Organizational Background

The Naperville Park District is a valued community organization that has provided diverse recreation experiences for residents since 1966. Currently, the District maintains and operates more than 2,500 acres overall, comprised of more than 130 parks and sports complexes that accommodate a variety of sports and recreational programs each season. Every year, more than 60,000 Park District participants enjoy and experience the approximately 900 programs that we offer. Thousands more come to Naperville to enjoy the recreational opportunities that are offered through our parks, trail systems and Naperville’s beautiful Riverwalk. In 2008, the Park District will open a 100,000 square foot recreation center that will provide additional recreation and programming benefits to residents. Naperville’s population stands at nearly 140,000, and while the community has yet to achieve build-out, the Park District has the potential to touch each of these residents through a broad range of products and services.

Mission Statement:
The Naperville Park District is a leader in providing leisure experiences that enhance the quality of life in our community.

Vision Statement:
Through cooperation, trust, and respect, the Naperville Park District is known as a benchmark organization. This reputation is earned through valued programs, facilities, services, and our willingness to evaluate and capitalize on opportunities for growth. We accept this challenge and foster a positive self image by nurturing relationships, developing people, and being outstanding stewards of the community’s resources.

2005 Park Commissioners

The Naperville Park District is governed by a seven-member Board of Commissioners, elected at-large by Naperville voters. Serving six-year staggered terms, the members of the board work on behalf of park district residents setting priorities and policies for financing, governance, operation and administration of the district.

Regular meetings of the Naperville Park District Board of Commissioners are open to the public and generally scheduled on the second Thursday of each month at 7:00 p.m. in the Council Chambers at the Municipal Building. "Matters from the Public" is a permanent agenda item that allows the public to comment on park district programs and operations. Further meeting information may accessed via the Naperville Park District at www.napervilleparks.org

Customer Focus

Integrity
Director's Message

In order for any organization to achieve excellence, a plan is needed. This plan should outline the mission and vision as well as a strategy for attaining goals. During 2005, the Naperville Park District worked to develop its Strategic Plan for 2006-2008. This document is a roadmap for the next three years that outlines strategic themes, objectives and initiatives. Together, and by way of these initiatives, District staff will continue to work toward our vision of being “a best-in-class parks and recreation service provider creating unity and focus in the community.”

As a part of the Strategic Plan development process, employees and Board members were integral in helping define the scope and direction for the organization as a whole, and then as individual departments. The important thing to note is that the department goals, although crafted with specific tactics in mind, relate seamlessly to the organization’s strategic objectives. This synchronization is what creates the pathway to achieving goals that are meaningful.

Technically, the Strategic Plan begins its governance in 2006. However, we chose to focus the 2005 Annual Report with that framework already in place, using the strategic themes as defined by the organization: Delight the Customer, Financial Sustainability, Operational Excellence, and Continuous Employee Development. It is through these themes that the Park District will focus in on those goals that need to be accomplished in order to continue to fulfill our mission within the Naperville community: “to provide leisure experiences that enhance the quality of life for our community.”

As a District, we look forward to continuing to serve the recreation needs of a dynamic and still growing population. We thank you for your support.

Continuous Improvement Communication
2005 Community Interest and Opinion Survey

The Naperville Park District, in collaboration with Leisure Vision ETC of Olathe Kansas, developed and conducted a Community Interest and Opinion Survey between May and July 2005. The intent of the survey was to help establish priorities for the Park District in relation to the future development of parks and recreation facilities, programs, and services to support the needs of the community. The survey was designed to obtain statistically valid results from a random sampling of households throughout the Naperville Park District service area.

Leisure Vision worked closely with Naperville Park District officials as well as with members of PROS Consulting LLC - a firm brought on to work on the development of a Recreation Master Plan - on the development of the survey questions. The survey itself was focused on issues of strategic importance to the Park District. Residents' feedback was instrumental in helping the organization effectively plan for the future of the parks system. Surveys were mailed to a 4,502 households throughout Naperville in May 2005. The goal to obtain at least 800 completed surveys, a statistically valid sample given the distribution, was accomplished with 844 completed surveys returned.

