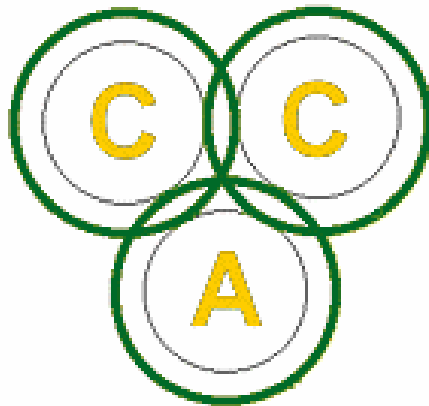


CITY OF CLEVELAND, OHIO

**CENTRAL COLLECTION
AGENCY**



**DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS
For the years ended December 31, 2009 and 2008**

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CITY OF CLEVELAND, OHIO

CENTRAL COLLECTION AGENCY DEPARTMENT OF FINANCE DIVISION OF TAXATION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Central Collection Agency
Division of Taxation
City of Cleveland
Cuyahoga County
601 Lakeside Avenue
Cleveland, OH 44114

To the Honorable Frank G. Jackson, Mayor, Members of Council, and the Audit Committee:

We have audited the accompanying basic financial statements of the Central Collection Agency's Internal Service and Agency Funds, Division of Taxation, City of Cleveland, Cuyahoga County, Ohio, (the Agency) as of and for the years ended December 31, 2009 and December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to reasonably assure 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note A, the financial statements present only the financial position of the Central Collection Agency's Internal Service and Agency Funds and the changes in financial position and cash flows of the Agency's Internal Service Fund and do not purport to, and do not, present fairly the financial position of the City of Cleveland, as of December 31, 2009 and December 31, 2008, and the respective changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Central Collection Agency's Internal Service and Agency Funds, Division of Taxation, City of Cleveland, Cuyahoga County, Ohio, as of December 31, 2009 and December 31, 2008, and the respective changes in financial position and cash flows of the Agency's Internal Service Funds for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the accounting principles generally accepted in the United States of America requires. 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.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

Central Collection Agency
Division of Taxation
City of Cleveland
Cuyahoga County
Independent Accountants' Report
Page 2

We conducted our audit to opine on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Cash Receipts and Distribution of Funds, the Schedule of Allocation of Net Operating Expenses, and the Schedule of Income Taxes Receivable are presented for purposes of additional analysis and are not a required part of the Agency's financial statements. Such information has been subjected to the auditing procedures applied in the audits of the Agency's basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the Agency's basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 28, 2010

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

As management of the City of Cleveland's (the City) Department of Finance, Division of Taxation, Central Collection Agency (the Agency), we offer readers of the Division's financial statements this narrative overview and analysis of the financial activities of the Agency for the years ended December 31, 2009 and December 31, 2008. Please read this information in conjunction with the Agency's financial statements and footnotes that begin on page 11.

The Division of Taxation was created in 1966 by the enactment of the City of Cleveland's Income Tax Ordinance providing the City's Income Tax Administrator with the authority to enter into agreements with any other municipal corporation to administer income tax laws and to provide for a central income tax collection facility. The Agency began with 14 member communities and during 2009 provided a full range of tax collection services for 46 member communities throughout 15 Ohio counties. The Agency employs more than 100 individuals to process more than 1 million returns, estimated payments, and tax assessments. In 2009, the Agency collected approximately \$402 million and approximately \$438 million and \$478 million in 2008 and 2007, respectively.

COMPARISON OF CURRENT YEAR'S AND PRIOR YEARS' DATA

FINANCIAL HIGHLIGHTS

- The assets and the liabilities of the Agency equal \$76,665,484, \$84,514,058, and \$106,361,759 at December 31, 2009, 2008, and 2007, respectively.
- The Agency's total assets decreased by \$7,848,574 and \$21,847,701 in 2009 and 2008, respectively. Its total assets increased by \$12,557,206 in 2007. The decrease in 2009 was due to a decrease in taxes receivable.
- The agency fund total cash receipts were approximately \$402 million, \$438 million, and \$478 million in 2009, 2008 and 2007, respectively. In 2009, cash receipts consisted of \$325 million of employer withholding, \$39 million of business profits, \$33 million of individual payments and \$5 million of other payments.
- The Agency's total operational cost was \$8,173,716, \$8,520,998, and \$8,552,922, in 2009, 2008 and 2007, respectively. In 2009, operational costs consisted of \$5,046,578 of employee's wages and benefits, \$1,322,421 of allocated charges and \$1,804,717 of other miscellaneous expenses.
- The Agency provides a mechanism for member municipalities to maximize efficiencies, minimize costs and capitalize from economies of scale. Pooling tax collections and investing at current market rates allows the operational costs of the Agency to be reduced by interest income. The Agency's member municipalities also benefit by printing and mailing large volumes of income tax forms to their taxpayers.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's financial statements. The accompanying financial statements present financial information for the City of Cleveland's Division of Taxation Fund, in which the City of Cleveland accounts for the operations of the Department of Finance, Division of Taxation. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency operates two funds. The operating fund is considered an internal service proprietary fund because the operations of this fund are similar to a private-sector business enterprise. Accordingly, in accounting for the operating activities within this fund, the economic resources measurement focus and the accrual basis of accounting is used. This is similar to businesses in the private sector. The second fund is an agency fund, which is used to account for the collection and remittance of income taxes for the member municipalities. For accounting measurement purposes, the agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of operations.

The financial statements of the Agency can be found on pages 11-13 of this report.

