



May 17, 2024

TO:RAILS Board of Directors

FROM: Monica Harris, Executive Director

SUBJECT: FY2025 Operational Plan and Budget Overview

This memo is intended as a general overview of the proposed RAILS Operational Plan for Fiscal Year (FY) 2025. You will also find a rigorously detailed budget narrative in this packet, prepared by RAILS Finance Manager Sharon Swanson.

At our April meeting, I presented an overview of the initiatives included in the Draft Operational Plan for FY2025. These initiatives directly respond to member needs as detailed in our strategic plan, as well as our purpose as described in the Illinois Library System Act.

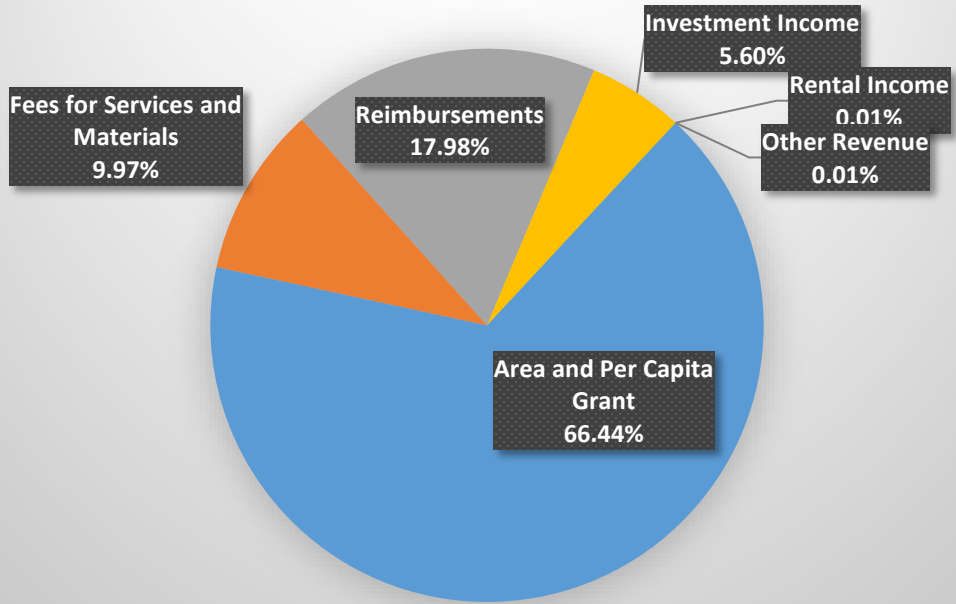
Revenue:

I wish to extend our thanks to the Illinois Secretary of State, Alexi Giannoulias, for the System Area and Per Capita (SAPC) grant funding that RAILS received in FY2024. The increase that was received in FY2023 allowed us to continue much needed and heavily used services on behalf of member libraries in FY2024 and the upcoming FY2025. The Illinois State Library has instructed us to submit an operational plan and budget based on an annual revenue of \$11,871,714, which is funding from the System Area and Per Capita Grant.

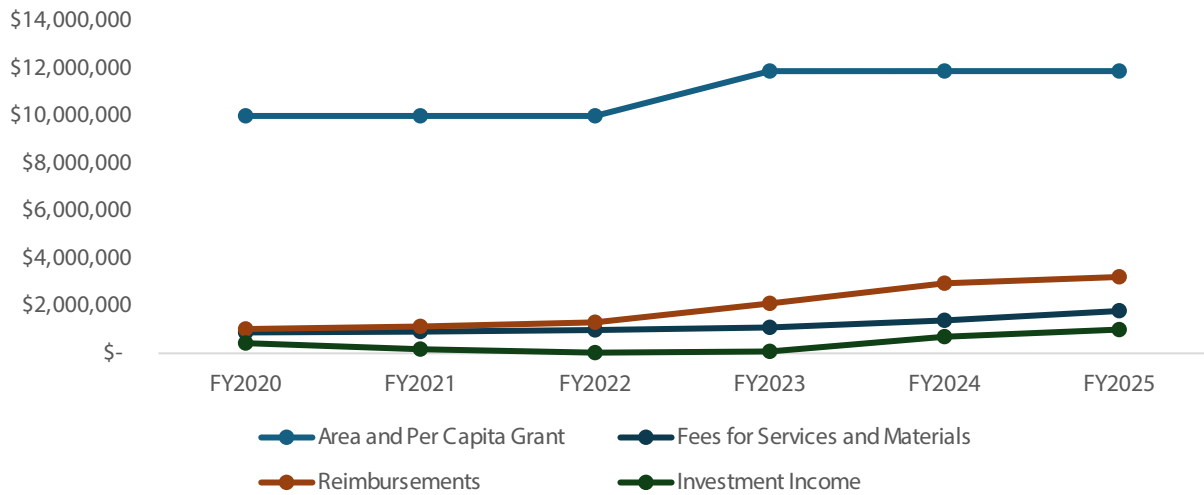
As a reminder, this does not include additional projected revenue of approximately \$6.0 million, consisting chiefly of reimbursement revenue, fees from services and materials (including eRead Illinois and the Illinois Library Delivery Services [ILDS] contract), and investment income of approximately \$1 million.

