

REGIONAL INCOME TAX AGENCY

*Comprehensive Annual Financial Report
for the Year Ended December 31, 2004*

Issued by the Finance Department
Christy J. Price,
Deputy Executive Director, Chief Financial Officer



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Regional Income Tax Agency, Cuyahoga County, prepared by Ciuni & Panichi, Inc. for the audit period January 1, 2004 through December 31, 2004. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 8, 2005

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PREPARED BY THE FINANCE DEPARTMENT

Christy J. Price – Chief Financial Officer
Lori A. Starcher – Assistant Director of Finance
Kimberly L. Schindler - Accountant
Sandra M. Majkrzak - Accounting Clerk

Regional Income Tax Agency

Comprehensive Annual Financial Report
for the Year Ended December 31, 2004

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Introductory Section



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May 17, 2005

The Board of Trustees and
Executive Director 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, 2004. This document is the primary report of the Agency’s annual results of operations and its financial position at year end.

The Agency has implemented Governmental Accounting Standards Board Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments in 2004. Since this is the first year of implementing the new standard, comparative data is not available. However, multi-year data will be presented in the future. As a part of this new reporting model management has prepared a Management Discussion and Analysis of the Agency. This discussion follows the independent accountants’ report in the Financial Section of this CAFR.

The responsibility for the accuracy of this report rests with the Finance Department of R.I.T.A. We believe the information, as presented, is accurate in all material respects. The presentation of the data is designed in a manner to fairly set forth the financial position and results of operations of R.I.T.A. as measured by the financial activity of its 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 2003.
- The Financial Section includes the Independent Auditor’s Report, the Management’s Discussion and Analysis, the basic financial statements and related notes and the required supplementary information.
- The Statistical Section contains pertinent financial, economic and demographic information for comparative years.

The Board of Trustees and
Executive Director of the
Regional Income Tax Agency
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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 110 municipalities in 2004.

For financial reporting purposes, R.I.T.A.'s basic 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.

Since inception, the Agency has provided a solid example of the benefits of regionalism. Under the concept of regionalism, governments join together to provide essential services to their residents which, in turn, results in cost savings from the elimination of duplicate efforts. By consolidating resources and eliminating redundancies, R.I.T.A.'s municipalities have received high-quality tax collection services at overall costs that are lower than the individual entities could have realized. As more municipal governments embrace the concept of efficiently sharing resources to obtain and provide superior services, R.I.T.A.'s membership will continue to grow. Since 1995, the number of Agency members has increased from 68 to 110 members and the total collections have risen from \$232 million to \$493 million.

The Regional Income Tax Agency has members located throughout the state. With the utilization of electronic information technology the Agency is able to effectively collect taxes for local governments with no restrictions due to the community's location. For the Agency's purposes the State of Ohio is generally broken down into five regions: Northeast, Northwest, Central, Southeast and Southwest. The largest density of R.I.T.A. member municipalities is in the Northeast Region. This area includes 61 municipalities and R.I.T.A.'s primary tax processing facility. The Central Region consists of 23 municipalities and is now the Agency's fastest growing region in Ohio. The remaining regions, with corresponding RITA membership are: Southeast – 5 municipalities; Southwest – 9 municipalities; and Northwest – 12 municipalities. Whereas the entire State is serviced from R.I.T.A.'s primary processing facility in Brecksville, the Agency maintains a satellite office in Upper Arlington to assist municipalities in Central, Southeast & Southwest Ohio and has a representative in Bowling Green to assist members in Northwest Ohio.

The 2004 expansion of R.I.T.A.'s member base contributed to the reduction of the average net cost of collections from 2.52% in 2003 to 2.49% in 2004. The goals for 2005 include continuation of member growth with a steady decrease of member costs.

The Board of Trustees and
Executive Director of the
Regional Income Tax Agency
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MAJOR INITIATIVES

The municipalities of Clayton, Cecil, Grove City, Haskins, Macedonia, Sherwood and Wellsville became members in 2004. The municipalities of Campbell, Fremont, Girard, Jewett, Mechanicsburg and Minerva Park joined the Agency in the first quarter of 2005. In addition, several other municipalities have shown serious interest in R.I.T.A.'s tax collection services. Management is continually monitoring the needs that result from R.I.T.A.'s growth. R.I.T.A.'s mission to provide high quality, cost effective municipal services has remained the same.

During the year R.I.T.A. has successfully developed a number of new eBusiness initiatives. The objectives for these new systems include increased processing efficiencies, lower operating costs and improved services for our taxpayers and member municipalities. Helping R.I.T.A. to meet these goals is the new ability to accept and process internet tax filings. The significant manual processing work required with paper forms is almost eliminated with electronic filings. Consequently, as use of eBusiness grows, the Agency will redirect the personnel resources and focus on enhanced compliance work for our member municipalities.

Another initiative is the Tax Administrator Form Viewing (TAFV) which was designed for our members' tax administrators to quickly access, from their remote offices, scanned images of paper-based tax documents. Use of the system will save time for the tax administrator, eliminate the need for tax administrators to telephone R.I.T.A. asking for information and improve customer service when working with taxpayers that need access to filed forms. This system is secured through R.I.T.A.'s Virtual Private Network (VPN). Also implemented is the Ohio Business Gateway Link that is necessary to receive and process net profit estimated payments and requests for extensions that are filed using Ohio's new gateway web portal.

The new tax system functionality will continue to be rolled out in stages. The overall project objective is to streamline operations, expand Agency services and continue significant growth. Financing for these initiatives is funded under two capital leases.

INTERNAL ACCOUNTING CONTROLS

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

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

BUDGETARY CONTROLS

Although not required under the Ohio Revised Code, an annual operating budget is adopted for management purposes in accordance with the by-laws of R.I.T.A.'s charter. R.I.T.A.'s budget is prepared on the same basis of accounting as the financial statements. The Executive Director is authorized to expend the budget amounts; however, any change between the departments, line items or in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A. There were no amendments in 2004.

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

DEBT ADMINISTRATION

Under the laws of the State of Ohio, R.I.T.A is prohibited from entering into debt arrangements. However, the Agency has secured financing through the Cleveland – Cuyahoga County Port Authority and the County of Cuyahoga as detailed in Note 6 and Note 7 of the financial statements.

CASH MANAGEMENT

Cash management is a vital component in R.I.T.A.'s overall financial strategy. The primary objective of the Agency's investment activity is the protection of the investment principal. A prudent investment program is maintained to assure the continual investment of all available dollars. In addition to the security of the investments a priority consideration is the timing of the funds needed meet the tax distribution schedules. The Agency has a formal investment policy and adheres to Section 135 of the Ohio Revised Code when making investments.

RISK MANAGEMENT

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

R.I.T.A. is exposed to the risk of a variety of accidental losses. The primary technique used for risk mitigation is the purchase of insurance policies. R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage and a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. Additionally, R.I.T.A. is insured through the State of Ohio for workers' compensation and the Agency offers two healthcare plans. As described in Note 11, one is standard premium-based insurance plan and the other is a self-insurance policy.

INDEPENDENT AUDIT

The financial statements of the Regional Income Tax Agency for the fiscal year ended December 31, 2004 have been audited by the independent public accounting firm of Ciuni & Panichi, Inc. Their Independent Auditors' Report is included in the Financial Section of this CAFR.

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

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) 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, 2003. This is the nineteenth consecutive year R.I.T.A. has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles for governments and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

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

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

Sincerely,



Christy J. Price
Deputy Executive Director
Chief Financial Officer

Regional Income Tax Agency

Officers And Board Members

December 31, 2004

COUNCIL OF GOVERNMENTS

OFFICERS

- President - Mayor Beryl Rothschild – City of University Heights, Ohio
- Secretary - Mayor Kathy Mulcahy – Village of Orange, Ohio
- Treasurer - Mayor Charles DeGross – Village of Moreland Hills, Ohio

BOARD OF TRUSTEES

OFFICERS

- Chairman - William Schuchart
- Vice Chairman - Prashant Shah, Finance Director/Tax Administrator –
City of Pepper Pike, Ohio, Treasurer – Village of Moreland Hills, Ohio
- Secretary - Karen Fegan, Finance Director/Tax Administrator –
City of North Royalton, Ohio
- Treasurer - Timothy Pope, Finance Director/Tax Administrator –
City of Middleburg Heights, Ohio

OTHER BOARD MEMBERS

- Frank J. Brichacek - Finance Director/Tax Administrator, City of Shaker Heights, Ohio
- Scott D. Gill - Tax Administrator, City of Upper Arlington, Ohio
- Mayor Gary Gottschalk - Mayor, Village of Oakwood
- Robert Hamilton - Finance Director/Tax Administrator, City of Avon, Ohio
- Robert G. Tribby - Finance Director/Tax Administrator, City of Mayfield Heights, Ohio

Regional Income Tax Agency

Management Officials

December 31, 2004

Executive Director	Mr. Rick Carbone
Deputy Director/Chief Financial Officer	Mrs. Christy Price
Assistant Director of Finance	Mrs. Lori Starcher
Chief Operating Officer	Mr. Richard Barille
Executive Assistant/Board Clerk	Mrs. Lynn Recko
Municipal Services Manager	Mr. Ralph Glatzhofer

Operations:

Accelerated Collections Director	Mr. Joe Zamiska
Assistant Director of Taxation/Business Compliance Manager	Mr. Mark Taranto
Assistant Director of Administrative Services	Ms. Mariann Buemi
Director of Central/Southern Ohio Region	Ms. Lori Gischel
Taxation Director	Mr. Gary Chips

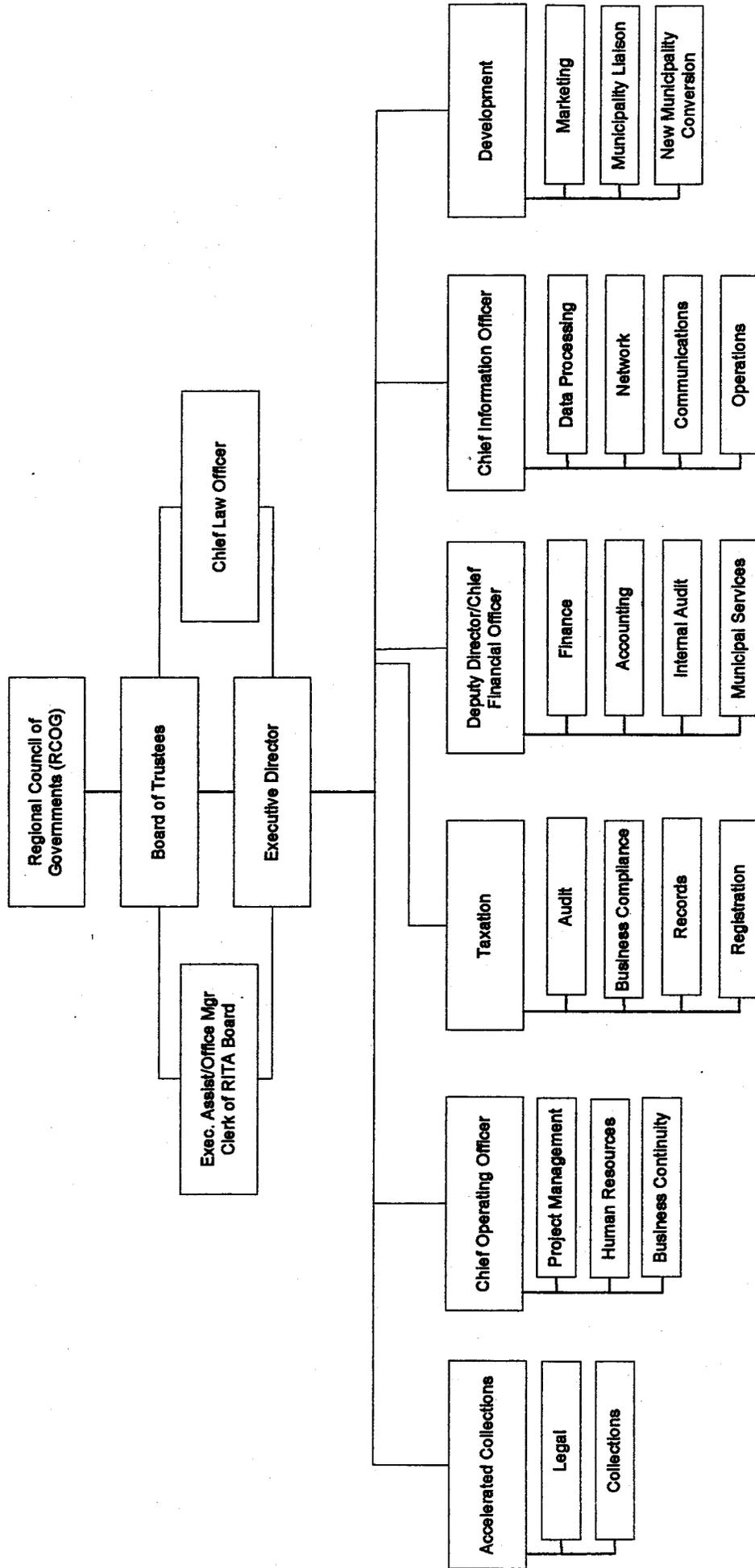
Information Services:

Chief Information Officer	Mr. Tom Wojnarowski
IS Development Manager	Mr. Mike Kobe
Operations Manager	Ms. Amy O'Donnell

Regional Income Tax Agency

Organizational Chart

December 31, 2004



Regional Income Tax Agency

GFOA Certificate

December 31, 2004

**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, 2003

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.



Nancy L. Zeller

President

Jeffrey R. Egan

Executive Director

Financial Section

Independent Auditors' Report

Board of Trustees
Regional Income Tax Agency
Brecksville, Ohio

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Regional Income Tax Agency ("R.I.T.A.") as of and for the year ended December 31, 2004, which collectively comprise the R.I.T.A.'s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Income Tax Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Regional Income Tax Agency, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the Regional Income Tax Agency has implemented a new reporting model, as required by the provisions of GASB Statement No. 34 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of December 31, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2005 on our consideration of the Regional Income Tax Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Board of Trustees
Regional Income Tax Agency

Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Income Tax Agency's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cini & Panichi, Inc.

Cleveland, Ohio
May 17, 2005

REGIONAL INCOME TAX AGENCY

Management's Discussion and Analysis (Unaudited)

The purpose of the discussion and analysis is to provide a general review of the Regional Income Tax Agency's financial activities for the year ended December 31, 2004. The reader should consider this analysis in conjunction with the Transmittal Letter, the basic financial statements and the statistics to gain a further understanding of the Agency's operations and financial performance.

Financial Highlights

- The Agency set an all time record for tax collections. Receipts grew from \$471,667,000 to almost \$ 493,000,000.
- Assets exceeded liabilities by \$222,443 as of December 31, 2004.
- Net assets decreased by \$25,048 in 2004.
- The change in net assets is due to a loss from the Municipal Services activities. The related services are offered to our members at a low cost. Charges are reviewed on an annual basis to ensure that adequate working capital is maintained.
- Near the end of 2004 the Agency's short-term capital lease through National City Leasing Corporation was converted to a long-term capital lease through the Cleveland-Cuyahoga County Port Authority. There was a timing difference between the redemption of the short-term notes and the issuance of the long-term bonds that carried over into 2005. Therefore the Statement of Net Assets reflects the assets and debt from both financings.

Overview of the Financial Statements

A fund is a grouping of related accounts utilized to maintain control over the resources used to perform specific activities. R.I.T.A. has two funds; one is proprietary (business-type activity) and the other fund is a fiduciary fund.

The proprietary fund is an enterprise fund that primarily accounts for the Agency's tax collection services. R.I.T.A. provides these services to its members on a cost reimbursement basis with no margin for profit. During the year the operations are funded with advance fees from the municipalities. At year end, costs are allocated to members based on transactions and amounts collected and the individual fee refunds or fee payables are computed. The refunds and payables are then settled and the net asset balance for the tax collections activity is thereby brought to zero. The fund also accounts for financial software leasing and support activities. These services are provided to the system users at cost plus a small markup.

The fiduciary fund accounts for the members' tax receipts held by R.I.T.A. prior to distribution to the municipalities. The funds are invested in short term instruments and all interest income is used to offset the costs of the tax collection services.

The Regional Income Tax Agency's basic financial statements have three components: 1) Proprietary Fund statements, 2) Fiduciary Fund statements, and 3) Notes to the financial statements. The proprietary fund statements consist of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows. The fiduciary fund statement is the Statement of Fiduciary Net Assets. The CAFR also includes other supplementary information in the Statistical Section.

REGIONAL INCOME TAX AGENCY

Management's Discussion and Analysis (Unaudited)

The Statement of Net Assets presents information on all of R.I.T.A.'s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets presents a summary of how the Agency's net assets changed during the year. Revenue is reported when earned and expenses are reported when incurred. The Statement of Cash Flows provides information about the Agency's cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing and financing activities. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

Financial Analysis of the Agency's Financial Position and Results of Operations

The tables below present summaries of the Agency's financial position and operations for 2004. The Agency implemented Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* in 2004. Since this is the first year of implementing the new standard, comparative data is not available. In future years, comparative data will be presented.

REGIONAL INCOME TAX AGENCY
Management's Discussion and Analysis
(Unaudited)

Table 1
Statement of Net Assets
Proprietary Fund

Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 2,281,264
Due From Trust	18,580,000
Receivables:	
Accounts	201,849
Due from Others	5,736,792
Interest	<u>683</u>
Total Current Assets	<u>26,800,588</u>
Noncurrent Assets:	
Nondepreciable Capital Assets	14,879,339
Depreciable Capital Assets, Net	5,812,003
Due From Trust	4,405,741
Deferred Loan Fees, Net	1,035,846
Other Assets	<u>174,550</u>
Total Noncurrent Assets	<u>26,307,479</u>
Total Assets	<u>53,108,067</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	325,448
Accrued Wages and Benefits	1,397,957
Current Portion of Capital Lease	19,223,830
Other Liabilities	77,553
Due to Other Governments	2,827,223
Deferred Revenue	<u>4,278,029</u>
Total Current Liabilities	28,130,040
Noncurrent Liabilities:	
Capital Lease Obligation	<u>24,755,584</u>
Total Liabilities	<u>52,885,624</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	371,187
Restricted for Debt and Tax Project	24,414,134
Unrestricted (Deficit)	<u>(24,562,878)</u>
Total Net Assets	<u>\$ 222,443</u>

REGIONAL INCOME TAX AGENCY

Management's Discussion and Analysis (Unaudited)

As previously stated, near the end of 2004 the Agency's short-term capital lease through National City Leasing Corporation was converted to a long-term capital lease through the Cleveland-Cuyahoga County Port Authority. There was a timing difference between the redemption of the short-term notes and the issuance of the long-term bonds that carried over into 2005. Therefore, the Statement of Net Assets reflects the assets and debt from both financings.

Note that the net asset amount as indicated above is solely the retained earnings from the software leasing and support activities. This department provides low cost, financial system support to member municipalities. As indicated above, the tax collection services are provided on a cost reimbursement basis and as a result, there are no net assets from this activity.

The Statement of Revenue, Expense and Changes in Net Assets reports the proprietary fund operating income and costs, non-operating income and costs and the change in net assets. To provide a more complete understanding of the 2004 results of operations for the Tax Collections and the Municipal Service activities, the Statement of Revenue, Expenses and Changes in Net Assets is reviewed as follows:

REGIONAL INCOME TAX AGENCY
Management's Discussion and Analysis
(Unaudited)

Table 2
Statement of Revenue, Expenses and Changes in Net Assets

Operating Revenues:	
Tax Collection Fees	\$ 12,249,244
Charges for Services and Other Revenues	<u>805,442</u>
Total Operating Revenues	<u>13,054,686</u>
Operating Expenses:	
Personal Services	8,729,464
Travel and Transportation	118,154
Office Rent and Maintenance	94,040
Equipment and Software Maintenance	653,344
Cost of Equipment Purchased For Members	368
Professional and Processing	1,441,458
Telephone and Utilities	215,945
Forms and Envelopes	173,307
Insurance	49,094
Miscellaneous Expenses	20,265
Material and Supplies	683,129
Depreciation and Amortization	<u>913,650</u>
Total Operating Expenses	<u>13,092,218</u>
Operating Loss	<u>(37,532)</u>
Non - Operating Revenues (Expenses):	
Interest Income	418,272
Interest Expense	(405,076)
Gain on Disposal of Fixed Assets	<u>(712)</u>
Total Non - Operating Revenues	<u>12,484</u>
Change in Net Assets	(25,048)
Net Assets, Beginning of Year	<u>247,491</u>
Net Assets, End of Year	<u>\$ 222,443</u>

REGIONAL INCOME TAX AGENCY

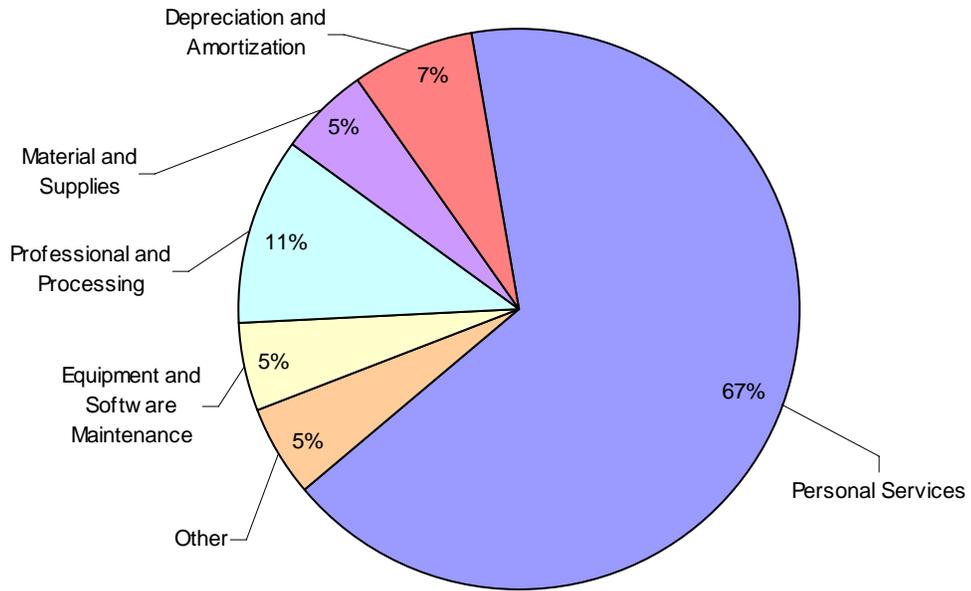
Management's Discussion and Analysis (Unaudited)

- The tax collection operating fees consist of amounts retained from the municipalities' tax distributions. As the tax services are provided on a cost reimbursement basis, all retainers in excess of actual costs are refunded back to the municipalities. The revenue is then adjusted and reported net of the retainer refunds.
- The charges for services and other revenues include income from the following services:
 - Subpoena programs – R.I.T.A. field auditors travel to local city halls to assist individuals who are delinquent in filing tax returns and to obtain the related tax payments.
 - Small claim lawsuits – R.I.T.A. paralegals represent the municipalities in court to obtain judgments against taxpayers for unpaid taxes.
 - Leasing of accounting software and hardware – the Municipal Services department provides software, hardware and support services.
 - Miscellaneous fees/reimbursements – includes amounts charged for copies of records, charges for extraordinary services and reimbursements for employee time spent on special projects.
- Substantial expenses are:
 - Personal Services - As R.I.T.A. is primarily a service-type organization the bulk of the operating expenses are for personnel. The Agency has a staff size of about 139 full-time equivalent employees (FTE's).
 - Equipment Software and Maintenance – R.I.T.A. operates a mainframe computer, network servers, robot tape library, scanning and imaging system and interactive voice response unit along with standard office equipment. This expense is for the ongoing software licenses and hardware/equipment maintenance costs.
 - Professional and Processing – This line item consists of the costs of temporary help to meet peak processing needs, the expense for the two audits (financial and SAS70) that R.I.T.A. undergoes annually, the expense of lockbox services that are utilized to gain processing efficiencies and to maintain high security standards, the costs of Lobbyists to provide assistance in legislative matters at the State House and in Washington D.C. and the cost of short-term technical assistance.
 - Material and Supplies – The costs of operating materials and postage are reflected in this line item.
 - Depreciation and Amortization – The Agency uses the accrual basis of accounting. As such, when assets are purchased the costs are recognized over the life of the resources. The useful lives are 3 to 16 years.

