



VILLAGE OF ORLAND PARK

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2019

Message to Our Readers

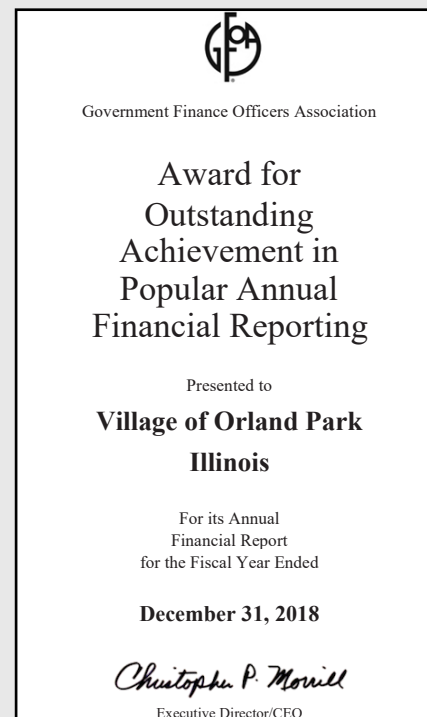
Herein is the Village of Orland Park's Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2019. The purpose of the PAFR is to provide the community with a simplified presentation of the Village's financial activities and position, in a transparent and easily understood format.

This report presents summarized financial information from the Village's Comprehensive Annual Financial Report (CAFR), which is available on the Village's website at www.orlandpark.org/government/transparency-and-accountability/annual-financial-reports. The CAFR is a more complete, independently audited financial presentation prepared in accordance with generally accepted accounting principles (GAAP). The Village received an unmodified opinion on its CAFR, meaning that the financial statements fairly present the financial position and operations of the Village.

The Popular Annual Financial Report is not required to present the same level of detail as the CAFR, therefore, may not fully conform to generally accepted accounting principles (GAAP). Financial data for the primary government is included in the PAFR, mainly focusing on the Village's governmental activities. While the Village has several component units whose financial activities are included in the CAFR, they are not part of the financial information presented within this document.

GFOA Award

The Village has applied for and received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the past 3 years.



The Village of Orland Park | **Village Organization**



ELECTED OFFICIALS

Keith Pekau
Mayor

John C. Mehalek
Village Clerk

TRUSTEES

James Dodge

Kathleen Fenton

William Healy

Michael Milani

Daniel Calandriello

Cynthia Katsenes

VILLAGE STAFF

Village Manager

Assistant Village Manager

Director of Development Services

Director of Engineering Programs & Services

Finance Director

Human Resources Director

Information Technology Director

Chief of Police

Public Works Director

Director of Recreations & Parks

George Koczwara

Greg Summers

Ed Lelo

Khurshid Hoda

Kevin Wachtel

Denise Maiolo

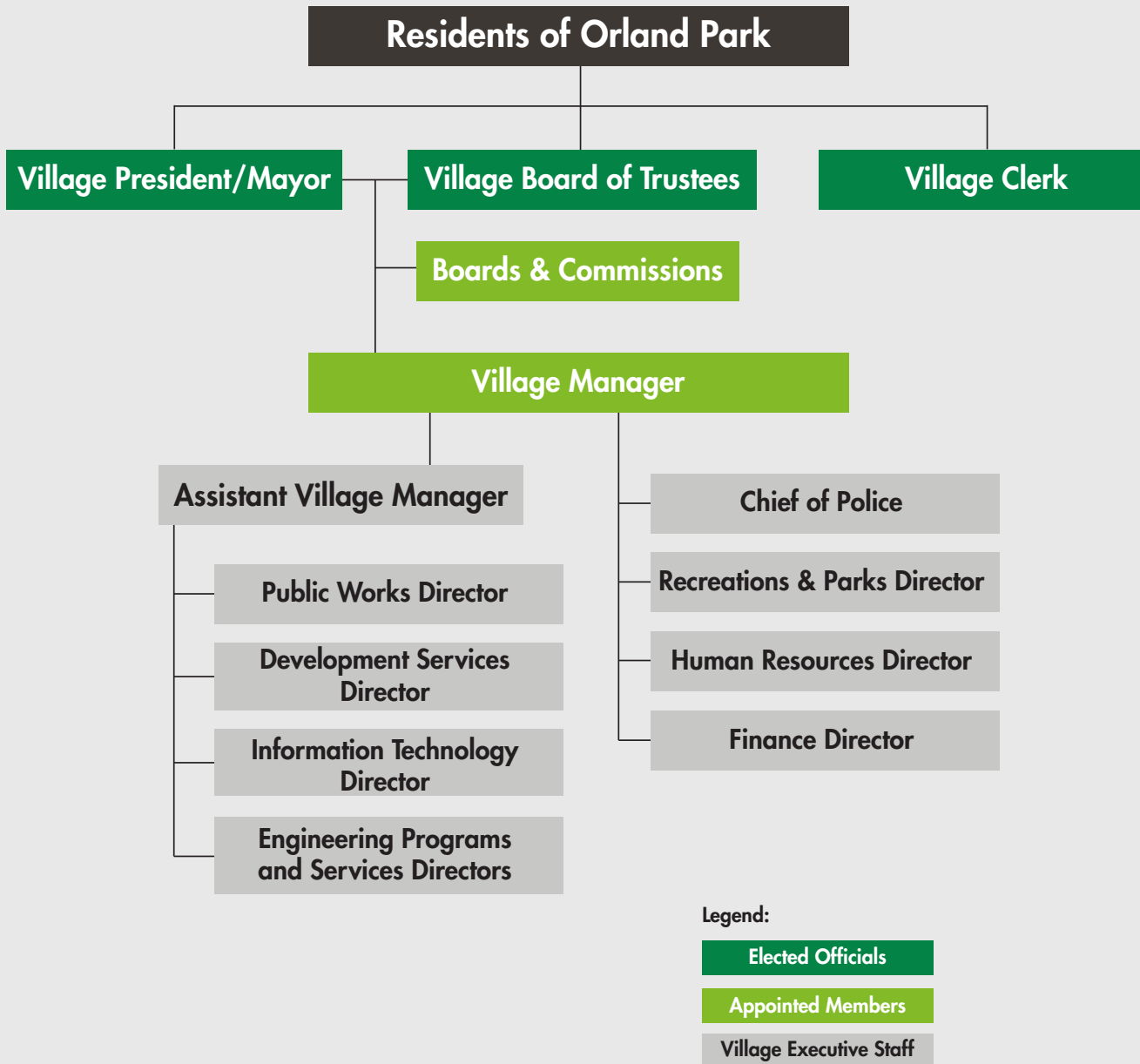
David Buwick

Joe Mitchell

Joel Van Essen

Ray Piattoni

The Village of Orland Park | Village Organization



Leadership | Message from the Financial Director



It is my pleasure to present the Popular Annual Financial Report (PAFR) to the Orland Park community. This financial report highlights important financial information for the Village of Orland Park, and provides a high level overview of the Village's financial condition. This PAFR is made available in a format that allows all stakeholders an understanding of the Village finances, which is a hallmark of transparency and accountability.

The Village of Orland Park offers a wide variety of services to the community, including Police, Recreation & Parks, Public Works, and Development Services. We have many parks, trails, and recreational opportunities throughout the community, and offer several events throughout the year. In addition, Orland Park serves as a premiere retail hub, the tenth highest sales tax generating community in Illinois. The Village provides critical infrastructure, such as road and sidewalks, water and sewer service, and storm water management.

Providing and maintaining these programs and infrastructure requires investment of tax dollars and user fees, which must be accounted for and reported. You can find our complete Comprehensive Annual Financial Report (CAFR) on the Village's website (www.orlandpark.org), and includes more detailed financial statements, footnotes, supplemental information, and statistics.

Please contact me at kwachtel@orlandpark.org if you have any questions or to learn more.

Sincerely, Kevin Wachtel | **Finance Director**





ABOUT THE VILLAGE

Located 25 miles southwest of downtown Chicago, the Village has grown into an upscale suburban community of approximately 58,000 residents, with full build-out population expected to peak at approximately 75,000.

The Village utilizes the council-manager form of government and is directed by a board of six trustees and a Village president. The council-manager form of government has been adopted by many local communities with a population of more than 25,000 and governs more than 3,000 cities and municipalities in the United States.

The Board of Trustees constitutes the primary policy making body of the Village. The Board determines Village policy, approves the annual budget, levies taxes, authorizes the payment of bills, approves bids and contracts involving Village business, and adopts Village ordinances.