Development of a Strategic Plan

The creation and adoption of an organizational strategic planning process creates a sense of order and provides a focus to help identify what is truly important for the organization. Strategic planning is a systematic approach to defining longer term business goals and establishing the means to achieve them.

In January 2005, the Naperville Park District unveiled its 3-year Strategic Plan representing the direction and focus of the organization from 2006-2008. This plan, which defines longer term business goals and the methods for achieving them, is based around four main strategic themes that support the District’s direction across the entire organization. The four themes include:
- Delight the Customer
- Financial Sustainability
- Operational Excellence
- Continuous Employee Development

The Strategic Plan differs from the Open Space and Recreation Master Plan, as it addresses the leadership infrastructure of the organization where the Open Space and Recreation Master Plan focuses on facility, program, and park related assets. Included in the Strategic Plan is a list of strategic themes, objectives, measures, and initiatives that are identified to be accomplished over the three year period; these focus on the organization as a whole. Additionally, each department developed its own strategy, which is aligned with the organization's direction.

Strategic Planning Framework

The development of the Naperville Park District’s Strategic Plan was accomplished through a public process that identified the recreational needs and expectations of the community, evaluated the current mix of services offered, and identified the steps needed to be taken by the District in order to meet the future recreation needs of the community.

In 2005, the Naperville Park District adopted Kaplan and Norton’s Balanced Scorecard as the framework for creating a strategy focused organization. From its early origins, the Balanced Scorecard has evolved into a method of developing strategy for organizations of all types and sizes. The Scorecard provides organizations with the tools to concentrate on what really matters in an effort to fuel strategy and lead to the achievement of goals that are in line with the overall mission and vision.

With increasing taxpayer demands and the need to deliver the best services for the most efficient costs, it becomes all the more imperative for public organizations like the Naperville Park District to develop and implement meaningful measurement systems. In using the scorecard philosophy, the District developed the four strategic Themes – broad-brushed organizational descriptions that provide direction. They are the aforementioned: delight the customer, financial sustainability, operational excellence and continuous employee development. These themes are not only geared toward the District’s employees, but they also relate to the Park District’s seven-member Board of Commissioners, thereby providing cohesion for the entire organization.
2005 Recreation Master Plan

In February 2005, the Naperville Park District began creating a Recreation Master Plan – a 10-year plan that outlines recommendations for the improvement of current programs and services, identifies present community recreation needs, and establishes the necessary steps to meet the needs of future residents. Additionally, the document outlines community demographics and physical analysis in a prioritized manner. The Plan is a living document that gives direction for future decisions regarding programs and facilities, and it will be updated over time as the community and the Park District continue to evolve.

The process to develop the Recreation Master Plan was an open and public one that included soliciting input from various organizations, special interests groups, residents and key leadership throughout the community. These individuals provided their thoughts through informal surveying, statistically valid surveying, focus groups, public forums and one-on-one interaction. In addition to these data collecting methods, several previous reports and information were used in preparing the Plan, including the District's 2001 Open Space and Recreation Master Plan, the 2001 Indoor Facility Master Plan, the 2002 Attitude and Interest Survey and data from Class registration software.

Completing the Plan involved working on several initiatives concurrently that helped define the information that ultimately was used to construct this 10-year roadmap for the District. These additional initiatives included:
- Demographic Analysis
- Citizen Need Assessment
- Recreation Program Analysis
- Analysis of Similar Providers
- Benchmark Analysis
- Partnership Analysis
- Policy Framework Analysis
- Implementation Plan

The main objectives of the entire process, from feedback gathering to the culmination of the plan itself, were:
- To identify the values of the community
- Provide a District-wide vision for recreation services
- Establish a strategic direction for delivery of best-in-class recreation and park services

The Recreation Master Plan was presented to the Board and adopted at the February 9, 2006 regular Board Meeting.
Volunteers
The Naperville Park District relies on its corps of volunteers to provide support to its events, programs and the many services it offers throughout the year. In 2005, volunteers provided a total of 80,271 hours of service or the dollar equivalent of $1,448,089. Volunteers lent their time and talents to coaching Park District sports programs like youth soccer and T-Ball, providing recreation support, helping out in the parks, and staffing special events. Volunteers were particularly instrumental in providing essential support to the District’s large-scale events such as Halloween Happening and the Toyota and Lexus of Naperville’s Santa House.

