

VILLAGE OF ORLAND PARK

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2020



Message to Our Readers

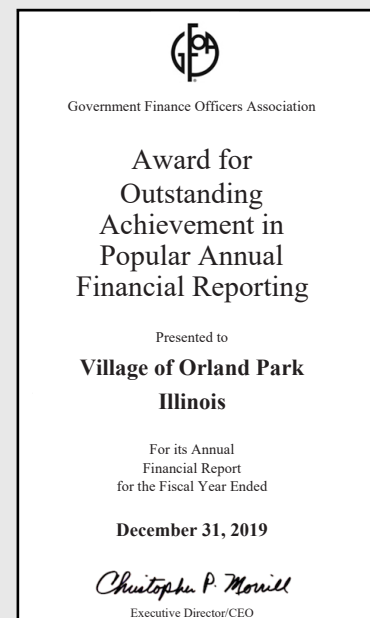
Presented here is the Village of Orland Park's Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2020. The purpose of the PAFR is to provide the community with a simplified presentation of the Village's financial activities and position, in a transparent and easily understood format.

This report presents summarized financial information from the Village's Comprehensive Annual Financial Report, which is available on the Village's website at orlandpark.org/financialreports. The Comprehensive Annual Financial Report is a more thorough, independently audited financial presentation prepared in accordance with generally accepted accounting principles (GAAP). The Village received an unmodified opinion on its Comprehensive Annual Financial Report, 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 Comprehensive Annual Financial Report. Financial data for the primary government is included in the PAFR, mainly focusing on the Village's governmental activities. The Village has component units (such as Historical Museum Foundation, E-911 fund, etc.) whose financial activities are included in the Comprehensive Annual Financial Report, but they are not part of the financial information presented here.

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 4 years. The award shown is for last year's report.



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



ELECTED OFFICIALS

Keith Pekau
Mayor

Patrick O'Sullivan
Village Clerk

TRUSTEES

William Healy

Sean Kampas

Cynthia Katsenes

Michael Milani

Joni Radarszewski

Brian Riordan

VILLAGE STAFF

Village Manager
Assistant Village Manager
Chief of Police
Director of Development Services
Director of Engineering Programs & Services
Finance Director
Human Resources Director
Information Technology Director
Public Works Director
Director of Recreations & Parks

George Koczwara
Greg Summers
Joe Mitchell
Ed Lelo
Khurshid Hoda
Kevin Wachtel
Denise Maiolo
David Buwick
Joel Van Essen
Ray Piattoni

The Village of Orland Park | Table of Contents

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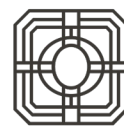
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ORLAND PARK



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 as 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 on the Village's website (www.orlandpark.org). The Comprehensive Annual Financial Report 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**



The Village of Orland Park | Village Organization



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.



GFOA TRIPLE CROWN FOR 2019 - CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING, POPULAR ANNUAL FINANCIAL REPORT AWARD, AND DISTINGUISHED BUDGET PRESENTATION AWARDS

The Village of Orland Park is one of only 24 governments in Illinois, and 231 governments in the United States and Canada, to achieve the GFOA's Triple Crown of Financial Reporting Awards.

The Certificate for Excellence in Financial Reporting was awarded to the Village for its fiscal year 2019 Comprehensive Annual Financial Report. 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 33 consecutive years. We have submitted our 2020 Comprehensive Annual Financial Report for consideration of this prestigious award, and we are confident it continues to meet the program's high standards.

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.

The Village has prepared this Popular Annual Financial Report for the past 5 years, receiving recognition for each of our prior reports, which focuses on providing financial information in a transparent manner that can be understood by non-accountants.

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

The three-year grant has allowed 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 has specifically targeted 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.

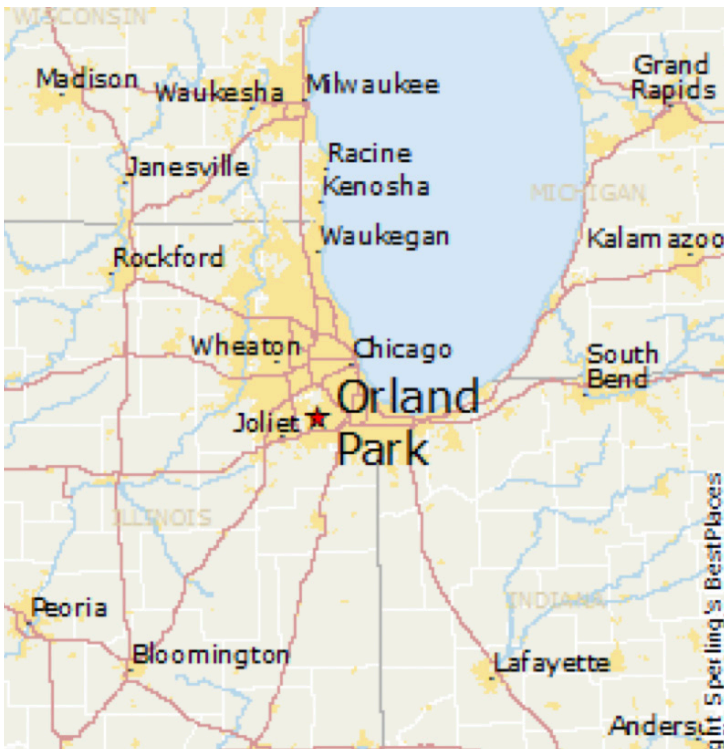
ILLINOIS TRAFFIC SAFETY CHALLENGE CHAMPIONS CLASS AWARD

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.

2020 STARGUARD ELITE AWARD

The Village of Orland Park received the 2020 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.

LOCATION



QUICK FACTS

POPULATION (ACS)	58,703
MEDIAN AGE	43
MEDIAN HOUSEHOLD INCOME	\$90,345
PER CAPITA INCOME	\$43,940
MEDIAN HOME VALUE	\$287,700
HOMEOWNERSHIP RATE	87.2%
UNEMPLOYMENT RATE	10.9%
BACHELOR'S DEGREE OR HIGHER	44.4%



