

Budget and Finance Committee

Tuesday, February 17, 2026 3:00 PM

Ogle County Education Center, 417 N Colfax St, Byron, Illinois 61010

Tracy Dahl:	Absent
Francine Eggleston:	Absent
Steve Fiorentino:	Absent
Daniel Holder:	Absent
David Lombardo:	Absent
Christine Lynde:	Absent
Sarah Moore:	Present
Nick Reineck:	Present
Corena Steinmeyer:	Absent
Diane Tyrrell:	Absent
Matt Zilm:	Present

1. Call To Order

2. Roll Call

3. Discussion Items

3.1. FY25 Financial Audit

3.2. FY27 Budget Parameters

3.3. FY27 Salary and Compensation Recommendations

3.4. FY27 Daily Rate Recommendations

Board Secretary

NORTHWESTERN ILLINOIS
ASSOCIATION
SYCAMORE, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

Phone: 815.895.9227
www.thenia.org

NORTHWESTERN ILLINOIS ASSOCIATION

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FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the Association's independent auditing firm.



INDEPENDENT AUDITOR'S REPORT

December 8, 2025

Members of the Executive Board
Northwestern Illinois Association
Sycamore, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwestern Illinois Association (the Association), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwestern Illinois Association, Illinois, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and supplementary pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwestern Illinois Association, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

The discussion and analysis of Northwestern Illinois Association (the Association) financial performance provides an overall review of the Association's financial activities as of and for the year ended June 30, 2025. Please read it in conjunction with the Association's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- Total Association assets and deferred outflows fell short of its liabilities and deferred inflows at June 30, 2025 by \$2,430,068. Of this amount, a deficit balance of \$2,842,168 was unrestricted. The unrestricted balance decreased \$1,639,183 from the prior year.
- The Association's net position decreased by \$2,866,555. This represents a 656.7 percent decrease from June 30, 2024.
- The Association's General Fund balance at June 30, 2025 was \$4,958,112, a decrease of \$1,095,426 from the prior year fund balance of \$6,053,538.
- The Association has \$1,777,933 in capital assets and \$1,446,495 outstanding long-term debt.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Association's operations in more detail than the government-wide statements by providing information about the Association's most significant funds. The remaining statements provide financial information about activities for which the Association acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Association's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the Association's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Association's property tax base and the condition of the Association's infrastructure, is needed to assess the overall health of the Association.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements

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. The Association, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Association only utilizes governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Association's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Association maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The Association adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule for this fund has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Association's employee pension obligations, post-employment retirement benefit obligations, and a budgetary comparison schedule for the General Fund.

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Association, assets/deferred outflows fell short of liabilities/deferred inflows by \$2,430,068.

	Net Position	
	2025	2024
Current Assets	\$ 8,784,927	17,255,750
Capital Assets	1,777,933	1,719,678
Total Assets	10,562,860	18,975,428
Deferred Outflows	2,906,263	4,927,453
Total Assets/Deferred Outflows	13,469,123	23,902,881
Long-Term Debt	9,505,464	9,623,882
Other Liabilities	4,256,392	11,483,021
Total Liabilities	13,761,856	21,106,903
Deferred Inflows	2,137,335	2,359,491
Total Liabilities/Deferred Inflows	15,899,191	23,466,394
Net Position		
Net Investment in Capital Assets	331,438	311,021
Restricted	80,662	1,328,451
Unrestricted (Deficit)	(2,842,168)	(1,202,985)
Total Net Position	(2,430,068)	436,487

A portion of the Association's net position, \$331,438, reflects its net investment in capital assets (for example, equipment and leased assets), less any related debt used to acquire those assets that is still outstanding. The Association uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Association's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$80,662, of the Association's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$2,842,168, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 25,985,972	24,854,042
Operating Grants and Contributions	2,744,922	2,794,138
General Revenues		
Federal and State Aid	4,976,197	1,362,812
Earnings on Investments	46,493	67,785
Other General Revenues	42,519	15,391
Total Revenues	<u>33,796,103</u>	<u>29,094,168</u>
Expenses		
Instruction	13,264,090	5,389,308
Support Services	21,453,620	20,613,561
Community Services	1,908	2,015
Interest and Fees	43,098	39,883
On-Behalf Retirement Contributions	1,899,942	2,040,600
Total Expenses	<u>36,662,658</u>	<u>28,085,367</u>
Change in Net Position	<u>(2,866,555)</u>	<u>1,008,801</u>
Net Position - as Previously Reported	436,487	(396,621)
Restatement - Error Correction	—	(175,693)
Net Position - Beginning	<u>436,487</u>	<u>(572,314)</u>
Net Position - Ending	<u>(2,430,068)</u>	<u>436,487</u>

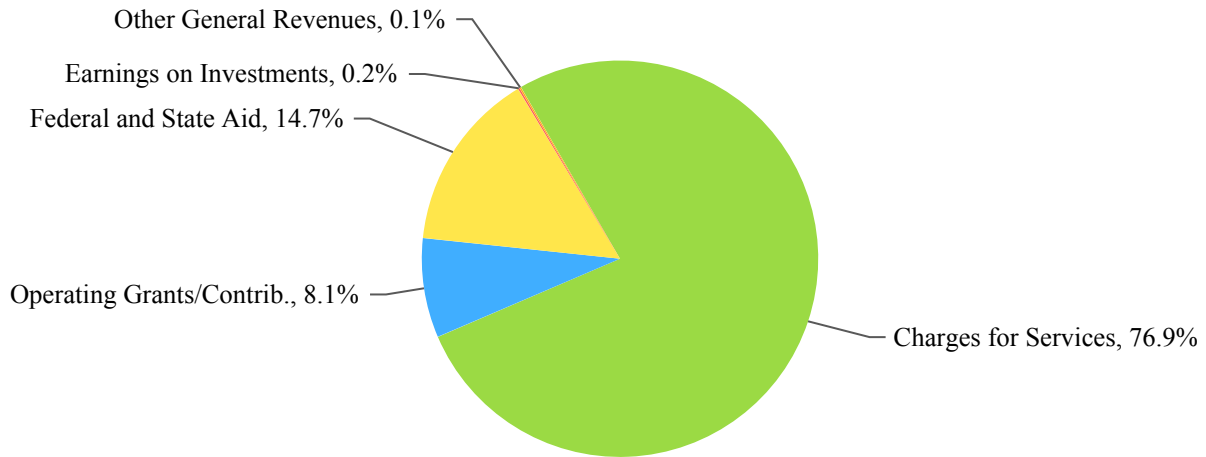
Net position of the Association's governmental activities decreased by 656.7 percent (\$436,487 in 2024 compared to deficit \$2,430,068 in 2025). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$2,842,168 at June 30, 2025.

Management's Discussion and Analysis

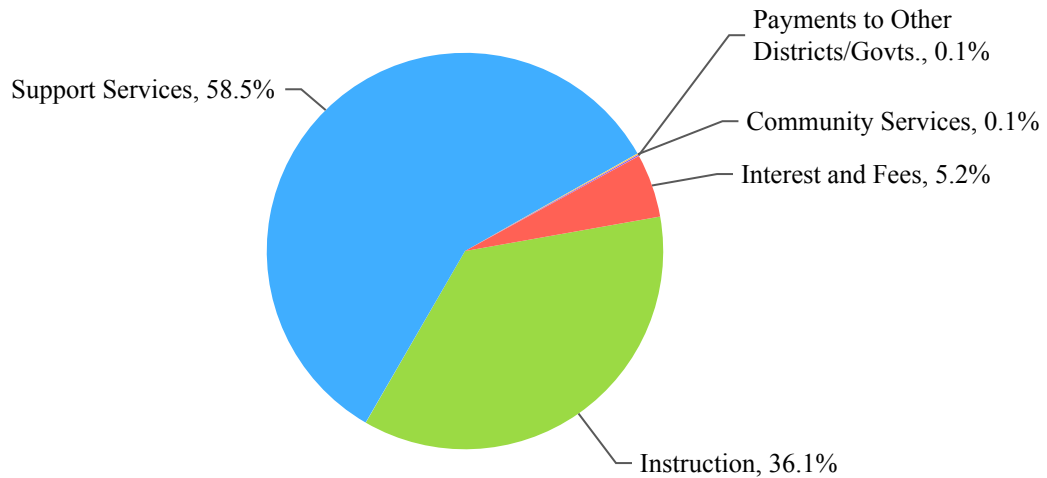
June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

District-Wide Revenues by Source



District-Wide Expenses by Function



Revenues for governmental activities totaled \$33,796,103, while the cost of all governmental functions totaled \$36,662,658. This results in a decrease in net position of \$2,866,555. In 2024, revenues of \$29,094,168 exceeded expenses of \$28,085,367, resulting in an increase in net position of \$1,008,801. At the fund level, the net change in fund balance in FY25 resulted in a deficit of \$1,095,426 compared to a deficit of \$434,482 in FY24.

The decrease in net position in FY25 can primarily be attributed to changes in pension liabilities and deferred items.

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the Association uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Association's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund reported an ending fund balance of \$4,958,112, which is a decrease of \$1,095,426, or 18.1 percent, from last year's total of \$6,053,538. Of the \$4,958,112 total, \$4,869,693, or 98.2 percent, of the fund balance constitutes unassigned fund balance. The decrease in the fund balance can primarily be attributed to a combination of significant health expenditures, and increased staffing costs. An increase in medical exposure under the self-funded health plan, including significant claims, resulted in health expenditures exceeding the budget by approximately \$580,000. The Association works closely with an insurance broker to develop the annual health budget prior to establishing service rates in February. The Association consistently reviews the budget process for enhancements and strives to set service rates based on a careful analysis of operational costs, market conditions, and financial sustainability, with an emphasis on break-even budget planning.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's actual revenues, exclusive of on behalf payments, of \$31,896,161 were \$1,546,654 less than budgeted revenues, exclusive of on behalf payments, of \$33,442,815. Federal sources were \$164,203 more than budgeted, and local sources were \$1,637,840 less than budgeted.

Actual expenditures, exclusive of on behalf payments, of \$33,356,583, were less than budgeted expenditures, exclusive of on behalf payments, of \$34,084,886 by \$728,303. Instruction services were \$396,967 more than budgeted, support services were \$1,494,434 less than the budgeted, and community services were \$1,092 less than budgeted.

CAPITAL ASSETS

The Association's investment in capital assets for its governmental activities as of June 30, 2025 was \$1,777,933 (net of accumulated depreciation/amortization). This investment in capital assets includes equipment and leased assets.

	Capital Assets - Net of Depreciation/Amortization	
	2025	2024
Equipment	\$ 211,270	224,952
Leased Asset - Real Estate	1,447,056	1,323,867
Leased Asset - Equipment	119,607	170,859
Total	<u>1,777,933</u>	<u>1,719,678</u>

NORTHWESTERN ILLINOIS ASSOCIATION

Management's Discussion and Analysis

June 30, 2025

CAPITAL ASSETS - Continued

This year's major additions included:

Equipment	\$	66,129
Leased Asset - Real Estate		<u>364,996</u>
Total		<u><u>431,125</u></u>

Additional information on the Association's capital assets can be found in Note 3 of this report.

DEBT ADMINISTRATION

At year-end, the Association had total outstanding debt of \$1,446,495 as compared to \$1,408,657 the previous year, an increase of less than one percent. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	<u>2025</u>	<u>2024</u>
Leases Payable	<u>\$ 1,446,495</u>	<u>1,408,657</u>

Additional information on the Association's long-term debt can be found in Note 3 of this report.

FACTORS BEARING ON THE ASSOCIATION'S FUTURE

The Association's elected and appointed officials considered many factors when setting the fiscal year 2026 budget, including fees that will be charged for its various activities, with service rates being established in February 2025. Additional factors bearing on the Association's future include:

- The extent to which Medicaid and education funding laws (IDEIA) change the way Districts choose to fund Special Education.
- The extent to which new education funding laws continue to allow NIA to be eligible to receive Evidence Based Funding from State sources.
- The extent to which our member districts need NIA to provide specific special education resources and services.
- The extent to which NIA can successfully hire staff for hard-to-fill positions.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the government's finances. For questions concerning any of the information provided in this report or requests for additional information, contact the Regional Director's Office.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

NORTHWESTERN ILLINOIS ASSOCIATION

Statement of Net Position

June 30, 2025

See Following Page

NORTHWESTERN ILLINOIS ASSOCIATION

Statement of Net Position

June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 7,805,986
Due from Other Governments	971,184
Prepays	7,757
Total Current Assets	<u>8,784,927</u>
Noncurrent Assets	
Capital Assets	
Depreciable/Amortizable	3,139,867
Accumulated Depreciation/Amortization	<u>(1,361,934)</u>
Total Noncurrent Assets	<u>1,777,933</u>
Total Assets	<u>10,562,860</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - THIS	111,772
Deferred Items - RHP	280,206
Deferred Items - TRS	44,142
Deferred Items - IMRF	<u>2,470,143</u>
Total Deferred Outflows of Resources	<u>2,906,263</u>
Total Assets and Deferred Outflows of Resources	<u>13,469,123</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 594,019
Accrued Payroll	2,380,528
Claims Payable	852,268
Current Portion of Long-Term Debt	429,577
Total Current Liabilities	<u>4,256,392</u>
Noncurrent Liabilities	
Total OPEB Liability - THIS	1,071,665
Total OPEB Liability - RHP	527,625
Net Pension Liability - TRS	322,864
Net Pension Liability - IMRF	6,457,947
Leases Payable	1,125,363
Total Noncurrent Liabilities	<u>9,505,464</u>
Total Liabilities	<u>13,761,856</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - THIS	2,018,243
Deferred Items - RHP	96,228
Deferred Items - TRS	19,347
Deferred Items - IMRF	3,517
Total Deferred Inflows of Resources	<u>2,137,335</u>
Total Liabilities and Deferred Inflows of Resources	<u>15,899,191</u>
NET POSITION	
Net Investment in Capital Assets	331,438
Restricted	
Health Claims	79,686
High School Deaf and Hard of Hearing	692
Vision	284
Unrestricted (Deficit)	<u>(2,842,168)</u>
Total Net Position	<u>(2,430,068)</u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN ILLINOIS ASSOCIATION

Statement of Activities

For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues		Net (Expenses)/ Revenues
		Charges for Services	Operating Grants/ Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 13,264,090	2,543,635	6,777	(10,713,678)
Support Services	21,453,620	23,442,337	838,203	2,826,920
Community Services	1,908	—	—	(1,908)
State Retirement Contributions	1,899,942	—	1,899,942	—
Interest on Long-Term Debt	43,098	—	—	(43,098)
Total Governmental Activities	36,662,658	25,985,972	2,744,922	(7,931,764)
General Revenues				
Federal and State Aid				4,976,197
Earnings on Investments				46,493
Other General Revenues				42,519
				5,065,209
Change in Net Position				(2,866,555)
Net Position - Beginning				436,487
Net Position - Ending				(2,430,068)

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN ILLINOIS ASSOCIATION

Balance Sheet - Governmental Fund

June 30, 2025

	<u>General</u>
ASSETS	
Cash and Investments	\$ 7,805,986
Due from Other Governments	971,184
Prepays	<u>7,757</u>
Total Assets	<u><u>8,784,927</u></u>
LIABILITIES	
Accounts Payable	594,019
Accrued Payroll	2,380,528
Claims Payable	<u>852,268</u>
Total Liabilities	<u><u>3,826,815</u></u>
FUND BALANCES	
Nonspendable	7,757
Restricted	80,662
Unassigned	<u>4,869,693</u>
Total Fund Balances	<u><u>4,958,112</u></u>
Total Liabilities and Fund Balances	<u><u>8,784,927</u></u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN ILLINOIS ASSOCIATION

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2025

Total Governmental Fund Balances	\$ 4,958,112
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	1,777,933
Deferred Outflows/Inflows of Resources related to the retirement plans not reported in the funds.	
Deferred Items - THIS	(1,906,471)
Deferred Items - RHP	183,978
Deferred Items - TRS	24,795
Deferred Items - IMRF	2,466,626
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Total OPEB Liability - THIS	(1,071,665)
Total OPEB Liability - RHP	(636,070)
Net Pension Liability - TRS	(322,864)
Net Pension Liability - IMRF	(6,457,947)
Leases Payable	<u>(1,446,495)</u>
Net Position of Governmental Activities	<u><u>(2,430,068)</u></u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN ILLINOIS ASSOCIATION

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund
For the Fiscal Year Ended June 30, 2025**

	<u>General</u>
Revenues	
Local Sources	
Services Provided	\$ 23,442,337
Tuition	2,543,635
Earnings on Investments	46,493
Contributions and Donations	6,777
Other Revenue from Local Sources	42,519
District Sources	3,613,385
State Sources	1,362,812
Federal Sources	838,203
On-Behalf Payments - State of Illinois	1,899,942
Total Revenues	<u>33,796,103</u>
Expenditures	
Instruction	11,099,674
Support Services	21,884,745
Community Services	1,908
Debt Service	
Principal Retirement	327,158
Interest and Fiscal Charges	43,098
On-Behalf Payments - State of Illinois	1,899,942
Total Expenditures	<u>35,256,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,460,422)
Other Financing Sources	
Debt Issuance	<u>364,996</u>
Net Change in Fund Balances	(1,095,426)
Fund Balance - Beginning	<u>6,053,538</u>
Fund Balance - Ending	<u><u>4,958,112</u></u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN ILLINOIS ASSOCIATION

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2025**

Net Change in Fund Balances - Total Governmental Funds \$ (1,095,426)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	431,125
Depreciation Expense	(372,870)
Disposals - Cost	(15,974)
Disposals - Accumulated Depreciation	15,974

Changes in Deferred Items Related to Pensions.

Change in Deferred Items - THIS	254,286
Change in Deferred Items - RHP	36,556
Change in Deferred Items - TRS	17,304
Change in Deferred Items - IMRF	(2,107,180)

The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Total OPEB Liability - THIS	(205,168)
Change in Total OPEB Liability - RHP	(49,708)
Change in Net Pension Liability - TRS	(47,257)
Change in Net Pension Liability - IMRF	309,621
Issuance of Long-Term Debt	(364,996)
Retirement of Long-Term Debt	327,158

Changes in Net Position of Governmental Activities (2,866,555)

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northwestern Illinois Association (the Association) operates as a regional special education cooperative governed by a twelve-member board. The administrative District for the Association is Sycamore Community Unit School District No. 427. The Association is organized under the School Code of the State of Illinois as amended.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Association's accounting policies established under GAAP and used by the Association are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds are there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Association's basic financial statements include both government-wide (reporting the Association as a whole) and fund financial statements (reporting the Association's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Association's operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The Association has no operating activities that would be considered business-type activities.

