



Reaching Across Illinois
Library System
Burr Ridge, Illinois

Annual Financial Report

For the Year Ended June 30, 2026

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BURR RIDGE, ILLINOIS
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BURR RIDGE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Reaching Across Illinois Library System
Burr Ridge, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Reaching Across Illinois Library System (RAILS), as of and for the year ended June 30, 2026, and the related notes to the financial statements which collectively comprise RAILS'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 and each major fund of RAILS, as of June 30, 2026, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these 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 RAILS 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.

Change in Accounting Principle

As described in Note 10 to the financial statements, RAILS adopted the Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, for the year ended June 30, 2026. The implementation of this guidance resulted in changes to certain information presented in the required supplementary information. Our opinion was not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 RAILS's ability to continue as a going concern for 12 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 GAAS and *Government 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 GAAS 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 RAILS'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 RAILS'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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 RAILS's basic financial statements. The combining and individual fund financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial schedules are the responsibility of management and were derived from and relate 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, the combining and individual fund financial schedules are 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 September 17, 2026 on our consideration of RAILS'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 solely 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 RAILS'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 RAILS's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
September 17, 2026

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**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 *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Directors
Reaching Across Illinois Library System
Burr Ridge, 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 and each major fund of the Reaching Across Illinois Library System (RAILS), as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise RAILS's basic financial statements and have issued our report thereon dated September 17, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 have not been identified.

Report 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*.

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.

Sikich CPA LLC

Naperville, Illinois
September 17, 2026

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Reaching Across Illinois Library System

Management's Discussion and Analysis

June 30, 2026

As the management of the Reaching Across Illinois Library System (RAILS), we offer readers of RAILS's financial statements this narrative overview and analysis of the financial activities of RAILS for the fiscal year ended June 30, 2026. RAILS formed on July 1, 2011, as a merger of five previously existing library systems, and these activities represent RAILS's fifteenth year of operations. Comparative data to RAILS's prior year of operations, ended June 30, 2025, is presented. This analysis is intended to be an easily readable overview of the current year's activities and operations and should be read in combination with the basic financial statements and notes to the financial statements that follow.

USING THE FINANCIAL SECTION OF THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

RAILS's financial statements present two types of statements, each with a different snapshot of its finances. The financial statements' focus is on RAILS as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance RAILS's accountability and transparency.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of RAILS's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all RAILS'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 RAILS is improving or deteriorating.

The statement of activities presents information showing how RAILS'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 the cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused staff leave as well as information technology subscription arrangements and lease obligations that have been entered into but not yet paid).

Both government-wide financial statements distinguish functions of RAILS that are principally supported by operating grants, project grants, and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The primary governmental activities of RAILS are: 1) administration specifically related to serving public, school, academic and special libraries; 2) delivery; 3) Local Library System Automation Program (LLSAP) support grants; 4) RAILS deals and discounts program; 5) the eRead Illinois program; 6) the Find More Illinois program; 7) the L2 ongoing development and enhancement project grant; 8) the world language cataloging services program grant; and 9) the Cook County digital navigator network grant. LLSAPs are shared online catalog provider entities, and they currently include Cooperative Computer Services (CCS), Pinnacle Library Cooperative, PrairieCat, Rock River Library Consortium (RRLC), Resource Sharing Alliance (RSA), and System Wide Automated Network (SWAN). RAILS helps to support these LLSAPs through annual grants. These entities provide library users with access to a wider variety of materials and help make automation affordable for libraries of all types and sizes. For the fiscal years 2026 and 2025, RAILS reported no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. RAILS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of RAILS can be divided into two categories: governmental funds and proprietary 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, unlike the government-wide financial statements, 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 a government'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 this comparison between governmental funds and governmental activities.

RAILS maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, special revenue fund, and capital projects fund, all of which are considered major funds. LLSAP support and delivery data are shown in the supplementary information as subsets of the general fund.

RAILS adopts an annual budget for its general, special revenue, and capital projects funds in conjunction with its annual APC grant application. Original and final budgetary comparison statements are shown both in the supplementary information as well as the combining and individual fund financial schedules to demonstrate compliance with the budgets. RAILS adopted the original and final budget on June 20, 2025.

Proprietary Funds

RAILS recorded no activities within its proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Such funds were used by the legacy systems that merged to form RAILS to primarily account for LLSAP activities, which now are legal entities separate from RAILS. RAILS provides financial and administrative support to the LLSAPs. In fiscal year 2026, financial support was provided to the six LLSAPs as direct quarterly payments from RAILS.

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 RAILS's progress in funding its obligation to provide pension benefits to its employees.

Financial Highlights

- Assets/deferred outflows exceeded liabilities/deferred inflows by \$37,171,090 (net position) as of June 30, 2026. The total net position for RAILS increased \$1,991,511 from June 30, 2025, primarily from the increase in RAILS's actuarially determined net pension asset and the growth of RAILS's cash balance due to sustained high interest rates. These increases were partially offset by the growth of long-term liabilities due to the extension of RAILS's lease of the East Peoria facility, the increase in requests for advance billings to members for deals and discounts, and an increased number of vendor invoices and reimbursements that arrived at year-end.
- Of the net position amount, \$10,736,059 is restricted, which represents the Illinois Municipal Retirement Fund (IMRF) net pension asset. The amount restricted for pension items increased \$4,881,187 from the prior year amount. The investment in capital assets, net of any debt used to acquire those assets, is \$2,132,928, which decreased \$89,277 from the prior year. The remaining balance of \$24,302,103 is unrestricted and available to fund future operations. This unrestricted balance decreased \$2,800,399 from the prior year.
- Total governmental funds reported an end of the year fund balance of \$27,205,839, an increase of \$487,992 from the prior year-end fund balance. Cash and investments were \$27,546,956, an increase of \$570,980 from the prior year-end balance. The cash and investment balances by fund were \$25,227,897 for the general fund, \$69,188 for the special revenue fund, and \$2,249,871 for the capital projects fund.
- Governmental funds reported a combined total of \$17,345,780 in revenues and \$17,400,133 in expenditures. Area and Per Capita (APC) grant revenues, RAILS's primary source of revenues, were \$11,871,714, the entire amount awarded for fiscal year 2026.
- Payment timing from the State of Illinois for the APC grant remained prompt during fiscal year 2026. The entire amount of the fiscal year 2026 award was received before the end of the fiscal year for the sixth consecutive year.
- During fiscal year 2026, RAILS was awarded grants for the ongoing development and enhancement of the statewide L2 platform (\$125,859) and the continuation of the statewide world language cataloging services program (\$123,834).

- Shortly before the end of fiscal year 2025, RAILS was awarded a grant for the creation of a digital navigator network among suburban Cook County member libraries (\$850,000). This grant work commenced in fiscal year 2026 and will continue through fiscal year 2027.
- Beginning in fiscal year 2026, the activity for the L2 development and enhancement, world language cataloging services, and Cook County digital navigator network grants are being recorded in the special revenue fund.
- As of January 1, 2026, the nine RAILS staff members who had run RSA's operations transitioned to being employees of RSA.
- In the first half of fiscal year 2026, RAILS transitioned the eRead Illinois program from Baker and Taylor's Boundless platform to Lyris's The Palace Project platform.
- In November 2025, the RAILS Board of Directors approved a \$1,850,000 transfer of funds from the general fund to the capital projects fund to fund future capital expenditures.
- RAILS completed the tenth year of its contract for statewide delivery between academic libraries.

Financial Analysis of RAILS as a Whole

Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of RAILS's financial position. Prior year data (RAILS's fourteenth year of operations, fiscal year 2025) is shown. The following table reflects the condensed statement of net position as of June 30, 2026 in comparison to the prior year:

Condensed Statement of Net Position

	2026	2025
Current and other assets	\$ 28,701,035	\$ 27,887,378
Net pension assets, IMRF	10,736,059	5,854,872
Capital assets	3,287,790	3,176,633
Deferred outflows, IMRF	615,133	1,365,137
Total assets & def. outflows	43,340,017	38,284,020
Current liabilities	1,474,149	1,169,531
Long-term liabilities	1,603,065	1,459,779
Deferred inflows, IMRF	3,091,713	475,131
Total liabilities	6,168,927	3,104,441
Net investment in capital assets	2,132,928	2,222,205
Restricted – IMRF pension	10,736,059	5,854,872
Unrestricted	24,302,103	27,102,502
Total net position	\$ 37,171,090	\$ 35,179,579

The governmental activities end-of-year total net position was \$37,171,090. Current and other assets primarily consisted of cash and investments (\$27,546,956). Current liabilities consisted primarily of amounts due to other governments (\$548,268), accounts payable and accrued liabilities (\$356,252), and accrued payroll (\$306,596). Long-term liabilities consisted of the liabilities for compensated absences, leases payable, and subscription arrangements.