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

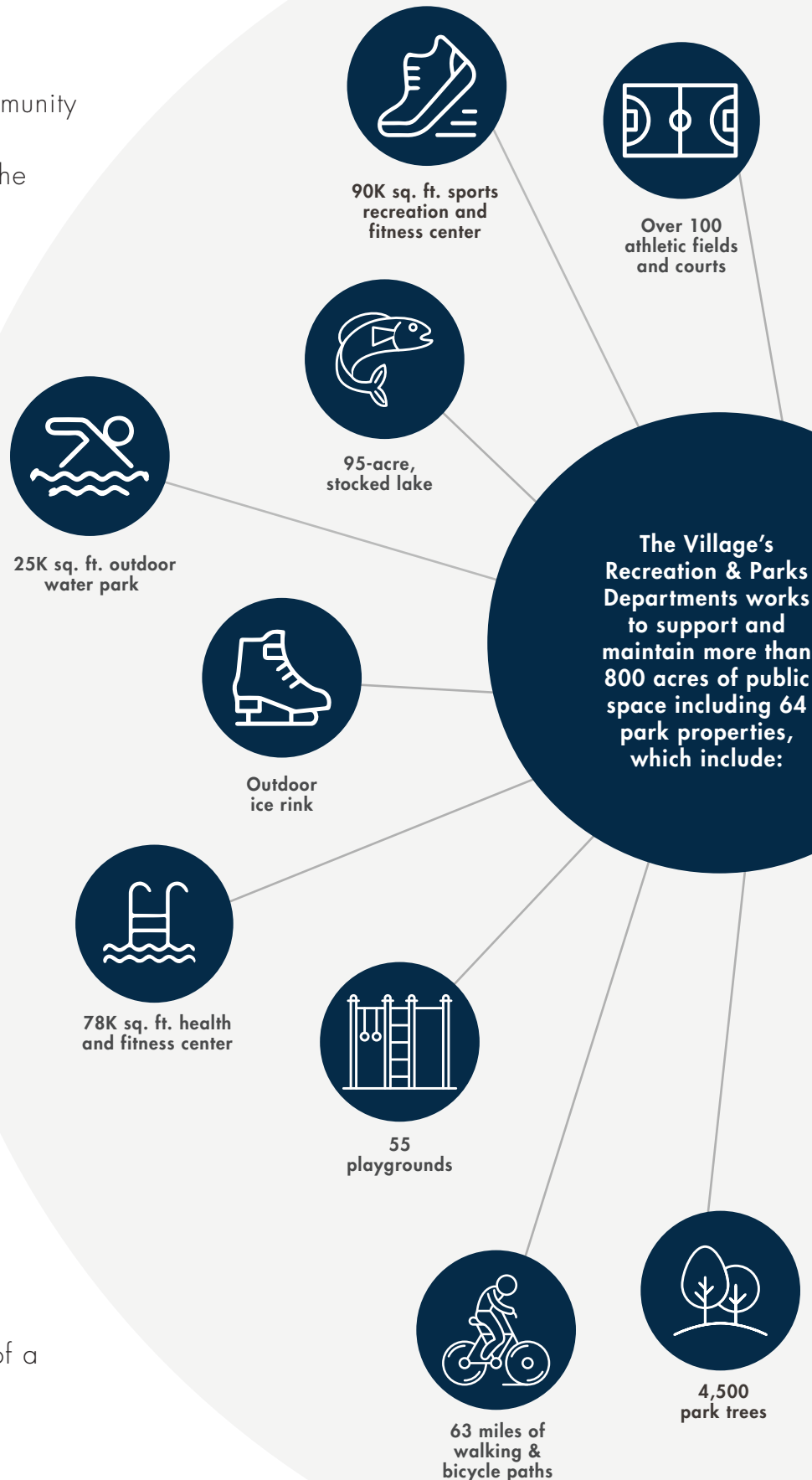
Repair and replacement of aging infrastructure continued to be a Village priority in 2020. The Village street maintenance program spent \$8.2 million to replace, repair and maintain aging streets, curbs, gutters and sidewalks. In addition, the village continues to prioritize the maintenance of the aging water main system. In 2020, over \$4.4 million was spent on replacement and rehabilitation of existing water main throughout the village.

RECREATION & PARKS

The Village holds many community events throughout the year, which are administered by the Recreation Department with logistical support provided by the Parks Division.

These events include the Taste of Orlando, Turkey Trot, free concerts at Centennial Park West and Crescent Park, a Ticketed Concert 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.

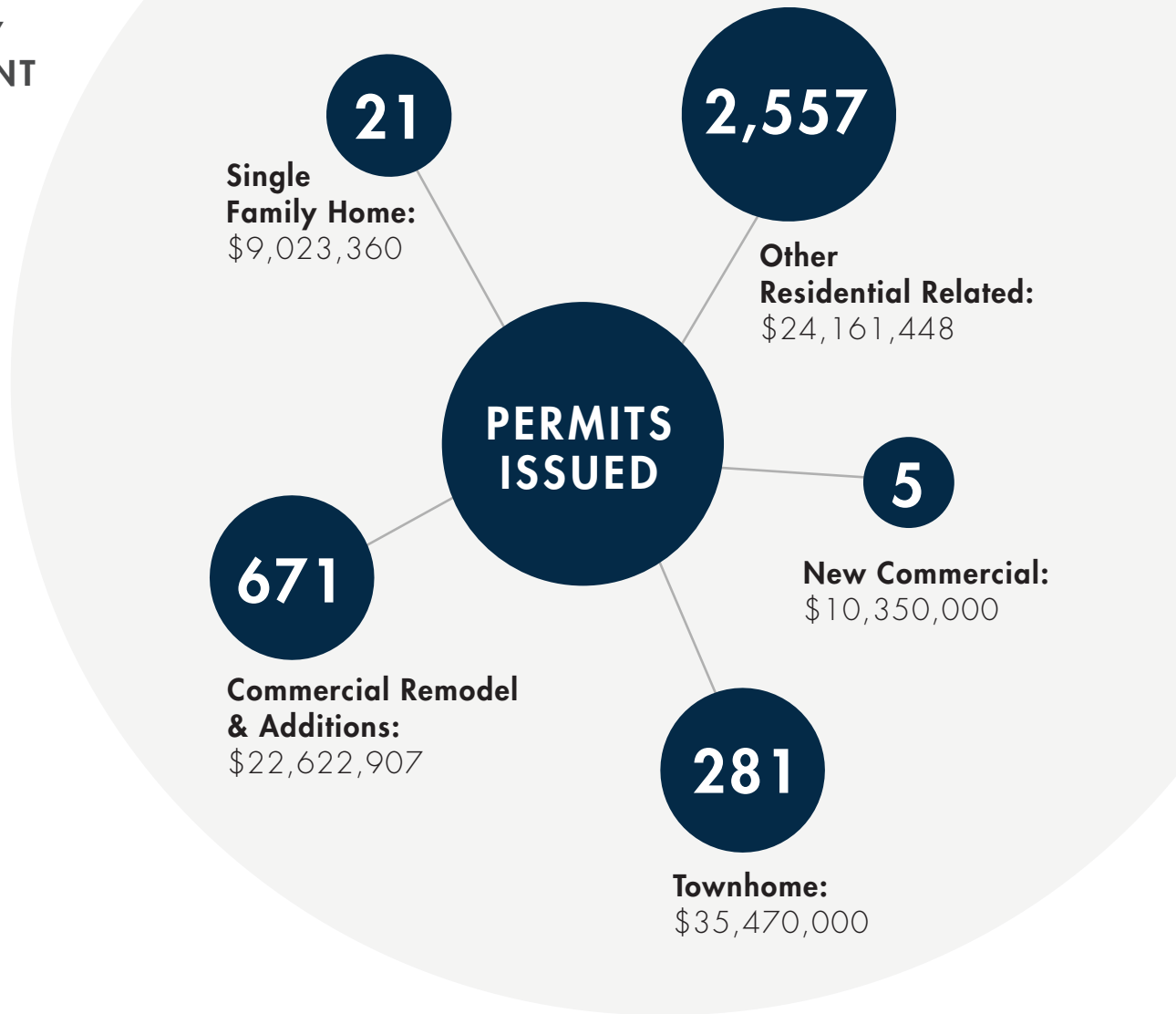
The Recreation & Parks Department has consistently provided access to premier recreation and leisure locations and amenities that reflect the changing needs of a growing diverse population.



COMMUNITY DEVELOPMENT

In 2020, the Village continued to experience growth in both residential and commercial development.

The Development Services Department issued:



LEGEND:

\$ = VALUATION

MAJOR DEVELOPMENT PROJECTS INCLUDED:



Orland Ridge Townhomes

**Orland Ridge: 57.72-Acre Mixed-Use Development
104 Attached Dwelling Units | 190 Attached Townhomes**

Megan Nicole Ridge: 9 Single-Family Home Lots

Villas of Cobblestone: 18 Dwelling Units | 9 Duplex Building

Townhomes at Collete Highlands: 60 Unit Townhome Development

Sertoma Centre: 3-Story | 16 Dwelling Unit Multi-Family Building

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 ones that 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 & finance, public safety, development & engineering services, public works and recreation & parks. Business-type activities of the Village 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 the funds of the Village 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 2020 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 | 2020 Balance Sheet

The Balance Sheet presents information on what the Village's 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

	2020	2019	Change
Assets	\$142,135,900	\$131,321,863	\$10,814,037
Liabilities	\$71,701,783	\$68,205,121	\$3,496,662
Net Fund Balance	\$70,434,117	\$63,116,742	\$7,317,375

The Village's net position for Government Activities as of December 31, 2020 increased 11.59% to \$70,434,117 over the net position as of December 31, 2019.

