

FINANCES OF ORANGE VILLAGE

Mayor's Letter

From page 3

It is a pleasure to provide this 2010 financial report to you, the residents of Orange Village. It has remained a priority of this administration to communicate openly and consistently with Village residents. We are committed to the importance of engaging residents and the need for transparency of municipal finances. For that reason we have included a report on Village finances in this newsletter.

Although we are all working in very challenging times, it is important to note that this administration's commitment to effective stewardship has resulted in a solid financial condition for Orange Village. I want to thank Village Council and all the department heads in the Village for their commitment to fiscal responsibility and conservative budgeting. We encourage you to review the information and to contact my office with any questions.

As always, I am eager to hear your thoughts about Village matters. It is a pleasure to represent this wonderful community. I know I speak for all the employees, professionals, public officials and elected representatives of this Village when I say we are all committed to the best interests of the residents and are dedicated to our work on your behalf in all of our day-to-day efforts.

May you have a healthy and safe holiday season. From myself, my family and all the Orange Village personnel, we wish you and yours a 2011 that realizes all your goals and hopes.

Sincerely,



Kathy U. Mulcahy
Mayor

FUND BALANCE

	Ending Balance 12/31/08	End Balance 12/31/09
General Fund	\$2,480,690	\$2,694,710
Street Maintenance/Repair Fund	\$356,139	\$433,695
State Highway Improvement Fund	\$41,694	\$44,705
Law Enforcement Trust Funds	\$96,453	\$83,556
Police Computer and Training Funds	\$6,536	\$3,898
Debt Service Fund	\$1,035,230	\$1,080,065
Capital Improvement Fund	\$990,703	\$735,510
Capital Equipment Fund	\$96,193	\$44,642
Recreation Capital Improvement Fund	\$26,953	\$8,787
Infrastructure Levy Fund	\$226,662	\$494,418
Police Pension Fund	\$37,338	\$54,042
Trust and Agency Funds	\$414,651	\$363,773

Recipients of Orange Village Property Tax

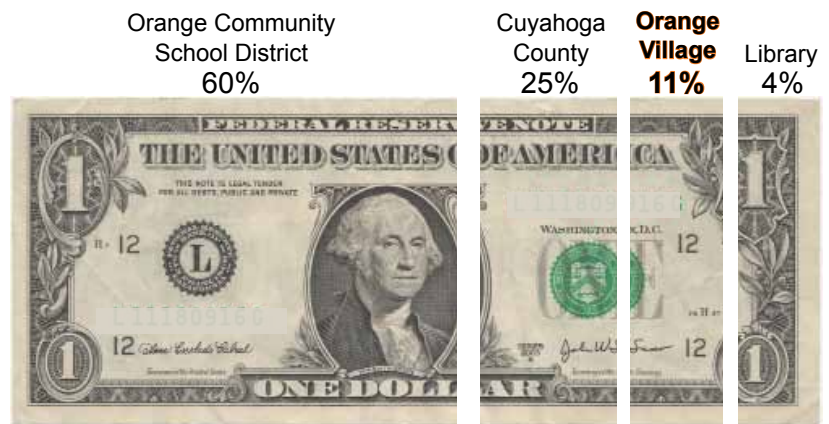
A fundamental difference between Orange Village and the Orange School District is the main funding source used by each entity for operating purposes. Orange Village relies primarily on income tax revenues. Orange Schools relies mostly on property taxes. However, property taxes are still a significant and vital component of Orange Village’s funding sources.

Property tax in Orange Village is based on the County-assigned value of all parcels of land within each taxing district. The assignment of value is administered by the Cuyahoga County Auditor’s Office. The County Auditor determines an assessed value, which is 35% of the appraised market value for each parcel.

