u>
Total	<u>\$ 466,929</u>

The carrying value of the computer software leased to others at December 31, 1999 was not significant.

8. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the 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.

Plan Description - Effective July 1, 1991, all employees of R.I.T.A. are required to be members of the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS (7377).

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to PERS. The 1999 employer contribution rate for local government employer units is 13.55% of covered payroll including 4.2% that is used to fund postretirement health care benefits. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. R.I.T.A.'s total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 1999, 1998 and 1997 were \$274,571, \$250,819 and \$197,214, respectively, which equaled the required contribution in each year.

9. POSTRETIREMENT HEALTHCARE BENEFITS

In addition to the pension benefits described previously, PERS provides postretirement healthcare coverage to age and service retirants with ten or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients is available. The healthcare coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the employer contribution rate used to fund healthcare for 1999 and 1998 was 4.2 percent of covered payroll in each year. During 1999 and 1998, \$128,660 and \$109,915, respectively, of R.I.T.A.'s total contribution to PERS was used for postretirement benefits. At December 31, 1999, R.I.T.A. was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

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

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in healthcare provisions are expected to be sufficient to sustain the program indefinitely.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund healthcare expenses. Under the prior method, accrued liabilities and normal cost rates determined for retiree healthcare coverage.

Total PERS expenditures for OPEB during 1999 were \$524 million. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9.9 billion. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

10. INSURANCE COVERAGE

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

R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage, a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. R.I.T.A. is insured through the State of Ohio for workers' compensation. R.I.T.A. employees have three health care options, two of which are 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 \$270,450. As of December 31, 1999, the liability accrued for health care claims is \$119,528. The amounts applicable to the Enterprise Fund of \$16,724 and Internal Service Fund of \$102,804 are included in accrued wages and benefits on the combined balance sheet. The liabilities represent R.I.T.A.'s best estimates based upon available information and include an estimate for claims that have been incurred but not reported. Settled claims have not exceeded R.I.T.A.'s commercial coverage in any of the past three fiscal years.

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

December 31,	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
1998	\$ 95,883	\$ 198,251	\$ (174,606)	\$119,528
1999	119,528	165,037	(165,037)	119,528

11. NEW ACCOUNTING STANDARDS

The Government Accounting Standards Board has issued Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," and Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." These statements establish accounting standards for nonexchange transactions such as grants and other assistance provided to the Agency by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. Statement No. 33 is effective for the Agency's year ending December 31, 2001 and Statement No. 34 is effective for the year ending December 31, 2003. The Agency has not completed an analysis of the impact of these two statements on its reported financial condition and results of operations.

* * * * *

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

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the financial statements of the Regional Income Tax Agency ("R.I.T.A."), as of and for the year ended December 31, 1999, and have issued our report thereon dated May 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether R.I.T.A.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to R.I.T.A., in a separate letter dated May 9, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered R.I.T.A.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of R.I.T.A., in a separate letter, as referred to above, dated May 9, 2000.

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

Deloitte & Touche LLP

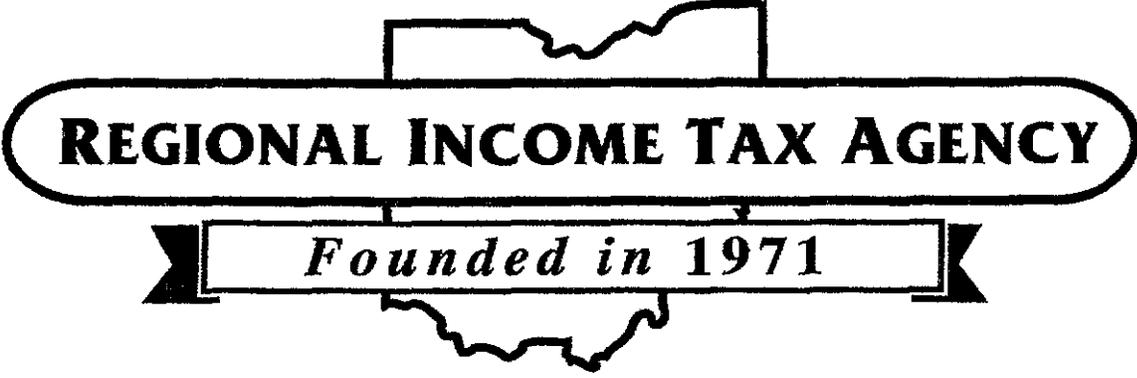
May 9, 2000

**Deloitte Touche
Tohmatsu**

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

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

R I T A



REGIONAL INCOME TAX AGENCY

Founded in 1971

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 1999**

BRECKSVILLE, OHIO

REGIONAL INCOME TAX AGENCY

**Comprehensive Annual Financial Report
for the Year Ended December 31, 1999**

**Issued by the Finance Department
Christy J. Price,
Director of Finance and Administration**

PREPARED BY THE FINANCE DEPARTMENT

Christy J. Price – Director of Finance and Administration
Lori Smith - Accountant
Sandra M. Majkrzak - Accounting Clerk
Elaine S. Zdanowicz - Accounting Clerk

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INTRODUCTORY SECTION



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

May 9, 2000

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, 1999.

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 1998.
- 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 85 municipalities in 1999.

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

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

ECONOMIC INFORMATION

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

The 1999 annual unemployment rate for the Primary Metropolitan Statistical Area was 4.4 percent, which is comparable to the rate for the State of Ohio (4.2 percent) and the national rate (4.2 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, ten are service providers, nine are manufacturing concerns, four are governments, one is a utility, and one is a sports organization.

MAJOR INITIATIVES

In 1999, R.I.T.A. recorded record high tax collections of \$358.3 million and a low, average percentage net cost of collections of 1.06 percent. In other words, on average, it costs about a penny to collect a dollar.

The municipalities of Mt. Gilead, Vermilion, Hunting Valley, and Sunbury became members in 1999. The City of North Royalton became a member on January 1, 2000. 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's computerized tax collection system has encountered no difficulties with processing in 2000. The Year 2000 compliance plan and testing resulted in a successful year end transition.

The Agency is now focusing on business re-engineering. All Agency functions, processes and services are being reviewed and new technologies will be evaluated. We have engaged KPMG as consultants to assist us in this effort. The project objective is to streamline operations, expand Agency services and continue significant growth.

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 1999.

FUND STRUCTURE

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

Fund Type

Fund Category

Proprietary

Enterprise Fund. 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.

Internal Service Fund. 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.

Fiduciary

Agency Fund. This fund is used to account for all income taxes held by R.I.T.A. as an agent for its member municipalities. Accounting for the fund is on the modified accrual basis of accounting. Agency funds are custodial in nature and do not involve measurement of the results of operations.

FINANCIAL INFORMATION

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

	December 31,		Percentage Increase (Decrease)
	1999	1998	
Cash, cash equivalents and investments	\$ 36,480.0	\$ 35,085.4	4.0 %
Receivables	29,897.1	26,465.6	13.0
Fixed assets (net)	2,402.2	2,471.2	(2.8)
Total assets	70,643.1	65,756.8	7.4
Total liabilities	70,432.0	65,609.7	7.3
Retained earnings of proprietary fund types	211.1	147.1	43.5

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

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

	Years Ended December 31,		Percentage Increase (Decrease)
	1999	1998	
Operating revenues:			
Tax collection fees	\$ 3,799.2	\$ 3,084.0	23.2 %
Charges for services	528.4	474.1	11.5
Total operating revenues	4,327.6	3,558.1	21.6
Total nonoperating revenues - interest income	1,879.0	1,923.5	(2.3)
Total revenues	<u>\$ 6,206.6</u>	<u>\$ 5,481.6</u>	13.2
Operating expenses:			
Personal services	\$ 3,863.2	\$ 3,316.4	16.5
Travel and transportation	64.6	37.7	71.4
Facilities and telephone	290.8	374.9	(22.4)
Equipment/software maintenance and other	213.6	177.2	20.5
Professional and processing	587.8	692.4	(15.1)
Forms and envelopes	261.9	187.7	39.5
Insurance and miscellaneous	59.4	84.5	(29.7)
Material and supplies	486.3	461.0	5.5
Depreciation and amortization	315.0	156.2	101.7
Total operating expenses	<u>\$ 6,142.6</u>	<u>\$ 5,488.0</u>	11.9

Overall, total revenues and expenses for 1999 are higher than 1998. The growth in charges for services revenue is due to a greater demand for software program updates as requested by member municipalities. Despite the lower rates in 1999, interest income is comparable to 1998 due to the significant growth in tax collections available for short-term investment.

Personal services expense increased in 1999 as a result of filling 1998 vacancies and the addition of new employees needed for processing our growing tax collections. The purchase of the R.I.T.A. building in July 1998 caused the decrease in facilities expense and a corresponding increase in depreciation and amortization; new computer equipment also contributed to the additional depreciation expense. Finally, the decrease in professional and processing expense occurred because 1998 tax consulting services did not reoccur in 1999.