Focus on: Planning Department
The Planning Department plays a critical role in the design development and execution of capital projects for the Naperville Park District. This department also takes an active role in researching current parks and recreation trends to anticipate the future needs of the community.

In 2005, the Planning Department restructured its technical staff to better position itself to execute the District’s capital plan. In the past, this area was heavily staffed with planners and park designers, but now the majority of the positions focus on project management. This shift was necessary in order to effectively execute the capital plan, which involved renovating and maintaining the District’s existing park infrastructure.

Additionally, this department re-crafted its mission statement to more accurately express its purpose and alignment within the organization:

“Professionals who respond to the needs of the community through planning and designing open space and implementing facilities to enhance the quality of recreation.”

Non-resident Fee Policy Revised
New, non-resident fee guidelines were developed in 2005 and will be implemented beginning with Winter 2006 programs. Previously, non-resident participants were required to pay a fee that was approximately 50% more than the resident rate, regardless of the cost of the program. The new guidelines state that: “non-residents shall in most cases pay a fee approximately 50% higher than resident fees, up to a maximum of $30 additional for each non-resident program registration.” Policies from several Illinois park districts, NPD non-resident fee history, and feedback from the Recreation Department staff were used in the development of the new guidelines. Next steps include having the Recreation Department track the new 2006 non-resident fee revenue and compare it to prior annual results.

Playground Openings
In 2005, the Naperville Park District celebrated the grand openings of three, new playgrounds:
• Frontier Park
• Tall Grass
• South Pointe

Additionally, Kendall Park enjoyed a newly renovated play area.

Continued Development of Recreation facilities
The Recreation and Planning departments worked closely in 2005 to coordinate the construction of the park support buildings at DuPage River and Frontier sports complexes.

Athletic organizations that utilize the facilities were notified of the construction schedule in advance of the ground-breaking. Additionally, the Park District partnered with the organizations that use the fields at DuPage River to share the cost of the installation of water lines for each field. The groups were very open to the idea and the installation of the water lines has been scheduled for spring 2006.

Mission Statement:
The Naperville Park District provides leisure experiences that enhance the quality of life for our community.

Vision Statement:
To be the best in class parks and recreation service provider creating unity and focus in the community.
Grants

As a local government agency, the Naperville Park District is entrusted with managing tax dollars wisely in order to benefit the community. Grants and donations have the potential to multiply our resources as we partner with others to accomplish common goals.

In the 1970s and 1980s, grants totaling over $2 million enabled the Park District to acquire over 500 acres of land. Over the past five years, grants have provided more than $2.5 million for park development and other projects. Donations from individuals and corporations have enhanced Naperville Park District facilities and parkland.

We gratefully acknowledge the following agencies and organizations that have awarded grants to the Naperville Park District in 2005:

City of Naperville’s 2005 Culture Fund
- Darfler Realty’s Concerts in Your Park
- Comcast Halloween Happening
- Magical Starlight Theatre
- Toyota and Lexus of Naperville’s Santa House

Illinois Clean Energy Community Foundation
- Energy-efficient lighting upgrades at Springbrook and Naperbrook golf courses

Illinois Department of Human Services/YWCA Child Care Resource and Referral
- Quality Counts Child Care Grant for preschool toys and equipment for the Park District’s preschool program

Illinois Department of Natural Resources
- Open Space Lands Acquisition and Development (OSLAD) grant for the development of Phase II of Commissioners Park

Naperville Jaycees
- Renovation of the ADA-accessible Jaycee Playground on the Riverwalk at Centennial Park

Naperville Sunrise Rotary Community Grants
- Automatic External Defibrillator for the Barn Recreation Center

Additionally, the Naperville Park District is grateful for the generous donations from businesses and individuals in 2005. These gifts have beautified parks and added many wonderful amenities for the community to enjoy.