Current and other assets increased \$813,657 from the prior year-end amount. This was due primarily to the sustained high interest rates which added to RAILS's cash and accrued investment income balances.

There were significant variations from the prior year-end amounts in the items related to the IMRF pension (net pension assets, IMRF; deferred outflows, IMRF; and deferred inflows, IMRF). A net pension asset of \$10,736,059 was recorded as of June 30, 2026, compared to a net pension asset of \$5,854,872 as of June 30, 2025. A deferred inflow of \$3,091,713 was recorded as of June 30, 2026, compared to the prior year deferred inflow of \$475,131, and a deferred outflow of \$615,133 as of June 30, 2026, decreased from the prior year deferred outflow of \$1,365,137. These changes were the result of IMRF's investment performance as well as change in RAILS's plan membership demographics.

The capital assets net of accumulated depreciation and amortization increased by \$111,157 due to the purchase of three delivery vehicles, the purchase of one staff vehicle, the extension of RAIL's lease for the East Peoria facility, baseboard heater replacement at the Burr Ridge facility, new servers for the migration away from VMware, replacements for a workstation and the postage machine at the Burr Ridge facility, the addition of a warehouse fan for the expanded sorting area at the Bolingbrook facility, and the addition of a hearing loop to increase accessibility in the main conference room at the Burr Ridge facility. These increases were partially offset by disposals of twelve vehicles and the disposal of an outdated network rack system. In addition, depreciation and amortization expense of \$776,853 was recorded during fiscal year 2026.

Current liabilities increased \$304,618 due to increased requests for advance member billing for several deals and discounts as well as an increased number of vendor invoices and reimbursement requests that were received at year-end. The American Library Association annual conference occurs at year-end, and several vendor expenses primarily from RAILS's delivery outsourcing contractor as well as the consultant for the Cook County digital navigator network grant were received later than anticipated.

Long-term liabilities increased \$143,286 due to the extension of the lease for the East Peoria facility that houses our delivery hub staff and RSA staff.

The following table summarizes the government-wide statement of activities for the years ended June 30, 2026, and June 30, 2025:

Statement of Activities

	2026	2025
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,958,919	\$ 3,993,492
Operating Grants	12,241,170	12,078,427
Total Program Revenues:	16,200,089	16,071,919
Investment income	1,123,334	1,294,552
Miscellaneous	22,357	169,158
Total Revenues	17,345,780	17,535,629
EXPENSES		
Administration	3,847,574	6,409,850
Delivery	5,648,736	5,509,201
LLSAP support	2,067,946	2,351,623
Deals and discounts	2,530,550	2,369,985
eRead Illinois	718,843	597,784
Find more Illinois	112,289	114,733
L2 development and enhancement	77,259	104,283
World language cataloging services	111,371	102,430
Cook County digital navigator network	180,826	-
Interest	58,875	54,016
Total Expenses	15,354,269	17,613,905
Change in Net Position	1,991,511	(78,276)
Net Position, July 1, as Reported	35,179,579	35,516,371
Change in accounting principle	-	(258,516)
Net Position, July 1, as Restated	35,179,579	35,257,855
Net Position, June 30	\$ 37,171,090	\$ 35,179,579

RAILS's total revenues for fiscal year 2026 were \$17,345,780, a decrease of \$189,849, or 1.1%, from the prior year, primarily due to a decrease in investment income of \$171,218 due to three .25% interest rate cuts during the first half of fiscal year 2026. Despite these cuts, interest rates continue to run high, yielding a significant amount of investment income during fiscal year 2026. In addition, during fiscal year 2025, RAILS had a large number of capital asset disposals that resulted in one-time gains of \$156,210. Due to the January 1, 2026, transition of RSA staff to direct employment with RSA, personnel expenses were reduced. These costs were deducted from the LLSAP support grants, and this shift resulted in a payment from RAILS in fiscal year 2026 instead of a payment to RAILS (\$226,397 in fiscal year 2025). This was partially offset by increases in deals and discount program participation from the prior year (\$160,565) as well as the fiscal year 2026 addition of the Cook County digital navigator network grant activity (\$180,826). The annual 4% increase in the contract for the statewide academic delivery services (\$21,380) also partially offsets these decreases. The world language cataloging services program grew in fiscal year 2026 due to increased usage (\$8,941), but the L2 development and enhancement work was temporarily put on hold during the annual library certification process due to the disruption that the work would have caused. Due to this unplanned delay, the expenditure-based revenue was lower than the prior fiscal year (\$27,024).

RAILS's fiscal year 2026 expenses totaled \$15,354,269, a decrease of \$2,259,636 from fiscal year 2025 expenses, primarily from decreased administration expenses (\$2,562,276) resulting from the annual IMRF actuarial valuation of RAILS's net pension asset. The LLSAP support expenses decreased primarily due to decreases in accrued but unused leave for the RSA staff. These decreases are partially offset by the addition of the Cook County digital navigator network grant activity in fiscal year 2026. This grant was awarded late in fiscal year 2025, but expenses were not incurred until fiscal year 2026 (\$180,826). These decreases are also partially offset by the growth in the deals and discounts program participation (\$160,565) as well as increases in delivery expenses (\$139,535) from annual cost of living increases, increased fuel costs, and increased facility costs. eRead Illinois expenses increased due to the fiscal year 2026 migration from Baker and Taylor's Boundless platform to Lyris's The Palace Project platform due to Baker and Taylor's closure. This migration resulted in an annual platform fee of \$105,000.

Financial Analysis of RAILS's Government Fund Financial Statements

Balance Sheet

For the fiscal year ended June 30, 2026, the governmental funds had a combined fund balance of \$27,205,839, of which \$24,955,968 was within the general fund, which is the main operating fund of RAILS, and \$2,249,871 was within the capital projects fund which are funds that have been assigned by the RAILS Board of Directors for future capital purchases.

The following table reflects the condensed balance sheet as of June 30, 2026, in comparison to the prior year:

Condensed Balance Sheet

	General		Special Revenue		Capital Projects	
	2026	2025	2026	2025	2026	2025
Cash and investments	\$25,227,897	\$26,228,559	\$69,188	\$-	\$2,249,871	\$747,417
Receivables – net of allowances	573,774	643,024	54,045	-	-	-
Due from other funds	54,045	-	-	-	-	-
Prepaid items	505,213	268,378	-	-	-	-
Total assets	26,360,929	27,139,961	123,233	-	2,249,871	747,417
Accounts payable	350,029	238,410	6,223	-	-	-
Other payables	19,999	45,959	61,802	-	-	-
Accrued payroll	305,433	310,484	1,163	-	-	-
Unearned revenue	181,232	25,850	-	-	-	-
Due to other governments	548,268	548,828	-	-	-	-
Due to other funds	-	-	54,045	-	-	-
Total liabilities	1,404,961	1,169,531	123,233	-	-	-
Nonspendable – Prepaid items	505,213	268,378	-	-	-	-
Assigned – Capital projects	-	-	-	-	2,249,871	747,417
Assigned – Subsequent year’s budget	297,466	-	-	-	-	-
Unassigned	24,153,289	25,702,052	-	-	-	-
Total fund balances	24,955,968	25,970,430	-	-	2,249,871	747,417
Total liabilities and fund balances	\$26,360,929	\$ 27,139,961	\$123,233	\$-	\$2,249,871	\$747,417

The general fund cash balance as of June 30, 2026, of \$25,227,897 decreased \$1,000,662 from fiscal year 2025 due primarily to the \$1,850,000 transfer from the general fund to the capital projects to fund future capital expenditures. This is partially offset by the fiscal year 2026 excess of revenues over expenditures in the general fund of \$293,193. Prepaid items and unearned revenue increased from the prior year primarily due to an increase in member library requests for early deals and discounts invoicing.