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 1999, there were no tax collections for nonmembers.

Primarily, operating revenues increased over 1998 due to the software updates noted above. Personal service expenses declined due to a decrease in staffing levels in 1999.

INTERNAL SERVICE FUND

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

AGENCY FUND

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

DEBT ADMINISTRATION

Under the laws of the State of Ohio, R.I.T.A is prohibited from entering into debt arrangements.

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. This category 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 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. R.I.T.A. is also insured through the State of Ohio for workers' compensation.

INDEPENDENT AUDIT

The financial statements of the Regional Income Tax Agency for the fiscal year ended December 31, 1999 have been audited by the independent public accounting firm of Deloitte & Touche LLP. Their independent auditors' report is included in the Financial Section of this CAFR.

The financial statements are the responsibility of R.I.T.A.'s management. The responsibility of the independent public accountants is to express an opinion on R.I.T.A.'s financial statements based on their audit. An audit is conducted in accordance with generally accepted auditing standards. 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, 1998. The award is the highest form of official recognition in governmental accounting and financial reporting. A copy of the 1998 Certificate of Achievement has been included in this report. This is the fourteenth consecutive year R.I.T.A. has received this award.

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

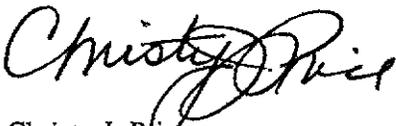
A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement for Excellence in Financial Reporting program requirements, and we are submitting it to the G.F.O.A. to determine its eligibility for a 1999 award.

ACKNOWLEDGMENTS

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

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

Sincerely,



Christy J. Pfize
Director of Finance and Administration

REGIONAL INCOME TAX AGENCY

REGIONAL COUNCIL OF GOVERNMENTS

APRIL 30, 2000

OFFICERS

- | | |
|-----------|---|
| President | - Mayor Walter F. Ehmfelt - City of Strongsville, Ohio |
| Secretary | - Mayor Beryl Rothschild - City of University Heights, Ohio |
| Treasurer | - Michael B. Keys |

REGIONAL INCOME TAX AGENCY

APRIL 30, 2000

OFFICERS

- | | |
|---------------|--|
| Chairman | - Robert G. Tribby, Finance Director/Tax Administrator -
City of Mayfield Heights, Ohio |
| Vice Chairman | - Vacancy * |
| Secretary | - William Fritzsche, Finance Director/Tax Administrator -
City of Westlake, Ohio |
| Treasurer | - Mayor Gerald A. Trafis - City of Seven Hills, Ohio |

OTHER BOARD MEMBERS

- | | |
|-------------------|--|
| Mark Cegelka | - Finance Director/Tax Administrator, City of Bedford Heights, Ohio |
| Timothy Pope | - Finance Director/Tax Administrator, City of Middleburg Heights, Ohio |
| William Schuchart | - Chief Administrative Officer, City of Shaker Heights, Ohio |
| Board Position | - Vacancy ** |
| Board Position | - Vacancy ** |

* The Board of Trustees will hold an election to fill the post in July.

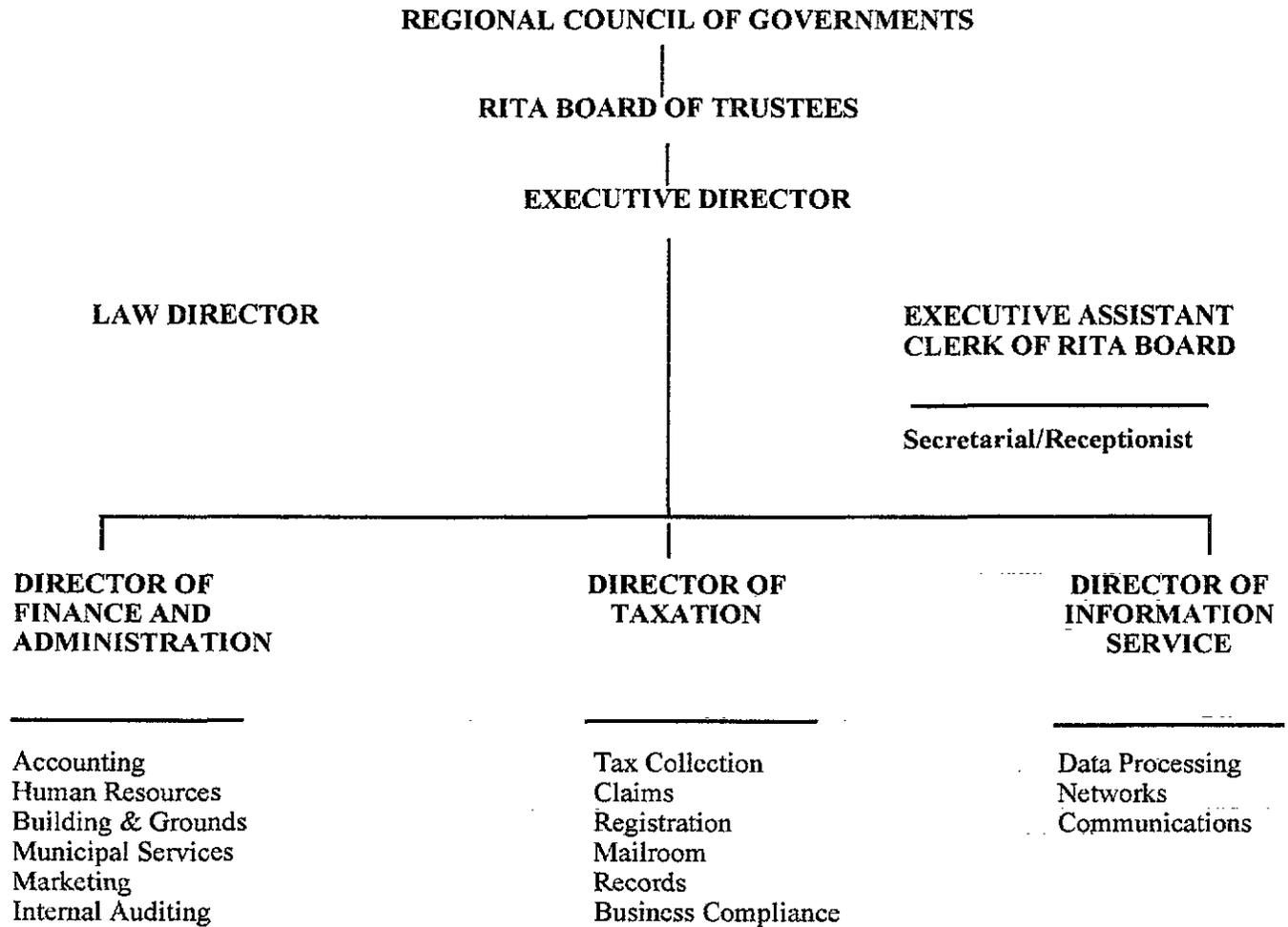
** The Council of Governments will hold an election to fill the posts in June.

REGIONAL INCOME TAX AGENCY

MANAGEMENT OFFICIALS APRIL 30, 2000

Interim Executive Director	Mr. Thomas Zammikiel
Deputy Director/Director of Finance & Administration	Mrs. Christy Price
Excutive Assistant/Board Clerk	Mrs. Lynn Recko
Business Manager	Mr. John Davenport
Municipal Services Manager	Ms. Coral Taylor
Taxation Operations:	
Director	Mr. Richard Barille
Audit/Tax Manager	Mr. Joseph Zamiska
Business Compliance Manager	Mr. Mark Taranto
Claims Manager	Mr. Jeff Christman
Records Processing Manager	Ms. Mariann Buemi
Information Services:	
Director	Mr. Kenneth Reesing
Communications Manager	Mr. Robert Kelley
Data Processing Manager	Mr. Richard Landl
Network Manager	Mr. Michael Kobe
Operations Manager	Ms. Amy O'Donnell

**REGIONAL INCOME TAX AGENCY
ORGANIZATION CHART**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Regional Income Tax Agency, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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.