RAILS Finance Manager Sharon Swanson has created this helpful infographic to help explain the breakdown of the RAILS FY2025 proposed revenue budget, as well as a look at revenue trends for the three largest revenue categories from FY2020-FY2025 (continued on the following page):

FY2025 Proposed Revenue Budget



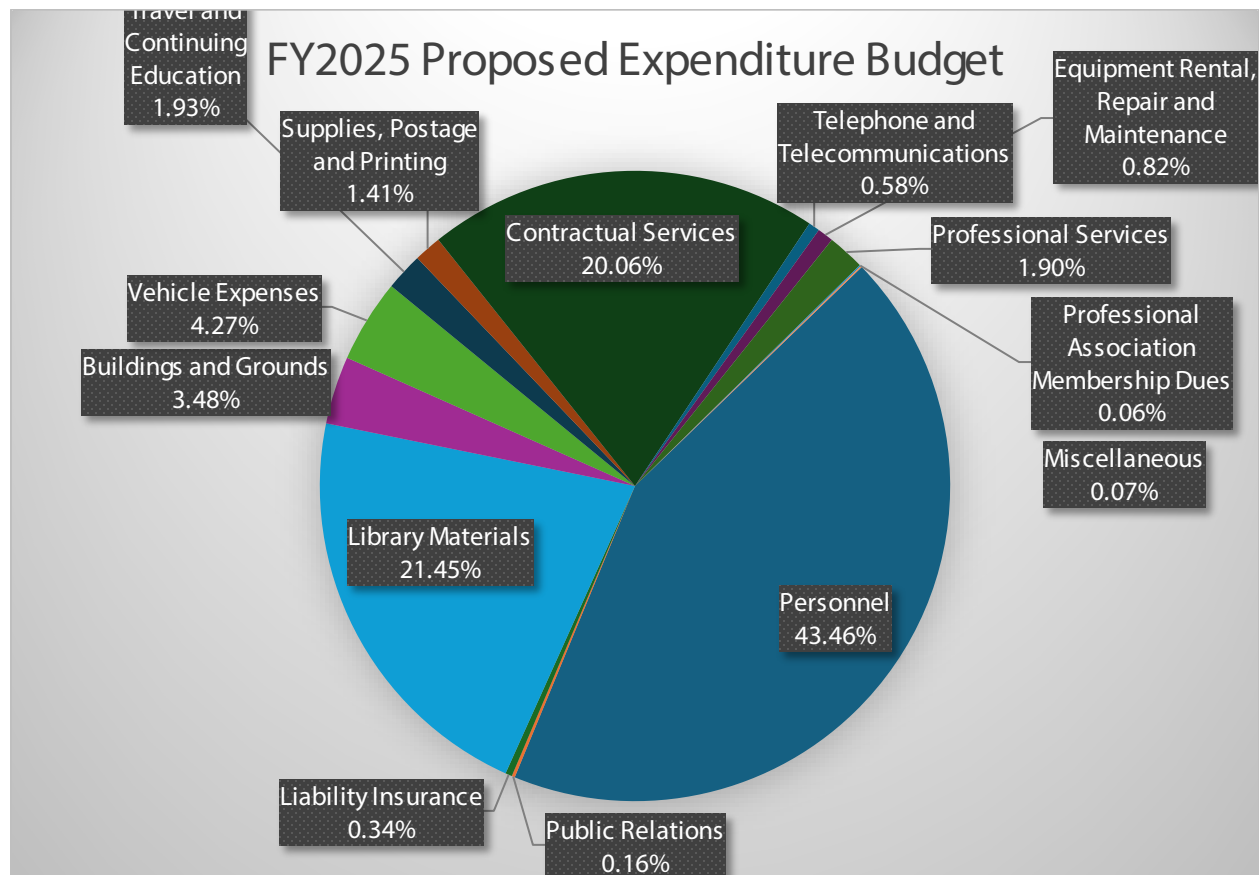
FY2025 and Previous Five Year Revenue Budget Trend FY2020 - FY2025