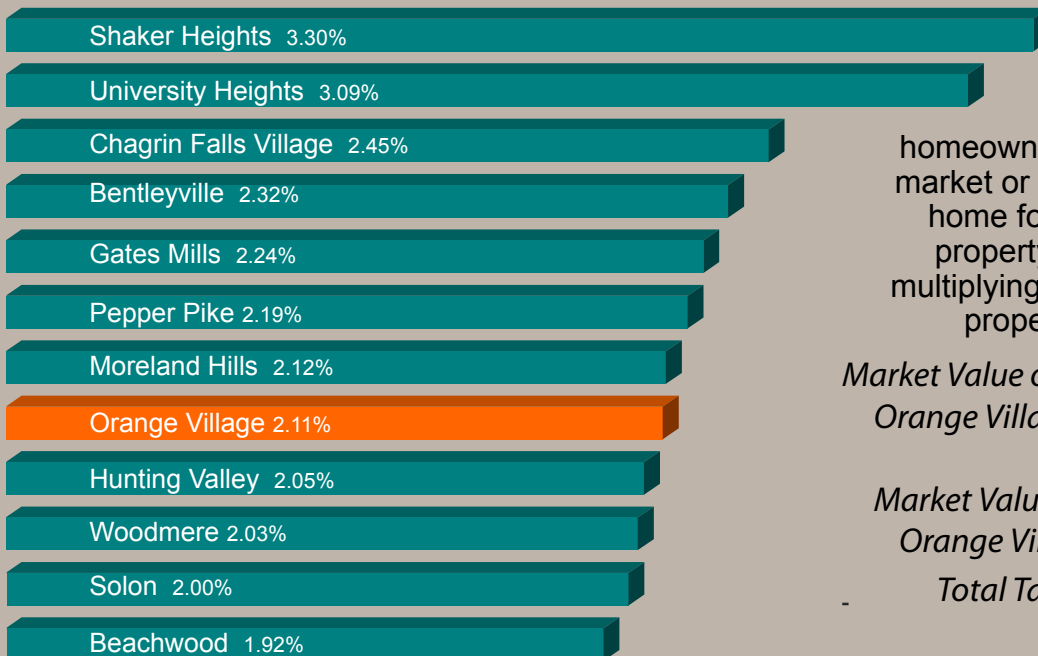
The value is updated every three years based on the average price that surrounding or similar properties sold for within the previous three-year period. Every six years, the County Auditor revisits all properties to re-appraise the value of each piece of land based on any building additions or major improvements. The last re-appraisal of property values occurred in 2009.

DISTRIBUTION OF YOUR REAL ESTATE TAX DOLLARS TAX YEAR 2009 PAID IN 2010

Real estate tax collected by Orange Village and placed into the general fund in 2009 \$596,258.



COMPARISON OF RESIDENTIAL TAX RATES Calculated as a % of market value

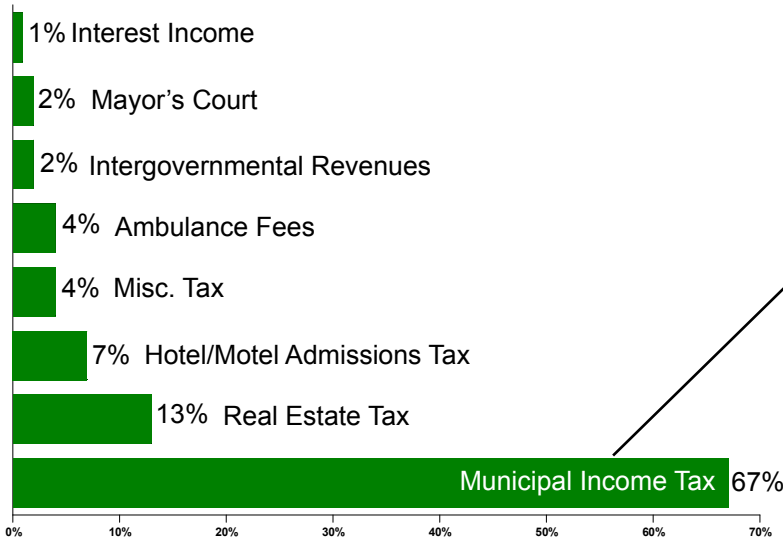


An Orange Village homeowner will pay 2.11% of the market or appraised value of their home for property taxes. The property tax is calculated by multiplying the market value of the property by the tax rate.