Carol Brueckner
President

Jeffrey L. Esall
Executive Director

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the accompanying general purpose financial statements of the Regional Income Tax Agency ("R.I.T.A.") as of December 31, 1999, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of R.I.T.A. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of R.I.T.A. at December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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

The statistical data on pages 44 - 60 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of R.I.T.A. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

May 9, 2000

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GENERAL PURPOSE FINANCIAL STATEMENTS

REGIONAL INCOME TAX AGENCY

COMBINED BALANCE SHEET - ALL FUND TYPES DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Agency	1999	1998
ASSETS:					
Cash and cash equivalents	\$ 33,922	\$ 5,165,237	\$ 30,778,702	\$ 35,977,861	\$ 35,085,425
Investments			502,178	502,178	
Receivables:					
Trade accounts	45,205	6,578		51,783	61,313
Interest		3,812		3,812	
Income taxes of member municipalities			29,841,542	29,841,542	26,404,271
Due from other funds	92,198	1,684,035		1,776,233	1,662,076
Fixed assets:					
Land		103,660		103,660	103,660
Building		1,957,000		1,957,000	1,957,000
Office equipment	25,648	1,139,072		1,164,720	945,656
Equipment leased to members	181,550			181,550	158,536
Vehicles		10,198		10,198	10,198
	<u>207,198</u>	<u>3,209,930</u>		<u>3,417,128</u>	<u>3,175,050</u>
Less accumulated depreciation and amortization	<u>163,220</u>	<u>851,747</u>		<u>1,014,967</u>	<u>703,848</u>
Net fixed assets	<u>43,978</u>	<u>2,358,183</u>		<u>2,402,161</u>	<u>2,471,202</u>
Other assets	<u>33,156</u>	<u>54,341</u>		<u>87,497</u>	<u>72,558</u>
TOTAL ASSETS	<u>\$ 248,459</u>	<u>\$ 9,272,186</u>	<u>\$ 61,122,422</u>	<u>\$ 70,643,067</u>	<u>\$ 65,756,845</u>
LIABILITIES AND FUND EQUITY:					
Accounts payable	\$ 131	\$ 402,288		\$ 402,419	\$ 307,396
Refunds payable			\$ 666,050	666,050	695,380
Accrued wages and benefits	37,267	499,924		537,191	484,802
Current portion of capital lease		99,393		99,393	94,957
Other liabilities		43,374		43,374	63,386
Capital lease		77,580		77,580	176,973
Due to other funds		92,198	1,684,035	1,776,233	1,662,076
Due to other governments		7,214,300	58,772,337	65,986,637	61,349,706
Deferred revenue		843,129		843,129	775,005
Total liabilities	<u>37,398</u>	<u>9,272,186</u>	<u>61,122,422</u>	<u>70,432,006</u>	<u>65,609,681</u>
FUND EQUITY - Retained earnings - unreserved	<u>211,061</u>			<u>211,061</u>	<u>147,164</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 248,459</u>	<u>\$ 9,272,186</u>	<u>\$ 61,122,422</u>	<u>\$ 70,643,067</u>	<u>\$ 65,756,845</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
OPERATING REVENUES:				
Tax collection fees		\$ 3,799,159	\$ 3,799,159	\$ 3,083,965
Charges for services and other revenues	\$ 387,359	141,080	528,439	474,120
Total operating revenues	<u>387,359</u>	<u>3,940,239</u>	<u>4,327,598</u>	<u>3,558,085</u>
OPERATING EXPENSES:				
Personal services	222,410	3,640,752	3,863,162	3,316,391
Travel and transportation	10,798	53,755	64,553	37,725
Office rent and maintenance	6,116	108,057	114,173	199,257
Equipment and software maintenance	23,582	174,194	197,776	163,780
Cost of equipment purchased for members	15,834		15,834	13,470
Professional and processing	19,668	568,160	587,828	692,357
Telephone and utilities	6,442	170,243	176,685	175,605
Forms and envelopes		261,950	261,950	187,701
Insurance	110	38,325	38,435	38,231
Miscellaneous expenses	37	20,944	20,981	46,302
Material and supplies	6,660	479,595	486,255	461,027
Depreciation and amortization	18,947	296,092	315,039	156,221
Total operating expenses	<u>330,604</u>	<u>5,812,067</u>	<u>6,142,671</u>	<u>5,488,067</u>
OPERATING INCOME (LOSS)	56,755	(1,871,828)	(1,815,073)	(1,929,982)
NONOPERATING REVENUE - Interest income	7,142	1,871,828	1,878,970	1,923,547
NET INCOME (LOSS)	63,897	-	63,897	(6,435)
RETAINED EARNINGS, BEGINNING OF YEAR	147,164		147,164	153,599
RETAINED EARNINGS, END OF YEAR	<u>\$ 211,061</u>	<u>\$ -</u>	<u>\$ 211,061</u>	<u>\$ 147,164</u>

See notes to combined financial statements.

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals for December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from municipalities	\$ 379,814	\$ 10,354,481	\$ 10,734,295	\$ 10,741,663
Cash payments:				
To suppliers for goods and services	(107,512)	(1,796,883)	(1,904,395)	(1,881,175)
To employees for services	(190,285)	(2,840,911)	(3,031,196)	(2,544,730)
For employee benefits	(35,733)	(741,867)	(777,600)	(674,399)
For retainer refund		(7,187,538)	(7,187,538)	(6,516,984)
Net cash provided by (used for) operating activities	<u>46,284</u>	<u>(2,212,718)</u>	<u>(2,166,434)</u>	<u>(875,625)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of fixed assets	(26,316)	(219,682)	(245,998)	(2,128,435)
Payments on capital lease obligations		(94,957)	(94,957)	(23,070)
Net cash used for capital and related financing activities	<u>(26,316)</u>	<u>(314,639)</u>	<u>(340,955)</u>	<u>(2,151,505)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on cash equivalents	7,142	1,871,828	1,878,970	1,923,547
Net cash provided by investing activities	<u>7,142</u>	<u>1,871,828</u>	<u>1,878,970</u>	<u>1,923,547</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,110	(655,529)	(628,419)	(1,103,583)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,812</u>	<u>5,820,766</u>	<u>5,827,578</u>	<u>6,931,161</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,922</u>	<u>\$ 5,165,237</u>	<u>\$ 5,199,159</u>	<u>\$ 5,827,578</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH FINANCING ACTIVITIES:				
Cash paid for interest	<u>\$ -</u>	<u>\$ 10,464</u>	<u>\$ 10,464</u>	<u>\$ 3,286</u>
Computer equipment acquired through capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,000</u>

See notes to combined financial statements.

(Continued)

REGIONAL INCOME TAX AGENCY

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES FOR THE YEAR ENDED DECEMBER 31, 1999 (With Comparative Totals For December 31, 1998)

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 56,755	\$ (1,871,828)	\$ (1,815,073)	\$ (1,929,982)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation and amortization	18,947	296,092	315,039	156,221
Changes in assets and liabilities:				
Trade accounts receivable	(1,073)	10,603	9,530	(5,339)
Interest receivable		(3,812)	(3,812)	94
Due from other funds	(6,469)	(107,688)	(114,157)	(8,999)
Other assets	(17,238)	2,299	(14,939)	41,186
Accounts payable	(1,030)	96,053	95,023	68,621
Accrued wages and benefits	(3,608)	55,997	52,389	97,289
Other liabilities		(20,012)	(20,012)	27,534
Due to other funds		6,469	6,469	(1,432)
Due to other governments		(745,015)	(745,015)	719,823
Deferred revenues		68,124	68,124	(40,641)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 46,284</u>	<u>\$ (2,212,718)</u>	<u>\$ (2,166,434)</u>	<u>\$ (875,625)</u>

See notes to combined financial statements.

(Concluded)

REGIONAL INCOME TAX AGENCY

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1999

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Income Tax Agency ("R.I.T.A." or the "Agency") is an independent entity set up to provide an efficient collection of municipal income taxes for the member municipalities of a Regional Council of Governments (the "Members") formed under Section 167 of the Ohio Revised Code. The members elect a nine member Board of Trustees to oversee 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.

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

General - The accompanying financial statements were prepared in accordance with generally accepted accounting principles (GAAP). In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," R.I.T.A. has elected to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, except those that conflict or contradict GASB pronouncements.

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

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

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

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

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

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

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

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

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

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

Budgetary Accounting - Although not required under the Ohio Revised Code, an annual operating budget, which lapses as of the end of the year, is adopted for management purposes. The budget is adopted for the proprietary funds on the same accounting basis used to reflect actual revenues and expenses. The Executive Director is authorized to transfer budget amounts between departments and between line items within any fund; however, any change in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A. The Board of Trustees of R.I.T.A. passed an appropriation amendment to R.I.T.A.'s fiscal 1999 budget.

Cash and Cash Equivalents - A substantial portion of R.I.T.A.'s cash balances is invested on a daily basis principally in cash equivalents which represent highly liquid investments with a maturity of three months or less when purchased. At December 31, 1999, R.I.T.A.'s cash equivalents consisted of repurchase agreements and investments with STAROhio, Huntington Capital Corporation, and First MeritBank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

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

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

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

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

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

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

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

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

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

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

Reclassifications - Certain reclassifications were made to the 1998 financial statements to conform to the presentation used in the 1999 financial statements.