Since 1984, when home rule status was obtained, a Village Manager has been appointed as the Chief Administrative Officer of the Village. The Village Manager is directly responsible to the Board of Trustees for the proper administration of all day-to-day affairs of the Village. He is vested with the enforcement of all Village laws and ordinances, and has the authority to appoint and direct all employees.

The Village encourages communication with its residents. A wide range of information is available online, at www.orlandpark.org, such as meeting dates and times, community events, and more. The Village also utilizes various social media platforms to communicate with its residents.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING AND DISTINGUISHED BUDGET PRESENTATION AWARDS

The Village of Orland Park once again received the Certificate for Excellence in Financial Reporting for its fiscal year 2018 Comprehensive Annual Financial Report (CAFR). This award is granted in recognition of transparency and full disclosure that goes beyond the minimum requirements of generally accepted accounting principles. The Village has received this award for 32 consecutive years. We have submitted our 2019 CAFR for consideration of this prestigious award, and we are confident it continues to meet the program's high standards.

Also since fiscal year 2006, the Finance Department has been awarded the GFOA Distinguished Budget Presentation Award. To qualify for this award, the Village's budget document is judged to be outstanding as a financial policy document, operations guide and communications device.

ILLINOIS TRAFFIC SAFETY CHALLENGE CHAMPIONS CLASS AWARD

The Orland Park Police Department received first place honors in the Illinois Association of Chiefs of Police Traffic Safety Challenge Champions Class. Departments only compete in the Champions Class after previously winning a Traffic Safety Challenge. The winning presentation detailed efforts to promote safety belt use, correctly installing child safety seats, speed enforcement, impaired driving enforcement and distracted driving.

2019 STARGUARD ELITE AWARD

The Village of Orland Park received the 2019 StarGuard award in recognition of the Centennial Park Aquatic Center's (CPAC) efforts as above the industry standard, reflecting a proactive approach to aquatic risk prevention. CPAC also earned a five-star safety rating, the highest rating possible.

ORLAND PARK AND TRINITY SERVICES AWARDED A USDOJ GRANT FOR MENTAL HEALTH

The three year grant will allow the Orland Park Police Department, in partnership with Trinity Services, to develop and implement a regional cross-system collaboration program that will enhance the outcomes for persons with mental illness or co-occurring mental illness and substance abuse who come in contact with law enforcement. This awarded project will specifically target recidivism, the use of a diversionary program in lieu of an arrest and train approximately 300 law enforcement officers in mental health first aid and drug abuse awareness.

QUICK FACTS

| | |
|-----------------------------|-----------|
| POPULATION (ACS) | 58,393 |
| MEDIAN AGE | 43 |
| MEDIAN HOUSEHOLD INCOME | \$91,523 |
| PER CAPITA INCOME | \$43,923 |
| MEDIAN HOME VALUE | \$283,500 |
| HOMEOWNERSHIP RATE | 88.2% |
| UNEMPLOYMENT RATE | 10.9% |
| BACHELOR'S DEGREE OR HIGHER | 44.7% |



PUBLIC SAFETY

The Orland Park Police Department is committed to responding to the needs of and establishing a working relationship with the Orland Park community. Events such as National Night Out Against Crime, Cook Out with the Cops, Citizens Police Academy and Coffee With the Cops work to strengthen community relationships.

Orland Park had the lowest number of index crimes (murder, sex assault, robbery, aggravated assault and battery, burglary, theft, motor vehicle theft, arson and human trafficking) since 1994. In addition, according to the FBI 2019 annual statistics for Crime in the United States, Orland Park had the second lowest number of violent crimes (26) of any community over 50,000 in Illinois.

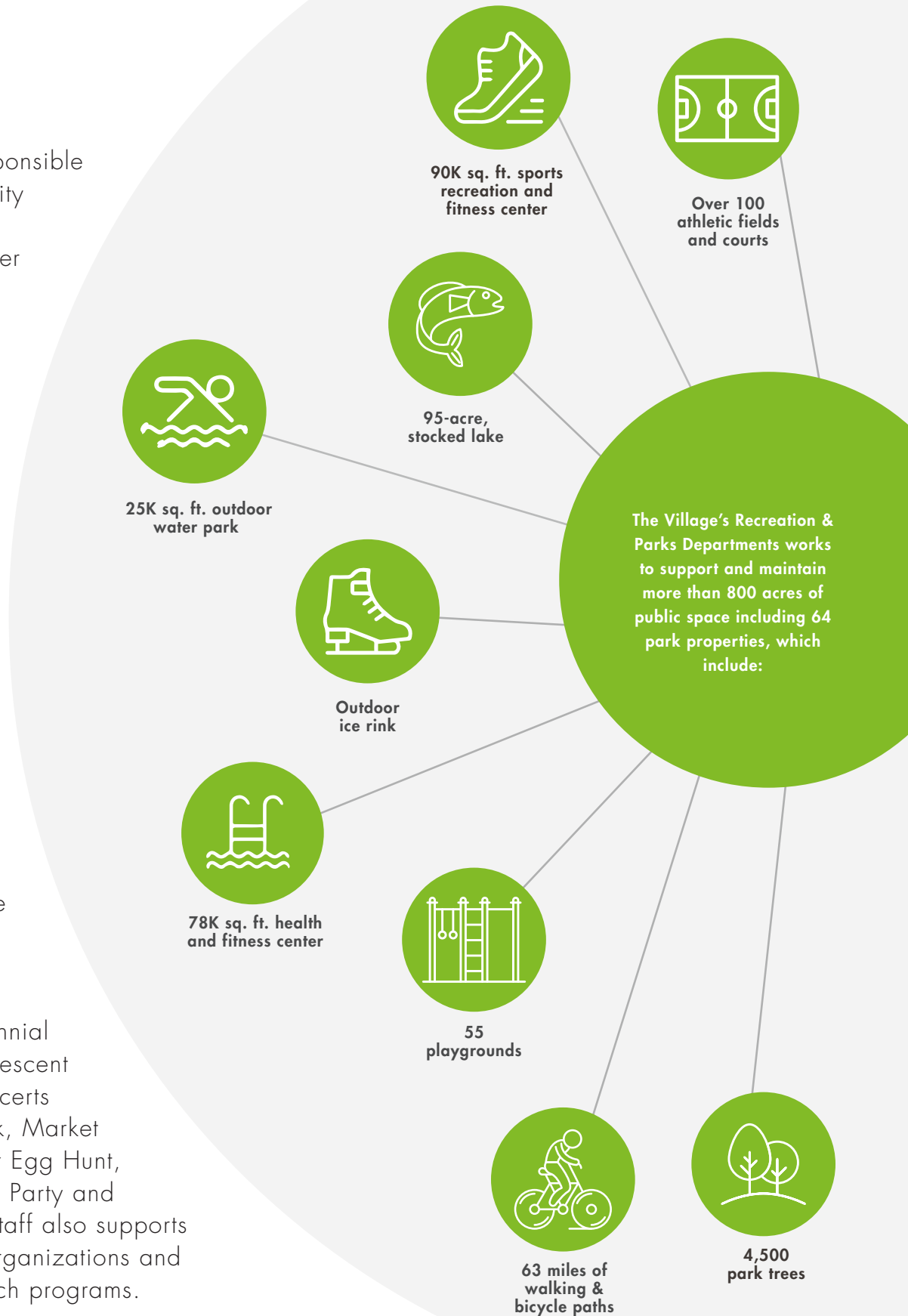
PUBLIC WORKS

Repair and replacement of aging infrastructure continued to be a Village priority in 2019. The Village street maintenance program spent \$3.8 million to replace, repair and maintain aging streets, curbs, gutters and sidewalks. In addition, the Village continues to prioritize the maintenance of the aging water main system. In 2019, over \$3.3 million was spent on replacement and rehabilitation of existing water main throughout the Village. The Village and other Southwest municipalities formed a partnership to bring a redundant water source from Lake Michigan, via the Village of Oak Lawn, into our current pumping station and reservoir as a backup line. In 2019, the Village implemented a Computerized Maintenance Management System in Public Works to track work tickets.