REGIONAL INCOME TAX AGENCY
Management's Discussion and Analysis
(Unaudited)

A graphic interpretation of the proprietary fund expense is as follows:

Graph 1



REGIONAL INCOME TAX AGENCY
Management's Discussion and Analysis
(Unaudited)

Capital Assets

The following Table indicates the capital asset activity for the year ended December 31, 2004.

Table 3
Capital Asset Activity

	<u>Balance</u> <u>12/31/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2004</u>
Nondepreciable Capital Assets:				
Land	\$ 103,660	\$ -	\$ -	\$ 103,660
Projects in Process	<u>13,650,491</u>	<u>1,259,663</u>	<u>(134,475)</u>	<u>14,775,679</u>
Total Nondepreciable Capital Assets	<u>13,754,151</u>	<u>1,259,663</u>	<u>(134,475)</u>	<u>14,879,339</u>
Capital assets being depreciated:				
Buildings and Improvements	3,405,681	-	-	3,405,681
Office Equipment	6,325,602	26,955	(58,788)	6,293,769
Equipment Leases to Members	13,630	1,091	(6,070)	8,651
Vehicles	<u>40,021</u>	<u>-</u>	<u>-</u>	<u>40,021</u>
Total capital assets being depreciated	9,784,934	28,046	(64,858)	9,748,122
Less: accumulated depreciation and amortization	<u>(3,086,613)</u>	<u>(913,650)</u>	<u>64,144</u>	<u>(3,936,119)</u>
Net capital assets being depreciated	<u>6,698,321</u>	<u>(885,604)</u>	<u>(714)</u>	<u>5,812,003</u>
Total business-type activities capital assets, net	\$ <u>20,452,472</u>	\$ <u>374,059</u>	\$ <u>(135,189)</u>	\$ <u>20,691,342</u>

At the end of 2004 R.I.T.A. had \$20,691,342 invested in capital assets in order to provide state-of-the-art technology to the Agency's membership. The capital additions of \$1,259,663 include Customer Relationship Management Software and other tax system software applications.

REGIONAL INCOME TAX AGENCY
Management's Discussion and Analysis
(Unaudited)

Capital Lease Activity

Details of the changes in the capital lease activity for the year ended December 31, 2004 was as follows:

Table 4
Capital Lease Activity

	Balance <u>12/31/2003</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>12/31/2004</u>	Amounts Due Within <u>One Year</u>
Cleveland-Cuyahoga County Port Authority Capital Lease	\$ 4,174,167	\$ -	\$ (437,500)	\$ 3,736,667	\$ 467,500
National City Leasing Corp. Capital Lease	18,500,000	80,000	-	18,580,000	18,580,000
Cleveland-Cuyahoga County Port Authority Capital Lease	-	20,990,000	-	20,990,000	121,999
Unamortized Premium	<u>-</u>	<u>672,747</u>	<u>-</u>	<u>672,747</u>	<u>54,331</u>
 Total Capital Lease Obligations	 \$ <u>22,674,167</u>	 \$ <u>21,742,747</u>	 \$ <u>(437,500)</u>	 \$ <u>43,979,414</u>	 \$ <u>19,223,830</u>

The additions to the capital lease balances are related to a new permanent bond financing, obtained December 30, 2004, with the Cleveland-Cuyahoga County Port Authority. In January 2005 the proceeds were used to retire the short term National City Leasing Corp. Capital Lease. The remaining proceeds consist of bond reserve and project funds.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Agency's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Chief Financial Officer, Regional Income Tax Agency, 10107 Brecksville Road, Brecksville, Ohio 44141-3275 or by telephone at 440.526.0900.

Regional Income Tax Agency

Statement of Net Assets

December 31, 2004

Assets:

Current Assets:

Cash and Cash Equivalents	\$	2,281,264
Due From Trust		18,580,000
Receivables:		
Accounts		201,849
Due from Others		5,736,792
Interest		<u>683</u>
Total Current Assets		<u>26,800,588</u>

Noncurrent Assets:

Nondepreciable Capital Assets		14,879,339
Depreciable Capital Assets, Net		5,812,003
Due From Trust		4,405,741
Deferred Loan Fees, Net		1,035,846
Other Assets		<u>174,550</u>
Total Noncurrent Assets		<u>26,307,479</u>

Total Assets 53,108,067

Liabilities:

Current Liabilities:

Accounts Payable		325,448
Accrued Wages and Benefits		1,397,957
Current Portion of Capital Lease		19,223,830
Other Liabilities		77,553
Due to Other Governments		2,827,223
Deferred Revenue		<u>4,278,029</u>
Total Current Liabilities		28,130,040

Noncurrent Liabilities:

Capital Lease Obligation		<u>24,755,584</u>
Total Liabilities		<u>52,885,624</u>

Net Assets:

Invested in Capital Assets, Net of Related Debt		371,187
Restricted for Debt and Tax Project		24,414,134
Unrestricted (Deficit)		<u>(24,562,878)</u>
Total Net Assets	\$	<u>222,443</u>

See Accompanying Notes to the Basic Financial Statements

Regional Income Tax Agency

Statement of Revenue, Expenses and Changes in Net Assets

For The Year Ended December 31, 2004

Operating Revenues:

Tax Collection Fees	\$	12,249,244
Charges for Services and Other Revenues		<u>805,442</u>
Total Operating Revenues		<u>13,054,686</u>

Operating Expenses:

Personal Services		8,729,464
Travel and Transportation		118,154
Office Rent and Maintenance		94,040
Equipment and Software Maintenance		653,344
Cost of Equipment Purchased For Members		368
Professional and Processing		1,441,458
Telephone and Utilities		215,945
Forms and Envelopes		173,307
Insurance		49,094
Miscellaneous Expenses		20,265
Material and Supplies		683,129
Depreciation and Amortization		<u>913,650</u>
Total Operating Expenses		<u>13,092,218</u>

Operating Loss (37,532)

Non - Operating Revenues (Expenses):

Interest Income		418,272
Interest Expense		(405,076)
Loss on Disposal of Fixed Assets		<u>(712)</u>
Total Non - Operating Revenues		<u>12,484</u>

Change in Net Assets (25,048)

Net Assets, Beginning of Year 247,491

Net Assets, End of Year \$ 222,443

See Accompanying Notes to the Basic Financial Statements

Regional Income Tax Agency

Statement Of Cash Flows

For The Year Ended December 31, 2004

Cash Flows from Operating Activities:	
Cash Receipts from Municipalities	\$ 14,400,730
Cash Payments:	
To Suppliers for Goods and Services	(3,306,573)
To Employees for Services	(6,269,176)
For Employee Benefits	(2,198,766)
For Retainer Refund	<u>(1,341,513)</u>
Net Cash Provided by Operating Activities	<u>1,284,702</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(1,287,709)
Release from Trust for Capital Purposes	800,000
Principal Payments on Capital Lease Obligations	(437,500)
Proceeds from Capital Lease Obligations	20,724,937
Funding of Other Assets-Due From Trust	(20,747,742)
Interest Payments of Capital Lease Obligations	<u>(295,990)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,244,004)</u>
Cash Flows from Investing Activities:	
Interest on Cash Equivalents	<u>418,272</u>
Net Increase in Cash and Cash Equivalents	458,970
Cash and Cash Equivalents, Beginning of Year	<u>1,822,294</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>2,281,264</u></u>

Continued

See Accompanying Notes to the Basic Financial Statements

Regional Income Tax Agency

Statement Of Cash Flows (Continued)

For The Year Ended December 31, 2004

Reconciliation of Operating Loss to
Net Cash from Operating Activities:

Operating Loss	\$	(37,532)
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Adjustments to Reconcile Operating Loss
to Net Cash Provided by Operating Activities:

Depreciation and Amortization		913,650
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Impairment of Fixed Assets		134,475
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Changes in Assets and Liabilities:

Trade Accounts Receivable		(25,495)
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Interest Receivable		(521)
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Due from Other Funds		(672,978)
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Other Assets		55,990
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Accounts Payable		(58,126)
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Accrued Wages and Benefits		261,524
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Other Liabilities		9,170
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Due to Other Funds		115,363
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Due to Other Governments		445,600
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Deferred Revenues		<u>143,582</u>
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Net Cash Provided by Operating Activities	\$	<u><u>1,284,702</u></u>
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Supplemental Schedule of Non-Cash Investing, Capital and Related Financing Activities:

Amortization on Deferred Loan Fees

Classified as Interest Expense	\$	<u><u>109,086</u></u>
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Deferred Loan Fees

Financed as Capital Lease Obligation	\$	<u><u>1,017,810</u></u>
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See Accompanying Notes to the Basic Financial Statements

Regional Income Tax Agency

Statement of Fiduciary Net Assets

For The Year Ended December 31, 2004

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 48,623,988
Receivables:	
Interest	10,262
Income Taxes of Member Municipalities, Net	<u>145,576,228</u>
Total Assets	<u>\$ 194,210,478</u>
Liabilities:	
Refunds Payable	\$ 1,897,571
Due to Others	5,736,792
Due to Other Governments	<u>186,576,115</u>
Total Liabilities	<u>\$ 194,210,478</u>

See Accompanying Notes to the Basic Financial Statements

Regional Income Tax Agency

Notes to Financial Statements

December 31, 2004

Note 1: Reporting Entity

The Regional Income Tax Agency (“R.I.T.A.” or the “Agency”) is an independent entity that provides 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 (less related net 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.

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

Note 2: Summary of Significant Accounting Policies

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

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. R.I.T.A. also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Agency’s accounting policies are described below.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

R.I.T.A.'s basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, a statement of cash flows, and a statement of fiduciary net assets.

R.I.T.A uses a single enterprise fund and an agency fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users.

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: Pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the entity under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the entity's own programs. The Agency has no trust funds. The Agency's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency's only agency fund is used to account for tax collections held by R.I.T.A. as an agent for other governments.