2. DEPOSITS AND INVESTMENTS

R.I.T.A.'s funds are required to be deposited and invested under the terms of R.I.T.A.'s investment policy and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The provisions also permit R.I.T.A. to invest in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (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% 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 2% 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, 1999, the carrying amount of R.I.T.A.'s deposits was \$3,755,047 and the bank balance was \$3,898,166. Of the bank balance, \$286,050 was covered by federal depository insurance and \$3,612,116 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$3,612,116 was covered by a pool of government securities as described above.

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.

	Risk Category			Carrying Amount	Fair Value
	1	2	3		
FNMA Term Notes			\$ 502,178	\$ 502,178	\$ 502,178
Repurchase agreements			27,460,000	27,460,000	27,460,000
Subtotal			<u>27,962,178</u>	<u>27,962,178</u>	<u>27,962,178</u>
STAR Ohio Investments				4,762,513	4,762,513
Total				<u>\$32,724,691</u>	<u>\$32,724,691</u>

STAR Ohio investments are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

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

3. DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at December 31, 1999 are as follows:

Amount	Due To	Due From
\$ 92,198	Enterprise Fund	Internal Service Fund
<u>1,684,035</u>	Internal Service Fund	Tax Receipts Agency Fund
<u>\$1,776,233</u>		

4. CAPITAL LEASE COMMITMENTS AND RELATED PARTY TRANSACTIONS

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

Description	Amount at December 31, 1999
Computer equipment	\$ 295,000
Accumulated amortization	<u>118,027</u>
Total	<u>\$ 176,973</u>

The following is a schedule of future minimum lease payments under the capital lease, together with the present value of the net minimum lease payments, as of December 31, 1999:

2000	\$ 105,421
2001	79,066
Total minimum lease payments	<u>184,487</u>
Less amount representing interest	7,514
Present value of net minimum lease payments	<u>176,973</u>
Less current portion	99,393
Total	<u>\$ 77,580</u>

5. TAX COLLECTION FEES

During each year, R.I.T.A. withholds, as its tax collection fee, a portion of the taxes, penalties and interest collected. At year-end, the amounts withheld in excess of operating expenses less other revenues is determined and recorded as amounts due to other governments in the internal service fund. In the subsequent year, this excess is distributed to the Members. At December 31, 1999, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$11,013,459
Charges for services and other revenues	141,080
Interest income	1,871,828
Subtotal	<u>13,026,367</u>
Operating expenses	<u>5,812,067</u>
Excess of amounts withheld (due to other governments)	<u>\$ 7,214,300</u>

6. COMPENSATED ABSENCES

R.I.T.A. employees accumulate vacation leave and unlimited sick leave based upon hours worked and years of service. Upon retirement or death, employees are paid 25% 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 ten days of vacation leave per year. During the next seven years of employment, employees can earn 15 days per year. After 13 years of employment, an employee can earn 20 days and after 21 years of service, employees can earn 25 days per year. Employees may accrue, and be paid upon termination of employment with R.I.T.A., up to a maximum of 20 days in the first six years of employment, 30 days during the next seven years of service, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 1999, the liability accrued for vacation and sick leave is \$328,130. The amounts applicable to the Enterprise Fund of \$14,620 and Internal Service Fund of \$313,510 are included in accrued wages and benefits on the combined balance sheet.

7. OPERATING LEASE COMMITMENTS

R.I.T.A. as Lessor - A portion of the revenue included in the Enterprise Fund for 1999 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, 1999:

Computer equipment leased to members	\$ 181,550
Accumulated depreciation	<u>(155,604)</u>
Net computer equipment leased to members	<u>\$ 25,946</u>

In addition to computer hardware, R.I.T.A. also leases computer software to Members. These leases are primarily three-year agreements and provide for monthly payments to R.I.T.A. The total rental income recognized by the Enterprise Fund under R.I.T.A.'s hardware and software leases during 1999 was \$350,272. Future minimum rentals under all software and hardware leases as of December 31, 1999 are as follows:

2000	\$ 243,857
2001	162,204
2002	<u>60,868</u>
Total	<u>\$ 466,929</u>

The carrying value of the computer software leased to others at December 31, 1999 was not significant.

8. PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the 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.

Plan Description - Effective July 1, 1991, all employees of R.I.T.A. are required to be members of the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS (7377).

Funding Policy - The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to PERS. The 1999 employer contribution rate for local government employer units is 13.55% of covered payroll including 4.2% that is used to fund postretirement health care benefits. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. R.I.T.A.'s total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 1999, 1998 and 1997 were \$274,571, \$250,819 and \$197,214, respectively, which equaled the required contribution in each year.

9. POSTRETIREMENT HEALTHCARE BENEFITS

In addition to the pension benefits described previously, PERS provides postretirement healthcare coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients is available. The healthcare coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of postretirement healthcare. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the employer contribution rate used to fund healthcare for 1999 and 1998 was 4.2 percent of covered payroll in each year. During 1999 and 1998, \$128,660 and \$109,915, respectively, of R.I.T.A.'s total contribution to PERS was used for postretirement benefits. At December 31, 1999, R.I.T.A. was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

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

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in healthcare provisions are expected to be sufficient to sustain the program indefinitely.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund healthcare expenses. Under the prior method, accrued liabilities and normal cost rates determined for retiree healthcare coverage.

Total PERS expenditures for OPEB during 1999 were \$524 million. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9.9 billion. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

10. INSURANCE COVERAGE

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

R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage, a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. R.I.T.A. is insured through the State of Ohio for workers' compensation. R.I.T.A. employees have three health care options, two of which are 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 \$270,450. As of December 31, 1999, the liability accrued for health care claims is \$119,528. The amounts applicable to the Enterprise Fund of \$16,724 and Internal Service Fund of \$102,804 are included in accrued wages and benefits on the combined balance sheet. The liabilities represent R.I.T.A.'s best estimates based upon available information and include an estimate for claims that have been incurred but not reported. Settled claims have not exceeded R.I.T.A.'s commercial coverage in any of the past three fiscal years.

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

December 31,	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
1998	\$ 95,883	\$ 198,251	\$ (174,606)	\$ 119,528
1999	119,528	165,037	(165,037)	119,528

11. NEW ACCOUNTING STANDARDS

The Government Accounting Standards Board has issued Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," and Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." These statements establish accounting standards for nonexchange transactions such as grants and other assistance provided to the Agency by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. Statement No. 33 is effective for the Agency's year ending December 31, 2001 and Statement No. 34 is effective for the year ending December 31, 2003. The Agency has not completed an analysis of the impact of these two statements on its reported financial condition and results of operations.

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

ENTERPRISE FUND

ENTERPRISE FUND

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

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

BALANCE SHEETS

DECEMBER 31, 1999 AND 1998

	1999	1998
ASSETS:		
Cash and cash equivalents	\$ 33,922	\$ 6,812
Receivables - Trade accounts	45,205	44,132
Due from other funds	92,198	85,729
Fixed assets:		
Office equipment	25,648	22,345
Equipment leased to members	181,550	158,536
	<u>207,198</u>	<u>180,881</u>
Less accumulated depreciation and amortization	163,220	144,272
Net fixed assets	<u>43,978</u>	<u>36,609</u>
Other assets	<u>33,156</u>	<u>15,918</u>
TOTAL ASSETS	<u>\$ 248,459</u>	<u>\$ 189,200</u>
LIABILITIES AND FUND EQUITY:		
Accounts payable	\$ 131	\$ 1,161
Accrued wages and benefits	<u>37,267</u>	<u>40,875</u>
Total liabilities	37,398	42,036
FUND EQUITY - Retained earnings - unreserved	<u>211,061</u>	<u>147,164</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 248,459</u>	<u>\$ 189,200</u>

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
OPERATING REVENUES:		
Charges for services and other revenues	\$ 387,359	\$ 347,780
Total operating revenues	<u>387,359</u>	<u>347,780</u>
OPERATING EXPENSES:		
Personal services	222,410	264,967
Travel and transportation	10,798	4,735
Office rent and maintenance	6,116	8,451
Equipment and software maintenance	23,582	33,121
Cost of equipment purchased for members	15,834	13,470
Professional and processing	19,668	545
Telephone and utilities	6,442	7,210
Insurance	110	102
Miscellaneous expenses	37	248
Material and supplies	6,660	7,334
Depreciation and amortization	18,947	21,068
Total operating expenses	<u>330,604</u>	<u>361,251</u>
OPERATING INCOME (LOSS)	56,755	(13,471)
NONOPERATING REVENUES - Interest income	<u>7,142</u>	<u>7,036</u>
NET INCOME (LOSS)	63,897	(6,435)
RETAINED EARNINGS, BEGINNING OF YEAR	<u>147,164</u>	<u>153,599</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ 211,061</u>	<u>\$ 147,164</u>