Beginning in fiscal year 2026, the activity for the L2 development and enhancement, world language cataloging services, and Cook County digital navigator network grants are being recorded in the special revenue fund. For the year ending June 30, 2026, this fund had \$61,063 that represented amounts due to the Illinois State Library for L2 and world language cataloging services grant funds that were not able to be used during the grant period. The due to other funds account represents amounts advanced from the general fund for Cook County digital navigator network grant expenditures that were awaiting reimbursement from Cook County at the end of fiscal year 2026.

The capital projects fund received a \$1,850,000 transfer from the general fund during fiscal year 2026, which increased the cash and investment balance \$1,502,454 from June 30, 2025.

Statement of Revenues, Expenditures and Changes in Fund Balances

The following table reflects the condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the governmental funds for the year ended June 30, 2026, in comparison to the prior year:

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

	General		Special Revenue		Capital Projects	
	2026	2025	2026	2025	2026	2025
Total revenues	\$16,976,324	\$17,535,629	\$369,456	\$-	\$ -	\$ -
Total expenditures	16,683,131	16,245,197	369,456	-	347,546	791,864
Excess (deficiency) of revenues over expenditures	293,193	1,290,432	-	-	(347,546)	(791,864)
Total other financing sources (uses)	(1,307,655)	444,074	-	-	1,850,000	-
Net change in fund balances	(1,014,462)	1,734,506	-	-	1,502,454	(791,864)
Fund balances, July 1	25,970,430	24,235,924	-	-	747,417	1,539,281
Fund balances, June 30	\$24,955,968	\$25,970,430	-	-	\$2,249,871	\$ 747,417

General fund revenues decreased \$559,305 primarily from the L2 and world language cataloging services grant activity moving from the general fund to the special revenue fund in fiscal year 2026. This decrease is also due to a decrease in fees for services and materials primarily due to the RSA staff transition mentioned previously as well as a decrease in investment income due to interest rate cuts during the first portion of fiscal year 2026.

General fund expenditures increased \$437,934 from fiscal year 2025 due primarily to staff cost of living adjustments, scheduled lease increases, contractual increases, increased fuel costs, and increased insurance costs.

Special revenue fund grants are expenditure based, with the total revenues of \$369,456 equaling total expenditures.

Capital projects expenditures decreased \$444,318 from fiscal year 2025 primarily due to fewer vehicle replacement purchases. Replacement of RAILS's fleet vehicles has been a priority since the vehicle shortages that occurred during and immediately following the pandemic.

Capital Assets and Long-Term Financing Activity

As of June 30, 2026, RAILS had net capital assets of \$3,287,790 which was \$111,157 above the prior year amounts. Of this amount, \$1,193,202 was land and buildings and improvements, \$869,564 was leased property, \$862,992 was vehicles, \$247,217 was subscription arrangements, and \$114,815 was furniture, fixtures, computers and equipment. There were several capital expenditures made in fiscal year 2026 as well as the extension of the East Peoria facility lease. The total long-term financing activity related to the lease and subscription assets is \$1,154,862. Of this amount, \$341,503 is due within one year.

Economic Factors

RAILS is one of two multi-type regional library systems in the State. Its membership includes academic, public, school and special libraries over the northern, western, and a portion of central section of Illinois. RAILS serves approximately 1,250 public, private, university, and school library members, representing more than 4,000 library facilities in a 27,000 square mile area, and delivers approximately 7.9 million items between member libraries each year. The funding of RAILS's operations is primarily through the Illinois State Area and Per Capita grant. The Illinois State Library (ISL) awards and administers the Area and Per Capita grant under the Secretary of State's office. The ISL receives a portion of its funding from the Institute of Museum and Library Services (IMLS) through the Grants to States program. The severe budgetary impasses during fiscal years 2016 and 2017, with the result that the State of Illinois did not adopt fiscal year 2016 and 2017 budgets, resulted in greatly reduced funding and significant fund balance decreases for RAILS in those years. For fiscal years 2018 through 2020, funding appropriations were restored to levels comparable to fiscal year 2015, but due to a large backlog of State liabilities and the additional stress to State revenues due to the pandemic, the timing of payments from the State of Illinois became increasingly delayed. In fiscal years 2021 through 2026 funding significantly improved to the extent that RAILS received its entire awarded fiscal year funding within the years to which it pertained. Due to both an increase in Area and Per Capita funding in the Illinois Secretary of State's budget as well as the results of the 2020 census, RAILS received a significant increase in the Area and Per Capita grant funding in fiscal year 2023. Inflation has increased costs during fiscal year 2026, resulting in the RAILS Board of Directors approving the RAILS fiscal year 2027 budget with a planned \$297,466 deficit. This deficit is shown as assigned for subsequent year's budget in the fiscal year 2026 governmental funds balance sheet. The last year that RAILS planned for a deficit budget was fiscal year 2022.

CONTACTING RAILS's FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, members, customers, funders, and creditors with a general overview of RAILS's finances and to demonstrate RAILS's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Sharon Swanson, Finance Director, Reaching Across Illinois Library System, 125 Tower Drive, Burr Ridge, IL 60527.

BASIC FINANCIAL STATEMENTS

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

STATEMENT OF NET POSITION

June 30, 2026

	Governmental Activities
ASSETS	
Cash and investments	\$ 27,546,956
Receivables - net of allowances	
Accounts	426,312
Accrued interest	118,922
Intergovernmental	54,045
Other	49,587
Prepaid items	505,213
Net pension asset	10,736,059
Capital assets not being depreciated	107,000
Capital assets, tangible and intangible (net of accumulated depreciation and amortization)	<u>3,180,790</u>
Total assets	<u>42,724,884</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	<u>615,133</u>
Total deferred outflows of resources	<u>615,133</u>
Total assets and deferred outflows of resources	<u>43,340,017</u>
LIABILITIES	
Accounts payable	356,252
Other payables	81,801
Accrued payroll	306,596
Unearned revenue	181,232
Due to other governments	548,268
Long-term liabilities	
Due within one year	431,144
Due in more than one year	<u>1,171,921</u>
Total liabilities	<u>3,077,214</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	<u>3,091,713</u>
Total deferred inflows of resources	<u>3,091,713</u>
Total liabilities and deferred inflows of resources	<u>6,168,927</u>
NET POSITION	
Net investment in capital assets	2,132,928
Restricted	
Retirement	10,736,059
Unrestricted	<u>24,302,103</u>
TOTAL NET POSITION	<u><u>\$ 37,171,090</u></u>

See accompanying notes to financial statements.

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2026

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental Activities					
Culture and recreation					
Administration	\$ 3,847,574	\$ 25,122	\$ 11,871,714	\$ -	\$ 8,049,262
Delivery	5,648,736	779,447	-	-	(4,869,289)
LLSAP support	2,067,946	-	-	-	(2,067,946)
Deals and discounts	2,530,550	2,530,550	-	-	-
eRead Illinois	718,843	481,850	-	-	(236,993)
Find more Illinois	112,289	141,950	-	-	29,661
L2 development and enhancement	77,259	-	77,259	-	-
World language cataloging services	111,371	-	111,371	-	-
Cook County digital navigator network	180,826	-	180,826	-	-
Interest	58,875	-	-	-	(58,875)
Total governmental activities	15,354,269	3,958,919	12,241,170	-	845,820
TOTAL PRIMARY GOVERNMENT	\$ 15,354,269	\$ 3,958,919	\$ 12,241,170	\$ -	845,820
General Revenues					
Investment income					1,123,334
Miscellaneous					22,357
Total					1,145,691
CHANGE IN NET POSITION					1,991,511
NET POSITION, JULY 1					35,179,579
NET POSITION, JUNE 30					\$ 37,171,090

See accompanying notes to financial statements.

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2026

	General	Special Revenue	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments	\$ 25,227,897	\$ 69,188	\$ 2,249,871	\$ 27,546,956
Receivables - net of allowances				
Accounts	426,312	-	-	426,312
Accrued interest	118,922	-	-	118,922
Intergovernmental	-	54,045	-	54,045
Other	28,540	-	-	28,540
Due from other funds	54,045	-	-	54,045
Prepaid items	505,213	-	-	505,213
TOTAL ASSETS	\$ 26,360,929	\$ 123,233	\$ 2,249,871	\$ 28,734,033
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 350,029	\$ 6,223	\$ -	\$ 356,252
Other payables	19,999	61,802	-	81,801
Accrued payroll	305,433	1,163	-	306,596
Unearned revenue	181,232	-	-	181,232
Due to other governments	548,268	-	-	548,268
Due to other funds	-	54,045	-	54,045
Total liabilities	1,404,961	123,233	-	1,528,194
FUND BALANCES				
Nonspendable				
Prepaid items	505,213	-	-	505,213
Assigned				
Capital projects	-	-	2,249,871	2,249,871
Subsequent year's budget	297,466	-	-	297,466
Unassigned	24,153,289	-	-	24,153,289
Total fund balances	24,955,968	-	2,249,871	27,205,839
TOTAL LIABILITIES AND FUND BALANCES	\$ 26,360,929	\$ 123,233	\$ 2,249,871	\$ 28,734,033

See accompanying notes to financial statements.