In the government-wide Statement of Net Position, both the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The Association's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Association first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Association's functions (instruction, support services, community services, etc.). The functions are supported by general government revenues (unrestricted federal and state aid, earnings on investments, other general revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function) are normally covered by general revenue (unrestricted federal and state aid, earnings on investments, other general revenues, etc.). This government-wide focus is more on the sustainability of the Association as an entity and the change in the Association's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Association are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Association or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Association:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Association:

General Fund is the general operating fund of the Association. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund and is comprised of the Educational Account.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus is used.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Association considers all revenues available if they are collected within 60 days after year-end, except for state aid. State aid payments received after 60 days are being considered as available as historically, state aid collected within 60 days has represented all state aid expected to be collected. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

On-behalf payments (payments made by a third party for the benefit of Association, such as payments made by the state to the Teachers’ Retirement System) have been recognized in the financial statements. Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by Association and are recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Cash and Investments - Continued

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Association's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include intergovernmental.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized/amortized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Association as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized/amortized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation/amortization on all assets is computed and recorded using the straight-line method of depreciation/amortization over the following estimated useful lives:

Equipment	5 - 15 Years
Leased Assets - Real Estate	4 - 10 Years
Leased Assets - Equipment	5 Years

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annual budgets for all Governmental Funds are adopted on the modified accrual basis by the Executive Board. The Executive Board follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Administration submits to the Executive Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to September 1, the budget is legally adopted through passage of a resolution.
- The Regional Director is authorized to transfer up to 10% of the total budget between departments within any fund without the Executive Board's approval. However, any revisions that alter the total expenditures of any fund must be approved by the Executive Board following the public hearing process mandated by law. The legal level of control remains at the fund level for each legally adopted operating budget since transfers are restricted entirely with each individual fund. The budget was adopted on DATE.
- Formal budgetary integration is employed as a management control device during the year for all its Governmental Funds.
- The Association has adopted a legal budget for its Governmental Fund. Total actual expenditures for the governmental fund may not legally exceed the total budgeted for such fund. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget lapses at the end of each fiscal year.

DEFICIT NET POSITION

The following fund had deficit net position as of the date of this report:

Fund	Excess
Governmental Activities	\$ 2,430,068

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the Association may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Deposits. At year-end, the carrying amount of the Association's deposits totaled \$6,502,040 and the bank balances totaled \$16,757,699. Additionally, the Association has \$1,303,946 invested in ISDLAF+ which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The Association does not have a formal investment policy that addresses interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association does not have a formal investment policy that addresses credit risk. At year-end, the Association's investments in ISDLAF+ was rated AAAM by Standard & Poor's.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the Association's deposits may not be returned to it. The Association does not have a formal investment policy that addresses custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Association does not have a formal investment policy that addresses custodial credit risk for investments. At year end, the Association investments in ISDLAF+ were not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Association's investment in a single issuer. The Association does not have a formal investment policy that addresses concentration of credit risk. At year-end, the Association does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable/Amortizable Capital Assets				
Equipment	\$ 638,137	66,129	15,974	688,292
Leased Asset - Real Estate	1,830,300	364,996	—	2,195,296
Leased Asset - Equipment	256,279	—	—	256,279
	<u>2,724,716</u>	<u>431,125</u>	<u>15,974</u>	<u>3,139,867</u>
Less Accumulated Depreciation/Amortization				
Equipment	413,185	79,811	15,974	477,022
Leased Asset - Real Estate	506,433	241,807	—	748,240
Leased Asset - Equipment	85,420	51,252	—	136,672
	<u>1,005,038</u>	<u>372,870</u>	<u>15,974</u>	<u>1,361,934</u>
Total Net Depreciable/Amortizable Capital Assets	<u>1,719,678</u>	<u>58,255</u>	<u>—</u>	<u>1,777,933</u>
Total Net Capital Assets	<u>1,719,678</u>	<u>58,255</u>	<u>—</u>	<u>1,777,933</u>

Depreciation and amortization expense was charged to governmental activities as follows:

Instruction \$ 372,870

LONG-TERM DEBT

Leases Payable

The Association has the following leases outstanding at year end:

Lease	Start Date	End Date	Payments	Interest Rate
Aurora Building	July 1, 2021	August 1, 2031	\$5,439 - \$65,174 Annually	2.50%
Rockford Building	July 1, 2021	October 31, 2028	\$8,906 - \$105,606 Annually	2.50%
St Charles Building	November 1, 2021	October 31, 2029	\$28,746 - \$85,793 Annually	2.50%
Sterling Building	July 1, 2021	July 31, 2026	\$8,906 - \$105,606 Annually	2.50%
Copier Lease	November 1, 2022	November 1, 2027	\$4,605 Monthly	3.00%
Prairie Professional Park Lease	July 12, 2024	September 12, 2031	\$4,722 Monthly	3.00%

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Leases Payable - Continued

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest
2026	\$ 321,132	34,472
2027	332,996	25,826
2028	309,967	17,144
2029	203,993	10,373
2030	143,932	5,553
2031	119,642	2,196
2032	14,833	50
Totals	<u>1,446,495</u>	<u>95,614</u>

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Total OPEB Liability - THIS	\$ 866,497	205,168	—	1,071,665	—
Total OPEB Liability - RHP	586,362	49,708	—	636,070	108,445
Net Pension Liability - TRS	275,607	47,257	—	322,864	—
Net Pension Liability - IMRF	6,767,568	—	309,621	6,457,947	—
Leases Payable	1,408,657	364,996	327,158	1,446,495	321,132
	<u>9,904,691</u>	<u>667,129</u>	<u>636,779</u>	<u>9,935,041</u>	<u>429,577</u>

The total OPEB liability for THIS and RHP, the net pension liability for TRS and IMRF, and leases payable are being liquidated from the General Fund.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the Association considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Association first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Executive Board; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Executive Board' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Executive Board itself or b) a body or official to which the Executive Board has delegated the authority to assign amounts to be used for specific purposes. The Association's highest level of decision-making authority is the Executive Board, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	<u>General</u>
Fund Balances	
Nonspendable	
Prepays	\$ 7,757
Restricted	
Health Claims	79,686
High School Deaf and Hard of Hearing	692
Vision	284
	<u>80,662</u>
Unassigned	<u>4,869,693</u>
Total Fund Balances	<u><u>4,958,112</u></u>

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 1,777,933
Less: Capital Related Debt	
Leases Payable	<u>(1,446,495)</u>
Net Investment in Capital Assets	<u>331,438</u>

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The Association has purchased insurance through a risk pool and from private insurance companies. Risks covered include general liability, workers compensation and other. Premiums have been displayed as expenditures in appropriate funds. No material decreases in insurance coverage have occurred, nor have any insurance claims in excess of insurance coverage been paid or reported during the last three years. The Association also operates a self-insurance program for medical coverage for employees

Collective Liability Insurance Cooperative (CLIC)

The Association is a member of CLIC, which has been formed to provide casualty, workman's compensation, property and liability protections and to administer some or all insurance coverage and protection other than health, life and accident coverage procured by the member Associations. It is intended, by the creation of CLIC to allow a member Association to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Associations covered and to ultimately equalize the risks and stabilize the costs of providing casualty, property and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 1441 Lake Street, Libertyville, IL 60048.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Self-Insurance

The Association maintains a self-insurance plan to provide medical insurance to its employees. An outside administrator administers claims for a fixed fee per enrolled employee. The Association makes periodic payments to an escrow account established by the plan administrator. The administrator pays employee claims from this escrow account and requires the Association to cover any deficiencies. The Association liability is limited by private insurance, which provides a \$55,000 specific stop loss and a minimum aggregate stop loss of \$1,899,140. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. A summary of the changes in the Association claim liability is as follows:

	2025	2024
Claims Payable - Beginning	\$ 608,000	448,241
Incurred Claims	(4,017,075)	(2,880,245)
Claims Paid	4,261,343	3,040,004
Claims Payable - Ending	<u>852,268</u>	<u>608,000</u>

Cumulative Association and employee contributions to the plan have exceeded claims paid as of June 30, 2025, and accordingly the fund balance of the Educational Fund at June 30, 2025 is restricted for payment of future claims in the amount of \$79,686 which represents the cumulative excess.

CONTINGENT LIABILITIES

Litigation

From time to time, the Association is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Association attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Association's financial position or results of operations.

State and Federal Contingencies

The Association has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. Management believes such disallowance, if an, would be immaterial.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The aggregate amounts for the two plans are:

	OPEB Expense/ (Revenue)	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher Health Insurance Security	\$ (49,118)	1,071,665	111,772	2,018,243
Retiree's Health Plan	121,597	636,070	280,206	96,228
	72,479	1,707,735	391,978	2,114,471

Teachers' Health Insurance Security Fund

Plan Description

The Association participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund, and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS, who are not employees of the State, to contribute to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the Association. State contributions are intended to match contributions to THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$37,285, and the Association recognized revenues and expenditures of this amount during the year.

Employer Contributions to THIS Fund. The Association also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025 the Association paid \$27,757 to the THIS Fund, which was 100 percent of the required contribution.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

Further Information on the THIS Fund. The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation:	2.25%
Salary Increases:	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Investment Rate of Return:	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Single Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age, less present value of future salaries at attained age, multiplied by normal cost rate at entry age.

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the Association's proportionate share of the collective net OPEB liability, as well as what the Association's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Employer's Proportionate Share of the Net OPEB Liability	\$ 1,195,976	1,071,665	962,077

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Sensitivity of the Employer's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 6.00% in 2025, 8.00% in 2026, decreasing to an ultimate trend rate of 4.25% in plan year end 2041. Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031, and decreasing ratably to an ultimate trend rate of 4.25% in 2041.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the Net OPEB Liability	\$ 922,701	1,071,665	1,248,921

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Association reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Association. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The Association's proportion of the collective net OPEB liability was based on a projection of the Association's long-term share of contributions to the OPEB plan relative to the projected contributions of the Association, actuarially determined. At June 30, 2025, the Association's proportion was 0.013588 percent, which was an increase of 0.001406 from its proportion measured as of June 30, 2024. The State's support and total are for disclosure purposes only. The amount recognized by the Association as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Association were as follow:

Employer's Proportionate Share of the Net OPEB Liability	\$ 1,071,665
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>1,455,373</u>
Total	<u><u>2,527,038</u></u>

For the year ending June 30, 2025, the Association recognized OPEB revenue and expense of \$37,285 for support provided by the State. For the year ending June 30, 2025, the Association recognized OPEB revenue of \$49,118. At June 30, 2025, the Association reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 29,572	(451,683)	(422,111)
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(1,507,500)	(1,507,500)
Changes of Assumptions	280	(862)	(582)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	54,163	(58,198)	(4,035)
Total Pension Expense to be Recognized in Future Periods	84,015	(2,018,243)	(1,934,228)
Employer Contributions Subsequent to the Measurement Date	27,757	—	27,757
Totals	111,772	(2,018,243)	(1,906,471)

\$27,757 reported as deferred outflows of resources related to OPEB resulting from Association contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Association's OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2026	\$ (385,453)
2027	(399,822)
2028	(368,240)
2029	(339,176)
2030	(261,874)
Thereafter	(179,663)
Total	(1,934,228)

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan

General Information about the OPEB Plan

Plan Description. The Association's defined benefit OPEB plan, Retiree's Health Plan (RHP), provides OPEB for all permanent full-time employees of the Association. RHP is a single-employer defined benefit OPEB plan administered by the Association. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Association Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RHP provides healthcare insurance for eligible IMRF retirees and their dependents through the Association's group health insurance plan, which covers both active and retired members.

Plan Membership. As of that date, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>134</u>
Total	<u><u>138</u></u>

Total OPEB Liability

The Association's total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the that date actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary Increases	4.00%
Discount Rate	5.20%
Healthcare Cost Trend Rates	4.00% initial rate decreasing to an ultimate rate of 3.70% until 2028
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index.

Mortality rates are based on the PUB 2010 Headcount-weighted Teachers' Mortality projected by generational scale MP-2021.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	<u>\$ 586,362</u>
Changes for the Year:	
Service Cost	32,493
Interest on the Total OPEB Liability	20,913
Changes of Benefit Terms	146,937
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(42,190)
Benefit Payments	<u>(108,445)</u>
Net Changes	<u>49,708</u>
Balance at June 30, 2025	<u><u>636,070</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 5.20%, while the prior valuation used 3.93%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	\$ 669,027	636,070	605,084

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using variable Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using variable Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 594,862	636,070	682,566

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Association recognized OPEB expense of \$121,597. At June 30, 2025, the Association reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 279,134	(24,769)	254,365
Change in Assumptions	1,072	(71,459)	(70,387)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	280,206	(96,228)	183,978

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Retiree's Health Plan - Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2026	\$ 47,116
2027	49,136
2028	36,390
2029	7,574
2030	43,762
Thereafter	—
Total	<u>183,978</u>

RETIREMENT SYSTEMS

The retirement plans of the Association include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the Association. IMRF is funded through property taxes and a perpetual lien of the Association's corporate personal property replacement tax. Each retirement system is discussed below.

The aggregate amounts for the pension plans are:

	Pension Expense	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher's Retirement System of the State of Illinois	\$ 59,968	322,864	44,142	19,347
Illinois Municipal Retirement Fund	2,900,817	6,457,947	2,470,143	3,517
	<u>2,960,785</u>	<u>6,780,811</u>	<u>2,514,285</u>	<u>22,864</u>

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

The Association participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$2,154,983 in pension contributions from the State.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025 were \$24,028 and are deferred because they were paid after the June 30, 2024 measurement date.

Federal and Special Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2025, salaries totaling \$57,002 were paid from federal and special trust funds that required employer contributions of \$5,894, which was equal to the Association's actual contributions. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

Employer Retirement Cost Contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid \$930 to TRS for employer contributions due on salary increases in excess of 6 percent, \$337 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer follows below:

Employer's Proportionate Share of the Net Pension Liability	\$ 322,864
State's Proportionate Share of the Net Pension Liability Associated with the Employer	<u>26,919,944</u>
Total	<u><u>27,242,808</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was 0.000377 percent, which was an increase of 0.000013 percent from its proportion measured as of June 30, 2023.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended June 30, 2025, the employer recognized pension expense of \$2,154,983 and revenue of \$2,154,983 for support provided by the state. At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 1,214	(838)	376
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(2,772)	(2,772)
Changes of Assumptions	4,449	(171)	4,278
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	8,464	(15,566)	(7,102)
Total Pension Expense to be Recognized in Future Periods	14,127	(19,347)	(5,220)
Employer Contributions Subsequent to the Measurement Date	30,015	—	30,015
Totals	44,142	(19,347)	24,795

\$30,015 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ (9,217)
2027	333
2028	385
2029	2,050
2030	1,229
Thereafter	—
Total	(5,220)

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 Percent
Salary Increases:	Varies by Amount of Service Credit
Investment Rate of Return:	7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	5.35%
Private Equity	15.0%	8.03%
Income	26.0%	4.32%
Real Assets	18.0%	4.60%
Diversifying Strategies	4.0%	3.40%
Total	<u>100.0%</u>	

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	\$ 398,746	322,864	259,961

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS *Annual Comprehensive Financial Report*.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. The Association's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Association's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a defined benefit agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	41
Inactive Plan Members Entitled to but not yet Receiving Benefits	102
Active Plan Members	<u>165</u>
Total	<u><u>308</u></u>

Contributions. As set by statute, the Association's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2025, the Association's contribution was 9.31% of covered payroll.

Net Pension Liability. The Association's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Association contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Association calculated using the discount rate as well as what the Association's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 37,657,559	6,457,947	1,016,582

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 60,465,888	53,698,320	6,767,568
Changes for the Year:			
Service Cost	1,017,288	—	1,017,288
Interest on the Total Pension Liability	4,100,841	—	4,100,841
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	490,517	—	490,517
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,080,474	(1,080,474)
Contributions - Employees	—	532,544	(532,544)
Net Investment Income	—	5,265,773	(5,265,773)
Benefit Payments, Including Refunds of Employee Contributions	(3,371,014)	(3,371,014)	—
Other (Net Transfer)	—	(960,524)	960,524
Net Changes	2,237,632	2,547,253	(309,621)
Balances at December 31, 2024	62,703,520	56,245,573	6,457,947

NORTHWESTERN ILLINOIS ASSOCIATION

Notes to the Financial Statements

June 30, 2025

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Association recognized pension expense of \$2,900,817. At June 30, 2025, the Association reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 670,883	—	670,883
Changes of Assumptions	—	(3,517)	(3,517)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,214,113	—	1,214,113
Total Pension Expense to be Recognized in Future Periods	1,884,996	(3,517)	1,881,479
Pension Contributions Made Subsequent to the Measurement Date	585,147	—	585,147
Total Deferred Amounts Related to IMRF	<u>2,470,143</u>	<u>(3,517)</u>	<u>2,466,626</u>

\$585,147 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 1,164,405
2027	1,679,100
2028	(662,689)
2029	(299,337)
2030	—
Thereafter	—
Total	<u>1,881,479</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
Teacher's Health Insurance Security Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree's Health Plan
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
Teachers' Retirement System
- Schedule Employer Contributions - Last Ten Fiscal Years
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

NORTHWESTERN ILLINOIS ASSOCIATION

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions
June 30, 2025**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 23,127	\$ 23,127	\$ —	\$ 2,628,093	0.88%
2019	27,035	27,035	—	2,938,586	0.92%
2020	24,785	24,785	—	2,693,985	0.92%
2021	28,999	28,999	—	3,152,058	0.92%
2022	22,475	22,475	—	3,348,039	0.67%
2023	22,969	22,969	—	3,403,266	0.67%
2024	27,163	27,163	—	4,054,195	0.67%
2025	27,757	27,757	—	4,141,819	0.67%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

NORTHWESTERN ILLINOIS ASSOCIATION

**Teacher's Health Insurance Security Fund
Schedule of Employer Contributions - Continued
June 30, 2025**

Notes to the Schedule of Employer Contributions

Valuation Date	6/30/2023
Measurement Date	6/30/2024
Sponsor's Fiscal Year End	6/30/2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts, and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market Value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the actuarial valuation as of June 30, 2021.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

NORTHWESTERN ILLINOIS ASSOCIATION

Teacher's Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability

June 30, 2025

See Following Page

NORTHWESTERN ILLINOIS ASSOCIATION

Teacher's Health Insurance Security Fund

Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability

June 30, 2025

	<u>6/30/2018</u>
Employer's Proportion of the Net OPEB Liability	0.005791%
Employer's Proportionate Share of the Net OPEB Liability	\$ 3,092,330
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>4,060,977</u>
Total	<u><u>7,153,307</u></u>
Employer's Covered Payroll	\$ 2,737,885
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll	112.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	(0.17%)

Notes:

The amounts presented were determined as of the prior fiscal-year end.