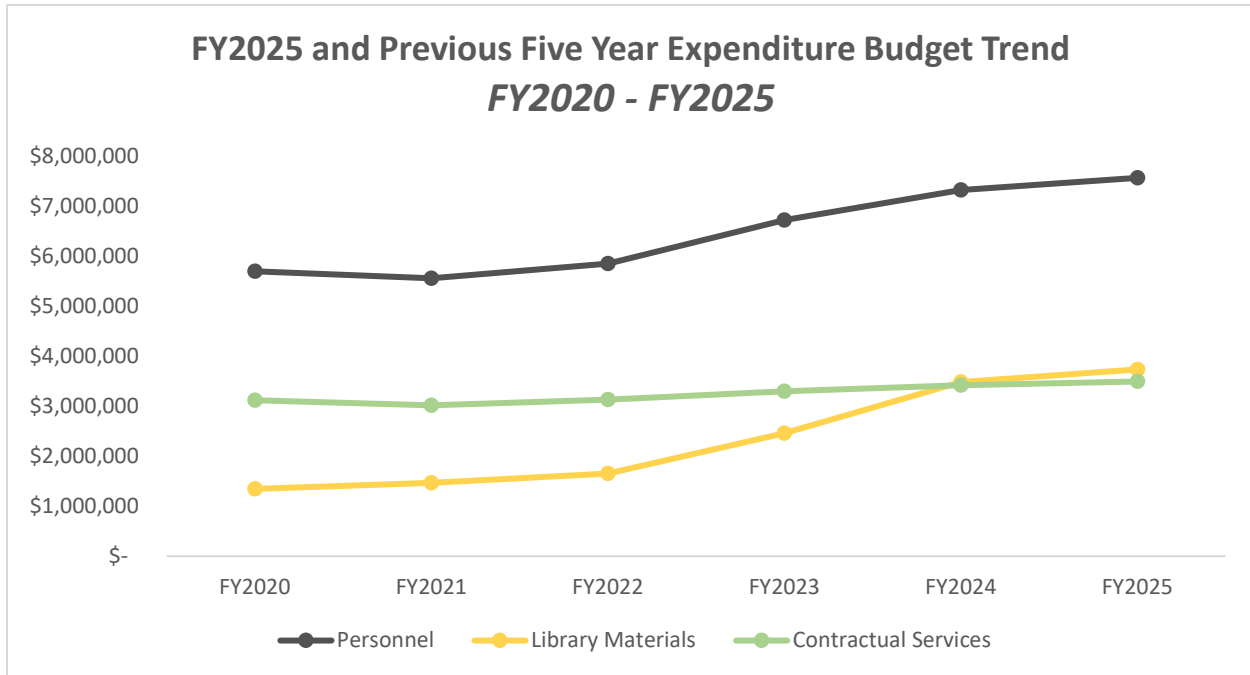
Expenditure:

In today’s environment of rising costs, we remain committed to providing optimized services while maximizing value for our member libraries. This necessitates continued prudence in budgetary planning, particularly considering anticipated increases for personnel, utilities, vehicles, and facilities. Our strategic focus on sustainability aligns with this objective, ensuring resources are directed towards meeting the evolving needs of our members, as detailed in the strategic plan.

This graphic illustrates the breakdown of the FY2025 proposed expenditure budget:



Trends of expenditures for the three largest expenditure categories over the last five years can be seen below:



To that end, our service expansion is focused on:

- Resource sharing
- Equity, diversity, inclusion, and accessibility
- Infrastructure and administrative for RAILS staff and programs

Highlights are as follows:

Resource Sharing:

Resource sharing is our primary goal under the Illinois Library System Act and the RAILS Strategic Plan (2022-2025). We work in service of this goal in many ways by supporting the resource sharing of materials through library consortia through our LLSAP support grants, delivery of materials throughout our service area, continuing education, consulting, cooperative purchasing, and the maintenance of our many statewide programs including eRead Illinois, Explore More Illinois, and Find More Illinois.

