



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

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

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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, 2025, 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 9 to the financial statements, RAILS adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. The implementation of this guidance resulted in changes to the accrual of compensated absence balances and a restatement of beginning net position. 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, 2025 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, 2025

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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, 2025, and the related notes to financial statements, which collectively comprise RAILS's basic financial statements and have issued our report thereon dated September 17, 2025.

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, 2025

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Reaching Across Illinois Library System

Management's Discussion and Analysis

June 30, 2025

As the management of 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, 2025. RAILS formed on July 1, 2011, as a merger of five previously existing library systems, and these activities represent RAILS's fourteenth year of operations. Comparative data to RAILS's prior year of operations, ended June 30, 2024, 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 that follow.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Financial Highlights

- Assets/deferred outflows exceeded liabilities/deferred inflows by \$35,179,579 (net position) at the close of the fiscal year. The total net position for RAILS decreased \$78,276 from the June 30, 2024 amount, primarily from growth of RAILS's cash balance due to sustained high interest rates, partially offset by the growth of long-term liabilities due to the extension and expansion of RAILS's lease of the Bolingbrook facility to support the increased delivery sorting operation which RAILS took on from its delivery outsourcing contractor.
- Additionally, during fiscal year 2025, RAILS implemented GASB 101, *Compensated Absences*, which requires vested or accumulated vacation, paid leave, and sick leave that is due to employees and more than likely to be paid out or used for time off to be recognized as a liability and an expense during the period that the time is accrued to employees. This is a broadened version of guidance that was previously in place. The implementation of this standard required the restatement of the June 30, 2024 balance for this additional accumulated time, which resulted in a decrease in the prior year's net position of \$258,516.
- Of the net position amount, \$5,854,872 is restricted, which represents the Illinois Municipal Retirement Fund (IMRF) net pension asset. The amount restricted for pension items decreased \$2,108,073 from the prior year amount. The investment in capital assets, net of any debt used to acquire those assets, is \$2,222,205, which is a \$262,924 increase from the prior year. The remaining balance of \$27,102,502 is unrestricted and available to fund future operations. This unrestricted balance increased \$1,766,873 from the prior year.
- Total governmental funds reported an end of the year fund balance of \$26,717,847, an increase of \$942,642 from the prior year-end fund balance. Cash and investments were \$26,975,976, an increase of \$901,063 from the prior year-end balance. The General Fund cash and investments balance was \$26,228,559, and the Capital Projects fund cash and investments balance was \$747,417.

- Governmental funds reported a combined total of \$17,535,629 in revenues and \$17,037,061 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 2025.
- Payment timing from the State of Illinois for the APC grant remained prompt during fiscal year 2025. The entire amount of the fiscal year 2025 award was received before the end of the fiscal year for the fifth year in a row.
- During fiscal year 2025, RAILS was awarded grants for the ongoing development and enhancement of the statewide L2 platform (\$104,283) and the continuation of the statewide world language cataloging services program (\$102,430).
- The general fund's total revenues of \$17,535,629 were \$333,734 below the budgeted amount, primarily due to the selection of EBSCO as the vendor for the statewide database program provided through the Secretary of State's budget. This program provides Illinois libraries a set of free databases that were formerly part of the deals and discounts program through RAILS. RAILS continues to negotiate pricing for EBSCO databases that both supplement and enhance the State's core package. These below budget revenues were partially offset by above budget investment income, the receipt of the two additional grants mentioned above, and the revenue from the sale of several vehicles.
- Total general fund expenditures of \$16,245,197 were below the final budget by \$1,155,066 due primarily to below budget library materials (\$788,891), contractual services (\$426,696), vehicles (\$188,702), travel and continuing education (\$116,983), and professional services (\$94,946) partially offset by capital outlays for leases (\$444,074).
- RAILS completed the ninth year of its contract for statewide delivery between academic libraries.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

RAILS's financial statements present two kinds of statements, each with a different snapshot of its finances. The financial statements' focus is on both 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.

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 of RAILS's assets and liabilities, 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 of some items that will only result in cash flows in future fiscal periods (e.g., earned but unused leave as well as information technology subscription arrangements and lease obligations that have been entered into but not yet paid).

Both of the 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 (business-type activities). The primary governmental activities of RAILS are: 1) culture and recreation 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; and 8) the world language cataloging services program grant. LLSAPs are shared online catalog provider entities (Cooperative Computer Services, Pinnacle Library Cooperative, PrairieCat, Rock River Library Consortium, Resource Sharing Alliance, and System Wide Automated Network) that RAILS helps to support through annual grants. These entities provide library users access to a wider variety of materials and help make automation affordable for libraries of all types and sizes. For the fiscal years 2025 and 2024, RAILS recorded 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 two 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 and capital projects fund, both 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 and capital projects funds in conjunction with its annual APC grant application. Original and final budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets. RAILS adopted the original and final budget in May 2024.