B. Measurement Focus

The enterprise fund is 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 statement of net assets. The statement of changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Agency finances and meets the cash flows need of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Agency's enterprise fund financial statements as well as the fiduciary fund financial statement are prepared using the accrual basis of accounting.

Revenue is recorded on the accrual basis when the exchange takes place. Expenses are recognized at the time they are incurred. However, with the implementation of GASB 33, it was necessary to calculate deferred revenue when recording an estimated receivable that R.I.T.A. will withhold from its members when collecting the taxes on 2004 earnings. This amount, \$4,278,029, has not been recorded as revenue for the following reasons (1) the transactions have not yet been processed, therefore, the money has not yet been earned; and (2) if it were to be recorded as revenue, it would be included in the retainer refund calculation and money that has not yet been collected by R.I.T.A. would be prematurely refunded to its members.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 2: Summary of Significant Accounting Policies (continued)

D. 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, 2004, R.I.T.A.'s cash equivalents consisted of repurchase agreements and investments with the State Treasurer's investment pool ("STAROhio") and Huntington National Bank carried at cost, which approximates fair value. Interest income earned on investments is allocated to the funds based upon investment balances.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on the respective balance sheet date.

E. Allowance for Doubtful Accounts

Income taxes of member municipalities receivable is shown net of a \$1,942,030 allowance for doubtful accounts. The allowance reflects management's best estimate of the amounts that will not be collected. This is based on an assessment of aged receivables and historical collection rates.

F. Capital Assets and Depreciation

All capital assets are recorded at historical cost.

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

Building	16 years
Equipment and Software	5 – 10 years
Equipment leased to Members	3 years
Vehicles	5 years

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 2: Summary of Significant Accounting Policies (continued)

G. Deferred Loan Fees

R.I.T.A. has capitalized the cost of obtaining capital lease financing. Amortization is taken using the effective interest method over the term of the related capital lease obligation. Deferred loan fees of \$1,035,846 are shown net of \$451,734 of accumulated amortization at December 31, 2004.

H. Allocation Of Expenses To Members

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

I. 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 the enterprise fund and are reported using the termination method.

J. Claims

As described in Note 13, 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.

K. Deferred Revenue

Deferred revenue in the enterprise fund represents tax collection fees received that will be earned in subsequent periods as the tax receivables are collected.

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulation depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by R.I.T.A. or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. R.I.T.A. applies restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available. R.I.T.A. has restricted assets in the amount of \$24,414,134 at December 31, 2004.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 2: Summary of Significant Accounting Policies (continued)

M. Revenues and Expenses

Operating revenues and expenses result from providing goods or special services to the members and tax collection services to non-members on a continuing basis. Operating expenses include the cost of these services, including administrative expenses and depreciation on capital assets. Non-operating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Non-operating revenues and expenses include revenues and expenses from capital and related financing activities, and investing activities.

N. Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3: Deposits and Investments

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

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

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 3: Deposits and Investments (continued)

Deposits

At December 31, 2004, the carrying amount of R.I.T.A.'s deposits was \$12,002,624 and the bank balance was \$12,500,171. Of the bank balance, \$550,923 was covered by FDIC insurance and \$11,949,248 was uninsured and uncollateralized as defined by GASB. However, the bank balance of \$12,500,171 was covered by a pool of government securities as described above. At year end, R.I.T.A. had \$400 of undeposited cash on hand.

Investments

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

	<u>Risk Category</u> 3	<u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Repurchase agreements	\$ <u>29,070,585</u>	\$ 29,070,585	\$ 29,070,585
STAROhio investments*		<u>9,831,643</u>	<u>9,831,643</u>
Total		\$ <u>38,902,228</u>	\$ <u>38,902,228</u>

* Non-categorized

STAROhio investments are not classified by risk category because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. STAROhio is not registered with the Securities and Exchange Commission as the fund is only offered to Ohio public subdivisions with investment authority. STAROhio is rated AAm by Standard & Poor's. Investments in STAROhio are valued using STAROhio's share price, which is the price at which the investments could be redeemed.

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

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 4: Receivables

Accounts receivable at December 31, 2004 on the statement of net assets consists primarily of subpoena fees receivable and miscellaneous service receivables due from member municipalities. Management considers all receivables fully collectible.

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	Balance 12/31/2003	Additions	Deletions	Balance 12/31/2004
Nondepreciable Capital Assets:				
Land	\$ 103,660	\$ -	\$ -	\$ 103,660
Projects in Process	<u>13,650,491</u>	<u>1,259,663</u>	<u>(134,475)</u>	<u>14,775,679</u>
Total Nondepreciable Capital Assets	<u>13,754,151</u>	<u>1,259,663</u>	<u>(134,475)</u>	<u>14,879,339</u>
Capital assets being depreciated:				
Buildings and Improvements	3,405,681	-	-	3,405,681
Office Equipment	6,325,602	26,955	(58,788)	6,293,769
Equipment Leases to Members	13,630	1,091	(6,070)	8,651
Vehicles	<u>40,021</u>	<u>-</u>	<u>-</u>	<u>40,021</u>
Total capital assets being depreciated	9,784,934	28,046	(64,858)	9,748,122
Less: accumulated depreciation and amortization	<u>(3,086,613)</u>	<u>(913,650)</u>	<u>64,144</u>	<u>(3,936,119)</u>
Net capital assets being depreciated	<u>6,698,321</u>	<u>(885,604)</u>	<u>(714)</u>	<u>5,812,003</u>
Total business-type activities capital assets, net	\$ <u>20,452,472</u>	\$ <u>374,059</u>	\$ <u>(135,189)</u>	\$ <u>20,691,342</u>

Note 6: Capital Lease Activity

Details of the changes in the capital lease activity for the year ended December 31, 2004 was as follows:

	Balance 12/31/2003	Additions	Retirements	Balance 12/31/2004	Amounts Due Within One Year
Cleveland-Cuyahoga County Port Authority Capital Lease	\$ 4,174,167	\$ -	\$ (437,500)	\$ 3,736,667	\$ 467,500
National City Leasing Corp. Capital Lease	18,500,000	80,000	-	18,580,000	18,580,000
Cleveland-Cuyahoga County Port Authority Capital Lease	-	20,990,000	-	20,990,000	121,999
Unamortized Premium	<u>-</u>	<u>672,747</u>	<u>-</u>	<u>672,747</u>	<u>54,331</u>
Total Capital Lease Obligations	\$ <u>22,674,167</u>	\$ <u>21,742,747</u>	\$ <u>(437,500)</u>	\$ <u>43,979,414</u>	\$ <u>19,223,830</u>

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 7: Capital Lease Commitments

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

The initial term of the lease agreement ended on December 31, 2001, and is renewable for successive one-year terms upon appropriation of funds by R.I.T.A.’s Board of Trustees to pay the rental payments. The final renewal term ends on November 15, 2010 when the remaining balance under the lease is due. At the end of the lease term, the Members have the option to purchase the “Series 2000B Project” for \$1. Interest on the obligation is at 6% per annum. An administrative and trustee fee of 0.3% is also incurred on an annual basis.

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

2005	\$ 695,639
2006	695,714
2007	693,899
2008	696,012
2009	700,115
Thereafter	<u>1,133,311</u>
Future minimum lease payments	4,614,690
Less amount representing interest	<u>878,023</u>
Present value of future minimum lease payments	\$ <u>3,736,667</u>

On December 1, 2001, the Members entered into a lease agreement with National City Leasing Corporation (“NCLC”) to provide funds for the acquisition and installation of personal property consisting of computer equipment, computer software and certain other furnishings and equipment to be located and used at the Agency. The NCLC lease agreement was refinanced on January 31, 2003 and 2004. The refinancing on January 31, 2004, in the amount of \$18,580,000, had a maturity of December 31, 2004, however the Agency exercised its option to extend the maturity date to January 28, 2005. Interest on this obligation was 2.38% per annum. On December 30, 2004, the Agency obtained “Series 2004” permanent bond financing for this obligation with the Authority.

The new capital lease agreement signed by the Agency generated proceeds of \$21,662,747. This exceeded the par amount of \$20,990,000, resulting in a premium of \$672,747. From the proceeds, \$20,724,937 was placed in trust to refinance the NCLC capital lease in January 2005 and to establish new bond reserve and retirement funds, while \$937,810 was capitalized as deferred loan fees. The leased personal property includes the HVAC system, other improvements and furnishings of the project site, and the development, furnishing, and installing of certain computer hardware and software. The initial lease term is December 30, 2004 to December 31, 2005. However, the lessee can renew the lease for consecutive one-year periods, except that the final renewal term will mature on November 15, 2022. The Agency intends to renew the lease through the maturity date and this is stated in the lease. The lease includes a \$10 bargain purchase option therefore management has recorded the obligation as a capital lease. The lease has an imputed interest rate of 4.726%.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 7: Capital Lease Commitments (continued)

Future minimum lease payments under the "Series 2004" lease agreement are as follows:

2005	\$ 1,111,428
2006	1,236,546
2007	1,922,979
2008	1,883,537
2009	1,861,037
Thereafter	<u>23,325,081</u>
Future minimum lease payments	31,340,608
Less amount representing interest	<u>10,350,608</u>
Present value of future minimum lease payments	\$ <u>20,990,000</u>

The new capital lease agreement contains various covenants, including a minimum amount of annual income tax collections. If the minimum amount of annual income tax collections are not met, the lease could be subject to a special mandatory redemption.

Proceeds in the amount of \$22,985,741 from capital lease arrangements are held in trust at December 31, 2004, of which \$18,580,000 was utilized to retire the NCLC lease in January 2005. The remaining funds consist of bond reserve and project funds. Project funds are distributed as project costs are incurred. Project costs in the amount of \$19,023,229 have been capitalized as of December 31, 2004. Of this amount, capital assets of \$4,247,550 have been placed into service. Accumulated depreciation of \$1,399,948 at December 31, 2004 has been recorded to the assets placed in service. During the year ended December 31, 2004, interest of \$467,998 was capitalized.

The Agency has utilized capital lease proceeds to implement a new, multi-dimensional tax information system. To date, operational systems include an Imaging and Document Workflow system, a Telephone Interactive Voice Recognition Unit, a portion of the Customer Relationship Management system, a Virtual Private Network, a Right Fax system and an eProcess system.

Projects in progress on the statement of net assets consists of costs incurred as of December 31, 2004 for new systems, which have not yet been put into operation. The amount primarily represents a new core tax system, Customer Relationship Management system and eFile system. After year-end, in February 2005, the Agency implemented the eFile system.

In February 2004, an independent third-party expert reviewed the new core tax system and identified areas of concern that need to be addressed before going live. Parts of the new core tax system may need revision or reconstruction to resolve these concerns.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 7: Capital Lease Commitments (continued)

In response to the above situation, the Agency decided to early adopt GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and For Insurance Recoveries*. This standard establishes accounting and financial reporting standards for impairment of capital assets. The Agency has performed an evaluation of construction costs to date to determine if impairment exists. As of December 31, 2004, project costs of \$134,475 was identified as impairment expense and written off during 2004. Management is confident that no other assets will be deemed impaired.

The tax system has been introduced by phase. Management believes this implementation plan has proven to be effective in the roll out of functionality and that this approach is the most efficient method of implementation.