The notes to the financial statements and accompanying schedules provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements and accompanying schedules can be found on pages 14-26 of this report.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CONDENSED BALANCE SHEET INFORMATION

Provided below is condensed balance sheet information for the internal service and agency funds of the Agency as of December 31, 2009, 2008 and 2007:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets:			
Cash and cash equivalents	\$ 6,270,426	\$ 6,402,549	\$ 17,957,448
Taxes receivable	69,682,853	76,806,269	85,348,867
Accrued interest		3,969	19,293
Due from CCA internal service fund	309,028	887,346	2,642,496
Due from member municipalities	<u>403,177</u>	<u>413,925</u>	<u>393,655</u>
Total assets	<u>\$ 76,665,484</u>	<u>\$ 84,514,058</u>	<u>\$106,361,759</u>
Liabilities:			
Accounts payable	\$ 114,189	\$ 117,840	\$ 131,974
Due to CCA agency fund	309,028	887,346	2,642,496
Due to the City of Cleveland	49,299,727	54,012,615	57,610,104
Due to member municipalities	26,102,296	28,605,014	45,113,372
Accrued wages and benefits	<u>840,244</u>	<u>891,243</u>	<u>863,813</u>
Total liabilities	<u>\$ 76,665,484</u>	<u>\$ 84,514,058</u>	<u>\$106,361,759</u>

Assets: The Agency collects and disburses income tax receipts monthly, except for the City of Cleveland which receives collections of tax receipts in advance of the regular monthly distribution date. Assets primarily consist of cash on hand and anticipated income tax receivable. During 2009, the decrease in assets is attributable to a decrease in taxes receivable. During 2008, the decrease in assets is attributable to lower cash balances at year-end and a decrease in taxes receivable.

Liabilities: Liabilities primarily consist of amounts owed to member municipalities (including the City of Cleveland). During 2009, the decrease in liabilities was due to decreases in Due to the City of Cleveland and Due to member municipalities, which was the direct result of an eight percent decrease in overall Agency collections. During 2008, liabilities decreased by approximately \$21.8 million which was primarily due to a decrease in Due to member municipalities, which was caused by a decrease in the number of member communities.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS**

Provided below is condensed statement of revenue, expenses and changes in net assets for the internal service fund of the Agency for the years ended December 31, 2009, 2008 and 2007:

	Internal Service Fund		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating Revenues			
Charges for services	\$ 8,131,635	\$ 8,076,890	\$ 7,629,384
Total operating revenues	8,131,635	8,076,890	7,629,384
Operating Expenses			
Salaries and wages	3,756,584	4,048,496	3,962,387
Employee benefits	1,289,994	1,372,295	1,430,903
Postage and office supplies	347,766	269,494	400,372
Allocation of City of Cleveland costs	1,322,421	1,246,837	1,238,823
Other administrative expenses	<u>1,456,951</u>	<u>1,583,876</u>	<u>1,520,437</u>
Total operating expense	<u>8,173,716</u>	<u>8,520,998</u>	<u>8,552,922</u>
Operating loss	(42,081)	(444,108)	(923,538)
Non-operating Revenue			
Interest income	<u>42,081</u>	<u>444,108</u>	<u>923,538</u>
Change in net assets	-	-	-
Net assets at beginning of year	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2009:

The increase in postage and office supplies of \$78,272 is a result of the increases of approximately \$46,000 in the postage expense and approximately \$32,000 in office supply expense.

The decrease in other administrative expense of \$126,925 was due to decreases in professional service costs, costs associated with bank service fees, and just-in-time office supplies.

Due to economic factors and declining interest rates, interest income decreased \$402,027 in 2009. This is a decrease of approximately 90%.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS (Continued)**

2008:

The decrease in postage and office supplies of \$130,878 is a result of the decreases of approximately \$65,000 in the postage expense and approximately \$65,000 in office supply expense.

The rise in other administrative expense of \$63,439 was mainly due to increased professional service costs incurred from outsourcing the scanning of income tax returns.

Due to economic factors and declining interest rates, interest income decreased \$479,430 in 2008. This is a decrease of approximately 52%.

2007:

The decrease in postage and office supplies of \$214,464 and the increase in allocation of City of Cleveland costs of \$124,604 were directly related to the City of Cleveland's Print Shop charges for printing and mailing of CCA's income tax forms, which began in 2006.

The rise in other administrative expenses of \$147,440 was mainly due to increased professional service costs incurred with the launch of the CCA e-file application and the outsourcing of the scanning of income tax returns.

Due to an increase in cash available throughout the year, interest income increased \$137,960 in 2007.

**FACTORS EXPECTED TO IMPACT THE DIVISION'S FUTURE
FINANCIAL POSITION OR RESULTS OF OPERATION**

The Agency continues to face the challenges of an economic recession. The Agency's most significant task is dealing with the complications of rising basic operating costs. However, the Agency is attempting to reduce the impact of these increasing expenses by continuing to aggressively collect income taxes due, thereby spreading the incremental cost over a larger base. However, the Agency's collections for the first quarter of 2010 are approximately 4% less than the collections in the same period in 2009. Therefore, the Agency will strive to reverse this trend by increased delinquency collections and trying to maintain operational expenses at their current level.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**FACTORS EXPECTED TO IMPACT THE DIVISION'S FUTURE
FINANCIAL POSITION OR RESULTS OF OPERATION (Continued)**

The operating budget for the Agency as approved by the Cleveland City Council for 2010 provides for an overall increase in budgeted expenditures of approximately 1%. This increase is associated mainly with additional budgeted costs for staffing and personnel, and contractual services.

ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, City Hall, Room 104, 601 Lakeside Avenue, Cleveland, Ohio 44114.

FINANCIAL STATEMENTS

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**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**STATEMENTS OF ASSETS AND LIABILITIES - ALL FUND TYPES
For the Years Ended December 31, 2009 and 2008**

	2009		2008	
	Proprietary Fund Type	Fiduciary Fund Type	Proprietary Fund Type	Fiduciary Fund Type
	Internal Service	Agency	Internal Service	Agency
ASSETS				
Cash and cash equivalents	\$ 1,308,163	\$ 4,962,263	\$ 1,904,125	\$ 4,498,424
Taxes receivable		69,682,853		76,806,269
Accrued interest			3,969	
Due from CCA internal service fund		309,028		887,346
Due from member municipalities		403,177		413,925
TOTAL ASSETS	<u>\$ 1,308,163</u>	<u>\$ 75,357,321</u>	<u>\$ 1,908,094</u>	<u>\$ 82,605,964</u>
LIABILITIES				
Accounts payable	\$ 114,189	\$	\$ 117,840	\$
Due to CCA agency fund	309,028		887,346	
Due to the City of Cleveland	44,702	49,255,025	11,665	54,000,950
Due to member municipalities		26,102,296		28,605,014
Accrued wages and benefits	840,244		891,243	
TOTAL LIABILITIES	<u>\$ 1,308,163</u>	<u>\$ 75,357,321</u>	<u>\$ 1,908,094</u>	<u>\$ 82,605,964</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUND
For the Years Ended December 31, 2009 and 2008**

	2009	2008
OPERATING REVENUES		
Charges for services	\$ 8,131,635	\$ 8,076,890
OPERATING EXPENSES		
Salaries and wages	3,756,584	4,048,496
Employee benefits	1,289,994	1,372,295
Postage and office supplies	347,766	269,494
Allocation of City of Cleveland costs	1,322,421	1,246,837
Other administrative expenses	1,456,951	1,583,876
TOTAL OPERATING EXPENSES	8,173,716	8,520,998
OPERATING LOSS	(42,081)	(444,108)
NON-OPERATING REVENUE		
Interest income	42,081	444,108
CHANGE IN NET ASSETS	-	-
NET ASSETS AT BEGINNING OF YEAR		
NET ASSETS AT END OF YEAR	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**STATEMENTS OF CASH FLOWS - INTERNAL SERVICE FUND
For the Years Ended December 31, 2009 and 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from member municipalities	\$ 7,553,317	\$ 6,321,458
Cash payments to suppliers of goods and services	(3,091,484)	(3,139,093)
Cash payments for employee services and benefits	(5,103,845)	(5,405,989)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(642,012)	(2,223,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned on investments	46,050	459,432
NET CASH PROVIDED BY INVESTING ACTIVITIES	46,050	459,432
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(595,962)	(1,764,192)
Cash and cash equivalents at beginning of year	1,904,125	3,668,317
Cash and cash equivalents at end of year	\$ 1,308,163	\$ 1,904,125
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATIONS		
OPERATING LOSS	\$ (42,081)	\$ (444,108)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	(3,651)	(14,134)
Increase (decrease) in due to CCA agency fund	(578,318)	(1,755,150)
Increase (decrease) in due to City of Cleveland	33,037	(37,662)
Increase (decrease) in accrued wages and benefits	(50,999)	27,430
TOTAL ADJUSTMENTS	(599,931)	(1,779,516)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (642,012)	\$ (2,223,624)

The notes to the financial statements are an integral part of this statement.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 2008**

NOTE A--DESCRIPTION OF OPERATIONS AND BASIS OF PRESENTATION

The Central Collection Agency, Division of Taxation, City of Cleveland, Ohio (the Agency) is reported as part of the City of Cleveland's primary government and was created for the purpose of collecting city income taxes and disbursing those funds to the respective member municipalities (members) after payment of related expenses. Allocations of tax collections to members are based upon information provided by the taxpayers on the returns and supporting data. Such allocations are subject to adjustments in the subsequent year, dependent upon final returns filed by taxpayers and final review by the Agency. Refunds for overpayments are offset against allocated collections as amounts are determined.

Basis of Presentation: The financial statements are presented in accordance with Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (GASB Codification) which requires financial statements by fund type. These financial statements present a columnar total for all fund types included in the statement of assets and liabilities.

The following fund types are used by the Agency:

Proprietary Fund Type--Internal Service Fund: This fund is used to account for the services provided to members on a cost-reimbursement basis.

Fiduciary Fund Type--Agency Fund: This fund is used to account for assets held by the Agency as an agent for others.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and financial reporting practices of the Agency comply with accounting principles generally accepted in the United States of America applicable to governmental units. In November 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which is effective for the year ended December 31, 2008. The Agency has determined that GASB Statement No. 49 had no impact on its financial statements as of December 31, 2008. In May 2007, GASB issued Statement No. 50, *Pension Disclosure – an amendment of GASB Statements No. 25 and No. 27*, which is effective for the year ended December 31, 2008. The Agency has determined that GASB Statement No. 50 had no impact on its financial statements as of December 31, 2008 and the proper disclosures have been made. In November 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which is effective for the year ended December 31, 2009. The Agency has determined that GASB Statement No. 52 has no impact on its financial statements as of December 31, 2009.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting: All financial transactions of the Agency are reported on the accrual basis of accounting. Under this accounting method, assets and the related liabilities at the end of the year primarily consist of individual income taxes receivable arising from payroll tax withholdings in December and a receivable for quarterly and annual payments of income taxes pertaining to net profits, self-employment and residents taxes earned in the prior years. For accounting purposes, the agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of operations. Financial transactions for the internal service fund are reported on the accrual basis of accounting; revenues are recognized when earned and measurable, and expenses are recognized as incurred. For accounting purposes, the operations of the internal service fund are similar to a private-sector business enterprise. Accordingly, in accounting for the operating activities, the economic resources measurement focus is used.