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 2025, financial support was provided to the six LLSAPs as direct quarterly payments to/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 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 thirteenth year of operations, fiscal year 2024) is shown. The following table reflects the condensed statement of net position as of June 30, 2025:

Table 1
Governmental Activities

	2025	2024
Current and other assets	\$ 27,887,378	\$ 26,927,365
Capital assets	3,176,633	2,788,490
Net pension assets, IMRF	5,854,872	4,818,753
Deferred outflows, IMRF	1,365,137	3,164,515
Total Assets & Def. Outflows	38,284,020	37,699,123
Current liabilities	1,169,531	1,473,115
Long-term liabilities	1,459,779	689,314
Deferred inflows, IMRF	475,131	20,323
Total Liabilities	3,104,441	2,182,752
Invested in capital assets	2,222,205	1,959,281
Restricted - IMRF Pension	5,854,872	7,962,945
Unrestricted	27,102,502	25,594,145
Total Net Position	\$ 35,179,579	\$ 35,516,371

The governmental activities end-of-year total net position was \$35,179,579. Current and other assets primarily consisted of cash and investments (\$26,975,976). Current liabilities consisted primarily of amounts due to other governments (\$548,828), accounts payable and accrued liabilities (\$284,369), and accrued payroll (\$310,484). Long-term liabilities consisted of the liabilities for compensated absences, leases payable, and subscription arrangements.

Cash and investments increased primarily due to interest rates remaining high resulting in high investment income.

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 \$5,854,872 was recorded as of June 30, 2025, compared to a net pension asset of \$4,818,753 as of June 30, 2024. A deferred inflow of \$475,131 was recorded as of June 30, 2025, compared to the prior year deferred inflow of \$20,323, and a deferred outflow of \$1,365,137 as of June 30, 2025, decreased from a prior year deferred outflow of \$3,164,515.

The amounts invested in capital assets increased by \$388,143 due to the purchase of ten delivery vehicles, the inception of an extended and expanded lease for the Bolingbrook facility, facility improvements for the Coal Valley facility, and the new fire safe for the Burr Ridge facility. These increases were partially offset by several disposals of vehicles and the disposal of the prior Bolingbrook lease. In addition, depreciation and amortization expense of \$688,021 was recorded during fiscal year 2025.

Current and other assets increased \$960,013 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.

The following table summarizes the government-wide statement of changes in net position for the years ended June 30, 2025, and June 30, 2024:

Table 2
Governmental Activities

	2025	2024
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,993,492	\$ 4,224,274
Operating Grants	12,078,427	11,970,952
Total Program Revenues:	16,071,919	16,195,226
Investment Income	1,294,552	1,374,901
Miscellaneous	169,158	167,221
Total Revenues	17,535,629	17,737,348
EXPENSES		
Administration	6,409,850	3,790,030
Delivery	5,509,201	4,478,064
LLSAP Support	2,351,623	2,402,345
Deals and Discounts	2,369,985	2,782,980
eRead Illinois	597,784	651,058
Find More Illinois	114,733	122,328
L2 Development and Enhancement	104,283	53,611
World Language Cataloging Services	102,430	45,627
Interest	54,016	-
Total Expenses	17,613,905	14,326,043
Increase (Decrease) in net position before contributions and transfers	(78,276)	3,411,305
Restatement	(258,516)	-
Beginning Net Position as Restated	35,257,855	32,105,066
Total Net Position	\$ 35,179,579	\$ 35,516,371

RAILS's total revenues for fiscal year 2025 were \$17,535,629, a decrease of \$201,719, or 1.1%, from the prior year, primarily due to a \$412,995 decrease in deals and discounts reimbursements from the start of the Secretary of State funded statewide database program which reduced the number of EBSCO databases that RAILS negotiates pricing for on behalf of its member libraries. Fiscal year 2025 continued to see historically high interest rates, although interest income slightly decreased from the prior year due to several small interest rate cuts during the first portion of fiscal year 2025. The contract for the statewide academic delivery services was renegotiated in fiscal year 2025, resulting in an increase in these revenues which offset RAILS costs to provide those services. Both the L2 development and enhancement grant and the world language cataloging program grant grew from the prior year due to increased needs for development of the L2 platform and sharply increased usage of the world language cataloging services program.

RAILS's fiscal year 2025 expenses totaled \$17,613,905, an increase of \$3,287,862 from fiscal year 2024 expenses, primarily from increased administration expenses (\$2,619,820) and delivery expenses (\$1,031,137) partially offset by the decrease in EBSCO activity in the deals and discounts program (\$412,995).

Administration expenses increased primarily due to the fiscal year 2025 pension expense. Delivery expenses increased primarily due to the capital outlays for the new capital asset purchases as well as additional personnel and facilities to support the increased Bolingbrook sorting operation.

Financial Analysis of RAILS's Funds

For the fiscal year ended June 30, 2025, the governmental funds had a combined fund balance of \$26,717,847, of which \$25,970,430 was within the general fund, which is the main operating fund of RAILS, and \$747,417 was within the capital projects fund which are funds that have been assigned by the RAILS Board of Directors for future capital purchases. Revenues of \$17,535,629 were \$333,734 below the final budget primarily from the start of the statewide database program, partially offset by sustained high interest rates. In addition, RAILS received two unbudgeted grants to fund the ongoing development and enhancement of the statewide L2 platform and the continuation of the statewide world language cataloging services program.

Expenditures of \$16,245,197 were \$1,111,202 below budget due to lower general fund (\$1,155,066) expenditures partially offset by higher capital projects fund (\$43,864) expenditures.

General fund expenditures were below budget primarily due to below budget library materials (\$788,891), contractual services (\$426,696), vehicles (\$188,702), travel and continuing education (\$116,983), and professional services (\$94,946). These below budget expenditures were partially offset by capital outlays for leases (\$444,074).