RECREATION & PARKS

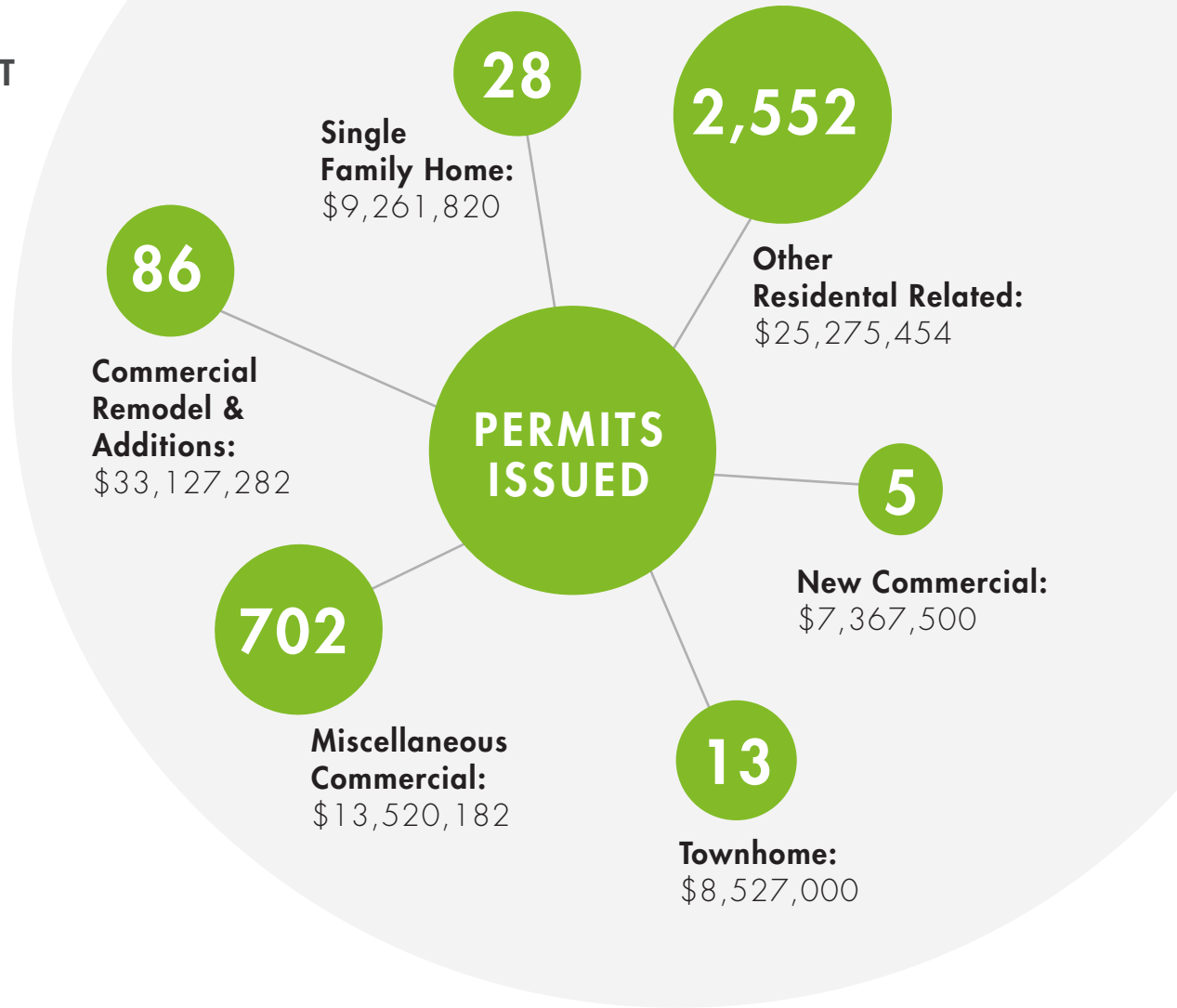
The Village is responsible for the water quality and shoreline stabilization of over 175 Village pond locations as well as the landscape maintenance and aesthetics of over 100 median and other locations.

The Village holds many community events throughout the year, which are administered by the Recreation and Parks Department. These events include the Taste of Orland, Turkey Trot, free concerts at Centennial Park West and Crescent Park, ticketed concerts at Centennial Park, Market at the Park, Easter Egg Hunt, Brewfest, Pumpkin Party and Winter Festival. Staff also supports many non-profit organizations and community outreach programs.



COMMUNITY DEVELOPMENT

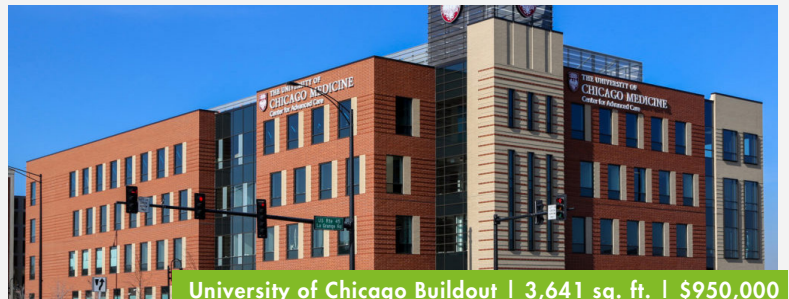
In 2019, the Village continued to experience growth in both residential and commercial development. The development services department issued:



LEGEND:

\$ = VALUATION

MAJOR DEVELOPMENT PROJECTS INCLUDED:



The Village of Orland Park | Orland Park By The Numbers

Government financial statements are designed to provide readers with a broad overview of the Village's finances, consistent with a private-sector business presentation. Government financial statements distinguish functions of the Village into government activities and business type activities. Government activities are principally supported by taxes and intergovernmental revenues. Business-type activities are intended to recover all or a significant portion of associated costs through user fees and charges, similar to private business.

The Village's governmental activities include administration and finance, public safety, development and engineering services, public works as well as recreation and parks. Business-type activities include the water and sewerage system and the commuter parking lots.

Government financial statements are provided by fund. 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. All of Village funds can be divided into three categories: governmental funds, proprietary funds (business type activities as listed above) and fiduciary funds (such as trust funds).

A budgetary system is maintained for all funds and serves as the foundation of the Village's financial planning and control. The budget for fiscal year 2019 was developed using a "target budget" process. Target budgeting adheres to the premise that the Village provides certain basic services and attempts to "target funds" for these basic service levels. Beyond these basic service levels, additional services are considered discretionary and are evaluated, prioritized, and matched against available revenues. Patterns of service can therefore be modified to meet the changing needs of the Village without disrupting basic services.



The Village of Orland Park | 2019 Balance Sheet

The Balance Sheet presents information on what the Village owns (assets) and owes (liabilities) as of a specific moment in time. The difference between total assets and liabilities are reported as the net position, which represents the Village's investment in the assets it uses to provide services to the community. Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving, deteriorating or remaining constant.

GOVERNMENTAL ACTIVITIES BALANCE SHEET

| | 2019 | 2018 | Change |
|-------------------------|---------------------|---------------------|--------------------|
| Assets | \$131,321,863 | \$126,006,186 | \$5,315,677 |
| Liabilities | \$68,205,121 | \$65,743,848 | \$2,461,273 |
| Net Fund Balance | \$63,116,742 | \$60,262,338 | \$2,854,404 |

The Village's net position for Government Activities as of December 31, 2019 increased 4.74% to \$63,116,742 over the net position as of December 31, 2018.

BUSINESS ACTIVITIES BALANCE SHEET

| | 2019 | 2018 | Change |
|-------------------------|----------------------|----------------------|------------------|
| Assets | \$175,415,735 | \$174,685,879 | \$729,856 |
| Liabilities | \$12,792,262 | \$12,343,306 | \$448,956 |
| Net Fund Balance | \$162,623,473 | \$162,342,573 | \$280,900 |

