

FINANCES OF ORANGE VILLAGE

Dear Orange Village Resident:

It is a pleasure to provide the following financial report on the Village's current fund balances and year end analysis. We are committed to transparency of our municipal finances and it has remained a priority of this administration to communicate openly and regularly with Village residents about our financial status.

The Auditor of State's Office completed our financial audits for the years 2018/2019 and 2020/2021. We received unqualified or "clean" audits for each year.

In 2022, we received an American Rescue Plan grant that allowed us to purchase 7 police vehicles and freed up general fund dollars to install updated equipment in our vehicles and, for the first time, body cameras for our officers.

Due to prudent spending and COVID relief funds, we were able to transfer \$2,000,000 from our general fund to our capital improvement fund for future safety capital improvements. These funds will be reserved towards much needed building improvements for our police and fire departments.

In 2022, Orange Village received great news in the form of a strong "Aa2" bond rating from Moody's Investors Service, which is like a credit score for our community. There are only two rating categories that exceed our rating and of the 9 current bond ratings for Villages in Ohio, Orange Village received the highest rating. Moody's Investors Service cited sound fiscal management and a strong financial position with a track record of achieving surplus operations, positive income tax trends, and healthy fund balance reserves combined with an affluent tax base to support the "Aa2" rating.

We want to thank Village Council and all of our department heads for their commitment to fiscal responsibility and conservative budgeting. This has allowed us to remain in sound fiscal condition.

We encourage you to review the information and feel free to contact us with any questions you may have.

Sincerely,


Kathy U. Mulcahy, Mayor

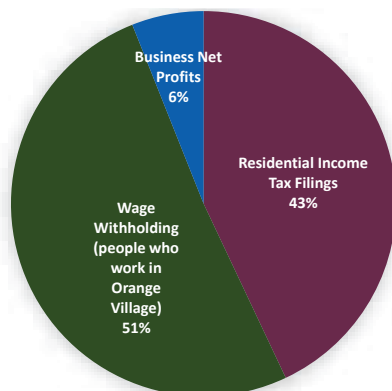

Dana J. Kavander, Treasurer

FUND CASH BALANCE

Fund	Balance 12/31/21	Balance 12/31/22
General Fund	\$6,386,549	6,608,298
Street Maintenance/Repair Fund	\$448,381	517,492
State Highway Improvement Fund	\$63,334	41,677
Law Enforcement Trust Funds	\$21,275	21,275
Police Computer and Training Funds	\$12,112	17,567
Police Pension Fund	45,424	88,679
Tax Increment Financing Funds	\$117,397	260,536
American Rescue Plan Fund	\$139,362	301,361
Debt Service Fund	\$480,247	564,051
Capital Improvement Fund	\$383,883	2,227,835
Capital Equipment Fund	\$398,291	695,729
Recreation Capital Improvement Fund	\$144,512	134,053
Infrastructure Levy Fund	\$808,177	868,630
Trust and Agency Funds*	\$579,416	0
TOTALS	\$10,028,360	\$12,347,183

*Trust and Agency Funds are combined with the General Fund for 2022 per change in governmental accounting standards.

FINANCES OF ORANGE VILLAGE



Sources of Municipal Income Taxes
Total Received in 2022 = \$7,038,369

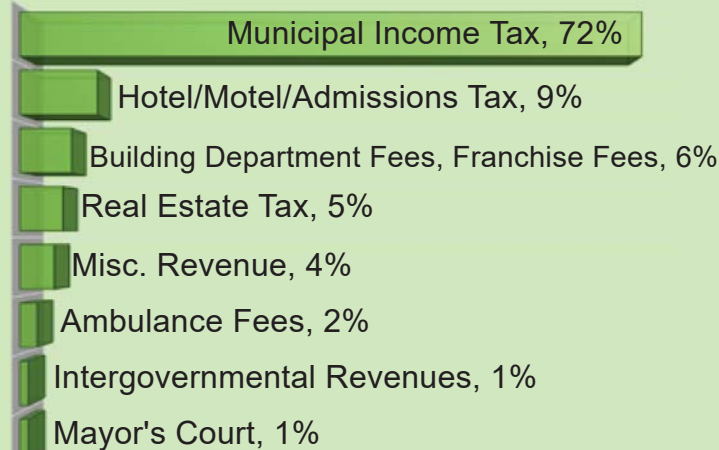
51% - Wage Withholding
(from people who work in Orange Village)

43% - Residential Income Tax Filings

6% - Business Net Profits

2022 TOTAL GENERAL FUND REVENUES

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 a major portion of their funding. Orange Village collects a 2.0% income tax on earned income within the Village which is applied to gross salaries, personal services, compensation and net income of for-profit organizations that conduct business in Orange Village. Orange Village residents are required to pay income taxes on income they earn outside the Village, but are given a 60% credit (up to a limit of 1.5%) for income taxes paid to the municipality(s) in which they work. These rates have not changed since 1983.