Library materials expenditures were below budget due to the start of the statewide database program, which reduced the EBSCO databases that RAILS negotiates pricing for on behalf of its members. RAILS continues to negotiate pricing for databases that complement and enhance the State's free package.

Contractual services expenditures were below budget primarily due to the reduction in the contract with RAILS's delivery outsourcing contractor due to RAILS taking on increased sorting duties from the contractor. In addition, fuel prices were lower than budgeted, resulting in a lower fuel surcharge from this same vendor.

Vehicle expenditures were below budget primarily due to fuel costs dropping well below the budgeted price per gallon for the entire fiscal year as well as below budget vehicle repairs due to the replacement of a substantial portion of RAILS's aging delivery fleet during fiscal years 2024 and 2025.

Travel and continuing education expenditures rose from fiscal year 2024 but remained under budgeted mostly due to limited educational events being held at RAILS's facilities, and less than budgeted out-of-state travel expenditures.

Professional services expenditures were below budget primarily due to several consulting projects that were able to be completed by in-house staff instead of outside consultants as well as a less than anticipated need for legal services related to policy review and contract negotiations.

Capital outlays were above budget due to the expenditures that were recorded for the extended and expanded lease of the Bolingbrook facility. These expenditures are offset by revenues and do not affect fund balance.

There were several capital expenditures made in fiscal year 2025. These included the purchase of ten new delivery vehicles, the renovation of the kitchenette and conference room spaces at the Coal Valley facility, and the purchase of a fire safe for the Burr Ridge facility.

The following table summarizes general fund actual and budget net changes in fund balance for the years ended June 30, 2025, and June 30, 2024:

Table 3
General Fund Budgetary Highlights
For the Fiscal Years Ended June 30

	Fiscal Year 2025		Fiscal Year 2024	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues:				
Grants	\$ 11,871,714	\$ 12,078,427	\$ 11,871,714	\$ 11,970,952
Other	5,997,649	5,457,202	5,032,372	5,766,396
Total revenues	<u>17,869,363</u>	<u>17,535,629</u>	<u>16,904,086</u>	<u>17,737,348</u>
Expenditures:				
Expenditures - Current	17,400,263	15,801,123	16,648,641	15,941,287
Expenditures - Capital Outlay	-	444,074	-	604,390
Total expenditures	<u>17,400,263</u>	<u>16,245,197</u>	<u>16,648,641</u>	<u>16,545,677</u>
Excess (Deficiency) of				
Revenues over Expenditures	469,100	1,290,432	255,445	1,191,671
Other Financing Sources	-	444,074	-	604,390
Net Change in Fund Balance	<u>\$ 469,100</u>	<u>\$ 1,734,506</u>	<u>\$ 255,445</u>	<u>\$ 1,796,061</u>

There were no amendments to the budget during fiscal year 2025.

Capital Assets

At the end of fiscal year 2025, RAILS government wide activities had net capital assets of \$3,176,633 which was \$388,143 above the prior year amounts. Of this amount, \$1,267,862 was land and buildings and improvements, \$896,359 was vehicles, \$598,115 was leased property, \$329,633 was subscription arrangements, and \$84,664 was furniture, fixtures, computers and equipment. There were several capital expenditures made in fiscal year 2025, including: ten new delivery vehicles, kitchenette and conference room remodeling at the Coal Valley facility, and a fire safe at the Burr Ridge facility.

Economic Factors

RAILS is one of two multi-type regional library systems in the State. Its membership includes academic, public, school and special libraries and the RAILS service area covers the northern, western, and a portion of central 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 over 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, who awards and administers the

Area and Per Capita grant, 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 2025 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 the first increase in the Area and Per Capita grant funding in the history of the organization in fiscal year 2023.

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, 2025

	Governmental Activities
<hr/>	
ASSETS	
Cash and investments	\$ 26,975,976
Receivables - net of allowances	
Accounts	438,750
Accrued interest	178,610
Other	25,664
Prepaid items	268,378
Net pension asset	5,854,872
Capital assets not being depreciated	107,000
Capital assets, tangible and intangible (net of accumulated depreciation and amortization)	<u>3,069,633</u>
Total assets	<u>36,918,883</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Items - IMRF	<u>1,365,137</u>
Total deferred outflows of resources	<u>1,365,137</u>
Total assets and deferred outflows of resources	<u>38,284,020</u>
LIABILITIES	
Accounts payable	238,410
Other payables	45,959
Accrued payroll	310,484
Unearned revenue	25,850
Due to other governments	548,828
Long-term liabilities	
Due within one year	445,417
Due in more than one year	<u>1,014,362</u>
Total liabilities	<u>2,629,310</u>
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	<u>475,131</u>
Total deferred inflows of resources	<u>475,131</u>
Total liabilities and deferred inflows of resources	<u>3,104,441</u>
NET POSITION	
Net investment in capital assets	2,222,205
Restricted	
Retirement	5,854,872
Unrestricted	<u>27,102,502</u>
TOTAL NET POSITION	<u><u>\$ 35,179,579</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, 2025