Note 8: 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 subsequent year, this excess is distributed to Members. At December 31, 2004, the amount due to other governments is calculated as follows:

Amounts withheld for tax collection fees	\$ 15,076,770
Charges for services and other revenues (expense)	474,103
Net interest income	<u>415,049</u>
Subtotal	15,965,922
Operating expenses and interest expense	<u>13,138,699</u>
Excess of amounts withheld (due to other governments)	\$ <u>2,827,223</u>

Note 9: Compensated Absences

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

During the first six years of employment, employees can earn 10 days of vacation leave per year. During the next seven years of employment, employees can earn 15 days per year. After 14 years of employment, an employee can earn 20 days and after 22 years of service, employees can earn 25 days per year. Employees may accrue, and be paid upon termination of employment with R.I.T.A., up to a maximum of 20 days in the first six years of employment, 30 days during the next seven years of employment, 40 days in the subsequent eight years and 50 days thereafter.

As of December 31, 2004, the liability accrued for vacation and sick leave is \$750,367 compared to \$688,485 at December 31, 2003. The liability is included in accrued wages and benefits on the statement of net assets.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 10: Operating Lease Commitments

R.I.T.A. as Lessor

A portion of the revenue included in the enterprise fund for 2004 is derived from the rental of computer hardware to Members. The rentals consist of month-to-month or 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, 2004:

Computer equipment leased to Members	\$	8,651
Accumulated depreciation		<u>8,542</u>
Net computer equipment leased to Members	\$	<u><u>109</u></u>

In addition to computer hardware, R.I.T.A. also leases computer software to Members. The leases have month-to-month payment terms. The total rental income recognized by the enterprise fund under R.I.T.A.'s hardware and software leases during 2004 was \$338,813.

The carrying value of the computer software leased to Members at December 31, 2004 was not significant.

The Regional Income Tax Agency leases office space under a long-term operating lease. Rent expense related to the lease totaled \$26,154 in 2004.

R.I.T.A. as Lessee

Future minimum rental commitments for the organization's non-cancelable operating lease are \$26,154 for 2005 and \$21,795 for 2006.

Note 11: Defined Benefit Pension Plans – Ohio Public Employees Retirement System

R.I.T.A. participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 11: Defined Benefit Pension Plans – Ohio Public Employees Retirement System (continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2004, the members of all three plans were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. R.I.T.A. contributed 13.55 percent of covered payroll, of which 4.0 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Agency's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$839,079, \$795,468, and \$722,212, respectively, equal to the required contributions for each year. The full amount has been contributed for all three years. Contributions to the member-directed plan for 2004 were \$8,615 made by R.I.T.A. and \$5,504 made by the plan members.

Note 12: Postemployment Benefits – Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority requiring employers to fund post-retirement health care through their contributions to OPERS. The 2004 employer contribution rate was 13.55 percent of covered payroll; 4.0 percent was the portion that was used to fund health care.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 12: Postemployment Benefits – Ohio Public Employees Retirement System (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.0 percent. An annual increase of 4.0 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increase, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 percent to 6 percent for the next eight years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

At December 31, 2004, the number of active contributing participants in the Traditional and Combined Plans totaled 369,885. The Agency's actual contributions for 2004, which were used to fund postemployment benefits, were \$247,696. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarially accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retirement Medical Account that can be used to fund future health care expenses.

Note 13: Risk Management

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.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 13: Risk Management (continued)

R.I.T.A. carries \$1,000,000 of comprehensive general liability insurance coverage, a \$2,000,000 umbrella policy, as well as insurance coverage for R.I.T.A. business interruption and property losses. R.I.T.A. is insured through the State of Ohio for workers' compensation. R.I.T.A. employees have two health care options, one of which is standard premium-based insurance coverage and one that is a self-insurance policy. R.I.T.A.'s self-insurance costs related to employee health care cover up to a maximum exposure of \$27,500 per employee, with an aggregate annual exposure of \$1,055,309. As of December 31, 2004, the liability accrued for health care claims is \$312,337, and is included in accrued wages and benefits on the statement of net assets. The liabilities represent R.I.T.A.'s best estimates based upon available information and include an estimate for claims that have been incurred but not reported. Settled claims have not exceeded R.I.T.A.'s commercial coverage in any of the past three fiscal years.

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

	Balance at Beginning Of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2003	\$ 239,604	\$ 698,132	\$ (735,235)	\$ 202,501
2004	202,501	950,205	(840,369)	312,337

Note 14: Change in Accounting Policies

For 2004, the Agency has implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB 34 creates new basic financial statements for reporting on the Agency's financial activities. Adopting GASB 34 resulted in the combining of the Agency's former enterprise and internal service funds into a single enterprise fund and had no effect on previously reported net assets.

GASB Statement No. 37 clarifies certain provisions of GASB Statement No. 34, including the required content of the Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. This interpretation has no effect on the Agency's financial statements.

Regional Income Tax Agency

Notes to Financial Statements

For The Year Ended December 31, 2004

Note 15: Subsequent Event

In April 2005, the Agency resolved all open issues with its former information technology consultants who worked on the tax system. A cash settlement of \$4.0 million was reached along with the release of unpaid amounts related to the project. The proceeds will be used to repay debt and to compensate for legal services related to the settlement.

Regional Income Tax Agency

Schedule of Revenues and Expenses – Budget and Actual (GAAP Basis)

December 31, 2004

	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 15,661,640	\$ 15,661,640	\$ 13,053,974	\$ (2,607,666)
Interest Income	<u>503,000</u>	<u>503,000</u>	<u>418,272</u>	<u>(84,728)</u>
Total Revenues	<u>16,164,640</u>	<u>16,164,640</u>	<u>13,472,246</u>	<u>(2,692,394)</u>
Expenses:				
Personal Services	9,094,660	9,094,660	8,729,464	365,196
Other	<u>7,114,960</u>	<u>7,114,960</u>	<u>4,767,830</u>	<u>2,347,130</u>
Total Expenses	<u>16,209,620</u>	<u>16,209,620</u>	<u>13,497,294</u>	<u>2,712,326</u>
Net Loss	\$ <u>(44,980)</u>	\$ <u>(44,980)</u>	\$ <u>(25,048)</u>	\$ <u>19,932</u>

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

Regional Income Tax Agency

Notes to Required Supplementary Information

December 31, 2004

Note 1. Budgetary Process

Although not required under the Ohio Revised Code, an annual operating budget, which lapses as of the end of the year, is adopted for management purposes. The budget is adopted for the enterprise fund on the same accounting basis used to reflect actual revenues and expenses. The Executive Director is authorized to expend the budget amounts; however, any change between the departments, line items or in the total amount budgeted for a particular fund requires the approval of the Board of Trustees of R.I.T.A..

Statistical Section

(Unaudited)

Regional Income Tax Agency

Revenue by Type – Last Ten Fiscal Years

December 31, 2004

Table 1

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Tax Operating Revenues:										
Tax Collection Fees	\$ 12,249,244	\$ 11,884,291	\$ 10,481,831	\$ 7,074,998	\$ 4,612,317	\$ 3,799,159	\$ 3,083,965	\$ 2,800,207	\$ 2,983,668	\$ 2,698,369
Charges for Services and Other Services	<u>804,730</u>	<u>811,393</u>	<u>703,136</u>	<u>719,818</u>	<u>511,301</u>	<u>528,439</u>	<u>474,120</u>	<u>437,699</u>	<u>523,283</u>	<u>365,774</u>
Total Operating Revenues	13,053,974	12,695,684	11,184,967	7,794,816	5,123,618	4,327,598	3,558,085	3,237,906	3,506,951	3,064,143
Non-Operating Revenues:										
Interest Income	<u>418,272</u>	<u>403,644</u>	<u>694,655</u>	<u>1,644,822</u>	<u>2,584,782</u>	<u>1,878,970</u>	<u>1,923,547</u>	<u>1,715,760</u>	<u>1,463,277</u>	<u>1,447,564</u>
Total Revenues	\$ <u>13,472,246</u>	\$ <u>13,099,328</u>	\$ <u>11,879,622</u>	\$ <u>9,439,638</u>	\$ <u>7,708,400</u>	\$ <u>6,206,568</u>	\$ <u>5,481,632</u>	\$ <u>4,953,666</u>	\$ <u>4,970,228</u>	\$ <u>4,511,707</u>

SOURCE: R.I.T.A. accounting records

Regional Income Tax Agency

Operating Expenses by Type – Last Ten Fiscal Years

December 31, 2004

Table 2

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Tax Operating Expenses:										
Personal Services	\$ 8,729,464	\$ 8,023,512	\$ 7,234,950	\$ 5,708,292	\$ 4,374,676	\$ 3,863,162	\$ 3,316,391	\$ 3,002,145	\$ 2,897,982	\$ 2,813,002
Travel and Transportation	118,154	121,042	203,099	97,350	58,898	64,553	37,725	48,356	52,270	47,739
Office Rent and Maintenance	94,040	183,426	180,878	177,478	246,740	114,173	199,257	311,192	297,424	295,685
Equipment and Software Maintenance	653,344	452,651	519,390	284,099	202,333	197,776	163,780	121,250	107,625	134,624
Cost of Equipment Purchased For Members	368	5,139	9,957	9,384	5,013	15,834	13,470	20,403	20,815	8,902
Professional and Processing	1,441,458	1,599,172	1,097,635	1,190,505	1,289,330	587,828	692,357	504,488	549,545	408,383
Telephone and Utilities	215,945	225,034	202,227	207,163	187,893	176,685	175,605	159,252	161,071	137,374
Forms & Envelopes	173,307	323,914	429,642	467,687	292,481	261,950	187,701	187,707	175,819	159,677
Insurance	49,094	45,766	43,365	40,616	33,062	38,435	38,231	38,763	39,308	38,647
Miscellaneous Expenses	20,265	37,328	29,197	41,081	43,247	20,981	46,302	23,235	30,913	16,046
Material and Supplies	683,129	715,158	675,394	620,923	563,337	486,255	461,027	440,872	509,840	419,025
Depreciation and Amortization	<u>913,650</u>	<u>936,347</u>	<u>768,132</u>	<u>486,038</u>	<u>346,568</u>	<u>315,039</u>	<u>156,221</u>	<u>59,877</u>	<u>62,690</u>	<u>67,679</u>
Total Operating Expenses	13,092,218	12,668,489	11,393,866	9,330,616	7,643,578	6,142,671	5,488,067	4,917,540	4,905,302	4,546,783
Non-Operating Expense:										
Net Interest Expense	<u>405,076</u>	<u>428,755</u>	<u>486,366</u>	<u>134,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	\$ <u>13,497,294</u>	\$ <u>13,097,244</u>	\$ <u>11,880,232</u>	\$ <u>9,465,456</u>	\$ <u>7,643,578</u>	\$ <u>6,142,671</u>	\$ <u>5,488,067</u>	\$ <u>4,917,540</u>	\$ <u>4,905,302</u>	\$ <u>4,546,783</u>

SOURCE: R.I.T.A. accounting records

Regional Income Tax Agency

Statistical Data

December 31, 2004

Table 3

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Number of cities	110	104	97	89	86	85	81	78	70	68
Net distributions (A)	\$ <u>465,097,577</u>	\$ <u>453,876,568</u>	\$ <u>410,411,220</u>	\$ <u>403,337,929</u>	\$ <u>381,077,887</u>	\$ <u>358,277,676</u>	\$ <u>333,820,641</u>	\$ <u>296,512,963</u>	\$ <u>260,187,345</u>	\$ <u>225,863,961</u>
Number of employees (B)	136	132	130	116	100	95	82	80	77	76

- Notes:
- (A) Represents the distributions to the cities during the respective years.
 - (B) Represents the number of full-time employees at December 31st.

