

ILLINOIS STATE LIBRARY
FY2022 Library System Annual Report Cover Sheet
23 ILAC 3030.270 (Multitype Library System)

- 1. Narrative Report**
 - 1.1 Narrative Report
 - 1.2 Participation in an LLSAP, a Shared Integrated Library System or Shared Consortial Catalog

- 2. Financial Report**
 - 2.1 FY2021 System Audit
 - 2.2 System Member Fees and Revenue
 - 2.3 System Non-Member Fees and Revenue
 - 2.4 Capital Expenditures in Excess of \$5,000
 - 2.5 Loans or Letters of Credit
 - 2.6 Treasurer's Surety Bond

- 3. Membership**
 - 3.1 Changes in System Membership
 - 3.2 Number of System Members
 - 3.3 Continuing Education/Training
 - 3.4 Member Site Visits
 - 3.5 Non-Resident Participation

- 4. Staffing**
 - 4.1 System Staff
 - 4.2 Staff Vacancies and Positions Eliminated

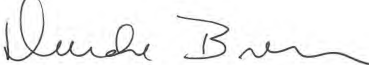
- 5. Board of Directors**
 - 5.1 FY2021 Board Meetings Held
 - 5.2 System Board Members
 - a) Dates: Election and New Members Seated
 - b) System Ethics Officer
 - c) System FOIA Officer
 - 5.3 Assessment of 23 ILAC 3030.255, Board of Directors Policies
 - 5.4 Assessment of 23 ILAC 3030.260, Finances and Records
 - 5.5 Board Bylaws

- 6. General**
 - 6.1 Appraisal of System Real Estate
 - 6.2 Inventory of Motor Vehicles
 - 6.3 Out-of-State Travel

- 7. Delivery Annual Report**

Library System: **Reaching Across Illinois Library System**

Signed:  Date: September 30, 2022
Board President

Signed:  Date: September 30, 2022
Executive Director

1.1 Narrative Report

Introduction

This narrative details RAILS activities and accomplishments in pursuit of the goals listed in the system’s FY 2022 Operational Plan. All activities listed meet the requirements in the administrative rules for library systems.

Our overarching goal throughout the year was to provide the highest quality service to RAILS member libraries of all sizes and types (academic, public, school, and specialized) and to help them provide the highest quality service possible to their customers. As the pandemic continued, most services (other than delivery) continued to be virtual, though RAILS staff did start making more in-person library visits and started attending conferences in person as the library world began to open up and return to somewhat normal.

A major highlight of FY 2022 was the development and board approval of a new RAILS strategic plan, vision statement, and mission statement about halfway through the year. These documents were based in very large part on feedback from RAILS libraries of all types and sizes and gave RAILS a clear direction for moving forward into 2025. Though this narrative includes accomplishments related to the goals and objectives in our new strategic plan, it follows the format of the plan that was in effect when RAILS submitted our FY 2022 Area and Per Capita Grant application.

Strategic Plan Goal One: Promote, support, and expand resource sharing to optimize use of tax dollars and other funding and help libraries share resources to the fullest extent possible

Objectives	Activities/Accomplishments
Promote, support, and expand resource sharing among RAILS libraries and beyond	<p>Promoted/strongly encouraged resource sharing of library materials, and member knowledge/best practices via RAILS communication tools and member encounters. See information on specific efforts to promote, support, and expand resource sharing throughout this document.</p> <p>Collaborated with the Association of Illinois School Library Educators (AISLE), Chicago Public Library System (CPLS), Consortium of Academic and Research Libraries in Illinois (CARLI), Illinois Association of College and Research Libraries (IACRL), Illinois Heartland Library System (IHLS), Illinois Library Association (ILA), Illinois State Library (ISL), Special Libraries Association Illinois Chapter (SLA IL), and other stakeholders to share resources, knowledge, and best practices. See details on specific collaborative efforts throughout this document.</p> <p>RAILS’ Executive Director and Associate Executive Director met monthly with the Chicago Public Library (CPL) Commissioner to discuss possible areas of collaboration</p>

Objectives	Activities/Accomplishments
	<p>In response to a request from CPL, opened most RAILS email lists for use by CPL library staff. (IHLS member library staff are also welcome to use most RAILS lists.)</p> <p>Supported the work of the International Coalition of Library Consortia (ICOLC) and participated in ICOLC activities relevant to RAILS strategic priorities. RAILS' Executive Director and Director of Technology Services served on ICOLC's OCLC Task Force calling for more transparent and equitable pricing of OCLC products.</p> <p>RAILS Executive Director elected/served as American Regional Council Delegate to OCLC's Global Council</p> <p>RAILS Executive Director appointed to the Illinois State Library Advisory Committee (ISLAC) to help make decisions about statewide library services. (The first ISLAC meeting occurred in FY 2023.)</p> <p>Worked with the RAILS Resource Sharing Committee to investigate and recommend ways to improve, increase, and promote resource sharing between all types of Illinois libraries. The committee provided perspective on resource sharing initiatives relevant to the new RAILS strategic plan, RAILS electronic resources, and administrative rules updates.</p> <p>Provided ongoing support for the Digital Public Library of America (DPLA) and the Illinois Digital Heritage Hub. RAILS' Executive Director served on the Advisory Board of the Illinois Digital Heritage Hub.</p> <p>Received ILA's 2021 Hugh C. Atkinson Memorial Award after being nominated by a RAILS member library. The award recognizes "sustained activity and contributions having a lasting impact on librarianship, in regard to resource sharing and/or interlibrary cooperation."</p> <p>Participated or agreed to participate as a project partner in several grant projects that will continue in FY 2023, including:</p> <p>CARLI SCOERs Grant Project partner for CARLI's SCOERs (Support for Creation of Open Educational Resources) grant to create open textbooks</p> <ul style="list-style-type: none"> • Promoted SCOERs grant opportunities to RAILS members via regular articles in the <i>RAILS E-News</i> and a podcast with the Senior Director of CARLI and grant project manager • Reviewed sub-grant applications

Objectives	Activities/Accomplishments
	<p>Western Illinois University (WIU) Grant (Broadband READY Grant) Partnered with WIU, IHLS, and other regional partners on a grant from the Illinois Department of Commerce and Economic Opportunity Office of Broadband, which includes the opportunity for RAILS to work directly with three public libraries to host Chromebook lending programs</p> <p>Northern Illinois University (NIU) Grant (Broadband READY Grant) Project partner for NIU’s “Advancing Adaptive Lifelong Digital Literacy to Promote Digital Equity in Northern Illinois” grant from the Illinois Department of Commerce and Economic Opportunity’s Office of Broadband. Activities include helping to identify and work with libraries to participate in the project by providing information about their communities’ digital equity needs and/or hosting Digital Navigators in their libraries and helping to develop a replicable training approach that libraries can take in their own communities.</p>
<p>Lead and work with RAILS-area consortia and standalone libraries to expand resource sharing</p>	<p style="text-align: center;">Promote/Support LLSAP Membership</p> <p>Provided a mix of financial support and in-kind services to six RAILS LLSAPs: CCS, Pinnacle, PrairieCat, Rock River Library Consortium, RSA NFP, and SWAN. Detailed cost information for in-kind services was provided with FY 2023 grant awards, with a plan to resume deducting these costs from grant awards beginning in FY 2024.</p> <p>Offered catalog membership grants to encourage libraries to join a RAILS LLSAP. The application deadlines for FY 2022 were October 15, 2021 and April 15, 2022. Awarded \$32,508 to four libraries, including one school and three public libraries.</p> <p>Worked with the RAILS Consortia Committee to expand resource sharing and promote consortial membership. The committee established an LLSAP Sustainability Working Group. Working Group activities included:</p> <ul style="list-style-type: none"> • Strengthening criteria for libraries seeking to join an existing LLSAP to ensure that libraries are well-equipped to assess affordability, and that new libraries will not be a financial drain on the LLSAP or its members • Investigating a statewide ILS platform, including seeking proposals from consultants to assess how multitype resource sharing in Illinois could be done more efficiently. RAILS received three proposals and discussed them with ISL and IHLS. Ultimately, it was decided not to move forward with this project, and to focus on working with RSA on greater financial independence and sustainability. • Working on expanding access to MARC records through Find

Objectives	Activities/Accomplishments
	<p data-bbox="618 233 837 260">More Illinois (FMI)</p> <ul data-bbox="573 270 1317 338" style="list-style-type: none"> <li data-bbox="573 270 1317 338">• Talking with Auto-Graphics, the FMI vendor, about an interoperable circulation system for unautomated libraries <p data-bbox="553 380 1341 478">Discussed accelerating planning for RSA financial sustainability and staff independence with RSA NFP representatives. (RSA is the only LLSAP that still relies on RAILS for funding of staff.)</p> <p data-bbox="553 520 1390 619">Helped members meet the new requirement in the Illinois administrative rules to evaluate whether they will make their holdings available via a shared collection as detailed in section 1.2 of this report</p> <p data-bbox="553 661 1398 760">Promoted the value of consortia membership to all types and sizes of RAILS libraries via RAILS communication tools and member encounters, including promoting the value of participating in Find More Illinois</p> <p data-bbox="683 802 1268 829" style="text-align: center;">Expanded and Promoted Find More Illinois (FMI)</p> <p data-bbox="553 871 1357 970">Negotiated incentive program with Auto-Graphics, the FMI vendor, where new libraries could join without paying the usual setup fee or any annual fees until July 2023. Promoted the program widely.</p> <p data-bbox="553 1012 1365 1152">Recruited 18 libraries to join FMI in FY 2022, including 17 publics and one school. Met and corresponded with many more interested libraries. Targeted standalone libraries and encouraged them to join. Provided training, consulting, and technical support.</p> <p data-bbox="553 1194 1398 1367">Heavily publicized FMI benefits to all types of libraries (academic, public, school, and specialized) via RAILS communication tools and individualized member encounters. Featured regular articles promoting FMI in the <i>RAILS E-News</i>. Developed video with testimonials from current FMI library users to help recruit new libraries to join.</p> <p data-bbox="553 1409 1382 1507">Continued working with the LINKin libraries not currently participating in FMI to encourage them to join. We now have four of 10 LINKin libraries participating, with two others actively considering joining.</p> <p data-bbox="553 1549 1382 1612">Worked with all six libraries in the Pinnacle Library Consortium to help them join FMI</p> <p data-bbox="553 1654 1373 1686">Continued to offer IHLS libraries the opportunity to participate in FMI</p> <p data-bbox="781 1728 1170 1755" style="text-align: center;">Support High-Quality Cataloging</p> <p data-bbox="553 1797 1382 1860">Established statewide World Language Cataloging Services Program to cover all languages considered part of a library’s regular collection.</p>

Objectives	Activities/Accomplishments
	<p>Applied for and received ISL grant for program. Conducted pilot program with all types of libraries to test program parameters. Launched full program and publicized statewide. Presented on this service and other cataloging topics and services at meetings of various LLSAP and networking groups throughout FY 2022.</p> <p>Offered cataloging training, including:</p> <ul style="list-style-type: none"> • “Copy Cataloging of Print Monographs Using RDA,” three-day virtual class presented by RAILS Cataloging Services Coordinator • “Getting Ready to Use the New RDA” webinar • “MARC 21 Standard: An Introduction” Moodle training course led by RAILS Cataloging Services Coordinator (see more information on Moodle in continuing education section below) • Presented program on “Cataloging Essentials” at PrairieCat Users Group Day <p>Regularly promoted training offered by the IHLS Cataloging Maintenance Center (CMC)</p> <p>Helped establish and promote the Diversity, Equity, and Inclusion (DEI) in Metadata Networking Group</p> <p>Actively contributed to the Open Cataloging Rules project, an international initiative to create a freely available collaborative cataloging code</p>
<p>Work with the Illinois State Library, Illinois Heartland Library System, and other stakeholders to improve physical delivery services through streamlining and standardizing operations and evaluating alternative methods and best practices</p>	<p>Worked with RAILS members of all types (academic, public, school, and special) throughout FY 2022 to determine the most appropriate delivery method to meet their needs</p> <p>Consulted with members on delivery issues/concerns. Widely promoted use of delivery help desk ticketing system via RAILS communication tools and member encounters.</p> <p>Evaluated responses to May 2021 RFP for delivery and sorting services. Conducted further discussions with vendor who best met RAILS needs.</p> <p>Continued providing high-quality statewide delivery services to CARLI libraries via ILDS (Illinois Library Delivery Service)</p> <p>Discontinued contract with Comet Messenger service to provide delivery to RAILS special libraries in the Chicago area as RAILS determined we could conduct this service more efficiently and economically “in house.” Communicated changes in procedures to all potentially affected libraries.</p>

Objectives	Activities/Accomplishments
	<p>Promoted the need to complete quarterly delivery volume counts to RAILS members. Consulted with libraries on an individual basis as needed to help them perform the counts.</p> <p>Contracted with GeoMARC to examine current delivery routes and identify re-routing efficiencies. Began with routes originating from the East Peoria delivery hub.</p>
<p>Develop and implement innovative projects to expand access to a wider variety of resources for Illinois residents, including providing access to digital content/e-resources and expertise</p>	<p style="text-align: center;">eRead Illinois Axis 360</p> <p>Consulted with existing and potential eRead Illinois libraries on a regular basis</p> <p>Analyzed eRead Illinois fee structure to help inform future development opportunities</p> <p>Recruited RAILS libraries and IHLS non-SHARE libraries to join eRead Illinois Axis 360. By the end of FY 2022, over 950 libraries participated. Supported the training and marketing needs of participants.</p> <p>Offered eRead Illinois training, including:</p> <ul style="list-style-type: none"> • Webinar for school library participants to help them get the most out of the Axis 360 platform • Training on Axis 360 admin portal • eRead Illinois demo at 2021 in-person AISLE conference <p>Worked with Baker & Taylor (our eRead Illinois vendor) to perform a Diversity, Equity, and Inclusion analysis of the eRead Illinois collection. Approximately 20% of the collection was considered diverse.</p> <p>Regularly welcomed acquisition requests for the eRead Illinois Axis 360 collection</p> <p>Completed final evaluation of activities associated with FY 2021 ISL e-book grant and submitted required paperwork to ISL</p> <p style="text-align: center;">BiblioBoard/inkie.org</p> <p>Analyzed BiblioBoard usage data to determine cost-effectiveness of program. Refocused platform to feature content by Illinois authors, creators, and communities and rebranded it as the Inkie.org Library. Transferred many BiblioBoard collections to eRead Illinois Axis 360.</p> <p>Offered to present programs to interested member library patrons on Inkie.org as an e-book creation source. Conducted programs at three libraries with a total attendance of 35 library patrons. Made</p>