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	\$ 6,409,850	\$ 24,388	\$ 11,871,714	\$ -	\$ 5,486,252
Delivery	5,509,201	758,067	-	-	(4,751,134)
LLSAP Support	2,351,623	226,397	-	-	(2,125,226)
Deals and Discounts	2,369,985	2,369,985	-	-	-
eRead Illinois	597,784	480,300	-	-	(117,484)
Find More Illinois	114,733	134,355	-	-	19,622
L2 Development and Enhancement	104,283	-	104,283	-	-
World Language Cataloging Services	102,430	-	102,430	-	-
Interest	54,016	-	-	-	(54,016)
Total governmental activities	17,613,905	3,993,492	12,078,427	-	(1,541,986)
TOTAL PRIMARY GOVERNMENT	\$ 17,613,905	\$ 3,993,492	\$ 12,078,427	\$ -	(1,541,986)
General Revenues					
Investment income					1,294,552
Miscellaneous					169,158
Total					1,463,710
CHANGE IN NET POSITION					(78,276)
NET POSITION, JULY 1, AS REPORTED					35,516,371
Change in accounting principle					(258,516)
NET POSITION, JULY 1, AS RESTATED					35,257,855
NET POSITION, JUNE 30					\$ 35,179,579

See accompanying notes to financial statements.

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2025

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and investments	\$ 26,228,559	\$ 747,417	\$ 26,975,976
Receivables - net of allowances			
Accounts	438,750	-	438,750
Accrued interest	178,610	-	178,610
Other	25,664	-	25,664
Prepaid items	268,378	-	268,378
TOTAL ASSETS	\$ 27,139,961	\$ 747,417	\$ 27,887,378
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 238,410	\$ -	\$ 238,410
Other payables	45,959	-	45,959
Accrued payroll	310,484	-	310,484
Unearned revenue	25,850	-	25,850
Due to other governments	548,828	-	548,828
Total liabilities	1,169,531	-	1,169,531
FUND BALANCES			
Nonspendable			
Prepaid items	268,378	-	268,378
Assigned			
Capital projects	-	747,417	747,417
Unassigned	25,702,052	-	25,702,052
Total fund balances	25,970,430	747,417	26,717,847
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,139,961	\$ 747,417	\$ 27,887,378

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, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 26,717,847
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	3,176,633
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds	5,854,872
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	890,006
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(505,351)
Leases payable	(611,284)
SBITA payable	<u>(343,144)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 35,179,579</u></u>

See accompanying notes to financial statements.

**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, 2025

	General	Capital Projects	Total Governmental Funds
REVENUES			
Intergovernmental	\$ 12,078,427	\$ -	\$ 12,078,427
Fees for services and materials	1,623,507	-	1,623,507
Reimbursements	2,369,985	-	2,369,985
Investment income	1,294,552	-	1,294,552
Miscellaneous	169,158	-	169,158
Total revenues	17,535,629	-	17,535,629
EXPENDITURES			
Culture and recreation	15,428,252	-	15,428,252
Capital outlay	444,074	791,864	1,235,938
Debt service			
Principal	318,855	-	318,855
Interest	54,016	-	54,016
Total expenditures	16,245,197	791,864	17,037,061
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,290,432	(791,864)	498,568
OTHER FINANCING SOURCES (USES)			
Issuance of leases	444,074	-	444,074
Total other financing sources (uses)	444,074	-	444,074
NET CHANGE IN FUND BALANCES	1,734,506	(791,864)	942,642
FUND BALANCES, JULY 1	24,235,924	1,539,281	25,775,205
FUND BALANCES, JUNE 30	\$ 25,970,430	\$ 747,417	\$ 26,717,847

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, 2025

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 942,642
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	1,218,164
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	(359,030)
Amortization	(328,991)
The gain (loss) on disposal of capital assets is reported only in the statement of activities	(142,000)
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	(1,218,067)
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	(444,074)
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	247,367
SBITA payable	71,488
The change in compensated absences is shown as an expense on the statement of activities	<u>(65,775)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (78,276)</u></u>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reaching Across Illinois Library System (RAILS) is governed by a Board of Directors (the Board), the 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 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 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	2-5

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)

RAILS implemented GASB Statement 101, *Compensated Absences*, for the fiscal year ended June 30, 2025. 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.

As a result of the implementation of GASB Statement 101, *Compensated Absences*, beginning net position was restated. See Note 4 and Note 9 for additional information.

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 that was 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. 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.

m. 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 IPRIME.

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.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

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, 2025, 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, 2025:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Bonds	\$ 24,883	\$ 24,883	\$ -	\$ -	\$ -
Negotiable Certificates of Deposits	3,885,223	1,969,413	1,915,810	-	-
	<u>\$ 3,910,106</u>	<u>\$ 1,994,296</u>	<u>\$ 1,915,810</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

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 Illinois Funds, insured certificates of deposit, and collateralized money market funds. RAILS's investment in Illinois Funds and IPRIME are rated AAmmf by Fitch and AAAM by Standard & Poor's, respectively. The certificates of deposits are not rated.