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
0.011818%	0.011955%	0.011907%	0.012134%	0.012091%	0.012182%	0.013588%
2,919,699	3,308,794	3,183,550	2,676,160	830,404	866,497	1,071,665
3,920,545	4,480,529	4,312,843	3,628,482	1,129,686	1,171,779	1,455,373
6,840,244	7,789,323	7,496,393	6,304,642	1,960,090	2,038,276	2,527,038
2,628,093	2,938,586	2,693,985	3,152,058	3,348,039	3,403,266	4,054,195
111.10%	112.60%	118.17%	84.90%	24.80%	25.46%	26.43%
(0.07%)	(0.22%)	0.70%	1.40%	5.24%	6.21%	7.43%

NORTHWESTERN ILLINOIS ASSOCIATION

Retiree's Health Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2025

	<u>6/30/2018</u>
Total OPEB Liability	
Service Cost	\$ 11,800
Interest	8,092
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(654)
Change of Assumptions or Other Inputs	—
Benefit Payments	(18,002)
Other	—
Net Change in Total OPEB Liability	<u>1,236</u>
Total OPEB Liability - Beginning	<u>224,428</u>
Total OPEB Liability - Ending	<u><u>225,664</u></u>
Covered-Employee Payroll	\$ 7,706,542
Total OPEB Liability as a Percentage of Covered-Employee Payroll	2.93%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2025.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
15,717	16,028	18,845	32,079	28,104	30,167	32,493
15,243	13,706	7,954	14,371	22,078	20,249	20,913
—	—	—	—	—	—	—
(28,283)	(14,134)	324,082	8,881	(37,116)	43,689	146,937
179,695	—	3,052	(54,110)	(3,090)	(8,246)	(42,190)
(31,356)	(33,382)	(16,851)	(48,908)	(49,267)	(108,499)	(108,445)
—	—	—	—	—	—	—
151,016	(17,782)	337,082	(47,687)	(39,291)	(22,640)	49,708
225,664	376,680	358,898	695,980	648,293	609,002	586,362
376,680	358,898	695,980	648,293	609,002	586,362	636,070
8,472,024	8,472,024	8,470,214	8,470,214	9,681,583	9,681,583	10,340,317
4.45%	4.24%	8.22%	7.65%	6.29%	6.06%	6.15%

NORTHWESTERN ILLINOIS ASSOCIATION

Teachers' Retirement System

**Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
- Last Ten Fiscal Years**

June 30, 2025

	6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Net Pension Liability	0.000490%	0.000740%	0.000630%
Employer's Proportionate Share of the Net Pension Liability	\$ 324,246	586,759	483,257
State's Proportionate Share of the Net Pension Liability Associated with the Employer	15,661,904	21,674,719	20,296,361
Total	15,986,150	22,261,478	20,779,618
Employer's Covered Payroll	\$ 2,418,812	2,730,686	2,737,885
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	13.41%	21.49%	17.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	41.47%	36.44%	39.30%
Contractually-Required Contribution	\$ 38,881	26,069	13,945
Contributions in Relation to the Contractually Required Contribution	38,881	26,069	13,945
Contribution Excess (Deficiency)	\$ —	—	—
Employer's Covered Payroll	\$ 2,730,686	2,737,885	2,628,093
Contributions as a % of Covered Payroll	1.42%	0.95%	0.53%

Notes:

The amounts presented were determined as of the prior fiscal-year end.

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

For the 2024 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent*. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
0.000390%	0.000375%	0.000369%	0.000351%	0.000325%	0.000364%	0.000377%
285,748	305,242	317,707	273,480	274,342	275,607	322,864
19,574,972	21,723,742	24,884,449	22,920,569	23,797,346	23,784,990	26,919,944
19,860,720	22,028,984	25,202,156	23,194,049	24,071,688	24,060,597	27,242,808
2,628,093	2,938,683	2,693,985	3,152,058	3,348,039	3,403,266	4,054,195
10.87%	10.39%	11.79%	8.68%	8.19%	8.10%	7.96%
40.00%	39.60%	37.80%	45.10%	42.80%	42.80%	42.80%
15,983	17,625	19,138	19,957	24,913	30,006	29,922
15,983	17,625	19,138	19,957	24,889	29,912	30,015
—	—	—	—	(24)	(94)	93
2,938,683	2,693,985	3,152,058	3,348,039	3,403,266	4,054,195	4,142,819
0.54%	0.65%	0.61%	0.60%	0.73%	0.74%	0.72%

NORTHWESTERN ILLINOIS ASSOCIATION

Illinois Municipal Retirement Fund

Schedule of Employer Contributions - Last Ten Fiscal Years

June 30, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 979,633	\$ 979,633	\$ —	\$ 8,210,444	11.93%
2017	981,273	981,273	—	8,307,951	11.81%
2018	986,121	986,121	—	8,393,212	11.75%
2019	989,479	989,479	—	8,891,874	11.13%
2020	928,473	928,473	—	8,501,792	10.92%
2021	1,145,617	1,145,617	—	9,841,795	11.64%
2022	1,121,386	1,121,386	—	9,887,847	11.34%
2023	1,060,776	1,060,776	—	10,914,226	9.72%
2024	1,084,292	1,070,534	(13,758)	12,031,715	8.90%
2025	1,103,258	1,103,258	—	11,848,842	9.31%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

NORTHWESTERN ILLINOIS ASSOCIATION

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years

June 30, 2025

See Following Page

NORTHWESTERN ILLINOIS ASSOCIATION

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years

June 30, 2025

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 839,754	868,817	882,101
Interest	2,713,021	2,882,186	3,077,355
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	239,191	654,286	347,682
Change of Assumptions	92,896	(146,824)	(1,211,385)
Benefit Payments, Including Refunds of Member Contributions	(1,404,231)	(1,671,390)	(1,962,996)
Net Change in Total Pension Liability	2,480,631	2,587,075	1,132,757
Total Pension Liability - Beginning	36,504,134	38,984,765	41,571,840
Total Pension Liability - Ending	38,984,765	41,571,840	42,704,597
Plan Fiduciary Net Position			
Contributions - Employer	\$ 967,014	984,432	979,523
Contributions - Members	369,576	369,471	382,192
Net Investment Income	162,150	2,212,692	6,062,303
Benefit Payments, Including Refunds of Member Contributions	(1,404,231)	(1,671,390)	(1,962,996)
Other (Net Transfer)	(22,881)	363,245	(559,762)
Net Change in Plan Fiduciary Net Position	71,628	2,258,450	4,901,260
Plan Net Position - Beginning	32,463,777	32,535,405	34,793,855
Plan Net Position - Ending	32,535,405	34,793,855	39,695,115
Employer's Net Pension Liability/(Asset)	\$ 6,449,360	6,777,985	3,009,482
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.46%	83.70%	92.95%
Covered Payroll	\$ 7,949,248	8,210,444	8,415,152
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	81.13%	82.55%	35.76%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
827,825	916,805	984,602	925,992	935,453	1,015,333	1,017,288
3,598,434	3,320,619	3,628,255	3,737,833	4,046,128	4,216,033	4,100,841
—	—	—	—	—	—	—
42,576	600,345	469,852	446,616	1,531,727	1,224,395	490,517
1,245,893	—	(349,729)	—	—	—	—
(2,004,157)	(2,143,841)	(2,507,212)	(2,721,331)	(2,921,188)	(3,305,967)	(3,371,014)
3,710,571	2,693,928	2,225,768	2,389,110	3,592,120	3,149,794	2,237,632
42,704,597	46,415,168	49,109,096	51,334,864	53,723,974	57,316,094	60,465,888
46,415,168	49,109,096	51,334,864	53,723,974	57,316,094	60,465,888	62,703,520
1,028,574	947,287	1,115,907	1,172,699	1,081,316	1,043,159	1,080,474
397,923	421,284	468,009	445,430	488,312	564,478	532,544
(2,138,435)	7,023,463	6,491,824	8,535,121	(7,205,680)	5,437,382	5,265,773
(2,004,157)	(2,143,841)	(2,507,212)	(2,721,331)	(2,921,188)	(3,305,967)	(3,371,014)
744,312	277,513	146,963	(664,040)	337,736	1,446,364	(960,524)
(1,971,783)	6,525,706	5,715,491	6,767,879	(8,219,504)	5,185,416	2,547,253
39,695,115	37,723,332	44,249,038	49,964,529	56,732,408	48,512,904	53,698,320
37,723,332	44,249,038	49,964,529	56,732,408	48,512,904	53,698,320	56,245,573
8,691,836	4,860,058	1,370,335	(3,008,434)	8,803,190	6,767,568	6,457,947
81.27%	90.10%	97.33%	105.60%	84.64%	88.81%	89.70%
8,577,833	9,099,782	9,745,918	9,887,847	10,410,771	11,540,322	11,834,330
101.33%	53.41%	14.06%	(30.43%)	84.56%	58.64%	54.57%

NORTHWESTERN ILLINOIS ASSOCIATION

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Local Sources				
Services Provided	\$ 24,709,625	24,709,625	23,442,337	(1,267,288)
Tuition	2,959,476	2,959,476	2,543,635	(415,841)
Earnings on Investments	50,000	50,000	46,493	(3,507)
Contributions and Donations	500	500	6,777	6,277
Other Revenues from Local Sources	—	—	42,519	42,519
District Sources				
Flow-Through Revenue from State Sources	3,686,402	3,686,402	3,613,385	(73,017)
State Sources	1,362,812	1,362,812	1,362,812	—
Federal Sources	674,000	674,000	838,203	164,203
On-Behalf Payments - State of Illinois	—	—	1,899,942	1,899,942
Total Revenues	<u>33,442,815</u>	<u>33,442,815</u>	<u>33,796,103</u>	<u>353,288</u>
Expenditures				
Instruction	10,702,707	10,702,707	11,099,674	(396,967)
Support Services	23,379,179	23,379,179	21,884,745	1,494,434
Community Services	3,000	3,000	1,908	1,092
Debt Service				
Principal Retirement	—	—	327,158	(327,158)
Interest and Fiscal Charges	—	—	43,098	(43,098)
On-Behalf Payments - State of Illinois	—	—	1,899,942	(1,899,942)
Total Expenditures	<u>34,084,886</u>	<u>34,084,886</u>	<u>35,256,525</u>	<u>(1,171,639)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(642,071)	(642,071)	(1,460,422)	(818,351)
Other Financing Sources				
Debt Issuance	—	—	364,996	364,996
Net Change in Fund Balances	<u>(642,071)</u>	<u>(642,071)</u>	<u>(1,095,426)</u>	<u>(453,355)</u>
Fund Balance - Beginning			<u>6,053,538</u>	
Fund Balance - Ending			<u><u>4,958,112</u></u>	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedule includes:

- Budgetary Comparison Schedule - Educational Account - General Fund

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Services Provided	\$ 24,709,625	24,709,625	23,442,337	(1,267,288)
Tuition	2,959,476	2,959,476	2,543,635	(415,841)
Earnings on Investments	50,000	50,000	46,493	(3,507)
Contributions and Donations	500	500	6,777	6,277
Other Revenue from Local Sources	—	—	42,519	42,519
	<u>27,719,601</u>	<u>27,719,601</u>	<u>26,081,761</u>	<u>(1,637,840)</u>
District Sources				
Flow-Through Revenue from Federal Sources	3,686,402	3,686,402	3,613,385	(73,017)
State Sources				
Unrestricted - Evidence Based Funding	1,362,812	1,362,812	1,362,812	—
Federal Sources				
Medicaid Matching Funds - Administrative Outreach	600,000	600,000	608,309	8,309
Medicaid Matching Funds - Fee-for-Service Program	65,000	65,000	169,632	104,632
Other Restricted Revenue from Federal Sources	9,000	9,000	60,262	51,262
	<u>674,000</u>	<u>674,000</u>	<u>838,203</u>	<u>164,203</u>
Total Direct Revenues	33,442,815	33,442,815	31,896,161	(1,546,654)
On-Behalf Payments - State of Illinois	—	—	1,899,942	1,899,942
Total Revenues	33,442,815	33,442,815	33,796,103	353,288
Expenditures				
Instruction				
Special Education Programs				
Salaries	3,858,706	3,858,706	3,821,082	37,624
Employee Benefits	4,558,032	4,558,032	5,193,476	(635,444)
Purchased Services	2,146,456	2,146,456	1,913,412	233,044
Supplies and Materials	47,000	47,000	29,471	17,529
Capital Outlay	10,000	10,000	—	10,000
Other Objects	500	500	201	299
Non-Capital Equipment	5,250	5,250	20,476	(15,226)
	<u>10,625,944</u>	<u>10,625,944</u>	<u>10,978,118</u>	<u>(352,174)</u>

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Instruction - Continued				
Remedial and Supplemental Programs K-12				
Salaries	\$ —	—	13,579	(13,579)
Employee Benefits	—	—	1,987	(1,987)
Supplies and Materials	—	—	27,441	(27,441)
Non-Capitalized Equipment	—	—	4,487	(4,487)
	—	—	47,494	(47,494)
Summer School Programs				
Salaries	40,257	40,257	45,394	(5,137)
Employee Benefits	3,606	3,606	4,208	(602)
Purchased Services	31,900	31,900	23,995	7,905
Supplies and Materials	1,000	1,000	465	535
	76,763	76,763	74,062	2,701
Total Instruction	10,702,707	10,702,707	11,099,674	(396,967)
Support Services				
Pupils				
Attendance and Social Work Services				
Purchased Services	138,100	138,100	168,352	(30,252)
Supplies and Materials	10,000	10,000	363	9,637
Other Objects	550	550	—	550
	148,650	148,650	168,715	(20,065)
Health Services				
Salaries	9,227,952	9,227,952	9,285,570	(57,618)
Employee Benefits	3,243,366	3,243,366	3,145,807	97,559
Purchased Services	2,337,915	2,337,915	2,157,385	180,530
Supplies and Materials	54,500	54,500	37,940	16,560
Capital Outlay	6,000	6,000	9,578	(3,578)
Other Objects	4,400	4,400	3,175	1,225
Non-Capitalized Equipment	25,000	25,000	20,126	4,874
	14,899,133	14,899,133	14,659,581	239,552

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Pupils - Continued				
Psychological Services				
Salaries	\$ 92,383	92,383	81,938	10,445
Employee Benefits	28,436	28,436	27,333	1,103
Purchased Services	144,100	144,100	—	144,100
Supplies and Materials	7,000	7,000	—	7,000
Other Objects	550	550	—	550
	<u>272,469</u>	<u>272,469</u>	<u>109,271</u>	<u>163,198</u>
Speech Pathology and Audiology Services				
Salaries	1,327,686	1,327,686	1,325,374	2,312
Employee Benefits	362,903	362,903	339,177	23,726
Purchased Services	2,169,700	2,169,700	1,260,849	908,851
Supplies and Materials	24,500	24,500	22,144	2,356
Capital Outlay	26,000	26,000	36,462	(10,462)
Other Objects	550	550	573	(23)
Non-Capitalized Equipment	103,250	103,250	61,526	41,724
	<u>4,014,589</u>	<u>4,014,589</u>	<u>3,046,105</u>	<u>968,484</u>
Total Pupils	<u>19,334,841</u>	<u>19,334,841</u>	<u>17,983,672</u>	<u>1,351,169</u>
Instructional Staff				
Improvement of Instructional Services				
Purchased Services	—	—	4,945	(4,945)
General Administration				
Board of Education Services				
Purchased Services	15,000	15,000	5,610	9,390
Executive Administration Services				
Salaries	718,480	718,480	613,776	104,704
Employee Benefits	193,726	193,726	154,956	38,770
Purchased Services	384,473	384,473	432,095	(47,622)
Supplies and Materials	11,000	11,000	8,413	2,587
Other	2,450	2,450	2,301	149
	<u>1,310,129</u>	<u>1,310,129</u>	<u>1,211,541</u>	<u>98,588</u>

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
General Administration - Continued				
Special Area Administrative Services				
Salaries	\$ 408,322	408,322	416,773	(8,451)
Employee Benefits	82,303	82,303	80,752	1,551
Purchased Services	34,750	34,750	26,829	7,921
Supplies and Materials	750	750	1,305	(555)
	526,125	526,125	525,659	466
Total General Administration	1,851,254	1,851,254	1,742,810	108,444
Business				
Direction of Business Support Services				
Salaries	—	—	29,550	(29,550)
Employee Benefits	—	—	4,833	(4,833)
	—	—	34,383	(34,383)
Fiscal Services				
Salaries	790,264	790,264	800,026	(9,762)
Employee Benefits	362,484	362,484	314,930	47,554
Purchased Services	42,000	42,000	29,653	12,347
Other Objects	500	500	349	151
	1,210,248	1,210,248	1,155,668	54,580
Operations and Maintenance of Plant Services				
Purchased Services	592,336	592,336	666,199	(73,863)
Supplies and Materials	40,500	40,500	32,002	8,498
Capital Outlay	33,000	33,000	24,444	8,556
Non-Capitalized Equipment	9,000	9,000	—	9,000
	674,836	674,836	722,645	(47,809)
Total Business	1,885,084	1,885,084	1,912,696	(27,612)

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Central				
Data Processing Services				
Purchased Services	\$ 33,000	33,000	38,242	(5,242)
Supplies and Materials	175,000	175,000	167,539	7,461
Capital Outlay	50,000	50,000	3,670	46,330
Non-Capitalized Equipment	50,000	50,000	31,171	18,829
	<u>308,000</u>	<u>308,000</u>	<u>240,622</u>	<u>67,378</u>
Total Central	<u>308,000</u>	<u>308,000</u>	<u>240,622</u>	<u>67,378</u>
Total Support Services	<u>23,379,179</u>	<u>23,379,179</u>	<u>21,884,745</u>	<u>1,494,434</u>
Community Services				
Employee Benefits	—	—	217	(217)
Purchased Services	3,000	3,000	1,691	1,309
	<u>3,000</u>	<u>3,000</u>	<u>1,908</u>	<u>1,092</u>
Debt Service				
Principal Retirement	—	—	327,158	(327,158)
Interest and Fiscal Charges	—	—	43,098	(43,098)
	<u>—</u>	<u>—</u>	<u>370,256</u>	<u>(370,256)</u>
Total Direct Expenditures	<u>34,084,886</u>	<u>34,084,886</u>	<u>33,356,583</u>	<u>728,303</u>
On Behalf Payments - State of Illinois	<u>—</u>	<u>—</u>	<u>1,899,942</u>	<u>(1,899,942)</u>
Total Expenditures	<u>34,084,886</u>	<u>34,084,886</u>	<u>35,256,525</u>	<u>(1,171,639)</u>

NORTHWESTERN ILLINOIS ASSOCIATION

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (642,071)	(642,071)	(1,460,422)	(818,351)
Other Financing Sources Debt Issuance	—	—	364,996	364,996
Net Change in Fund Balance	<u>(642,071)</u>	<u>(642,071)</u>	(1,095,426)	<u>(453,355)</u>
Fund Balance - Beginning			<u>6,053,538</u>	
Fund Balance - Ending			<u>4,958,112</u>	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

December 8, 2025

Members of the Executive Board
Northwestern Illinois Association
Sycamore, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwestern Illinois Association, Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association’s basic financial statements, and have issued our report thereon dated December 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. According, we do not express an opinion on the effectiveness of the Association’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Northwestern Illinois Association, Illinois
December 8, 2025

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

NORTHWESTERN ILLINOIS
ASSOCIATION
SYCAMORE, ILLINOIS

MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

245 W. Exchange St.
Sycamore, IL 60178
Phone: 815.895.9227
www.thenia.org



December 8, 2025

Members of the Executive Board
Northwestern Illinois Association
Sycamore, Illinois

In planning and performing our audit of the financial statements of the Northwestern Illinois Association (the Association), Illinois, for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board and senior management of the Northwestern Illinois Association, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Association personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Association staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATION

1. **DEFICIT NET POSITION**

Comment

During our current year-end audit procedures, we noted the following with deficit net position:

Net Position	Deficit
Governmental Activities	\$ 2,430,068

Recommendation

We recommend the Association investigate the causes of the deficit and adopt appropriate future funding measures.

Management Response

The Association has been monitoring the budget deficits and is actively working to improve budgeting strategies that generate a surplus and support a fund balance that is in line with Board Policy.