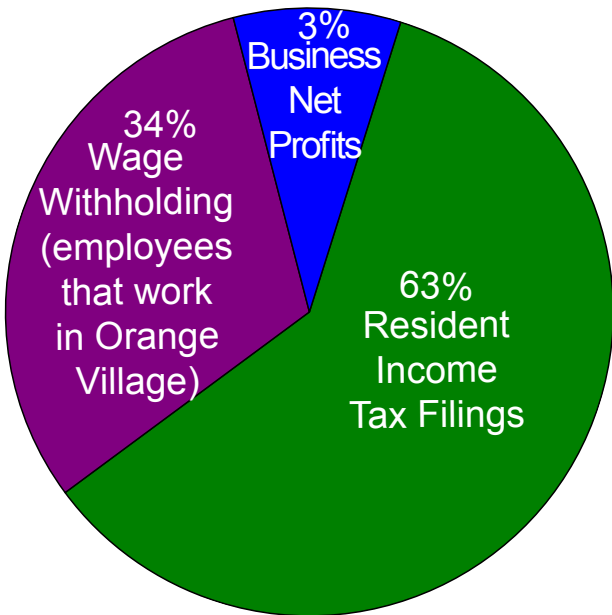
*Market Value of Property = \$300,000
Orange Village Tax Rate = 2.11%*

<i>Market Value of Property</i>	<i>\$300,000</i>
<i>Orange Village Tax Rate</i>	<i>x 2.11%</i>
<i>Total Tax Due for 2010</i>	<i><u>\$6,330</u></i>

2009 TOTAL GENERAL REVENUE FUND



Income tax collections are the Village's primary source of revenue for all essential services. Every department within the Village relies on income tax collections for some portion of their funding. Orange Village collects a 2.0% income tax on earned income within the Village, which is applied to gross salaries, wages, personal services, compensation and net income of for-profit organizations that conduct business in Orange Village. Orange Village residents are generally required to pay income taxes on income they earn outside the Village, but are given a 60% credit for income taxes paid to the municipality(s) in which they work up to a limit of 1.5%.



Total Municipal Income Taxes received in 2009=\$3,177,765

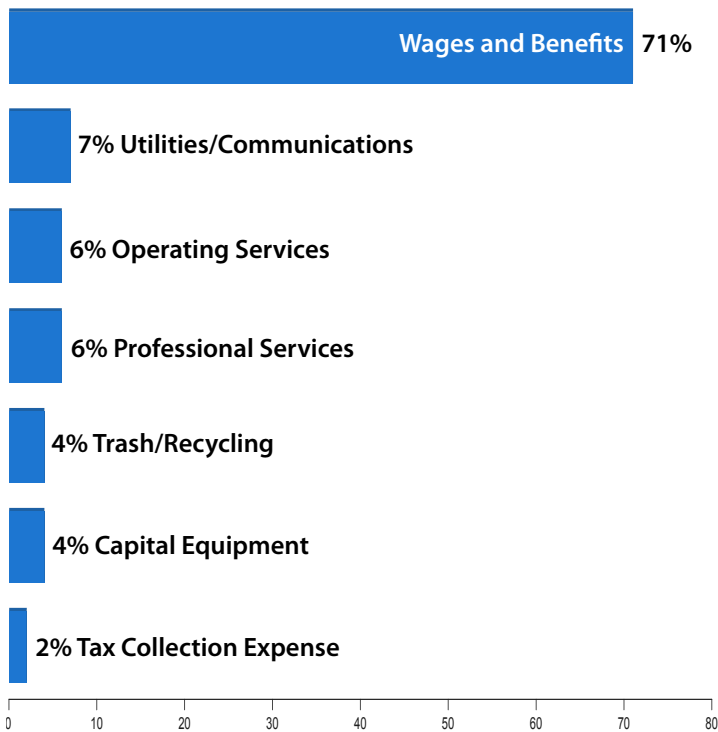
- 63% - Resident Income Tax Filings**
- 34% - Wage Withholding (from people who work here)**
- 3% - Business Net Profits**