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 Illinois Fund 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 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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, 2025, 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
Tangible capital assets being depreciated				
Buildings and improvements	3,355,595	52,254	-	3,407,849
Furniture, fixtures, equipment and computers	297,336	5,829	-	303,165
Vehicles	1,801,111	716,007	643,461	1,873,657
Total tangible capital assets being depreciated	5,454,042	774,090	643,461	5,584,671
Intangible capital assets being amortized				
Leased facilities	747,353	444,074	235,751	955,676
Software	439,521	-	-	439,521
Total intangible capital assets being amortized	1,186,874	444,074	235,751	1,395,197
Less accumulated depreciation for tangible capital assets				
Buildings and improvements	2,130,181	116,806	-	2,246,987
Furniture, fixtures, equipment and computers	188,391	30,110	-	218,501
Vehicles	1,266,645	212,114	501,461	977,298
Total accumulated depreciation for tangible capital assets	3,585,217	359,030	501,461	3,442,786
Less accumulated amortization for intangible capital assets				
Leased facilities	346,737	246,575	235,751	357,561
Software	27,472	82,416	-	109,888
Total accumulated amortization for intangible capital assets	374,209	328,991	235,751	467,449
Total tangible and intangible capital assets being depreciated and amortized, net	2,681,490	530,143	142,000	3,069,633
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 2,788,490	\$ 530,143	\$ 142,000	\$ 3,176,633

Depreciation expense of \$359,030 and amortization expense of \$328,991 were charged to the Culture and Recreation function of the primary government.

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

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, Restated**	Issuances	Retirements	Balances June 30	Current Portion
Compensated absences*/**	\$ 439,576	\$ 65,775	\$ -	\$ 505,351	\$ 101,070
Leases payable	414,577	444,074	247,367	611,284	267,550
SBITAs payable	414,632	-	71,488	343,144	76,797
TOTAL	\$ 1,268,785	\$ 509,849	\$ 318,855	\$ 1,459,779	\$ 445,417

*The amount displayed as additions or reductions represents the net change in the liability. Compensated absences are paid from the General Fund.

**Compensated absences beginning balances were restated for the implementation of GASB 101, *Compensated Absences*. See Note 9 for additional information.

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 February 28, 2029. These lease agreements have interest rates ranging from 3.69% to 7.23%. Total intangible right-to-use assets acquired under these agreements are \$955,676 and the lease liability at fiscal year-end for these agreements is \$611,284. Total principal expenditure for the year on these agreements was \$247,367.

Obligations of governmental activities under leases payable, typically paid from the General Fund, including future interest payments at June 30, 2025, were as follows:

Year Ending June 30,	Leases Payable	
	Principal	Interest
2026	\$ 267,550	\$ 33,122
2027	206,991	17,642
2028	111,328	4,583
2029	25,415	693
TOTAL	\$ 611,284	\$ 56,040

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

4. LONG-TERM DEBT (Continued)

c. Subscription-Based Information Technology Arrangements (SBITAs) 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 is \$439,521 and the SBITA liability at fiscal year-end for this arrangement is \$343,144. Total principal expenditure for the year on this arrangement was \$71,488.

Obligations of governmental activities under SBITA payable, typically paid from the General Fund, including future interest payments at June 30, 2025, were as follows:

Year Ending June 30,	SBITA	
	Principal	Interest
2026	\$ 76,797	\$ 22,759
2027	82,503	17,053
2028	88,632	10,924
2029	95,212	4,344
TOTAL	\$ 343,144	\$ 55,080

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.

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

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.

7. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

RAILS's defined benefit pension plan, 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, 2211 York Road, Suite 500, 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.

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2024, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	419
Inactive employees entitled to but not yet receiving benefits	148
Active employees	<u>93</u>
TOTAL	<u>660</u>

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, 2025 was 0.84%.

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

RAILS's net pension liability was measured as of December 31, 2024 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, 2024
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

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, 2024, 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.

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

7. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85-6.25%
Cash equivalents	1.00%	3.60%
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, 2024	\$ 48,417,149	\$ 53,235,902	\$ (4,818,753)
Changes for the period			
Service cost	470,899	-	470,899
Interest	3,393,604	-	3,393,604
Difference between expected and actual experience	(1,631,449)	-	(1,631,449)
Changes in assumptions	-	-	-
Employer contributions	-	49,695	(49,695)
Employee contributions	-	254,348	(254,348)
Net investment income	-	5,435,070	(5,435,070)
Benefit payments and refunds	(3,688,546)	(3,688,546)	-
Other (net transfer)	-	(2,469,940)	2,469,940
Net changes	(1,455,492)	(419,373)	(1,036,119)
BALANCES AT DECEMBER 31, 2024	\$ 46,961,657	\$ 52,816,529	\$ (5,854,872)

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, 2025, RAILS recognized pension expense of (\$1,266,953). At June 30, 2025, 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	\$ -	\$ 475,131
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	1,341,888	-
Employer contributions after the measurement date	23,249	-
TOTAL	\$ 1,365,137	\$ 475,131

\$23,249 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, 2026. 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,	
2026	\$ 151,237
2027	1,864,537
2028	(791,478)
2029	(357,539)
2030	-
Thereafter	-
TOTAL	\$ 866,757

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 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)	\$ (1,557,452)	\$ (5,854,872)	\$ (9,375,870)

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, 2025.

9. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2025, RAILS implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this guidance impacted the beginning accrual balance of compensated absences, which resulted in a restatement of beginning net position. The implementation of this guidance resulted in an increase in compensated absences and culture and recreation expense of \$258,516 for the fiscal year ended June 30, 2024.