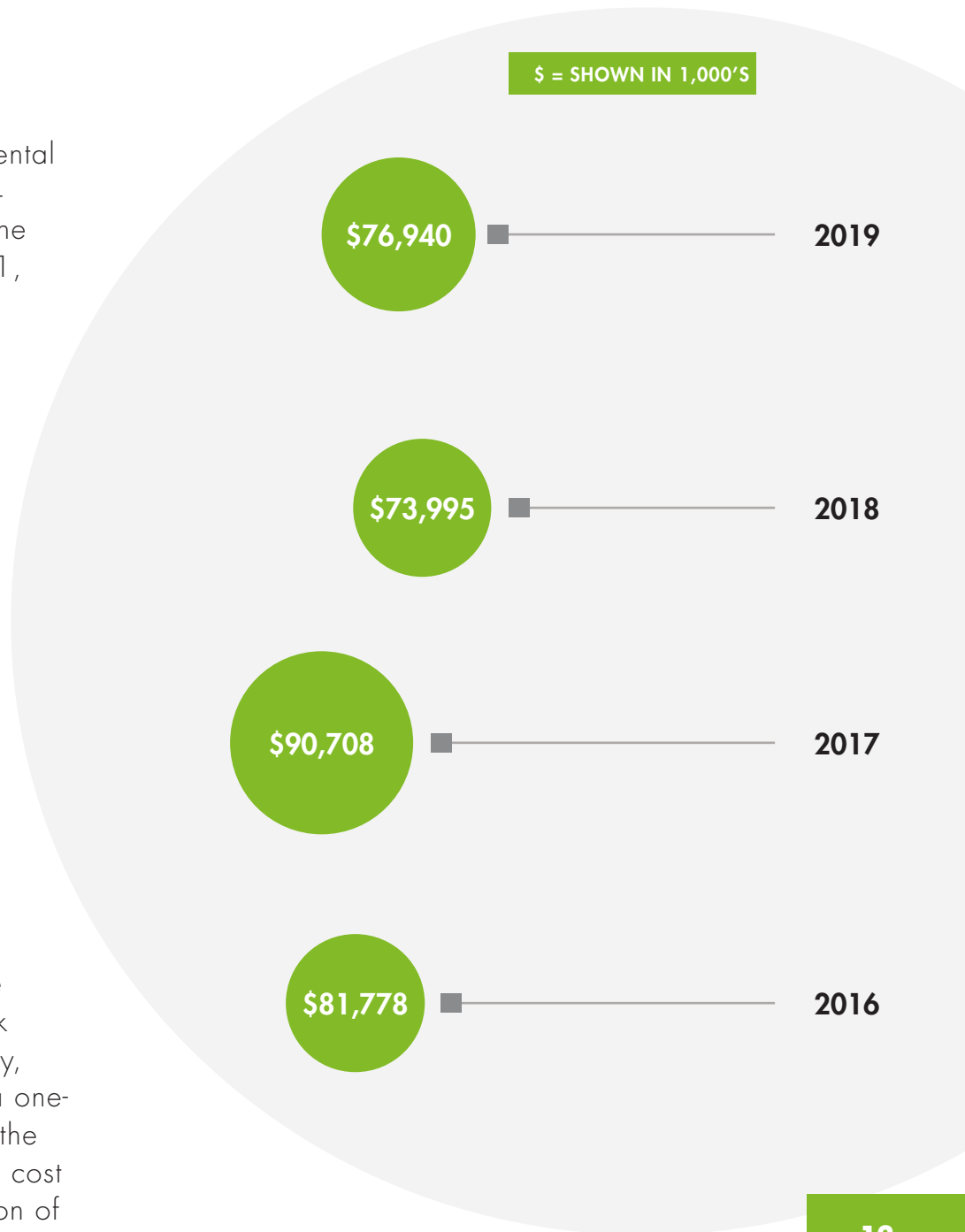
The Village's net position for Business Activities as of December 31, 2019 increased 1.87% to \$165,384,369 over the net position as of December 31, 2018.

GOVERNMENTAL FUNDS

Government revenue is money received from taxes and non-tax sources to enable it to undertake government expenditures (amounts spent). The primary revenues of the Village of Orland Park included taxes, licenses and permits, intergovernmental revenue, charges for services, investment income and fines and forfeitures.

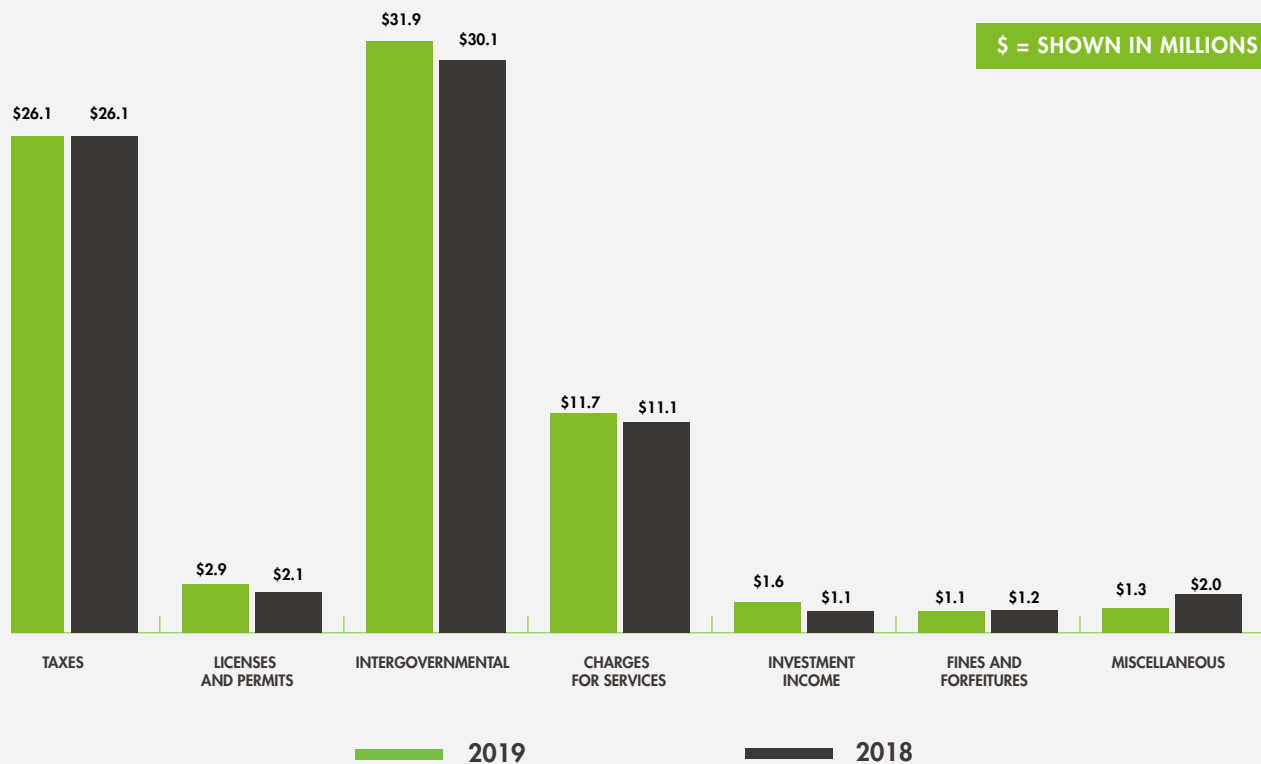
REVENUE TREND

The increase in governmental revenues of \$2,944,294 or 4% when comparing the year ended December 31, 2019 to December 31, 2018 is primarily due to the bi-annual vehicle sticker sale held in 2019, not in 2018 and an increase in Intergovernmental Revenues due the reclassification of certain revenues into this category. Higher revenues in 2017 were due to a one-time payment received in 2017 from the liquidation of the Village's interest in a public-private partnership related to the Ninety 7 Fifty on the Park development. Additionally, 2016 revenues include a one-time reimbursement from the University of Chicago for cost incurred in the construction of the parking deck.



REVENUES BY SOURCE

Governmental activities are mostly supported by taxes, such as property and sales taxes, and intergovernmental revenues. Intergovernmental revenues continue to be the largest governmental revenue source for the Village comprising 41% of total governmental revenues. Intergovernmental revenues include state shared revenue for sales tax, income tax, motor fuel tax, use tax, and other taxes collected and distributed by the State of Illinois.



Taxes: includes home rule sales tax, property tax, hotel occupancy tax, cable franchise tax, video gaming tax and telecommunications tax.

Licenses and Permits: includes business, contractor, vehicle, and liquor licenses, and new and existing construction permits.