Objectives	Activities/Accomplishments
	<p data-bbox="553 233 1325 260">presentation slides available for interested libraries to download.</p> <p data-bbox="553 306 1398 333">Presented program on Inkie.org at Reaching Forward South conference</p> <p data-bbox="553 380 1360 441">Publicized BiblioBoard/Inkie.org resources as being free to all Illinois libraries courtesy of RAILS</p> <p data-bbox="553 487 1390 548">Continued offering group purchase pricing on BiblioBoard products for self-published authors</p> <p data-bbox="854 594 1102 621" style="text-align: center;">Explore More Illinois</p> <p data-bbox="553 667 1378 762">Publicized program to all Illinois public libraries and encouraged them to participate. By the end of FY 2022, 324 RAILS libraries and 84 IHLS libraries participated.</p> <p data-bbox="553 808 1403 938">Grew/expanded the number and types of participating attractions, including attractions of wide interest to ethnically and culturally diverse audiences. Welcomed first out-of-state attractions. By the end of FY 2022, Explore More included 53 attractions.</p> <p data-bbox="553 984 1398 1079">Continued to work with IHLS to recruit IHLS libraries and set them up in the program. Talked with IHLS members about the program at RAILS booth at IHLS Member Day 2021.</p> <p data-bbox="553 1125 1065 1152">Launched community college pilot program</p> <ul data-bbox="574 1163 1403 1444" style="list-style-type: none"> • Met with Quipu Group, our Explore More Illinois service provider, to discuss the prospect of community colleges joining the program. Worked with Quipu on detailed technical requirements. • Met with CARLI staff to discuss the implications of expanding the program to community colleges • Met with College of DuPage to discuss ways the program could be used with students • Worked with Illinois Central College on beta test of program <p data-bbox="553 1488 1398 1549">Publicized the program via multiple RAILS communication channels and special presentations:</p> <ul data-bbox="574 1560 1382 1808" style="list-style-type: none"> • Presented program at Reaching Forward South conference • Gave presentation at RSA Users Group meeting • Recorded webinar for Dunlap Public Library and posted it to the Explore More Illinois website for all members to view • Spoke to 11 attendees at a meeting of the Illinois Association of Museums about becoming an Explore More Illinois attraction • Featured regular articles about the program in the <i>RAILS E-News</i> <p data-bbox="553 1854 1338 1881">Hosted national ePass Users Group sessions for staff who run pass</p>

Objectives	Activities/Accomplishments
	<p>programs across the country. (ePass is the software used to operate Explore More Illinois.)</p> <p>Conducted Explore More Illinois survey to get input on the user experience to share with attractions. The 86 responses received since the February 2022 survey launch indicate that over 90% are satisfied or highly satisfied with the user experience.</p> <p>Held contest to gather suggestions for new attractions to add to Explore More Illinois. Received 155 submissions and have so far recruited seven new attractions as a direct result of these suggestions.</p> <p style="text-align: center;">Expand Member Access to Additional E-Resources</p> <p>Led efforts to develop a proposal for statewide, state-funded access to online resources for all who live in Illinois</p> <ul style="list-style-type: none"> • Publicized the proposal and provided talking points members could use when discussing the proposal with elected officials • Discussed the proposal with Illinois Senator Laura Murphy and other legislators • Discussed the proposal at a RAILS member update session • Included information about the proposal and talking points in the <i>RAILS E-News</i> <p>Introduced Web Accessibility Voluntary Product Accessibility Template (VPAT) web page to help public libraries understand web accessibility and how to vet resources</p> <p>Introduced Vendor Privacy Policies web page with links to privacy policies for third-party vendors providing e-resources to public libraries</p> <p>Continued to support Soon to Be Famous Illinois Author project by regularly promoting project activities via the <i>RAILS E-News</i></p>
<p>Use economies of scale to provide greater purchasing power for member libraries so they can offer more resources to their customers than they would be able to afford on their own</p>	<p>Explored new and advantageous deals for member libraries. New offers added or pricing restructures in FY 2022 included:</p> <ul style="list-style-type: none"> • Auto-Graphics' VERSO Express ILS for smaller libraries • BiblioBoard Creator digital content creation tools • BookBrowse for Libraries readers' advisory resource • Brainfuse HelpNow, JobNow, VetNow online tutoring and study suite • BTCat cataloging utility for public and specialized libraries • Checkers Library TV's "Reading Road Trip" • EBSCO DEI Package • Gale Business Plan Builder online planning tool • Gale Presents: Udemy video-based courses

Objectives	Activities/Accomplishments
	<ul style="list-style-type: none"> • Legal GPS online, interactive business resource • LOTE Online for Kids picture books in world languages <p>Continued to work on implementing Consortia Manager to provide an infrastructure for managing RAILS group purchases and discounts</p> <p>Developed a vendor survey to expedite communications on technical requirements for vendors offering potential discounted pricing to RAILS members</p> <p>Presented program about RAILS discounts at North Suburban Conference of High School Librarians. The group of 36 expressed interest in a follow-up meeting dedicated to this topic.</p> <p>Co-presented a program on consortial purchasing at the ICOLC annual conference</p> <p>Met bi-monthly with Consortia Purchasing Managers from Califa (California), Florida Academic Library Services Cooperative, Midwest Collaborative for Library Services (MCLS), and OhioNet to discuss issues related to purchasing across large, multitype consortia</p> <p style="text-align: center;">Career Online High School Program (COHS)</p> <p>Promoted availability of scholarships through COHS program via RAILS communication tools and member encounters. A total of 27 people in Illinois received a high school diploma through the program in FY 2022.</p> <p>Held webinars for libraries to learn more about the COHS program. Made recordings available to those who could not attend “live.”</p> <p>Co-presented programs on COHS at ILA annual conference and Public Library Association conference</p> <p>Regularly met with networking group of COHS library staff participants to develop and promote the program</p>
<p>Offer members a variety of opportunities to build collaborative relationships to share best practices, expertise, and to develop innovative solutions to common issues and challenges</p>	<p>Encouraged use of RAILS mailing lists by staff at all levels at all types of libraries</p> <p>Established new mailing lists for:</p> <ul style="list-style-type: none"> • Children’s Librarians’ Association of the South Suburbs (CLASS) • ILA’s Small & Rural Libraries Forum <p>Continued to build and strengthen relationships and engagement with RAILS networking groups. Publicized existing RAILS networking groups</p>

Objectives	Activities/Accomplishments
	<p>and the benefits of belonging to a networking group in general.</p> <ul style="list-style-type: none"> • Provided three networking groups with Zoom licenses in FY 2022. <p>Assisted in the formation of new networking groups, including:</p> <ul style="list-style-type: none"> • Chicago Area Solo Librarians networking group (relaunch) • City Library Directors Networking Group • Data in Libraries Networking Group • Diversity, Equity, and Inclusion in Metadata Networking Group (as referenced above) <p>Scheduled four RAILS Online Roundtables on a variety of topics of interest to RAILS member libraries of all types as noted elsewhere in this document</p>
<p>Foster networking and collaboration between staff from all types of libraries (academic, public, school, and special) to create a community of connected peers and to build on the strengths of multitype cooperation</p>	<p>Continued providing leadership and support to SLA IL and specialized libraries via the RAILS Member Engagement Manager serving as President of that group</p> <p>Initiated monthly meetings with AISLE and others as detailed later in this document</p> <p>Publicized networking events/opportunities from other library-related organizations</p> <p>(See other efforts to collaborate with all types of libraries throughout this document)</p>

Strategic Plan Goal Two: *Work with libraries of all types to tell the library story*

Objectives	Activities/Accomplishments
<p>Help member libraries ensure that current/potential customers are aware of all of the programs/services/resources the library has to offer</p>	<p style="text-align: center;">Expanded My Library Is... (MLI) Campaign</p> <p>Conducted individualized surveys of the four types of RAILS libraries (academic, public, school, and specialized) to determine needs not currently being met by the campaign. Shared survey with IHLS to promote to their members. Received 404 responses, mainly from public libraries (245), with higher response from school libraries than we usually get from surveys (118). Analyzed and began implementing survey findings.</p> <p>Continued to work with IHLS to further expand the campaign statewide</p> <p>Continued working with MLI Advisory Group (consisting of staff from all types of libraries) to publicize the campaign and to develop new activities to help libraries prove their value and tell their stories</p>

Objectives	Activities/Accomplishments
	<p>Expanded MLI grant program for school libraries. Hosted two “office hours” sessions to answer questions about the grants and provide attendees with an opportunity to share/vet ideas. Awarded \$78,232.80 in grants to 20 RAILS school libraries.</p> <p>Introduced “Specialized Library Spotlight” video interviews and invited specialized libraries statewide to participate to highlight the valuable work they do. Filmed and publicized 12 spotlights.</p> <p>Enhanced and expanded MLI blog. Recruited regular posts from RAILS members and MLI Advisory Group members to help libraries share best practices.</p> <p>Offered continuing education (CE) opportunities based on member feedback on MLI surveys referenced above, including:</p> <ul style="list-style-type: none"> • “Telling Your Library Story,” three-day virtual course • “Working with the Media Made Easy” • “Powerful Presentations: Data Visualization Techniques for Delivering Effective Slideshows” • “Ultimate Instagram Workshop” <p>Offered MLI online roundtables to help members promote programs/ services more effectively, including:</p> <ul style="list-style-type: none"> • “Canva for Libraries” • “Adobe Suite for Libraries” <p>Conducted/publicized <i>Sparks</i> podcast interview on using data to show the value of the library. (Respondents to MLI surveys referenced above requested information and assistance on using data for advocacy purposes.)</p> <p>Shared information at ILA Marketing Forum Roundtable on how the MLI campaign has successfully helped Illinois libraries share their stories. Promoted options for marketing staff to share resources and best practices via the campaign website.</p> <p style="text-align: center;">Other Activities</p> <p>Responded to a request from two RAILS public library directors to help get more public libraries listed on the 2022 Pace Suburban Bus Map. Using L2, developed a list of libraries near a bus line by county and asked those libraries to enter their information on an online form. The PACE planning department is reviewing the list.</p> <p>Experimented with using Meltwater media monitoring software to</p>

Objectives	Activities/Accomplishments
	<p>track and report on coverage of RAILS and our member libraries by different media sources</p>
<p>Help member libraries prove their value to administrative bodies, funders, elected officials, etc.</p>	<p>Offered CE webinars based on member feedback, including:</p> <ul style="list-style-type: none"> • “Do’s and Don’ts of Library Fundraising” • "Articulating Your Value: Making the Case for Information Services" <p>Publicized ILA Library Legislative meetups and encouraged member library staff and trustees to attend. RAILS staff and board members also attended the meetups as possible.</p> <p>(The activities in the previous and following section also helped us to meet this objective.)</p>
<p>Advocate for and help members advocate for all libraries as they face funding and other challenges</p>	<p>Continued with efforts to gather and analyze data on Illinois school libraries to get a better picture of school library needs in Illinois</p> <ul style="list-style-type: none"> • Hired Data Research Specialist to lead the project • Worked with AISLE, IHLS, ILA, and ISL to include extra questions for school libraries in the FY 2022 annual certification process to get a more accurate picture of school funding and staff; 2023 annual certification will include a revised set of questions for schools to gather better data <p>Initiated and scheduled monthly meetings with representatives from AISLE, Chicago Public Schools (CPS), IHLS, ILA, and ISL to discuss how we could work collaboratively to support school libraries. Presented regular reports on RAILS’ ongoing efforts to collect better data on Illinois school libraries for advocacy purposes.</p> <p>Worked with the RAILS Board Advocacy Committee to identify issues and challenges affecting all types of libraries and initiate local, regional, and/or statewide advocacy efforts to help resolve these issues/ challenges. Topics regularly discussed included challenges faced by school and specialized libraries, library materials challenges, and the ongoing RAILS school library data project.</p> <p>Encouraged all Illinois libraries to take the #FundLibraries Challenge by building something inspiring using books, posting their creation on social media using the hashtag #FundLibraries, and tagging three other libraries and encouraging them to post something as well</p> <p>Encouraged members to support the proposed increase in funding for the System Area and Per Capita program in the Secretary of State’s FY 2023 budget</p>

Objectives	Activities/Accomplishments
	<p>Continued to work with the ILA Public Policy Committee to discuss upcoming legislation of importance to libraries. Kept RAILS libraries informed of important legislative issues.</p> <p>Encouraged members to support American Library Association advocacy initiatives via the <i>RAILS E-News</i>, including:</p> <ul style="list-style-type: none"> • Build America’s Libraries Act to fund library construction and renovation • #FundLibraries to support federal funding increases for libraries

Strategic Plan Goal Three: *Help libraries be the best they can be*

Objectives	Activities/Accomplishments
<p>Continue to provide continuing education (CE) to ensure ongoing staff development for all levels of staff at all types of libraries</p>	<p>Offered consulting/CE on resource sharing, library advocacy, management and practice, and other core service areas identified in the administrative rules as referenced in other sections of this document. Offered training and consulting in other mandated areas as needed.</p> <p>Continued to gather member input on CE needs and implement training to meet those needs. Began using two new post-event surveys to identify the potential impacts of training content.</p> <p>Implemented Moodle Learning Management System, an e-learning platform that tracks learner progress. (A RAILS staffer taught our first Moodle course on the MARC 21 Standard as referenced above.) The RAILS EDI Learning Cohort (see below) will utilize this platform during FY 2023.</p> <p>Partnered with AISLE, IHLS, and other stakeholders to identify training needs for school library staff. Offered joint CE opportunities based on that feedback, including:</p> <ul style="list-style-type: none"> • “System E-Content and E-Resources for Illinois Educators” webinar to promote system e-book/e-audiobook programs, vendor discounts, networking events, and more • “Stop, Look, Listen: Helping Students Spot the Fakes” news literacy program <p>Awarded two CE event grants totaling \$3,500 to support member-driven learning opportunities. Both events were open to all RAILS members.</p> <p>Continued partnership with HR Source to provide CE and discounted membership</p>