2. **IT SECURITY AWARENESS AND MONITORING OF EMERGING RISKS**

Comment

Recently, we have noted the increasing importance of information technology (IT) security for local associations. While we did not identify a specific security breach during our auditing procedures, we have noted increased risks to local associations in the following areas of IT security:

- Ransomware and Phishing Attacks – Increasingly targeted at local associations due to limited IT staffing and valuable public data.
- Multi-Factor Authentication (MFA) – This is now considered a minimum standard of protection for access to email, financial systems and remote logins.
- Vendor and Third-Party Risk – Cloud service providers, software vendors, and contractors may present risks if not adequately monitored.
- Data Backup and Recovery – Secure, tested backups are critical to minimize downtime and financial loss in the event of an incident.
- Staff Awareness and Training – Many breaches in local associations occur due to human error; regular training and simulated testing can help reduce exposure.

Recommendation

We recommend that the Association continue to increase awareness around IT security issues by:

- Engaging in ongoing monitoring or cyber security trends affecting local associations.
- Incorporating regular staff training on phishing and other social engineering tactics.
- Periodically reviewing policies for password strength, MFA, and incident response.
- Ensuring vendor contracts address security standards and data protection.
- Testing data backup and recovery plans on at least an annual basis.

By increasing awareness and preparedness, the Association can reduce the likelihood of a security incident, protect sensitive constituent and financial data, and help to ensure continuity of operations.

CURRENT RECOMMENDATION - Continued

2. IT SECURITY AWARENESS AND MONITORING OF EMERGING RISKS - Continued

Management Response

The Association is implementing a process with Secure Halo to perform quarterly phishing campaigns. MFA configuration is activated on all GSuite applications and financial systems. Server backups run on a daily basis, and copies of offsite backups are run twice a week. The Association actively utilizes SentinelOne as an endpoint detection platform. All employees receive annual cybersecurity training and additional training as needed.

PRIOR RECOMMENDATIONS

1. **FUND BALANCE POLICY**

Comment

Previously and during our current year-end audit procedures, we noted that the Association does not have a formal fund balance policy. A fund balance policy establishes a minimum level at which the projected end-of-year fund balance should be maintained, taking into account the constraints imposed upon the resources reported by the governmental funds. A fund balance policy assists in providing financial stability, cash flow for operations, and the assurance that the Association will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of funds balance to mitigate current and future risks and to ensure tax rates. Fund balance levels are also crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of fund balance and unassigned fund balance in the General Fund to evaluate the Association's continued creditworthiness.

Recommendation

We recommended the Association amend their fund balance policy to be in compliance with GASB Statement No. 54. The Association should address fund balance reporting categories (nonspendable, restricted, committed, assigned, and unassigned) as well as review minimum fund balance policies.

Status

This comment has not been implemented and will be repeated in the future.

Management's Response

This comment has been implemented. The revised Fund Balance policy was approved by the Executive Board on August 20, 2025, and had already been adopted and implemented before the financial report was issued.

PRIOR RECOMMENDATIONS - Continued

2. CAPITAL ASSET POLICY

Comment

Previously and during our current year-end audit procedures, we noted that the Association does not have a formal capital asset policy to provide guidance on the financial aspects and stewardship of capital assets. With respect to the financial aspects, guidance should be provided on the minimum dollar amount and minimum useful life for an item to be capitalized as a capital asset. Stewardship issues include the physical custody of capital assets.

Recommendation

We recommended that the Association adopt a capital asset policy, which addresses both financial, and stewardship issues. As part of developing the capital asset policy, a review of the current capitalization amount and estimated useful life should be performed for both financial reporting and stewardship. The capital asset policy should also establish standard depreciation methods and useful lives to be applied to specific categories of assets. With respect to stewardship, the policy should address location of assets, tagging, physical access and security and frequency of periodic inventories. Once the policy has been established, we recommended the Association ensure its capital asset records are in compliance with the new policy.

Status

This comment has not been implemented and will be repeated in the future.

Management's Response

This comment has been implemented. The Capital Asset policy was approved by the Executive Board on August 20, 2025, and had already been adopted and implemented before the financial report was issued.

UPCOMING STANDARDS

1. **GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS**

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, Financial Reporting Model Improvements, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, Financial Reporting Model Improvements is applicable to the District's financial statements for the year ended June 30, 2026.

2. **GASB STATEMENT NO. 104 DISCLOSURE OF CERTAIN CAPITAL ASSETS**

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, Disclosure of Certain Capital Assets, which provide users of government financial statements with essential information about certain types of capital assets. This statement establishes requirements for (1) Certain types of capital assets to be disclosed separately in the capital assets note disclosures, and (2) Capital assets held for sale, including additional disclosures for those capital assets. GASB Statement No. 104, Disclosure of Certain Capital Assets is applicable to the District's financial statements for the year ended June 30, 2026.



December 8, 2025

Members of the Executive Board
Northwestern Illinois Association
Sycamore, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northwestern Illinois Association (the Association), Illinois for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in the Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities' financial statements are noted below.

Management's estimates of the:

- Depreciation/amortization expense on capital assets is based on estimated useful lives of the underlying capital assets
- Net pension related accounts are based on estimated assumptions used by the actuary
- Total OPEB related accounts are based on estimated assumptions used by the actuary

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Significant Audit Findings - Continued

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 8, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters - Continued

We were engaged to report on the other supplementary information, as listed in the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Executive Board and management of the Association and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the Executive Board and staff (in particular the Finance Department) of the Northwestern Illinois Association, Illinois for their valuable cooperation throughout the audit engagement.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP



Operational Fund Expenditure Report

105 ILCS 5/17-1.10

School Boards that do not receive federal impact funding must present annually a written operational expenditure report. This report must include the annual average operating expenditures for the previous three fiscal years, as reported in the most recently audited financial reports.

	FY22	FY23	FY24	FY25	Average
Revenue	\$26,321,797	\$25,982,289	\$27,053,568	\$31,896,161	\$27,813,454
Expenditures	\$26,636,578	\$25,580,918	\$27,488,050	\$32,991,587	\$28,174,283
Net	-\$314,781	\$401,371	-\$434,482	-\$1,095,426	-\$360,830

OPERATING RATE REVIEW — EXECUTIVE SUMMARY

Recommendation: Adopt Budget Tool Rates for FY26 and Beyond

KEY FINDINGS (FY24–FY25)

Lost by Not Trusting Tool (Tool rate minus Board rate over 2 yrs)	Actual Net Loss (Board Rates) (FY24 + FY25 under rates the Board set)	If Used Tool Rates (FY24 + FY25 if Tool rates had been charged)	Forecast Accuracy (How closely Tool predicted sold days)
878,034 <i>savings if Tool was trusted</i>	-1,527,967 <i>actual 2-year result</i>	-649,933 <i>hypothetical with Tool rates</i>	90% / 95% <i>service-level / aggregate accuracy</i>

RATE SCENARIO COMPARISON

Scenario	FY24	FY25	2-Year Total
Board Approved Rates (Actual)	-433,367	-1,094,599	-1,527,967
Budget Tool Rates (Hypothetical)	(\$143,110)	(\$506,823)	(\$649,933)
Tool Advantage	290,257	587,776	878,034
<i>Operating Rate (Breakeven)</i>	-	-	-

SERVICE-LEVEL IMPACT: Where the Tool Would Have Helped (All Cost Centers)

Service	FY24 Additional Revenue	FY25 Additional Revenue	Total Impact	% of Total	2-Year Actual Net Income
10 - Therapy	\$ 210,991	\$ 518,659	\$ 729,650	83.1%	-1,160,888
24 - Vision Teaching	\$ 3,571	\$ 68,222	\$ 71,793	8.2%	-266,319
07 - Vision Supervision	\$ -	\$ 31,065	\$ 31,065	3.5%	-7,745
17 - Interpreter	\$ 30,099	\$ -	\$ 30,099	3.4%	-103,947
09 - Speech	\$ 10,685	\$ 3,800	\$ 14,485	1.7%	-33,486
06 - Audiology	\$ 1,220	\$ 7,371	\$ 8,591	1.0%	-7,467
29 - Autism	\$ 78	\$ 3,042	\$ 3,120	0.4%	1,053
23 - DHH Teaching	\$ 755	\$ -	\$ 755	0.1%	-42,174
11 - BCBA	\$ -	\$ 590	\$ 590	0.1%	52,017
04 - DHH Supervision	\$ -	\$ -12,401	\$ -12,401	-1.4%	8,417
Psych	\$ -	\$ -	\$ -	0.0%	0
31 - Social Work	\$ -	\$ -	\$ -	0.0%	32,572
Total	\$ 257,399	\$ 620,348	\$ 877,747	100.0%	\$ (1,527,967)

RECOMMENDATION

Adopt Budget Tool-suggested rates for FY26 and all future fiscal years.

1. The Tool's rates would have reduced the FY24–FY25 deficit by \$878,034 — a 57% improvement.
2. The Tool adjusts rates in both directions (up and down) based on actual operating costs — it is objective and data-driven.
3. Even with imperfect volume forecasts (~90% service-level, ~95% aggregate), the Tool's rate methodology still outperformed by \$878,034 — proving the cost model works.


FORECAST ACCURACY & RATE PERFORMANCE

Understanding how volume forecasts feed into rate accuracy — and why rate accuracy is what matters

SECTION 1: Volume Forecast Results

The Budget Tool projects days sold for each service line. Below are the FY24 and FY25 results — how many days the Tool predicted vs. what actually occurred.

Service	FY24 Projected	FY24 Actual	FY25 Projected	FY25 Actual	Avg Accuracy
10 - Therapy	24131	23135.3	23656	22364.3	95.0%
09 - Speech	4684	3267	3316	2806.6	69.2%
04 - DHH Supervision	292	324	300	312	93.1%
06 - Audiology	914.5	918	963	941.5	98.7%
07 - Vision Supervision	305	311.5	324	326	98.6%
17 - Interpreter	1593	1762	1780	2217	85.3%
24 - Vision Teaching	2756	2988.75	2975.5	3214	92.4%
29 - Autism	68	78	76	82	89.9%
Overall Accuracy	~95.2%		~95.5%		90% avg 95% agg.

 **Takeaway:** Two ways to measure accuracy tell different stories. Individual service accuracy averaged ~90% (ranging from 69% for Speech to 99% for Audiology). Aggregate accuracy was ~95% because the Tool is most precise on the highest-volume service — Therapy, which represents ~70% of all days. Both measures confirm: forecasts are strong, but not perfect. So

SECTION 2: Why Volume Accuracy Alone Doesn't Tell the Full Story

The Budget Tool calculates a recommended daily rate using TWO key inputs:

Input 1: Projected Days Sold (Volume Forecast)

How many days of service do we expect to sell? This drives revenue projections. If we overestimate volume, we'll expect more revenue than we actually collect.

Input 2: Operating Cost Per Day (Cost Modeling)

What does it actually cost to deliver one day of service? This includes salaries, benefits, overhead, supervision, and materials. The Tool calculates this from actual budget data.

$$\text{Tool's Rate} = \text{Total Operating Costs} \div \text{Projected Days Sold}$$

Key Insight: Even when volume forecasts are imperfect, the rate can still be accurate IF the cost modeling is strong.

Why? Because costs and volume are related. If volume drops, some costs drop too. The Tool captures these relationships in its cost model. A volume miss doesn't automatically mean a rate miss.

SECTION 3: The Proof — Rate Accuracy Is What Matters

Despite imperfect volume forecasts, here is what actually happened when we compare the Tool's recommended rates against board-approved rates:

Metric	Board Rates (Actual)	Tool Rates (Hypothetical)	Difference
FY24 Net Income (All Services)	-400509	-143110	\$ 257,399
FY25 Net Income (All Services)	-1127171	-506823	\$ 620,348
2-Year Cumulative Result	-1527680	-649933	\$ 877,747
Improvement			57%

💡 The Tool's volume forecasts averaged ~90% accuracy at the service level (95% aggregate). But its RATE RECOMMENDATIONS would have saved \$877,747.

This means the Tool's cost modeling compensated for volume misses. The total rate-setting methodology works — even when individual inputs aren't perfect.

SECTION 4: Improving Over Time

The Tool currently has two full years of operating data (FY24–FY25). As it accumulates more history, both inputs improve:

Volume Forecasts Get Sharper	Cost Modeling Gets More Precise
More years of enrollment and referral data let the Tool better predict seasonal patterns, growth trends, and service demand. FY26 will be year 3.	Each year of actual cost data refines the Tool's understanding of how salaries, benefits, and overhead scale with volume. The cost-per-day calculations become more reliable.

	FY24 (Year 1)	FY25 (Year 2)	FY26 (Year 3)	FY27+ (Future)
Data Available	1 year	2 years	3 years	4+ years
Tool Status	First test	Track record building	Adoption recommended	Continuous refinement
Confidence Level	Low	Moderate	Strong	High

BOTTOM LINE: Don't judge the Tool by any single input. Judge it by the output — the rate — and the financial result. \$877,747 says the methodology works.

PROJECTED VS. ACTUAL SOLD DAYS

Service	FY24 Projected Days	FY24 Actual Days	FY25 Projected Days	FY25 Actual Day	Avg Accuracy %	Forecast Flag
Occupational Therapy	19,419	18,475	18,915	17,816	94.7%	Monitor
Physical Therapy	4,912	4,660	4,741	4,549	95.4%	✓ Accurate
OT/PT Supervision	42	36	33	50	65.9%	△ Review Needed
Speech/Language Therapy	4,684	3,267	3,316	2,807	77.2%	△ Review Needed
SL Bilingual	0	182	902	888	98.4%	New Service
SL Supervision	54	54	0	71.5	100.0%	New Service
Interpreters	1,593	1,762	1,780	2,217	82.4%	△ Review Needed
DHH Teaching	720	753	789	1,082	79.2%	Monitor
DHH Supervision	292	324	300	312	92.5%	✓ Accurate
Audiology	915	918	963	942	98.7%	✓ Accurate
Audiology Equipment Rental	268	302	288	289	93.5%	✓ Accurate
Vision Teaching (TVI)	2,756	2,989	2,976	3,214	91.8%	Monitor
Orientation & Mobility	531	563	453	564	84.7%	Monitor
Vision Supervision	305	312	324	326	98.6%	✓ Accurate
Autism/Low Incidence	68	78	76	82	88.7%	Monitor
BCBA	0	117.5	450	589.5	69.0%	New Service
Psych	0	0	900	0	0.0%	New Service
Social Work	0	0	540	260	48.1%	New Service

Key Insights

△ Services Needing Review

OT/PT Supervision 54% variance FY25
 Speech/Language Therapy 30% under FY24, 15% under FY25
 Interpreters 25% over both years

✓ Accurate Forecasts (≤5%)

Physical Therapy, DHH Supervision, Audiology
 Audiology Equip Rental, Vision Supervision

☑ High Growth Services (Year Over Year)

BCBA (+402%), SL Bilingual (+388%), DHH Teaching (+44%)

FY27 Salary Proposal — Competitive Position Summary

Our proposed FY27 salaries position NIA at or below the middle of the 14 districts that purchase our services.

⚠ Note: Baseline salary data is from FY25 (2024–2025) — two years behind this FY27 proposal. The 0% column uses salaries districts were paying two years ago. Actual current salaries are likely higher, meaning even the 0% gaps understate NIA's real competitive position today.

PROJECTED RANKING AMONG 15 DISTRICTS (14 Customers + NIA)

Staff Category	Salary Position	0% Growth (FY25 Data)	3% Annual (6.09% over 2 yrs)	4% Annual (8.16% over 2 yrs)	5% Annual (10.25% over 2 yrs)
TEACHERS					
Bachelor's Beginning	Beginning	7 of 15	10 of 15	10 of 15	10 of 15
Bachelor's Maximum	Maximum	2 of 15	3 of 15	3 of 15	3 of 15
Master's Beginning	Beginning	10 of 15	10 of 15	11 of 15	12 of 15
Master's Maximum	Maximum	9 of 15	10 of 15	11 of 15	12 of 15
Master's +30 Beginning	Beginning	10 of 15	10 of 15	13 of 15	14 of 15
Master's +30 Maximum	Maximum	10 of 15	13 of 15	14 of 15	14 of 15
Highest Scheduled Salary	Maximum	13 of 15	14 of 15	14 of 15	14 of 15
OTPT (THERAPY STAFF)					
BS/MS Beginning	Beginning	6 of 15	8 of 15	8 of 15	9 of 15
BS/MS Maximum	Maximum	6 of 15	8 of 15	8 of 15	9 of 15
Doctorate Beginning	Beginning	8 of 15	10 of 15	10 of 15	10 of 15
Doctorate Maximum	Maximum	8 of 15	10 of 15	10 of 15	10 of 15
PSYCH / SLP / SW					
MS Beginning	Beginning	5 of 15	8 of 15	9 of 15	10 of 15
MS Maximum	Maximum	4 of 15	7 of 15	8 of 15	9 of 15
Enhanced Beginning	Beginning	9 of 15	11 of 15	12 of 15	13 of 15
Enhanced Maximum	Maximum	8 of 15	10 of 15	11 of 15	12 of 15
Doctorate Maximum	Maximum	9 of 15	12 of 15	13 of 15	14 of 15
BCBA					
BS/MS Beginning	Beginning	3 of 15	6 of 15	7 of 15	8 of 15
BS/MS Maximum	Maximum	5 of 15	7 of 15	8 of 15	9 of 15
Doctorate Beginning	Beginning	7 of 15	9 of 15	10 of 15	11 of 15
Doctorate Maximum	Maximum	6 of 15	9 of 15	10 of 15	11 of 15

LEGEND

Top Third (1–5)

Middle Third (6–10)

Bottom Third (11–15)

14 CUSTOMERS INCLUDED IN ANALYSIS

Aurora East USD 131, Aurora West USD 129, Central CUSD 301, CUSD 300, DeKalb CUSD 428, Harlem UD 122, Kaneland CUSD 302, Mid-Valley Special Ed Coop, Rockford SD 205, Sandwich CUSD 430, SD U-46, St Charles CUSD 303, Sycamore CUSD 427, Winnebago County Spec Educ Coop

FY27 Salary Proposal — Dollar Gap vs. Competitor Median

Shows the dollar amount NIA proposed salary is above (+) or below (-) the projected competitor median. Δ Baseline data is FY25 — two years old. Even the 0% column likely understates the real gap.