A reminder from the Tax Administrator that although your fourth quarter RITA Estimate for calendar year 2010 is not due until January 31, 2011, it must be **paid prior to the end of calendar year 2010** if you would like to include it as an itemized deduction on your 2010 Federal Tax Return. Under current IRS regulations, you will still be entitled to use it as an itemized deduction when filing your 2011 Federal Tax Return if you choose to pay the estimate in January, 2011.

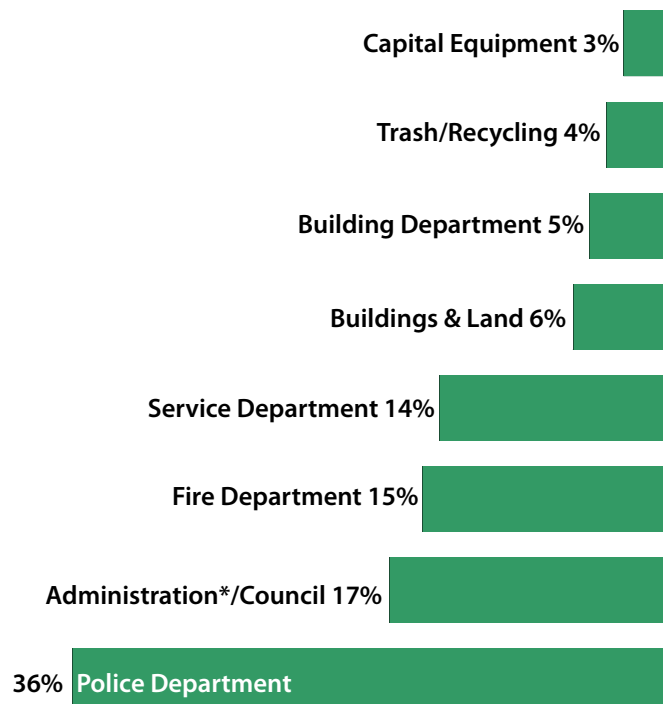
GENERAL FUND

EXPENDITURES BY CATEGORY 2009



GENERAL FUND

EXPENDITURES BY DEPARTMENT 2009



*Administration includes: Treasurer's Office, Mayor's Office, Engineer and Law Department, Audit and Tax Collection Expenses and Property Insurance



To the Residents of Orange Village:

It has been a pleasure serving as a Councilman and Finance Chair for the last three years and I look forward to serving you in the future. As you may know, I am committed to transparency in government in all aspects and especially when it comes to financial matters. It is my sincere belief that for a public entity to be financially accountable, transparency is required.

Presented in this newsletter are highlights of the Village's financial sources and uses, fund balances, and comparative tax data. The inclusion of this data in the newsletter is a small measure to continue our constant efforts of financial responsibility. By not sending a separate mailing for the financial report, we save money. My hope is that this will underscore to the residents of Orange Village that the books are open and you can come to the source for accurate and complete financial information. Also, keep in mind a finance committee meeting, which is open to the public, is held the first Wednesday of every month at seven o'clock in the evening where you can be made aware of the status of the Village's finances.

Finally I would like to thank the finance committee and the finance staff for all of their hard work. There have been many positive changes in the financial operations and more to come. If you have any concerns regarding the financial stability of the Village, please do not hesitate to contact me. Happy Holidays!

Sincerely,

Councilman Mark A. Parks, Jr., CPA, MBA
Finance Chair