We are continuing to anticipate the growth of in-state travel and in-person visits to member libraries this year, in keeping with the trends we have observed in FY2024. Our members appreciate opportunities to interact with RAILS staff in a face-to-face environment.

Replacement vehicles continue to be a top priority, and the purchase of eight additional vehicles at the cost of \$460,000 has been budgeted in FY2025. Vehicle costs have also continued to increase rapidly, and we must invest in these purchases to meet the needs of member libraries for delivery.

We continue to hear from members about the importance of offering opportunities for training and learning related to leadership development. We are budgeting \$10,000 to further develop a concept around leadership training for libraries of all types.

Our data team identified new areas for potential investment in our eRead Illinois program that will provide maximum impact to users. Costs to administer this program are maintained by RAILS, and participant fees directly support the purchase of eBooks and audiobooks in the shared collection. We have identified the need for more audiobooks and graphic novels as a result of the data study findings, and RAILS is budgeting \$25,000 to meet this increased need and increase the impact of the collection for all participants.

Our E-resources expenditures (\$3,730,425) are expected to increase in FY2025 by 7.24%. It is important to remember that these expenditures are offset by reimbursement revenues and have no impact on fund balances. Since the largest part of these expenditures come from EBSCO purchases, these projections could change dramatically based on the outcome of the Statewide Databases program from the Illinois State Library and the Secretary of State.

Equity, Diversity, Inclusion, and Accessibility:

We are continuing our journey as an organization committed to the values of Equity, Diversity, Inclusion, and Accessibility as outlined in Goal Two of our Strategic Plan.

As part of our commitment to excellent training around EDIA for RAILS staff, we are introducing specialized training for RAILS supervisory staff and Delivery-specific training that can also be incorporated into staff onboarding.

We are budgeting for increased spending (approximately \$14,500) around digital accessibility for RAILS, including additional captioning for video content and website accessibility auditing.

RAILS is continuing to conduct a thorough analysis and evaluation of the RAILS employee handbook to ensure that all language and policies meet our EDIA goals.

Infrastructure Support and Administrative Support:

As you are all aware, RAILS conducted a full benchmarking analysis of staff salaries with HR Source in FY2024. The findings of their benchmarking analysis showed that RAILS as a whole has excellent pay equity towards the midpoint of all grades, but we do need to make some limited adjustments to the organizational structure to remain competitive. These proposed organizational changes will be detailed at the June Board meeting as we review the FY2025 Pay Scale and Organizational Chart.

Over the last decade, we have been able to attract and retain an exceptional staff and it is essential that our salaries remain competitive so that we can continue to do so. Many RAILS member library directors report that they are considering salary increases in the range of 3-4% for the coming year. Illinois Heartland Library System (IHLS) is also proposing across the board raises of 3% this year. The total cost of a 3% raise is approximately \$176,000, including salaries and benefits.

In addition to the salary adjustment requested, we are requesting the addition of a Library Resource Specialist (pay scale level 6). As our Deals and Discounts and library programs have continued to grow, additional administrative needs have been identified in order to make this work sustainable and allow for the possibility of continued expansion of the program beyond its current scope. We are also requesting the addition of approximately 1,170 hours of temporary work related to our Data team's ongoing projects and support of the World Language Cataloging program.

Healthcare costs continue to increase, with an overall increase of roughly 8.5% in health insurance rates for the second half of the year.

We expect increases in several areas related to maintaining facilities and services, including contractual services, property and casualty insurance rates, office supplies and equipment, headset and hardware replacement, legal fees, and lease renewals.

I know you all will remember the Capital Assessment RAILS completed for our Burr Ridge building in FY2024. We will begin work on some areas of deferred maintenance that were highlighted as highest priority in that plan, including curb and asphalt replacement, tuckpointing, stucco & precast wall barrier replacement, and updates to the generator & server room. We are also continuing to move ahead with necessary outlays for the Coal Valley facility that have been long delayed.

This presentation of the FY2025 Budget and Operational Plan reflects a commitment to both member service and responsible financial stewardship. The plan prioritizes the delivery of relevant and responsive services aligned with the RAILS strategic plan, while maintaining a focus on long-term financial sustainability. I look forward to a productive discussion and your valuable feedback.

