

May 20, 2021

**TO: RAILS BOARD OF DIRECTORS**

**FROM: JIM KREGOR**

**SUBJECT: RAILS FINANCIAL REPORT – APRIL 2021**

Please find attached the RAILS Financial Reports for the month of April 2021. The attached statements include the individual fund Balance Sheets for RAILS' Governmental (General, Special Revenue and Capital Projects) Funds and the Statement of Revenue and Expenditure reports for RAILS' General Fund, plus separate reports for three programs: Delivery operations, LLSAP support and the recently awarded e-Read Illinois grant. We have not included Statements for funds and programs that have no current activities to report. In addition, reports showing the details of RAILS' cash and investments and monthly expenditures are included.

### **Summary**

Through April, revenues are well above budget as we have now received the entire year's Area and Per Capita Grant (APC) payments, plus over \$5.3 million of such payments pertaining to the FY 2020 award. Expenditures remain well below budget due to expenditure deferrals and savings resulting from pandemic restrictions. An APC grant payment of \$6,435,000 was received on April 30. Expenditures were \$623,587 below budget through April.

The April 30, 2021 unassigned General Fund (\$22.0 million) cash and investment balances would fund an estimated 23.8 months of operations.

### **FY2021 Year-To-Date Revenues and Expenditures**

Total General Fund revenues of \$17,370,093 through April were \$6,988,794 above budget due to above budget (\$7,026,730) Area and Per Capita payments and increased reimbursements (\$77,522), partially offset by decreased Investment income (\$121,836). On April 30 we received the final APC grant payment of \$6,435,000, which was the Live and Learn funded portion of our FY 2021 grant. This is the earliest point in a year that RAILS' entire funding for a current fiscal year has been completed.

Reimbursement revenues are above budget as we have met the annual budget goal of \$1,124,700 for such purchases, as EBSCO and group purchases of several new products, including Swank Movie License and Press Reader, have exceeded budget. These revenues reimburse RAILS for the costs of these products and do not add to RAILS' fund balance.

Investment Income was \$121,836 below budget as interest rates remain well below the 1.0% rate budgeted, which was the market rate at the time we prepared the budget. March month end interest

rates were 0.04% and 0.09% for the Illinois Funds and Hinsdale Bank Money Market accounts, respectively.

Total General Fund expenditures of \$9,842,649 through April were \$623,587 below budget due to lower expenditures in nearly all major cost categories other than personnel. Administrative employees are continuing to work from home but at their option may work from their respective office locations on a limited basis. As a result, travel and various facility related expenditures are remaining at minimal amounts.

Contractual Services expenditures were \$219,155 below budget as budgeted delivery costs incurred have not yet been paid, and other grant items budgeted have not yet been committed to. Supplies, postage and printing expenditures were \$160,768 below budget primarily because of deferring the budgeted replacement purchase of 95 laptop computers. It appears that, when made, these expenditures will approximate the \$125,000 budgeted for this purchase. Travel expenditures through April were \$91,216 below budget as only \$2,255, all of which is in-state, of such expenditures have so far been recorded as very little travel is occurring because of the pandemic. These expenditures are likely to remain minimal as no in-person conferences are as yet scheduled due to pandemic restrictions.

Personnel expenditures through April were \$89,502 above budget. Wage and salary expenditures through April were \$133,735, or 3.7% above budget, as in March we implemented, following the Board's approval, wage and salary increase retroactive to July 1, 2020. These increases were partially offset primarily by lower Health, Dental and Life Insurance expenses, the 2021 rates which remain unchanged from 2020, social security taxes and other fringe benefit expenditures.

For the month of April, RAILS had no new hires and two terminations (John Lepacek and Matt Bliss, Drivers - Bolingbrook). (Terminations refer to all persons leaving RAILS employment for any reason, including resignations and retirements).

Special Revenue Fund expenditures in April consisted solely of \$16,147 to purchase specialized content for the recently awarded FY2021 E-Book grant. The two other programs within the Special Revenue Fund, the Census 2020 and the L2 grant program, have been completed. The Census and the E-Book grants were not budgeted, as they were awarded well after the budget was prepared.

Delivery department expenditures through April of \$2,893,252 were \$158,702 below budget primarily from lower Contractual Services (\$99,692) expenditures, due to a normal lag in the receipt and payment of invoices (approximately \$70,000), plus savings from cancellation of deliveries due to libraries being closed, and lower vehicle (\$32,967) expenditures. Fuel prices have recently risen to above budget levels. Delivery department expenditures through April were 29.4% of total General Fund expenditures.

LLSAP support expenditures of \$2,123,035 through April were \$14,629 below budget. LLSAP support expenditures were 21.6% of total General Fund expenditures.