



125 Tower Drive | Burr Ridge IL 60527 | 630.734.5000 | Fax: 630.734.5050 | railslibraries.info

January 18, 2017

TO: RAILS BOARD OF DIRECTORS

FROM: JIM KREGOR

SUBJECT: RAILS FINANCIAL REPORT – NOVEMBER/DECEMBER 2017

Please find attached the RAILS Financial Reports for the months of November and December 2017. The attached statements include fund Balance Sheets for RAILS' Governmental (General, Capital Projects and Special Revenue Funds combined) Funds, plus its General and Capital Projects Funds, and the Statements of Revenue and Expenditure reports for RAILS Governmental, General and Capital Projects Funds as well as for individual program reports - Delivery operations and LLSAP support. In addition, reports showing the details of RAILS' cash and investments and monthly expenditures are included. There has been no financial activity through December for the Special Revenue Funds.

The December 31, 2017 unassigned General Fund (\$10.7 million) cash and investment balances, would fund an estimated 11.5 months of operations. RAILS has been awarded, but still has not received as of this report date, \$3,962,120 of FY 2017 Area and Per Capita Grant funds, which would fund approximately four months of operations.

FY2018 Revenues and Expenditures

Total General Fund revenues of \$3,735,894 through December were \$2,783,003 below budget, as RAILS' Area and Per Capita Grant revenues of \$1,936,144 were \$3,003,416 below budget. These revenues are budgeted to occur throughout the year, but payments in actuality are irregular. Area and Per Capita revenues of \$4,939,560 were budgeted through December. In October, RAILS received \$1,936,144 of such revenues, which were the Federal funding portion of the Area and Per Capita Grant. Fees for Services and Materials exceeded budget due primarily to timing differences for the billing of e-read subscriptions.

Investment income through December of \$66,102 was \$33,366 above budget due to increases in short term interest rates. Most of RAILS' funds are deposited in money market accounts, which currently are yielding 1.0% or slightly higher. Investment income for FY2018 should approximately double the \$65,466 budgeted if RAILS is able to maintain its current cash and investment balances.

During December, RAILS received an E-Rate reimbursement of \$4,491, bringing the total amount received in FY 2018 to \$10,956. We expect to receive a final payment of \$1,800. These revenues are unbudgeted due to their uncertainty.

The following compares December year-to-date expenditures, by fund category, to the budget:

		<u>FY 2018</u>	<u>FY 2018 Bud</u>	<u>Inc/(Dec)</u>
General Fund	\$	5,810,080	6,307,150	(497,070)
Special Revenue Fund		0	16,400	(16,400)
Capital Projects Fund		596,219	992,500	(396,281)
Total Expenditures	\$	6,406,299	7,316,050	(909,751)

Total General Fund expenditures of \$5,810,080 through December were \$497,070 below budget. Personnel expenditures were \$251,160, or 7.8%, below budget, of which \$129,536 were salary expenditures. The budgeted general salary increases of 3% were implemented the first payroll of November. Salary expenditures are below budget primarily because we have not yet filled two new budgeted positions and two vacated positions, one of which we will not replace.

Health, Dental and Life Insurance expenditures were \$22,862 below budget through December. Health insurance premiums for calendar year 2018 will remain unchanged from the current year and so this trend could continue.

Retirement benefits through December were \$60,288 below budget. The employer contribution rate for 2018 has increased from 2.38% in 2017 to 4.69% in 2018, the rate that we budgeted for FY 2018. Therefore, for the remainder of the year, the monthly variances to budget will closely correspond to the salary variances.

Supplies, Postage and Printing expenditures were \$34,840 above budget as purchases of new desk stations were expensed, rather than recorded as Capital Expenditures, as their per unit prices were below the \$5,000 threshold for such expenditures.

Contractual Services expenditures were \$176,330 below budget primarily due to timing of expenditures, as \$52,000 of Delivery Other Contractual Services expenditures budgeted for December were paid in January and certain budgeted Contract Agreement expenditures will not be incurred until later in the fiscal year.

The Special Revenue Fund expenditures budgeted through December 31 were incurred and paid in January 2018.

Capital Projects Fund expenditures were \$396,281 below budget through December. Buildings and Improvements expenditures, all of which were budgeted to spend by December 31, were \$251,781 below budget as \$172,427 of the budgeted expenditures were spent in FY 2017. Total spending for the Burr Ridge renovation project therefore was approximately \$80,000 below the budgeted amount. Capital Outlays for vehicles, none of which have yet been made and which are \$105,000 below budget, will be made later in the fiscal year.

**RAILS - Reaching Across Illinois Library System
Cash Position of the General Fund
Projected as of December 31, 2017**

		<u>12/31/2017</u>
Total Cash and Investments - All Funds	\$	13,800,000
Less: Cash & Cash Equivalents - Special Revenue Fund	\$	-
Cash & Cash Equivalents - Capital Project Fund	\$	<u>(3,100,000)</u>
Unassigned Cash and Investments - General Fund	(A) \$	<u><u>10,700,000</u></u>
Projected FY2018 Budget average monthly expenditures (not including reimbursable expenses) - General Fund	(B) \$	<u><u>930,000</u></u>
Projected number of months of General Fund Expenditures - (A) divided by (B)		<u><u>11.5</u></u>

Therefore, RAILS' General Fund can continue to operate on its current cash and investments position through approximately December 2018

SIGNIFICANT ASSUMPTIONS:

1. Assumes no further receipts of Area per Capita Grant funds.
2. Assumes no extraordinary expenditures not currently reflected or anticipated based on current budget and operations.