Regional Income Tax Agency

Table of Municipal Income Tax Receipts – Last Ten Fiscal Years (continued)

December 31, 2004

Table 4

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Arlington Heights (A)	\$ 412,481	\$ 318,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ashville (A)	367,236	293,038	284,838	285,831	214,315	121,748	135,907	-	-	-
Aurora	8,835,008	8,061,004	5,464,240	5,588,485	5,482,449	4,903,958	4,613,196	4,065,554	3,793,598	2,952,359
Avon	6,233,184	6,003,837	4,341,119	2,676,128	2,302,999	1,898,535	1,719,507	1,465,381	1,233,356	994,823
Avon Lake (A)	7,244,001	6,731,715	6,703,170	6,615,760	6,801,989	5,972,032	5,585,553	2,618,106	-	-
Bay Village	4,189,782	4,305,547	4,062,576	4,097,083	3,958,331	3,679,207	3,443,980	3,242,559	3,165,731	2,880,337
Beachwood (A)	16,105,554	15,614,794	15,446,406	15,616,185	15,309,941	13,686,500	13,362,577	13,993,918	-	-
Beachwood East Jedd (A)	224,704	250,560	237,421	487,332	74,760	-	-	-	-	-
Beachwood West Jedd (A)	(305)	993	1,609	2,702	4,287	-	-	-	-	-
Bedford Heights (A)	8,365,435	8,317,810	8,134,753	9,256,246	8,648,407	8,552,301	8,453,556	8,967,834	7,807,135	-
Bentleyville	812,263	961,017	784,618	832,449	754,140	639,770	663,363	698,199	509,965	364,315
Berea	9,141,736	8,577,174	8,674,811	8,709,248	8,715,217	7,832,988	6,813,677	6,336,502	6,871,159	6,684,186
Bexley (A)	5,164,869	5,191,839	5,100,245	5,367,039	4,570,838	4,447,977	4,132,681	3,607,633	989,991	-
Boston Heights	402,130	376,473	352,660	356,147	325,043	232,605	195,280	164,792	194,222	186,829
Brady Lake	10,452	13,257	13,602	16,226	13,024	11,201	16,537	17,422	14,254	14,746
Brecksville	12,521,243	11,521,261	11,484,762	12,388,352	11,156,555	10,825,306	9,763,895	8,514,512	8,497,413	7,631,964
Broadview Heights	8,110,581	7,500,457	7,063,144	7,129,747	6,518,634	6,484,289	5,778,405	5,221,559	4,795,861	4,395,965
Brooklyn Heights	4,079,522	3,960,316	3,731,396	3,830,887	3,839,697	4,019,780	4,022,209	3,871,829	3,629,060	3,274,018
Cecil (A)	9,925	-	-	-	-	-	-	-	-	-
Cedarville (A)	388,123	368,248	-	-	-	-	-	-	-	-
Centerburg (A)	275,002	285,221	-	-	-	-	-	-	-	-
Chagrin Falls	2,394,881	2,371,750	2,328,445	2,461,744	2,330,019	2,342,701	2,222,508	2,166,839	1,915,500	1,662,981
Circleville (A)	4,214,050	2,162,291	-	-	-	-	-	-	-	-
Clayton (A)	1,182,062	-	-	-	-	-	-	-	-	-
Cuyahoga Heights	7,645,256	7,297,331	5,222,740	6,144,117	6,807,796	6,459,124	6,157,834	6,500,687	6,131,105	5,941,171
East Cleveland	6,626,103	7,651,447	6,781,992	7,105,718	6,852,297	4,816,657	4,580,887	4,376,386	4,591,547	4,350,083
Elyria	20,479,169	19,086,332	18,403,641	20,300,452	18,904,282	18,277,567	17,285,571	16,509,379	16,753,693	15,591,333
Elyria Jedd (A)	458,426	95,304	-	-	-	-	-	-	-	-
Fairport Harbor (A)	582,802	555,214	-	-	-	-	-	-	-	-
Fairview Park	4,700,560	4,580,937	4,447,363	4,472,064	4,155,487	4,165,793	4,083,613	3,815,603	3,853,536	3,608,452
Fort Jennings (A)	74,464	76,279	39,528	-	-	-	-	-	-	-
Galena (A)	100,404	143,312	104,979	108,153	98,262	76,982	79,445	16,661	-	-
Garfield Heights	8,935,455	8,905,885	8,734,770	8,785,379	8,480,102	8,526,090	8,031,888	7,449,072	7,348,721	6,764,332
Glenwillow (A)	1,171,614	1,267,408	1,144,899	922,770	1,004,948	680,271	803,082	462,817	-	-
Grandview Heights (A)	2,739,117	3,342,406	3,232,081	3,593,972	3,792,821	3,538,895	2,893,057	-	-	-
Grove City (A)	5,629,606	-	-	-	-	-	-	-	-	-
Haskins (A)	122,570	-	-	-	-	-	-	-	-	-
Highland Heights	6,122,085	6,329,961	6,219,328	6,200,741	6,248,852	6,220,961	5,890,509	4,343,568	4,191,064	4,032,392
Hudson	8,342,563	7,253,524	6,917,993	7,137,023	6,888,064	6,751,185	6,398,722	5,479,061	5,569,056	5,096,910
Hunting Valley (A)	(49,504)	3,914	417,013	383,540	615,552	599,331	-	-	-	-

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Receipts – Last Ten Fiscal Years (continued)

December 31, 2004

Table 4

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Independence	19,462,008	18,104,154	17,149,369	18,364,277	18,140,108	17,400,456	17,297,918	16,191,386	14,980,092	13,516,914
Kirtland (B)	2,544,784	2,386,087	2,622,354	2,033,147	1,916,331	1,864,880	1,723,355	1,619,680	1,569,061	1,466,927
LaGrange	554,952	605,677	587,792	751,022	626,357	548,006	456,238	465,261	417,012	346,190
Lakemore	785,565	738,092	697,626	701,644	685,874	694,300	663,748	627,893	606,140	603,467
Lakewood	15,841,273	15,816,234	17,253,672	16,093,018	14,624,618	12,923,110	12,422,431	11,726,217	11,528,727	10,937,451
Lockland (A)	1,622,558	1,752,266	1,822,553	1,780,473	1,812,351	1,897,163	1,978,042	1,828,836	842,337	-
Lyndhurst	5,506,114	7,386,453	5,341,645	5,564,293	5,273,029	5,025,716	5,448,621	4,851,487	5,118,612	4,477,161
Macedonia (A)	1,402,742	-	-	-	-	-	-	-	-	-
Macedonia Northfield Jed (A)	20,495	-	-	-	-	-	-	-	-	-
Maineville (A)	163,204	75,990	7,492	-	-	-	-	-	-	-
Maple Heights	6,263,009	6,184,532	6,095,770	6,536,726	6,140,657	5,879,303	5,452,550	5,342,727	5,523,941	5,465,754
Martins Ferry (A) (C)	1,028,954	1,027,803	643,079	-	-	-	-	-	328	89,804
Marysville (A)	6,215,610	5,981,792	5,770,975	-	-	-	-	-	-	-
Mayfield Heights	10,312,568	9,298,122	8,598,234	8,677,150	8,852,255	8,198,951	7,904,008	6,348,043	5,976,407	5,032,107
Mayfield Village	8,727,426	7,670,679	7,600,490	6,902,239	5,934,746	6,179,650	5,958,151	5,382,268	4,773,349	4,265,242
Middleburg Heights	12,768,169	12,741,649	12,167,139	12,514,175	12,569,270	11,843,642	10,743,002	6,344,927	6,292,881	5,627,336
Milan (D)	286,280	316,439	279,882	238,728	219,323	237,827	205,591	191,491	229,452	179,260
Milford Center (A)	100,288	107,194	92,210	123,857	101,066	93,254	48,398	-	-	-
Mogadore	1,911,413	1,857,573	1,821,524	1,881,797	1,503,705	1,343,437	1,295,390	1,237,897	1,242,694	1,107,174
Moreland Hills	3,138,603	2,583,252	2,325,553	2,405,163	2,210,277	2,521,189	2,512,625	1,940,178	2,046,751	1,754,786
Mount Gilead (A)	118,768	730,270	735,100	762,999	848,532	346,824	-	-	-	-
Mount Sterling (E)	518,129	605,070	640,415	660,489	682,820	615,627	554,408	541,371	512,895	388,440
New Albany	11,406,094	8,491,611	6,326,466	4,496,119	3,022,408	2,562,427	1,521,742	1,271,040	1,104,195	799,203
New Bloomington (A)	19,315	15,207	3,493	-	-	-	-	-	-	-
Newburgh Heights	726,495	729,274	747,376	824,891	714,556	690,282	676,939	618,543	613,278	629,330
Newtown (A)	891,131	1,011,215	860,111	1,081,732	1,011,380	974,675	937,648	9,940	-	-
North Lewisburg	196,699	190,163	189,864	193,246	184,973	181,975	182,184	166,724	132,179	14,152
North Olmsted	12,393,465	11,218,337	11,250,620	11,581,380	10,384,159	10,165,050	9,481,964	8,988,042	9,020,351	8,125,245
North Royalton (A)	7,810,621	7,626,388	7,276,995	7,611,612	6,495,643	-	-	-	-	-
Oakwood Village	3,391,704	3,164,863	3,085,394	3,126,813	3,058,141	3,072,958	3,109,151	2,669,909	2,684,769	2,387,936
Oberlin (A)	4,953,423	4,548,877	3,401,503	-	-	-	-	-	-	-
Olmsted Falls	2,422,215	2,422,673	2,401,890	2,266,339	2,071,072	1,989,119	1,882,537	1,699,709	1,565,202	1,477,734
Orange	2,483,888	2,362,669	2,151,335	2,211,599	1,941,690	2,035,859	1,789,555	1,732,340	1,620,987	1,596,330
Orange Chagrin Highland Jedd (A)	184,863	135,343	151,687	48,608	49,073	-	-	-	-	-
Ottawa (A)	1,116,901	1,454,384	1,604,995	1,544,661	1,775,889	1,705,193	1,657,050	177,796	-	-
Pepper Pike	3,825,487	3,660,415	3,402,408	3,712,518	3,616,223	3,391,847	3,386,169	3,431,241	3,449,446	2,843,695
Plain City	860,028	831,993	862,515	601,232	567,304	544,133	494,703	470,292	427,720	433,213
Plymouth (A)	128,992	127,921	133,322	29,733	-	-	-	-	-	-

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Receipts – Last Ten Fiscal Years (continued)