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from municipalities	\$ 379,814	\$ 345,219
Cash payments:		
To suppliers for goods and services	(107,512)	(68,692)
To employees for services	(190,285)	(216,583)
For employee benefits	(35,733)	(48,882)
For depreciation		(3,061)
	<u>46,284</u>	<u>8,001</u>
Net cash provided by operating activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -		
Acquisition of fixed assets	<u>(26,316)</u>	<u>(26,305)</u>
Net cash used for capital and related financing activities	<u>(26,316)</u>	<u>(26,305)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Interest on cash equivalents	<u>7,142</u>	<u>7,036</u>
Net cash provided by investing activities	<u>7,142</u>	<u>7,036</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>27,110</u>	<u>(11,268)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,812</u>	<u>18,080</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,922</u>	<u>\$ 6,812</u>

(Continued)

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 56,755	\$ (13,471)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	18,947	18,007
Changes in assets and liabilities:		
Trade accounts receivable	(1,073)	(3,994)
Due from other funds	(6,469)	1,432
Other assets	(17,238)	8,082
Accounts payable	(1,030)	(1,558)
Accrued wages and benefits	(3,608)	(497)
Total adjustments	<u>(10,471)</u>	<u>21,472</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 46,284</u>	<u>\$ 8,001</u>

(Concluded)

REGIONAL INCOME TAX AGENCY

ENTERPRISE FUND SCHEDULE OF REVENUES AND EXPENSES BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance Favorable
REVENUES:			
Charges for services	\$ 379,000	\$ 387,359	\$ 8,359
Interest income	4,200	7,142	2,942
TOTAL REVENUES	<u>383,200</u>	<u>394,501</u>	<u>11,301</u>
EXPENSES:			
Personal services	276,110	222,410	53,700
Other	115,530	108,194	7,336
TOTAL EXPENSES	<u>391,640</u>	<u>330,604</u>	<u>61,036</u>
NET INCOME (LOSS)	<u>\$ (8,440)</u>	<u>\$ 63,897</u>	<u>\$ 72,337</u>

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

INTERNAL SERVICE FUND

INTERNAL SERVICE FUND

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

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND BALANCE SHEETS DECEMBER 31, 1999 AND 1998

	1999	1998
ASSETS:		
Cash and cash equivalents	\$ 5,165,237	\$ 5,820,766
Receivables:		
Trade accounts	6,578	17,181
Interest	3,812	
Due from other funds	1,684,035	1,576,347
Fixed assets:		
Land	103,660	103,660
Building	1,957,000	1,957,000
Office equipment	1,139,072	923,311
Vehicles	10,198	10,198
	<u>3,209,930</u>	<u>2,994,169</u>
Less accumulated depreciation and amortization	851,747	559,576
Net fixed assets	<u>2,358,183</u>	<u>2,434,593</u>
Other assets	<u>54,341</u>	<u>56,640</u>
TOTAL ASSETS	<u>\$ 9,272,186</u>	<u>\$ 9,905,527</u>
LIABILITIES AND FUND EQUITY:		
Accounts payable	\$ 402,288	\$ 306,235
Accrued wages and benefits	499,924	443,927
Current portion of capital lease	99,393	94,957
Other liabilities	43,374	63,386
Capital lease	77,580	176,973
Due to other funds	92,198	85,729
Due to other governments	7,214,300	7,959,315
Deferred revenue	843,129	775,005
	<u>9,272,186</u>	<u>9,905,527</u>
Total liabilities	9,272,186	9,905,527
FUND EQUITY - Retained earnings	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 9,272,186</u>	<u>\$ 9,905,527</u>

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
OPERATING REVENUES:		
Tax collection fees	\$ 3,799,159	\$ 3,083,965
Charges for services and other revenues	141,080	126,340
Total operating revenues	<u>3,940,239</u>	<u>3,210,305</u>
OPERATING EXPENSES:		
Personal services	3,640,752	3,051,424
Travel and transportation	53,755	32,990
Office rent and maintenance	108,057	190,806
Equipment and software maintenance	174,194	130,659
Professional and processing	568,160	691,812
Telephone and utilities	170,243	168,395
Forms and envelopes	261,950	187,701
Insurance	38,325	38,129
Miscellaneous expenses	20,944	46,054
Material and supplies	479,595	453,693
Depreciation and amortization	296,092	135,153
Total operating expenses	<u>5,812,067</u>	<u>5,126,816</u>
OPERATING LOSS	(1,871,828)	(1,916,511)
NONOPERATING REVENUE - Interest income	1,871,828	1,916,511
NET INCOME		
RETAINED EARNINGS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
RETAINED EARNINGS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from municipalities	\$ 10,354,481	\$ 10,396,444
Cash payments:		
To suppliers for goods and services	(1,796,883)	(1,809,422)
To employees for services	(2,840,911)	(2,328,147)
For employee benefits	(741,867)	(625,517)
For retainer refund	<u>(7,187,538)</u>	<u>(6,516,984)</u>
Net cash used for operating activities	<u>(2,212,718)</u>	<u>(883,626)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of fixed assets	(219,682)	(2,102,130)
Payments on capital lease obligations	<u>(94,957)</u>	<u>(23,070)</u>
Net cash used for capital and related financing activities	<u>(314,639)</u>	<u>(2,125,200)</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Interest on investments	<u>1,871,828</u>	<u>1,916,511</u>
Net cash provided by investing activities	<u>1,871,828</u>	<u>1,916,511</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(655,529)	(1,092,315)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,820,766</u>	<u>6,913,081</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,165,237</u>	<u>\$ 5,820,766</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH FINANCING ACTIVITIES:		
Cash paid for interest	<u>\$ 10,464</u>	<u>\$ 3,286</u>
Computer equipment acquired through capital lease	<u>\$ -</u>	<u>\$ 295,000</u>

(Continued)

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	\$ (1,871,828)	\$ (1,916,511)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization	296,092	138,214
Changes in assets and liabilities:		
Trade accounts receivable	10,603	(1,345)
Interest receivable	(3,812)	94
Due from other funds	(107,688)	(10,431)
Other assets	2,299	33,104
Accounts payable	96,053	70,179
Accrued wages and benefits	55,997	97,785
Other liabilities	(20,012)	27,534
Due to other funds	6,469	(1,431)
Due to other governments	(745,015)	719,823
Deferred revenues	68,124	(40,641)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (2,212,718)</u>	<u>\$ (883,626)</u>

(Concluded)

REGIONAL INCOME TAX AGENCY

INTERNAL SERVICE FUND SCHEDULE OF REVENUES AND EXPENSES BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Tax collection fees	\$ 4,876,920	\$ 3,799,159	\$ (1,077,761)
Charges for services and other revenues	125,000	141,080	16,080
Interest income	1,591,500	1,871,828	280,328
TOTAL REVENUES	6,593,420	5,812,067	(781,353)
EXPENSES:			
Personal services	3,995,770	3,640,752	355,018
Other	2,597,650	2,171,315	426,335
TOTAL EXPENSES	6,593,420	5,812,067	781,353
NET INCOME	\$ -	\$ -	\$ -

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

AGENCY FUND

AGENCY FUND

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

REGIONAL INCOME TAX AGENCY

AGENCY FUND BALANCE SHEETS DECEMBER 31, 1999 AND 1998

	1999	1998
ASSETS:		
Cash and cash equivalents	\$30,778,702	\$29,257,847
Investments	502,178	
Income taxes of member municipalities receivable	<u>29,841,542</u>	<u>26,404,271</u>
TOTAL ASSETS	<u><u>\$61,122,422</u></u>	<u><u>\$55,662,118</u></u>
LIABILITIES:		
Refunds payable	\$ 666,050	\$ 695,380
Due to other funds	1,684,035	1,576,347
Due to other governments	<u>58,772,337</u>	<u>53,390,391</u>
TOTAL LIABILITIES	<u><u>\$61,122,422</u></u>	<u><u>\$55,662,118</u></u>

REGIONAL INCOME TAX AGENCY

AGENCY FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 1999

	Balance at January 1, 1999	Additions	Deductions	Balance at December 31, 1999
ASSETS:				
Cash and cash equivalents	\$29,257,847	\$366,983,739	\$365,462,884	\$30,778,702
Investments		502,178		502,178
Income taxes of member municipalities receivable	<u>26,404,271</u>	<u>29,841,542</u>	<u>26,404,271</u>	<u>29,841,542</u>
TOTAL ASSETS	<u>\$55,662,118</u>	<u>\$397,327,459</u>	<u>\$391,867,155</u>	<u>\$61,122,422</u>
LIABILITIES:				
Refunds payable	\$ 695,380	\$ 9,465,735	\$ 9,495,065	\$ 666,050
Due to other funds	1,576,347	11,928,874	11,821,186	1,684,035
Due to other governments	<u>53,390,391</u>	<u>361,987,306</u>	<u>356,605,360</u>	<u>58,772,337</u>
TOTAL LIABILITIES	<u>\$55,662,118</u>	<u>\$383,381,915</u>	<u>\$377,921,611</u>	<u>\$61,122,422</u>