RAILS - Reaching Across Illinois Library System
Cash, Cash Equivalants & Investments
December 31, 2017

<u>FINACNAL INSTITUTION</u> <u>Account Name</u>	<u>ACCOUNT PURPOSE</u> <u>Type</u>	Balance	Current APY	Maturity Date	Fiscal Y-T-D Income
<u>The Illinois Funds</u> <u>Reaching Across Illinois Library System</u> <u>Acct # 1600228648</u>	<u>RAILS Operations Checking Account</u> <u>Money Market Account</u>	\$ 3,690,257.85	1.264%	Demand	\$ 19,670.15
<u>Hinsdale Bank & Trust</u> <u>Reaching Across Illinois Library System</u> <u>Acct #0898004128</u>	<u>Hinsdale Bank & Trust</u> <u>Checking Account</u>	\$ 1,003,511.06	0.000%	Demand	N/A
<u>CITIBank</u> <u>Reaching Across Illinois Library System</u> <u>Acct # 11678-101</u>	<u>PMA Financial Network</u> <u>CITIBank Deposit Account</u>	\$ 4,060,750.17	1.150%	Demand	\$ 20,391.03
<u>U.S. Treasury E-Bonds</u> <u>Reaching Across Illinois Library System</u>	<u>Donation - P. Sworski</u> <u>U.S. Treasury E-Bonds</u>	\$ 20,822.40	4.000%	12/31/2013	\$ -
<u>Hinsdale Bank & Trust</u> <u>Reaching Across Illinois Library System</u> <u>Acct #0898010721</u>	<u>Hinsdale Bank & Trust</u> <u>Money Market Account</u>	\$ 5,055,810.48	1.050%	Demand	\$ 23,593.28
<u>Hinsdale Bank & Trust</u> <u>Reaching Across Illinois Library System</u> <u>Acct # 230257186</u>	<u>WinTrust CD Investment Account</u> <u>CD Investment Account</u>	\$ -	Matured	7/27/2017	\$ 2,408.35
<u>PMA Financial Network</u> <u>Reaching Across Illinois Library System</u> <u>Acct # 11678-101</u>	<u>PMA Financial Network</u> <u>CD Investment Account</u>	\$ -	Matured	7/3/2017	\$ 10.18
Total Cash and Investments / Weighted Average Annual Interest Rate		<u>\$ 13,831,151.96</u>	1.082%		<u>\$ 66,072.99</u>

RAILS
Statement of Net Assets
Governmental Funds
As of 12/31/2017

	Balance End of Month
Assets	
Cash & Cash Equivalents	13,810,329.56
Investments	20,822.40
Grants Receivables	3,962,120.00
Accounts Receivables	168,265.07
Prepaid Expenses	26,503.92
Other Assets	18,351.50
Total Assets	18,006,392.45
Liabilities	
Accrued Liabilities	1,868.64
Deferred Revenue	3,962,120.00
Total Liabilities	3,963,988.64
Fund Balances	
Beginning Fund Balance	16,712,808.31
Current YTD Net Income	
Capital Outlays- Building and Improvements	(596,219.10)
Other	(2,074,185.40)
Total Current YTD Net Income	(2,670,404.50)
Total Fund Balances	14,042,403.81
Total Liabilities and Fund Balances	18,006,392.45

RAILS
Statement of Net Assets
General Fund
As of 12/31/2017

	Balance End of Month
Assets	
Cash & Cash Equivalents	10,754,291.90
Investments	20,822.40
Grants Receivables	3,962,120.00
Accounts Receivables	168,265.07
Prepaid Expenses	26,503.92
Other Assets	18,351.50
Total Assets	14,950,354.79
Liabilities	
Accrued Liabilities	1,868.64
Deferred Revenue	3,962,120.00
Total Liabilities	3,963,988.64
Fund Balances	
Beginning Fund Balance	13,060,551.55
Current YTD Net Income	(2,074,185.40)
Total Fund Balances	10,986,366.15
Total Liabilities and Fund Balances	14,950,354.79

RAILSStatement of Net Assets
Capital Projects Fund
As of 12/31/2017Balance End of
Month

Assets	
Cash & Cash Equivalents	<u>3,056,037.66</u>
Total Cash & Cash Equivalents	<u>3,056,037.66</u>
Total Assets	<u>3,056,037.66</u>
 Fund Balances	
Beginning Fund Balance	3,652,256.76
Current YTD Net Income	
Capital Outlays- Building and Improvements	<u>(596,219.10)</u>
Total Current YTD Net Income	<u>(596,219.10)</u>
Total Fund Balances	<u>3,056,037.66</u>
 Total Liabilities and Fund Balances	<u><u>3,056,037.66</u></u>