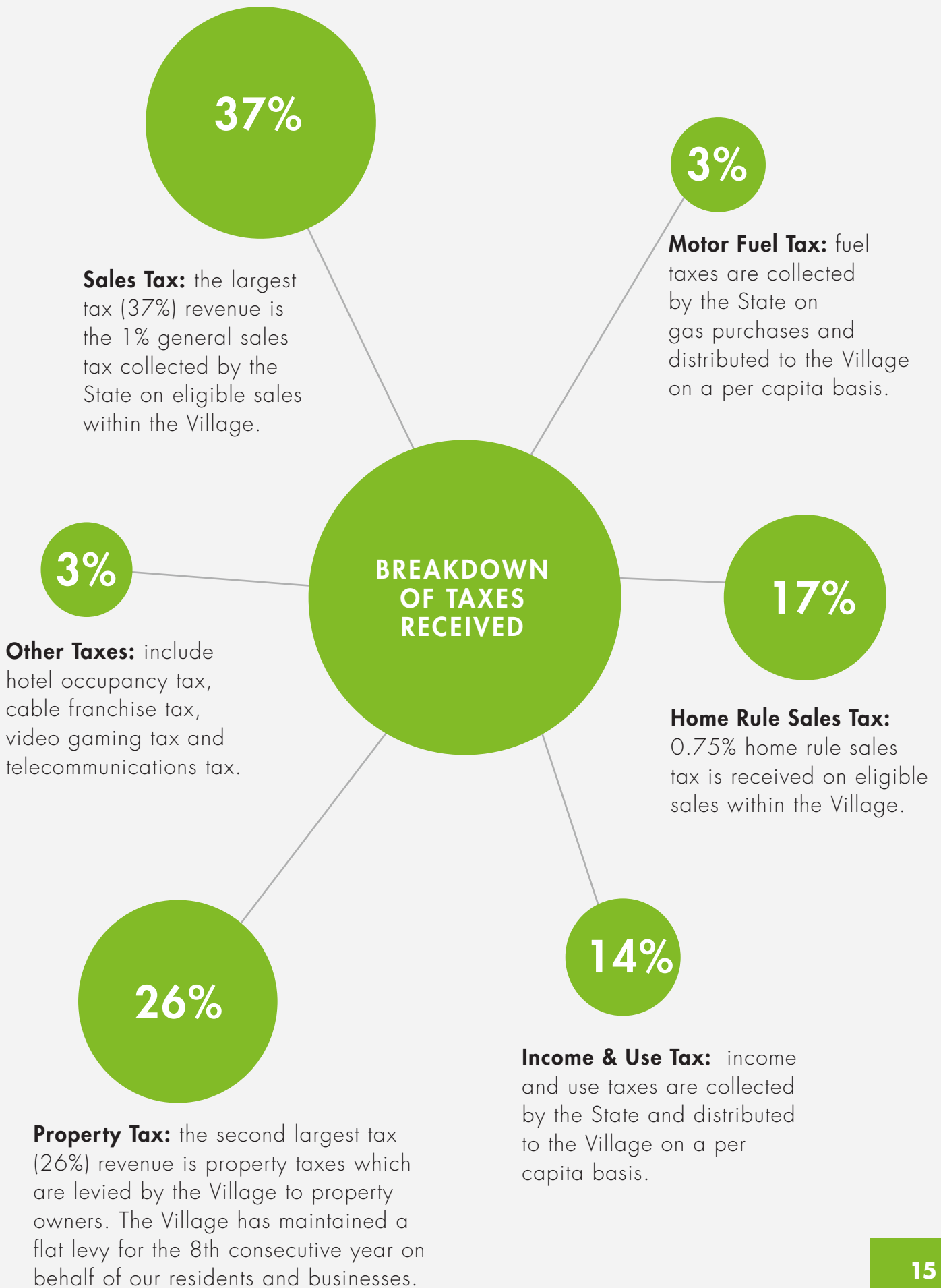
Intergovernmental: includes general sales tax, income and use taxes and motor fuel tax.

Charges for Services: includes fees for recreation programs and events, rental fees, and other miscellaneous service fees.

Investment Income: includes income earned through the investment of available cash that is pooled from various governmental funds, following the Village's investment policies.

Fines and Forfeitures: includes circuit court fines, and fines for municipal and ordinance violations.

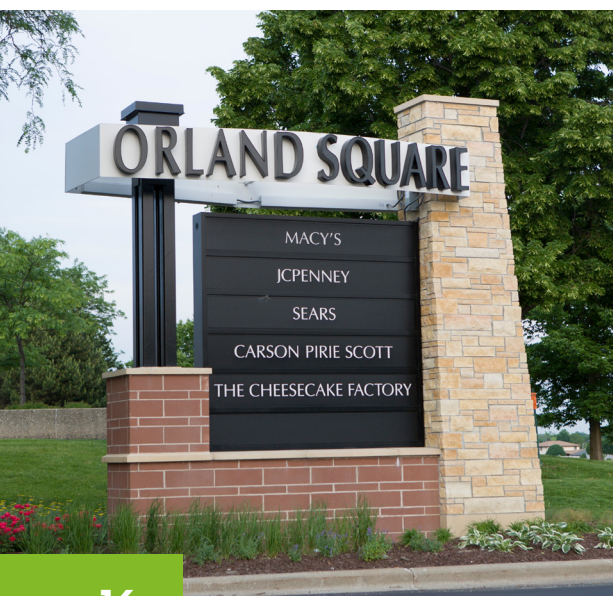
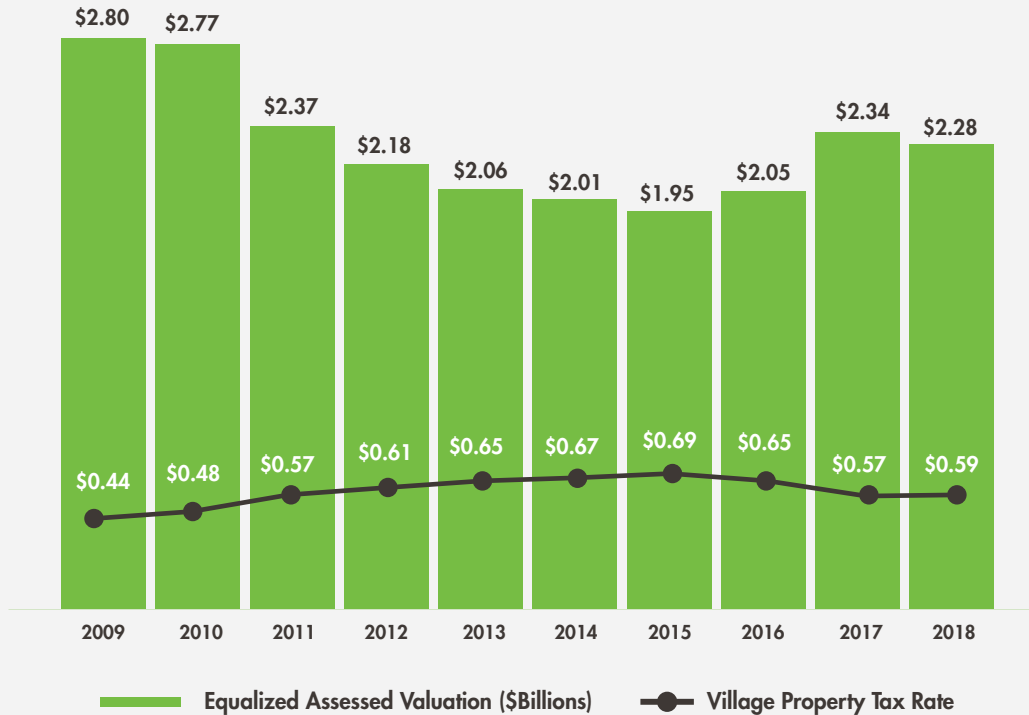
Miscellaneous: includes any revenues not accounted for in the categories above. This category tends to fluctuate as one-time revenue sources are received by the Village.