Staff Category	Position	0% Growth (FY25 Data)	3% Annual (6.09% over 2 yrs)	4% Annual (8.16% over 2 yrs)	5% Annual (10.25% over 2 yrs)
TEACHERS					
Bachelor's Beginning	Beginning	\$1,326	(\$1,670)	(\$2,688)	(\$3,716)
Bachelor's Maximum	Maximum	\$18,734	\$14,640	\$13,248	\$11,843
Master's Beginning	Beginning	(\$1,876)	(\$5,253)	(\$6,402)	(\$7,560)
Master's Maximum	Maximum	(\$3,894)	(\$9,685)	(\$11,654)	(\$13,641)
Master's +30 Beginning	Beginning	(\$5,250)	(\$9,032)	(\$10,318)	(\$11,616)
Master's +30 Maximum	Maximum	(\$7,980)	(\$14,358)	(\$16,526)	(\$18,715)
Highest Scheduled Salary	Maximum	(\$11,754)	(\$18,539)	(\$20,846)	(\$23,174)
OTPT (THERAPY STAFF)					
BS/MS Beginning	Beginning	\$4,185	\$808	(\$341)	(\$1,499)
BS/MS Maximum	Maximum	\$6,423	\$632	(\$1,337)	(\$3,324)
Doctorate Beginning	Beginning	(\$67)	(\$3,848)	(\$5,133)	(\$6,431)
Doctorate Maximum	Maximum	\$844	(\$5,534)	(\$7,702)	(\$9,891)
PSYCH / SLP / SW					
MS Beginning	Beginning	\$2,401	(\$976)	(\$2,124)	(\$3,283)
MS Maximum	Maximum	\$5,824	\$33	(\$1,935)	(\$3,923)
Enhanced Beginning	Beginning	(\$2,068)	(\$5,850)	(\$7,135)	(\$8,433)
Enhanced Maximum	Maximum	(\$32)	(\$6,410)	(\$8,578)	(\$10,767)
Doctorate Maximum	Maximum	(\$2,925)	(\$9,710)	(\$12,016)	(\$14,344)
BCBA					
BS/MS Beginning	Beginning	\$4,623	\$1,246	\$98	(\$1,061)
BS/MS Maximum	Maximum	\$7,770	\$1,979	\$11	(\$1,977)
Doctorate Beginning	Beginning	\$388	(\$3,394)	(\$4,679)	(\$5,977)
Doctorate Maximum	Maximum	\$2,244	(\$4,134)	(\$6,302)	(\$8,491)

KEY TAKEAWAYS

1. Even with zero competitor growth, NWIA ranks in the middle of the pack or below in most salary categories.
2. Under a realistic 3% competitor growth assumption, we drop to the bottom half across nearly every category — particularly in advanced degree lanes.
3. Advanced degree and experienced-staff lanes (Master's +30, Enhanced, Doctorate) are the most at risk — falling to 12th–14th of 15 with moderate competitor growth.
4. These are conservative salary recommendations. They position NWIA to remain competitive enough to attract and retain staff, not to lead the market.



2026-2027 Compensation Guide

Version 1.0

Board Approved February 18, 2026

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Education Department
Teachers and Orientation & Mobility Specialists
182 Days, 7.0 Hours/Day, Exempt

	BS	BS +15	MS	MS +15	MS +30	MS +45/PhD
0	\$55,501.11	\$57,166.14	\$58,881.12	\$60,647.55	\$62,466.98	\$64,340.99
1	\$56,694.38	\$58,395.21	\$60,147.07	\$61,951.48	\$63,810.02	\$65,724.32
2	\$57,913.31	\$59,650.71	\$61,440.23	\$63,283.44	\$65,181.94	\$67,137.40
3	\$59,158.45	\$60,933.20	\$62,761.20	\$64,644.04	\$66,583.36	\$68,580.86
4	\$60,430.36	\$62,243.27	\$64,110.57	\$66,033.89	\$68,014.91	\$70,055.36
5	\$61,729.61	\$63,581.50	\$65,488.95	\$67,453.62	\$69,477.23	\$71,561.55
6	\$63,056.80	\$64,948.50	\$66,896.96	\$68,903.87	\$70,970.99	\$73,100.12
7	\$64,412.52	\$66,344.90	\$68,335.25	\$70,385.31	\$72,496.87	\$74,671.78
8	\$65,797.39	\$67,771.31	\$69,804.45	\$71,898.58	\$74,055.54	\$76,277.21
9	\$67,212.03	\$69,228.39	\$71,305.24	\$73,444.40	\$75,647.73	\$77,917.16
10	\$68,657.09	\$70,716.80	\$72,838.30	\$75,023.45	\$77,274.15	\$79,592.37
11	\$70,133.22	\$72,237.22	\$74,404.34	\$76,636.47	\$78,935.56	\$81,303.63
12	\$71,641.08	\$73,790.31	\$76,004.02	\$78,284.14	\$80,632.66	\$83,051.64
13	\$73,181.36	\$75,376.80	\$77,638.10	\$79,967.24	\$82,366.26	\$84,837.25
14	\$74,754.76	\$76,997.40	\$79,307.32	\$81,686.54	\$84,137.14	\$86,661.25
15	\$76,361.99	\$78,652.85	\$81,012.44	\$83,442.81	\$85,946.09	\$88,524.47
16	\$78,003.77	\$80,343.88	\$82,754.20	\$85,236.83	\$87,793.93	\$90,427.75
17	\$79,680.85	\$82,071.28	\$84,533.42	\$87,069.42	\$89,681.50	\$92,371.95
18	\$81,393.99	\$83,835.81	\$86,350.88	\$88,941.41	\$91,609.65	\$94,357.94
19	\$83,143.96	\$85,638.28	\$88,207.43	\$90,853.65	\$93,579.26	\$96,386.64
20	\$84,931.56	\$87,479.51	\$90,103.90	\$92,807.02	\$95,591.23	\$98,458.97
21	\$86,757.59	\$89,360.32	\$92,041.13	\$94,802.36	\$97,646.43	\$100,575.82
22	\$88,622.88	\$91,281.57	\$94,020.02	\$96,840.62	\$99,745.84	\$102,738.22
23	\$90,528.27	\$93,244.12	\$96,041.44	\$98,922.68	\$101,890.36	\$104,947.07
24	\$92,474.63	\$95,248.87	\$98,106.34	\$101,049.53	\$104,081.02	\$107,203.45
25	\$94,462.83	\$97,296.71	\$100,215.61	\$103,222.08	\$106,318.74	\$109,508.30

Education Department
Sign Language Interpreters
177 Days, 7.0 Hours/Day, Non-Exempt

	Interpreter 1 ISBE 3.0-3.40		Interpreter 2 ISBE 3.50+ or IL License Intermediate		Interpreter 3 Licensure Advanced or Masters	
	Hourly	Annual	Hourly	Annual	Hourly	Annual
0	\$30.20	\$ 37,417.80	\$31.11	\$ 38,545.29	\$32.04	\$ 39,697.56
1	\$30.92	\$ 38,309.88	\$31.86	\$ 39,474.54	\$32.81	\$ 40,651.59
2	\$31.66	\$ 39,226.74	\$32.62	\$ 40,416.18	\$33.60	\$ 41,630.40
3	\$32.42	\$ 40,168.38	\$33.40	\$ 41,382.60	\$34.41	\$ 42,633.99
4	\$33.20	\$ 41,134.80	\$34.20	\$ 42,373.80	\$35.24	\$ 43,662.36
5	\$34.00	\$ 42,126.00	\$35.02	\$ 43,389.78	\$36.09	\$ 44,715.51
6	\$34.82	\$ 43,141.98	\$35.86	\$ 44,430.54	\$36.96	\$ 45,793.44
7	\$35.66	\$ 44,182.74	\$36.72	\$ 45,496.08	\$37.85	\$ 46,896.15
8	\$36.52	\$ 45,248.28	\$37.60	\$ 46,586.40	\$38.76	\$ 48,023.64
9	\$37.40	\$ 46,338.60	\$38.50	\$ 47,701.50	\$39.69	\$ 49,175.91
10	\$38.30	\$ 47,453.70	\$39.42	\$ 48,841.38	\$40.64	\$ 50,352.96
11	\$39.22	\$ 48,593.58	\$40.37	\$ 50,018.43	\$41.62	\$ 51,567.18
12	\$40.16	\$ 49,758.24	\$41.34	\$ 51,220.26	\$42.62	\$ 52,806.18
13	\$41.12	\$ 50,947.68	\$42.33	\$ 52,446.87	\$43.64	\$ 54,069.96
14	\$42.11	\$ 52,174.29	\$43.35	\$ 53,710.65	\$44.69	\$ 55,370.91
15	\$43.12	\$ 53,425.68	\$44.39	\$ 54,999.21	\$45.76	\$ 56,696.64
16	\$44.15	\$ 54,701.85	\$45.46	\$ 56,324.94	\$46.86	\$ 58,059.54
17	\$45.21	\$ 56,015.19	\$46.55	\$ 57,675.45	\$47.98	\$ 59,447.22
18	\$46.30	\$ 57,365.70	\$47.67	\$ 59,063.13	\$49.13	\$ 60,872.07
19	\$47.41	\$ 58,740.99	\$48.81	\$ 60,475.59	\$50.31	\$ 62,334.09
20	\$48.55	\$ 60,153.45	\$49.98	\$ 61,925.22	\$51.52	\$ 63,833.28
21	\$49.62	\$ 61,479.18	\$51.08	\$ 63,288.12	\$52.65	\$ 65,233.35
22	\$50.71	\$ 62,829.69	\$52.20	\$ 64,675.80	\$53.81	\$ 66,670.59
23	\$51.83	\$ 64,217.37	\$53.35	\$ 66,100.65	\$54.99	\$ 68,132.61
24	\$52.97	\$ 65,629.83	\$54.52	\$ 67,550.28	\$56.20	\$ 69,631.80
25	\$54.14	\$ 67,079.46	\$55.72	\$ 69,037.08	\$57.44	\$ 71,168.16

Position Benefits: NIA will reimburse annual IDHHC licensure registration for interpreters in exchange for their availability to provide licensed interpreting services, as needed.

Education Department
Audiologists
195 Days, 7.50 Hours/Day, Exempt

	MS +30 or AuD
0	\$71,221.49
1	\$72,823.97
2	\$74,462.51
3	\$76,137.92
4	\$77,851.02
5	\$79,602.67
6	\$81,393.73
7	\$83,225.09
8	\$85,097.65
9	\$87,012.35
10	\$88,970.13
11	\$90,971.96
12	\$93,018.83
13	\$95,111.75
14	\$97,251.76
15	\$99,439.92
16	\$101,677.32
17	\$103,965.06
18	\$106,304.27
19	\$108,696.12
20	\$111,141.78
21	\$113,364.62
22	\$115,631.91
23	\$117,944.55
24	\$120,303.44
25	\$122,709.51

Education Department
Paraprofessionals
177 Days, 7.0 Hours/Day, Non-Exempt

	Non-Signing Para		Signing Para	
	Hourly	Annual	Hourly	Annual
0	\$20.25	\$ 25,089.75	\$20.96	\$ 25,969.44
1	\$20.74	\$ 25,696.86	\$21.47	\$ 26,601.33
2	\$21.24	\$ 26,316.36	\$21.98	\$ 27,233.22
3	\$21.75	\$ 26,948.25	\$22.51	\$ 27,889.89
4	\$22.27	\$ 27,592.53	\$23.05	\$ 28,558.95
5	\$22.80	\$ 28,249.20	\$23.60	\$ 29,240.40
6	\$23.35	\$ 28,930.65	\$24.17	\$ 29,946.63
7	\$23.91	\$ 29,624.49	\$24.75	\$ 30,665.25
8	\$24.48	\$ 30,330.72	\$25.34	\$ 31,396.26
9	\$25.07	\$ 31,061.73	\$25.95	\$ 32,152.05
10	\$25.67	\$ 31,805.13	\$26.57	\$ 32,920.23
11	\$26.23	\$ 32,498.97	\$27.15	\$ 33,638.85
12	\$26.81	\$ 33,217.59	\$27.75	\$ 34,382.25
13	\$27.40	\$ 33,948.60	\$28.36	\$ 35,138.04
14	\$28.00	\$ 34,692.00	\$28.98	\$ 35,906.22
15	\$28.62	\$ 35,460.18	\$29.62	\$ 36,699.18
16	\$29.25	\$ 36,240.75	\$30.27	\$ 37,504.53
17	\$29.89	\$ 37,033.71	\$30.94	\$ 38,334.66
18	\$30.55	\$ 37,851.45	\$31.62	\$ 39,177.18
19	\$31.22	\$ 38,681.58	\$32.31	\$ 40,032.09
20	\$31.91	\$ 39,536.49	\$33.03	\$ 40,924.17
21	\$32.61	\$ 40,403.79	\$33.75	\$ 41,816.25
22	\$33.33	\$ 41,295.87	\$34.50	\$ 42,745.50
23	\$34.06	\$ 42,200.34	\$35.25	\$ 43,674.75
24	\$34.81	\$ 43,129.59	\$36.03	\$ 44,641.17
25	\$35.58	\$ 44,083.62	\$36.83	\$ 45,632.37

Education Department Extended School Year (ESY)

Description	Pay Rate
ESY DHH Program Supervisor	Hourly rate equivalent to experience step in the compensation guide
ESY DHH Program Teacher (NIA Staff)	Hourly rate equivalent to experience step in the compensation guide
ESY DHH Program Teacher (Not NIA Staff)	Hourly rate equivalent to experience step in the compensation guide
ESY DHH Program Interpreter	Current Hourly Rate
ESY Interpreter working as a paraprofessional	Hourly rate equivalent to experience step in Paraprofessional Entry Level Guide, or current hourly rate, whichever is higher.
ESY Interpreter working as a substitute teacher	Hourly rate equivalent on teacher salary grid (with a teacher certificate) or current hourly rate (with sub certificate)
ESY DHH Program Paraprofessional (NIA Staff)	Current Hourly Rate
ESY DHH Program Paraprofessional (Not NIA Staff)	Hourly rate equivalent to experience step in the compensation guide
ESY Itinerant Teachers	Hourly rate equivalent to experience step in the compensation guide, drive time paid portal to portal, and mileage reimbursed per Mileage Policy.

Education Department Substitute Rates

Description	Pay Rate
Hourly Sub Teacher	\$150/7-hour day*
Certified Teacher subbing as a signing Paraprofessional	\$150/7-hour day*
Long Term Sub Teacher (10 consecutive workdays in the same classroom. Retroactive pay once the sub reaches ten days. Sick/personal days do not count as a day toward the ten consecutive days. A sub may take up to sick/personal days without breaking the consecutive day requirement.	\$200/7-hour day*
Sub Interpreter (a minimum of 2 hours is guaranteed; if an Interpreter assignment is not available for the full 2 hours, the sub interpreter may be used elsewhere)	\$50-\$60 dependent on IDHHC License
Sub Paraprofessional (non-signing)	\$110/7-hour day*
Sub Paraprofessional (signing)	\$120/7-hour day*

*Pay will be prorated based on actual hours worked.

Education Department
Permanent Substitute Teacher
182 Days, 7.0 Hours/Day

Position	Salary Range
Permanent Substitute Teacher	\$45,000-\$51,000

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Education Department Extra Duty Pay

Teachers	
Activity	Pay Rate
Move classroom/unpack	Current Hourly Rate
Overload	\$25/hour
Sub (para, terp, teacher) during planning period	\$25/hour
Mandatory meetings outside of contract hours	Current Hourly Rate
Participation in Committees or Extra Curricular activities outside of regular contract hours	Current Hourly Rate
Related Service Providers in the DHH Program with a PEL who are called to substitute teach on an emergency basis.	\$25/hour
Interpreters	
Activity	Pay Rate
Interpret for extracurricular activities on a school day (33-40 hrs./week)	Current hourly rate
Interpret for extracurricular activities on a school day (40 hrs. or more /week)	Current hourly rate at time and one-half
Non-responsibility days (weekends, holidays, nights, non-ESY summer) - up to 40 hours/week	Current hourly rate
Interpret for Deaf Adult during school day	Paid the higher of regular hourly rate or \$35/hour
Interpret for Deaf Adult outside of school day	Paid the higher of regular hourly rate or \$35/hour
Participation in Committees outside of regular contract hours	Current hourly rate

Education Department Extra Duty Pay (continued)

Paraprofessionals	
Activity	Pay Rate
Extra Duties (e.g., wait with student for bus, attend staff meetings)	Current Hourly Rate
NIA Paraprofessional internal subbing for a DHH teacher or Interpreter	Paid at an additional 25% of their hourly rate.
Participation in Committees or extracurricular activities outside of regular contract hours	Current hourly rate
All Education Departments	
Activity	Pay Rate
NIA Parent/Family Sign Class	\$30/hour
<ul style="list-style-type: none"> ● Extracurricular Activities on a school day with an assignment start prior to 5:00 pm <ul style="list-style-type: none"> ○ Paid up to 1 hour for cancellations made with less than two-hour notice. ● Non-contractual days (weekends, holidays, nights- events starting after 5:00 pm, summer-non ESY, etc.) <ul style="list-style-type: none"> ○ Mileage reimbursed via the Mileage Policy ○ Paid for travel time from portal to portal. ○ Paid up to 1 hour for cancellations made with less than two-hour notice 	

Therapy Department
Occupational Therapist, Physical Therapist, COTA/PTA
180 Days, 7.50 Hours/Day, Exempt

	Therapist		Therapist Assistant
	BS/MS	Doctorate	COTA /PTA
0	\$59,643.49	\$62,029.23	\$41,750.44
1	\$60,925.82	\$63,362.86	\$42,648.07
2	\$62,235.73	\$64,725.16	\$43,565.01
3	\$63,573.80	\$66,116.75	\$44,501.66
4	\$64,940.64	\$67,538.26	\$45,458.45
5	\$66,336.86	\$68,990.33	\$46,435.80
6	\$67,763.10	\$70,473.62	\$47,434.17
7	\$69,220.01	\$71,988.80	\$48,454.01
8	\$70,708.24	\$73,536.56	\$49,495.77
9	\$72,228.47	\$75,117.60	\$50,559.93
10	\$73,781.38	\$76,732.63	\$51,646.97
11	\$75,367.68	\$78,382.38	\$52,757.38
12	\$76,988.09	\$80,067.60	\$53,891.66
13	\$78,643.33	\$81,789.05	\$55,050.33
14	\$80,334.16	\$83,547.51	\$56,233.91
15	\$82,061.34	\$85,343.78	\$57,442.94
16	\$83,825.66	\$87,178.67	\$58,677.96
17	\$85,627.91	\$89,053.01	\$59,939.54
18	\$87,468.91	\$90,967.65	\$61,228.24
19	\$89,349.49	\$92,923.45	\$62,544.64
20	\$91,270.50	\$94,921.30	\$63,889.35
21	\$93,232.82	\$96,962.11	\$65,262.97
22	\$95,237.33	\$99,046.80	\$66,666.13
23	\$97,284.93	\$101,176.31	\$68,099.45
24	\$99,376.56	\$103,351.60	\$69,563.59
25	\$101,513.16	\$105,573.66	\$71,059.21

Therapy Department
Speech Language Pathologist and SLP Assistant
180 Days, 7.50 Hours/Day, Exempt

	BS/MS	Enhanced*	Doctorate	SLP Assistant
0	\$63,580.83	\$65,965.11	\$68,349.39	\$44,506.58
1	\$65,011.40	\$67,449.32	\$69,887.25	\$45,507.98
2	\$66,474.16	\$68,966.93	\$71,459.71	\$46,531.91
3	\$67,969.83	\$70,518.69	\$73,067.55	\$47,578.88
4	\$69,499.15	\$72,105.36	\$74,711.57	\$48,649.41
5	\$71,062.88	\$73,727.73	\$76,392.58	\$49,744.02
6	\$72,661.79	\$75,386.60	\$78,111.41	\$50,863.25
7	\$74,296.68	\$77,082.80	\$79,868.92	\$52,007.68
8	\$75,968.36	\$78,817.16	\$81,665.97	\$53,177.85
9	\$77,677.65	\$80,590.55	\$83,503.45	\$54,374.36
10	\$79,425.40	\$82,403.84	\$85,382.28	\$55,597.78
11	\$81,212.47	\$84,257.93	\$87,303.38	\$56,848.73
12	\$83,039.75	\$86,153.73	\$89,267.71	\$58,127.83
13	\$84,908.14	\$88,092.19	\$91,276.23	\$59,435.70
14	\$86,818.57	\$90,074.26	\$93,329.95	\$60,773.00
15	\$88,771.99	\$92,100.93	\$95,429.87	\$62,140.39
16	\$90,769.36	\$94,173.20	\$97,577.04	\$63,538.55
17	\$92,811.67	\$96,292.10	\$99,772.52	\$64,968.17
18	\$94,899.93	\$98,458.67	\$102,017.40	\$66,429.95
19	\$97,035.18	\$100,673.99	\$104,312.79	\$67,924.63
20	\$99,218.47	\$102,939.15	\$106,659.83	\$69,452.93
21	\$101,450.89	\$105,255.28	\$109,059.68	\$71,015.62
22	\$103,733.54	\$107,623.52	\$111,513.52	\$72,613.48
23	\$106,067.54	\$110,045.05	\$114,022.57	\$74,247.28
24	\$108,454.06	\$112,521.06	\$116,588.08	\$75,917.84
25	\$110,894.28	\$115,052.78	\$119,211.31	\$77,626.00

*Completed at least 50% of credits toward a PhD or similar terminal degree, or holds an advanced degree that benefits NIA (e.g., Educational Leadership or Administration) with CEO approval.