With respect to proprietary activities, the Agency has adopted GASB 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units that Use Proprietary Accounting*. The Agency has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The Agency has chosen the option not to apply future FASB standards (including amendments to earlier pronouncements).

Supplies: Supplies are expensed when purchased.

Statement of Cash Flows: The Agency utilizes the direct method of reporting for the statement of cash flows as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, for its internal service fund. In a statement of cash flows, cash receipts and cash payments are classified according to operating, non-capital financing, capital and related financing, and investing activities.

For purposes of this statement, cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased and all of the Agency's share of the City of Cleveland's pooled cash accounts.

Allocation of Expenses: The Agency allocates all operating expenses, net of interest income, to members based upon the arithmetic mean of the percentage of each municipality's transactions to total transactions and the percentage of each municipality's revenue to total revenue.

Allocation of Interest Income: Excess funds are invested on a daily basis and interest income earned on such investments is allocated to members based on the percentage of each municipality's revenue to total revenue. The City of Cleveland receives collections of tax receipts in advance of the regular monthly distribution date, and accordingly, interest income is allocated exclusively to the other members.

Compensated Absences: The Agency accrues for compensated absences such as vacation, sick leave and compensatory time using the termination payment method specified under GASB Statement No. 16, *Accounting for Compensated Absences*. These amounts are recorded as accrued wages and benefits in the accompanying balance sheets.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Normally, all vacation time is to be taken in the year available. The Agency allows employees to carryover up to 80 hours of vacation time from one year to the next with proper approval. Sick days not taken may be accumulated until retirement. An employee is paid one-third of accumulated sick leave upon retirement, calculated at the three-year average base salary rate, with the balance being forfeited.

NOTE C--POOLED AND SEGREGATED CASH AND INVESTMENTS

Deposits: The carrying amount of the Agency's deposits at December 31, 2009 and December 31, 2008 totaled \$555,618 and \$4,922,060, respectively, and the Agency's bank balances were \$3,210,021 and \$8,279,580, respectively. The differences represent outstanding warrants payable and normal reconciling items.

Based on the criteria described in GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, \$3,210,021 and \$8,279,580 of the bank balances at December 31, 2009 and 2008, respectively, were insured or collateralized with securities held by the City or by its agent in the City's name.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Agency will not be able to recover deposits or collateral for securities that are in possession of an outside party. At year end, the Agency's deposits were fully insured or collateralized. All deposits are collateralized with eligible securities pledged and deposited either with the City or with a qualified trustee by the financial institution as security for repayment of all public monies deposited in the financial institution whose market value at all times is equal to at least 110% of the carrying value of the deposits being secured.

Investments: The City's investment policies are governed by state statutes and City ordinances, which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds; State Treasury Asset Reserve of Ohio (STAROhio); guaranteed investment contracts and repurchase transactions. Such repurchase transactions must be purchased from financial institutions or registered broker/dealers. Repurchase transactions are not to exceed a period of one year and confirmation of securities pledged must be obtained.

Under City policy, investments are limited to repurchase agreements, U.S. Government securities, certificates of deposit, investments in certain money market mutual funds, and STAROhio. Generally, investments are recorded in segregated accounts by way of book entry through the banks' commercial or trust department and are kept at the Federal Reserve Bank in the depository institutions' separate custodial account for the Agency, apart from the assets of the depository institution. Ohio statute prohibits the use of Reverse Repurchase Agreements.

Investment securities are exposed to various risks such as interest rate, market and credit. Market values of securities fluctuate based on the magnitude of changing market conditions; significant changes in market conditions could materially affect portfolio value.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE C--POOLED AND SEGREGATED CASH AND INVESTMENTS (Continued)

Interest rate risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the Agency invests primarily in short-term investments maturing within five years from the date of purchase. The intent is to avoid the need to sell securities prior to maturity.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Agency does not have an investment policy dealing with investment custodial credit risk beyond the requirement in the state statute.

Credit Risk: Investments in STAROhio carry a rating of AAAM, which is the highest money market fund rating given by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Agency has no investment policy that would further limit its investment choices.

Concentration of Credit Risk: The Agency places a limitation on the amount it may invest in any one issuer to help minimize the concentration of credit risk. The Agency had the following investments at December 31, 2009 and 2008, which include those classified as cash and cash equivalents in the Statements of Assets and Liabilities in accordance with the provisions of GASB Statement No. 9 since they have a maturity of three months or less:

<u>Type of Investment</u>	<u>2009 Fair Value</u>	<u>2009 Cost</u>	<u>2008 Fair Value</u>	<u>2008 Cost</u>	<u>Investment Maturities Less Than One Year</u>
STAROhio	\$ 5,690,141	\$ 5,690,141	\$ 23,812	\$ 23,812	\$ 5,690,141
Investment in Mutual Funds	<u>24,667</u>	<u>24,667</u>	<u>1,456,677</u>	<u>1,456,677</u>	<u>24,667</u>
Total Investments	5,714,808	5,714,808	1,480,489	1,480,489	5,714,808
Total Deposits	<u>555,618</u>	<u>555,618</u>	<u>4,922,060</u>	<u>4,922,060</u>	<u>555,618</u>
Total Deposits and Investments	<u>\$ 6,270,426</u>	<u>\$ 6,270,426</u>	<u>\$ 6,402,549</u>	<u>\$ 6,402,549</u>	<u>\$ 6,270,426</u>

These amounts are monies invested by the City Treasurer on behalf of the Agency and are used in daily operations with excess monies invested daily in STAROhio and mutual funds. These investments are carried at cost which approximates market value. Monies due to member agencies are disbursed from these funds on a monthly basis.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE C--POOLED AND SEGREGATED CASH AND INVESTMENTS (Continued)

As of December 31, 2009, the investments in STAROhio and mutual funds are approximately 99.6% and 0.4%, respectively, of the Agency's total investments. As of December 31, 2008, the investments in STAROhio and mutual funds are approximately 2% and 98%, respectively, of the Agency's total investments.