BUSINESS ACTIVITIES BALANCE SHEET

	2020	2019	Change
Assets	\$179,969,767	\$175,415,735	\$4,554,032
Liabilities	\$14,303,036	\$12,792,626	\$1,510,410
Net Fund Balance	\$165,666,731	\$162,623,109	\$3,043,622

The Village's net position for Business Activities as of December 31, 2020 increased 1.87% to \$165,666,731 over the net position as of December 31, 2019.

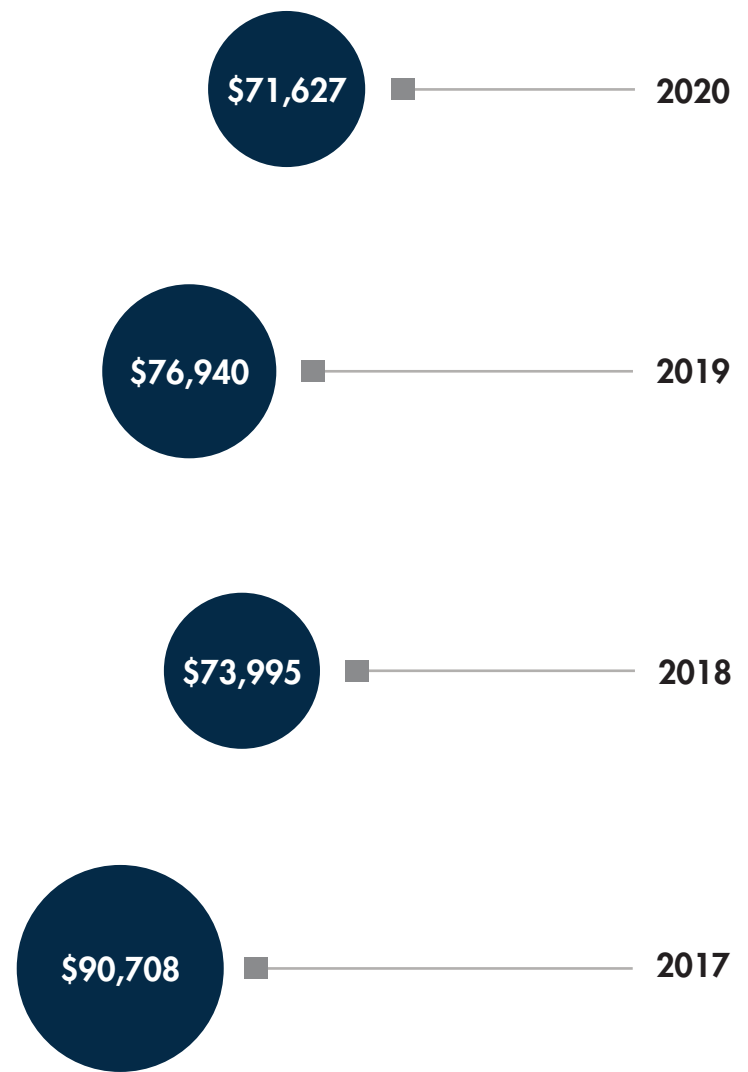
GOVERNMENTAL FUNDS

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 & permits, intergovernmental revenue, charges for services, investment income and fines and forfeitures.

REVENUE TREND

The decrease in governmental revenues of \$5,313,032 or -7.42% when comparing the year ended December 31, 2020 to December 31, 2019 is primarily due to the Covid-19 government mandated quarantine, direct impact on sales tax revenues. Higher revenues in 2017 were due to a onetime 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.

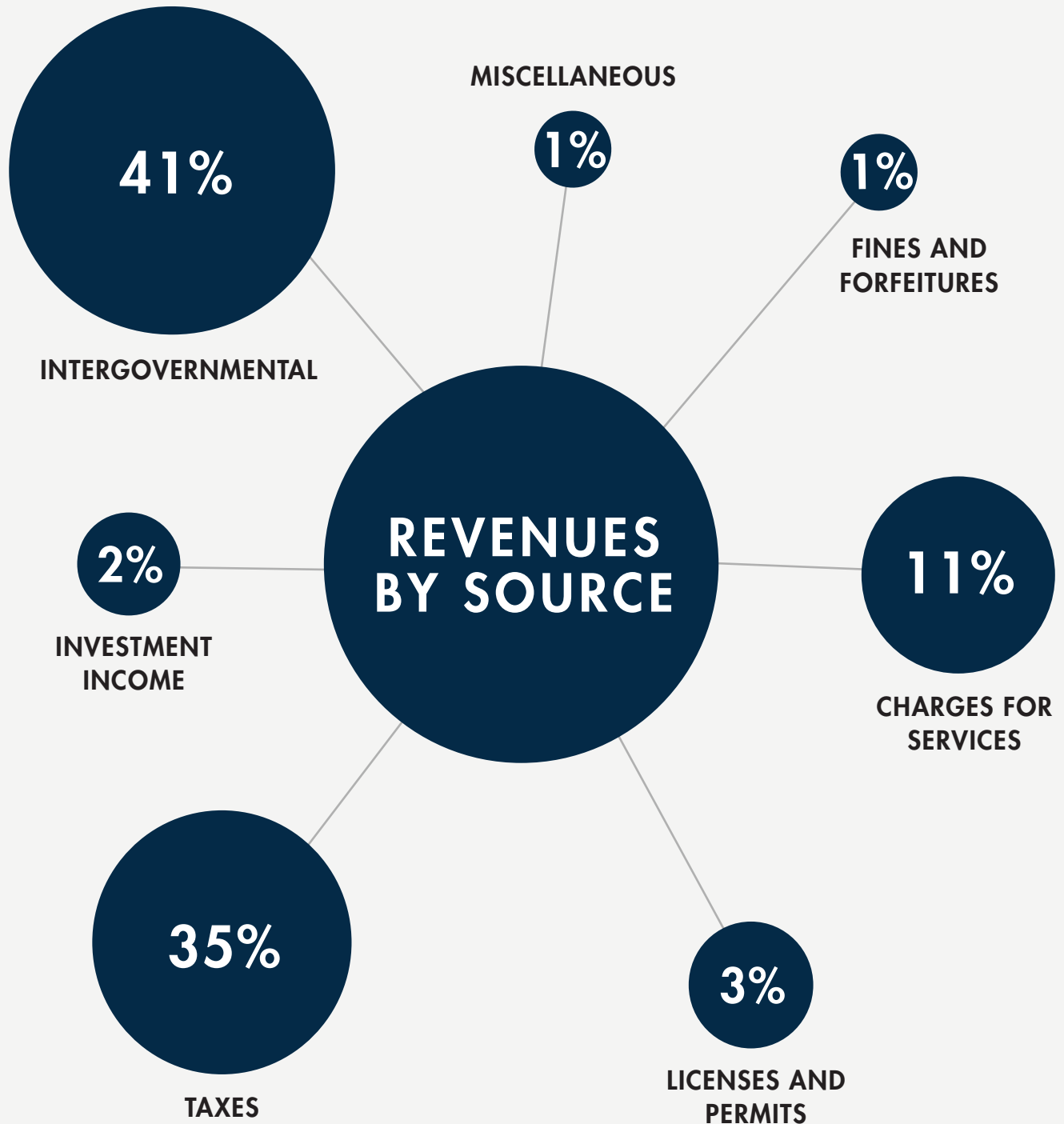
Governmental activities are mostly supported by taxes, such as property and sales taxes, and intergovernmental revenues. Intergovernmental revenues continue to be the largest governmental revenue source for the Village comprising 41% of total governmental revenues. Intergovernmental revenues include state shared revenue for Sales Tax, Income Tax, Motor Fuel Tax, Use Tax, and other taxes collected and distributed by the State of Illinois.