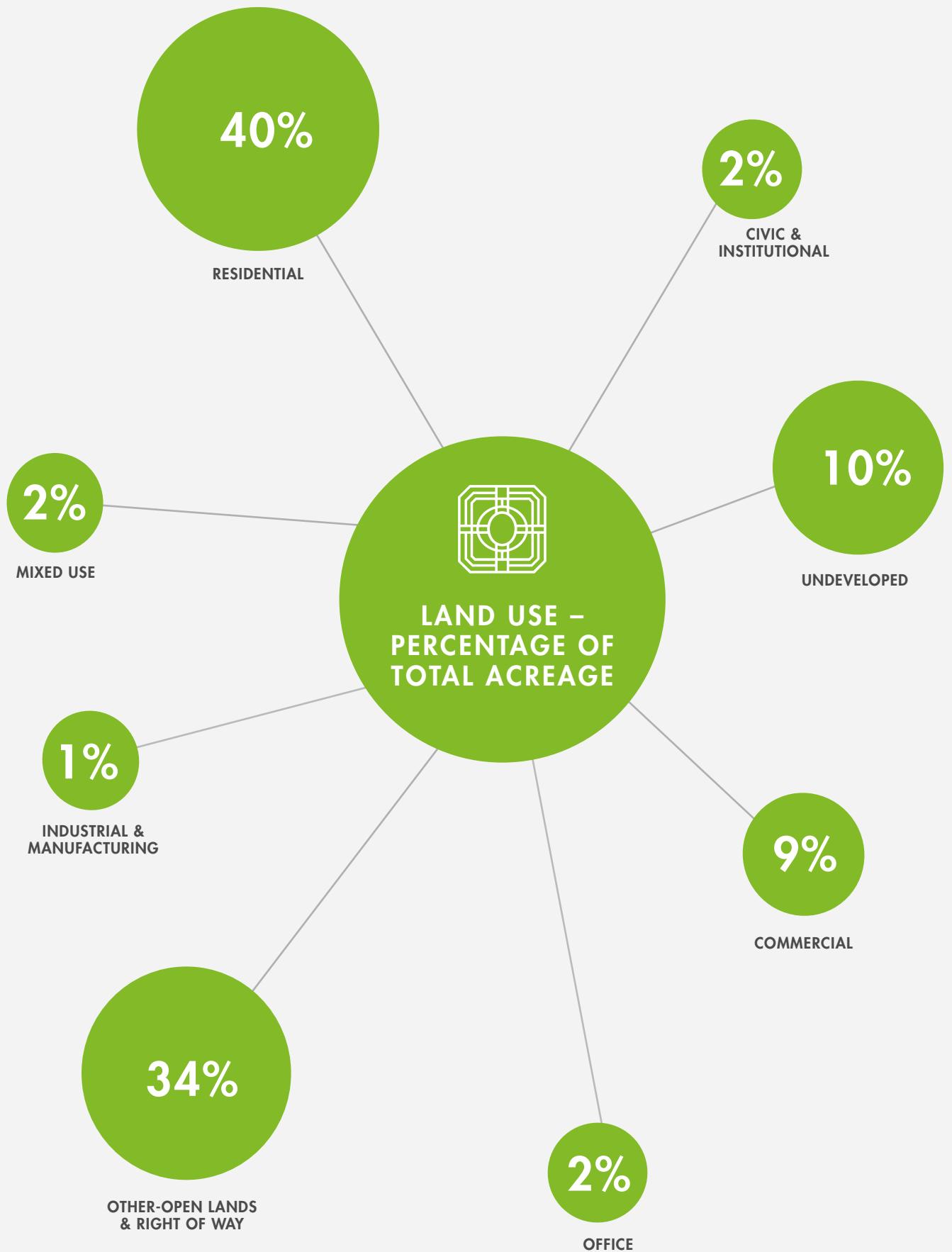
PROPERTY TAXES

The Village's property tax rate continues to remain stable as the Village Equalized Assessed Valuation (EAV) rebounds from prior year declines.

Since 2012, the Village's overall property tax levy amount has remained flat at \$13.425 million. The Village's efforts to continuously enhance development within the Village contain costs and minimize taxes collected from its residents, along with the recovery of property values, are reflected in the Village property tax rate.



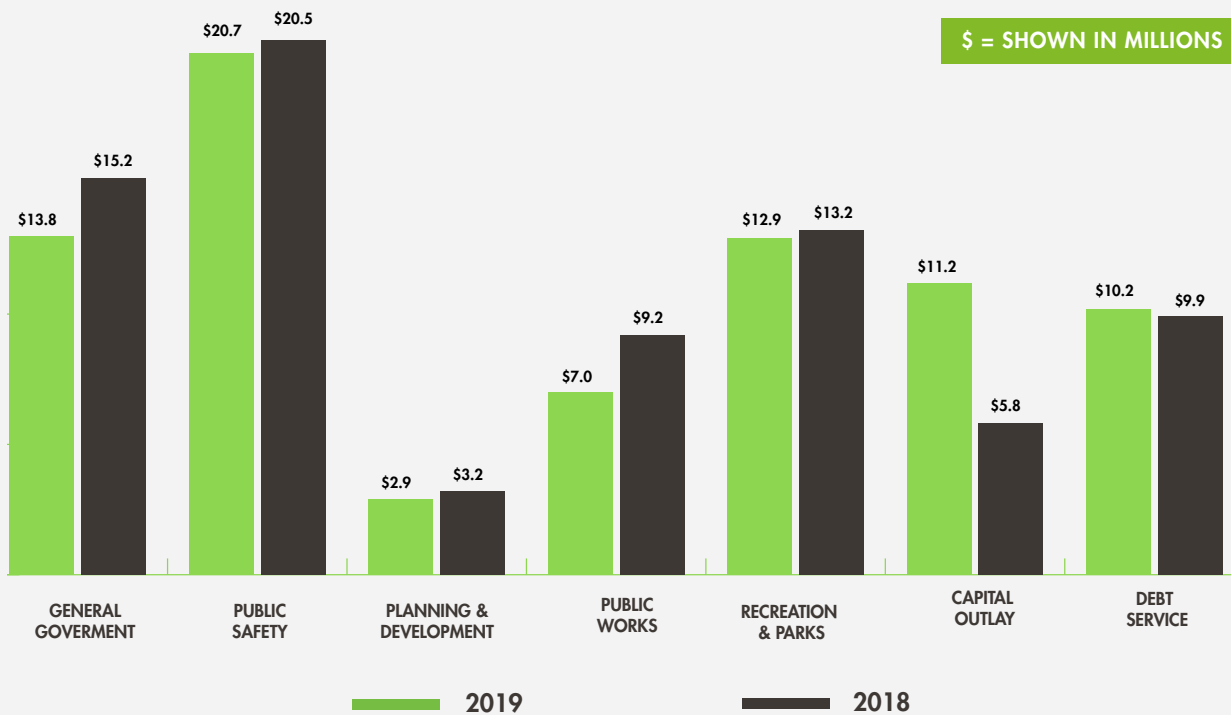
| Top 10 Real Estate Taxpayers | 2018 EAV |
|------------------------------|----------------------|
| Simon Property Group | \$82,046,590 |
| Metra Triangle LLC | \$13,035,831 |
| Edwards Realty Co. | \$10,741,995 |
| Residents of Orland Crossing | \$8,897,388 |
| J.C. Penny Co. Inc. | \$8,179,003 |
| LEXHC Sys Orland Park | \$7,733,056 |
| Von Maur Inc. | \$7,690,595 |
| Macy's | \$7,388,545 |
| Realty Income IL Prop 3 | \$6,816,629 |
| Park Point Plaza Association | \$6,790,192 |
| | \$159,319,824 |



The Village of Orland Park | Where the Money Goes

EXPENDITURES BY FUNCTION

Government expenditures are amounts spent on the acquisition of goods and provision of services for residents. The primary expenditures of the Village of Orland Park include those for public safety, the administration of the Village, culture and recreation, capital outlay and debt service. The Village's governmental activities' expenses are categorized into the following functions, which are typical to most municipal governments.



General Government:

includes the departments of administration, finance, building maintenance, officials and other general administration.

Public Safety: includes the police and emergency service disaster agency (ESDA) departments.

Planning and Development:

includes planning, code enforcement, transportation and engineering.

Public Works: includes streets, transportation and vehicle and equipment departments.

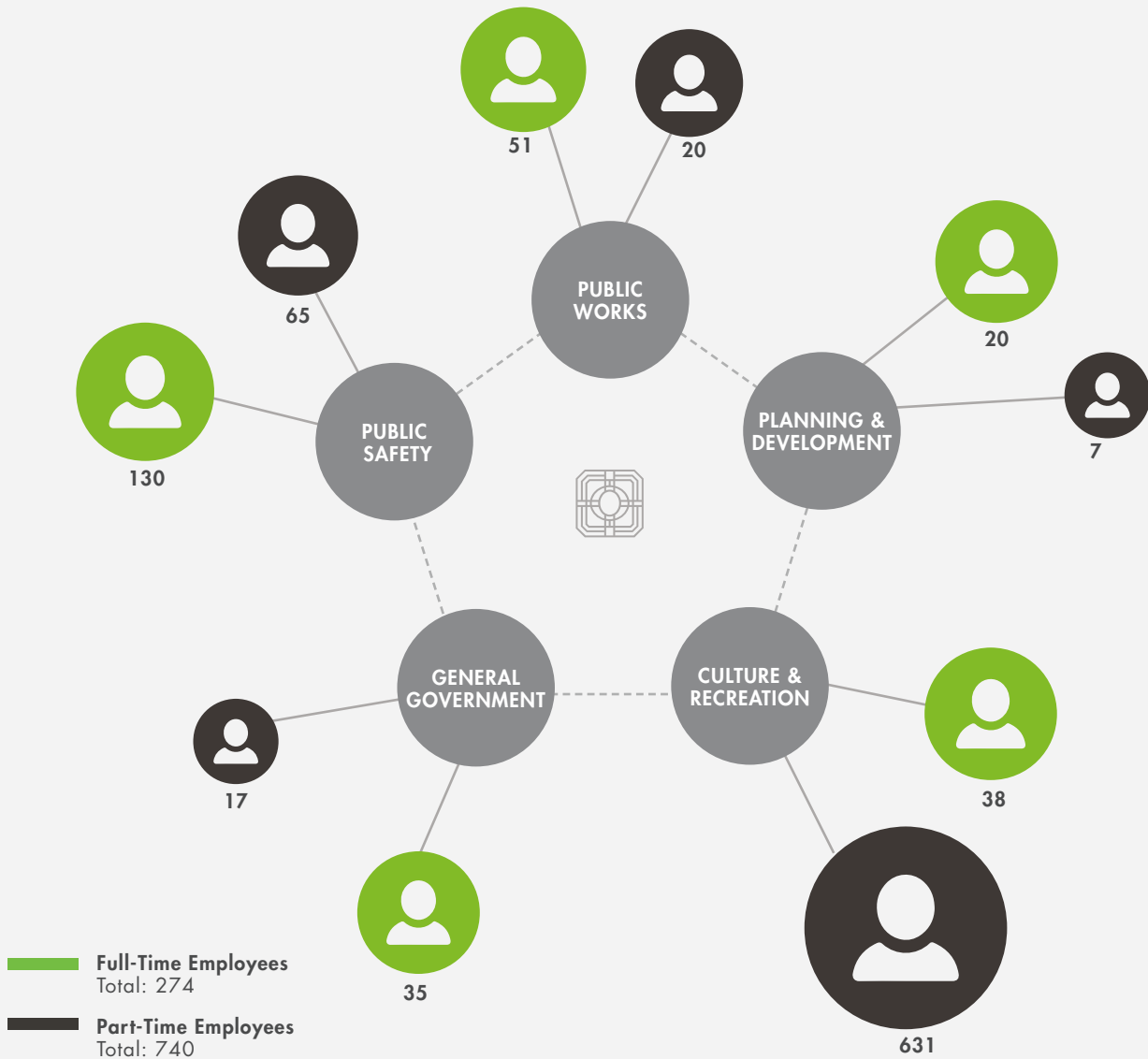
Recreation and Parks:

includes the Village's parks, recreational facilities, programs and general recreation administration.

Capital Outlay: includes capital expenditures related to Village infrastructure and equipment.

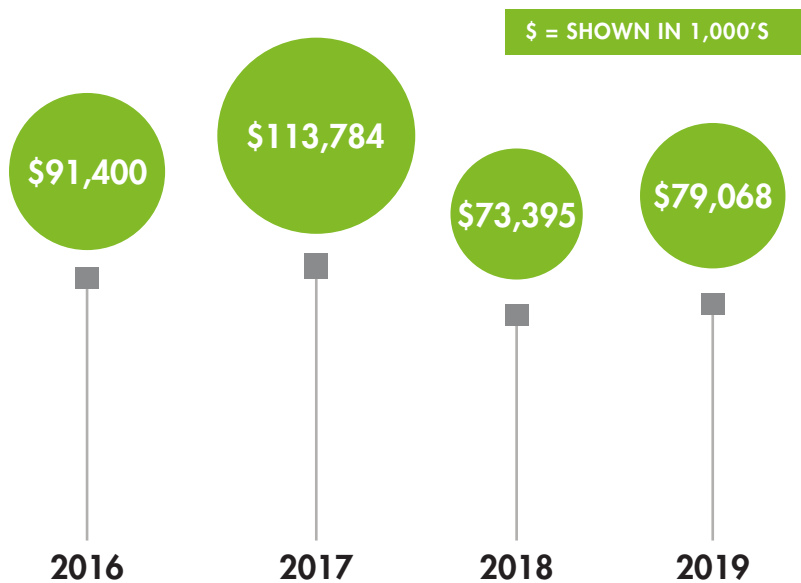
Debt Service: includes payments related to outstanding debt obligations.

2019 BUDGETED EMPLOYEES BY FUNCTION

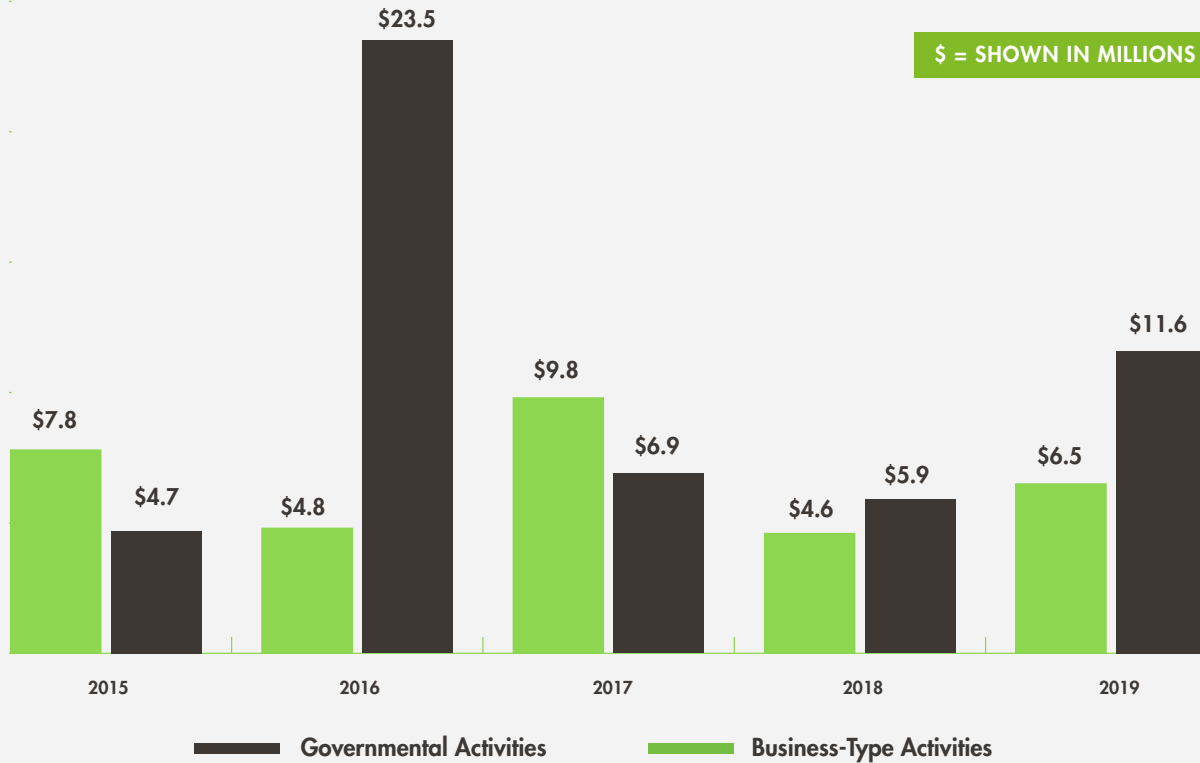


EXPENDITURES TREND

Expenditures in 2017 reflect significantly higher debt service costs than 2018 and 2019 due to the liquidation of the Village's interest in the Ninety 7 Fifty on the Park development as debt related to the development was paid off utilizing proceeds from the liquidation.



FIVE YEAR CAPITAL INVESTMENT



CAPITAL ASSETS BY CATEGORY

The Village continues to invest in its capital assets. Assets procured primarily with tax resources are classified as governmental, while capital assets associated with fee-based operations have a business-type classification.

| | Governmental Activities | Business-Type Activities | Village Total |
|----------------------------------|-------------------------|--------------------------|----------------|
| Land | \$154.5 | \$34.3 | \$188.8 |
| Buildings & Land Improvements | \$96.2 | \$10.1 | \$106.3 |
| Centennial Pool | \$11.5 | - | \$11.5 |
| Machinery, Vehicles, & Equipment | \$17.8 | \$4.0 | \$21.8 |
| Infrastructure | \$174.9 | \$208.9 | \$383.8 |
| Construction in Progress | \$4.2 | \$0.4 | \$4.5 |
| Less: Accumulated Depreciation | (\$178.3) | (\$93.0) | (\$271.3) |
| Total | \$280.8 | \$164.6 | \$445.4 |

Capital outlay in 2019 funded the construction and rehabilitation of multiple street, water main and storm water infrastructure projects throughout the Village. In the past 5 years, the Village has invested approximately \$83 million in capital improvements. Below are some of the highlights:



Orland Park Sportsplex | Field Turf Replacement



Village Hall | Complex & Parking Lot Improvements



John Humphrey Sports Complex | Renovation



147th Ave & Ravinia | Roundabout



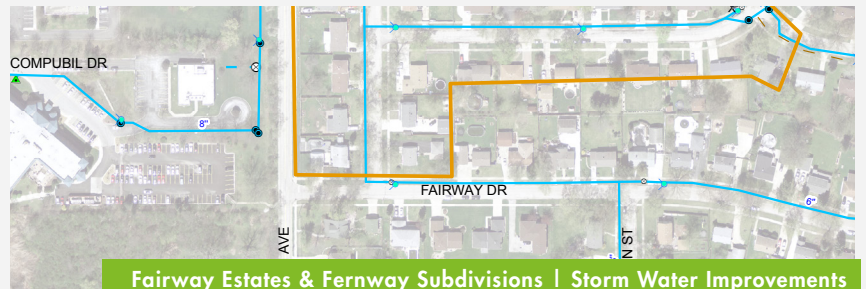
Crystal Tree | Water Main Lining Replacement