NOTE D--DUE TO AND DUE FROM TRANSACTIONS

During the course of normal operations, the Agency has numerous transactions between its own funds and the municipalities which it serves, including transfers of resources to provide services. Such transactions are generally reflected as due to or due from account balances in the accompanying financial statements.

Individual fund due to and due from receivables and payables balances as of December 31, 2009 are as follows:

	Internal Service Fund	Agency Fund	Total
Due from CCA internal service fund	\$	\$ 309,028	\$ 309,028
Due from member municipalities	<u> </u>	<u>403,177</u>	<u>403,177</u>
Total Due From	<u>\$ -</u>	<u>\$ 712,205</u>	<u>\$ 712,205</u>
Due to the CCA agency fund	\$ 309,028	\$	\$ 309,028
Due to the City of Cleveland	<u>44,702</u>	<u>49,255,025</u>	<u>49,299,727</u>
Due to member municipalities	<u> </u>	<u>26,102,296</u>	<u>26,102,296</u>
Total Due To	<u>\$ 353,730</u>	<u>\$ 75,357,321</u>	<u>\$ 75,711,051</u>

Individual fund due to and due from receivables and payables balances as of December 31, 2008 are as follows:

Due from CCA internal service fund	\$	\$ 887,346	\$ 887,346
Due from member municipalities	<u> </u>	<u>413,925</u>	<u>413,925</u>
Total Due From	<u>\$ -</u>	<u>\$ 1,301,271</u>	<u>\$ 1,301,271</u>
Due to the CCA agency fund	\$ 887,346	\$	\$ 887,346
Due to the City of Cleveland	<u>11,665</u>	<u>54,000,950</u>	<u>54,012,615</u>
Due to member municipalities	<u> </u>	<u>28,605,014</u>	<u>28,605,014</u>
Total Due To	<u>\$ 899,011</u>	<u>\$ 82,605,964</u>	<u>\$ 83,504,975</u>

**CITY OF CLEVELAND, OHIO
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DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE E--DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System: All full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

- 1) The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
- 2) The Member-Directed Plan – 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 member and (vested) employer contributions plus any investment earnings.
- 3) The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. Member contribution rates were 10.00% in 2009 and 2008. The rate was 9.50% in 2007 and employer contribution rates were 14.00% of covered payroll in 2009 and 2008. The rate was 13.85% in 2007. The Agency's required employer contributions to OPERS for the pension portion of all the plans for the years ending December 31, 2009, 2008 and 2007 were approximately \$327,000, \$279,000 and \$331,000 each year, respectively. The required payments due in 2009, 2008 and 2007 have been made.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
DIVISION OF TAXATION**

**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE F-- OTHER POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System: All full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS maintains a cost-sharing multiple employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postemployment 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 benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The employer contribution rates were 14.00% of covered payroll in 2009 and 2008. It was 13.85% in 2007. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll. Active members do not make contributions to the OPEB Plan. OPERS Postemployment Health Care plan was established under and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. Employer contribution rates to fund postemployment health care benefits were 7.00% from January 1, 2009 through March 31, 2009 and 5.50% from April 1, 2009 through December 31, 2009, 7.00% in 2008, 5.00% from January 1, 2007 to June 30, 2007 and 6.00% from July 1, 2007 to December 31, 2007. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Agency's actual contributions for 2009 to OPERS to fund postemployment benefits were approximately \$237,000.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
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**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE G--RELATED PARTY TRANSACTIONS

The Agency is provided various services by the City of Cleveland. Charges are based on actual use or on a reasonable pro rata basis. These costs, as reported in the statement of revenues and expenses of the internal service fund for the years ended December 31, 2009 and 2008, were as follows:

	2009	2008
City administration	\$452,118	\$482,388
Office rent	373,948	373,948
Telephone	46,734	42,392
Cleveland Public Power	22,604	23,788
Parking Facilities	2,684	2,712
Printing services	411,409	309,669
Motor Vehicle Maintenance	12,924	11,940
Total	\$1,322,421	\$1,246,837

NOTE H--DUE FROM MEMBER CITIES

The Agency has recorded certain liabilities in the internal service fund related to compensated absences totaling \$403,177 at December 31, 2009 and \$413,925 at December 31, 2008 as accrued wages and benefits. These amounts are recorded as due from member municipalities in the agency fund.

NOTE I--CONTINGENT LIABILITIES AND RISK MANAGEMENT

Contingent Liabilities: Various claims are pending against the City involving the Agency for personal injuries, property damage and other matters. The City is responsible for the lawsuits. The City's management is of the opinion that ultimate settlement of such claims will not result in a material adverse effect on the Agency's financial position, results of operations or cash flows.

Risk Management: The Agency is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is generally self-insured. No material losses, including incurred but not reported losses, occurred in 2009 or 2008.