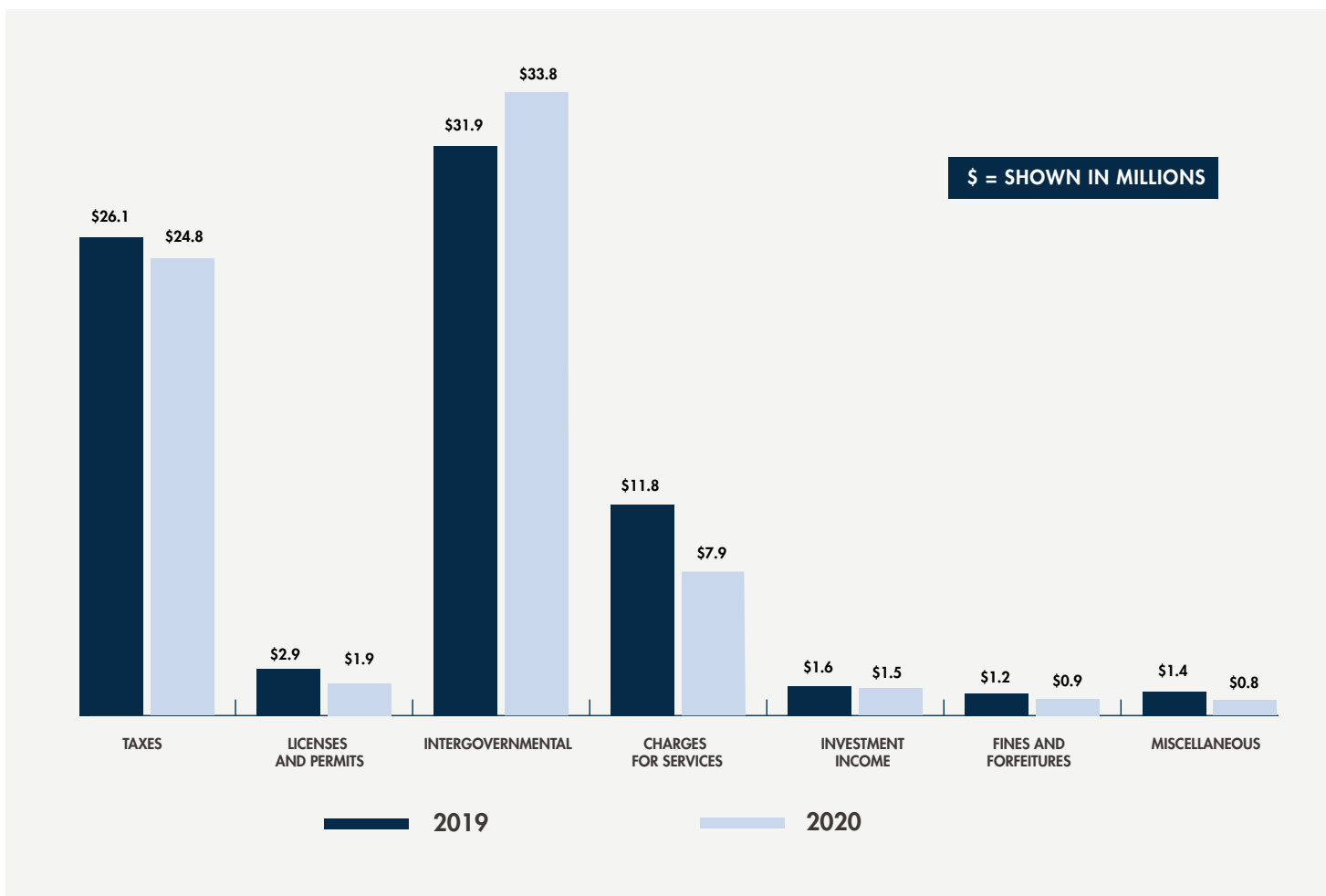


\$ = SHOWN IN 1,000'S

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.

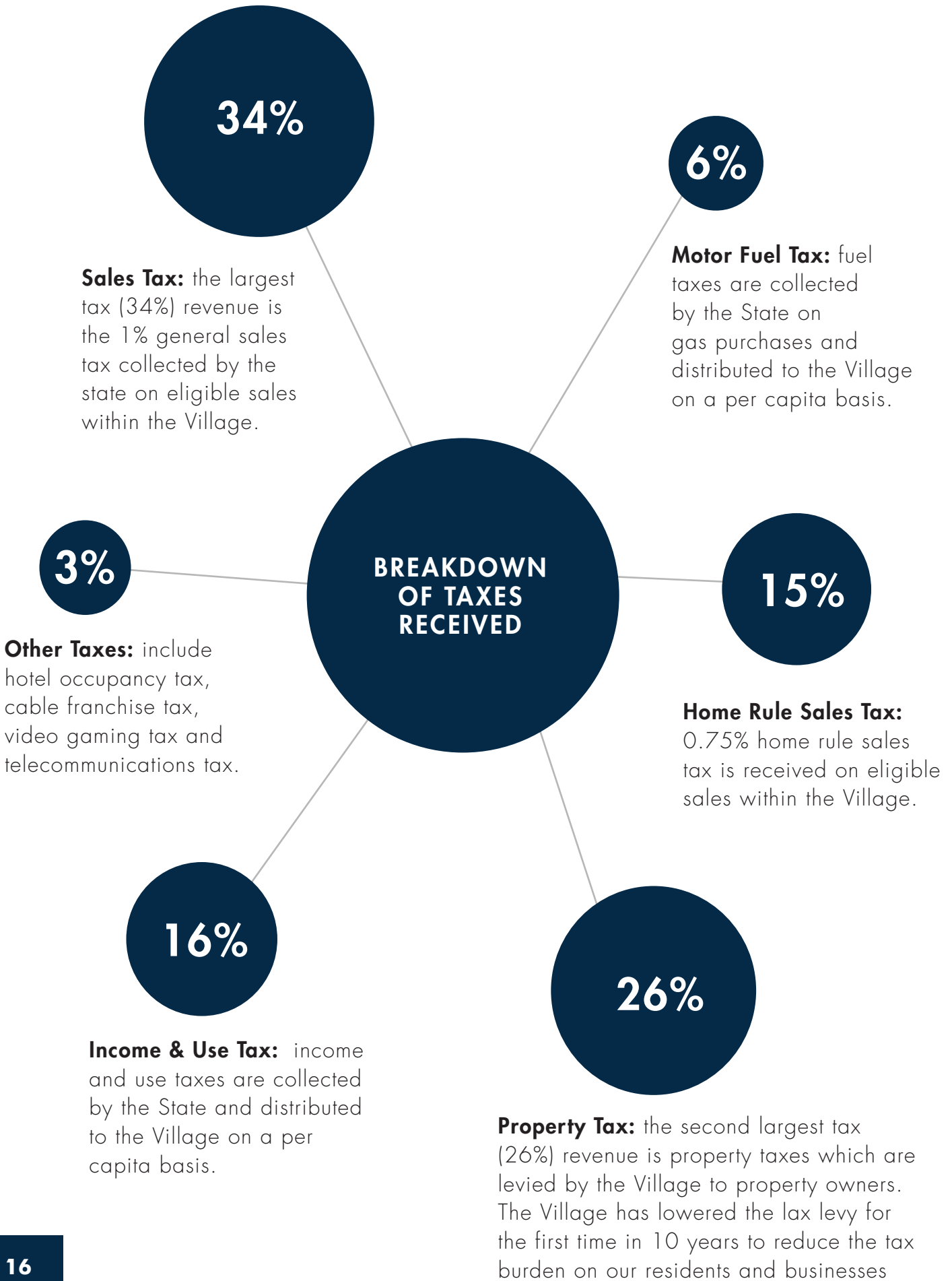
Intergovernmental: includes general sales tax, income and use taxes and motor fuel tax.