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STATISTICAL SECTION

REGIONAL INCOME TAX AGENCY

TABLE OF STATISTICAL DATA LAST TEN FISCAL YEARS (UNAUDITED)

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1990
Number of cities	85	81	78	70	68	62	57	54	52	51
Net distributions (A)	\$ 358,277,676	\$ 333,820,641	\$ 296,512,963	\$ 260,187,345	\$ 225,863,961	\$ 200,686,846	\$ 182,212,235	\$ 167,495,506	\$ 157,577,978	\$ 153,325,272
Number of employees (B)	95	82	80	77	76	76	79	69	74	77
Internal service fund revenue and other financing sources:										
Retainer	\$ 3,799,159	\$ 3,083,965	\$ 2,800,207	\$ 2,983,668	\$ 2,697,119	\$ 2,896,788	\$ 3,249,071	\$ 3,183,637	\$ 2,591,941	\$ 2,172,605
Interest	1,871,828	1,916,511	1,710,418	1,459,714	1,441,343	955,902	554,948	590,869	918,621	1,278,419
Other (C)	141,080	126,340	91,653	232,291	200,186	173,408	152,188	117,098	166,420	195,469
TOTAL	\$ 5,812,067	\$ 5,126,816	\$ 4,602,278	\$ 4,675,673	\$ 4,338,648	\$ 4,026,098	\$ 3,956,207	\$ 3,891,604	\$ 3,676,982	\$ 3,646,493
Internal service fund expenses and other financing uses:										
Administration	\$ 929,931	\$ 996,116	\$ 948,653	\$ 967,025	\$ 870,245	\$ 852,683	\$ 839,224	\$ 852,833	\$ 793,632	\$ 811,148
Taxation (E)	3,661,602	3,268,940	2,871,280	2,916,075	2,697,840	2,474,418	2,379,859	2,397,113	2,253,788	2,156,462
Information Services (F)	1,220,534	861,760	782,345	792,573	770,563	698,997	737,124	641,658	629,562	678,883
TOTAL (D)	\$ 5,812,067	\$ 5,126,816	\$ 4,602,278	\$ 4,675,673	\$ 4,338,648	\$ 4,026,098	\$ 3,956,207	\$ 3,891,604	\$ 3,676,982	\$ 3,646,493
Distribution to municipalities relating to previous year	\$ 7,187,538	\$ 6,516,366	\$ 5,250,867	\$ 4,726,132	\$ 3,659,686	\$ 2,700,915	\$ 2,297,331	\$ 2,352,386	\$ 2,569,423	\$ 2,645,178
Enterprise fund:										
Revenue (C)	\$ 394,501	\$ 354,816	\$ 351,388	\$ 294,555	\$ 266,039	\$ 306,080	\$ 313,670	\$ 274,932	\$ 388,765	\$ 401,747
Expenses (D)	330,604	361,251	315,262	229,629	301,115	273,163	327,660	290,593	420,729	402,391
Net income (loss)	\$ 63,897	\$ (6,435)	\$ 36,126	\$ 64,926	\$ (35,076)	\$ 32,917	\$ (13,990)	\$ (15,661)	\$ (31,964)	\$ (644)

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

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

(C) Includes operating transfers in.

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

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

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

REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Ashville (A)	\$ 121,748	\$ 135,907	\$ 4,065,554	\$ 3,793,598	\$ 2,952,359	\$ 2,632,313	\$ 2,419,058	\$ 2,201,027	\$ 2,152,318	\$ 1,664,469
Aurora	4,903,958	4,613,196	1,465,381	1,233,356	994,823	1,041,299	703,032	655,959	668,378	587,455
Avon	1,898,535	1,719,507	2,618,106	3,165,731	2,880,337	2,883,368	2,800,370	2,632,702	2,535,703	2,462,158
Avon Lake (A)	5,972,032	5,585,553	3,242,559	7,807,135	364,315	307,548	304,542	213,540	293,907	246,472
Bay Village	3,679,207	3,443,980	3,242,559	6,871,159	6,684,186	6,457,628	5,555,464	4,375,191	3,880,093	3,867,528
Beachwood (A)	13,686,500	13,362,577	13,993,918	989,991	186,829	177,682	143,516	142,305	118,033	136,578
Bedford Heights (A)	8,552,301	8,453,556	8,967,834	7,807,135	14,746	14,482	13,659	15,642	346,156	313,225
Bentleyville	639,770	663,363	698,199	509,965	364,315	307,548	304,542	213,540	293,907	246,472
Berea	7,832,988	6,813,677	6,336,502	6,871,159	6,684,186	6,457,628	5,555,464	4,375,191	3,880,093	3,867,528
Bexley (A)	4,447,977	4,132,681	3,607,633	989,991	186,829	177,682	143,516	142,305	118,033	136,578
Boston Heights	232,605	195,280	164,792	194,222	14,746	14,482	13,659	15,642	346,156	313,225
Brady Lake (A)	11,201	16,537	17,422	14,254	14,746	14,482	13,659	15,642	346,156	313,225
Brocksville	10,825,306	9,763,895	8,514,512	8,497,413	7,631,964	6,770,028	6,432,574	5,886,483	5,684,055	5,106,282
Broadview Heights	6,484,289	5,778,405	5,221,559	4,795,861	4,395,965	3,867,520	3,593,621	3,560,899	3,509,510	3,185,535
Brooklyn Heights	4,019,780	4,022,209	3,871,829	3,629,060	3,274,018	2,888,350	2,531,538	2,320,290	2,336,007	2,217,970
Canal Fulton (B)	2,342,701	2,222,508	2,166,839	1,915,500	1,662,981	1,542,816	1,554,535	1,508,145	1,464,640	1,411,352
Chagrin Falls	6,459,124	6,157,834	6,500,687	6,131,105	5,941,171	5,587,203	4,678,836	4,562,827	4,907,040	4,632,989
Cuyahoga Heights	4,816,657	4,580,887	4,376,386	4,591,547	4,350,083	4,119,057	4,360,861	4,197,635	4,152,778	4,328,708
East Cleveland	18,277,567	17,285,571	16,509,379	16,753,693	15,591,333	14,472,191	14,513,562	12,523,992	10,930,140	10,596,932
Elyria	4,165,793	4,083,613	3,815,603	3,853,536	3,608,452	3,417,043	3,587,207	3,056,856	2,956,517	2,788,123
Fairview Park	76,982	79,445	16,661	7,348,721	6,764,332	6,061,432	5,741,346	5,724,904	5,270,494	5,420,550
Galena (A)	8,526,090	8,031,888	7,449,072	7,348,721	6,764,332	6,061,432	5,741,346	5,724,904	5,270,494	5,420,550
Garfield Heights	680,271	803,082	462,817	462,817	4,032,392	4,350,943	3,963,685	4,216,666	3,763,062	3,654,923
Glenwillow (A)	3,538,895	2,893,057	4,343,568	4,191,064	5,096,910	4,183,122	1,558,352	1,496,845	1,287,118	738,081
Grandview Heights	6,220,961	6,398,722	5,479,061	5,569,056	4,032,392	4,350,943	3,963,685	4,216,666	3,763,062	3,654,923
Highland Heights	6,751,185	6,398,722	5,479,061	5,569,056	4,032,392	4,350,943	3,963,685	4,216,666	3,763,062	3,654,923
Hudson	599,331	17,297,918	16,191,386	14,980,092	13,516,914	11,826,537	11,297,745	9,966,052	9,681,905	9,013,666
Hunting Valley (A)	17,400,456	1,723,355	1,619,680	1,569,061	1,466,927	1,345,646	1,346,717	1,032,839	1,287,118	738,081
Independence	1,864,880	456,238	465,261	417,012	346,190	312,112	259,494	164,582	138,497	125,382
Kirtland (C)	548,006	663,748	627,893	606,140	603,467	552,118	519,087	504,964	473,287	475,247
LaGrange	694,300	12,422,431	11,726,217	11,528,727	10,937,451	10,871,668	10,260,212	10,980,158	11,050,359	11,416,508
Lakemore (A)	12,923,110	1,978,042	1,828,836	842,337	4,477,161	4,407,761	4,261,095	3,911,736	3,812,676	3,605,713
Lakewood	1,897,163	5,448,621	4,851,487	5,118,612	5,465,754	5,638,677	5,285,879	5,211,235	5,173,383	5,425,525
Lockland (A)	5,025,716	5,452,550	5,342,727	5,523,941	5,465,754	5,638,677	5,285,879	5,211,235	5,173,383	5,425,525
Lynchburg	5,879,303	7,904,008	6,348,043	5,976,407	5,032,107	4,399,514	4,641,274	4,131,232	3,826,343	3,663,099
Maple Heights	8,198,951	5,958,151	5,382,268	4,773,349	4,265,242	3,427,401	2,856,466	2,680,967	2,726,468	2,513,215
Martins Ferry (D)	6,179,650	5,958,151	5,382,268	4,773,349	4,265,242	3,427,401	2,856,466	2,680,967	2,726,468	2,513,215
Mayfield Heights										
Mayfield Village										