The City provides the choice of four separate health insurance plans for its employees. These plans are provided by two different insurers through commercial insurance. Operating funds are charged a monthly rate per employee, by type of coverage. The City participates in the State of Ohio workers' compensation retrospective rating program.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DEPARTMENT OF FINANCE
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**NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008**

NOTE I--CONTINGENT LIABILITIES AND RISK MANAGEMENT (Continued)

In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses, regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Claims liability for the Agency is immaterial.

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
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DIVISION OF TAXATION**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For the Years Ended December 31, 2009 and 2008**

	Balance 1/1/2009	Additions	Deductions	Balance 12/31/2009
ASSETS				
Cash and cash equivalents	\$ 4,498,424	\$ 402,364,097	\$ (401,900,258)	\$ 4,962,263
Taxes receivable	76,806,269	69,682,853	(76,806,269)	69,682,853
Due from the CCA internal service fund	887,346	309,028	(887,346)	309,028
Due from member municipalities	413,925	403,177	(413,925)	403,177
TOTAL ASSETS	\$ 82,605,964	\$ 472,759,155	\$ (480,007,798)	\$ 75,357,321
LIABILITIES				
Due to the City of Cleveland	\$ 54,000,950	\$ 367,760,306	\$ (372,506,231)	\$ 49,255,025
Due to member municipalities	28,605,014	104,998,849	(107,501,567)	26,102,296
TOTAL LIABILITIES	\$ 82,605,964	\$ 472,759,155	\$ (480,007,798)	\$ 75,357,321
	Balance 1/1/2008	Additions	Deductions	Balance 12/31/2008
ASSETS				
Cash and cash equivalents	\$ 14,289,131	\$ 437,907,750	\$ (447,698,457)	\$ 4,498,424
Taxes receivable	85,348,867	76,806,269	(85,348,867)	76,806,269
Due from the CCA internal service fund	2,642,496	887,346	(2,642,496)	887,346
Due from member municipalities	393,655	413,925	(393,655)	413,925
TOTAL ASSETS	\$ 102,674,149	\$ 516,015,290	\$ (536,083,475)	\$ 82,605,964
LIABILITIES				
Due to the City of Cleveland	\$ 57,560,777	\$ 395,641,832	\$ (399,201,659)	\$ 54,000,950
Due to member municipalities	45,113,372	120,373,458	(136,881,816)	28,605,014
TOTAL LIABILITIES	\$ 102,674,149	\$ 516,015,290	\$ (536,083,475)	\$ 82,605,964