Objectives	Activities/Accomplishments
	Continued partnership with Ancel Glink to offer statewide FOIA/OMA hotline
Ensure that all libraries are able to offer the best possible service to their community of users	<p style="text-align: center;">L2 – Library Directory & Learning Calendar</p> <p>Continued to provide statewide leadership for L2. Hosted and maintained L2, made updates, provided user help and support.</p> <p>Applied for and received a grant from ISL to help support our L2 efforts. Established the L2 Governing Group (L2G2), a statewide group of representatives from stakeholder organizations that will provide guidance on the project roadmap and the development of major new features.</p> <p>Continued development work on the “new L2” to implement additional features and enhancements requested by users (including users from RAILS, IHLS, ISL, LLSAPs, and others) and to improve the user experience. Updates included:</p> <ul style="list-style-type: none"> • Adding individual libraries’ certification history • Learning log feature for non-L2 events • Ability to view recorded attendance for L2 events • Access to staff event registrations for users with agency level affiliation • Additional administrative reports • Additions and refinements to the L2 API <p>Continued to contract with Aten Design Group for L2 support and feature development</p> <p style="text-align: center;">Certification</p> <p>Worked with RAILS members to ensure that they completed the certification process</p> <ul style="list-style-type: none"> • Evaluated data gained from 2021 certification process and made necessary changes • Added additional questions for school libraries as specified above • Planned to add additional questions for academic and special libraries in FY 2023
Ensure the ongoing education of library leaders and the development of leadership skills for library staff	<p>Worked with statewide partners to plan/implement Directors University at the Illinois State Library in Springfield</p> <p>Worked with statewide partners to begin planning new Directors 2.0 event for alumni from past Directors University or SPLMI (Statewide</p>

Objectives	Activities/Accomplishments
	<p>Public Library Management Institute) sessions. Over 100 library directors across Illinois applied in the first two weeks of registration. (Actual event took place in FY 2023.)</p> <p>Provided training and networking opportunities to help public library trustees fulfill their roles and develop leadership skills, including:</p> <ul style="list-style-type: none"> • Continued partnership with United for Libraries to provide statewide, online, on-demand trustee training. Publicized training widely. • RAILS staff and board member presented program at ILA virtual conference on how trustees can best lead their libraries without overstepping their authority • Offered “Succession Planning for Trustees” Zoom online roundtable for RAILS public library trustees • RAILS staff and board member participated in ILA Trustee Forum panel discussion on evaluating the library director • RAILS staff member spoke about library board roles and responsibilities at North Chicago Public Library Board of Trustees retreat • Consulted with/attended library board meetings as appropriate to help boards meet legal requirements

Strategic Plan Goal Four: *Prepare libraries for the future*

Objectives	Activities/Accomplishments
<p>Help libraries anticipate, understand, and respond to changing social issues and customer needs</p>	<p style="text-align: center;">General</p> <p>Identified/monitored issues, trends, and challenges affecting RAILS members and provided CE/consulting to help members respond as noted in other sections of this document</p> <p>Continued to develop/expand the Library Pulse pages on the RAILS website to help members respond to current issues and trends. (See other sections of this document for information on specific pulse pages.)</p> <p>Produced regular RAILS <i>Sparks</i> podcasts featuring interviews on current issues/trends affecting libraries as indicated in other sections of this document</p> <p style="text-align: center;">COVID-19 Related Issues</p> <p>Continued providing information and leadership to RAILS members via</p>

Objectives	Activities/Accomplishments
	<p>the COVID-19 Pulse Page on the RAILS website, regular articles in the <i>RAILS E-News</i>, RAILS Member Update sessions, and the RAILS Executive Director’s continued service on the REALM Steering Committee</p> <p>Created a Vaccine Education Toolkit on the COVID-19 Pulse page with resources to help libraries educate their communities about the safety of COVID-19 vaccines</p> <p>Created a “reopening survey” and continuously updated the results in response to many member requests for information about what services other libraries were offering as pandemic restrictions eased</p> <p>Offered CE webinars on pandemic related issues, including:</p> <ul style="list-style-type: none"> • “Latest Guidance on Vaccination and Masking” • “Being an Effective Remote Worker” • “Designing the Post-Pandemic Library” (three-part series) • “The Connected Library: Vetting and Partnering with Social Service Providers” • RAILS staff member participated in panel discussion at ILA virtual conference on the ways the pandemic impacted e-content in libraries <p>Promoted American Rescue Plan Act grant offerings to members to help them recover from and respond to the pandemic</p> <p style="text-align: center;">Equity, Diversity, and Inclusion (EDI) Initiatives</p> <p>Worked with the RAILS Board EDI Committee and subcommittees to promote and foster EDI. Restructured board EDI committees to shift focus to be more strategic and advisory to match other board committees.</p> <p>Launched cohort learning model to engage members in a collective discourse on critical EDI issues. Invited 50 participants at all staff levels and from all types of member libraries to apply. (The cohort will begin in FY 2023.)</p> <p>Added EDI consultants to the RAILS Consulting Directory in response to member requests</p> <p>Created framework for directory to include presenters and entertainers with both an EDI and non-EDI focus, as well as EDI staff trainers</p> <p>Began research on job ads and job descriptions, with a final product to be a web page on the RAILS website with links to resources, templates, checklists, and a general rubric for job descriptions and interview</p>

Objectives	Activities/Accomplishments
	<p>questions</p> <p>Continued the work of the RAILS Climate Team to identify and implement internal best practices and initiatives for RAILS staff</p> <ul style="list-style-type: none"> • Offered mandatory staff EDI training. Conducted survey to gather staff feedback on training and made changes to future training offerings as a result. • Worked on a rubric RAILS staff can use as a guide when selecting partners/vendors and evaluating grant applications. Created a Partnership Evaluation Team which will use the rubric to evaluate partners on an ongoing basis. • Began work on staff engagement/inclusion activities and a refined employee onboarding experience <p>Offered EDI-related CE webinars to RAILS members, including:</p> <ul style="list-style-type: none"> • “Becoming An Upstander” • “Accessibility and Equity, Diversity, and Inclusion in Marketing” <p>Awarded seven EDI Training Grants in July 2021, totaling \$11,800. Promoted these offerings to RAILS members via the <i>RAILS E-News</i> and other communication vehicles. (See info on second round of FY 2022 CE Training Grants above.)</p> <p>Met with ILA Executive Director to ensure that our EDI efforts were in sync and not duplicative</p> <p>(See other sections of this document for additional RAILS FY 2022 EDI activities)</p>
<p>Partner with libraries and other stakeholders to foster an educated, engaged, and civil society</p>	<p style="text-align: center;">Materials Challenges</p> <p>Helped libraries address issues related to materials challenges, including:</p> <ul style="list-style-type: none"> • Launched new Materials Challenges Pulse Page on RAILS website • Offered “Preparing for and Handling Book Challenges” webinar • Offered RAILS online roundtable on the “Ins and Outs of Materials Challenges” • Publicized and indicated strong support for AISLE’s efforts to oppose attempts to censor or remove books from school libraries • Featured discussion of materials challenges at a RAILS member update session <p>(Activities related to helping members with advocacy efforts and the EDI activities referenced throughout this document also helped RAILS meet this objective.)</p>

Objectives	Activities/Accomplishments
<p>Expand access to library resources and services by addressing issues related to unserved and underserved Illinois residents and continuing to work toward a statewide library card</p>	<p>Continued to work with the RAILS Board Universal Service Committee to find and implement solutions to challenges related to the unserved in Illinois</p> <p>Via the Universal Services Committee, asked the RAILS Board to send a statement to ISL about the need for a statewide strategy to make more progress on achieving universal service in Illinois</p> <p>Worked with Universal Service Committee to have Multiple Listing Service include a public library service category as part of real estate listings in the Midwest Real Estate Data service area. Provided a letter of support and asked IHLS, ILA, and ISL to provide letters as well.</p> <p>Worked with Universal Service Committee and Illinois Senator Laura Murphy toward the successful passage of legislation extending the Cards for Kids Act by allowing a public library board to waive the nonresident fee for all persons under the age of 18 (Public Act 102-0843)</p> <ul style="list-style-type: none"> • Worked with RAILS’ attorney to develop FAQ to address member library questions about Public Act 102- 0843 <p>Provided input for and promoted ISL’s revised public library nonresident FAQ</p> <p>Worked on obtaining funding for statewide access to online resources as referenced in e-resources section above</p> <p>Promote BiblioBoard platform (including Inkie.org) as a way to deliver e-content to anyone in Illinois, including the unserved</p> <p>Provided information on intergovernmental agreements (IGA) via the RAILS website, including an IGA template for members to utilize</p> <p>Publicized requirement for library boards to vote annually on participation in the nonresident program and for members to update their participation information via L2</p>

Strategic Plan Goal Five: *Aim to be the best library system in the country*

Objectives	Planned Activities
<p>Fully communicate and engage with members from all types of libraries throughout the RAILS area</p>	<p style="text-align: center;">Member Recruitment</p> <p>Engaged with libraries interested in RAILS membership. Worked with RAILS Board on new member recommendations for approval by ISL.</p>

Objectives	Planned Activities
<p>to ensure they are aware of system programs/ services of benefit to them and to better understand, anticipate, and meet their needs</p>	<p>(See section 3.1 of this annual report for a list of new members added in FY 2022.)</p> <p style="text-align: center;">General Member Communication/Engagement</p> <p>Promoted available programs/services via RAILS communication tools and member encounters</p> <p>Began work on redesigning/rebuilding the RAILS website, with the new site to debut in late calendar year 2022</p> <ul style="list-style-type: none"> • Set up the development webserver • Began Drupal website configuration and content migration in the development environment • Issued request for proposals for design and limited development work for new RAILS website. Contracted with Aten Design Group in June 2022. • Conducted survey to gather member feedback on current use of the RAILS website <p>Conducted survey to determine how we could make the <i>RAILS E-News</i> a more effective communication tool as referenced below</p> <p>Expanded use of video to promote RAILS programs/services to different audiences</p> <p>Visited as many member libraries throughout the RAILS area as possible either in person or virtually. (See more information in section 3.4 of this annual report.)</p> <p>Scheduled RAILS member updates to share the latest RAILS and other library-related news with members</p> <p>Sent all new RAILS library directors a welcome communication to acquaint them with system programs/services</p> <p>Offered all new library directors “New Director Welcome” online discussions to help them learn more about RAILS programs/services, Held 13 discussions in FY 2022.</p> <p>Exhibited at library conferences (virtually and in person), including conferences for different types of libraries and different levels of library staff, including:</p> <ul style="list-style-type: none"> • AISLE in-person conference – 129 booth visitors • IDEAcon (Illinois Digital Educators Alliance conference), in-person – 120 booth visitors • ILA virtual conference – 40 virtual booth visitors

Objectives	Planned Activities
	<ul style="list-style-type: none"> • Reaching Forward (in person) – 218 booth visitors • Reaching Forward South (in person) – 18 booth visitors <p>Presented programs at library-related conferences as appropriate to promote RAILS programs/services and the benefits of those programs/services for different types of RAILS libraries and different levels of RAILS staff. (See other sections of this document for information on specific programs.)</p> <p>Sponsored library-related conferences, including:</p> <ul style="list-style-type: none"> • AISLE annual conference • ILA annual conference • Reaching Forward South • Reaching Forward <p style="text-align: center;">Multitype Communication/Engagement</p> <p>Invited academic, school, and specialized libraries to schedule a 30-minute Zoom session to learn about RAILS programs/services of specific interest to their library type. Held four sessions.</p> <p>Regularly communicated important information for academic, school, and specialized libraries via the <i>RAILS E-News</i> and type of library mailing lists, including information about RAILS programs/services, ISL information for specific library types, and information from other associations/organizations (CE, upcoming conferences, etc.)</p> <p>Provided information on RAILS offerings for academic libraries at several events sponsored by the LIBRAS Consortium of 20 private college and university libraries located in the Chicago metropolitan area, including:</p> <ul style="list-style-type: none"> • Fall 2021 LIBRAS Directors’ meeting • Spring 2022 LIBRAS Directors’ meeting • LIBRAS annual meeting <p>Offered one-to-one Zoom meetings for school library staff new to RAILS or needing a refresher on services available to school libraries. Conducted 13 sessions.</p> <p>Gave a variety of in-person and virtual presentations on RAILS programs/services for school library staff, including:</p> <ul style="list-style-type: none"> • Presentation at Chicago Public Schools District Librarians meeting • Presentation at AISLE Librarians in the South Suburbs Chapter meeting • “What Is RAILS? Library Systems and More” presentation to school libraries class at Dominican University

Objectives	Planned Activities
	<ul style="list-style-type: none"> • “How RAILS Can Help Your School Library Thrive” at Lake County Regional Office of Education Summer Professional Learning event for K-12 teachers, instructional coaches, teacher leaders, administrators, support staff and other educators <p>Exhibited at conferences of interest to school libraries, including:</p> <ul style="list-style-type: none"> • Supported and participated in AISLE annual conference as referenced above • Exhibited at IDEACon as referenced above • Staffed table at Kane County Institute Day to connect with teachers, principals, librarians, and others <p>Received 2021 AISLE Pillar award for RAILS’ “distinguished and exceptional service and contribution to AISLE and the school library community”</p> <p>Helped address issues/challenges affecting specialized libraries via RAILS’ Member Engagement Manager serving on the SLA Illinois Board of Directors, including beginning his term as President in January 2022</p> <ul style="list-style-type: none"> • Helped plan 2022 virtual SLA Midwest Symposium • Helped organize Leadership & Management Development Community booth at 2021 SLA virtual annual conference <p>Participated in Specialized Libraries Career Panel hosted by the University of Illinois Urbana-Champaign’s School of Information Studies. Approximately 10 students attended to learn more about careers in specialized libraries.</p> <p>Gave presentation about RAILS at the 2021 virtual Health Science Librarians of Illinois (HSLI) Conference. Approximately 30 people attended.</p> <p style="text-align: center;">Social Media Communication/Engagement</p> <p>Regularly utilized RAILS social media tools (Facebook, Twitter, Instagram, LinkedIn) to communicate with and engage members</p> <p>Invited library staff to share unique items from their collections via the #CollectionChallenge. A total of 68 libraries participated via Instagram, 65 libraries participated via Twitter, and 45 libraries participated via Facebook.</p>
Continuously evaluate RAILS programs and services to ensure that they are having an impact and	Conducted survey to gather feedback on how we could make the weekly <i>RAILS E-News</i> a more effective communication tool. Received 479 responses. Began making changes to the <i>E-News</i> based on feedback received.