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

June 30, 2026

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 27,205,839
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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 governmental funds	3,287,790
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Insurance settlement receivables for capital assets were not available and, therefore, are not reported in the funds	21,047
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A net pension asset is not considered to represent a financial resource and, therefore, is not reported in the funds	10,736,059
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Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(2,476,580)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(448,203)
Leases payable	(888,515)
SBITA payable	(266,347)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 37,171,090</u>
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**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2026

	General	Special Revenue	Capital Projects	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 11,871,714	\$ 369,456	\$ -	\$ 12,241,170
Fees for services and materials	1,428,369	-	-	1,428,369
Reimbursements	2,530,550	-	-	2,530,550
Investment income	1,123,334	-	-	1,123,334
Miscellaneous	22,357	-	-	22,357
Total revenues	16,976,324	369,456	-	17,345,780
EXPENDITURES				
Culture and recreation	15,758,601	369,456	-	16,128,057
Capital outlay	542,345	-	347,546	889,891
Debt service				
Principal	323,310	-	-	323,310
Interest	58,875	-	-	58,875
Total expenditures	16,683,131	369,456	347,546	17,400,133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	293,193	-	(347,546)	(54,353)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,850,000	1,850,000
Transfers (out)	(1,850,000)	-	-	(1,850,000)
Issuance of leases	542,345	-	-	542,345
Total other financing sources (uses)	(1,307,655)	-	1,850,000	542,345
NET CHANGE IN FUND BALANCES	(1,014,462)	-	1,502,454	487,992
FUND BALANCES, JULY 1	25,970,430	-	747,417	26,717,847
FUND BALANCES, JUNE 30	\$ 24,955,968	\$ -	\$ 2,249,871	\$ 27,205,839

See accompanying notes to financial statements.

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2026

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 487,992
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated or amortized in the statement of activities	889,891
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Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation and amortization	(776,853)
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The gain (loss) on disposal of capital assets is reported only in the statement of activities	(1,881)
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The change in long term receivables related to capital assets is reported only in the statement of activities	21,047
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The change in the Illinois Municipal Retirement Fund net pension liability (asset) and deferred outflows/inflows of resources is not a source or use of a financial resource	1,514,601
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The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities on the government-wide statements Leases payable	(542,345)
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The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding on the statement of activities Leases payable SBITA payable	265,114 76,797
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The change in compensated absences is shown as an expense on the statement of activities	57,148
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,991,511
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See accompanying notes to financial statements.

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reaching Across Illinois Library System (RAILS) is governed by a Board of Directors, rules and regulations for library systems and the regulations of the State Librarian related to state aid. The financial statements of RAILS have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

RAILS is a regional library system governed by an elected fifteen-member Board of Directors and established by the Illinois Library System Act (75 ILCS 10/). These financial statements present RAILS's reporting entity as required by GAAP. RAILS is considered to be a primary government since its board is separately elected and RAILS is fiscally independent.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, RAILS does not have any component units.

b. Fund Accounting

RAILS uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

RAILS's funds are classified into the following categories: governmental.

Governmental funds are used to account for all or most of an entity's general activities, including the collection and disbursement of committed, restricted or assigned monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds committed, restricted or assigned for servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of RAILS not accounted for in some other fund. RAILS does not report any debt service funds.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of RAILS. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by grants and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. RAILS does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

RAILS reports the following major governmental funds:

The General Fund is RAILS's primary operating fund. It accounts for all financial resources of RAILS, except those accounted for in another fund.

The Special Revenue Fund is used to account for resources restricted for non-operational grant programs. RAILS has elected to report this fund as major.

The Capital Projects Fund is used to account for resources assigned for capital improvements at RAILS. RAILS has elected to report this fund as major.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. RAILS considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by RAILS.

RAILS reports deferred/unavailable revenue and unearned revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by RAILS before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when RAILS has a legal claim to the resources, the deferred inflow for deferred or unavailable revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Investments

Investments with maturities greater than one year at time of purchase, if any, are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Non-negotiable certificates of deposit, if any, are reported at cost.

RAILS categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by RAILS as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	2-50
Furniture, fixtures, equipment and computers	5-10
Vehicles	5-8
Intangibles	2-9

Intangible assets represent RAILS's right-to-use a leased asset and RAILS's right-to-use subscription-based information technology. These intangible assets, as defined by GASB Statement No. 87, *Leases* and No. 96, *Subscription-Based Information Technology Arrangements*, are for leased contracts of nonfinancial assets including equipment and for subscription contracts of nonfinancial assets including software, respectively.

g. Compensated Absences

In the event of termination, an employee is reimbursed for earned vacation days. No more than five vacation days may be carried over from the prior year without the Executive Director's approval. No more than 90 sick leave days may be accrued for employee use and 240 sick leave days may be utilized for service credit with the Illinois Municipal Retirement Fund (IMRF) upon retirement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Compensated Absences (Continued)

In accordance with GASB No. Statement 101, *Compensated Absences*, vested or accumulated vacation, paid leave and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation, paid leave and sick leave of governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick and paid leave benefits that are estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount, as applicable. Bond issuance costs are reported as expenses in the current period.

In the fund financial statements, governmental funds 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 expenditures.

i. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of RAILS's Board of Directors, which is considered RAILS's highest level of decision-making authority. Formal actions include ordinances approved by RAILS's Board of Directors. Assigned fund balance represent amounts constrained by RAILS's intent to use them for a specific purpose.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Balance/Net Position (Continued)

The authority to assign fund balance has been delegated to RAILS's Finance Director through the approved fund balance policy of RAILS. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in governmental funds are also reported as unassigned.

RAILS's flow of funds assumptions prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, RAILS considers committed funds to be expended first, followed by assigned and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the net position is restricted as a result of enabling legislation adopted by RAILS. Net investment in capital assets is the book value of capital assets less outstanding principal balances of debt and non-debt capital-related liabilities that were issued to construct the capital assets.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

k. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds”(i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

m. Prepaid Expenses/Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid expenses/items using the consumption method. Such amounts are offset by nonspendable fund balance for prepaid items in the fund financial statements.

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount 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.

2. DEPOSITS AND INVESTMENTS

RAILS maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the financial statements as “cash and investments.”

RAILS’s investment policy authorizes RAILS to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, The Illinois Funds and Illinois Public Reserves Investment Management Trust.

The Illinois Public Treasurers’ Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois municipal treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an investment company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

a. Deposits with Financial Institutions

It is the policy of RAILS to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of RAILS and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, RAILS's deposits may not be returned to it. RAILS's investment policy requires pledging of collateral held by a third-party custodian in RAILS's name and documented by a safekeeping agreement. At June 30, 2026, the entire bank balance of deposits was covered by a combination of FDIC insurance and collateral.

b. Investments

The following table presents the investments and maturities of RAILS debt securities as of June 30, 2026:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposits	\$ 4,019,981	\$ 1,889,311	\$ 2,130,670	\$ -	\$ -
U.S. Treasury bonds	24,883	24,883	-	-	-
TOTAL	\$ 4,044,864	\$ 1,914,194	\$ 2,130,670	\$ -	\$ -

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The U.S. Treasury bonds are valued using quoted market prices (Level 1 inputs) while the negotiable certificates of deposit are valued using quoted matrix pricing models based on various market and industry inputs (Level 2 inputs).

In accordance with its investment policy, RAILS limits its exposure to interest rate risk, the risk that the fair value of securities in the portfolio will fall due to changes in interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. RAILS's investment policy does not specifically limit the maximum maturity length of investments.