Charles and Betty Biegel
- Canoe launch and shelter at Pioneer Park. This project will be constructed in 2006 along with a trail plaza that is being funded in part by a grand through Illinois First and Representative Jim Meyer.

LaSalle Bank at Washington and VanBuren through Stacy Sullivan, V.P. and Branch Manager
- New park benches and decorative fencing to beautify the VanBuren entrance to Central Park

Bill Jacobs BMW on Ogden Avenue through Denise Guardino, President
- Many new and transplanted evergreen trees to enhance Wildflower Park
Sponsorships

Since its inception in November 2001, the Naperville Park District sponsorship program has generated over $670,000 in revenue and enhancement for Naperville Park District facilities, events, and programs.

In 2005, MidAmerica Bank renewed their partnership as Athletic Park Partner through 2008. This relationship brings many benefits to park district users, one of which is that the Naperville branches serve as additional distribution points for the Park District's quarterly Program Guide. Additionally, the Book Road location provides a convenient alternative location for residents to drop off their Park District program registration and payment for inclusion in the lottery. During the summer, MidAmerica Bank hosts the Team of the Week promotion for participants in the Park District's Coach Pitch and T-Ball programs. Coaches and parents are encouraged to enter their team's information in the drawing, and six different teams are chosen at random throughout the season to win a team outing. MidAmerica Bank also lent its support of the second annual "Spark in the Park" contest; the 2005 installment was an amateur photography competition.

New in 2005 was the three-year agreement signed by Pepsi and the Naperville Park District to become the official beverage provider. Late in the year, Pepsi teamed up with the four Naperville-based Jewel/Osco locations on a fundraiser to benefit youth sports, raising more than $1,500.

Jackson Moving and Storage, another Park District corporate partner and avid cultural supporter, joined Darfle Realty in the co-sponsorship of the Concerts in Your Park event—a series of six concerts featuring various music genres and held in different parks around the city. Additionally, this business provides storage space for the costumes of Magical Starlight Theatre and stores the decorations and house panels for the annual Riverwalk Santa House.

And, Adio, a "dream shoe" of skateboarders everywhere, teamed up with annual Naperville Skate Challenge sponsor, Skate Shack, to cover the non-resident entry fee for participants in the 2005 challenge event. This is just another example of how Naperville Park District corporate partners help to enhance and innovate our events year after year.
Your Taxes

The Naperville Park District relies on the support of property tax dollars to provide its programs and services. However, tax dollars is only one source that provides the much-needed funding to support operations.

The portion of your property tax dollars received by the Park District is a very small percentage of your total tax bill. These taxes are based on the Equalized Assessed Value (EAV), which is one-third of the property’s market value.

At the conclusion of 2003, the Illinois Legislature passed two public acts: 93-0612 and 93-0601, which impacted how and for what purposes a park district was allowed to levy taxes. Public Act 93-0612 allows park districts to levy taxes – up to four cents – to support special recreation costs and American with Disabilities Act (ADA) expenditures while also excluding this levy from a park district’s tax cap limitation.

Public Act 93-0601 provides for the recalculation of a park district’s Debt Service Extension Base (DSEB), which was frozen in 1995. The DSEB provides for the District’s capital projects such as sports complexes, community parks and existing facility renovation (e.g. Centennial Beach). The passage of these acts gives park districts the ability to raise revenues to support special recreation, the Americans with Disabilities Act, and capital development needs.

Since the inception of the tax cap in 1995, the Naperville Park District no longer has the discretionary ability to raise taxes. The only way that the Park District can realize an increase in property tax revenue is based on two inflationary factors: an increase in the EAV or a rise in the Consumer Price Index (CPI) or 5%, whichever is less. The District also may choose to pass a referendum to raise property taxes, but this initiative is successful only when it is supported by the voting community.