RAILS FY2025 System Area and Per Capita Grant Application

2.2 Detailed Budget Narrative

This budget narrative as a component of the Area and Per Capita (APC) grant application provides an overview and a programmatic analysis of the proposed budget that supports our fiscal year (FY) 2025 operational plan. Its purpose is to enhance understanding of the budget components and how the budget supports and aligns with our operational plan. All comparisons made to the prior year budget refer to the FY2024 budget. We have included an attachment showing line-item details of the FY2025 budget and FY2024 budget, with a breakdown by administration, delivery and LLSAP support revenues and expenditures, and a comparison of the two.

Due to the additional APC grant funding that RAILS received from the Illinois Office of the Secretary of State during FY2023, RAILS has and will be able to cover increased expenses, enhance current services, and pursue innovative programs and initiatives for our members in support of our strategic plan goals. These additional funds assist with:

- Keeping our salaries competitive and our organizational structure sustainable given the ever changing and increasing service needs from our member libraries
- Expected increases in all insurance costs for calendar year 2025
- Anticipated increases in delivery outsourcing costs
- Offering grants for libraries that wish to join one of the six Local Library System Automation Programs (LLSAPs) that we support
- Offering grants to libraries, networking groups, and library consortia for continuing education (CE) events with a priority around EDI-related topics
- Supporting the growth and sustainability of our group purchase program to meet the ever-changing needs of our member libraries
- Replacing switching hardware and headsets throughout the organization
- Performing a website accessibility audit and procuring transcription services to make our websites more accessible
- Increased lease expenditures for our Bolingbrook and Rockford facilities

In addition, RAILS continues to support multiple statewide projects, including:

- Providing high-quality delivery services to the Consortium of Academic & Research Libraries in Illinois (CARLI) members via Illinois Library Delivery Service (ILDS)
- Maintaining and developing the Library Learning (L2) website
- Leading and promoting the Find More Illinois (FMI) program
- Offering the Freedom of Information Act (FOIA)/Open Meetings Act (OMA) hotline
- Developing and promoting Inkie.org
- Leading the Explore More Illinois program
- Offering the world language cataloging services program
- Developing the SLATE project
- Leading the eRead Illinois program

- Offering the My Library Is grants
- Collaborating with partner organizations to plan networking opportunities, promote availability of statewide electronic resources package, plan Directors University, advocate for more certified school librarians, provide trustee training, and increase broadband access

In FY2025, RAILS is planning to add substantially to its support for the group purchase program, the world language cataloging services program, EDI initiatives for the member libraries and our internal staff and policies, promotional support for RAILS programs, and re-branding of Explore More Illinois in partnership with the Chicago Public Library and the Illinois Heartland Library System. As in prior years, the Federal portion of our APC grant funds (\$1,936,143.79) will be used to support our delivery service to our members. A portion of these funds are used for our delivery staff salaries and the remaining portion is used for our contractual agreement with our delivery outsourcing vendor who provides delivery services to a group of our member libraries.

The FY2024 General Fund was budgeted to have a surplus of \$255,445. For FY2025, the General Fund is budgeted to have a surplus of \$469,100, but we have several FY2025 purchases planned from our Capital Projects Fund (\$748,000) which brings our total FY2025 budget surplus to a \$278,900 deficit. The FY2024 budget incorporated many of the projects that had been delayed due to pandemic related concerns and staff transitions, many of which had the flexibility to be one-time or be continued in future fiscal years. Based on member feedback and expected needs, this budget incorporates several of those same projects at the current level of need as well as several new projects. As in FY2024, these projects continue to have the flexibility to be one-time or be continued in future fiscal years, and, specifically, the world language cataloging services as well as the maintenance and development of L2 are expected to be funded through separate grants from the Illinois State Library (ISL). The budget that we are presenting includes all the services that RAILS believes we should be providing to our members to meet the operational plan and our strategic plan goals while keeping RAILS' current and newly added services for the member libraries sustainable for the long term.

The FY2025 budget reflects the new ILDS agreement with CARLI. Due to the movement of PrairieCat to additional independence from our facilities support at the beginning of FY2024, the Coal Valley and Bolingbrook expenditures that were formerly allocated between administration and delivery, are now being allocated entirely to the delivery budget. This increase in allocated expenditures is reflected in the new five-year contract with CARLI for this service.

RAILS had deferred vehicle purchases for several years due to outsourcing investigations, and, more recently, due to market shortages. Government purchasing contracts have once again been secured by local vendors with RAILS able to order thirteen replacement vehicles during FY2024. To continue upgrading our aging fleet, RAILS plans to purchase eight additional replacement vehicles during FY2025.