Orland Park Health & Fitness | Sidewalk Install



Ferway | Subdivision Renovation



Fairway Estates & Ferway Subdivisions | Storm Water Improvements



Centennial & Laurel Hills Parks | Pavilion Installation



Brentwood Park | Playground Renovation



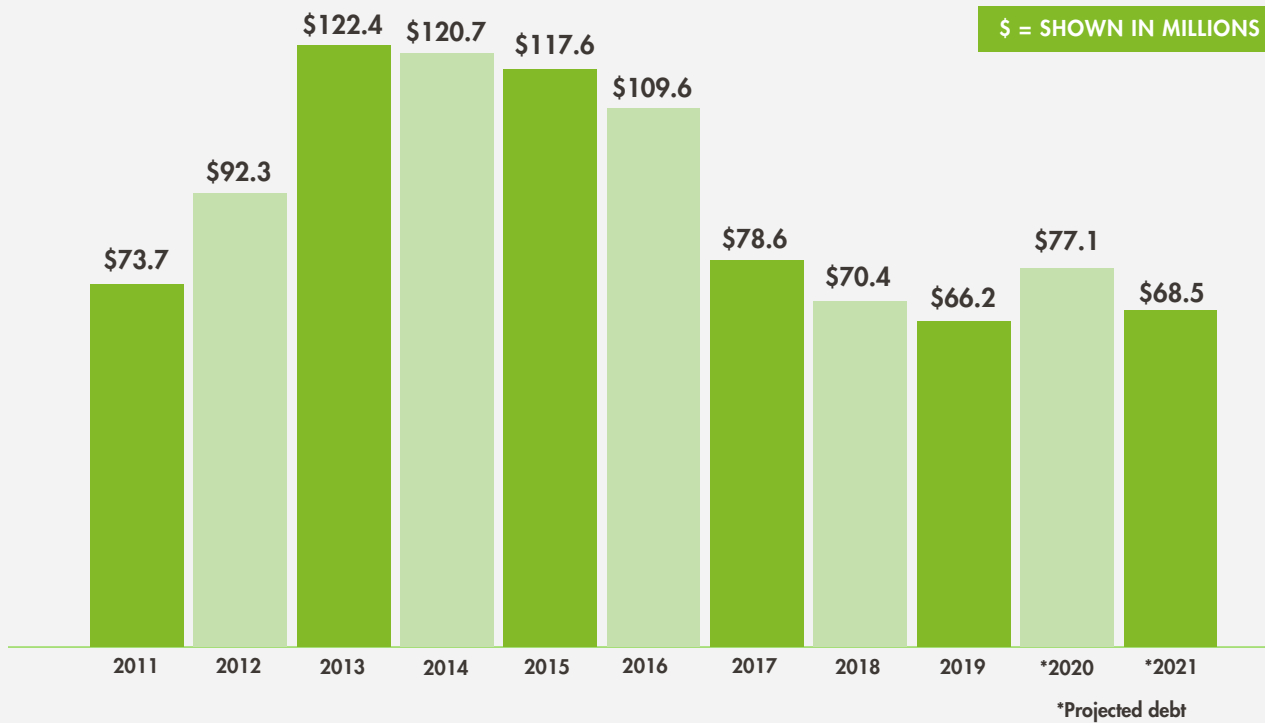
151st Street | Road Widening & Land Acquisition



CPAC | Pump Replacement, Grating Improvements and Stair/Slide Tower Surface Replacement

VILLAGE DEBT - PRINCIPAL OUTSTANDING

The Village's policy for issuance of long-term debt confines borrowing to significant capital improvements only if current revenue sources are not available. At the end of fiscal year 2019, the Village had total debt outstanding of \$66.2 million, a decrease of approximately \$4.3 million, or 6.1% less than fiscal year 2018.



2019 SIGNIFICANT DEBT ACTIVITY INCLUDED:

01

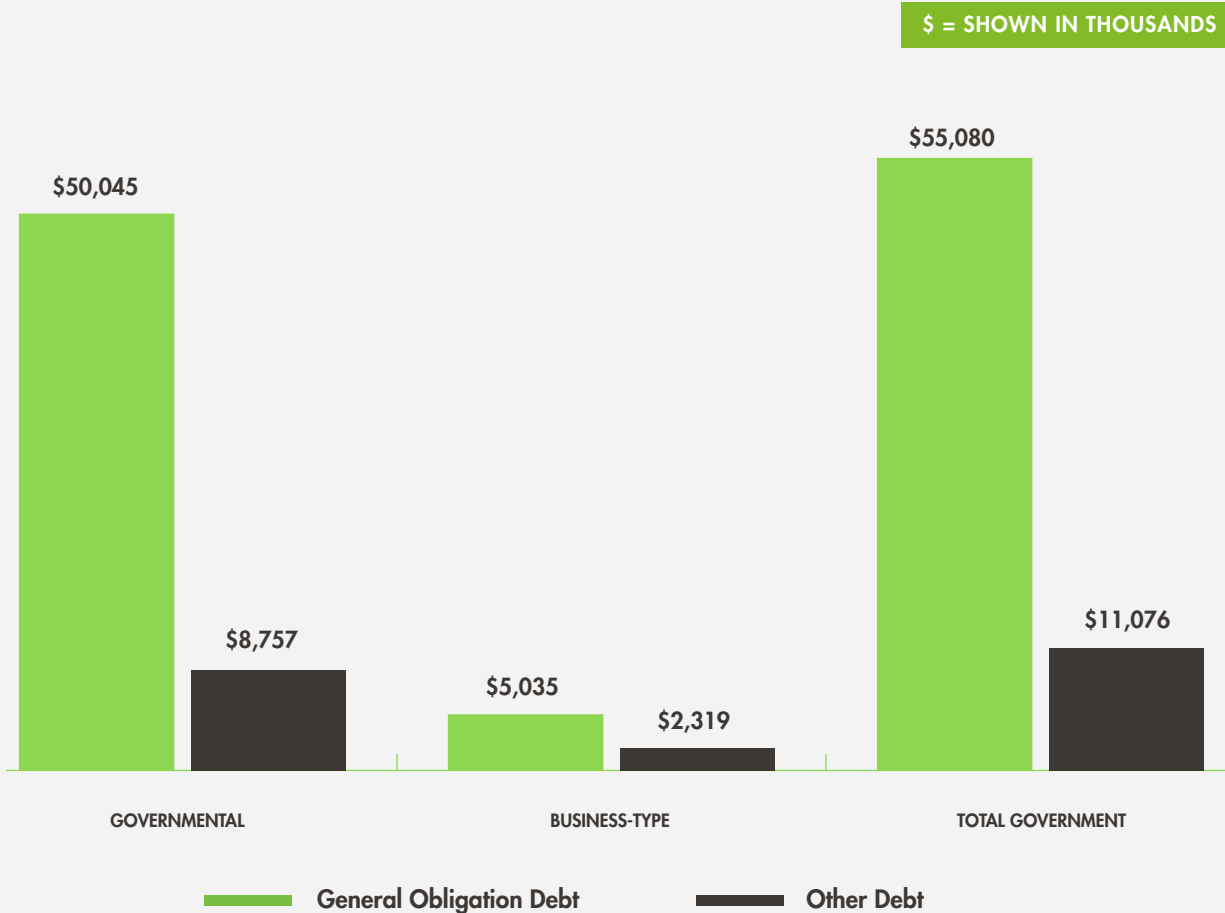
Converting a line of credit for road reconstruction projects amounting to \$1,855,800 to a five (5) year term loan with a fixed interest rate of 2.251%.

02

Issuance of \$1,895,000 in General Obligation (G.O.) Refunding Bonds, Series 2019 with interest rates of 1.59% - 1.70% reducing aggregate debt service payments by \$66,160 over the next three years.

LONG TERM DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. As a home rule municipality, there are no limits imposed by the State of Illinois on long-term borrowing. However, the Village's debt to EAV ratio, at 2.90%, is well below the 8.625% limit on non-home rule municipalities.



The Village of Orland Park continues to receive high ratings from the two major bond ratings agencies. In 2019, Standard and Poor's affirmed the Village's AA+ rating, noting that the rating reflects the Village's very strong economy, management and financial policies, budgetary flexibility, and liquidity. Moody's also reaffirmed its Aa1 rating for the Village, due to the Village's large and affluent tax base and healthy financial profile.

Please visit orlandpark.org to view the full Comprehensive Annual Financial Report.



ORLAND PARK

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ORLAND PARK

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DESIGN THEME BY:

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Communications &
Marketing Department
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November 10, 2020