Therapy Department Extra Duty Pay

Activity	Pay Rate
Extra Duties (e.g., taking additional caseload as a “sub” which requires increased time for after-hours student documentation)	Current Hourly Rate
Summer Work	125% of Current Hourly Rate

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Special Services
Board Certified Behavioral Analyst (BCBA)
180 Days, 7.50 Hours/Day , Exempt

	BS/MS	Doctorate
0	\$60,080.97	\$62,484.21
1	\$61,432.79	\$63,890.10
2	\$62,815.03	\$65,327.63
3	\$64,228.37	\$66,797.50
4	\$65,673.51	\$68,300.45
5	\$67,151.16	\$69,837.21
6	\$68,662.06	\$71,408.54
7	\$70,138.29	\$72,943.82
8	\$71,646.26	\$74,512.11
9	\$73,186.65	\$76,114.12
10	\$74,760.16	\$77,750.57
11	\$76,367.50	\$79,422.20
12	\$78,009.40	\$81,129.78
13	\$79,686.60	\$82,874.06
14	\$81,399.86	\$84,655.85
15	\$83,149.96	\$86,475.96
16	\$84,937.68	\$88,335.19
17	\$86,763.84	\$90,234.39
18	\$88,629.26	\$92,174.43
19	\$90,534.79	\$94,156.18
20	\$92,481.29	\$96,180.54
21	\$94,469.64	\$98,248.43
22	\$96,500.74	\$100,360.77
23	\$98,575.51	\$102,518.53
24	\$100,694.88	\$104,722.68
25	\$102,859.82	\$106,974.21

Special Services
School Social Worker
180 Days, 7.50 Hours/Day, Exempt

	MS	Enhanced*	Doctorate
0	\$63,580.83	\$65,965.11	\$68,349.39
1	\$65,011.40	\$67,449.32	\$69,887.25
2	\$66,474.16	\$68,966.93	\$71,459.71
3	\$67,969.83	\$70,518.69	\$73,067.55
4	\$69,499.15	\$72,105.36	\$74,711.57
5	\$71,062.88	\$73,727.73	\$76,392.58
6	\$72,661.79	\$75,386.60	\$78,111.41
7	\$74,296.68	\$77,082.80	\$79,868.92
8	\$75,968.36	\$78,817.16	\$81,665.97
9	\$77,677.65	\$80,590.55	\$83,503.45
10	\$79,425.40	\$82,403.84	\$85,382.28
11	\$81,212.47	\$84,257.93	\$87,303.38
12	\$83,039.75	\$86,153.73	\$89,267.71
13	\$84,908.14	\$88,092.19	\$91,276.23
14	\$86,818.57	\$90,074.26	\$93,329.95
15	\$88,771.99	\$92,100.93	\$95,429.87
16	\$90,769.36	\$94,173.20	\$97,577.04
17	\$92,811.67	\$96,292.10	\$99,772.52
18	\$94,899.93	\$98,458.67	\$102,017.40
19	\$97,035.18	\$100,673.99	\$104,312.79
20	\$99,218.47	\$102,939.15	\$106,659.83
21	\$101,450.89	\$105,255.28	\$109,059.68
22	\$103,733.54	\$107,623.52	\$111,513.52
23	\$106,067.54	\$110,045.05	\$114,022.57
24	\$108,454.06	\$112,521.06	\$116,588.08
25	\$110,894.28	\$115,052.78	\$119,211.31

*Completed at least 50% of credits toward a PhD or similar terminal degree, or holds an advanced degree that benefits NIA (e.g., Educational Leadership or Administration) with CEO approval.

Special Services
School Psychologist
180 Days, 7.50 Hours/Day, Exempt

	MS	Enhanced*	Doctorate
0	\$63,580.83	\$65,965.11	\$68,349.39
1	\$65,011.40	\$67,449.32	\$69,887.25
2	\$66,474.16	\$68,966.93	\$71,459.71
3	\$67,969.83	\$70,518.69	\$73,067.55
4	\$69,499.15	\$72,105.36	\$74,711.57
5	\$71,062.88	\$73,727.73	\$76,392.58
6	\$72,661.79	\$75,386.60	\$78,111.41
7	\$74,296.68	\$77,082.80	\$79,868.92
8	\$75,968.36	\$78,817.16	\$81,665.97
9	\$77,677.65	\$80,590.55	\$83,503.45
10	\$79,425.40	\$82,403.84	\$85,382.28
11	\$81,212.47	\$84,257.93	\$87,303.38
12	\$83,039.75	\$86,153.73	\$89,267.71
13	\$84,908.14	\$88,092.19	\$91,276.23
14	\$86,818.57	\$90,074.26	\$93,329.95
15	\$88,771.99	\$92,100.93	\$95,429.87
16	\$90,769.36	\$94,173.20	\$97,577.04
17	\$92,811.67	\$96,292.10	\$99,772.52
18	\$94,899.93	\$98,458.67	\$102,017.40
19	\$97,035.18	\$100,673.99	\$104,312.79
20	\$99,218.47	\$102,939.15	\$106,659.83
21	\$101,450.89	\$105,255.28	\$109,059.68
22	\$103,733.54	\$107,623.52	\$111,513.52
23	\$106,067.54	\$110,045.05	\$114,022.57
24	\$108,454.06	\$112,521.06	\$116,588.08
25	\$110,894.28	\$115,052.78	\$119,211.31

*Completed at least 50% of credits toward a PhD or similar terminal degree, or holds an advanced degree that benefits NIA (e.g., Educational Leadership or Administration) with CEO approval.

Education & Therapy Departments
Program Supervisors
200 Days, 7.50 Hours/Day, Exempt

	Annual
0	\$87,700.99
1	\$89,674.26
2	\$91,691.93
3	\$93,755.00
4	\$95,864.49
5	\$98,021.44
6	\$100,226.92
7	\$102,482.03
8	\$104,787.88
9	\$107,145.61
10	\$109,556.39
11	\$112,021.41
12	\$114,541.89
13	\$117,119.08
14	\$119,754.26
15	\$122,448.73
16	\$125,203.83
17	\$128,020.92
18	\$130,901.39
19	\$133,846.67
20	\$136,858.22
21	\$139,595.38
22	\$142,387.29
23	\$145,235.04
24	\$148,139.74
25	\$151,102.53

Position Benefits:

Board-paid employee health insurance.

**Administrative Personnel
Executive Leadership Team
220 Days, 7.50 Hours/Day, Exempt**

	Annual
0	\$99,370.36
1	\$101,854.62
2	\$104,400.99
3	\$107,011.01
4	\$109,686.29
5	\$112,428.45
6	\$115,239.16
7	\$118,120.14
8	\$121,073.14
9	\$124,099.97
10	\$127,202.47
11	\$130,382.53
12	\$133,642.09
13	\$136,983.14
14	\$140,407.72
15	\$143,917.91
16	\$147,515.86
17	\$151,203.76
18	\$154,983.85
19	\$158,858.45
20	\$162,829.91
21	\$166,086.51
22	\$169,408.24
23	\$172,796.40
24	\$176,252.33
25	\$179,777.38

Positions

Education Operations Executive
 Finance Operations Executive
 Technology Operations Executive
 Therapy Operations Executive

Position Benefits

Board paid employee and family health insurance.

Administrative Personnel
Administrative Assistant (AA) & Office Professional (OP)
AA: 256 days, 7.50 Hours/Day; OP: 250 Days, 8.0 Hours/Day
Non-Exempt

	Administrative Assistant		Office Professional		Bilingual Office Professional	
	Hourly	Annual	Hourly	Annual	Hourly	Annual
0	\$22.79	\$ 43,756.80	\$17.95	\$ 35,900.00	\$18.48	\$ 36,960.00
1	\$23.36	\$ 44,851.20	\$18.40	\$ 36,800.00	\$18.94	\$ 37,880.00
2	\$23.94	\$ 45,964.80	\$18.86	\$ 37,720.00	\$19.41	\$ 38,820.00
3	\$24.54	\$ 47,116.80	\$19.33	\$ 38,660.00	\$19.90	\$ 39,800.00
4	\$25.15	\$ 48,288.00	\$19.81	\$ 39,620.00	\$20.40	\$ 40,800.00
5	\$25.78	\$ 49,497.60	\$20.31	\$ 40,620.00	\$20.91	\$ 41,820.00
6	\$26.42	\$ 50,726.40	\$20.82	\$ 41,640.00	\$21.43	\$ 42,860.00
7	\$27.08	\$ 51,993.60	\$21.34	\$ 42,680.00	\$21.97	\$ 43,940.00
8	\$27.76	\$ 53,299.20	\$21.87	\$ 43,740.00	\$22.52	\$ 45,040.00
9	\$28.45	\$ 54,624.00	\$22.42	\$ 44,840.00	\$23.08	\$ 46,160.00
10	\$29.16	\$ 55,987.20	\$22.98	\$ 45,960.00	\$23.66	\$ 47,320.00
11	\$29.89	\$ 57,388.80	\$23.55	\$ 47,100.00	\$24.25	\$ 48,500.00
12	\$30.64	\$ 58,828.80	\$24.14	\$ 48,280.00	\$24.86	\$ 49,720.00
13	\$31.41	\$ 60,307.20	\$24.74	\$ 49,480.00	\$25.48	\$ 50,960.00
14	\$32.20	\$ 61,824.00	\$25.36	\$ 50,720.00	\$26.12	\$ 52,240.00
15	\$33.01	\$ 63,379.20	\$25.99	\$ 51,980.00	\$26.77	\$ 53,540.00
16	\$33.84	\$ 64,972.80	\$26.64	\$ 53,280.00	\$27.44	\$ 54,880.00
17	\$34.69	\$ 66,604.80	\$27.31	\$ 54,620.00	\$28.13	\$ 56,260.00
18	\$35.56	\$ 68,275.20	\$27.99	\$ 55,980.00	\$28.83	\$ 57,660.00
19	\$36.45	\$ 69,984.00	\$28.69	\$ 57,380.00	\$29.55	\$ 59,100.00
20	\$37.36	\$ 71,731.20	\$29.41	\$ 58,820.00	\$30.29	\$ 60,580.00
21	\$38.11	\$ 73,171.20	\$30.00	\$ 60,000.00	\$30.90	\$ 61,800.00
22	\$38.87	\$ 74,630.40	\$30.60	\$ 61,200.00	\$31.52	\$ 63,040.00
23	\$39.65	\$ 76,128.00	\$31.21	\$ 62,420.00	\$32.15	\$ 64,300.00
24	\$40.44	\$ 77,644.80	\$31.83	\$ 63,660.00	\$32.79	\$ 65,580.00
25	\$41.25	\$ 79,200.00	\$32.47	\$ 64,940.00	\$33.45	\$ 66,900.00

Administrative Personnel
Finance Manager, HR Manager, and HR Coordinator
256 Days, 7.50 Hours/Day

	Finance Manager Exempt	HR Manager Exempt	HR-Coordinator Non-Exempt	
	Annual	Annual	Hourly	Annual
0	\$57,510.92	\$57,510.92	\$27.64	\$ 53,068.80
1	\$58,948.69	\$58,948.69	\$28.19	\$ 54,124.80
2	\$60,422.41	\$60,422.41	\$28.75	\$ 55,200.00
3	\$61,932.97	\$61,932.97	\$29.33	\$ 56,313.60
4	\$63,481.29	\$63,481.29	\$29.92	\$ 57,446.40
5	\$65,068.32	\$65,068.32	\$30.52	\$ 58,598.40
6	\$66,695.03	\$66,695.03	\$31.13	\$ 59,769.60
7	\$68,362.41	\$68,362.41	\$31.75	\$ 60,960.00
8	\$70,071.47	\$70,071.47	\$32.39	\$ 62,188.80
9	\$71,823.26	\$71,823.26	\$33.04	\$ 63,436.80
10	\$73,618.84	\$73,618.84	\$33.70	\$ 64,704.00
11	\$75,459.31	\$75,459.31	\$34.37	\$ 65,990.40
12	\$77,345.79	\$77,345.79	\$35.06	\$ 67,315.20
13	\$79,279.43	\$79,279.43	\$35.76	\$ 68,659.20
14	\$81,261.42	\$81,261.42	\$36.48	\$ 70,041.60
15	\$83,292.96	\$83,292.96	\$37.21	\$ 71,443.20
16	\$85,375.28	\$85,375.28	\$37.95	\$ 72,864.00
17	\$87,509.66	\$87,509.66	\$38.71	\$ 74,323.20
18	\$89,697.40	\$89,697.40	\$39.48	\$ 75,801.60
19	\$91,939.84	\$91,939.84	\$40.27	\$ 77,318.40
20	\$94,238.34	\$94,238.34	\$41.08	\$ 78,873.60
21	\$96,123.11	\$96,123.11	\$41.90	\$ 80,448.00
22	\$98,045.57	\$98,045.57	\$42.74	\$ 82,060.80
23	\$100,006.48	\$100,006.48	\$43.59	\$ 83,692.80
24	\$102,006.61	\$102,006.61	\$44.46	\$ 85,363.20
25	\$104,046.74	\$104,046.74	\$45.35	\$ 87,072.00

Administrative Personnel
Technology Manager and Technology Specialist
 256 Days, 7.50 Hours/Day

	Technology Manager Exempt	Technology Specialist Non-Exempt	
	Annual	Hourly	Annual
0	\$70,000.00	\$23.21	\$ 44,563.20
1	\$71,642.46	\$23.79	\$ 45,676.80
2	\$73,323.47	\$24.38	\$ 46,809.60
3	\$75,043.91	\$24.99	\$ 47,980.80
4	\$76,804.73	\$25.61	\$ 49,171.20
5	\$78,606.86	\$26.25	\$ 50,400.00
6	\$80,451.27	\$26.91	\$ 51,667.20
7	\$82,338.96	\$27.58	\$ 52,953.60
8	\$84,270.95	\$28.27	\$ 54,278.40
9	\$86,248.26	\$28.98	\$ 55,641.60
10	\$88,271.97	\$29.70	\$ 57,024.00
11	\$90,343.17	\$30.44	\$ 58,444.80
12	\$92,462.96	\$31.20	\$ 59,904.00
13	\$94,632.49	\$31.98	\$ 61,401.60
14	\$96,852.93	\$32.78	\$ 62,937.60
15	\$99,125.46	\$33.60	\$ 64,512.00
16	\$101,451.32	\$34.44	\$ 66,124.80
17	\$103,831.75	\$35.30	\$ 67,776.00
18	\$106,268.04	\$36.18	\$ 69,465.60
19	\$108,761.49	\$37.08	\$ 71,193.60
20	\$111,313.44	\$38.01	\$ 72,979.20
21	\$113,925.28	\$38.77	\$ 74,438.40
22	\$116,598.40	\$39.55	\$ 75,936.00
23	\$119,334.24	\$40.34	\$ 77,452.80
24	\$122,134.27	\$41.15	\$ 79,008.00
25	\$125,000.00	\$41.97	\$ 80,582.40

**Administrative Personnel
Clerk**

250 Days, 8.0 Hours/Day, Non-Exempt

Position	Hourly Rate
Clerk	\$16.00

DRAFT

Retirement Incentives

TRS Participants

A licensed employee of NIA ("employee") participating in TRS and meeting the eligibility criteria outlined below will be entitled to a 6% retirement incentive during their final three years of service. To qualify, the employee must:

1. Submit an irrevocable letter of retirement by March 1st before the commencement of the school year in which the retirement incentive becomes effective.
2. Provide an individual TRS report confirming their known age, creditable service, creditable earnings, and accumulated sick leave.
3. Have accumulated 10 or more years of continuous full-time service as a licensed employee with NIA as of the effective date of retirement stated in the irrevocable letter of retirement.
4. Retire at the conclusion of the school year.
5. Not have experienced an increase in TRS non-exempt creditable earnings exceeding 6% in any of the three years preceding the school year in which the 6% salary increments will commence.

If the employee meets these criteria, their compensation will not adhere to the regular salary schedule. Instead, they will transition "off schedule" and receive a salary increase of six percent (6%) over their prior year's base salary for a duration of up to a maximum of three years.

Retirement Incentives - Continued

IMRF (Those hired before January 1, 2012)

An NIA employee who is a participant in the IMRF and fulfills the eligibility criteria outlined below will be entitled to a 25% retirement incentive in the year of their retirement. To qualify, the employee must:

1. Submit an irrevocable letter of retirement by March 1st before the start of the school year in which the retirement incentive takes effect.
2. Have maintained continuous employment with the NIA since January 1, 2012.
3. Possess ten or more years of uninterrupted service with the NIA at the time of retirement.
4. Retire at the conclusion of the employee's contract year.

If the employee meets these criteria, their compensation will not follow the regular salary schedule. Instead, they will transition "off schedule" and receive a 25% increase over their prior year's base salary in the final year of employment. This increased amount is considered creditable earnings for calculating IMRF annuity payments.