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

9. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The net effect of the restatement is summarized below:

	<u>Governmental Activities</u>
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 35,516,371</u>
Change in accounting principle - GASB 101	<u>(258,516)</u>
Total net restatement	<u>(258,516)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 35,257,855</u>

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, 2025

	Original and Final Budget	Actual
REVENUES		
Intergovernmental		
Area and per capita	\$ 11,871,714	\$ 11,871,714
Other state grants	-	206,713
Fees for services and materials	1,782,099	1,623,507
Reimbursements	3,212,500	2,369,985
Investment income	1,000,000	1,294,552
Miscellaneous	3,050	169,158
	<hr/>	<hr/>
Total revenues	17,869,363	17,535,629
EXPENDITURES		
Culture and recreation		
Personnel	7,561,298	7,550,221
Library materials	3,732,575	2,943,684
Buildings and grounds	291,575	306,529
Vehicles	742,517	553,815
Travel and continuing education	336,115	219,132
Public relations	28,000	26,847
Commercial insurance	59,567	53,185
Supplies, postage and printing	244,792	230,859
Telephone and telecommunications	100,446	89,524
Equipment rental, repair and maintenance	143,145	127,663
Professional services	331,426	236,480
Contractual services	3,491,311	3,064,615
Professional association membership dues	11,249	9,688
Miscellaneous	12,450	16,010
Capital outlay	-	444,074
Debt service		
Principal	313,797	318,855
Interest	-	54,016
	<hr/>	<hr/>
Total expenditures	17,400,263	16,245,197
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		
	<hr/>	<hr/>
	469,100	1,290,432
OTHER FINANCING SOURCES (USES)		
Issuance of leases	-	444,074
	<hr/>	<hr/>
Total other financing sources (uses)	-	444,074
NET CHANGE IN FUND BALANCE		
	<hr/>	<hr/>
	\$ 469,100	1,734,506
FUND BALANCE, JULY 1		
		<hr/>
		24,235,924
FUND BALANCE, JUNE 30		
		<hr/>
		\$ 25,970,430

(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,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 184,718	\$ 177,366	\$ 162,310	\$ 109,760	\$ 41,880	\$ 47,962	\$ 46,674	\$ 49,075	\$ 48,412	\$ 48,875
Contributions in relation to the actuarially determined contribution	184,718	177,366	162,310	109,760	41,880	53,567	46,674	49,075	48,412	48,875
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,605)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,222,176	\$ 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
Contributions as a percentage of covered payroll	4.37%	3.50%	3.50%	2.80%	0.96%	1.19%	1.02%	0.97%	0.92%	0.84%

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 19 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 2.75% 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,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	\$ 437,025	\$ 431,916	\$ 511,460	\$ 443,531	\$ 376,336	\$ 421,830	\$ 406,835	\$ 418,297	\$ 430,382	\$ 470,899
Interest	3,449,018	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
Differences between expected and actual experience	(94,014)	460,084	14,305	(1,437,105)	883,692	139,636	438,479	(186,602)	773,412	(1,631,449)
Changes of assumptions	-	-	(1,664,080)	959,742	-	(479,110)	-	-	(66,871)	-
Benefit payments, including refunds of member contributions	(3,450,775)	(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)
Net change in total pension liability	341,254	887,877	(1,101,982)	(247,397)	733,060	(467,530)	411,143	(280,791)	647,729	(1,455,492)
Total pension liability - beginning	47,493,786	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
TOTAL PENSION LIABILITY - ENDING	\$ 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
PLAN FIDUCIARY NET POSITION										
Contributions - employer	\$ 181,761	\$ 207,692	\$ 117,429	\$ 197,073	\$ 37,448	\$ 44,769	\$ 54,774	\$ 46,516	\$ 50,601	\$ 49,695
Contributions - member	218,671	205,937	244,158	203,517	191,281	208,802	204,873	277,131	237,193	254,348
Net investment income	248,475	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
Benefit payments, including refunds of member contributions	(3,450,775)	(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)
Other	446,094	247,764	(1,731,692)	(103,443)	241,763	(12,855)	(712,445)	(846,095)	1,200,904	(2,469,940)
Net change in plan fiduciary net position	(2,355,774)	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)
Plan fiduciary net position - beginning	51,220,209	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
PLAN FIDUCIARY NET POSITION - ENDING	\$ 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
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (1,029,395)	\$ (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)

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability	102.15%	101.39%	113.01%	98.82%	109.93%	120.00%	131.39%	104.41%	109.95%	112.47%
Covered payroll	\$ 4,362,191	\$ 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
Employer's net pension liability (asset) as a percentage of covered payroll	(23.60%)	(15.02%)	(125.61%)	13.30%	(116.08%)	(214.97%)	(331.26%)	(43.47%)	(91.42%)	(103.68%)

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 2015 and 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, 2025

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, 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 at a public meeting.
3. Any amendments to the budget must be adopted by the Board at a public meeting.
4. Budgeted amounts presented in the financial statements are those as originally adopted by the Board.

For the fiscal year ended June 30, 2025, the Capital Projects Fund expenditures exceeded the budget by \$43,864.