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DIVISION OF TAXATION**

**SCHEDULE OF CASH RECEIPTS AND DISTRIBUTION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Members	Balance Collected and Due Members January 1, 2009	Cash Receipts Net	Total Cash Receipts	Cash Disbursed	Allocation of Net Operating Expenses	Total Disbursements and Expenses	Balance Collected And Due Members December 31, 2009
Ada	\$ 79,365.07	\$ 979,821.83	\$ 1,059,186.90	\$ 952,567.79	\$ 40,449.50	\$ 993,017.29	\$ 66,169.61
Alger	729.66	43,149.71	43,879.37	38,184.24	5,003.77	43,188.01	691.36
Andover	37,675.79	28,719.47	66,395.26	66,395.26	760.00	66,395.26	-
Antwerp	10,463.94	234,630.28	245,094.22	204,262.21	18,328.06	222,590.27	22,503.95
Barberton	829,530.96	10,489,451.02	11,318,981.98	10,082,545.35	278,766.73	10,361,312.08	957,669.90
Bradner	8,970.64	104,353.88	113,324.52	98,084.74	9,228.76	107,313.50	6,011.02
Bratenahl	149,966.43	970,682.78	1,120,649.21	983,186.33	31,277.92	1,014,464.25	106,184.96
Burton	31,886.87	452,452.14	484,339.01	421,970.96	26,101.02	448,071.98	36,267.03
Cairo	666.54	36,463.37	37,129.91	29,781.85	5,122.90	34,904.75	2,225.16
Chardon	372,767.72	4,575,847.37	4,948,615.09	4,437,204.37	142,614.64	4,579,819.01	368,796.08
Cleveland	(193,726.72)	307,901,254.34	307,707,527.62	302,836,242.16	5,184,736.92	308,020,979.08	(313,451.46)
Creston	7,733.38	9,024.75	16,758.13	16,308.13	450.00	16,758.13	-
Cridersville	16,156.38	268,012.88	284,169.26	250,106.95	18,447.49	268,554.44	15,614.82
Dayton		161,058.10	161,058.10	124,125.68	15,339.70	139,465.38	21,592.72
Elida	21,301.88	428,338.01	449,639.89	398,471.77	26,392.53	424,864.30	24,775.59
Gates Mills	50,998.95	1,404,891.98	1,455,890.93	1,245,728.12	51,463.45	1,297,191.57	158,699.36
Geneva-on-the-Lake	17,620.68	119,292.40	136,913.08	121,302.78	11,374.08	132,676.86	4,236.22
Grand Rapids	11,287.04	199,025.53	210,312.57	178,068.58	18,758.06	196,826.64	13,485.93
Grand River	13,827.90	191,318.32	205,146.22	184,053.64	7,320.10	191,373.74	13,772.48
Highland Hills	228,014.93	2,867,799.00	3,095,813.93	2,916,693.36	43,459.99	2,960,153.35	135,660.58
Huntsville		36,154.11	36,154.11	31,274.65	1,742.75	33,017.40	3,136.71
Liberty Center	10,882.07	162,747.38	173,629.45	148,459.53	13,554.62	162,014.15	11,613.30
Linndale	6,740.02	76,840.00	83,580.02	75,811.01	2,619.17	78,430.18	5,149.84
Madison	70,131.27	908,067.99	978,199.26	858,895.64	55,450.86	914,346.50	63,852.76
Medina	935,073.46	11,969,173.77	12,904,247.23	11,550,265.23	434,440.93	11,984,706.16	919,541.07
Mentor-on-the-Lake	58,210.76	801,356.32	859,567.08	757,631.32	42,198.76	799,830.08	59,737.00
Metamora	9,784.60	180,334.96	190,119.56	173,946.92	9,533.11	183,480.03	6,639.53
Middlefield	191,259.85	2,243,536.94	2,434,796.79	2,244,741.92	60,816.39	2,305,558.31	129,238.48
Munroe Falls	94,125.56	991,216.45	1,085,342.01	955,631.37	45,664.00	1,001,295.37	84,046.64
Northfield	82,041.02	1,165,055.23	1,247,096.25	1,113,020.67	45,315.53	1,158,336.20	88,760.05
North Baltimore	40,444.89	566,897.87	607,342.76	542,816.56	27,362.75	570,179.31	37,163.45
North Perry	79,438.95	1,257,866.79	1,337,305.74	1,246,852.61	21,261.37	1,268,113.98	69,191.76
North Randall	68,859.15	835,451.20	904,310.35	876,567.99	27,123.95	903,691.94	618.41
Norton	258,588.79	3,733,771.09	3,992,359.88	3,572,509.02	135,220.01	3,707,729.03	284,630.85
Village of Oakwood	8,560.64	129,464.96	138,025.60	121,365.47	7,603.49	128,968.96	9,056.64
Orwell	54,432.43	667,495.95	721,928.38	648,947.15	19,771.81	668,718.96	53,209.42
Painesville	598,109.74	7,851,114.79	8,449,224.53	7,609,799.03	202,823.26	7,812,623.26	636,601.27
Paulding	19,652.64	403,146.69	422,799.33	357,900.61	37,566.57	395,467.18	27,332.15
Peninsula	17,577.45	268,921.86	286,499.31	251,484.04	16,819.42	268,303.46	18,195.85
Perry	41,946.46	20,768.17	62,714.63	61,599.63	1,115.00	62,714.63	-
Rocky River	621,403.61	7,784,377.89	8,405,781.50	7,470,354.07	321,906.31	7,792,260.38	613,521.12
Russells Point	11,086.52	191,087.43	202,173.95	176,410.15	13,629.27	190,039.42	12,134.53
Seville	63,000.00	926,644.81	989,644.81	879,853.85	45,791.77	925,645.62	63,999.19
South Russell	65,332.15	1,132,696.56	1,198,028.71	1,023,282.11	57,489.39	1,080,771.50	117,257.21
Timberlake	3,694.29	69,463.22	73,157.51	60,517.97	7,683.85	68,201.82	4,955.69
Trotwood		3,558.45	3,558.45		591.22	591.22	2,967.23
Wadsworth	469,651.10	6,428,884.40	6,898,535.50	6,095,723.23	304,800.69	6,400,523.92	498,011.58
Warrensville Heights	813,469.95	10,233,992.89	11,047,462.84	9,912,357.34	222,331.65	10,134,688.99	912,773.85
Waynesfield	9,113.27	130,022.06	139,135.33	125,074.82	7,140.53	132,215.35	6,919.98
Willoughby Hills	243,112.85	205,217.12	448,329.97	441,459.97	48,720.00	448,329.97	-
Totals	\$ 6,640,961.53	\$ 392,840,914.51	\$ 399,481,876.04	\$ 384,969,078.15	\$ 8,131,635.02	\$ 393,100,713.17	\$ 6,381,162.87

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTION AGENCY
DIVISION OF TAXATION**