The retirement incentive will be disbursed as salary in equal installments throughout the last year of employment before retirement. Employees receiving this salary incentive will be ineligible for an annual NIA salary increase. Additionally, the payment of the salary incentive must not trigger the NIA to make an "Accelerated Payment" to the IMRF as per 40 ILCS 5/7-172(k)

Stipend List

Stipend	Amount	Justification	Pay Schedule	Increase?
Advanced Certification/ Specialized Training	\$500 - \$3000 annually Determined by the CEO	Teammate is engaged, in or has completed advanced certification or specialized training at their own expense that strategically advantages the NIA. CEO approval and signed agreement required.	As per situation	No
Annual Club Advisor (non-grant related)	Current Hourly Rate	Determined Annually-EIS due August 5th	Paid via RFC	N/A
Assistant Supervisor Therapy/Education	\$3,500.00	Carried forward annually, after initial EIS. Supervise and evaluate staff.	Divided across 24 pay periods; prorated based on total contract days	Yes
Bilingual Speech Language Pathologist	\$4,000.00	50% or more of workload/caseload is in a language other than spoken English. SLP must be fluent in this language.	Divided across 24 pay periods	No
Board Secretary	\$3,000.00	Serving as Executive Board Secretary	Divided across 24 pay periods	No
CATIS Services	\$3,500.00	Leads and develops the assistive technology training and supervision (related to vision services) for the region. Carried forward from initial EIS.	Divided across 24 pay periods; prorated based on contract days	Yes

Stipend List (continued)

Stipend	Amount	Justification	Pay Schedule	Increase?
Hard-to-Fill	\$4,000.00	Hard-to-fill position. CEO consultation required.	Divided across 24 pay periods	No
Hard-to-Fill (excess mileage)	\$3,000.00	Teammates who drive 10,000+ miles by June 5th.	Paid via RFC during fiscal year end payroll	No
Highly Qualified IEP Interpreter	\$2,000.00	Teammate meets guidelines established by ISBE and is approved by the CEO.	Divided across 24 pay periods	No
Lead Teacher or Therapist	\$1,500.00	Determined annually, EIS due August 5th, supports scheduling, technical assistance, assessment mgmt., team meetings, communication lead for building or department.	Divided across 24 pay periods	No
NIA Mentee	\$500.00	Determined Annually - submitted via EIS Form.	Divided across 24 pay periods	No
NIA Mentor	1 mentee: \$1,000.00 1+ mentee: \$1,500.00	Determined Annually - submitted via EIS Form.	Divided across 24 pay periods	No
Office Management	\$1,000.00	Shredding, extermination, necessary repairs, etc. Attend Facilities Management meetings (1 per office) EIS due by June 5th annually	Divided across 24 pay periods	No
Sub-Caller	\$250/month	Determined annually, EIS due August 5th, process absences and secure substitutes for vacant positions.	Divided across 24 pay periods	No

Note: Stipends will be prorated based on FTE Status



Daily Rates	Recommended
Service	FY27
DHH Supervision	\$ 850
Audiological Support Services	\$ 836
Hearing Assistive Technology Rental	\$ 836
Vision Supervision	\$ 850
Speech/Language Therapy	\$ 710
Speech/Language Bilingual	\$ 715
Speech Language Supervision	\$ 795
Therapy (OT & PT)	\$ 731
Therapy (OT & PT) Supervision	\$ 795
BCBA	\$ 800
School Psych	\$ 800
School Social Work	\$ 808
Interpreters	\$ 581
DHH Teaching	\$ 732
Vision Teaching	\$ 690
Orientation & Mobility	\$ 690
Autism	\$ 1,195

FY27 DAILY RATE - SUMMARY OF EXPENDITURES

<u>EXPENDITURES</u>		<u>FY27</u>	<u>FY26</u>
LOCAL:			
DEPARTMENT			
01	ADMINISTRATION.....	\$ 2,014,084	\$ 1,909,633
02	TECHNOLOGY.....	\$ 759,870	\$ 733,860
04	DHH SUPERVISION.....	\$ 242,497	\$ 233,530
06	AUDIOLOGY.....	\$ 850,007	\$ 798,840
07	VISION SUPERVISION.....	\$ 220,770	\$ 215,808
09	SPEECH/LANGUAGE SERVICES.....	\$ 3,212,755	\$ 2,327,372
10	THERAPY.....	\$ 14,302,196	\$ 14,220,519
16	OFFICE OPERATION & MAINTENANCE.....	\$ 685,382	\$ 629,500
11	BCBA	\$ 723,052	\$ 468,925
31	PSYCHOLOGY	\$ 354,980	\$ 259,300
32	SOCIAL WORK	\$ 670,265	\$ 381,796
17	INTERPRETER SERVICES.....	\$ 1,440,841	\$ 1,239,619
23	DHH TEACHING.....	\$ 673,498	\$ 577,582
24	VISION TEACHING/ORIENTATION & MOBILITY.....	\$ 1,988,209	\$ 1,775,330
29	AUTISM	\$ 55,433	\$ 58,469
	SELF INSURED HEALTH PLAN	\$ 3,471,760	\$ 2,870,072
	TOTAL LOCAL.....	\$ 31,665,598	\$ 28,700,154
DEAF/HHPROGRAM			
20	NIA DEAF/HH PROGRAM.....	\$ 3,183,795	\$ 2,844,734
20	NIA DEAF/HH PROGRAM Health Plan.....	\$ 266,584	\$ 254,716
21	NIA DEAF/HH SUMMER PROGRAM.....	\$ 75,283	\$ 73,546
	TOTAL NIA DEAF/HH PROGRAM.....	\$ 3,525,663	\$ 3,172,996
	TOTAL LOCAL BUDGETED EXPENDITURES.....	\$ 35,191,261	\$ 31,873,150
OTHER			
FLOW THROUGH			
	MEDICAID ADMINISTRATIVE OUTREACH	\$ 600,000	\$ 600,000
	MEDICAID FEE FOR SERVICE	\$ 14,000,000	\$ 14,000,000
	TOTAL PASS THROUGH	\$ 14,600,000	\$ 14,600,000
	TOTAL OTHER EXPENDITURES	\$ 14,600,000	\$ 14,600,000
	TOTAL BUDGETED EXPENDITURES.....	\$ 49,791,261	\$ 46,473,150

FY27 DAILY RATE - SUMMARY OF REVENUES

<u>REVENUES</u>	<u>FY27</u>	<u>FY26</u>
LOCAL:		
SERVICE FEES.....	\$ 30,130,293	\$ 27,178,388
EARLY INTERVENTION.....	\$ 9,000	\$ 9,000
INTEREST.....	\$ 50,000	\$ 50,000
NIA GENERAL STATE AID	\$ 1,192,795	\$ 1,192,795
MEDICAID ADMIN OUTREACH	\$ 640,000	\$ 640,000
DHH PROGRAM ADMIN FEE	\$ 75,000	\$ 75,000
DHH PROGRAM ESY ADMIN FEE.....	\$ 4,000	\$ 4,000
BILLING AGENT FEE ,.....	\$ 12,000	\$ 12,000
CONTRIBUTIONS	\$ 500	\$ 500
WORKSHOP FEES	\$ 32,000	\$ 38,000
CONTRACTUAL CONSULTANTS	\$ 25,000	\$ 25,000
TOTAL LOCAL.....	\$ 32,170,588	\$ 29,224,683
DHH PROGRAM		
NIA DEAF/HH PROGRAM TUITION.....	\$ 3,222,125	\$ 2,871,196
NIA DEAF/HH GENERAL STATE AID.....	\$ 163,254	\$ 163,254
NIA DEAF/HH PROGRAM MEDICAID FFS.....	\$ 65,000	\$ 65,000
SUMMER NIA DEAF/HH PROGRAM TUITION.....	\$ 68,520	\$ 66,783
SUMMER DEAF/HH GENERAL STATE AID.....	\$ 6,763	\$ 6,763
TOTAL NIA DEAF/HH PROGRAM.....	\$ 3,525,663	\$ 3,172,996
TOTAL LOCAL REVENUE.....	\$ 35,696,250	\$ 32,397,679
OTHER		
FLOW THROUGH		
MEDICAID ADMINISTRATIVE OUTREACH	\$ 600,000	\$ 600,000
MEDICAID FEE FOR SERVICE	\$ 14,000,000	\$ 14,000,000
TOTAL PASS THROUGH	\$ 14,600,000	\$ 14,600,000
TOTAL OTHER REVENUE	\$ 14,600,000	\$ 14,600,000
TOTAL BUDGETED REVENUE	\$ 50,296,250	\$ 46,997,679
BUDGETED SURPLUS.....	\$ 504,990	\$ 524,529
Projected Days Sold	41,584	39,982
(Excl. Summer Services)		
Increase in Days Sold	1,602	



FY27 DAILY RATE BUDGET

BUDGET BY COST CENTER

****Note: TOTAL EXPENDITURES include OH Allocation****

04 DHH SUPERVISION		
SERVICE FEE REVENUE	\$	309,400
OTHER REVENUE		3,500
TOTAL REVENUE		312,900
TOTAL EXPENDITURES		(300,318)
NET	\$	12,582
06 AUDIOLOGY		
SERVICE FEE REVENUE	\$	1,103,102
OTHER REVENUE		15,000
TOTAL REVENUE		1,118,102
TOTAL EXPENDITURES		(1,116,857)
NET	\$	1,245
07 VISION SUPERVISION		
SERVICE FEE REVENUE	\$	278,375
OTHER REVENUE		200
TOTAL REVENUE		278,575
TOTAL EXPENDITURES		(263,318)
NET	\$	15,257
09 SPEECH/LANGUAGE SERVICES		
SERVICE FEE REVENUE	\$	3,586,765
OTHER REVENUE		6,800
TOTAL REVENUE		3,593,565
TOTAL EXPENDITURES		(3,558,096)
NET	\$	35,469
10 OCCUPATIONAL & PHYSICAL THERAPY		
SERVICE FEE REVENUE	\$	17,037,912
OTHER REVENUE		26,000
TOTAL REVENUE		17,063,912
TOTAL EXPENDITURES		(16,974,245)
NET	\$	89,667
11 BCBA		
SERVICE FEE REVENUE	\$	868,800
OTHER REVENUE		3,000
TOTAL REVENUE		871,800
TOTAL EXPENDITURES		(830,802)
NET	\$	40,998



FY27 DAILY RATE BUDGET (continued)

BUDGET BY COST CENTER

****Note: TOTAL EXPENDITURES include OH Allocation****

31 PSYCHOLOGY		
SERVICE FEE REVENUE	\$	432,000
OTHER REVENUE		0
TOTAL REVENUE		432,000
TOTAL EXPENDITURES		(391,908)
NET	\$	40,092
32 SOCIAL WORK		
SERVICE FEE REVENUE	\$	727,200
OTHER REVENUE		0
TOTAL REVENUE		727,200
TOTAL EXPENDITURES		(707,561)
NET	\$	19,639
17 INTERPRETER SERVICES		
SERVICE FEE REVENUE	\$	1,768,855
OTHER REVENUE		31,000
TOTAL REVENUE		1,799,855
TOTAL EXPENDITURES		(1,656,342)
NET	\$	143,512
23 DHH TEACHING		
SERVICE FEE REVENUE	\$	858,636
OTHER REVENUE		7,000
TOTAL REVENUE		865,636
TOTAL EXPENDITURES		(862,340)
NET	\$	3,296
24 VISION TEACHING/ORIENTATION & MOBILITY		
SERVICE FEE REVENUE	\$	3,052,560
OTHER REVENUE		2,000
TOTAL REVENUE		3,054,560
TOTAL EXPENDITURES		(2,951,297)
NET	\$	103,263
29 AUTISM		
SERVICE FEE REVENUE	\$	76,480
OTHER REVENUE		0
TOTAL REVENUE		76,480
TOTAL EXPENDITURES		(76,510)
NET	\$	(30)
	Total Revenue	30,194,584.50
	Total Expense	(29,689,594.80)
BUDGETED SURPLUS.....		504,990

OPERATING RATE REVIEW — FY27 BOARD RATE RECOMMENDATIONS

Prepared for Board Review | Methodology: Budget Tool Suggested Rate + 3% Cushion (floor = current FY26 board rate)

FY25 RESULTS (MOST RECENT ACTUALS)

FY25 Net Deficit (\$1,095,431)	Services in Deficit 9 of 12	Largest Loss (Therapy) (\$851,543)	FY26 Board Rates Already Set ✓
Driven by rate gaps across most services	Only SLP, BCBA, Social Work profitable	78% of total deficit	FY27 rates proposed below

FY27 RATE RECOMMENDATIONS

Service Line	FY25 Board Rate	FY25 Op. Rate	FY25 Net Income	FY26 Board Rate (Set)	FY27 Budget Tool Rate	FY27 Tool + 3%	FY27 Proposed	\$ Chg vs FY26	% Chg vs FY26	\$ Cushion vs Tool	% Cushion vs Tool
04 - DHH Supervision	\$795	\$839.47	(\$11,509)	\$795	\$815	\$840	\$850	\$55	6.9%	\$35	4.3%
06 - Audiology	\$747	\$800.60	(\$51,933)	\$795	\$835	\$861	\$836	\$41	5.2%	\$1	0.1%
07 - Vision Supervision	\$824	\$941.99	(\$37,265)	\$850	\$803	\$828	\$850	-	0.0%	\$47	5.9%
09 - Speech (SLP)	\$670	\$652.05	\$33,085	\$675	\$705	\$727	\$710	\$35	5.2%	\$5	0.7%
10 - Therapy (OT/PT)	\$638	\$677.92	(\$851,543)	\$670	\$727	\$749	\$731	\$61	9.1%	\$4	0.6%
11 - BCBA	\$795	\$651.43	\$84,876	\$795	\$762	\$785	\$800	\$5	0.6%	\$38	5.0%
17 - Interpreter	\$472	\$524.08	(\$88,501)	\$530	\$534	\$551	\$581	\$51	9.6%	\$47	8.8%
23 - DHH Itin. Teaching	\$640	\$700.24	(\$57,511)	\$685	\$729	\$751	\$732	\$47	6.9%	\$3	0.4%
24 - Vision Teaching/O&M	\$640	\$678.70	(\$140,069)	\$670	\$677	\$698	\$690	\$20	3.0%	\$13	1.9%
29 - Autism	\$1,025	\$1,122.70	(\$6,801)	\$1,050	\$1,195	\$1,231	\$1,195	\$145	13.8%	-	0.0%
Psych (TBD)	\$795	N/A	-	\$800	\$726	N/A	\$800	-	0.0%	\$74	10.2%
31 - Social Work	\$795	\$674.81	\$32,572	\$800	\$786	N/A	\$808	\$8	1.0%	\$22	2.8%
TOTAL / AVERAGE			(\$1,094,599)					\$468		\$24	3.4%

KEY TAKEAWAYS & NOTES

- Actual cushions above the budget tool rate range from \$0/day (Autism) to \$74/day (Psych), averaging \$24/day (~3.4%). Five lines have cushions under \$5/day — these carry the most risk if costs exceed projections.
- Therapy (OT/PT) requires a \$61/day increase (+9.1%) — critical since it drove 78% of FY25's \$1.1M deficit and represents ~62% of total volume.
- Autism has the largest dollar and percentage increase (+\$145/day, +13.8%) due to rising operating costs that have consistently exceeded the board rate.
- BCBA rate held near its current level (+\$5, +0.6%) — the FY26 board rate already exceeds the FY27 budget tool estimate.
- Psych held flat at \$800 — insufficient history to model; Social Work sees a modest +\$8 increase; recommend revisiting both after FY26 actuals.

Methodology: Proposed FY27 Rate = MAX(Current FY26 Board Rate, CEILING(FY27 Budget Tool Suggested Rate × 1.03)). Budget tool rate reflects projected FY27 operating costs and volume.

SERVICE LINE DETAILS — RATE HISTORY & FY27 RECOMMENDATIONS

04 — DHH Supervision FY27 Proposed: \$850 (+\$55, +6.9%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$738	\$727	\$786	\$795	\$795		\$850
Operating Rate	\$670	\$695	\$763	\$743	\$839		\$815
Net Income	\$24,591	\$13,829	\$10,212	\$19,926	(\$11,509)	\$57,049	
Days Sold	311	327	305	324	295		

06 — Audiology FY27 Proposed: \$836 (+\$41, +5.2%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$679	\$669	\$709	\$740	\$747		\$836
Operating Rate	\$689	\$707	\$660	\$717	\$801		\$835
Net Income	(\$8,530)	(\$29,269)	\$74,339	\$44,466	(\$51,933)	\$29,073	
Days Sold	802	1,071	1,161	1,220	1,229		

07 — Vision Supervision FY27 Proposed: \$850 (+\$0, +0.0%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$734	\$723	\$796	\$824	\$824		\$850
Operating Rate	\$679	\$686	\$782	\$736	\$942		\$803
Net Income	\$20,825	\$13,807	\$5,711	\$29,520	(\$37,265)	\$32,598	
Days Sold	369	363	307	312	327		

09 — Speech (SLP) FY27 Proposed: \$710 (+\$35, +5.2%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$568	\$559	\$596	\$626	\$670		\$710
Operating Rate	\$593	\$545	\$566	\$643	\$652		\$705
Net Income	(\$107,855)	\$67,765	\$139,312	(\$66,571)	\$33,085	\$65,736	
Days Sold	4,327	4,820	4,327	3,562	3,800		

10 — Therapy (OT/PT) FY27 Proposed: \$731 (+\$61, +9.1%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	599	590	620	629	638		731
Operating Rate	602	622	626	641	678		727
Net Income	(\$65,093)	(\$659,197)	(\$97,257)	(\$309,344)	(\$851,543)	(\$1,982,434)	
Days Sold	20,642	21,420	22,510	23,443	22,550		

11 — BCBA FY27 Proposed: \$800 (+\$5, +0.6%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate				\$625	\$795		\$800
Operating Rate				\$905	\$651		\$762
Net Income				(\$32,858)	\$84,876	\$52,018	
Days Sold				118	590		

17 — Interpreter FY27 Proposed: \$581 (+\$51, +9.6%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$379	\$373	\$395	\$455	\$472		\$581
Operating Rate	\$391	\$316	\$419	\$478	\$524		\$534
Net Income	(\$20,509)	\$167,023	(\$28,268)	(\$15,447)	(\$88,501)	\$14,298	
Days Sold	2,160	2,676	2,028	1,771	2,221		

23 — DHH Itin. Teaching FY27 Proposed: \$732 (+\$47, +6.9%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$570	\$561	\$625	\$640	\$640		\$732
Operating Rate	\$569	\$472	\$479	\$630	\$700		\$729
Net Income	\$4,978	\$88,090	\$117,719	\$15,338	(\$57,511)	\$168,614	
Days Sold	940	901	746	756	1,082		

24 — Vision Teaching / O&M FY27 Proposed: \$690 (+\$20, +3.0%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$567	\$558	\$567	\$615	\$640		\$690
Operating Rate	\$508	\$555	\$566	\$652	\$679		\$677
Net Income	\$150,583	\$9,395	\$5,278	(\$126,250)	(\$140,069)	(\$101,063)	
Days Sold	2,451	2,628	3,205	3,571	3,790		

29 — Autism FY27 Proposed: \$1,195 (+\$145, +13.8%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate	\$1,063	\$1,047	\$1,025	\$1,025	\$1,025		\$1,195
Operating Rate	\$973	\$955	\$1,071	\$934	\$1,123		\$1,195
Net Income	\$5,145	\$5,980	(\$3,206)	\$7,854	(\$6,801)	\$8,972	
Days Sold	57	65	69	78	78		

31 - Psych FY27 Proposed: \$800 (+\$0, +0.0%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate					\$795		\$800
Operating Rate							
Net Income						0	
Days Sold							

32 — Social Work FY27 Proposed: \$808 (+\$8, +1.0%)							
	FY21	FY22	FY23	FY24	FY25	Cumul. NI	FY27 Prop.
Board Rate					\$795		\$808
Operating Rate					\$675		
Net Income					\$32,572	\$32,572	
Days Sold					271		

04 — DHH SUPERVISION | RATE ANALYSIS & FY27 RECOMMENDATION

A small-volume service that was historically profitable but flipped to deficit in FY25 as operating costs spiked.