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.

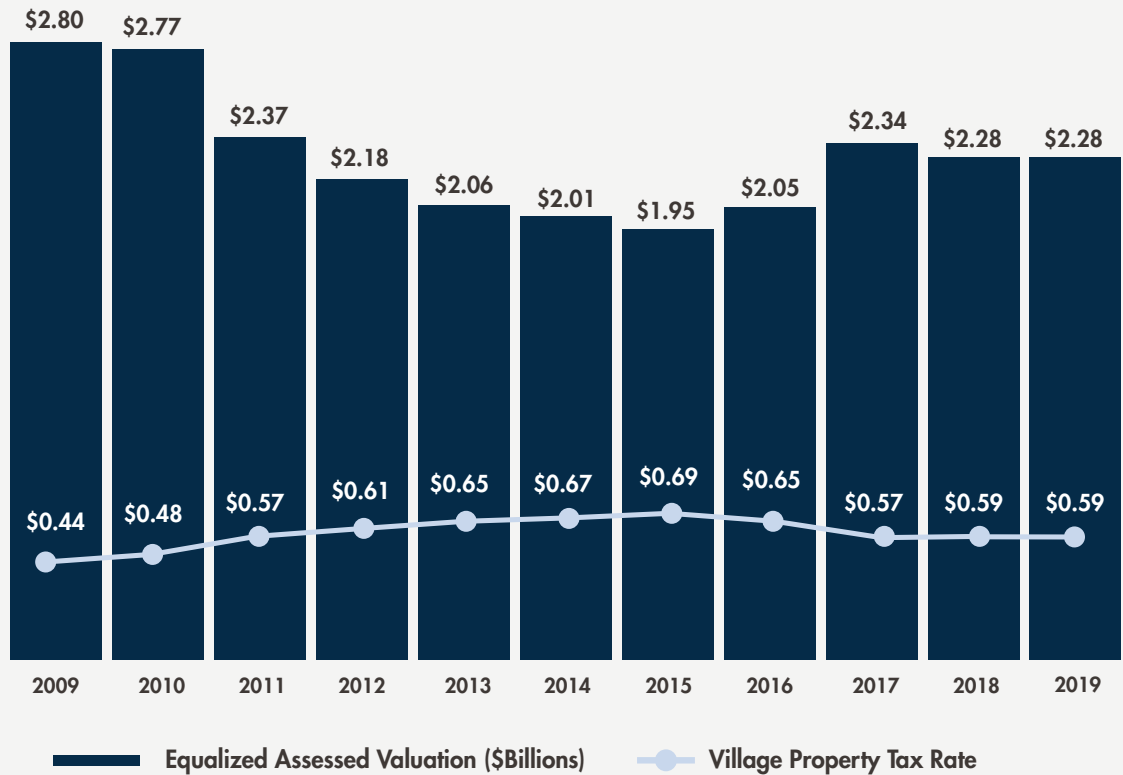
Miscellaneous: includes any revenues not accounted for in the categories above. This category tends to fluctuate as one-time revenue sources are received by the Village.



PROPERTY TAXES

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

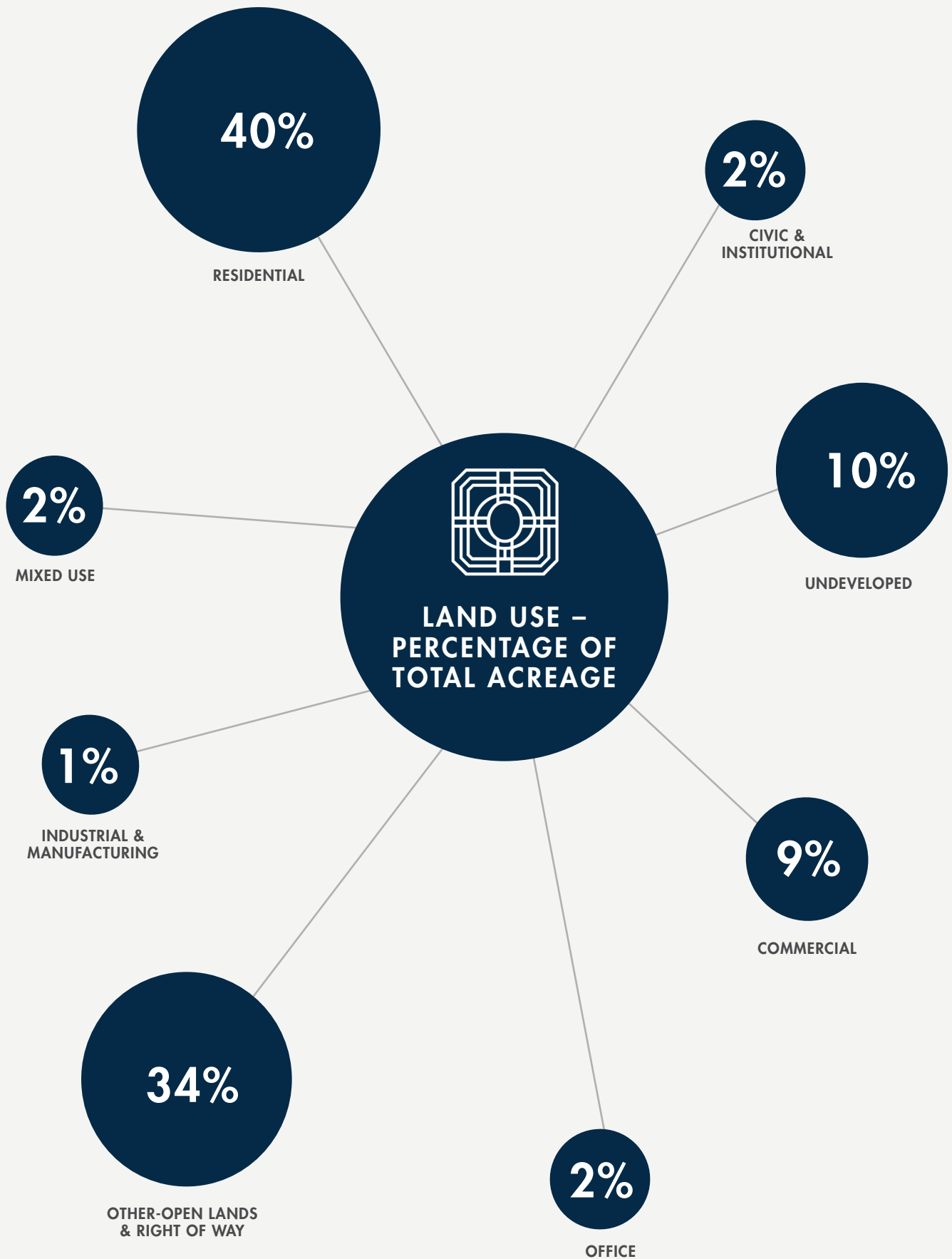
Since 2012, the Village's overall property tax levy amount was lowered to \$13.02 million. The Village's efforts to continuously enhance development within the Village contain costs and minimize taxes collected from its residents, along with the recovery of property values, are reflected in the Village property tax rate.