RAILS limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds, insured certificates of deposit and collateralized money market funds. RAILS's investment in The Illinois Funds and IPRIME are rated AAmmf by Fitch and AAAM by Standard & Poor's, respectively. The certificates of deposits are not rated while the U.S. Treasury bonds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, RAILS will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, RAILS's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as RAILS's agent separate from where the investment was purchased. At year-end, RAILS's investments in The Illinois Funds and IPRIME are not subject to custodial credit risk.

Concentration of credit risk is the risk that RAILS has too high a percentage of their investments invested in one type of investment. RAILS's investment policy requires diversification of investments to avoid unreasonable risk but has no set percentage limits. At year-end, RAILS does not have any investments over 5% 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).

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, was as follows:

	Balances July 1	Increases	Decreases	Balances June 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 107,000	\$ -	\$ -	\$ 107,000
Total capital assets not being depreciated	107,000	-	-	107,000
Capital assets being depreciated/amortized				
Buildings and improvements	3,407,849	51,407	1,881	3,457,375
Furniture, fixtures, equipment and computers	303,165	63,374	10,366	356,173
Vehicles	1,873,657	232,765	348,236	1,758,186
Lease assets				
Buildings	955,676	542,345	-	1,498,021
Subscription assets	439,521	-	-	439,521
Total capital assets being depreciated/amortized	6,979,868	889,891	360,483	7,509,276
Less accumulated depreciation/amortization				
Buildings and improvements	2,246,987	124,186	-	2,371,173
Furniture, fixtures, equipment and computers	218,501	33,223	10,366	241,358
Vehicles	977,298	266,132	348,236	895,194
Lease assets				
Buildings	357,561	270,896	-	628,457
Subscription assets	109,888	82,416	-	192,304
Total accumulated depreciation/amortization	3,910,235	776,853	358,602	4,328,486
Total capital assets being depreciated and amortized, net	3,069,633	113,038	1,881	3,180,790
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 3,176,633	\$ 113,038	\$ 1,881	\$ 3,287,790

Depreciation and amortization expense of \$776,853 was charged to the Culture and Recreation function of the primary government.

4. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term debt:

Issue	Balances July 1	Issuances	Retirements	Balances June 30	Current Portion
Compensated absences*	\$ 505,351	\$ -	\$ 57,148	\$ 448,203	\$ 89,641
Leases payable	611,284	542,345	265,114	888,515	259,000
SBITAs payable	343,144	-	76,797	266,347	82,503
TOTAL	\$ 1,459,779	\$ 542,345	\$ 399,059	\$ 1,603,065	\$ 431,144

*The amount displayed as additions or reductions represents the net change in the liability.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

b. Leases Payable

In accordance with GASB Statement No. 87, *Leases*, RAILS's lease activity is as follows:

RAILS has entered into multiple lease agreements for the right-to-use buildings and facilities. Monthly payments for these agreements range from \$3,263 to \$11,274 through 2034. These lease agreements have interest rates ranging from 6.69% to 7.23%. Total intangible right-to-use assets acquired under these agreements are \$1,498,021 and the lease liability at fiscal year-end for these agreements is \$888,515. Total principal paid for the year on these agreements was \$265,114.

Obligations of governmental activities under leases payable, typically paid from the General Fund, including future interest payments at June 30, 2026, were as follows:

Year Ending June 30,	Leases Payable	
	Principal	Interest
2027	\$ 259,000	\$ 52,460
2028	168,278	35,725
2029	86,290	27,906
2030	65,079	23,013
2031	69,567	18,525
2032-2034	240,301	25,425
TOTAL	<u>\$ 888,515</u>	<u>\$ 183,054</u>

c. Subscription-Based Information Technology Arrangements Payable

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), RAILS's SBITA activity is as follows:

RAILS has entered into a SBITA arrangement for the right-to-use software. Quarterly payments for this arrangement are \$24,889 through June 30, 2029. This subscription arrangement has an interest rate of 7.23%. Total intangible right-to-use assets acquired under this arrangement are \$439,521 and the SBITA liability at fiscal year-end for this arrangement is \$266,347. Total principal paid for the year on this arrangement was \$76,797.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

c. Subscription-Based Information Technology Arrangements Payable (Continued)

Obligations of governmental activities under SBITA payable, typically paid from the General Fund, including future interest payments at June 30, 2026, were as follows:

Year Ending June 30,	SBITA	
	Principal	Interest
2027	\$ 82,503	\$ 17,053
2028	88,632	10,924
2029	95,212	4,341
TOTAL	\$ 266,347	\$ 32,318

5. RISK MANAGEMENT

RAILS is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to RAILS's employees. RAILS purchased its insurance policies through its membership in two library insurance cooperatives. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

6. CONTINGENT LIABILITIES

a. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although RAILS expects such amounts, if any, to be immaterial.

b. Litigation

From time to time, RAILS was named a defendant in various matters. Although the outcome of these matters are not presently determinable, in the opinion of RAILS's attorney the resolution of these matters will not have a material adverse effect on the financial statements of RAILS.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

RAILS's defined benefit pension plan, The Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 800 Commerce Drive, Oak Brook, Illinois 60523 or at www.imrf.org.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2025, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	430
Inactive employees entitled to but not yet receiving benefits	156
Active employees	<u>103</u>
TOTAL	<u>689</u>

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. RAILS is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended June 30, 2026 was 0.80%.

Actuarial Assumptions

RAILS's net pension liability was measured as of December 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (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.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2025, was 7.25%. 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 RAILS contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Long-Term Expected Rate of Return

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:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	32.50%	7.35%
International equity	18.00%	7.45%
Fixed income	24.00%	4.75%
Real estate	10.50%	6.25%
Alternative investments	14.00%	3.90% to 8.50%
Cash equivalents	1.00%	3.00%
TOTAL	100.00%	

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2025	\$ 46,961,657	\$ 52,816,529	\$ (5,854,872)
Changes for the period			
Service cost	506,757	-	506,757
Interest	3,282,957	-	3,282,957
Difference between expected and actual experience	2,074,809	-	2,074,809
Changes in assumptions	-	-	-
Employer contributions	-	48,055	(48,055)
Employee contributions	-	273,690	(273,690)
Net investment income	-	8,528,480	(8,528,480)
Benefit payments and refunds	(3,865,751)	(3,865,751)	-
Other (net transfer)	-	1,895,485	(1,895,485)
Net changes	1,998,772	6,879,959	(4,881,187)
BALANCES AT DECEMBER 31, 2025	\$ 48,960,429	\$ 59,696,488	\$ (10,736,059)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2026, RAILS recognized pension expense/(income) of (\$1,467,465). At June 30, 2026, RAILS reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 592,803	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,091,713
Employer contributions after the measurement date	22,330	-
TOTAL	\$ 615,133	\$ 3,091,713

\$22,330 reported as deferred outflows of pensions result from RAILS's contributions subsequent to the measurement date will be recognized as a reduction/increase of the net pension liability/asset in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2027	\$ 1,505,532
2028	(1,743,286)
2029	(1,309,347)
2030	(951,809)
2031	-
Thereafter	-
TOTAL	\$ (2,498,910)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of RAILS calculated using the discount rate of 7.25% as well as what RAILS's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (6,355,607)	\$ (10,736,059)	\$ (14,312,220)

8. OTHER POSTEMPLOYMENT BENEFITS

RAILS has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through RAILS are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, RAILS provides no explicit benefit. Therefore, RAILS has not recorded a liability as of June 30, 2026.

9. INTERFUND DISCLOSURES

a. Due From/To Other Funds

Due from/to other funds at June 30, 2026 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 54,045	\$ -
Special Revenue Fund	-	54,045
TOTAL	\$ 54,045	\$ 54,045

The purpose of the due from/to other funds are cash flow loans to fund grant operations prior to the receipt of grant funds. Repayment is expected within one year.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INTERFUND DISCLOSURES (Continued)

b. Interfund Transfers

	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,850,000
Capital Projects Fund	1,850,000	-
TOTAL	\$ 1,850,000	\$ 1,850,000

\$1,850,000 transferred from the General Fund to the Capital Projects Fund to fund future capital improvements. These transfers will not be repaid.

10. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2026, RAILS implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. The implementation of this guidance impacted the presentation of management's discussion and analysis (MD&A) as well as the required supplementary information for budget vs. actual presentations. The new guidance provides additional guidance for the analysis of governmental activities and each major fund, as well as mandating that budgetary comparisons previously reported in the MD&A are now to be reported in the required supplementary information following the notes to the financial statements. Additionally, the required supplementary information for budgetary comparisons now includes variance columns comparing the original budget vs. the final budget as well as the final budget vs. the actual amounts. The results of these changes in the reporting model did not otherwise impact the financial statements, footnotes or supplementary information of RAILS.

REQUIRED SUPPLEMENTARY INFORMATION

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual	Variance Over/(Under) Budget
REVENUES			
Intergovernmental			
Area and per capita	\$ 11,871,714	\$ 11,871,714	\$ -
Fees for services and materials	1,453,347	1,428,369	(24,978)
Reimbursements	2,806,750	2,530,550	(276,200)
Investment income	877,000	1,123,334	246,334
Miscellaneous	20,344	22,357	2,013
Total revenues	17,029,155	16,976,324	(52,831)
EXPENDITURES			
Culture and recreation			
Personnel	7,863,964	7,642,181	(221,783)
Library materials	3,403,975	3,117,374	(286,601)
Buildings and grounds	312,926	296,156	(16,770)
Vehicles	563,903	559,581	(4,322)
Travel and continuing education	391,151	259,745	(131,406)
Public relations	28,900	14,052	(14,848)
Commercial insurance	55,984	52,865	(3,119)
Supplies, postage and printing	337,274	276,056	(61,218)
Telephone and telecommunications	77,705	70,319	(7,386)
Equipment rental, repair and maintenance	129,499	124,067	(5,432)
Professional services	272,064	217,998	(54,066)
Contractual services	3,068,697	3,101,980	33,283
Professional association membership dues	12,339	13,773	1,434
Miscellaneous	14,950	12,454	(2,496)
Capital outlay	-	542,345	542,345
Debt service			
Principal	382,711	323,310	(59,401)
Interest	-	58,875	58,875
Total expenditures	16,916,042	16,683,131	(232,911)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	113,113	293,193	180,080
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(1,850,000)	(1,850,000)
Issuance of leases	-	542,345	542,345
Total other financing sources (uses)	-	(1,307,655)	(1,307,655)
NET CHANGE IN FUND BALANCE			
	<u>\$ 113,113</u>	<u>(1,014,462)</u>	<u>\$ (1,127,575)</u>
FUND BALANCE, JULY 1			
		<u>25,970,430</u>	
FUND BALANCE, JUNE 30			
		<u><u>\$ 24,955,968</u></u>	

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual	Variance Over/(Under) Budget
REVENUES			
Intergovernmental			
Other state grants	\$ 249,693	\$ 188,630	\$ (61,063)
Other grants	850,000	180,826	(669,174)
Total revenues	1,099,693	369,456	(730,237)
EXPENDITURES			
Culture and recreation			
Personnel	27,647	24,470	(3,177)
Library materials	200	61	(139)
Professional services	142,000	104,351	(37,649)
Contractual services	929,846	240,574	(689,272)
Total expenditures	1,099,693	369,456	(730,237)
NET CHANGE IN FUND BALANCE			
	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE, JULY 1			
		<u>-</u>	
FUND BALANCE, JUNE 30			
		<u>\$ -</u>	

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	\$ 177,366	\$ 162,310	\$ 109,760	\$ 41,880	\$ 47,962	\$ 46,674	\$ 49,075	\$ 48,412	\$ 48,875	\$ 47,367
Contributions in relation to the actuarially determined contribution	177,366	162,310	109,760	41,880	53,567	46,674	49,075	48,412	48,875	47,367
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (5,605)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,073,742	\$ 4,642,288	\$ 3,926,003	\$ 4,359,147	\$ 4,504,961	\$ 4,578,199	\$ 5,081,736	\$ 5,272,492	\$ 5,837,449	\$ 5,949,056
Contributions as a percentage of covered payroll	3.50%	3.50%	2.80%	0.96%	1.19%	1.02%	0.97%	0.92%	0.84%	0.80%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 18 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Calendar Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	\$ 431,916	\$ 511,460	\$ 443,531	\$ 376,336	\$ 421,830	\$ 406,835	\$ 418,297	\$ 430,382	\$ 470,899	\$ 506,757
Interest	3,473,417	3,541,938	3,450,789	3,309,164	3,361,241	3,332,055	3,358,481	3,340,073	3,393,604	3,282,957
Differences between expected and actual experience	460,084	14,305	(1,437,105)	883,692	139,636	438,479	(186,602)	773,412	(1,631,449)	2,074,809
Changes of assumptions	-	(1,664,080)	959,742	-	(479,110)	-	-	(66,871)	-	-
Benefit payments, including refunds of member contributions	(3,477,540)	(3,505,605)	(3,664,354)	(3,836,132)	(3,911,127)	(3,766,226)	(3,870,967)	(3,829,267)	(3,688,546)	(3,865,751)
Net change in total pension liability	887,877	(1,101,982)	(247,397)	733,060	(467,530)	411,143	(280,791)	647,729	(1,455,492)	1,998,772
Total pension liability - beginning	47,835,040	48,722,917	47,620,935	47,373,538	48,106,598	47,639,068	48,050,211	47,769,420	48,417,149	46,961,657
TOTAL PENSION LIABILITY - ENDING	\$ 48,722,917	\$ 47,620,935	\$ 47,373,538	\$ 48,106,598	\$ 47,639,068	\$ 48,050,211	\$ 47,769,420	\$ 48,417,149	\$ 46,961,657	\$ 48,960,429
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 207,692	\$ 117,429	\$ 197,073	\$ 37,448	\$ 44,769	\$ 54,774	\$ 46,516	\$ 50,601	\$ 49,695	\$ 48,055
Contributions - member	205,937	244,158	203,517	191,281	208,802	204,873	277,131	237,193	254,348	273,690
Net investment income	3,351,477	9,294,244	(3,636,504)	9,434,630	7,954,650	10,182,568	(8,862,313)	5,700,838	5,435,070	8,528,480
Benefit payments, including refunds of member contributions	(3,477,540)	(3,505,605)	(3,664,354)	(3,836,132)	(3,911,127)	(3,766,226)	(3,870,967)	(3,829,267)	(3,688,546)	(3,865,751)
Other	247,764	(1,731,692)	(103,443)	241,763	(12,855)	(712,445)	(846,095)	1,200,904	(2,469,940)	1,895,485
Net change in plan fiduciary net position	535,330	4,418,534	(7,003,711)	6,068,990	4,284,239	5,963,544	(13,255,728)	3,360,269	(419,373)	6,879,959
Plan fiduciary net position - beginning	48,864,435	49,399,765	53,818,299	46,814,588	52,883,578	57,167,817	63,131,361	49,875,633	53,235,902	52,816,529
PLAN FIDUCIARY NET POSITION - ENDING	\$ 49,399,765	\$ 53,818,299	\$ 46,814,588	\$ 52,883,578	\$ 57,167,817	\$ 63,131,361	\$ 49,875,633	\$ 53,235,902	\$ 52,816,529	\$ 59,696,488
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (676,848)	\$ (6,197,364)	\$ 558,950	\$ (4,776,980)	\$ (9,528,749)	\$ (15,081,150)	\$ (2,106,213)	\$ (4,818,753)	\$ (5,854,872)	\$ (10,736,059)

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	101.39%	113.01%	98.82%	109.93%	120.00%	131.39%	104.41%	109.95%	112.47%	121.93%
Covered payroll	\$ 4,505,259	\$ 4,933,970	\$ 4,202,001	\$ 4,115,125	\$ 4,432,558	\$ 4,552,716	\$ 4,845,571	\$ 5,270,971	\$ 5,647,155	\$ 6,107,147
Employer's net pension liability (asset) as a percentage of covered payroll	(15.02%)	(125.61%)	13.30%	(116.08%)	(214.97%)	(331.26%)	(43.47%)	(91.42%)	(103.68%)	(175.79%)

Assumption Changes:

In 2023, changes in assumptions were made related to mortality rates and other demographics.

In 2020, changes in assumptions were made related to price inflation, salary increases, retirement age and mortality rates.

In 2018, changes in assumptions were made related to the discount rate.

In 2017, changes in assumptions were made related to price inflation, salary increases, retirement age and mortality rates.

In 2016, changes in assumptions were made related to the discount rate.

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2026

BUDGET/APPROPRIATION

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted (at the fund level) for all governmental funds. All annual budgets lapse at fiscal year-end.

