

REACHING ACROSS ILLINOIS
LIBRARY SYSTEM

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



REACHING ACROSS ILLINOIS LIBRARY SYSTEM

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REACHING ACROSS ILLINOIS LIBRARY SYSTEM

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

Federal Grantor	Pass-Through Grantor	Program Title	Assistance Listing Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
National Endowment for the Humanities	Illinois State Library	Grants to States	45.310	FY24 Area and Per Capita Grant	\$ 1,936,144 *	-
TOTAL FEDERAL AWARDS EXPENDED					\$ 1,936,144	-

*Denotes major federal program

See accompanying notes to the schedule of expenditures of federal awards.

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Notes to the Schedule of Expenditures of Federal Awards June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Reaching Across Illinois Library System (RAILS) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of RAILS, it is not intended to and does not present the financial position, changes in net position, or cash flows of RAILS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Pass-Through Entities

Pass-through entity identifying numbers are presented on the Schedule where available.

NOTE 3 – 10% DE MINIMIS INDIRECT COST RATE

Reaching Across Illinois Library System (RAILS) has selected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

NOTE 4 – SUBRECIPIENT RELATIONSHIPS

RAILS did not remit any funds to subrecipients.



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

September 11, 2024

Members of the Board of Directors
Reaching Across Illinois Library System

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 Reaching Across Illinois Library System (RAILS) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise RAILS's basic financial statements, and have issued our report thereon dated September 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RAILS'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 RAILS's internal control. Accordingly, we do not express an opinion on the effectiveness of RAILS'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 RAILS'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.

Reaching Across Illinois Library System
September 11, 2024

Reporting on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RAILS'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*.

We noted certain other matters that we reported to management of RAILS in a separate letter dated September 11, 2024.

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 RAILS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RAILS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

September 11, 2024

Members of the Board of Directors
Reaching Across Illinois Library System

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Reaching Across Illinois Library System's (RAILS) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of RAILS's major federal programs for the year ended June 30, 2024. RAILS's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

In our opinion, RAILS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent RAILS and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of RAILS's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RAILS's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RAILS's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RAILS's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 RAILS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RAILS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RAILS's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Reaching Across Illinois Library System
September 11, 2024

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reaching Across Illinois Library System (RAILS) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise RAILS's basic financial statements. We issued our report thereon dated September 11, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is 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 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

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**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Noncompliance material to the financial statements noted:	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a):	No

Major programs identified:	
<u>ALN Number(s)</u>	<u>Name of Federal Program/Cluster</u>
45.310	Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	Yes

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**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2024**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None Noted

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**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2024**

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted

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**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2024**

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

None Noted