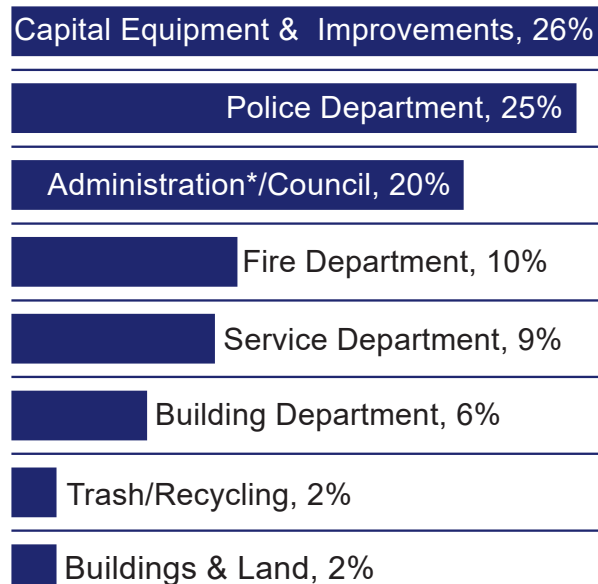


2022 TOTAL GENERAL FUND EXPENDITURES

GENERAL FUND EXPENDITURES BY CATEGORY

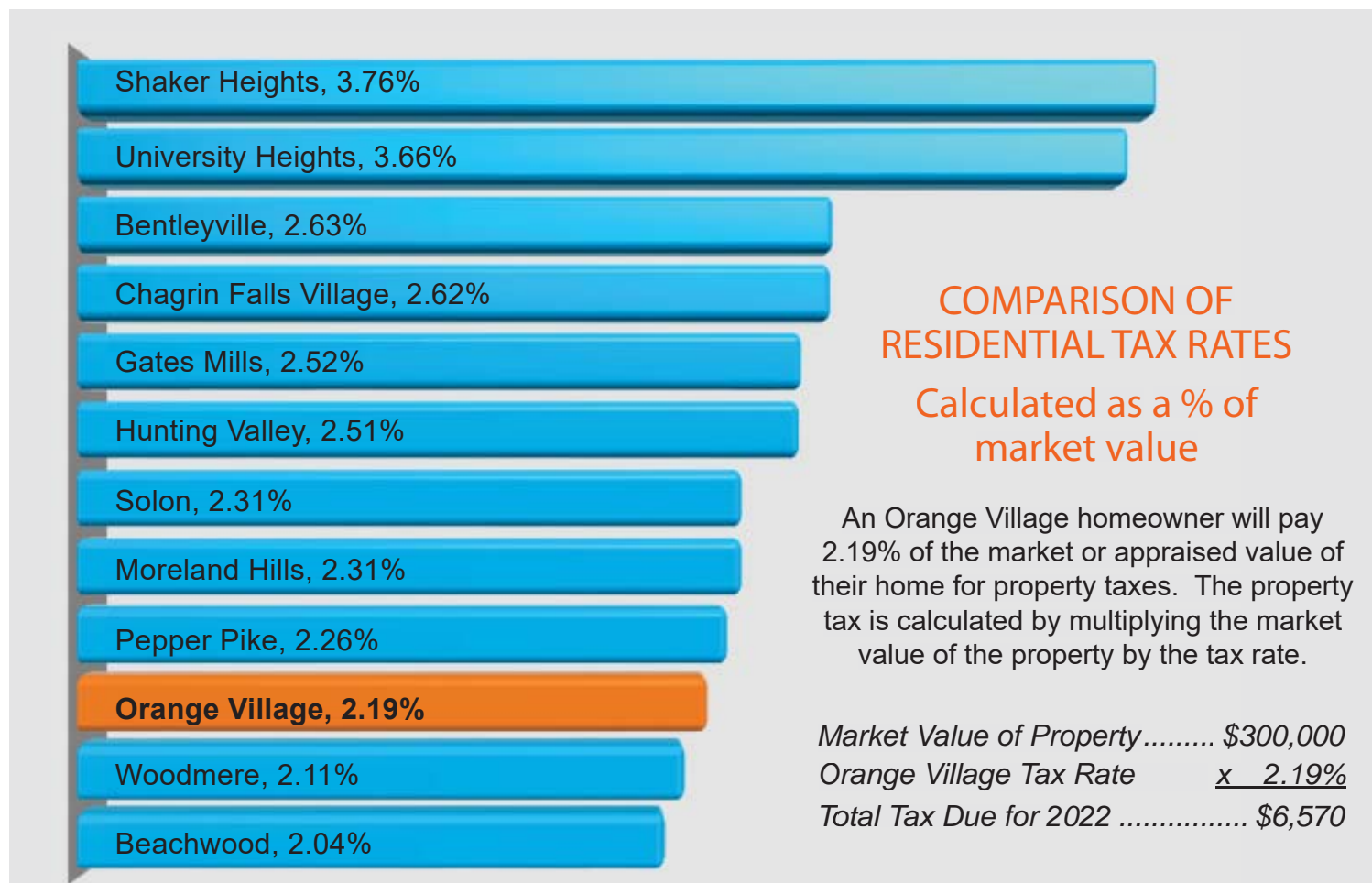


GENERAL FUND EXPENDITURES BY DEPARTMENT



*Administration includes: Treasurer's Office, Mayor's Office, Engineer, I. T., Law Department, Audit and Tax Collection Expenses and Property Insurance

FINANCES OF ORANGE VILLAGE



Distribution of Your Real Estate Taxes

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 rely mostly on property tax revenues. However, property taxes are still a vital component of Orange Village's funding sources.

Property tax in Orange Village is based on the county-assessed value of all parcels of land within each taxing district. The assessment of value is administered by the Cuyahoga County Fiscal Office. The County Fiscal Officer 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 reappraise the value of each piece of land based on any building additions or major improvements. The last reappraisal of property values occurred in 2021, which will impact the 2022 values.

DISTRIBUTION OF YOUR REAL ESTATE TAX DOLLARS PAID IN 2022

Real estate tax collected by Orange Village and placed into the General Fund in 2022
\$567,910