Top 10 Real Estate Taxpayers	2019 EAV
Simon Property Group	\$82,190,338
IRC: Orland Park Road, Ravinia Park Plaza	\$49,266,869
Village of Orland Park	\$46,084,075
Lakeview Plaza	\$24,852,027
Metra Triangle LLC	\$13,058,670
Constance Oswald	\$12,202,504
B&G Realty Co.	\$11,330,742
Edwards Realty Co.	\$11,002,242
Ryan LLC	\$9,289,886
Residents of Orland Crossing	\$8,912,976
	\$268,190,329

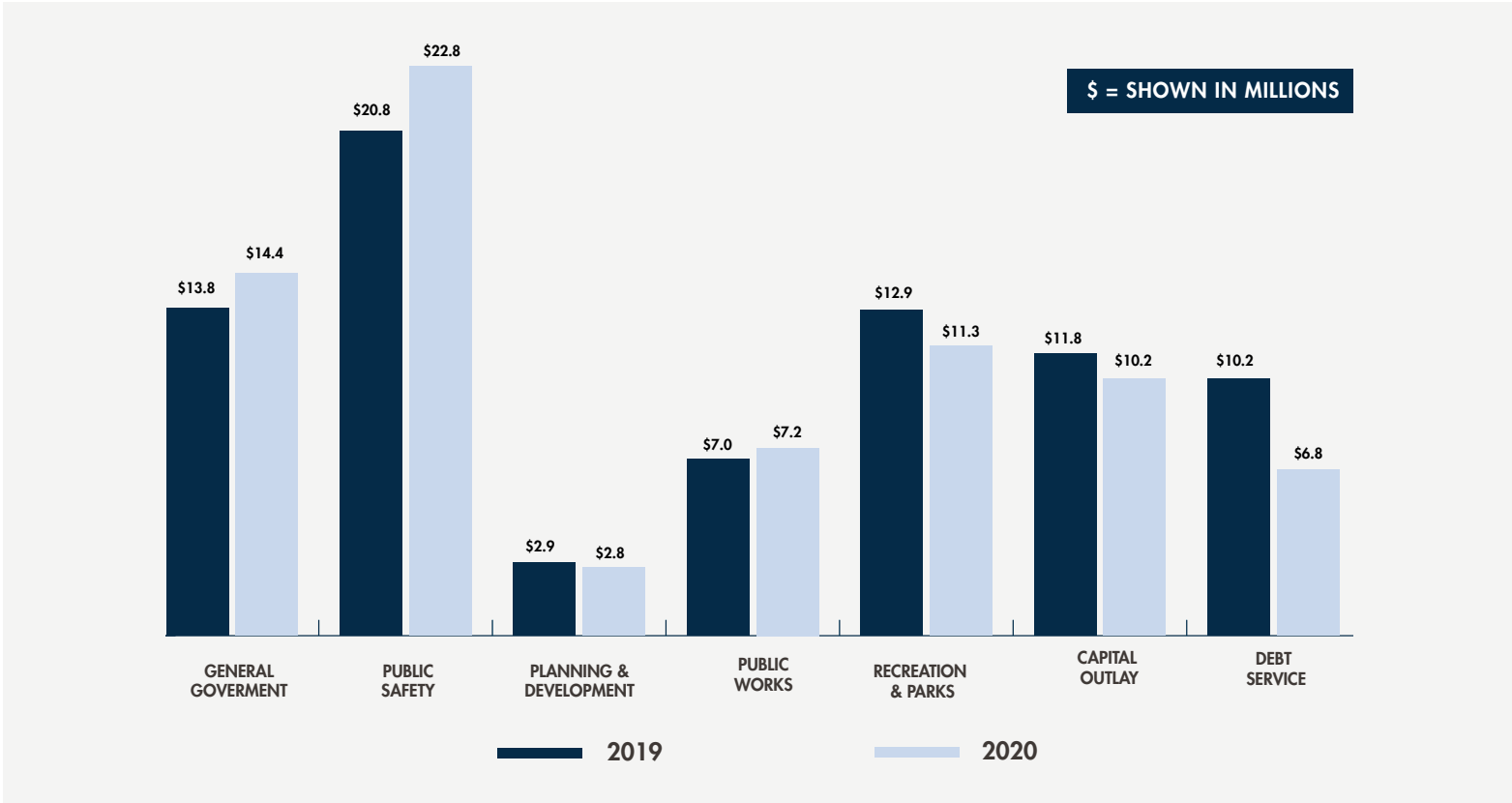
Simon Property Group





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.

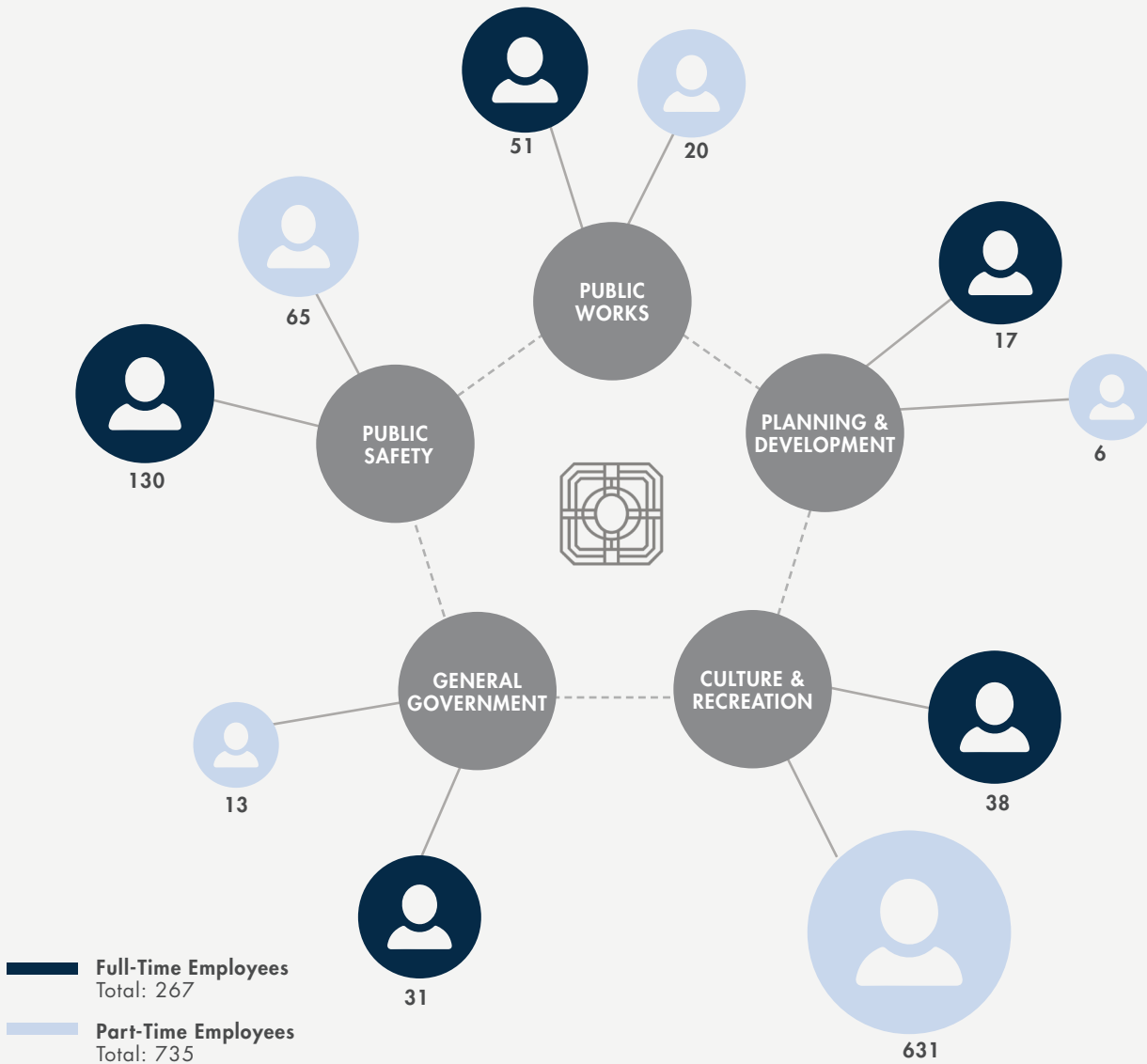
Public Works: includes streets, transportation and vehicle and equipment departments.