December 31, 2004

Table 4

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Powell	2,838,732	2,470,689	2,572,880	2,279,293	1,993,122	1,866,089	1,496,480	1,377,631	1,215,436	1,053,993
Reminderville	953,890	900,024	764,907	670,310	623,810	579,310	398,653	365,043	400,778	344,863
Reminderville Twins Jedd(A)	2,752,743	1,562,914	-	-	-	-	-	-	-	-
Reynoldsburg	8,727,145	9,748,253	7,616,845	9,289,276	9,481,422	8,413,084	7,172,374	5,959,704	4,847,158	4,700,231
Richmond Heights	3,995,697	4,403,427	4,036,489	4,178,336	3,901,797	3,519,985	3,397,120	2,955,246	2,881,226	2,608,373
Richwood	312,812	195,136	173,120	163,110	163,836	166,252	160,466	140,359	148,329	53,507
Ridgeway (A)	25,433	14,498	40	-	-	-	-	-	-	-
Riverside	4,221,231	4,195,122	4,108,880	4,114,665	2,929,139	2,548,948	2,579,935	2,355,571	2,332,371	2,325,874
Sabina (A)	62,167	71,353	370,841	94,135	-	-	-	-	-	-
Saint Paris (A)	236,891	228,372	224,699	228,198	252,788	241,663	245,841	89,692	-	-
Salineville	159,495	181,021	186,969	172,899	167,933	176,716	131,656	94,784	81,250	77,213
Sandusky (A)	6,857,865	7,224,771	-	-	-	-	-	-	-	-
Seven Hills	4,353,566	4,358,167	4,164,748	4,274,161	4,449,611	4,180,028	3,829,752	3,784,418	3,519,901	3,225,516
Shaker Heights	17,303,875	24,202,995	18,775,824	18,979,360	17,066,236	17,493,945	16,784,301	15,534,324	15,320,250	14,393,575
Shawnee Hills	236,838	194,600	191,689	173,700	156,452	142,284	128,200	120,378	125,355	125,802
Sheffield Lake (A)	1,629,567	257,996	-	-	-	-	-	-	-	-
Sheffield Village	2,191,320	2,423,324	1,564,814	1,268,642	1,309,299	1,224,643	1,021,930	1,057,513	1,064,650	940,205
Sherwood (A)	20,156	-	-	-	-	-	-	-	-	-
Silver Lake	432,554	417,259	357,302	414,610	385,577	394,968	386,214	374,649	338,541	382,909
South Euclid	5,333,268	5,730,073	5,718,510	5,736,905	5,336,643	5,350,100	5,310,758	4,817,888	4,952,280	4,677,530
South Solon (A)	28,563	23,817	18,947	26,878	42,002	21,694	35,240	5,688	-	-
Streetsboro	5,156,778	5,037,955	4,573,064	4,610,661	4,400,940	4,220,617	3,838,485	3,436,809	3,291,201	2,790,115
Steubenville	8,011,866	8,605,455	8,376,878	7,695,389	8,366,631	4,758,637	4,537,816	4,402,893	4,311,000	386,625
Strongsville	21,118,155	18,631,219	17,934,416	18,670,908	17,464,177	16,252,376	15,402,382	14,878,164	13,698,465	12,248,032
Sunbury (A)	1,496,267	1,418,580	1,153,249	1,017,569	881,688	937,443	-	-	-	-
Toronto	1,207,811	1,169,159	1,188,147	1,158,804	1,075,264	1,167,268	1,314,685	1,131,653	1,018,563	912,951
University Heights	4,895,792	4,970,319	4,963,337	4,782,707	4,300,538	4,292,619	4,142,512	3,792,347	3,760,989	3,684,649
Upper Arlington	11,845,486	12,264,988	12,397,663	13,717,001	11,464,385	11,951,158	8,582,633	8,015,046	7,842,008	7,936,698
Urbancrest (A)	308,373	167,350	-	-	-	-	-	-	-	-
Valley View	8,059,175	8,265,868	7,814,541	8,155,098	6,956,588	7,376,813	6,485,224	5,810,763	5,271,774	4,478,166
Vermilion (A)	1,163,213	1,152,282	1,211,700	1,143,966	1,165,393	216,033	-	-	-	-
Wakeman	140,268	118,592	114,497	132,938	129,744	109,982	101,937	88,096	48,062	13,729
Walton Hills	4,411,056	4,445,129	3,299,858	2,285,189	2,530,522	2,542,781	2,313,301	2,332,288	2,619,970	2,570,427
Wellston (A)	735,874	762,909	651,175	239,894	-	-	-	-	-	-
Wellsville (A)	400,070	-	-	-	-	-	-	-	-	-

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Receipts – Last Ten Fiscal Years (continued)

December 31, 2004

Table 4

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Westlake	15,507,647	14,927,199	15,005,585	14,879,861	13,979,628	13,321,028	12,977,156	11,596,214	10,695,176	9,199,623
Willowick	2,119,653	2,212,622	2,133,356	2,166,869	2,083,067	2,085,456	2,067,897	1,940,813	1,929,931	1,906,514
Wintersville	708,392	693,369	665,614	609,902	598,457	544,027	517,526	537,105	480,075	90,933
Woodmere	1,642,328	1,464,661	1,313,201	1,511,487	1,406,439	1,491,122	1,526,824	1,313,603	1,348,294	1,213,887
Worthington (A)	13,473,720	11,477,756	4,362,377	-	-	-	-	-	-	-
Yellow Springs (A)	1,433,848	1,340,900	-	-	-	-	-	-	-	-
Totals	\$ <u>492,978,422</u>	\$ <u>471,667,088</u>	\$ <u>419,885,152</u>	\$ <u>411,035,925</u>	\$ <u>386,966,066</u>	\$ <u>358,277,676</u>	\$ <u>333,798,855</u>	\$ <u>298,089,793</u>	\$ <u>267,677,806</u>	\$ <u>232,333,987</u>

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) Nonmember tax collections began January 1, 1992; municipality joined the Regional Council of Governments January 1, 1995.
- (C) 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.
- (D) Nonmember tax collections began April 1, 1990; municipality joined the Regional Council of Governments March 14, 1995.
- (E) Nonmember tax collections began October 1, 1991; municipality joined the Regional Council of Governments January 1, 1995.

Regional Income Tax Agency

Membership as of December 31, 2004 Table of Census Data

December 31, 2004

Table 5

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Belmont County</u>		
Martins Ferry	7,226	\$ 16,672
<u>Champaign County</u>		
North Lewisburg	1,588	18,461
St. Paris	1,998	16,811
<u>Clinton County</u>		
Sabina	2,780	16,481
<u>Columbiana County</u>		
Salineville	1,397	13,895
Wellsville	4,133	14,335
<u>Cuyahoga County</u>		
Bay Village	16,087	35,318
Beachwood	12,186	40,509
Bedford Heights	11,375	21,791
Bentleyville	947	72,392
Berea	18,970	21,647
Brecksville	13,382	37,838
Broadview Heights	15,967	29,440
Brooklyn Heights	1,558	27,012
Chagrin Falls	4,024	42,885
Cuyahoga Heights	599	21,446
East Cleveland	27,217	12,602
Fairview Park	17,572	27,662
Garfield Heights	30,734	18,988
Glenwillow	449	19,942
Highland Heights	8,082	31,184
Hunting Valley	735	144,281
Independence	7,109	26,447
Lakewood	56,646	23,945
Lyndhurst	15,279	28,206
Maple Heights	26,156	18,676
Mayfield Heights	19,386	24,392
Mayfield Village	3,435	36,360
Middleburg Heights	15,542	25,201
Moreland Hills	3,298	72,001
Newburgh Heights	2,389	18,636

Continued

Regional Income Tax Agency

Membership as of December 31, 2004 Table of Census Data (continued)

December 31, 2004

Table 5

	2000 Population	Calendar Year 2000 Per capita Income
<u>Cuyahoga County (continued)</u>		
North Olmsted	34,113	\$ 24,329
North Royalton	28,648	26,610
Oakwood Village	3,667	15,273
Olmsted Falls	7,962	25,716
Orange	3,236	46,296
Pepper Pike	6,040	71,255
Richmond Heights	10,944	25,738
Seven Hills	12,080	25,014
Shaker Heights	29,405	41,354
South Euclid	23,537	22,383
Strongsville	43,858	29,722
University Heights	14,146	26,949
Valley View	2,179	26,560
Walton Hills	2,400	26,405
Westlake	31,719	37,142
Woodmere	828	22,703
<u>Defiance County</u>		
Sherwood	801	16,212
<u>Delaware County</u>		
Galena	305	20,163
Powell	6,247	46,257
Shawnee Hills	419	25,266
Sunbury	2,630	18,861
<u>Erie County</u>		
Milan	1,445	23,143
Sandusky	27,844	18,111
Vermilion	10,927	23,635
<u>Franklin County</u>		
Bexley	13,203	37,375
Grandview Heights	6,695	27,495
Grove City	27,075	22,305
New Albany	3,711	62,131
Reynoldsburg	32,069	23,388
Upper Arlington	33,686	42,025
Urbancrest	868	10,003
Worthington	14,125	34,495

Continued

Regional Income Tax Agency

Membership as of December 31, 2004 Table of Census Data (continued)

December 31, 2004

Table 5

	2000 Population	Calendar Year 2000 Per capita Income
<u>Greene County</u>		
Cedarville	3,828	\$ 9,499
Yellow Springs	3,761	27,062
<u>Hamilton County</u>		
Arlington Heights	899	17,683
Lockland	3,707	15,661
Newtown	2,420	32,590
<u>Hardin County</u>		
Ridgeway	354	18,537
<u>Huron County</u>		
Plymouth	1,852	15,474
Wakeman	951	18,559
<u>Jackson County</u>		
Wellston	6,078	13,476
<u>Jefferson County</u>		
Steubenville	19,015	17,830
Toronto	5,676	15,761
Wintersville	4,067	18,941
<u>Knox County</u>		
Centerburg	1,432	16,764
<u>Lake County</u>		
Fairport Harbor	3,180	20,722
Kirtland	6,670	32,148
Willowick	14,361	22,053
<u>Lorain County</u>		
Avon	11,446	28,334
Avon Lake	18,145	32,336
Elyria	55,953	19,344
LaGrange	1,815	19,465
Oberlin	8,195	20,704
Sheffield Lake	9,371	20,219
Sheffield Village	2,949	25,218

Continued

Regional Income Tax Agency

Membership as of December 31, 2004 Table of Census Data (continued)

December 31, 2004

Table 5

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Marion County</u>		
New Bloomington	548	\$ 13,707
<u>Madison County</u>		
Mount Sterling	1,865	16,138
Plain City	2,832	20,815
South Solon	405	15,152
<u>Montgomery County</u>		
Clayton	13,347	26,569
Riverside	23,545	18,702
<u>Morrow County</u>		
Mount Gilead	3,290	19,064
<u>Paulding County</u>		
Cecil	216	12,687
<u>Pickaway County</u>		
Ashville	3,174	16,645
Circleville	13,485	17,220
<u>Portage County</u>		
Aurora	13,556	35,537
Brady Lake	513	19,357
Streetsboro	12,311	21,764
<u>Putnam County</u>		
Fort Jennings	432	20,169
Ottawa	4,367	22,476
<u>Summit County</u>		
Boston Heights	1,186	36,960
Hudson	22,439	40,915
Lakemore	2,561	14,837
Macedonia	9,224	27,739
Mogadore	3,893	20,965
Reminderville	2,347	24,477
Silver Lake	3,019	35,614

Continued

Regional Income Tax Agency

Membership as of December 31, 2004 Table of Census Data (continued)

December 31, 2004

Table 5

	<u>2000 Population</u>	<u>Calendar Year 2000 Per capita Income</u>
<u>Union County</u>		
Marysville	15,942	\$ 19,127
Milford Center	626	18,346
Richwood	2,156	16,799
<u>Warren County</u>		
Maineville	885	24,054
<u>Wood County</u>		
Haskins	638	17,696

Source: Per Capita Income
Bureau of the Census; Census 2000 Social, Economic and Housing Profiles, Table DP-3 Profile of Selected Economic Characteristics