Objectives	Planned Activities
<p>are helping to create the best possible future for all of our libraries</p>	<p>See information about other surveys RAILS conducted throughout the year to gather member feedback throughout this document, including the My Library Is... surveys, post CE event surveys, COVID-19 Reopening Survey, and the survey to gather feedback re the new RAILS website.</p> <p>Continued to solicit member feedback via other RAILS communication tools and member encounters. Made changes to RAILS programs/services based on member input as appropriate.</p> <p>Hired a Data Research Specialist and continued with efforts to gather and analyze data on Illinois school libraries as referenced above</p> <p>Continued to grow and develop Data in Libraries Pulse Page with dashboards, maps, and other data resources</p> <p>Conducted RAILS online roundtable on “Go-To Databases”</p> <p>Other data-related activities are described elsewhere in this document and include:</p> <ul style="list-style-type: none"> • Developed a new strategic plan with measurable objectives • Continued development of L2 • Evaluation and analysis of ISL e-book grant project • Recording a <i>Sparks</i> podcast interview on how libraries can use data to show their value
<p>Recruit and engage a RAILS Board that is representative of the system membership and that creates and models best practices for board leadership</p>	<p>Communicated regularly with board through board mailing list and other means</p> <p>Kept board informed about important issues for RAILS and for libraries of all types</p> <p>Conducted orientation session for new RAILS Board members. Invited existing board members to attend for a refresher.</p> <p>Continued to promote and encourage diversity on the RAILS Board</p> <ul style="list-style-type: none"> • Advertised for board candidates that reflected the diversity of the RAILS membership in terms of race, ethnicity, age, geographic location, staff position, background, and other factors • In the FY 2022 board election, one-third of all library staff candidates held positions other than library director, and 29% of all candidates’ race/ethnicity was non-white. • Began work on EDI policies for the RAILS Employee Handbook to provide a framework for revising our board recruitment and election process

Objectives	Planned Activities
	Supported/encouraged board members' conference/meeting attendance as appropriate
Ensure that all aspects of the RAILS organization use and model best practices in all that we do	<p>Modeled effective EDI practices for members by sharing information on the RAILS' activities detailed in other sections of this document</p> <p>See other sections of this document for activities related to modeling best practices, including modeling innovative ways for members to share resources (Inkie.org, Find More Illinois, Explore More Illinois, etc.); modeling effective ways to tell the library story; modeling effective ways to evaluate the impact of programs/services; etc.</p>
Deliver on the promise of organizational excellence by being agile, innovative, future-oriented, and member-focused	<p>Developed a new RAILS Strategic Plan that was passed by the RAILS Board on January 28, 2022, including new mission and vision statements</p> <ul style="list-style-type: none"> • Hired a consultant to help with the process • Formed a steering committee composed of RAILS staff, board members, and staff from members libraries of all types to help guide the process • Communicated regularly with RAILS Board, staff, and members throughout the process and solicited their feedback • Conducted a series of town halls and focus groups to get as much feedback on the new plan from members as possible. Obtained feedback from over 1,000 members. • Publicized the new plan via a variety of RAILS communication tools and member encounters • Conducted podcast with consultant RAILS used to develop strategic plan, including advice on strategic plans in general • Conducted podcast on RAILS strategic plan <p style="text-align: center;">Support & Develop RAILS Staff</p> <p>Recruited RAILS staff as needed to meet roles specified in administrative rules and to support strategic plan goals and objectives. Actively sought staff diversity in terms of race, ethnicity, sexual orientation, gender identify, and other factors.</p> <p>Encouraged/supported professional development for staff</p> <p>Held regular staff meetings to keep all staff informed of the latest RAILS developments and to help staff at different service centers engage with each other. Conducted survey of staff to determine how we might increase the effectiveness of staff meetings.</p> <p>Continued to develop and promote a RAILS Staff EDI Initiative as referenced above. Began work on EDI policies for inclusion in the RAILS</p>

Objectives	Planned Activities
	<p>Employee Handbook.</p> <p>Developed/revised COVID policies and guidelines to meet changing conditions in the outside world and to keep staff as safe as possible</p> <ul style="list-style-type: none"> • Met with IHLS on vaccination and testing procedures to learn more about their policies to determine what we might implement • Continued to update best practice and procedures in keeping with updated recommendations from the CDC and public health departments. <p style="text-align: center;">Maintain Robust Technology Infrastructure</p> <p>Performed necessary infrastructure work, including replacing host and storage servers and remote location routers</p> <p>Completed the ongoing projects to distribute new staff laptops and to transition to Office 365 for staff email</p> <p>Investigated and implemented new Zoom telephone system</p> <p>Moved forward on development of a delivery app, and rolled out iPads and app to delivery staff</p> <p>After a period of development and testing, launched a new HR App to streamline the entire RAILS recruitment process</p> <p>Continued providing subsidized Zoom and conference calling accounts to appropriate RAILS member groups</p> <p>Laid the groundwork to address new requirements related to cybersecurity, such as requiring multi-factor authentication</p> <p>Checked with all member library locations that have been housing RAILS Polycom equipment to see if they were still willing to serve as a videoconference location. (We will use FY 2023 as a learning year before purchasing new equipment or finding new locations to see if libraries continue to prefer Zoom meetings.)</p>
<p>Engage in innovative projects on a statewide, national, and international level and help RAILS members model these projects for their community of users</p>	<p>See other sections of this document for additional information on innovative statewide projects, including Find More Illinois, Inkie.org, Explore More Illinois, My Library Is... campaign, L2, etc.</p>

Objectives	Planned Activities
<p>Provide excellent stewardship of RAILS financial resources to ensure maximum benefit to member libraries, library users, and Illinois taxpayers</p>	<p>Identified and implemented structural changes, expense reductions, and revenue increases to eliminate a deficit budget by June 30, 2022</p> <ul style="list-style-type: none"> • Worked with other partners/stakeholders to advocate for an increase in the Area and Per Capita grant • Identified RAILS budget items/projects where we could ask for ISL funding assistance, including L2 and the World Language Cataloging Program • Conducted internal restructuring to reduce expenditures, including in the HR/Finance Department • Worked with LLSAPs to develop ways to restructure LLSAP financial support (to take effect in FY 2023) • Monitored FY 2022 expenses very closely with the goal of ending the year under budget • Reviewed Delivery Outsourcing RFP responses and the potential impact of our decisions on facility and other costs <p>Closely monitored RAILS investments and made changes as appropriate</p> <p>Continued to investigate and find efficiencies and cost savings, primarily through the budgeting and financial reporting processes, for RAILS operations</p>
<p>Maintain a research and development role to provide leadership and innovation to help members provide the best possible service to their customers</p>	<p>See other sections of this document for activities related to research and development, including our work with GeoMARC, evaluation/data activities, etc.</p>

1.2 By 2022, libraries shall evaluate and report to the library system regarding the library's plans to provide and maintain access to its new acquisitions via a Local Library System Automation Program (LLSAPS) or a shared bibliographic database, if such access is not already available via a shared database. 23 Ill. Adm. Code 3030.200 (a) (2) (N).

At June 30, 2022, how many member library agencies provide and maintain access to their new acquisitions via an LLSAP, a shared integrated library system or other shared consortial catalog?

	Participation in an LLSAP or shared consortial catalog
Academic Library Agencies	106
Public Library Agencies	378
School Library Agencies	217
Special Library Agencies	104
TOTAL	805

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	21
Notes to Financial Statements	22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	42
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	43
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund	45
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Expenditures – Budget and Actual	
Administration - General Fund Subfund	48
LLSAP - General Fund Subfund	51
Delivery - General Fund Subfund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Projects Fund	55

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

September 12, 2022

Members of the Board of Directors
Reaching Across Illinois Library System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reaching Across Illinois Library System (RAILS), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise RAILS' 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of RAILS, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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. Our responsibilities under those 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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' ability to continue as a going concern for twelve 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 generally accepted 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 generally accepted 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' 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' 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension reporting, as 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' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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, other supplementary information is 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 12, 2022 on our consideration of RAILS' 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 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' 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' internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reaching Across Illinois Library System

Management's Discussion and Analysis

June 30, 2022

As the management of the Reaching Across Illinois Library System (RAILS), we offer readers of the RAILS financial statements this narrative overview and analysis of the financial activities of RAILS for the fiscal year ended June 30, 2022. RAILS formed on July 1, 2011 as a merger of five previously existing library systems, so these activities represent RAILS' eleventh year of operations. Comparative data to RAILS' prior year of operations, ended June 30, 2021 is presented. This analysis is intended to be an easily readable overview of current year 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 new 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 \$31,095,178 (net position) at the close of the fiscal year. The total net position for RAILS increased \$2,280,777 from the June 30, 2021 amount, primarily from an increase in IMRF pension plan earnings.
- Of the net position amount, \$6,756,192 is restricted for IMRF pension items, consisting of a net pension asset of \$15,081,150 and deferred outflows of resources (\$135,610), partially offset by deferred inflows of resources (\$8,460,568). The net amounts restricted for pension items increased \$2,532,209 from the prior year amounts. The investment in capital assets, net of any debt used to acquire those assets, is \$1,649,264. The remaining balance of \$22,689,722 is unrestricted and available to fund future operations.
- Total governmental funds reported an end of the year fund balance of \$22,865,960, a decrease of \$93,777 from the prior year-end funds balance. Cash and investments were \$23,434,969, an increase of \$98,078 from the prior year-end funds balance. The General Fund cash and investments balance of \$21,066,541 would be an amount sufficient to fund approximately 20 months of General Fund expenditures. In addition, RAILS has a \$2,368,428 balance in its Capital Projects fund that could be reassigned, if necessary, to fund operations.
- Governmental funds reported a combined total of \$12,441,340 in revenues and \$13,078,243 in expenditures. Area and Per Capita (APC) Grant revenues, RAILS' primary source of revenues, were \$9,985,530, the entire amount awarded for fiscal year 2022.
- Some of RAILS's planned travels and conferences were curtailed or greatly modified due to the continuance of the COVID-19 pandemic.
- Payment timing from the State for the APC grant remained significantly improved during fiscal year 2022. The entire amount (\$9,985,530) of the fiscal year 2022 award was received by May for the second fiscal year in a row.
- During fiscal year 2022, the budget was not amended. Two grants were awarded subsequent to the budget preparation but were not incorporated into an amended budget.
- The General Fund's total revenues of \$12,441,340 were \$119,839 above the final budget, primarily due to the receipt of \$85,742 of two additional grants for the continued development and maintenance of L2 and specialized cataloging for special languages and special formats.

- Total General Fund expenditures of \$13,015,376 were above the final budget by \$213,705 due primarily to above budget Capital Outlays for leases from the implementation of GASB 87 (\$543,126), partially offset by below budget Contractual Services expenditures (\$291,891).
- RAILS completed the eighth year of its contract for statewide delivery between academic libraries. This contract became effective on July 1, 2016 and was renewed for a three-year period effective July 1, 2019.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

RAILS' financial statements present two kinds of statements, each with a different snapshot of its finances. The financial statement's 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' accountability.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of RAILS' 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 vacation leave).

Both of the government-wide financial statements distinguish functions of RAILS that are principally supported by operating grants, capital 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 relating to public, academic, school and special libraries; 2) Delivery; 3) the administration of the eRead Illinois program; 4) RAILS' group purchases; 5) LLSAP (Local Library System Automation Program) support; 6) the Find More Illinois system, which was introduced during late fiscal year 2018 and expanded in fiscal year 2019; 7) the L-2 Replacement and Ongoing Maintenance Project grant; 8) the Catalog Support grant. LLSAPs are shared online catalog provider entities (CCS, Pinnacle Library Cooperative, PrairieCat, Rock River Library Consortium, RSA NFP and SWAN) that RAILS helps support. 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 fiscal years 2022 and 2021, 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 to be major funds. LLSAP and Delivery support data are shown in the Supplementary Financial Statements as subsets of the General Fund.

RAILS adopts an annual budget for its General and Capital Projects Funds in conjunction with its annual Area and Per Capita 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 2021.

Proprietary Funds

RAILS is recording 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 2022, 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' 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' financial position. Prior year data (RAILS' tenth year of operations, fiscal year 2021) is shown. The following table reflects the condensed Statement of Net Position as of June 30, 2022:

Table 1
Governmental Activities

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 23,972,497	\$ 23,812,450
Capital assets	2,217,261	1,820,999
Net pension assets, IMRF	15,081,150	9,528,749
Deferred outflows, IMRF	135,610	62,999
Total Assets & Def. Outflows	<u>41,406,518</u>	<u>35,225,197</u>
Long-term liabilities	524,430	152,042
Other liabilities	1,326,342	890,723
Deferred inflows, IMRF	8,460,568	5,367,765
Total Liabilities	<u>10,311,340</u>	<u>6,410,530</u>
Invested in capital assets	1,649,264	1,820,999
Restricted – IMRF Pension	6,756,192	4,223,983
Unrestricted	<u>22,689,722</u>	<u>22,769,685</u>
Total Net Position	<u>\$ 31,095,178</u>	<u>\$ 28,814,667</u>

The governmental activities end-of-year total net position was \$31,095,178. Current and other assets primarily consisted of cash and investments (\$23.4 million). Long-term liabilities were the liability for compensated absences and leases payable. Other liabilities consisted primarily of due to other governments (\$0.5 million), accounts payable and accrued liabilities (\$0.2 million), leases payable (\$0.2 million), and accrued payroll (\$0.2 million).