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.

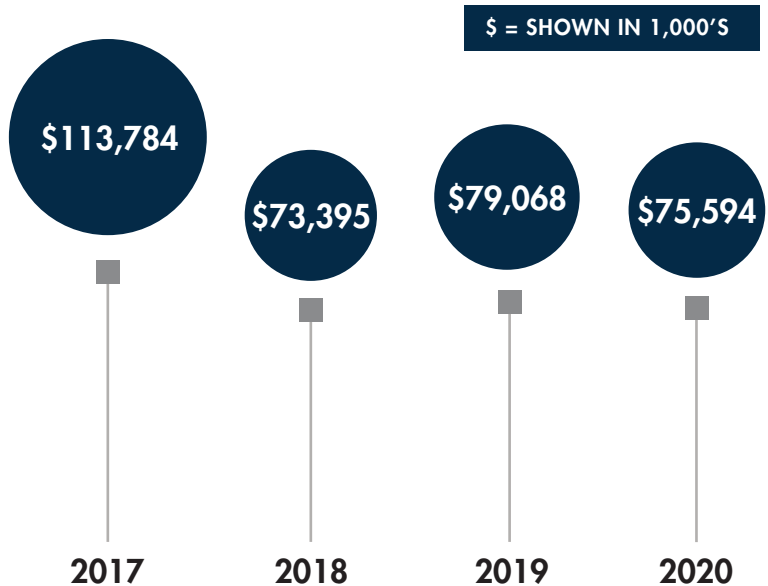
Debt Service: includes payments related to outstanding debt obligations.

2020 BUDGETED EMPLOYEES BY FUNCTION

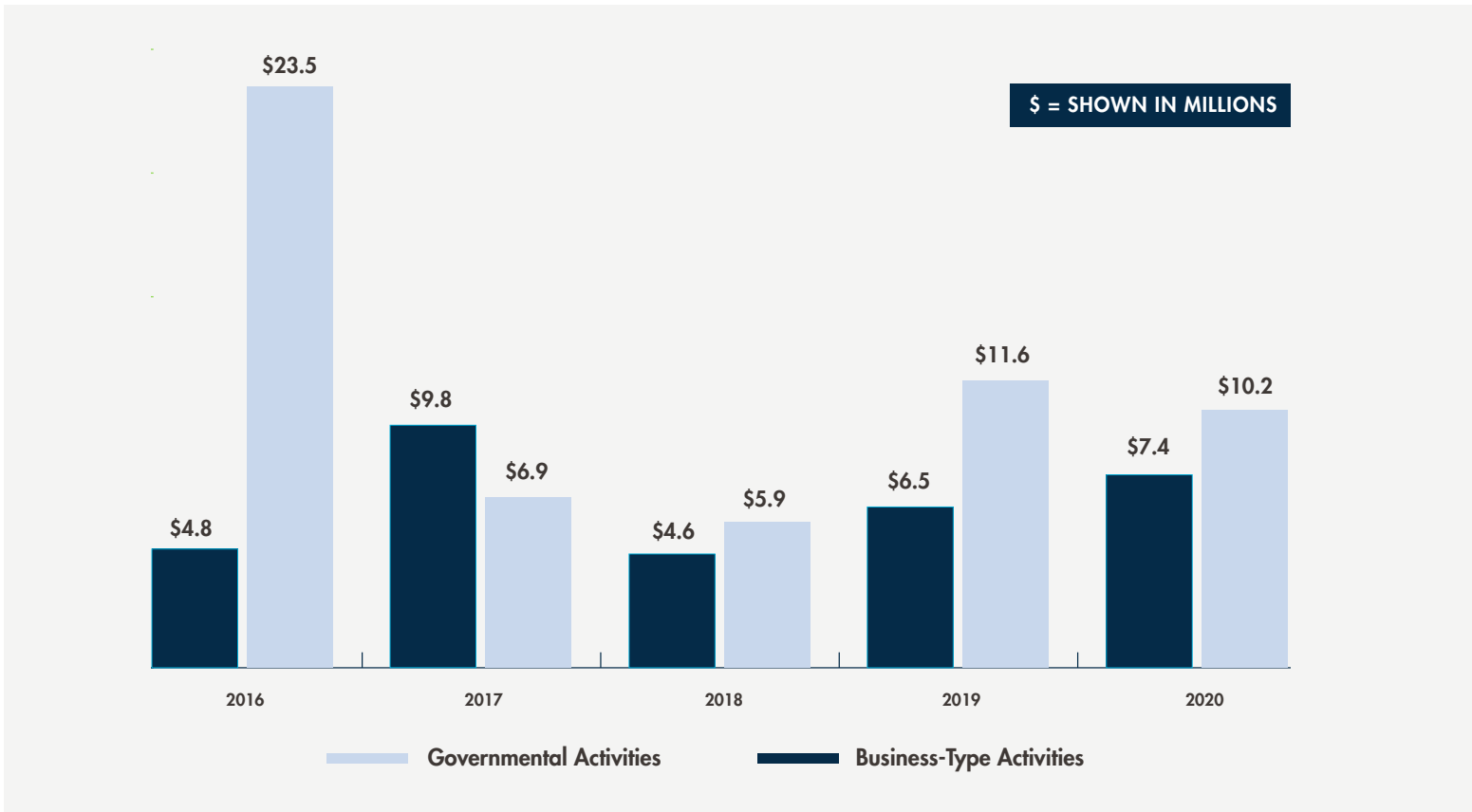


EXPENDITURES TREND

Expenditures in 2017 reflect significantly higher debt service costs than 2018 through 2020 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	\$155.2	\$34.5	\$189.6
Buildings & Land Improvements	\$99.9	\$10.1	\$110.0
Centennial Pool	\$11.7	-	\$11.7
Machinery, Vehicles, & Equipment	\$18.1	\$5.5	\$23.6
Infrastructure	\$178.2	\$213.8	\$392.0
Construction in Progress	\$5.6	\$1.2	\$6.7
Less: Accumulated Depreciation	(\$184.9)	(\$97.0)	(\$281.9)
Total	\$283.8	\$168.0	\$451.8

\$ = SHOWN IN MILLIONS

REHABILITATION AND CONSTRUCTION PROJECTS

Capital outlay in 2020 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 \$91 million in capital improvements. Below are some of the highlights:

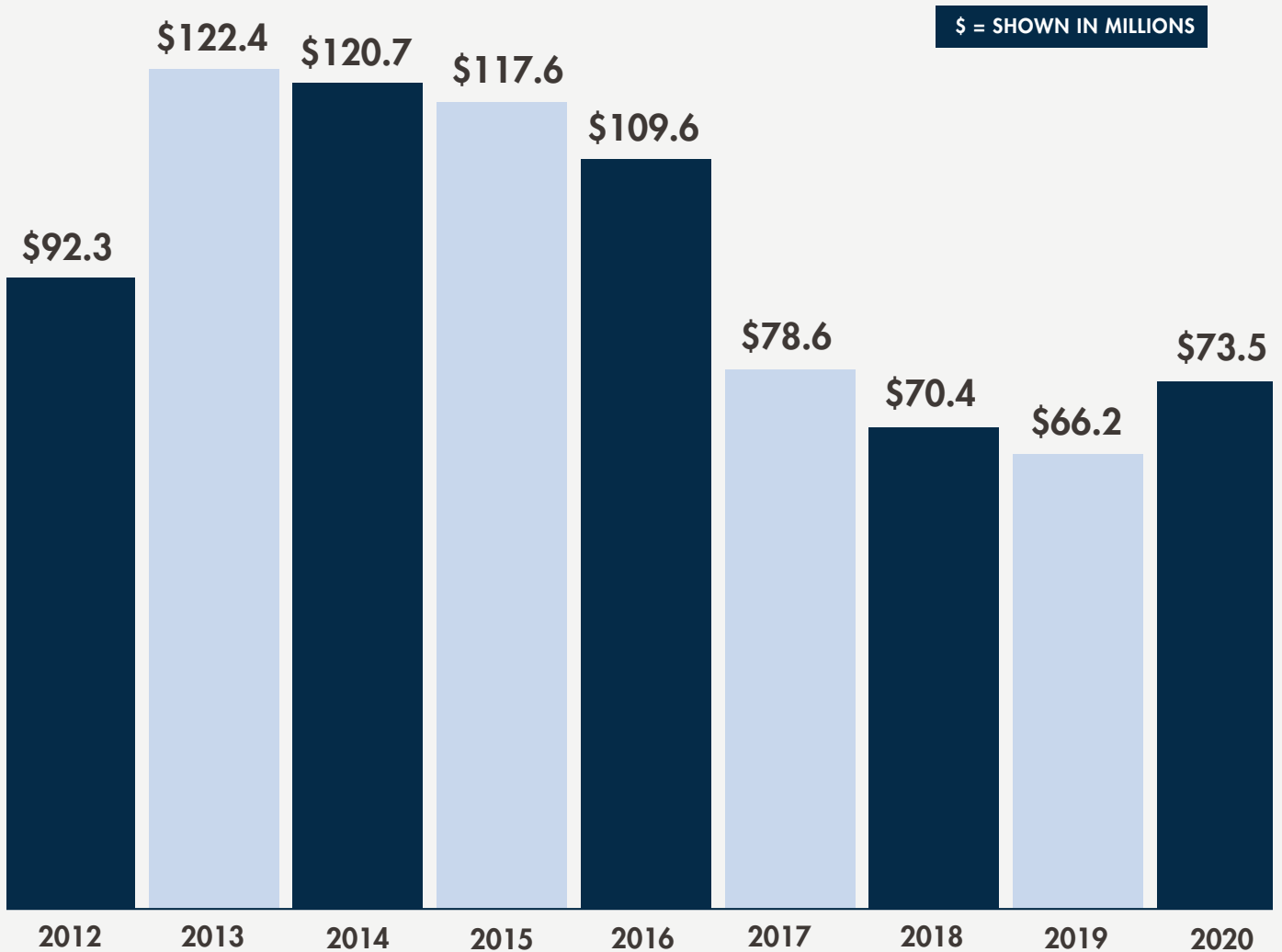
- Neighborhood Road Improvement Program
- Fairway Estates Main Water and Storm Water Improvements
- Fernway Subdivision Roadway and Ditch Grading Improvements
- Programmable Logic Controller Modernization for All Water and Waste Facilities
- Elevated Take 5 Rehabilitation
- Sportsplex Phase 2 HVAC Energy Saving Contract and Improvement
- John Humphrey Complex Renovation, Phase II
- 151st Street Improvements
- Playground Renovations
- Roofing Restoration for Public Works Administration and V&E Building
- Sanitary Sewer Rehabilitation

Village of Orland Park Sportsplex



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 2020, the Village had total debt outstanding of \$73.5 million, an increase of approximately \$7.3 million, or 9.93% higher than fiscal year 2019.



2020 SIGNIFICANT DEBT ACTIVITY INCLUDED:

02

CAPITAL PROJECT FUNDING

The Village borrowed additional funds for capital projects through existing Lines of Credit. The Village drew \$11,643,499 for Governmental Activities and \$2,505,000 for Business-type activities.

03

OUTSTANDING LINES OF CREDIT

Total outstanding Lines of Credit (\$14,769,499 for Governmental Activities and \$3,000,000 for Business-type Activities) were subsequently refunded by G.O. Bonds in 2021.

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the 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 3.23%, is well below the 8.625% limit on non-home rule municipalities.

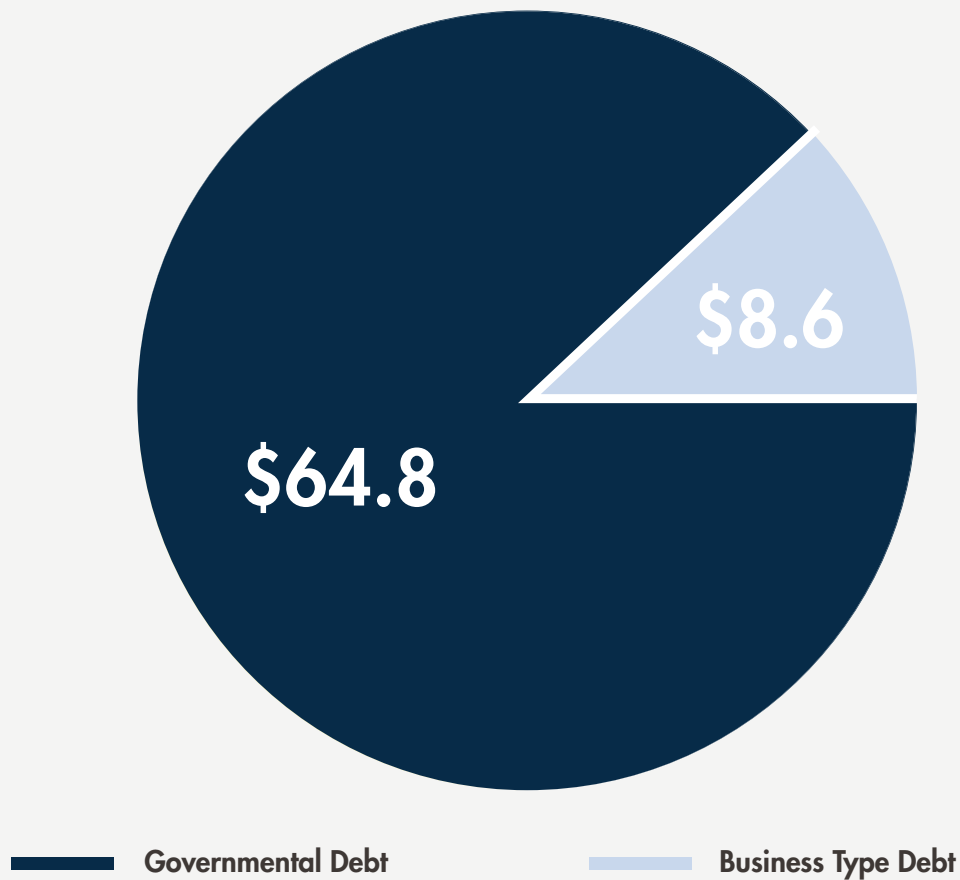
VILLAGE RATINGS

The Village of Orland Park continues to receive high ratings from the two major bond ratings agencies. In 2019 and again in 2021, 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.

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 3.23%, is well below the 8.625% limit on non-home rule municipalities.

\$ = SHOWN IN MILLIONS



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



ORLAND PARK

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Communications &
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Orland Park, IL 60462

November 10, 2021