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, 2025

	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
Other state grants	-	206,713	-	-	-	-	-	206,713
Fees for services and materials	639,480	639,043	392,630	226,397	749,989	758,067	1,782,099	1,623,507
Reimbursements	3,212,500	2,369,985	-	-	-	-	3,212,500	2,369,985
Investment income	1,000,000	1,294,552	-	-	-	-	1,000,000	1,294,552
Miscellaneous	3,050	169,158	-	-	-	-	3,050	169,158
Total revenues	16,726,744	16,551,165	392,630	226,397	749,989	758,067	17,869,363	17,535,629
EXPENDITURES								
Culture and recreation								
Personnel	3,800,737	3,771,834	946,867	920,683	2,813,694	2,857,704	7,561,298	7,550,221
Library materials	3,732,575	2,943,684	-	-	-	-	3,732,575	2,943,684
Buildings and grounds	156,079	166,638	9,360	9,563	126,136	130,328	291,575	306,529
Vehicles	24,810	20,894	7,461	9,574	710,246	523,347	742,517	553,815
Travel and continuing education	322,348	207,885	5,113	3,407	8,654	7,840	336,115	219,132
Public relations	28,000	26,847	-	-	-	-	28,000	26,847
Commercial insurance	22,960	17,004	4,125	3,745	32,482	32,436	59,567	53,185
Supplies, postage and printing	178,939	110,357	8,243	368	57,610	120,134	244,792	230,859
Telephone and telecommunications	48,300	40,022	9,870	7,299	42,276	42,203	100,446	89,524
Equipment rental, repair and maintenance	137,043	119,090	2,018	2,952	4,084	5,621	143,145	127,663
Professional services	331,426	236,480	-	-	-	-	331,426	236,480
Contractual services	824,298	600,614	1,359,166	1,360,931	1,307,847	1,103,070	3,491,311	3,064,615
Professional association membership dues	11,249	9,688	-	-	-	-	11,249	9,688
Miscellaneous	11,100	12,257	-	-	1,350	3,753	12,450	16,010
Capital outlay	-	-	-	-	-	444,074	-	444,074
Debt service								
Principal	-	-	32,908	31,381	280,889	287,474	313,797	318,855
Interest	-	28,068	-	1,464	-	24,484	-	54,016
Total expenditures	9,629,864	8,311,362	2,385,131	2,351,367	5,385,268	5,582,468	17,400,263	16,245,197

(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, 2025

	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	\$ 7,096,880	\$ 8,239,803	\$ (1,992,501)	\$ (2,124,970)	\$ (4,635,279)	\$ (4,824,401)	\$ 469,100	\$ 1,290,432
OTHER FINANCING SOURCES (USES)								
Issuance of leases	-	-	-	-	-	444,074	-	444,074
Total other financing sources (uses)	-	-	-	-	-	444,074	-	444,074
NET CHANGE IN FUND BALANCE	\$ 7,096,880	\$ 8,239,803	\$ (1,992,501)	\$ (2,124,970)	\$ (4,635,279)	\$ (4,380,327)	\$ 469,100	1,734,506
FUND BALANCE, JULY 1								24,235,924
FUND BALANCE, JUNE 30								<u><u>\$ 25,970,430</u></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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Library professionals	\$ 1,259,625	\$ 1,284,964
Other professionals	1,320,248	1,366,591
Support services	527,314	457,772
Social security taxes	236,187	225,418
Unemployment insurance	10,346	12,895
Workers' compensation	3,077	2,054
Retirement benefits	25,716	25,410
Health, dental and life insurance	377,724	367,979
Other fringe benefits	28,500	15,831
Recruiting	12,000	12,920
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Total personnel	3,800,737	3,771,834
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Library materials		
Print materials	2,150	1,078
E-Resources	3,730,425	2,942,606
	<hr/>	<hr/>
Total library materials	3,732,575	2,943,684
	<hr/>	<hr/>
Buildings and grounds		
Utilities	97,080	97,965
Property insurance	11,088	9,906
Repairs and maintenance	18,600	22,833
Custodial/janitorial service and supplies	19,930	25,204
Other buildings and grounds	9,381	10,730
	<hr/>	<hr/>
Total buildings and grounds	156,079	166,638
	<hr/>	<hr/>
Vehicles		
Fuel	3,250	1,707
Repairs and maintenance	4,500	3,953
Vehicle insurance	17,060	15,234
	<hr/>	<hr/>
Total vehicles	24,810	20,894
	<hr/>	<hr/>
Travel and continuing education		
In-state travel	62,317	30,387
Out-of-state travel	57,604	30,887
Board member travel	15,755	7,821
Registration and meeting fees	98,672	71,281
Conferences and continuing education meetings	88,000	67,509
	<hr/>	<hr/>
Total travel and continuing education	322,348	207,885
	<hr/>	<hr/>
Public relations	28,000	26,847
	<hr/>	<hr/>
Commercial insurance		
Liability insurance	22,960	17,004
	<hr/>	<hr/>
Total commercial insurance	22,960	17,004
	<hr/>	<hr/>

(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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Supplies, postage and printing		
Computers, software and supplies	\$ 104,700	\$ 52,770
General office supplies and equipment	58,354	44,762
Postage	15,885	12,825
Total supplies, postage, and equipment	178,939	110,357
Telephone and telecommunications	48,300	40,022
Equipment rental, repair and maintenance		
Equipment rental	5,860	7,100
Equipment repair and maintenance agreements	131,183	111,990
Total equipment rental, repair and maintenance	137,043	119,090
Professional services		
Legal	67,600	52,837
Accounting	22,000	26,710
Consulting	200,275	115,224
Payroll service fees	41,551	41,709
Total professional services	331,426	236,480
Contractual services		
Information service costs	25,998	33,355
Contract agreements with systems, member libraries and other co-ops	302,500	239,637
Other contractual services	495,800	327,622
Total contractual services	824,298	600,614
Professional association membership dues	11,249	9,688
Miscellaneous	11,100	12,257
Total culture and recreation	9,629,864	8,283,294
DEBT SERVICE		
Interest	-	28,068
Total debt service	-	28,068
TOTAL EXPENDITURES	\$ 9,629,864	\$ 8,311,362