RAILS follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Finance Director and Executive Director prepare and submit to the Board of Directors, as part of the annual area and per capita grant application, a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. The legal level of budgetary control is at the fund level.
2. The proposed operating budget is adopted by the Board of Directors at a public meeting.
3. Any amendments to the budget must be adopted by the Board of Directors at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board of Directors.

**GENERAL FUND AND SPECIAL REVENUE FUND BUDGETARY VARIANCE
EXPLANATION**

The general fund's total revenues of \$16,976,324 are \$52,831 below the budgeted amount, primarily due to the transition to the new eRead Illinois platform which put a temporary hold on new deals and discounts during the initial transition period. Some deals and discounts also experienced less growth than anticipated including the Brainfuse online tutoring and study suite, the Communico customer engagement platform, the JSTOR academic journals, and several others. These were partially offset by growth in the EBSCO database participation that supplements and enhances the State's core EBSCO database package. Total reimbursement revenues are \$276,200 below budget.

During fiscal year 2026, the growth of the Find More Illinois and eRead Illinois programs was slightly less than anticipated (\$24,200).

Investment income is \$246,334 above budget due to fewer than anticipated interest rate cuts over the course of fiscal year 2026. RAILS had budgeted an average interest rate of 3.50%.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

GENERAL FUND AND SPECIAL REVENUE FUND BUDGETARY VARIANCE
EXPLANATION (Continued)

Total general fund expenditures of \$16,683,131 are below the final budget by \$232,911 due primarily to below budget library materials (\$286,601), personnel (\$221,783), travel and continuing education (\$131,406), supplies, postage and printing (\$61,218), and professional services (\$54,066), partially offset by capital outlays for leases and other capital asset purchases (\$542,345).

Library materials expenditures were below budget due to the transition to the new eRead Illinois platform, causing a pause in eRead Illinois content purchases. The reimbursement revenues from deals and discounts program activity are offset by library materials expenditures. The less than anticipated growth in several of these deals caused these offsetting expenditures to be below what had been budgeted.

Personnel expenditures were under what had been anticipated during the year primarily due to several delivery positions that experienced openings during the fiscal year as well as one position that supported RSA operations remaining vacant until the RSA staff were hired directly by RSA. As a result of this turnover, workers' compensation insurance, taxes, and health insurance premiums were less than what had been anticipated in the budget. In addition, workers' compensation premiums were anticipated to increase 7% for calendar year 2026, but the actual increase was closer to 3%. Similarly, the health, dental and life insurance premiums were budgeted with blended increases based on staff elections that changed after the budget was finalized.

Travel and continuing education expenditures rose from fiscal year 2025 but remained under budgeted primarily due to scheduling conflicts for staff during the fiscal year which affected both in-state and out-of-state travel expenditures. Due to RAILS exhibiting, sponsoring, and/or presenting at conferences, registration fees are often reduced or eliminated for staff members. Additionally, booth and sponsorship costs for some conferences were less than anticipated.

Supplies, postage and printing expenditures were below budget primarily due to the postponed migration of the RAILS websites to cloud hosting. Additionally, the amount of ad hoc IT equipment purchases was less than what the budget had anticipated, and the organization-wide laptop and desktop replacement was nearly \$10,000 under what RAILS had anticipated. Several small office furniture replacements were budgeted to happen in fiscal year 2026, but these were more minimal than anticipated. These below budget expenditures were partially offset by the unbudgeted replacement of a portion of the oldest delivery bins as well as an unbudgeted third order of delivery labels.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

GENERAL FUND AND SPECIAL REVENUE FUND BUDGETARY VARIANCE
EXPLANATION (Continued)

Professional services expenditures were below budget primarily due to several consulting projects that will continue into fiscal year 2027 or were able to be completed by in-house staff. Additionally, RAILS had a less than anticipated need for legal services related to the ongoing organization-wide policy review.

Capital outlays were above budget primarily due to the expenditures that were recorded for the extended lease of the East Peoria facility. There were also several capital expenditures made in fiscal year 2026 that included vehicles, computers, building improvements, furniture, and equipment.

Special revenue fund expenditures were below budget primarily due to the timeline of the Cook County digital navigator network grant work. When the grant was awarded by Cook County, the initial grant term was anticipated to end in November 2025. This timeline was extended to November 2026 as a part of the grant agreement that was signed after the budget was finalized. This extended timeline allowed for additional planning and program building but also resulted in a \$669,174 difference between budgeted and actual revenues and offsetting expenditures.

Additionally, the L2 development and enhancement work was temporarily put on held during the annual library certification process due to anticipated disruptions that the planned enhancements would have caused. This resulted in under budget revenues and expenditures of \$48,600.

The world language cataloging services program uses a vendor for languages that cannot be cataloged by RAILS staff. The backlog of work at this vendor due to qualified cataloger shortages as well as a short-term vacancy in the RAILS Cataloging Services Assistant position resulted in under budget revenues and expenditures of \$12,463.

COMBINING AND INDIVIDUAL FUND FINANCIAL SCHEDULES

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - BY SUBFUND

For the Year Ended June 30, 2026

	Administration		LLSAP		Delivery		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
REVENUES								
Intergovernmental								
Area and per capita	\$ 11,871,714	\$ 11,871,714	\$ -	\$ -	\$ -	\$ -	\$ 11,871,714	\$ 11,871,714
Fees for services and materials	673,640	648,922	-	-	779,707	779,447	1,453,347	1,428,369
Reimbursements	2,806,750	2,530,550	-	-	-	-	2,806,750	2,530,550
Investment income	877,000	1,123,334	-	-	-	-	877,000	1,123,334
Miscellaneous	20,344	22,357	-	-	-	-	20,344	22,357
Total revenues	16,249,448	16,196,877	-	-	779,707	779,447	17,029,155	16,976,324
EXPENDITURES								
Culture and recreation								
Personnel	3,955,964	3,959,870	458,075	442,149	3,449,925	3,240,162	7,863,964	7,642,181
Library materials	3,403,975	3,117,374	-	-	-	-	3,403,975	3,117,374
Buildings and grounds	184,332	150,747	10,172	12,043	118,422	133,366	312,926	296,156
Vehicles	20,843	19,479	4,133	6,759	538,927	533,343	563,903	559,581
Travel and continuing education	378,560	253,988	2,558	1,778	10,033	3,979	391,151	259,745
Public relations	28,900	14,052	-	-	-	-	28,900	14,052
Commercial insurance	17,209	16,721	3,664	3,217	35,111	32,927	55,984	52,865
Supplies, postage and printing	267,801	172,265	8,693	376	60,780	103,415	337,274	276,056
Telephone and telecommunications	31,700	26,532	6,840	6,112	39,165	37,675	77,705	70,319
Equipment rental, repair and maintenance	122,883	117,136	2,016	2,020	4,600	4,911	129,499	124,067
Professional services	262,064	201,298	-	-	10,000	16,700	272,064	217,998
Contractual services	551,220	520,720	1,605,195	1,620,973	912,282	960,287	3,068,697	3,101,980
Professional association membership dues	12,339	13,773	-	-	-	-	12,339	13,773
Miscellaneous	13,500	11,723	-	-	1,450	731	14,950	12,454
Capital outlay	-	-	-	187,868	-	354,477	-	542,345
Debt service								
Principal	-	-	34,000	28,799	348,711	294,511	382,711	323,310
Interest	-	22,759	-	1,571	-	34,545	-	58,875
Total expenditures	9,251,290	8,618,437	2,135,346	2,313,665	5,529,406	5,751,029	16,916,042	16,683,131

(This schedule is continued on the following page.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND - BY SUBFUND

For the Year Ended June 30, 2026

	Administration		LLSAP		Delivery		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 6,998,158	\$ 7,578,440	\$ (2,135,346)	\$ (2,313,665)	\$ (4,749,699)	\$ (4,971,582)	\$ 113,113	\$ 293,193
OTHER FINANCING SOURCES (USES)								
Transfers (out)	-	(1,850,000)	-	-	-	-	-	(1,850,000)
Issuance of leases	-	-	-	187,868	-	354,477	-	542,345
Total other financing sources (uses)	-	(1,850,000)	-	187,868	-	354,477	-	(1,307,655)
NET CHANGE IN FUND BALANCE	\$ 6,998,158	\$ 5,728,440	\$ (2,135,346)	\$ (2,125,797)	\$ (4,749,699)	\$ (4,617,105)	\$ 113,113	(1,014,462)
FUND BALANCE, JULY 1								25,970,430
FUND BALANCE, JUNE 30								<u>\$ 24,955,968</u>