Although 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), the net change in the amounts pertaining to these various IMRF pension items was an increase of \$2,532,209 from the prior year. This increase accounted for 100.0% of the \$2,280,511 increase in net position. A net pension asset of \$15,081,150 was recorded as of June 30, 2022 compared to a net pension asset of \$9,528,749 as of June 30, 2021. A deferred inflow of \$8,460,568 was recorded as of June 30, 2022 compared to the prior year deferred inflow of \$5,367,765, and the deferred outflow of \$135,610 was increased from a prior year deferred outflow of \$62,999.

The amounts invested in capital assets decreased by \$171,735 due to depreciation expense of \$409,760 less than offsetting purchases of \$605,993, primarily of computers and one vehicle. RAILS deferred some capital expenses for computers and vehicles due to supply chain issues caused by the pandemic.

Current and other assets increased \$0.2 million from the prior year-end amount. This was due primarily to an increase accounts receivable (\$0.1 million) as well as an increase in cash and investments (\$0.1

million). Cash and investments increased primarily from the fiscal year 2022 collection of \$0.1 million of June 30, 2021 receivables due from other governments. Accounts receivable increased primarily due to the later billing on behalf of the Electronic Content Consortium, an eBook consortium that RAILS provides limited accounting services for.

The following table summarizes the government-wide statement of changes in net position for the years ended June 30, 2022 and June 30, 2021:

Table 2
Governmental Activities

	2022	2021
REVENUES		
Program Revenues:		
Charges for Services	\$ 2,336,784	\$ 2,078,752
Operating Grants	10,083,435	10,410,459
Total Program Revenues:	12,420,219	12,489,211
Investment Income	2,853	24,938
Miscellaneous	2,550,477	1,941,224
Total Revenues	<u>14,973,549</u>	<u>14,455,373</u>
EXPENSES		
Administration	4,074,763	4,015,339
L-2 Replacement Project	63,642	117,368
Census 2020	-	235,823
Catalog Support	16,265	-
Find More Illinois	151,402	108,516
eRead Illinois	378,754	358,128
eBook Grant	-	125,000
Group Purchases	1,355,719	1,188,409
Delivery	4,338,820	3,845,852
LLSAP	2,313,407	2,277,167
Total Expenses	<u>12,692,772</u>	<u>12,271,602</u>
Increase (Decrease) in net position before contributions and transfers	2,280,777	2,183,771
Prior Period Adjustment	(266)	-
Beginning Net Position as Restated	<u>28,814,401</u>	<u>26,630,896</u>
Total Net Position	<u>\$ 31,095,178</u>	<u>\$ 28,814,667</u>

RAILS' total revenues for fiscal year 2022 were \$14,973,549, an increase of \$518,176, or 3.6%, from the prior year, due to an increase in miscellaneous revenues (\$609,253), of which \$618,770 consisted of the net increase in IMRF pension items, and a \$258,032 increase in charges for services. Partially offsetting these increases were a \$327,024 decrease in operating grants and a \$22,085 decrease in investment income. Operating grants decreased as revenues of two grants – the Census 2020 Program, initially awarded for fiscal year 2020 and extended into fiscal year 2021, terminated and the eBook Program terminated. An additional grant, the Specialized Cataloging Program, awarded during fiscal year 2022, partially offset these decreases. Investment income decreased primarily due to the investment in a series of ladder Treasury Notes, the market value of which varies significantly over the fiscal year but gradually increases to the face value as individual maturities are reached. Charges for Services increased due primarily to group purchase increases, due primarily to the growth of the program and additions of new vendors.

RAILS' fiscal year 2022 expenses totaled \$12,692,772, an increase of \$421,170 from fiscal year 2021 expenses, primarily from increased delivery expenses (\$492,968), increased group purchases expenses (\$167,310), partially offset by lower Census 2020 and eBook grant project expenses (\$360,823). Delivery expenses increased due to the implementation of GASB 87 for leases (\$423,018) as well as the increase in vehicle costs for fuel and repairs (\$182,596), the result of increased market-wide fuel prices as well as the aging of the delivery fleet. Group purchases expenses increased due to the growth of the program and the addition of new vendors. The Census 2020 and eBook grants were discontinued in fiscal year 2022.

Financial Analysis of RAILS' Funds

For the fiscal year ended June 30, 2022, the governmental funds had a combined fund balance of \$22,865,960, of which \$20,511,792 was within the General Fund, which is the main operating fund of RAILS, and \$2,354,168 within the Capital Projects Fund. Revenues of \$12,441,340, consisting entirely of operating revenues, were \$119,839 above the final budget primarily from the unbudgeted additions of three grants for the continued development and maintenance of L-2, specialized cataloging, as well as a grant from FEMA related to pandemic related mitigation expenditures.

Expenditures of \$13,078,243 were \$2,075 above budget due to higher General Fund (\$213,705) partially offset by below budget Capital Projects Fund (\$211,633) expenditures.

General Fund expenditures were above budget due primarily to above budget Capital Outlays related to the implementation of GASB 87 (\$543,126), Vehicle Expenditures (\$92,316), and Library Materials (\$77,749), partially offset by below budget Contractual Services (\$291,891), Travel and Continuing Education (\$127,872), and Professional Services (\$88,532).

Capital Outlays were above budget due to the expenditures that were recorded for the implementation of GASB 87 during fiscal year 2022. These expenditures are offset by revenues and do not affect fund balance.

Vehicle expenditures were above budget mainly due to above budget fuel costs from the pandemic and the war in the Ukraine (\$58,409), as well as high than expected vehicle repairs due to the market wide shortage of new vehicles to replace our aging fleet.

Library Materials were above budget mostly due to the growth of the group purchase program, specifically the EBSCO group purchase as well as the addition of several new vendors.

Contractual Services was below budget primarily due to lower catalog membership grant awards (\$108,492), the renegotiation of the BiblioBoard platform fees that resulted in a savings (\$91,886), and lower delivery expenditures (\$40,801) due to fewer deliveries to academic institutions.

Travel and Continuing Education expenditures were nearly 63% below budget as RAILS greatly reduced out-of-state travel during fiscal year 2022, in-state travel was significantly reduced, and there were no educational events held at RAILS' facilities, due to pandemic restrictions. Training events conducted were via webinars and ZOOM for the majority of the year with travel resuming very close to the end of the fiscal year.

Professional Services expenditures were under budget primarily due to the deferral of the website redesign (\$50,000) as well as the bulk of the expenditures for the specialized cataloging grant that was awarded for fiscal year 2022 and extended into fiscal year 2023.

There were several capital outlays during fiscal year 2022 for computers and one vehicle, but RAILS deferred the remainder until fiscal year 2023 due to market wide shortages from the pandemic.

The following table summarizes General Fund actual and budget net changes in fund balance for the years ended June 30, 2022 and June 30, 2021:

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

	Fiscal Year 2022		Fiscal Year 2021	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:				
State Grants	\$ 9,985,530	\$ 9,985,530	\$ 9,985,530	\$ 15,348,030
Other	2,335,971	2,455,810	2,242,916	2,131,478
Total revenues	<u>12,321,501</u>	<u>12,441,340</u>	<u>12,228,446</u>	<u>17,479,508</u>
Expenditures and Transfers:				
Expenditures - Current	12,801,668	13,015,376	12,211,009	11,600,727
Expenditures - Capital Outlay	-	-	-	-
Total expenditures	<u>12,801,668</u>	<u>13,015,376</u>	<u>12,211,009</u>	<u>11,600,727</u>
Excess (Deficit) of Revenues over Expenditures	(480,167)	(574,036)	17,437	5,878,781
Other Financing Sources	-	543,126	-	-
Net Change in Fund Balance	<u>\$ (480,167)</u>	<u>\$ (30,910)</u>	<u>\$ 17,437</u>	<u>\$ 5,878,781</u>

During fiscal year 2022, there were no amendments to the budget.

There were no fiscal year 2021 revenues from other financing sources, but, due to the implementation of GASB 87 during fiscal year 2022, lease proceeds of \$543,126 were recorded for the current fiscal year. RAILS, beginning in fiscal year 2016, accounts for all capital outlays within the Capital Projects Fund.

Capital Assets

At the end of fiscal year 2022, RAILS Governmental activities had net capital assets of approximately \$2.2 million, \$0.4 million above the prior year amounts. Of this amount, approximately \$1.4 million was infrastructure (land and buildings and improvements), leased property was \$0.6 million, vehicles were \$0.2 million and computers and equipment approximated \$0.1 million. There were several capital expenses made in fiscal year 2022 for computers and one vehicle with other such expenses deferred due to market shortages from the pandemic.

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 northern and western Illinois. RAILS serves approximately 1,300 public, private, university, and school library members, representing more than 4,200 library facilities in a 27,000 square mile area, and delivers approximately 9 million items between member libraries each year. The funding of RAILS' operations is primarily through the Illinois State Area and Per Capita Grant. The severe budgetary impasses, 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 2021, 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 and 2022 funding significantly improved to the extent that RAILS received its entire awarded fiscal year funding within the years to which it pertained.

CONTACTING RAILS' FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Statement of Net Position

June 30, 2022

See Following Page

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 23,434,969
Receivables - Net of Allowances	
Accounts	288,312
Other	18,950
Prepays	230,266
Total Current Assets	<u>23,972,497</u>
Noncurrent Assets	
Capital Assets	
Non-Depreciable	107,000
Depreciable	6,212,788
Accumulated Depreciation	<u>(4,102,527)</u>
Total Capital Assets	2,217,261
Other Asset	
Net Pension Asset - IMRF	<u>15,081,150</u>
Total Noncurrent Assets	<u>17,298,411</u>
Total Assets	41,270,908
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>135,610</u>
Total Assets and Deferred Outflows of Resources	<u>41,406,518</u>

The notes to the financial statements are an integral part of this statement.

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 236,356
Other Payable	146,844
Due to Other Governments	520,764
Accrued Liabilities	19,974
Accrued Payroll	182,599
Compensated Absences Payable	35,248
Leases Payable	184,557
Total Current Liabilities	<u>1,326,342</u>
Noncurrent Liabilities	
Compensated Absences Payable	140,990
Leases Payable	383,440
Total Noncurrent Liabilities	<u>524,430</u>
Total Liabilities	<u>1,850,772</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>8,460,568</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,311,340</u>
NET POSITION	
Investment in Capital Assets	1,649,264
Restricted - IMRF Pension	6,756,192
Unrestricted	<u>22,689,722</u>
Total Net Position	<u><u>31,095,178</u></u>

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Statement of Activities

For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expenses)/
		Charges for Services	Operating Grants/ Contributions	Revenues and Change in Net Position Governmental Activities
Governmental Activities				
Culture and Recreation				
Administration	\$ 4,074,763	19,504	9,997,693	5,942,434
eRead Illinois	378,754	349,750	-	(29,004)
Group Purchases	1,355,719	1,354,930	-	(789)
L-2 Project	63,642	-	68,022	4,380
Catalog Support	16,265	-	17,720	1,455
Find More Illinois	151,402	26,600	-	(124,802)
Delivery	4,338,820	547,092	-	(3,791,728)
LLSAP Support	2,313,407	38,908	-	(2,274,499)
Total Primary Government	<u>12,692,772</u>	<u>2,336,784</u>	<u>10,083,435</u>	<u>(272,553)</u>
General Revenues				
				2,853
				<u>2,550,477</u>
				<u>2,553,330</u>
				Change in Net Position 2,280,777
				Net Position - Beginning as Restated <u>28,814,401</u>
				Net Position - Ending <u><u>31,095,178</u></u>

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Balance Sheet - Governmental Funds June 30, 2022

	General	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 21,066,541	2,368,428	23,434,969
Receivables - Net of Allowances			
Accounts	288,312	-	288,312
Other	18,950	-	18,950
Prepays	230,266	-	230,266
Total Assets	21,604,069	2,368,428	23,972,497
LIABILITIES			
Accounts Payable	222,096	14,260	236,356
Other Payable	146,844	-	146,844
Due to Other Governments	520,764	-	520,764
Accrued Liabilities	19,974	-	19,974
Accrued Payroll	182,599	-	182,599
Total Liabilities	1,092,277	14,260	1,106,537
FUND BALANCES			
Nonspendable	230,266	-	230,266
Assigned	-	2,354,168	2,354,168
Unassigned	20,281,526	-	20,281,526
Total Fund Balances	20,511,792	2,354,168	22,865,960
Total Liabilities and Fund Balances	21,604,069	2,368,428	23,972,497

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

June 30, 2022

Total Governmental Fund Balances	\$ 22,865,960
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 funds.	2,217,261
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	15,081,150
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(8,324,958)
Long-term liabilities/(assets) are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable Leases Payable	(176,238) <u>(567,997)</u>
Net Position of Governmental Activities	<u><u>31,095,178</u></u>

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2022

	General	Capital Projects	Totals
Revenues			
State Grants			
Area and Per Capita	\$ 9,985,530	-	9,985,530
Other State Grants	85,742	-	85,742
Federal Grants	12,163	-	12,163
Fees for Services and Materials	981,854	-	981,854
Reimbursements	1,366,649	-	1,366,649
Interest Income	2,853	-	2,853
Miscellaneous	6,549	-	6,549
Total Revenues	<u>12,441,340</u>	<u>-</u>	<u>12,441,340</u>
Expenditures			
Current			
Culture and Recreation			
Personnel	5,894,724	-	5,894,724
Library Materials	1,728,949	-	1,728,949
Buildings and Grounds	303,652	-	303,652
Vehicles	622,439	-	622,439
Travel and Continuing Education	93,192	-	93,192
Public Relations	5,313	-	5,313
Commercial Insurance	40,636	-	40,636
Supplies, Postage and Printing	276,365	-	276,365
Telephone and Communications	117,397	-	117,397
Equipment Rental, Repair and Maintenance	94,502	-	94,502
Professional Services	241,769	-	241,769
Contractual Services	2,836,303	-	2,836,303
Professional Association and Membership Dues	10,170	-	10,170
Miscellaneous	11,491	-	11,491
Capital Outlay	543,126	62,867	605,993
Debt Service			
Principal Retirement	175,424	-	175,424
Interest and Fiscal Charges	19,924	-	19,924
Total Expenditures	<u>13,015,376</u>	<u>62,867</u>	<u>13,078,243</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(574,036)	(62,867)	(636,903)
Other Financing Sources - Lease Proceeds	543,126	-	543,126
Net Change in Fund Balances	(30,910)	(62,867)	(93,777)
Fund Balances - Beginning	<u>20,542,702</u>	<u>2,417,035</u>	<u>22,959,737</u>
Fund Balances - Ending	<u>20,511,792</u>	<u>2,354,168</u>	<u>22,865,960</u>

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (93,777)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	605,993
Depreciation Expense	(409,760)
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Increase to Net Pension Asset	5,552,401
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(3,020,192)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Compensated Absences Payable	13,814
Issuance of Leases Payable	(543,126)
Retirement of Leases Payable	175,424
Changes in Net Position of Governmental Activities	<u>2,280,777</u>

The notes to the financial statements are an integral part of this statement.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 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 State of America, as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing governmental accounting and financial reporting principles for state and local governments through its pronouncements (Statements and Interpretations). The more significant of RAILS’ accounting policies are described below.