(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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Library professionals	\$ 351,975	\$ 351,264
Other professionals	311,527	312,681
Support services	109,632	90,058
Social security taxes	59,144	55,335
Unemployment insurance	2,805	3,363
Workers' compensation	767	478
Retirement benefits	6,454	6,277
Health, dental and life insurance	104,563	101,214
Other fringe benefits	-	13
Total personnel	946,867	920,683
Buildings and grounds		
Utilities	3,561	3,196
Property insurance	1,304	1,376
Repairs and maintenance	1,026	1,150
Custodial/janitorial service and supplies	2,854	3,395
Other buildings and grounds	615	446
Total buildings and grounds	9,360	9,563
Vehicles		
Fuel	500	892
Repairs and maintenance	400	1,872
Vehicle Insurance	6,561	6,810
Total vehicles	7,461	9,574
Travel and continuing education		
In-state travel	1,113	1,502
Registration and meeting fees	4,000	1,905
Total travel and continuing education	5,113	3,407
Commercial insurance		
Liability insurance	4,125	3,745
Total commercial insurance	4,125	3,745
Supplies, postage and printing		
Computers, software and supplies	7,407	-
General office supplies and equipment	786	368
Postage	50	-
Total supplies, postage, and equipment	8,243	368
Telephone and Telecommunications	9,870	7,299

(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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Equipment rental, repair and maintenance		
Equipment rental	\$ -	\$ 2,952
Equipment repair and maintenance agreements	2,018	-
	<hr/>	<hr/>
Total equipment rental, repair and maintenance	2,018	2,952
	<hr/>	<hr/>
Contractual services		
Contract agreements with systems, member libraries and other co-ops	1,359,166	1,360,931
	<hr/>	<hr/>
Total contractual services	1,359,166	1,360,931
	<hr/>	<hr/>
Total culture and recreation	2,352,223	2,318,522
	<hr/>	<hr/>
DEBT SERVICE		
Principal payments	32,908	31,381
Interest	-	1,464
	<hr/>	<hr/>
Total debt service	32,908	32,845
	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 2,385,131	\$ 2,351,367
	<hr/>	<hr/>

(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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION		
Personnel		
Other professionals	\$ 406,916	\$ 404,326
Support services	1,626,079	1,670,111
Social security taxes	155,518	147,141
Unemployment insurance	11,475	16,591
Workers' compensation	123,973	78,533
Retirement benefits	16,828	17,188
Health, dental and life insurance	438,905	442,209
Other fringe benefits	-	36
Temporary help	34,000	81,569
Total personnel	<u>2,813,694</u>	<u>2,857,704</u>
Buildings and grounds		
Utilities	33,465	28,738
Property insurance	14,057	15,929
Repairs and maintenance	35,900	38,944
Custodial/janitorial service and supplies	34,927	36,864
Other buildings and grounds	7,787	9,853
Total buildings and grounds	<u>126,136</u>	<u>130,328</u>
Vehicles		
Fuel	391,100	258,777
Repairs and maintenance	121,000	86,674
Vehicle insurance	156,946	158,349
Other vehicle expenditures	41,200	19,547
Total vehicles	<u>710,246</u>	<u>523,347</u>
Travel and continuing education		
In-state travel	6,854	4,172
Registration and meeting fees	1,800	3,668
Total travel and continuing education	<u>8,654</u>	<u>7,840</u>
Commercial insurance		
Liability insurance	32,482	32,436
Total commercial insurance	<u>32,482</u>	<u>32,436</u>
Supplies, postage and printing		
Computers, software, and supplies	960	866
General office supplies and equipment	5,400	9,585
Postage	750	547
Delivery supplies	50,500	109,136
Total supplies, postage, and equipment	<u>57,610</u>	<u>120,134</u>
Telephone and telecommunications	42,276	42,203

(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, 2025

	Original and Final Budget	Actual
CULTURE AND RECREATION (Continued)		
Equipment rental, repair and maintenance		
Equipment rental	\$ 3,384	\$ 4,905
Equipment repair and maintenance agreements	700	716
Total equipment rental, repair and maintenance	4,084	5,621
Contractual services		
Other contractual services	1,307,847	1,103,070
Total contractual services	1,307,847	1,103,070
Miscellaneous	1,350	3,753
Total culture and recreation	5,104,379	4,826,436
CAPITAL OUTLAY		
Leased property	-	444,074
Total capital outlay	-	444,074
DEBT SERVICE		
Principal payments	280,889	287,474
Interest	-	24,484
Total debt service	280,889	311,958
TOTAL EXPENDITURES	\$ 5,385,268	\$ 5,582,468

(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, 2025

	Original and Final Budget	Actual
REVENUES		
None	\$ -	\$ -
Total revenues	-	-
EXPENDITURES		
Capital outlay		
Buildings and improvements	253,000	52,254
Furniture, fixtures, equipment and computers	35,000	5,829
Vehicles	460,000	733,781
Total expenditures	748,000	791,864
NET CHANGE IN FUND BALANCE	<u>\$ (748,000)</u>	(791,864)
FUND BALANCE, JULY 1		<u>1,539,281</u>
FUND BALANCE, JUNE 30		<u>\$ 747,417</u>

(See independent auditor's report.)