For comparison purposes, here are the past five years of Naperville Park District tax rates:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>27.73</td>
</tr>
<tr>
<td>2001</td>
<td>26.92</td>
</tr>
<tr>
<td>2002</td>
<td>25.34</td>
</tr>
<tr>
<td>2003</td>
<td>28.86</td>
</tr>
<tr>
<td>2004</td>
<td>28.34</td>
</tr>
<tr>
<td>2005</td>
<td>26.87</td>
</tr>
</tbody>
</table>

The Naperville Park District has been proactive in determining alternative ways of generating revenue to benefit programs and services, by securing grant funding and support by local businesses. However, because these options are still relatively new, we must continue to rely on the support of the taxpayers now and into the foreseeable future.

Tax dollars and the Naperville Park District golf courses

Both Springbrook and Naperbrook golf courses are supported solely by revenue generated through the purchase of green fees and pro shop merchandise. No taxpayer funds are used to support operations at either course.
Statement of Net Assets
December 31, 2005

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$25,329,479</td>
<td>$926,888</td>
<td>$26,256,367</td>
</tr>
<tr>
<td>Cash with fiscal agent</td>
<td>453,524</td>
<td>-</td>
<td>453,524</td>
</tr>
<tr>
<td>Receivables (net, where applicable, of allowances for uncollectibles)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>15,908,955</td>
<td>-</td>
<td>15,908,955</td>
</tr>
<tr>
<td>Accounts</td>
<td>13,385</td>
<td>-</td>
<td>13,385</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>70,719</td>
<td>-</td>
<td>70,719</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>1,112,548</td>
<td>12,440</td>
<td>1,124,988</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>72,463</td>
<td>72,463</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>140,875</td>
<td>23,839</td>
<td>164,714</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>166,180</td>
<td>15,389</td>
<td>181,569</td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>88,351,301</td>
<td>2,807,530</td>
<td>91,160,831</td>
</tr>
<tr>
<td>Capital assets being depreciated net of accumulated depreciation</td>
<td>22,952,095</td>
<td>3,976,779</td>
<td>26,928,874</td>
</tr>
<tr>
<td>Total assets</td>
<td>154,500,861</td>
<td>7,835,328</td>
<td>162,336,189</td>
</tr>
</tbody>
</table>

| LIABILITIES | | | |
| Accounts payable | 1,420,328 | 67,943 | 1,488,271 |
| Accrued interest payable | 180,371 | 3,541 | 183,912 |
| Accrued payroll | 105,412 | 13,076 | 118,488 |
| Deferred revenue | 16,704,195 | 67,965 | 16,772,160 |
| Other accruals | 59,685 | 55 | 59,740 |
| Noncurrent liabilities | | | |
| Due within one year | 2,297,638 | 966,258 | 3,263,896 |
| Due in more than one year | 12,410,879 | 1,715,348 | 14,126,227 |
| Total liabilities | 33,178,908 | 2,834,166 | 36,017,074 |

| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 100,627,217 | 4,044,309 | 104,671,526 |
| Restricted for: | | | |
| Recreation programs | 1,438,931 | - | 1,438,931 |
| Employee benefits | 587,489 | - | 587,489 |
| Special purposes | 15,132 | - | 15,132 |
| Special recreation | 32,834 | - | 32,834 |
| Debt service | 28,388 | - | 28,388 |
| Liability insurance | 105,071 | - | 105,071 |
| Construction and development | 6,660,548 | - | 6,660,548 |
| Unrestricted | 11,824,743 | 956,833 | 12,781,576 |
| TOTAL NET ASSETS | $121,322,353 | $5,007,142 | $126,329,495 |

Further Information
This report includes condensed financial data only and is intended to provide easily accessible information to all residents. Information presented within these pages is derived from audited financial statements that conform to generally accepted accounting principles. Detailed financial statements and related footnotes are included in the Naperville Park District’s Comprehensive Annual Financial Report available at the Naperville Park District’s administrative office or online at www.napervilleparks.org.