(Continued)

REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Middleburg Heights	\$ 11,843,642	\$ 10,743,002	\$ 6,344,927	\$ 6,292,881	\$ 5,627,336	\$ 5,293,750	\$ 4,852,056	\$ 4,565,994	\$ 4,214,396	\$ 4,228,753
Milan (E)	237,827	205,591	191,491	229,452	179,260	169,488	159,468	152,008	141,510	41,005
Millford Center (A)	93,254	48,398								
Mogadore	1,343,437	1,295,390	1,237,897	1,242,694	1,107,174	1,019,193	904,597	836,996	804,947	719,796
Moreland Hills	2,521,189	2,512,625	1,940,178	2,046,751	1,754,786	1,775,425	1,752,052	1,798,818	1,639,769	1,674,054
Mount Gilead (A)	346,824									
Mount Sterling (F)	615,627	554,408	541,371	512,895	388,440	420,802	325,950	340,647	52,547	
New Albany (A)	2,562,427	1,521,742	1,271,040	1,104,195	799,203	648,290	254,101			
Newburgh Heights	690,282	676,939	618,543	613,278	629,330	571,200	525,791	505,767	506,926	525,479
Newtown (A)	974,675	937,648	9,940							
North Lewisburg (A)	181,975	182,184	166,724	132,179	14,152					
North Olmsted	10,165,050	9,481,964	8,988,042	9,020,351	8,125,245	7,510,172	7,078,226	6,524,598	5,732,786	4,430,679
Oakwood Village	3,072,958	3,109,151	2,669,909	2,684,769	2,387,936	2,136,849	1,899,198	1,954,079	1,687,307	1,438,825
Olmsted Falls	1,989,119	1,882,537	1,699,709	1,565,202	1,477,734	1,381,303	1,310,012	1,320,706	1,241,684	1,205,185
Orange	2,035,859	1,789,555	1,732,340	1,620,987	1,596,330	1,469,215	1,384,779	1,322,329	1,314,391	1,140,047
Ottawa (A)	1,705,193	1,657,050	1,177,796							
Pepper Pike	3,391,847	3,386,169	3,431,241	3,449,446	2,843,695	2,730,879	2,698,416	2,560,626	2,469,346	2,321,187
Plain City (A)	544,133	494,703	470,292	427,720	433,213	360,916	196,797			
Powell (A)	1,866,089	1,496,480	1,377,631	1,215,436	1,053,993	1,102,961	373,615			
Reminderville	579,310	398,653	365,043	400,778	344,863	379,801	343,823	281,878	301,420	283,130
Reynoldsburg (A)	8,413,084	7,172,374	5,959,704	4,847,158	4,700,231	2,419,612	1,978,965	1,690,993	1,797,338	1,693,200
Richmond Heights	3,519,985	3,397,120	2,955,246	2,881,226	2,608,373	2,419,612	1,978,965			
Richwood (A)	166,252	160,466	140,359	148,329	53,507					
Riverside (A)	2,548,948	2,579,935	2,355,571	2,332,371	2,325,874	1,301,959				
Saint Paris (A)	241,663	245,841	89,692							
Salineville (A)	176,716	131,656	94,784	81,250	77,213	62,060				
Seven Hills	4,180,028	3,829,752	3,784,418	3,519,901	3,225,516	3,000,426	3,108,667	2,809,046	2,671,146	2,633,648
Shaker Heights	17,493,945	16,784,301	15,534,324	15,320,250	14,393,575	13,370,679	13,117,275	12,475,386	11,905,122	11,691,455
Shawnee Hills (A)	142,284	128,200	120,378	125,355	125,802	24,318				
Sheffield Village	1,224,643	1,021,930	1,057,513	1,064,650	940,205	918,269	744,420	615,693	535,238	532,221
Silver Lake (A)	394,968	386,214	374,649	338,541	382,909	62,340				
South Euclid	5,350,100	5,310,758	4,817,888	4,952,280	4,677,530	4,496,093	4,432,808	4,257,682	4,121,929	4,036,725
South Solon (A)	21,694	35,240	5,688							
Streetsboro	4,220,617	3,838,485	3,436,809	3,291,201	2,790,115	2,298,702	1,792,873	1,565,483	1,464,113	1,399,726
Stuebenville (A)	4,758,637	4,537,816	4,402,893	4,311,000	386,625					
Strongsville	16,252,376	15,402,382	14,878,164	13,698,465	12,248,032	10,953,223	7,975,732	6,764,556	6,309,842	5,895,154
Sunbury (A)	937,443									

(Continued)

REGIONAL INCOME TAX AGENCY

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

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Toronto (A)	\$ 1,167,268	\$ 1,314,685	\$ 1,131,653	\$ 1,018,563	\$ 912,951	\$ 863,609	\$ 706,759	\$ 3,367,168	\$ 3,226,342	\$ 3,107,101
University Heights	4,292,619	4,142,512	3,792,347	3,760,989	3,684,649	3,554,194	3,326,255			
Upper Arlington (G)	11,951,158	8,582,633	8,015,046	7,842,008	7,936,698	7,649,106	7,948,121	7,288,508	6,429,173	6,597,906
Valley View	7,376,813	6,485,224	5,810,763	5,271,774	4,478,166	4,257,750	3,783,024	3,439,394	3,161,380	2,822,950
Vermilion (A)	216,033	101,937	88,096	48,062	13,729					
Wakeman (A)	109,980	2,313,301	2,332,288	2,619,970	2,570,427	2,357,024	1,994,181	1,781,560	1,794,114	1,942,219
Wilton Hills	2,542,781	12,977,156	11,596,214	10,695,176	9,199,623	8,505,854	6,510,094	5,395,345	5,125,577	4,939,686
Westlake	13,321,028	2,067,897	1,940,813	1,929,931	1,906,514	1,759,298	1,507,389	1,459,320	1,384,927	1,402,563
Willowick	2,085,456	517,526	537,105	480,075	90,933					
Wintersville (A)	544,027	1,526,824	1,313,603	1,348,294	1,213,887	1,115,685	1,113,345	907,327	673,055	604,327
Woodmere	1,491,122									
TOTALS	\$358,277,676	\$333,798,855	\$298,089,793	\$267,677,806	\$232,333,987	\$209,751,337	\$189,282,516	\$173,908,641	\$163,845,192	\$156,904,706

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

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

(Concluded)

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 1999
TABLE OF CENSUS DATA (UNAUDITED)

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

(Continued)

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 1999 TABLE OF CENSUS DATA (UNAUDITED)

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

(Continued)

REGIONAL INCOME TAX AGENCY

MEMBERSHIP AS OF DECEMBER 31, 1999
TABLE OF CENSUS DATA (UNAUDITED)

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

Source:

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

Population

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

(Concluded)

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
ASHVILLE										
Tax Rate	.29	.87 %	-	-	-	-	-	-	-	-
Tax Credit	0	50	-	-	-	-	-	-	-	-
Credit Limit	.29	.87	-	-	-	-	-	-	-	-
AURORA										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
AVON										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100/50/100	100	100	100
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
AVON LAKE										
Tax Rate	1.5 %	1.5 %	1.5 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	1.5	1.5	1.5	-	-	-	-	-	-	-
BAY VILLAGE										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BEACHWOOD										
Tax Rate	1.5 %	1.5 %	1.5 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	1.5	1.5	1.5	-	-	-	-	-	-	-
BEDFORD HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-	-	-
Tax Credit	100	100	100	100	-	-	-	-	-	-
Credit Limit	2.0	2.0	2.0	2.0	-	-	-	-	-	-
BENTLEYVILLE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	25	25	25	25	25	25	25	25	25	-
Credit Limit	1.0	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
BEREA										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0

(Continued)

REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
BEXLEY										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-	-	-
Tax Credit	80	80	80	90	-	-	-	-	-	-
Credit Limit	2.0	2.0	2.0	2.0	-	-	-	-	-	-
BOSTON HEIGHTS										
Tax Rate	1.25 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.25 %	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BRADY LAKE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-
Tax Credit	100	100	100	100	100	100	100	100	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
BRECKSVILLE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
BROADVIEW HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	75	75	75	75	75	75	75	75	75	75
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
BROOKLYN HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
CANAL FULTON										
Tax Rate	-	-	-	-	-	-	-	-	0.5 %	0.5 %
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	-	-	-	-	-	-	-	-	0.5	0.5
CHAGRIN FALLS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	75	75	75	75	75	75	75	75	75	75
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
CUYAHOGA HEIGHTS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	15.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

(Continued)

REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
EAST CLEVELAND										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
ELYRIA										
Tax Rate	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.5/1.75	1.5	1.5
FAIRVIEW PARK										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	75	75	75	75	75	75	75	75	75	75
Credit Limit	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
GALENA										
Tax Rate	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.00	-	-	-	-	-	-	-
GARFIELD HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
GLENWILLOW										
Tax Rate	2.0 %	2.0 %	2.0 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	2.0	2.0	2.0	-	-	-	-	-	-	-
GRANDVIEW HEIGHTS										
Tax Rate	2.0 %	2.0 %	-	-	-	-	-	-	-	-
Tax Credit	100	100	-	-	-	-	-	-	-	-
Credit Limit	2.0	2.0	-	-	-	-	-	-	-	-
HIGHLAND HEIGHTS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
HUDSON										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
HUNTING VALLEY										
Tax Rate	1.0 %	-	-	-	-	-	-	-	-	-
Tax Credit	50	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	-	-	-	-	-	-	-	-	-

REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
INDEPENDENCE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
KIRTLAND										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-
Tax Credit	25	25	25	25	25	25	25	25	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
LAGRANGE										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
LAKEMORE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
LAKEWOOD										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
LOCKLAND										
Tax Rate	2.1 %	2.1 %	2.1 %	2.1 %	-	-	-	-	-	-
Tax Credit	100	100	100	100	-	-	-	-	-	-
Credit Limit	2.1	2.1	2.1	2.1	-	-	-	-	-	-
LYNDHURST										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MAPLE HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	80	80	80	80	80	75	75	75	75	75
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
MARTINS FERRY										
Tax Rate	-	-	-	-	-	0/1.00%	-	-	-	-
Tax Credit	-	-	-	-	-	0/100/0	-	-	-	-
Credit Limit	-	-	-	-	-	0/1.00	-	-	-	-
MAYFIELD HEIGHTS										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
MAYFIELD VILLAGE										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MIDDLEBURGH HEIGHTS										
Tax Rate	1.75 %	1.75 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	75	75	75	75	75	75	75	75
Credit Limit	1.75	1.75	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MILAN										
Tax Rate	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.5 %	.500%
Tax Credit	100	100	100	100	100	100	100	100	100	10000
Credit Limit	.5	.5	.5	.5	.5	.5	.5	.5	.5	.50
MILFORD CENTER										
Tax Rate	1.0 %	1.0 %	-	-	-	-	-	-	-	-
Tax Credit	50	30	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	-	-	-	-	-	-	-	-
MOGADORE										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
MORELAND HILLS										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	-	0/12.5	0/12.5	12.5	12.5	12.5	12.5	0/12.5	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MOUNT GILEAD										
Tax Rate	1.0 %	-	-	-	-	-	-	-	-	-
Tax Credit	100	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	-	-	-	-	-	-	-	-	-
MOUNT STERLING										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.000%	-
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
NEW ALBANY										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-
Tax Credit	50	50	50	50	50	50	50	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
NEWBURGH HEIGHTS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

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REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
NEWTOWN										
Tax Rate	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	-	-	-	-	-	-	-
NORTH LEWISBURG										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	0/1.0%	-	-	-	-	-
Tax Credit	50	50	50	50	0/50	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	0/1.0	-	-	-	-	-
NORTH OLMSTED										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.0%	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100/50	50
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0/1.0	1.0
OAKWOOD VILLAGE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	75	75
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5
OLMSTED FALLS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
ORANGE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	60	60	60	60	60	60	60	60	60	60
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
OTTAWA										
Tax Rate	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	-	-	-	-	-	-	-
PEPPER PIKE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

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REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
PLAIN CITY										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
POWELL										
Tax Rate	.75 %	.75 %	.75 %	.75 %	.75 %	.75 %	.75 %	-	-	-
Tax Credit	100	100	100	100	100	50	50	-	-	-
Credit Limit	.25	.25	.25	.25	.25	.50	.50	-	-	-
REMINDERVILLE										
Tax Rate	1.50 %	1.25 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25
Credit Limit	1.50	1.25	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
REYNOLDSBURG										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	0/15%	-	-	-	-	-
Tax Credit	100	100	100	100	0/100	-	-	-	-	-
Credit Limit	1.5	1.5	1.5	1.5	0/1.5	-	-	-	-	-
RICHMOND HEIGHTS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	1.5/2.0	1.5	1.5	1.5
RICHWOOD										
Tax Rate	0.5 %	0.5 %	0.5 %	0.5 %	0/5%	-	-	-	-	-
Tax Credit	25	25	25	25	0/25	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	0/100	-	-	-	-	-
RIVERSIDE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-
Tax Credit	100	100	100	100	100	100	100	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
ST. PARIS										
Tax Rate	1.0 %	1.0 %	1.0 %	-	-	-	-	-	-	-
Tax Credit	100	100	100	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	-	-	-	-	-	-	-

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REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
SALINEVILLE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	-	-	-	-
Tax Credit	50	50	50	50	50	50	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
SEVEN HILLS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
SHAKER HEIGHTS										
Tax Rate	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %	1.75 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SHAWNEE HILLS										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	1.0 %	-	-	-	-
Tax Credit	100	100	100	100	100	075	-	-	-	-
Credit Limit	1.75	1.75	1.75	1.75	1.75	1.0	-	-	-	-
SHEFFIELD VILLAGE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SILVER LAKE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	-	-	-	-
Tax Credit	100	100	100	100	100	100	-	-	-	-
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-	-
SOUTH EUCLID										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	75	75	75	75	75	75	75	75	75	75
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
SOUTH SOLON										
Tax Rate	1.0 %	1.0 %	0.5 %	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	0.5	-	-	-	-	-	-	-

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REGIONAL INCOME TAX AGENCY

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
STEBENVILLE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	0/2.0%	-	-	-	-	-
Tax Credit	100	100	100	100	0/100	-	-	-	-	-
Credit Limit	2.0	2.0	2.0	2.0	0/2.0	-	-	-	-	-
STREETSBORO										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	-	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
STRONGSVILLE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.5%	1.5 %	1.5 %	1.5 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0/1.5	1.5	1.5	1.5
SUNBURY										
Tax Rate	2.0 %	-	-	-	-	-	-	-	-	-
Tax Credit	100	-	-	-	-	-	-	-	-	-
Credit Limit	2.0	-	-	-	-	-	-	-	-	-
TORONTO										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	-	-	-
Tax Credit	100	100	100	100	100	100	100	-	-	-
Credit Limit	1.5	1.5	1.5	1.5	1.5	1.5	1.5	-	-	-
UNIVERSITY HEIGHTS										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
Tax Credit	50	50	50	50	50	50	50	50	50	50
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
UPPER ARLINGTON										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
VALLEY VIEW										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
VERMILION										
Tax Rate	1.0 %	-	-	-	-	-	-	-	-	-
Tax Credit	100	-	-	-	-	-	-	-	-	-
Credit Limit	1.0	-	-	-	-	-	-	-	-	-
WAKEMAN										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0000%	0/1.000%	-	-	-	-	-
Tax Credit	50	50	50	5000	0/5000	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.000	0/1.000	-	-	-	-	-

REGIONAL INCOME TAX AGENCY

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

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
WALTON HILLS										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
WESTLAKE										
Tax Rate	1.5 %	1.5 %	1.5 %	1.5 %	1.375 %	1.375 %	1.375/1.0%	1.0 %	1.0 %	1.0 %
Tax Credit	100	100	100	100	100	100	100	100	100	100
Credit Limit	1.5	1.5	1.5	1.5	1.375	1.375	.375/1.0	1.0	1.0	1.0
WILLOWICK										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax Credit	87.5	87.5	87.5	87.5	87.5	87.5	87.5	75	75	75
Credit Limit	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
WINTERSVILLE										
Tax Rate	1.0 %	1.0 %	1.0 %	1.0 %	1.000%	-	-	-	-	-
Tax Credit	100	100	100	100	100/0	-	-	-	-	-
Credit Limit	1.0	1.0	1.0	1.0	1.0/0	-	-	-	-	-
WOODMERE										
Tax Rate	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0/1.5%	1.5 %
Tax Credit	75	75	75	75	75	75	75	75	75	75
Credit Limit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

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

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

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

(Concluded)

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REGIONAL INCOME TAX AGENCY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 21, 2000**