Population
U.S. Census Bureau, Census 2000 Summary File 3

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Arlington Heights	Tax Rate	2.10%	2.10%	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	2.10	2.10	-	-	-	-	-	-	-	-
Ashville	Tax Rate	0.50	0.50	0.50%	0.50%	0.50%	0.29%	0.87%	-	-	-
	Tax Credit	0	0	0	0	0	0	50	-	-	-
	Credit Limit	0.50	0.50	0.50	0.50	0.50	0.29	0.87	-	-	-
Aurora	Tax Rate	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00%	1.00%	1.00%
	Tax Credit	100	100	25	50	50	50	50	50	50	50
	Credit Limit	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Avon	Tax Rate	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Avon Lake	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
Bay Village	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Beachwood	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
Beachwood East Jedd	Tax Rate	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Beachwood West Jedd	Tax Rate	1.50	1.50	1.50	1.50	1.50	-	-	-	-	-
Bedford Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
	Tax Credit	100	100	100	100	100	100	100	100	100	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
Bentleyville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	25	25	25	25	25	25	25	25	0	25
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Berea	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Bexley	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-
	Tax Credit	80	80	80	80	80	80	80	80	90	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-
Boston Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00
Brady Lake	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Brecksville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Broadview Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brooklyn Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Cecil	Tax Rate	1.00	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	-	-	-	-	-	-	-	-	-
Cedarville	Tax Rate	1.00	1.00	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-
Centerburg	Tax Rate	1.00	1.00	-	-	-	-	-	-	-	-
	Tax Credit	50	50	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-
Chagrin Falls	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Circleville	Tax Rate	1.50%	1.50%	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	1.50	1.50	-	-	-	-	-	-	-	-
Clayton	Tax Rate	1.50	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	1.50	-	-	-	-	-	-	-	-	-
Cuyahoga Heights	Tax Rate	2.00	2.00	1.50/2.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	1.50/2.00	1.50	1.50	1.50	1.50	1.50	1.50	1.50
East Cleveland	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Elyria	Tax Rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Tax Credit	100/50	100	100	100	100	100	100	100	100	100
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Elyria Jedd Fairport Harbor	Tax Rate	1.75	1.75	-	-	-	-	-	-	-	-
Fairview Park	Tax Rate	2.00	2.00	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	2.00	2.00	-	-	-	-	-	-	-	-
Fort Jennings	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Galena	Tax Rate	1.00	1.00	1.00	-	-	-	-	-	-	-
	Tax Credit	100	100	100	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-
Garfield Heights	Tax Rate	1.00	1.00	1.00	1.00%	1.00%	1.00%	1.00%	1.00%	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Garfield Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00%	2.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Glenwillow	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
Grandview Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
	Tax Credit	100	100	100	100	100	100	100	-	-	-
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Grove City	Tax Rate	2.00	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	2.00	-	-	-	-	-	-	-	-	-
Haskins	Tax Rate	1.00	1.00	-	-	-	-	-	-	-	-
	Tax Credit	50	50	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-
Highland Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50%	1.50%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hudson	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Hunting Valley	Tax Rate	-	0.75	0.75	0.75	0.75	1.00	-	-	-	-
	Tax Credit	-	75	75	75	50	50	-	-	-	-
	Credit Limit	-	0.75	0.75	0.75	0.75	1.00	-	-	-	-
Independence	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Kirtland	Tax Rate	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	25	25	25	25	25	25	25
	Credit Limit	1.75	1.75	1.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
LaGrange	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Lakemore	Tax Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Lakewood	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lockland	Tax Rate	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	-
	Tax Credit	100	100	100	100	100	100	100	100	100	-
	Credit Limit	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	-
Lyndhurst	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Macedonia	Tax Rate	2.00	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	2.00	-	-	-	-	-	-	-	-	-
Macedonia/ Northfield											
Jedd	Tax Rate	2.00	-	-	-	-	-	-	-	-	-
Maineville	Tax Rate	1.00	1.00	1.00	-	-	-	-	-	-	-
	Tax Credit	50	50	50	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-
Maple Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	80	80	80	80	80	80	80	80	80	80
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Martins Ferry	Tax Rate	0.75	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Tax Credit	100	100	100	0	0	0	0	0	0	0
	Credit Limit	0.75	0.75	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marysville	Tax Rate	1.00	1.00	1.00	-	-	-	-	-	-	-
	Tax Credit	50	50	50	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-
Mayfield Heights	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Mayfield Village	Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Middleburg Heights	Tax Rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	75	75	75
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.00	1.00	1.00
Milan	Tax Rate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	Tax Credit	-	-	-	-	100	100	100	100	100	100
	Credit Limit	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Milford Center	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
	Tax Credit	50	50	50	50	50	50	50	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Mogadore	Tax Rate	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50
Moreland Hills	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	0/12.5	12.5	12.5
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mount Gilead	Tax Rate	-	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
	Tax Credit	-	100	100	100	100	100	100	-	-	-
	Credit Limit	-	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Mount Sterling	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Albany	Tax Rate	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	50	50	50	50	50	50	50	50
	Credit Limit	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
New Bloomington	Tax Rate	1.00	1.00	1.00	-	-	-	-	-	-	-
	Tax Credit	50	50	50	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	-	-	-	-	-	-	-

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Newburgh Heights	Tax Rate	2.00%	2.00%	2.00%	2.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	60	60	60	60	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Newtown	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
North Lewisburg	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00
	Tax Credit	50	50	50	50	50	50	50	50	50	0/50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00
North Olmsted	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
North Royalton	Tax Rate	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
	Tax Credit	25	25	25	25	25	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Oakwood Village	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Oberlin	Tax Rate	1.90	1.90	1.90	-	-	-	-	-	-	-
	Tax Credit	100	100	100	-	-	-	-	-	-	-
	Credit Limit	1.90	1.90	1.90	-	-	-	-	-	-	-
Olmsted Falls	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Orange	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	60	60	60	60	60	60	60	60	60	60
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Orange Chagrin Highland	Tax Rate	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Jedd	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Ottawa	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Pepper Pike	Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plain City	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Plymouth	Tax Rate	0.50	0.50	0.50	0.50	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	0.50	0.50	0.50	0.50	-	-	-	-	-	-
Powell	Tax Rate	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Reminderville	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00
	Tax Credit	-	-	-	-	25	25	25	25	25	25
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.25	-	1.00	1.00
Reminderville/ Twinsburg											
Jedd	Tax Rate	1.50	1.50	-	-	-	-	-	-	-	-
Reynoldsburg	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0/1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	0/100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0/1.50
Richmond Heights	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Richwood	Tax Rate	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0/0.50
	Tax Credit	-	25	25	25	25	25	25	25	25	0/25
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0/1.00
Ridgeway	Tax Rate	0.50	0.50	0.50	-	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	0.50	0.50	0.50	-	-	-	-	-	-	-
Riverside	Tax Rate	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Sabina	Tax Rate	0/0.50%	1.00/0%	1.00%	-	-	-	-	-	-	-
	Tax Credit	-	50/0	50	-	-	-	-	-	-	-
	Credit Limit	0.50	1.00/0	1.00	-	-	-	-	-	-	-
Saint Paris	Tax Rate	1.00	1.00	1.00	1.00%	1.00%	1.00%	1.00%	1.00%	-	-
	Tax Credit	100	100	100	100	100	100	100	100	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Salineville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00%	1.00%
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sandusky	Tax Rate	1.00	1.00	-	-	-	-	-	-	-	-
	Tax Credit	50	50	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-
Seven Hills	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Shaker Heights	Tax Rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
	Tax Credit	50	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Shawnee Hills	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Sheffield Lake	Tax Rate	1.25	1.25	-	-	-	-	-	-	-	-
	Tax Credit	50	50	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	-	-	-	-	-	-	-	-
Sheffield Village	Tax Rate	1.50	1.50	1.00/1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.00/1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sherwood	Tax Rate	1.00	-	-	-	-	-	-	-	-	-
	Tax Credit	100	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	-	-	-	-	-	-	-	-	-
Silver Lake	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
South Euclid	Tax Rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
South Solon	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	-	-
Steubenville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0/2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	0/100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0/2.00
Streetsboro	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Strongsville	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100/75	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sunbury	Tax Rate	1.00	1.00	1.00	1.00	1.00	2.00	-	-	-	-
	Tax Credit	-	-	50	50	50	100	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	2.00	-	-	-	-
Toronto	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
University Heights	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
	Tax Credit	50/0	50	50	50	50	50	50	50	50	50
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Upper Arlington	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Urbancrest	Tax Rate	2.00	2.00	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	2.00	2.00	-	-	-	-	-	-	-	-
Valley View	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00

Continued

Regional Income Tax Agency

Table of Municipal Income Tax Rates, Credits and Limits – Last Ten Fiscal Years (continued)

December 31, 2004

Table 6

		<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Vermilion	Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	-	-	-	-
	Tax Credit	100	100	100	100	100	100	-	-	-	-
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Wakeman	Tax Rate	1.00/0/1.00	1.00	1.00	1.00	1.00	1.00	1.00%	1.00%	1.00/0%	0/1.00/0%
	Tax Credit	50/0/50	50	50	50	50	50	50	50	50/0	0/50/0
	Credit Limit	1.00/0/1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00/0.00	0/1.00/0
Walton Hills	Tax Rate	2.00	2.00	1.00/2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	2.00	2.00	1.00/2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wellston	Tax Rate	0.75	0.75	0.75	0.75	-	-	-	-	-	-
	Tax Credit	100	100	100	100	-	-	-	-	-	-
	Credit Limit	0.75	0.75	0.75	0.75	-	-	-	-	-	-
Wellsville	Tax Rate	1.00	-	-	-	-	-	-	-	-	-
	Tax Credit	-	-	-	-	-	-	-	-	-	-
	Credit Limit	1.00	-	-	-	-	-	-	-	-	-
Westlake	Tax Rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.375
	Tax Credit	100	100	100	100	100	100	100	100	100	100
	Credit Limit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.375
Willowick	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5
	Credit Limit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wintersville	Tax Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00/0
	Tax Credit	100	100	100	100	100	100	100	100	100	100/0
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00/0
Woodmere	Tax Rate	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
	Tax Credit	75	75	75	75	75	75	75	75	75	75
	Credit Limit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Worthington	Tax Rate	2.00	1.65	1.65	-	-	-	-	-	-	-
	Tax Credit	75	100	100	-	-	-	-	-	-	-
	Credit Limit	2.00	1.65	1.65	-	-	-	-	-	-	-
Yellow Springs	Tax Rate	1.50	1.50	-	-	-	-	-	-	-	-
	Tax Credit	100	100	-	-	-	-	-	-	-	-
	Credit Limit	1.50	1.50	-	-	-	-	-	-	-	-

Regional Income Tax Agency

December 31, 2004

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Regional Income Tax Agency
Brecksville, Ohio

We have audited the general-purpose financial statements of the Regional Income Tax Agency (“R.I.T.A.”) as of and for the year ended December 31, 2004, and have issued our report thereon dated May 17, 2005 in which the R.I.T.A. adopted Governmental Accounting Standards Board Statements 34, 37, 38 and Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the R.I.T.A.’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the R.I.T.A.’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 and other matters that are required to be reported under *Government Auditing Standards*.

Members of the Board of Trustees of the
Regional Income Tax Agency

This report is intended solely for the information and use of management, members of the Regional Income Tax Agency, Board of Trustees, and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Parichi, Inc.

Cleveland, Ohio
May 17, 2005

Regional Income Tax Agency

Schedule of Findings

December 31, 2004

1. Summary of Auditor's Results

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

2. Findings Related to the Financial Statements Required To be Reported in Accordance with GAGAS

None noted.

3. Findings

None noted.

Regional Income Tax Agency

Schedule of Prior Audit Findings

December 31, 2004

None noted.

Regional Income Tax Agency

10107 Brecksville Road
Brecksville, Ohio 44141
(440) 526-0900

Response to Findings Associated with Audit Conducted In Accordance with *Government Auditing Standards* For the Year Ended December 31, 2004

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



**Auditor of State
Betty Montgomery**

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800-282-0370

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REGIONAL INCOME TAX AGENCY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 23, 2005**