RATE & VOLUME HISTORY									
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed		
Board Approved Rate	\$ 738	\$ 727	\$ 786	\$ 795	\$ 795	\$ 795	\$ 850		
Operating Rate (Actual Cost)	\$ 670	\$ 695	\$ 763	\$ 743	\$ 839		\$ 815		
Budget Tool Suggested Rate							\$ 815		
Rate Gap (Board – Operating)	\$ 68	\$ 32	\$ 23	\$ 52	\$ (44)		\$ 35		
Days Sold	311	327	305	324	295				
Projected Days Sold				292	300	304	364		
Net Income (Loss)	\$ 24,591	\$ 13,829	\$ 10,212	\$ 19,926	\$ (11,509)				
Cumulative Net Income					\$ 57,049				

WHY THIS MATTERS

- DHH Supervision averages ~310 days sold per year — less than 1% of total organizational volume.
- It was profitable in four of the past five years, generating a cumulative \$57K surplus through FY25.
- FY25 showed its first deficit: the operating rate jumped to \$839/day (+\$96 vs FY24), pushing the line into a (\$11.5K) deficit.
- Board rates have been essentially flat at \$795 since FY24 while operating costs grew 25.2% over five years (\$670 → \$839).
- The FY27 budget tool projects costs at \$815/day. The proposed rate of \$850 provides a \$35/day cushion to guard against further cost volatility.

RECOMMENDATION

Approve FY27 rate of \$850/day (+\$55 vs FY26, +6.9%). This provides a \$35/day buffer above projected operating costs of \$815/day.

06 — AUDIOLOGY | RATE ANALYSIS & FY27 RECOMMENDATION

A growing service line with volatile profitability — FY25's large deficit signals the need for a rate correction.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 679	\$ 669	\$ 709	\$ 740	\$ 747	\$ 795	\$ 836
Operating Rate (Actual Cost)	\$ 689	\$ 707	\$ 660	\$ 717	\$ 801		\$ 835
Budget Tool Suggested Rate							\$ 835
Rate Gap (Board – Operating)	\$ (10)	\$ (38)	\$ 49	\$ 23	\$ (54)		\$ 1
Days Sold	802	1,071	1,161	1,220	1,229		
Projected Days Sold				1,183	1,251	1,288	1,320
Net Income (Loss)	\$ (8,530)	\$ (29,269)	\$ 74,339	\$ 44,466	\$ (51,933)		
Cumulative Net Income					\$ 29,073		

WHY THIS MATTERS

- Audiology has grown steadily from 802 days sold in FY21 to 1,229 in FY25, representing about 3.4% of total volume.
- Profitability has been volatile: deficits in FY21–FY22, a strong surplus in FY23–FY24, then a (\$51.9K) loss in FY25.
- The operating rate surged to \$801/day in FY25 (+\$84 vs FY24), far outpacing the board rate of \$747.
- Board rates have moved from \$679 → \$747 → \$795 (+17.1%) but operating costs have kept pace at \$689 → \$801 (+16.3%).
- The FY27 budget tool projects costs at \$835/day. The proposed rate of \$836 provides a narrow \$1/day margin, so cost discipline is important.

RECOMMENDATION

Approve FY27 rate of \$836/day (+\$41 vs FY26, +5.2%). This just covers projected operating costs of \$835/day.

07 — VISION SUPERVISION | RATE ANALYSIS & FY27 RECOMMENDATION

A small-volume line with an FY25 operating cost spike — the FY26 board rate already covers projected FY27 costs.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 734	\$ 723	\$ 796	\$ 824	\$ 824	\$ 850	\$ 850
Operating Rate (Actual Cost)	\$ 679	\$ 686	\$ 782	\$ 736	\$ 942		\$ 803
Budget Tool Suggested Rate							\$ 803
Rate Gap (Board – Operating)	\$ 55	\$ 37	\$ 14	\$ 88	\$ (118)		\$ 47
Days Sold	369	363	307	312	327		
Projected Days Sold				305	324	293	328
Net Income (Loss)	\$ 20,825.00	\$ 13,807.00	\$ 5,711.00	\$ 29,520.00	\$ (37,265.00)		
Cumulative Net Income					\$ 32,598.00		

WHY THIS MATTERS

- Vision Supervision averages ~330 days sold per year — under 1% of total organizational volume.
- It was solidly profitable through FY24, accumulating \$70K in surplus, before a (\$37.3K) loss in FY25.
- The FY25 operating rate spiked to \$942/day — a one-year jump of \$206 — which was largely driven by staffing costs.
- Board rates have already been raised significantly: \$734 → \$824 → \$850 (+15.8% since FY21).
- The FY27 budget tool projects costs at only \$803/day, well below the current \$850 board rate — no increase is needed.

RECOMMENDATION

Hold FY27 rate at \$850/day (+\$0 vs FY26, +0.0%). The current board rate already provides a \$47/day cushion above projected costs of \$803/day.

09 — SPEECH (SLP) | RATE ANALYSIS & FY27 RECOMMENDATION

The second-largest service line by volume — recent rate increases have restored profitability, and a moderate bump sustains the margin.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 568	\$ 559	\$ 596	\$ 626	\$ 670	\$ 675	\$ 710
Operating Rate (Actual Cost)	\$ 593	\$ 545	\$ 566	\$ 643	\$ 652		\$ 705
Budget Tool Suggested Rate							\$ 705
Rate Gap (Board – Operating)	\$ (25)	\$ 14	\$ 30	\$ (17)	\$ 18		\$ 5
Days Sold	4,327	4,820	4,327	3,562	3,800		
Projected Days Sold				4,738	4,268	3,985	5,037
Net Income (Loss)	\$ (107,855)	\$ 67,765	\$ 139,312	\$ (66,571)	\$ 33,085		
Cumulative Net Income					\$ 65,736		

WHY THIS MATTERS

- Speech is a high-volume line at ~3,800 days sold per year, roughly 10.5% of total organizational volume.
- After a large (\$107.9K) deficit in FY21, aggressive rate increases restored profitability — FY23 generated a \$139K surplus.
- The operating rate has grown modestly (\$593 → \$652, +9.9%) while board rates rose faster (\$568 → \$670 → \$675, +18.8%), building a healthy cushion.
- In FY25, the board rate of \$670 exceeded operating costs of \$652, producing a \$33K surplus.
- The FY27 budget tool projects costs rising to \$705/day. The proposed \$710 maintains a small \$5/day buffer.

RECOMMENDATION

Approve FY27 rate of \$710/day (+\$35 vs FY26, +5.2%). This covers projected operating costs of \$705/day with a modest buffer.

10 — THERAPY (OT/PT) | RATE ANALYSIS & FY27 RECOMMENDATION

This service line represents the largest volume and the largest deficit. It requires the board's focused attention.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$599	\$590	\$620	\$629	\$638	\$670	\$731
Operating Rate (Actual Cost)	\$602	\$622	\$626	\$641	\$678		\$727
Budget Tool Suggested Rate				\$638	\$661		\$727
Rate Gap (Board – Operating)	(\$3)	(\$32)	(\$6)	(\$12)	(\$40)		\$4
Days Sold	20,642	21,420	22,510	23,443	22,550		
Projected Days Sold				24,373	23,689	24,033	23,304
Net Income (Loss)	(\$65,093)	(\$659,197)	(\$97,257)	(\$309,344)	(\$851,543)		
5-Year Cumulative Loss					(\$1,982,434)		

WHY THIS MATTERS

- Therapy is by far the largest service line at ~22,500 days sold per year — roughly 62% of total organizational volume.
- It has been in deficit every single year for the past 5 years, accumulating \$1.98M in losses since FY21.
- The operating rate has grown steadily (\$602 → \$678, +12.6%) while board rates have moved from \$599 → \$638 → \$670 (+11.9%), accelerating in FY26 to close the gap.
- In FY25, the rate gap widened to (\$40)/day — at 22,550 days, that gap alone accounts for over \$900K in losses.
- The FY27 budget tool projects costs rising to \$727/day. Our proposed rate of \$731 adds a modest \$4/day cushion above projected costs.
- Without this increase, the deficit trajectory will continue to worsen and consume surpluses from other service lines.

RECOMMENDATION

Approve FY27 rate of \$731/day (+\$61 vs FY26, +9.1%). This covers projected operating costs of \$727/day with a small buffer.

11 — BCBA | RATE ANALYSIS & FY27 RECOMMENDATION

A newer service line launched in FY24 that has already swung from deficit to strong surplus — minimal rate change needed.

RATE & VOLUME HISTORY				
	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 625	\$ 795	\$ 795	\$ 800
Operating Rate (Actual Cost)	\$ 905	\$ 651		\$ 762
Budget Tool Suggested Rate				\$ 762
Rate Gap (Board – Operating)	\$ (280)	\$ 144		\$ 38
Days Sold	118	590		
Projected Days Sold		450	1,057	1,086
Net Income (Loss)	\$ (32,858.00)	\$ 84,876.00		
Cumulative Net Income		\$ 52,018.00		

WHY THIS MATTERS

- BCBA was introduced in FY24 with only 118 days sold; volume grew rapidly to 590 days in FY25 (1.6% of total).
- FY24 saw a (\$32.9K) deficit at a \$625 board rate vs. \$905 operating cost — reflecting high startup costs on low volume.
- FY25 reversed sharply: the operating rate dropped to \$651/day as volume scaled, producing an \$84.9K surplus .
- The FY26 board rate of \$795 already exceeds the FY27 budget tool estimate of \$762 by \$33/day.
- Only a nominal \$5 increase is proposed to maintain the rate above a round-number threshold.

RECOMMENDATION

Approve FY27 rate of \$800/day (+\$5 vs FY26, +0.6%). The current rate already provides a \$38/day cushion above projected costs of \$762/day.

17 — INTERPRETER | RATE ANALYSIS & FY27 RECOMMENDATION

A mid-volume service with persistent deficits and rapidly rising costs — a significant rate increase is needed to close the gap.

RATE & VOLUME HISTORY														
	FY21		FY22		FY23		FY24		FY25		FY26	FY27 Proposed		
Board Approved Rate	\$	379	\$	373	\$	395	\$	455	\$	472	\$	530	\$	581
Operating Rate (Actual Cost)	\$	391	\$	316	\$	419	\$	478	\$	524			\$	534
Budget Tool Suggested Rate													\$	534
Rate Gap (Board – Operating)	\$	(12)	\$	57	\$	(24)	\$	(23)	\$	(52)			\$	47
Days Sold		2,160		2,676		2,028		1,771		2,221				
Projected Days Sold								1,593		1,780		2,707		3,045
Net Income (Loss)	\$	(20,509.0)	\$	167,023.0	\$	(28,268.0)	\$	(15,447.0)	\$	(88,501.0)				
Cumulative Net Income										\$	14,298.00			

WHY THIS MATTERS

- Interpreter serves about 2,200 days per year, roughly 6.1% of total organizational volume.
- It has been in deficit in four of the past five years, with only FY22 generating a surplus (\$167K) — likely a one-time anomaly.
- Operating costs have risen 34.0% over five years (\$391 → \$524) while board rates rose from \$379 → \$472 → \$530 (+39.8%), but the gap persists.
- FY25 produced the worst loss yet at (\$88.5K), with a rate gap of (\$52)/day across 2,221 days.
- The FY27 budget tool projects costs at \$534/day. The proposed \$581 adds a \$47/day cushion to break the pattern of chronic underfunding

RECOMMENDATION

Approve FY27 rate of \$581/day (+\$51 vs FY26, +9.6%). This builds a meaningful buffer above projected operating costs of \$534/day.

23 — DHH ITINERANT TEACHING | RATE ANALYSIS & FY27 RECOMMENDATION

A service line with strong historical surpluses that turned to deficit in FY25 as volume and costs both surged.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 570	\$ 561	\$ 625	\$ 640	\$ 640	\$ 685	\$ 732
Operating Rate (Actual Cost)	\$ 569	\$ 472	\$ 479	\$ 630	\$ 700		\$ 729
Budget Tool Suggested Rate							\$ 729
Rate Gap (Board – Operating)	\$ 1	\$ 89	\$ 146	\$ 10	\$ (60)		\$ 3
Days Sold	940	901	746	756	1,082		
Projected Days Sold				720	789	1,070	1,173
Net Income (Loss)	\$ 4,978	\$ 88,090	\$ 117,719	\$ 15,338	\$ (57,511)		
Cumulative Net Income					\$ 168,614		

WHY THIS MATTERS

- DHH Itinerant Teaching averaged ~870 days sold in FY21–FY24 before jumping to 1,082 days in FY25 — a 43% volume increase.
- The line generated \$226K in cumulative surplus through FY24, but FY25 produced a (\$57.5K) deficit.
- Operating costs rose 23.0% over five years (\$569 → \$700), with a sharp \$70/day jump in FY25 alone.
- Board rates moved from \$570 → \$640 → \$685 (+20.2%), but couldn't keep up with FY25's cost surge.
- The FY27 budget tool projects costs at \$729/day. The proposed \$732 provides a slim \$3/day margin.

RECOMMENDATION

Approve FY27 rate of \$732/day (+\$47 vs FY26, +6.9%). This covers projected operating costs of \$729/day with a small buffer.

24 — VISION TEACHING / O&M | RATE ANALYSIS & FY27 RECOMMENDATION

A high-volume service with a deteriorating trend — two consecutive years of six-figure losses demand attention.

RATE & VOLUME HISTORY							
	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 567	\$ 558	\$ 567	\$ 615	\$ 640	\$ 670	\$ 690
Operating Rate (Actual Cost)	\$ 508	\$ 555	\$ 566	\$ 652	\$ 679		\$ 677
Budget Tool Suggested Rate							\$ 677
Rate Gap (Board – Operating)	\$ 59	\$ 3	\$ 1	\$ (37)	\$ (39)		\$ 13
Days Sold	2,451	2,628	3,205	3,571	3,790		
Projected Days Sold				3,287	3,429	4,050	4,424
Net Income (Loss)	\$ 150,583	\$ 9,395	\$ 5,278	\$ (126,250)	\$ (140,069)		
Cumulative Net Income					\$ (101,063)		

WHY THIS MATTERS

- Vision Teaching is a significant service line at ~3,790 days sold per year, representing 10.5% of total volume.
- It generated surpluses from FY21–FY23 (\$165K cumulative) but has since posted back-to-back losses: (\$126K) in FY24 and (\$140K) in FY25.
- Operating costs have grown 33.7% over five years (\$508 → \$679) — one of the fastest rates of cost growth in the organization.
- Board rates have risen from \$567 → \$640 → \$670 (+18.2%), lagging well behind the cost trajectory.
- The FY27 budget tool projects costs at \$677/day. The proposed \$690 provides a \$13/day cushion to begin rebuilding margin.

RECOMMENDATION

Approve FY27 rate of \$690/day (+\$20 vs FY26, +3.0%). This covers projected operating costs of \$677/day and begins to restore margin after two years of losses.

29 — AUTISM | RATE ANALYSIS & FY27 RECOMMENDATION

The highest-cost service line with volatile operating expenses — a large rate increase is needed to match projected FY27 costs.

RATE & VOLUME HISTORY

	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 1,063	\$ 1,047	\$ 1,025	\$ 1,025	\$ 1,025	\$ 1,050	\$ 1,195
Operating Rate (Actual Cost)	\$ 973	\$ 955	\$ 1,071	\$ 934	\$ 1,123		\$ 1,195
Budget Tool Suggested Rate							\$ 1,195
Rate Gap (Board – Operating)	\$ 90	\$ 92	\$ (46)	\$ 91	\$ (98)		\$ -
Days Sold	57	65	69	78	78		
Projected Days Sold				68	76	64	64
Net Income (Loss)	\$ 5,145	\$ 5,980	\$ (3,206)	\$ 7,854	\$ (6,801)		
Cumulative Net Income					\$ 8,972		

WHY THIS MATTERS

- Autism is the smallest service line by volume at ~78 days sold per year — just 0.2% of total volume.
- Small volume means individual cases drive large cost swings: the operating rate has ranged from \$934 (FY24) to \$1,123 (FY25).
- Despite the board rate of \$1,025 held flat from FY23–FY25, the line posted mixed results — a \$7.9K surplus in FY24 but (\$6.8K) deficit in FY25.
- Board rates actually declined from \$1,063 (FY21) to \$1,025 (FY23) before the FY26 increase to \$1,050.
- The FY27 budget tool projects costs at \$1,195/day — matching the proposed rate.

RECOMMENDATION

Approve FY27 rate of \$1,195/day (+\$145 vs FY26, +13.8%). This matches projected operating costs of \$1,195/day — the largest dollar and percentage increase in the portfolio.

31 - PSYCH | RATE ANALYSIS & FY27 RECOMMENDATION

A new service line with no operating history — the rate is held flat pending FY26 actuals.

RATE & VOLUME HISTORY

	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 795	\$ 800	\$ 800
Operating Rate (Actual Cost)			
Budget Tool Suggested Rate			\$ 726
Rate Gap (Board – Operating)			\$ 74
Days Sold			
Projected Days Sold	900	364	540
Net Income (Loss)			
Cumulative Net Income			

WHY THIS MATTERS

- Psych is a newly established service line with a board rate first set at \$795 in FY25 and raised to \$800 for FY26.
- There is no operating cost data, days sold, or net income history available to model projected costs.
- The FY27 budget tool estimates costs at \$726/day, but this figure has limited reliability without actuals to validate.
- Holding the rate flat at \$800 preserves a theoretical \$74/day cushion above the budget tool estimate.
- Recommend revisiting this rate after FY26 actuals are available to establish a meaningful cost baseline.

RECOMMENDATION

Hold FY27 rate at \$800/day (+\$0 vs FY26, +0.0%). Insufficient operating history to justify a change; revisit after FY26 actuals.

32 — SOCIAL WORK | RATE ANALYSIS & FY27 RECOMMENDATION

Another new service line — FY25 data shows early profitability, supporting a modest rate increase.

RATE & VOLUME HISTORY			
	FY25	FY26	FY27 Proposed
Board Approved Rate	\$ 795	\$ 800	\$ 808
Operating Rate (Actual Cost)	\$ 675		
Budget Tool Suggested Rate			\$ 786
Rate Gap (Board – Operating)	\$ 120		\$ 22
Days Sold	271		
Projected Days Sold	540	865	900
Net Income (Loss)	\$ 32,572		
Cumulative Net Income	\$ 32,572		

WHY THIS MATTERS

- Social Work was first tracked in FY25 with 271 days sold and a board rate of \$795.
- FY25 produced a \$32.6K surplus, with operating costs of \$675/day well below the \$795 board rate.
- The FY26 board rate was raised to \$800; the FY27 budget tool estimates costs at \$786/day.
- The proposed rate of \$808 provides a \$22/day cushion above the budget tool estimate, reflecting the limited history.
- Like Psych, more data is needed to model costs reliably — recommend monitoring closely through FY26.

RECOMMENDATION

Approve FY27 rate of \$808/day (+\$8 vs FY26, +1.0%). This provides a modest cushion above projected costs of \$786/day while more operating data is gathered.