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
ADMINISTRATION - GENERAL FUND SUBFUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Library professionals	\$ 1,320,681	\$ 1,345,615
Other professionals	1,443,600	1,473,111
Support services	462,116	429,905
Social security taxes	245,949	234,375
Unemployment insurance	13,962	16,379
Workers' compensation	2,764	2,009
Retirement benefits	25,142	25,565
Health, dental and life insurance	399,450	398,446
Other fringe benefits	27,800	19,063
Recruiting	14,500	15,402
Total personnel	3,955,964	3,959,870
Library materials		
Print materials	1,300	904
E-Resources	3,402,675	3,116,470
Total library materials	3,403,975	3,117,374
Buildings and grounds		
Utilities	107,760	72,769
Property insurance	9,576	9,490
Repairs and maintenance	29,175	25,563
Custodial/janitorial service and supplies	27,550	31,030
Other buildings and grounds	10,271	11,895
Total buildings and grounds	184,332	150,747
Vehicles		
Fuel	2,100	1,519
Repairs and maintenance	4,000	792
Vehicle insurance	14,743	17,168
Total vehicles	20,843	19,479
Travel and continuing education		
In-state travel	74,245	28,915
Out-of-state travel	51,950	28,135
Board member travel	9,400	11,837
Registration and meeting fees	109,165	76,441
Conferences and continuing education meetings	133,800	108,660
Total travel and continuing education	378,560	253,988
Public relations	28,900	14,052

(This schedule is continued on the following page.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
ADMINISTRATION - GENERAL FUND SUBFUND

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Commercial insurance		
Liability insurance	\$ 17,209	\$ 16,721
Total commercial insurance	17,209	16,721
Supplies, postage and printing		
Computers, software and supplies	192,700	125,302
General office supplies and equipment	60,406	34,862
Postage	14,695	12,101
Total supplies, postage and equipment	267,801	172,265
Telephone and telecommunications	31,700	26,532
Equipment rental, repair and maintenance		
Equipment rental	6,800	5,270
Equipment repair and maintenance agreements	116,083	111,866
Total equipment rental, repair and maintenance	122,883	117,136
Professional services		
Legal	50,000	43,461
Accounting	22,000	21,848
Consulting	147,200	91,731
Payroll service fees	42,864	44,258
Total professional services	262,064	201,298
Contractual services		
Information service costs	42,066	37,868
Contract agreements with systems, member libraries and other co-ops	118,654	115,873
Other contractual services	390,500	366,979
Total contractual services	551,220	520,720
Professional association membership dues	12,339	13,773
Miscellaneous	13,500	11,723
Total culture and recreation	9,251,290	8,595,678
DEBT SERVICE		
Interest	-	22,759
Total debt service	-	22,759
TOTAL EXPENDITURES	\$ 9,251,290	\$ 8,618,437

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
LLSAP - GENERAL FUND SUBFUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Library professionals	\$ 183,408	\$ 186,283
Other professionals	162,187	149,692
Support services	28,179	28,611
Social security taxes	28,592	26,911
Unemployment insurance	3,480	1,021
Workers' compensation	320	195
Retirement benefits	2,953	2,880
Health, dental and life insurance	48,956	46,556
Total personnel	458,075	442,149
Buildings and grounds		
Utilities	3,120	4,310
Property insurance	1,615	1,565
Repairs and maintenance	1,351	1,213
Custodial/janitorial service and supplies	3,582	4,491
Other buildings and grounds	504	464
Total buildings and grounds	10,172	12,043
Vehicles		
Fuel	250	582
Repairs and maintenance	200	2,619
Vehicle insurance	3,683	3,558
Total vehicles	4,133	6,759
Travel and continuing education		
In-state travel	1,858	630
Registration and meeting fees	700	1,148
Total travel and continuing education	2,558	1,778
Commercial insurance		
Liability insurance	3,664	3,217
Total commercial insurance	3,664	3,217
Supplies, postage and printing		
Computers, software and supplies	7,946	-
General office supplies and equipment	697	334
Postage	50	42
Total supplies, postage and equipment	8,693	376
Telephone and telecommunications	6,840	6,112

(This schedule is continued on the following page.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
LLSAP - GENERAL FUND SUBFUND

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Equipment rental, repair and maintenance		
Equipment rental	\$ -	\$ 2,020
Equipment repair and maintenance agreements	2,016	-
Total equipment rental, repair and maintenance	2,016	2,020
Contractual services		
Contract agreements with systems, member libraries and other co-ops	1,605,195	1,620,973
Total contractual services	1,605,195	1,620,973
Total culture and recreation	2,101,346	2,095,427
CAPITAL OUTLAY		
Leased property	-	187,868
Total capital outlay	-	187,868
DEBT SERVICE		
Principal payments	34,000	28,799
Interest	-	1,571
Total debt service	34,000	30,370
TOTAL EXPENDITURES	<u>\$ 2,135,346</u>	<u>\$ 2,313,665</u>

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
DELIVERY - GENERAL FUND SUBFUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Other professionals	\$ 423,104	\$ 420,183
Support services	2,009,712	1,934,816
Social security taxes	186,118	166,092
Unemployment insurance	19,140	24,522
Workers' compensation	154,341	74,701
Retirement benefits	18,830	18,922
Health, dental and life insurance	593,680	533,535
Temporary help	45,000	67,391
Total personnel	3,449,925	3,240,162
Buildings and grounds		
Utilities	31,050	35,259
Property insurance	19,663	19,113
Repairs and maintenance	23,700	25,071
Custodial/janitorial service and supplies	36,138	46,051
Other buildings and grounds	7,871	7,872
Total buildings and grounds	118,422	133,366
Vehicles		
Fuel	267,817	255,498
Repairs and maintenance	90,000	99,654
Vehicle insurance	173,110	173,995
Other vehicle expenditures	8,000	4,196
Total vehicles	538,927	533,343
Travel and continuing education		
In-state travel	7,233	278
Registration and meeting fees	2,800	3,701
Total travel and continuing education	10,033	3,979
Commercial insurance		
Liability insurance	35,111	32,927
Total commercial insurance	35,111	32,927
Supplies, postage and printing		
Computers, software and supplies	1,480	83
General office supplies and equipment	5,800	4,162
Postage	800	305
Delivery supplies	52,700	98,865
Total supplies, postage and equipment	60,780	103,415
Telephone and telecommunications	39,165	37,675

(This schedule is continued on the following page.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
DELIVERY - GENERAL FUND SUBFUND

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Equipment rental, repair and maintenance		
Equipment rental	\$ 3,900	\$ 4,166
Equipment repair and maintenance agreements	700	745
Total equipment rental, repair and maintenance	4,600	4,911
Professional services		
Consulting	10,000	16,700
Total professional services	10,000	16,700
Contractual services		
Other contractual services	912,282	960,287
Total contractual services	912,282	960,287
Miscellaneous	1,450	731
Total culture and recreation	5,180,695	5,067,496
CAPITAL OUTLAY		
Leased property	-	354,477
Total capital outlay	-	354,477
DEBT SERVICE		
Principal payments	348,711	294,511
Interest	-	34,545
Total debt service	348,711	329,056
TOTAL EXPENDITURES	\$ 5,529,406	\$ 5,751,029

(See independent auditor's report.)

**REACHING ACROSS ILLINOIS LIBRARY SYSTEM
BURR RIDGE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2026

	Original and Final Budget	Actual
REVENUES		
None	\$ -	\$ -
Total revenues	-	-
EXPENDITURES		
Capital outlay		
Buildings and improvements	467,000	51,407
Furniture, fixtures, equipment and computers	35,000	63,374
Vehicles	197,000	232,765
Total expenditures	699,000	347,546
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(699,000)	(347,546)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	1,850,000
Total other financing sources (uses)	-	1,850,000
NET CHANGE IN FUND BALANCE	<u>\$ (699,000)</u>	1,502,454
FUND BALANCE, JULY 1		<u>747,417</u>
FUND BALANCE, JUNE 30		<u><u>\$ 2,249,871</u></u>

(See independent auditor's report.)