REPORTING ENTITY

RAILS’ financial reporting entity comprises the following:

Primary Government:	Reaching Across Illinois Library System (RAILS)
---------------------	---

In determining the financial reporting entity, RAILS complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with RAILS. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

RAILS has a board elected by their members, the power to self-govern, the authorization to expend funds, the responsibility to designate management, and the ability to prepare and modify the annual budget and issue debt. Therefore, RAILS is not included as a component unit of any other entity.

BASIS OF PRESENTATION

Government-Wide Statements

RAILS’ basic financial statements include both government-wide (reporting RAILS as a whole) and fund financial statements (reporting RAILS’ major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. RAILS’ culture and recreation activities and general administration are all classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis by column. RAILS’ net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. RAILS first utilizes restricted resources to finance qualifying activities.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of RAILS' function (culture and recreation). This function is supported by general government revenues (interest income and miscellaneous income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (interest income and miscellaneous income, etc.).

This government-wide focus is more on the sustainability of RAILS as an entity and the change in RAILS' net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of RAILS are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. A fund is considered major if it is the primary operating fund of RAILS or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by RAILS:

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of RAILS:

General Fund is the general operating fund of RAILS. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of capital assets. The Capital Projects Fund, a major fund, accounts for future capital improvements of RAILS.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are interest revenue and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying the susceptible to accrual concept to intergovernmental revenues (federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of those revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to RAILS; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

RAILS reports unearned revenue and unavailable revenue on its financial statements, as applicable. Unavailable revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by RAILS before it has a legal claim to them or prior to the provision of services, 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 liability and deferred inflows of resources, as applicable, for unearned and unavailable revenue are removed from the balance sheet and revenue is recognized.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agents. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, RAILS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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; Level 3 inputs are significant unobservable inputs. All of RAILS' investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers, as applicable. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays are valued at cost. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original minimum cost of \$5,000 and an estimated useful life in excess of one year are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

General capital assets are long-lived assets of RAILS as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20 - 50 Years
Furniture, Fixtures, Equipment and Computers	5 - 10 Years
Vehicles	5 - 8 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

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.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of "restricted."

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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 Manager prepares and submits 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.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The General Fund had an excess of actual expenditures over budget of \$213,708 as of the date of this report.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

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."

Permitted Deposits and Investments – Statutes authorize 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 same 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 Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements

June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The 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.

Interest Rate Risk, Credit Risk, Concentration Risk and Custodial Credit Risk

At year-end, the carrying amount of RAILS' deposits totaled \$19,596,733 and the bank balances totaled \$19,807,525. In addition, RAILS has \$30,379 invested in the Illinois Funds at year-end and \$3,807,857 in IPRIME with an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, RAILS limits its exposure to interest rate risk to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

Credit Risk. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. RAILS limits its exposure to credit risk by primarily investing in the Illinois Funds, insured certificates of deposit, and collateralized money market funds. RAILS' investment in the Illinois Funds and IPRIME was rated AAAM by Standard & Poor's.

Concentration Risk. This is the risk of loss attributed to the magnitude of RAILS' investment in a single issuer. RAILS' 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).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, RAILS' deposits may not be returned to it. To guard against custodial credit risk for deposits, RAILS' investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount equal to the uninsured deposits with the collateral held by a third party acting as the agent of RAILS. At year-end, the entire bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, RAILS will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the policy of RAILS to require 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' agent separate from where the investment was purchased. At year-end, RAILS' investments in the Illinois Fund and IPRIME is not subject to custodial credit risk.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 107,000	-	-	107,000
Depreciable/Amortized Capital Assets				
Buildings and Improvements	3,214,855	-	-	3,214,855
Furniture, Fixtures, Equipment and Computers	947,578	51,867	-	999,445
Vehicles	1,235,636	11,000	-	1,246,636
Leased Property (Intangible Asset)	208,726	543,126	-	751,852
	<u>5,606,795</u>	<u>605,993</u>	<u>-</u>	<u>6,212,788</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvements	1,845,753	101,131	-	1,946,884
Furniture, Fixtures, Equipment and Computers	900,133	13,087	-	913,220
Vehicles	938,184	111,600	-	1,049,784
Leased Property (Intangible Asset)	8,697	183,942	-	192,639
	<u>3,692,767</u>	<u>409,760</u>	<u>-</u>	<u>4,102,527</u>
Total Net Depreciable/Amortized Capital Assets	<u>1,914,028</u>	<u>196,233</u>	<u>-</u>	<u>2,110,261</u>
Total Net Capital Assets	<u>2,021,028</u>	<u>196,233</u>	<u>-</u>	<u>2,217,261</u>

Depreciation/amortization expense of \$409,760 was charged to the culture and recreation function.

LONG-TERM DEBT

Leases Payable

RAILS has maintained an operating lease for its 4607 Colt Road, Rockford, Illinois facility since June 16, 2012. The current lease has an initial term of two years beginning February 1, 2022 to January 31, 2024. The lease requires monthly payments of \$2,191 the first year and \$2,257 the second year. RAILS has the option to renew the lease up to three times, the amount of rent to be determined by the lesser of 3% or the consumer price index for the previous 12 months.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Leases Payable – Continued

RAILS has maintained an operating lease for its 1000 W. Crossroads Parkway, Bolingbrook, Illinois facility since June 1, 2013. RAILS has exercised its options to extend the lease, with the current extension being from June 1, 2021 to May 31, 2023. The current monthly rent is \$9,056.

RAILS entered into an operating lease at 715 and 717 Sabrina, East Peoria, Illinois. The initial term of the lease is from July, 1 2021 to June 30, 2023. The lease includes options to extend the terms of the lease for three additional one-year periods, with an increase in monthly rent of 2% over the previous year. The lease requires monthly payments of \$6,168 per month through the duration of the initial lease.

RAILS has the following leases outstanding at year-end:

Lease	Term Length	Commencement Date	Payments	Interest Rate
Bolingbrook Lease	24 Months	June 1, 2021	\$8,946 Per Month	2.96%
East Peoria Lease	60 Months	July 1, 2021	\$6,318 Per Month	3.69%
Rockford Lease	96 Months	February 1, 2022	\$2,436 Per Month	4.56%

Future lease payments are as follows:

Fiscal Year	Governmental Activities	
	Leases	
	Payable	
	Principal	Interest
2023	\$ 184,557	18,897
2024	91,618	13,961
2025	94,704	10,344
2026	99,731	6,582
2027	25,318	3,914
2028	26,495	2,737
2029	27,728	1,504
2030	17,846	285
Total	567,997	58,224

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

For governmental activities, the compensated absences and leases payable are liquidated by the General Fund. Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 190,052	13,814	27,628	176,238	35,248
Leases Payable	200,295	543,126	175,424	567,997	184,557
	<u>390,347</u>	<u>556,940</u>	<u>203,052</u>	<u>744,235</u>	<u>219,805</u>

FUND BALANCE CLASSIFICATION

In the governmental fund financial statements, RAILS considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. RAILS first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board itself or b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The authority to assign fund balance has been delegated to RAILS' Finance Manager through the approved fund balance policy of RAILS.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATION – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Capital Projects	Totals
Fund Balances			
Nonspendable - Prepaids	\$ 230,266	-	230,266
Assigned - Capital Projects	-	2,354,168	2,354,168
Unassigned	20,281,526	-	20,281,526
	<u>20,511,792</u>	<u>2,354,168</u>	<u>22,865,960</u>
Total Fund Balances	<u>20,511,792</u>	<u>2,354,168</u>	<u>22,865,960</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following at year-end:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 2,217,261
Less Capital Related Debt:	
Leases Payable	<u>(567,997)</u>
Net Investment in Capital Assets	<u>1,649,264</u>

NET POSITION RESTATEMENT

Beginning net position was restated due to the implementation of GASB Statement No. 87 Leases. The following is a summary of the net position as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 28,814,667	28,814,401	(266)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION

CONTINGENT LIABILITIES

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.

Litigation

RAILS is currently not involved in any litigation.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on RAILS' operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

RAILS contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	425
Inactive Plan Members Entitled to but not yet Receiving Benefits	153
Active Plan Members	<u>83</u>
Total	<u><u>661</u></u>

Contributions. As set by statute, RAILS' Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended June 30, 2022, RAILS' contribution was 1.02% of covered payroll.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements

June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Net Pension Liability/(Asset). RAILS' net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. 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-2020. 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-2020.

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.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Actuarial Assumptions. Continued. 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	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	2.00%
Domestic Equities	39.00%	4.50%
International Equities	15.00%	5.75%
Real Estate	10.00%	5.90%
Blended	10.00%	4.30% - 8.10%
Cash and Cash Equivalents	1.00%	1.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and RAILS contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	\$ (10,714,787)	(15,081,150)	(18,668,104)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 47,639,068	57,167,817	(9,528,749)
Changes for the Year:			
Service Cost	406,835	-	406,835
Interest on the Total Pension Liability	3,332,055	-	3,332,055
Difference Between Expected and Actual Experience of the Total Pension Liability	438,479	-	438,479
Change of Assumptions	-	-	-
Contributions - Employer	-	54,774	(54,774)
Contributions - Employees	-	204,873	(204,873)
Net Investment Income	-	10,182,568	(10,182,568)
Benefit Payments, including Refunds of Employee Contributions	(3,766,226)	(3,766,226)	-
Other (Net Transfer)	-	(712,445)	712,445
Net Changes	411,143	5,963,544	(5,552,401)
Balances at December 31, 2021	48,050,211	63,131,361	(15,081,150)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, RAILS recognized pension revenue of \$2,479,930. At June 30, 2022, RAILS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 113,439	-	113,439
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	(8,460,568)	(8,460,568)
	113,439	(8,460,568)	(8,347,129)
Pension Contributions Made Subsequent to the Measurement Date	22,171	-	22,171
Total Deferred Amounts Related to IMRF	135,610	(8,460,568)	(8,324,958)

\$22,171 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (1,698,651)
2024	(3,321,414)
2025	(2,088,895)
2026	(1,238,169)
2027	-
Thereafter	-
Total	(8,347,129)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Financial Statements June 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

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' employees. RAILS purchases 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.