**SCHEDULE OF ALLOCATION OF NET OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Members	Cost Allocation Percent	Interest Allocation Percent	Cost Allocation Before Interest Income	Interest Income of Municipalities Other Than Cleveland	Allocation of Net Operating Expenses
Ada	0.500809%	1.153058%	\$ 40,934.72	\$ 485.22	\$ 40,449.50
Alger	0.061479%	0.050779%	5,025.14	21.37	5,003.77
Andover	0.018957%	0.000000%	760.00		760.00
Antwerp	0.225653%	0.276114%	18,444.25	116.19	18,328.06
Barberton	3.474078%	12.344026%	283,961.25	5,194.52	278,766.73
Bradner	0.113540%	0.122804%	9,280.44	51.68	9,228.76
Bratenahl	0.388546%	1.142303%	31,758.62	480.70	31,277.92
Burton	0.322070%	0.532447%	26,325.08	224.06	26,101.02
Cairo	0.062896%	0.042910%	5,140.96	18.06	5,122.90
Chardon	1.772519%	5.384875%	144,880.66	2,266.02	142,614.64
Cleveland	63.310237%	0.000000%	5,184,736.92		5,184,736.92
Creston	0.017901%	0.000000%	450.00		450.00
Cridersville	0.227316%	0.315399%	18,580.21	132.72	18,447.49
Dayton	0.188647%	0.189534%	15,419.46	79.76	15,339.70
Elida	0.325490%	0.504070%	26,604.65	212.12	26,392.53
Gates Mills	0.638133%	1.653282%	52,159.17	695.72	51,463.45
Geneva-on-the-Lake	0.139877%	0.140384%	11,433.16	59.08	11,374.08
Grand Rapids	0.230698%	0.234214%	18,856.62	98.56	18,758.06
Grand River	0.090716%	0.225144%	7,414.84	94.74	7,320.10
Highland Hills	0.549079%	3.374837%	44,880.16	1,420.17	43,459.99
Huntsville	0.021540%	0.042546%	1,760.65	17.90	1,742.75
Liberty Center	0.166818%	0.191522%	13,635.21	80.59	13,554.62
Linndale	0.032509%	0.090426%	2,657.22	38.05	2,619.17
Madison	0.683906%	1.068618%	55,900.55	449.69	55,450.86
Medina	5.387613%	14.085368%	440,368.23	5,927.30	434,440.93
Mentor-on-the-Lake	0.521129%	0.943039%	42,595.60	396.84	42,198.76
Metamora	0.117724%	0.212219%	9,622.41	89.30	9,533.11
Middlefield	0.757641%	2.640203%	61,927.42	1,111.03	60,816.39
Munroe Falls	0.564674%	1.166467%	46,154.86	490.86	45,664.00
Northfield	0.561464%	1.371041%	45,892.48	576.95	45,315.53
North Baltimore	0.338200%	0.667128%	27,643.49	280.74	27,362.75
North Perry	0.267740%	1.480262%	21,884.28	622.91	21,261.37
North Randall	0.337208%	1.042002%	27,562.44	438.49	27,123.95
Norton	1.676949%	4.393916%	137,069.03	1,849.02	135,220.01
Village of Oakwood	0.093808%	0.152355%	7,667.60	64.11	7,603.49
Orwell	0.245939%	0.785512%	20,102.36	330.55	19,771.81
Painesville	2.528987%	9.239222%	206,712.21	3,887.98	202,824.23
Paulding	0.462045%	0.474425%	37,766.21	199.64	37,566.57
Peninsula	0.207404%	0.316468%	16,952.59	133.17	16,819.42
Perry	0.042761%	0.000000%	1,115.00		1,115.00
Rocky River	3.985473%	9.160686%	325,761.24	3,854.93	321,906.31
Russells Point	0.167903%	0.224872%	13,723.90	94.63	13,629.27
Seville	0.565846%	1.090479%	46,250.66	458.89	45,791.77
South Russell	0.710207%	1.332962%	58,050.32	560.93	57,489.39
Timberlake	0.094428%	0.081745%	7,718.25	34.40	7,683.85
Trotwood	0.007255%	0.004188%	592.98	1.76	591.22
Wadsworth	3.767984%	7.565536%	307,984.36	3,183.67	304,800.69
Warrensville Heights	2.783599%	12.337603%	227,523.47	5,191.82	222,331.65
Waynesfield	0.088147%	0.153010%	7,204.92	64.39	7,140.53
Willoughby Hills	0.154458%	0.000000%	6,870.00		6,870.00
Totals	100.000000%	100.000000%	\$ 8,173,716.25	\$ 42,081.23	8,131,635.02

**CITY OF CLEVELAND, OHIO
CENTRAL COLLECTIONS AGENCY
DIVISION OF TAXATION**

**SCHEDULE OF INCOME TAXES RECEIVABLE
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	Income Taxes Receivable Dec. 31, 2009	Income Taxes Receivable Dec. 31, 2008
Ada	\$ 189,617.19	\$ 207,480.64
Alger	20,876.34	5,752.42
Andover		79,111.62
Antwerp	136,812.43	90,631.59
Barberton	1,722,987.19	1,825,208.23
Bradner	58,752.42	58,428.20
Bratenahl	412,708.40	543,609.86
Burton	137,904.52	123,279.84
Cairo	19,086.86	25,735.96
Chardon	1,069,122.51	1,180,684.16
Cleveland	49,568,476.06	54,194,675.59
Creston		43,757.21
Cridersville	106,892.77	105,062.18
Dayton	23,214.25	
Elida	202,343.09	139,208.49
Gates Mills	591,896.27	665,222.80
Geneva-on-the-Lake	50,653.88	81,429.99
Grand Rapids	65,525.75	70,517.69
Grand River	42,466.98	67,896.93
Highland Hills	362,157.99	333,643.56
Huntsville	7,253.09	
Liberty Center	41,815.88	46,621.04
Limdale	10,765.81	13,338.27
Madison	309,738.39	325,831.15
Medina	3,416,535.71	3,717,542.07
Mentor-on-the-Lake	201,567.76	218,117.13
Metamora	42,757.35	53,501.29
Middlefield	367,509.84	409,145.38
Munroe Falls	230,496.56	277,662.40
Northfield	274,844.51	308,423.69
North Baltimore	104,887.30	109,481.23
North Perry	148,207.44	114,576.28
North Randall	148,637.40	165,706.40
Norton	970,300.24	1,130,049.06
Village of Oakwood	40,342.70	31,423.91
Orwell	92,457.24	119,552.87
Painesville	1,356,494.35	1,396,891.93
Paulding	107,256.27	119,139.95
Peninsula	67,971.27	79,914.06
Perry		104,840.92
Rocky River	2,278,158.94	2,448,636.66
Russells Point	78,257.24	90,306.92
Seville	286,278.03	326,273.43
South Russell	411,033.01	397,740.78
Timberlake	31,980.25	33,998.28
Trotwood	20,251.55	
Wadsworth	1,602,725.86	1,610,060.98
Warrensville Heights	2,207,134.81	2,238,265.76
Waynesfield	45,699.27	13,146.05
Willoughby Hills		1,064,744.26
	<u>\$ 69,682,852.97</u>	<u>\$ 76,806,269.11</u>



Mary Taylor, CPA
Auditor of State

CITY OF CLEVELAND - CENTRAL COLLECTION 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 17, 2010**