OTHER POST-EMPLOYMENT BENEFIT PLAN

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, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Illinois Municipal Retirement Fund

Schedule of Employer Contributions

June 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 396,960	\$ 396,960	\$ -	\$ 4,134,915	9.60%
2016	184,718	184,718	-	4,222,176	4.37%
2017	177,366	177,366	-	5,073,742	3.50%
2018	162,310	162,310	-	4,642,288	3.50%
2019	109,760	109,760	-	3,926,003	2.80%
2020	41,880	41,880	-	4,359,147	0.96%
2021	47,962	53,567	5,605	4,504,961	1.19%
2022	46,674	46,674	-	4,578,199	1.02%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2017 (base year 2015)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) June 30, 2022

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 438,134
Interest	3,253,499
Differences Between Expected and Actual Experience	432,684
Change of Assumptions	1,843,383
Benefit Payments, Including Refunds of Member Contributions	<u>(3,269,672)</u>
 Net Change in Total Pension Liability	 2,698,028
Total Pension Liability - Beginning	<u>44,795,758</u>
 Total Pension Liability - Ending	 <u><u>47,493,786</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 388,935
Contributions - Members	192,707
Net Investment Income	3,009,579
Benefit Payments, Including Refunds of Member Contributions	(3,269,672)
Other (Net Transfer)	<u>217,278</u>
 Net Change in Plan Fiduciary Net Position	 538,827
Plan Net Position - Beginning	<u>50,681,382</u>
 Plan Net Position - Ending	 <u><u>51,220,209</u></u>
 Employer's Net Pension Liability/(Asset)	 <u><u>\$ (3,726,423)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 107.85%
 Covered Payroll	 \$ 3,976,832
 Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	 (93.70%)

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
437,025	431,916	511,460	443,531	376,336	421,830	406,835
3,449,018	3,473,417	3,541,938	3,450,789	3,309,164	3,361,241	3,332,055
(94,014)	460,084	14,305	(1,437,105)	883,692	139,636	438,479
-	-	(1,664,080)	959,742	-	(479,110)	-
(3,450,775)	(3,477,540)	(3,505,605)	(3,664,354)	(3,836,132)	(3,911,127)	(3,766,226)
341,254	887,877	(1,101,982)	(247,397)	733,060	(467,530)	411,143
47,493,786	47,835,040	48,722,917	47,620,935	47,373,538	48,106,598	47,639,068
47,835,040	48,722,917	47,620,935	47,373,538	48,106,598	47,639,068	48,050,211
181,761	207,692	117,429	197,073	37,448	44,769	54,774
218,671	205,937	244,158	203,517	191,281	208,802	204,873
248,475	3,351,477	9,294,244	(3,636,504)	9,434,630	7,954,650	10,182,568
(3,450,775)	(3,477,540)	(3,505,605)	(3,664,354)	(3,836,132)	(3,911,127)	(3,766,226)
446,094	247,764	(1,731,692)	(103,443)	241,763	(12,855)	(712,445)
(2,355,774)	535,330	4,418,534	(7,003,711)	6,068,990	4,284,239	5,963,544
51,220,209	48,864,435	49,399,765	53,818,299	46,814,588	52,883,578	57,167,817
48,864,435	49,399,765	53,818,299	46,814,588	52,883,578	57,167,817	63,131,361
(1,029,395)	(676,848)	(6,197,364)	558,950	(4,776,980)	(9,528,749)	(15,081,150)
102.15%	101.39%	113.01%	98.82%	109.93%	120.00%	131.39%
4,352,133	4,505,259	4,933,970	4,202,001	4,115,125	4,432,558	4,552,716
(23.65%)	(15.02%)	(125.61%)	13.30%	(116.08%)	(214.97%)	(331.26%)

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2022

	Administration Subfund		
	Budget		Actual
	Original	Final	
Revenues			
State Grants			
Area and Per Capita	\$ 9,985,530	9,985,530	9,985,530
Other State Grants	-	-	85,742
Federal Grants	-	-	12,163
Fees for Services and Materials	388,150	388,150	395,854
Reimbursements	1,318,650	1,318,650	1,366,649
Interest Income	28,787	28,787	2,853
Miscellaneous	10,000	10,000	6,549
Total Revenues	<u>11,731,117</u>	<u>11,731,117</u>	<u>11,855,340</u>
Expenditures			
Culture and Recreation			
Personnel	2,904,305	2,904,305	2,918,755
Library Materials	1,651,200	1,651,200	1,728,949
Buildings and Grounds	252,663	252,663	250,071
Vehicles	19,962	19,962	18,283
Travel and Continuing Education	215,724	215,724	83,993
Public Relations	16,100	16,100	5,313
Commercial Insurance	34,769	34,769	37,555
Supplies, Postage and Printing	140,855	140,855	227,950
Telephone and Communications	95,540	95,540	90,291
Equipment Rental, Repair and Maintenance	162,090	162,090	93,209
Professional Services	309,800	309,800	220,621
Contractual Services	756,969	756,969	491,910
Professional Association and Membership Dues	10,020	10,020	9,800
Miscellaneous	7,000	7,000	9,620
Capital Outlay	-	-	120,034
Debt Service			
Principal Retirement	90,214	90,214	48,910
Interest and Fiscal Charges	-	-	5,555
Total Expenditures	<u>6,667,211</u>	<u>6,667,211</u>	<u>6,360,819</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	5,063,906	5,063,906	5,494,521
Other Financing Sources - Lease Proceeds	-	-	120,108
Net Change in Fund Balance	<u>5,063,906</u>	<u>5,063,906</u>	<u>5,614,629</u>
Fund Balance - Beginning			
Fund Balance - Ending			

LLSAP Subfund			Delivery Subfund			Total		
Budget		Actual	Budget		Actual	Budget		Actual
Original	Final		Original	Final		Original	Final	
-	-	-	-	-	-	9,985,530	9,985,530	9,985,530
-	-	-	-	-	-	-	-	85,742
-	-	-	-	-	-	-	-	12,163
42,890	42,890	38,908	547,494	547,494	547,092	978,534	978,534	981,854
-	-	-	-	-	-	1,318,650	1,318,650	1,366,649
-	-	-	-	-	-	28,787	28,787	2,853
-	-	-	-	-	-	10,000	10,000	6,549
42,890	42,890	38,908	547,494	547,494	547,092	12,321,501	12,321,501	12,441,340
900,010	900,010	881,627	2,042,718	2,042,718	2,094,342	5,847,033	5,847,033	5,894,724
-	-	-	-	-	-	1,651,200	1,651,200	1,728,949
-	-	-	24,454	24,454	53,581	277,117	277,117	303,652
5,900	5,900	5,209	504,261	504,261	598,947	530,123	530,123	622,439
4,340	4,340	789	1,000	1,000	8,410	221,064	221,064	93,192
-	-	-	-	-	-	16,100	16,100	5,313
-	-	-	2,714	2,714	3,081	37,483	37,483	40,636
1,050	1,050	911	64,750	64,750	47,504	206,655	206,655	276,365
22,960	22,960	5,241	20,300	20,300	21,865	138,800	138,800	117,397
-	-	-	1,600	1,600	1,293	163,690	163,690	94,502
-	-	-	20,500	20,500	21,148	330,300	330,300	241,769
1,394,080	1,394,080	1,408,049	977,145	977,145	936,344	3,128,194	3,128,194	2,836,303
-	-	370	275	275	-	10,295	10,295	10,170
600	600	706	500	500	1,165	8,100	8,100	11,491
-	-	-	-	-	423,092	-	-	543,126
-	-	-	145,300	145,300	126,514	235,514	235,514	175,424
-	-	-	-	-	14,369	-	-	19,924
2,328,940	2,328,940	2,302,902	3,805,517	3,805,517	4,351,655	12,801,668	12,801,668	13,015,376
(2,286,050)	(2,286,050)	(2,263,994)	(3,258,023)	(3,258,023)	(3,804,563)	(480,167)	(480,167)	(574,036)
-	-	-	-	-	423,018	-	-	543,126
(2,286,050)	(2,286,050)	(2,263,994)	(3,258,023)	(3,258,023)	(3,381,545)	(480,167)	(480,167)	(30,910)
								<u>20,542,702</u>
								<u>20,511,792</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Schedule of Expenditures - Budget and Actual
 - Administration - General Fund Subfund
 - LLSAP - General Fund Subfund
 - Delivery - General Fund Subfund

- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 - Capital Projects Fund

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Administration - General Fund Subfund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Personnel			
Library Professionals	\$ 1,099,597	1,099,597	1,120,410
Other Professionals	945,630	945,630	947,522
Support Services	369,624	369,624	371,408
Social Security Taxes	185,325	185,325	177,393
Unemployment Insurance	6,732	6,732	8,462
Workers' Compensation	3,157	3,157	3,195
Retirement Benefits	25,824	25,824	24,527
Health, Dental and Life Insurance	240,916	240,916	246,408
Other Fringe Benefits	17,500	17,500	7,356
Recruiting	10,000	10,000	12,074
Total Personnel	2,904,305	2,904,305	2,918,755
Library Materials			
Print Materials	5,150	5,150	12,593
E-Resources	1,646,050	1,646,050	1,716,356
Total Library Materials	1,651,200	1,651,200	1,728,949
Buildings and Grounds			
Rent/Lease	-	-	17,627
Utilities	78,260	78,260	79,351
Property Insurance	25,171	25,171	26,074
Repairs and Maintenance	59,000	59,000	61,120
Custodial/Janitorial Service and Supplies	52,932	52,932	48,453
Other Buildings and Grounds	37,300	37,300	17,446
Total Buildings and Grounds	252,663	252,663	250,071
Vehicles			
Fuel	540	540	789
Repairs and Maintenance	3,700	3,700	1,895
Vehicle Insurance	15,222	15,222	15,599
Other Vehicle Expenditures	500	500	-
Total Vehicles	19,962	19,962	18,283

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Administration - General Fund Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Travel and Continuing Education			
In-State Travel	\$ 9,462	9,462	8,222
Out of State Travel	47,975	47,975	16,626
Registration and Meeting Fees	47,787	47,787	21,826
Conferences and Continuing Education Meetings	110,500	110,500	37,319
Total Travel and Continuing Education	215,724	215,724	83,993
Public Relations	16,100	16,100	5,313
Commercial Insurance			
Liability Insurance	34,769	34,769	37,555
Supplies, Postage and Printing			
Computers, Software and Supplies	95,100	95,100	179,355
General Office Supplies and Equipment	37,570	37,570	39,897
Postage	7,865	7,865	8,698
Library Supplies	200	200	-
Other Supplies	120	120	-
Total Supplies, Postage and Printing	140,855	140,855	227,950
Telephone and Communications	95,540	95,540	90,291
Equipment Rental, Repair and Maintenance			
Equipment Rental	12,920	12,920	10,681
Equipment Repair and Maintenance Agreements	149,170	149,170	82,528
Total Equipment Rental, Repair and Maintenance	162,090	162,090	93,209
Professional Services			
Legal	40,000	40,000	41,979
Accounting	22,000	22,000	19,800
Consulting	213,000	213,000	123,077
Payroll Service Fee	34,800	34,800	35,765
Total Professional Services	309,800	309,800	220,621

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Administration - General Fund Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Contractual Services			
Information Service Costs	\$ 25,425	25,425	17,590
Contract Agreements with Systems, Member Libraries and Other Co-ops	242,250	242,250	129,813
Outside Printing	600	600	-
Other Contractual Services	488,694	488,694	344,507
Total Contractual Services	<u>756,969</u>	<u>756,969</u>	<u>491,910</u>
Professional Association and Membership Dues	<u>10,020</u>	<u>10,020</u>	<u>9,800</u>
Miscellaneous	<u>7,000</u>	<u>7,000</u>	<u>9,620</u>
Total Culture and Recreation	<u>6,576,997</u>	<u>6,576,997</u>	<u>6,186,320</u>
Capital Outlay			
Leased Property	<u>-</u>	<u>-</u>	<u>120,034</u>
Debt Service			
Principal Retirement	90,214	90,214	48,910
Interest and Fiscal Charges	-	-	5,555
Total Debt Service	<u>90,214</u>	<u>90,214</u>	<u>54,465</u>
Total Expenditures	<u>6,667,211</u>	<u>6,667,211</u>	<u>6,360,819</u>

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

LLSAP - General Fund Subfund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended June 30, 2022

	Budget		Actual
	Original	Final	
Culture and Recreation			
Personnel			
Library Professionals	\$ 304,107	304,107	304,423
Other Professionals	288,358	288,358	303,005
Support Services	137,963	137,963	107,731
Social Security Taxes	55,878	55,878	51,858
Unemployment Insurance	2,448	2,448	2,838
Workers' Compensation	771	771	673
Retirement Benefits	7,889	7,889	7,264
Health, Dental and Life Insurance	102,596	102,596	103,835
Total Personnel	900,010	900,010	881,627
Vehicles			
Fuel	500	500	11
Repairs and Maintenance	400	400	-
Vehicle Insurance	5,000	5,000	5,198
Total Vehicles	5,900	5,900	5,209
Travel and Continuing Education			
In-State Travel	4,340	4,340	789
Supplies, Postage and Printing			
General Office Supplies and Equipment	850	850	795
Postage	200	200	116
Total Supplies, Postage and Printing	1,050	1,050	911
Telephone and Communications	22,960	22,960	5,241
Contractual Services			
Information Service Costs	1,200	1,200	768
Contract Agreements with Systems, Member Libraries and Other Co-ops	1,392,880	1,392,880	1,407,281
Total Contractual Services	1,394,080	1,394,080	1,408,049

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

LLSAP - General Fund Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Professional Association and Membership Dues	\$ -	-	370
Miscellaneous	600	600	706
Total Expenditures	2,328,940	2,328,940	2,302,902

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Delivery - General Fund Subfund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Personnel			
Other Professionals	\$ 334,803	334,803	324,794
Support Services	1,185,171	1,185,171	1,203,641
Social Security Taxes	116,273	116,273	109,768
Unemployment Insurance	9,384	9,384	11,618
Workers' Compensation	94,528	94,528	77,520
Retirement Benefits	16,269	16,269	15,091
Health, Dental and Life Insurance	268,790	268,790	273,275
Temporary Help	17,500	17,500	78,635
Total Personnel	2,042,718	2,042,718	2,094,342
Buildings and Grounds			
Rent/Lease	-	-	32,349
Utilities	6,700	6,700	8,655
Property Insurance	1,994	1,994	1,959
Repairs and Maintenance	8,760	8,760	4,920
Custodial/Janitorial Service and Supplies	5,400	5,400	4,550
Other Buildings and Grounds	1,600	1,600	1,148
Total Buildings and Grounds	24,454	24,454	53,581
Vehicles			
Fuel	282,760	282,760	341,409
Repairs and Maintenance	118,700	118,700	152,727
Vehicle Insurance	96,451	96,451	98,784
Other Vehicle Expenditures	6,350	6,350	6,027
Total Vehicles	504,261	504,261	598,947
Travel and Continuing Education			
In-State Travel	1,000	1,000	8,410
Commercial Insurance			
Liability Insurance	2,714	2,714	3,081
Supplies, Postage and Printing			
Computers, Software and Supplies	-	-	199
General Office Supplies and Equipment	600	600	1,112

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Delivery - General Fund Subfund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Culture and Recreation - Continued			
Supplies, Postage and Printing - Continued			
Postage	\$ 750	750	49
Binding	-	-	156
Delivery Supplies	63,400	63,400	45,988
Total Supplies, Postage and Printing	64,750	64,750	47,504
Telephone and Communications	20,300	20,300	21,865
Equipment Rental, Repair and Maintenance			
Equipment Rental	1,600	1,600	1,293
Professional Services			
Legal	500	500	-
Consulting	20,000	20,000	21,148
Total Professional Services	20,500	20,500	21,148
Contractual Services			
Other Contractual Services	977,145	977,145	936,344
Professional Association and Membership Dues	275	275	-
Miscellaneous	500	500	1,165
Total Culture and Recreation	3,660,217	3,660,217	3,787,680
Capital Outlay			
Leased Property	-	-	423,018
Other	-	-	74
Total Capital Outlay	-	-	423,092
Debt Service			
Principal Retirement	145,300	145,300	126,514
Interest and Fiscal Charges	-	-	14,369
Total Debt Service	145,300	145,300	140,883
Total Expenditures	3,805,517	3,805,517	4,351,655

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual
	Original	Final	
Revenues			
None	\$ -	-	-
Expenditures			
Capital Outlay			
Equipment	274,500	274,500	62,867
Net Change in Fund Balance	<u>(274,500)</u>	<u>(274,500)</u>	(62,867)
Fund Balance - Beginning			<u>2,417,035</u>
Fund Balance - Ending			<u>2,354,168</u>

REACHING ACROSS ILLINOIS
LIBRARY SYSTEM, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

REACHING ACROSS ILLINOIS LIBRARY SYSTEM, ILLINOIS

TABLE OF CONTENTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	2
REPORTS OF INDEPENDENT AUDITORS	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance and on the Schedule of Expenditures of Federal Awards	5
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022**

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
National Endowment for the Humanities	Illinois State Library	Grants to States	45.310	FY22 Area and Per Capita Grant *	1,936,144	-
Department of Homeland Security	N/A	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	12,163	-
TOTAL FEDERAL AWARDS EXPENDED					1,948,307	-

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

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

Notes to the Schedule of Expenditures of Federal Awards April 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Reaching Across Illinois Library System (RAILS) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of RAILS, it is not intended to and does not present the financial position, changes in net position, or cash flows of RAILS.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

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

Pass-Through Entities

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

NOTE 3 – 10% DE MINIMIS INDIRECT COST RATE

RAILS has selected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

NOTE 4 – SUBRECIPIENT RELATIONSHIPS

RAILS did not remit any funds to subrecipients.



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

September 12, 2022

Members of the Board of Directors
Reaching Across Illinois Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reaching Across Illinois Library System (RAILS), Illinois, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise RAILS's basic financial statements, and have issued our report thereon dated September 12, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RAILS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RAILS's internal control. Accordingly, we do not express an opinion on the effectiveness of RAILS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RAILS's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Reporting on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RAILS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of RAILS in a separate letter dated September 12, 2022.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RAILS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RAILS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



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

September 12, 2022

Members of the Board of Directors
Reaching Across Illinois Library System

Report on Compliance for Each Major Federal Program

We have audited the Reaching Across Illinois Library System (RAILS), Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of RAILS's major federal programs for the year ended June 30, 2022. RAILS's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of RAILS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about RAILS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of RAILS's compliance.

Opinion on Each Major Federal Program

In our opinion, the Reaching Across Illinois Library System, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of RAILS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RAILS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RAILS's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reaching Across Illinois Library System, Illinois as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise RAILS's basic financial statements. We issued our report thereon dated September 12, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

REACHING ACROSS ILLINOIS LIBRARY SYSTEM

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Federal Awards

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

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

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
--	-----------

Auditee qualified as a low-risk auditee:	Yes
--	-----

REACHING ACROSS ILLINOIS LIBRARY SYSTEM, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2022**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

REACHING ACROSS ILLINOIS LIBRARY SYSTEM, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2022**

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

REACHING ACROSS ILLINOIS LIBRARY SYSTEM, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2022**

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

None

RAILS - REACHING ACROSS ILLINOIS LIBRARY SYSTEM - FY 2022 ANNUAL REPORT

2.2 System Member Fees and Revenue

Reimbursement Revenue

CREDO Reference Database	\$	9,300
Gale Analytics on Demand	\$	34,052
EBSCO Electronic Databases	\$	622,487
GALE Virtual Reference Library	\$	4,125
Gale Databases	\$	20,679
RDA Tool Kit	\$	7,402
Web Dewey	\$	2,447
Smart Horizons Career Online	\$	100,740
Communico	\$	395,342
Brain HQ	\$	3,125
Platinum Community Engagement Package	\$	28,110
Sign UP	\$	792
Gale Small Business Builder	\$	1,489
Swank Movie License	\$	3,207
READSquared	\$	14,430
Press Reader	\$	100,524
Homeless Training Institute	\$	898
OrangeBoy Savannah	\$	3,750
Book Browse	\$	2,031
		<hr/>
Total System Member Reimbursement Revenue	\$	1,354,930

Fees for Services and Materials

HR Source Membership Fees	\$	19,504
Find More Illinois	\$	26,600
ILDS-Delivery Service	\$	543,297
Branch - Delivery Service	\$	3,795
eRead Illinois Membership Subscriptions	\$	349,750
RSA NFP Support Grant	\$	38,908
Continuing Education Seminars	\$	-
		<hr/>
Total System Member Fees for Services	\$	981,854
		<hr/>
Total System Member Fees and Revenue	\$	2,336,784
		<hr/>

RAILS - Reaching Across Illinois Library System - FY2022 Annual Report

2.3 System Non-Member Fees and Revenue

Other State Grant Revenue

L2 Maintenance and Development Grant	\$	68,022	
Specialized Cataloging Grant	\$	<u>17,720</u>	
			\$ 85,742

Federal Grant Revenue

FEMA Grant	\$	<u>12,163</u>	
			\$ 12,163

Investment Income

Interest on Deposits - Illinois Funds	\$	657	
PMA - CitiBank	\$	13	
PMA - US Treasury Notes	\$	2,037	
Hinsdale Bank & Trust - Money Market	\$	146	
Interest on Sworsky Donation - Bonds	\$	<u>-</u>	
			\$ 2,853

E-Rate Reimbursement

E-Rate Revenue	\$	<u>11,719</u>	
			\$ 11,719

Rental Income

Coal Valley Lamar - Sign Rental	\$	<u>500</u>	
			\$ 500

Other Income

Illinois Library Law/Serving Our Public Books	\$	1,750	
Credit Card Cash Back Redemption	\$	850	
East Peoria Rent Deposit Return	\$	2,449	
Illinois Library Association Award	\$	1,000	
Scrap Value of Retired Vehicles	\$	-	
Miscellaneous Revenue	\$	<u>-</u>	
			\$ 6,049

Total System Non-Member Fees and Revenue			\$ <u>119,026</u>
---	--	--	--------------------------

RAILS - Reaching Across Illinois Library System - FY2022 Annual Report

2.4 Capital Expenditures in Excess of \$5,000

Burr Ridge Thinksystem Storage Server	\$	20,587
Bolingbrook 2015 Ford Taurus	\$	11,000
Burr Ridge Thinksystem Storage Server	\$	6,093
Burr Ridge Thinksystem Storage Server	\$	6,093
Burr Ridge Thinksystem Storage Server	\$	6,093
Burr Ridge ListServ Perpetual License	\$	<u>13,000</u>

Total Capital Expenditures in Excess of \$5,000	\$	<u><u>62,866</u></u>
---	----	----------------------

RAILS - Reaching Across Illinois Library System - FY2022 Annual Report

2.5 Loans

RAILS did not have any loans in FY2022

\$

-



**PUBLIC OFFICIAL BOND -
FOR DEFINITE TERM**

BOND NO. 107484986

KNOW ALL MEN BY THESE PRESENTS, That we Scott E. Pointon
Of 21533 Vesper Street, Crest Hill, IL 60403, as Principal, and
Travelers Casualty and Surety Company of America, a corporation of CT, as Surety are held
and firmly bound unto Reaching Across Illinois Library System in the
penal sum of Five Million One Hundred Thousand Dollars and 00/100 (\$5,100,000.00) Dollars,
lawful money of the United States of America, for the payment of which well and truly to be made, said
principal binds himself/herself, his/her heirs, executors, administrators and assigns, and said Surety
binds itself, its successors and assigns, jointly and severally, firmly by these presents.

SEALED and dated this 6th day of August, 2021.

WHEREAS, the said principal has been elected or appointed to the office of:
Treasurer for a definite term beginning July 30, 2021
and ending July 29, 2022 and is required to furnish a bond for the faithful performance of
the duties of the said office or position.

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION is such that if the above bounden
Principal shall (except as hereinafter provided) faithfully perform the duties of his/her said office or
position during the said term, and shall pay over to the persons authorized by law to receive the same
all moneys that may come into his/her hands during the said term without fraud or delay, and at the
expiration of said term, or in case of his/her resignation or removal from office, shall turn over to
his/her successor all records and property which have come into his/her hands, then this obligation to
be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that the above named Surety shall not be liable hereunder for any loss of
any public fund resulting from the insolvency of any bank or banks in which said funds are deposited;
and, if this provision shall be held void, this entire bond shall be void.

AND PROVIDED FURTHER, that the Surety may cancel bond at any time during the said term by
giving to the obligee a written notice of its desire so to cancel and at the expiration of thirty (30) days
from the receipt of such notice by the obligee the surety shall be completely released as to all liability
thereafter accruing. If this provision shall be held void, this entire bond shall be void.

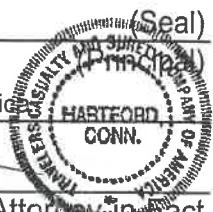
WITNESS:

Jim Kregor

Scott E. Pointon

By: *Scott E. Pointon*
Treasurer

Travelers Casualty and Surety Company of America
By: *William T. Krumm*
William T. Krumm Attorney in fact



SURETY ACKNOWLEDGMENT (ATTY-IN-FACT)

State of Illinois
County of Cook

I, Renee N Schremser Notary Public, do hereby certify that William T. Krumm Attorney-in-Fact, of Travelers Casualty and Surety Company of America who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered said instrument, for and on behalf of Travelers Casualty and Surety Company of America for the uses and purposes therein set forth.

Given under my hand and notarial seal at my office in the City of Rolling Meadows in said County, this 6th day of August 2021.

Renee N Schremser

Notary Public Renee N Schremser

My Commission expires: 1/30/2024





**Travelers Casualty and Surety Company of America
 Travelers Casualty and Surety Company
 St. Paul Fire and Marine Insurance Company
 Farmington Casualty Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, St. Paul Fire and Marine Insurance Company, and Farmington Casualty Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint William T. Krumm of Rolling Meadows, IL, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge the following bond:


Surety Bond No.: 107484986
OR
Project Description: Treasurer

Principal: Scott E. Pointon
Obligee: Reaching Across Illinois Library System

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April, 2021**.



State of Connecticut

By: 
 Robert L. Raney, Senior Vice President

City of Hartford ss.

On this the **21st** day of **April, 2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2026**




 Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 6th day of August, 2021.




 Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
 Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**

3.1 Changes in System Membership

Added as New Member

- Joliet Treatment Center
- Kewanee Life Skills Re-Entry Center
- Saint Frances of Rome School

Members Suspended

No RAILS members were suspended in FY 2022.

Members Withdrawn

- Allstate Insurance Company
- Alzheimer's Association
- American Planning Association
- Board of Jewish Education
- Christ the King Jesuit College Preparatory School
- Flashpoint College
- Good Shepherd Manor
- Heyl, Royster, Voelker & Allen P.C. Library
- Holy Family School
- IAA and Affiliated Companies
- Ingalls Memorial Hospital
- Ira C. Reed Public Library
- Knowledge Systems Institute
- Little Company of Mary Hosptial Medical Library
- Locke Lord LLP Law Library
- MacMurray College
- Medical Library Association
- Mercy Hospital & Medical Center
- Palos Community Hospital
- Rockford Lutheran Schools
- Routt High School
- Saint Cletus
- Saint Dennis School
- Saint Peter Lutheran School
- Society of Actuaries Library
- Zenith Electronics LLC

3.2 Number of System Members

Library Type	Agencies	Buildings
Academic	117	162
Public	412	485
School	560	2,910
Special	179	186
Total	1,268	3,743

3.3 Continuing Education (CE)/Training

Category	Events Held	Total Registrants	Total Contact Hours
Advocacy	1	55	82.5
Cataloging	4	325	1455.00
Collection Management	2	380	380.00
Data Literacy	2	157	184.50
Equity, Diversity, and Inclusion	6	745	1251.50
Grant Writing	1	70	105.00
Human Resources	3	265	265.00
Intellectual Freedom	1	146	146.00
Law and Legal Issues	3	127	210.50
Library Programming	1	50	75.00
LLSAP(RSA)	151	740	2158.00
Management/Administration	3	357	535.50
Marketing and Media Relations	4	560	560.00
Other	2	147	147.00
Readers Advisory	4	415	830.00
Reference/Adult Services	2	221	280.50
Technology	4	310	595.50
Youth/Young Adult/School Services	1	72	72.0
Totals	195	5142	9333.50

3.5 Nonresident Participation

The URL for the list of participating and nonparticipating public libraries as required in 23 ILAC 3050.30(c) of the Administrative Rules for FY2022 for RAILS is:

<https://www.railslibraries.info/node/116813>

3.4 Member Site Visits

Over the past two years, RAILS approach to member engagement has mostly been conducted online. RAILS offers one-on-one meetings, especially for new directors and library staff. These meetings are held via Zoom. RAILS also holds peer-to-peer networking events under the title of online roundtables. These are also held via Zoom.

Site visits

Due to COVID-19 safety protocols, RAILS did not perform any in-person site visits in FY 2022. All visits were online. Members had the opportunity to learn about system benefits and to discuss new projects or initiatives. See below for statistics.

Type	Online site visits
Academic	1
Public	13
School	13
Special	2
Total	29

Online networking events

RAILS Online Roundtables are one-hour online networking events that allow participants to discuss a topic related to libraries. These events are open to all libraries. RAILS held 6 roundtables in FY 2022. The statistics for these events are below:

Topic	Registered	Attended
Adobe Suite for Libraries	60	25
Succession Planning for Trustees	92	46
Canva for Libraries	153	82
Tips for New Makerspaces	117	65
Material Challenges	105	46
Go-To Data Resources	55	25
Average	97	48
Total	582	289