Summary

The proposed FY2025 operational plan continues its support of programs and activities included in the RAILS strategic plan approved by the RAILS Board in January 2022. Major activities include:

- Support for libraries to join LLSAPs/consortia
- System delivery and ILDS
- Find More Illinois

- Maintenance and continued development of L2
- Continuing education and training for members, including public library trustees
- Data collection for deals & discounts, delivery, LLSAPs, schools, etc.
- Support for eRead Illinois
- Explore More Illinois program
- Re-imagining our policies and services through an EDI lens and leading EDI efforts with member libraries
- Group purchasing program
- Grants to members for continuing education events with an EDI focus
- Grants to help show the value of libraries through the My Library Is program
- World language cataloging services and cataloging training for member library staff

As in past years, we used zero-based budgeting, meaning we developed the FY2025 budget from the ground up. We included all activities that we believe are necessary to support our strategic plan.

Revenues

General Fund revenues of \$17,869,363 are budgeted to increase \$965,277 from the FY2024 budget. This increase is primarily due to the increases in fees for services and materials (\$400,047), investment income (\$300,000), and reimbursements (\$271,800).

No Special Revenue Fund activity is budgeted for FY2025. Applications for grant funds were submitted for the continued development and maintenance of L2 as well as the continued world language cataloging services program, but the grant funds for these projects have not yet been awarded. The expenditures for these projects are budgeted in the General Fund.

Expenditures

Budgeted general fund expenditures of \$17,400,263 are \$751,622 above the FY2024 budgeted amounts. Lower than prior year's expenditures are budgeted in telephone and telecommunications and professional association membership dues. Budgeted expenditures increased overall in all other categories, with the largest increases in library materials, personnel, contractual services, and professional services.

For the General Fund, we are budgeting total estimated revenues exceeding estimated expenditures by \$469,100. We also are budgeting \$748,000 of expenditures from the Capital Projects Fund, which has no budgeted revenues. As in FY2024, we have budgeted Area and Per Capita grant revenues of \$11,871,714, but to remain conservative, we have not budgeted the revenue from the two additional grants from the ISL to support the maintenance and development of L2 and the world language cataloging services program. These applications have been submitted and are in the process of being reviewed.

Revenue Details

FY2025 estimated total revenues of \$17,869,363 consist entirely of General Fund revenues.

APC grant revenues (\$11,871,714) are budgeted at the FY2024 award amount. The APC grant amount accounts for 66.44% of the General Fund revenue budget. Excluding reimbursement revenues, the percentage increases to 81.00%.

General Fund fees for services and materials of \$1,782,099 are budgeted to increase \$400,047 from the FY2024 budget primarily due to a budgeted increases in ILDS contract fees and expected fuel surcharges (\$152,317) for statewide delivery; as well as the increase in payments from RSA (\$106,716), resulting from the addition of the Operations Manager position, the annual COLA increases, and the increases in health insurance costs. This increase is also due to the projected dramatic expansion of the FMI program (\$81,534) with the addition of Cooperative Computer Services (CCS) consortia and other expected growth in membership. The eRead Illinois program is also anticipating growth with a projected \$55,000 increase in membership fees. In addition, the budgeted HR Source membership fees for member libraries are expected to increase \$4,480. Fees included in the budget are:

- ILDS contract fees for statewide delivery to academic institutions (\$749,989), billed to offset personnel, contractual services, and overhead costs that are devoted to providing this service
- eRead Illinois membership fees (\$485,000), which support purchases of content for the program
- FMI membership fees (\$128,000), which partially offset program costs and help to ensure the sustainability of the program
- Discounted HR Source membership for participating libraries (\$26,480), billed on a sliding scale that partially offset RAILS' expenditures
- LLSAP support grant fees due to the in-kind support that is currently provided to RSA (\$392,630)

Additional General Fund revenues consist of reimbursements (\$3,212,500), which is a \$271,800 increase from the FY2024 budget. This program continued to significantly expand this year and has significantly expanded over the past several years (as a comparison, FY2017 reimbursement revenues were budgeted to be \$765,600). Significant increases include an additional \$200,000 for EBSCO databases due to increased participation, \$100,000 for JSTOR subscriptions and \$100,000 as a placeholder for new products that emerge as member needs throughout the year. These increases were partially offset by a decrease of \$115,000 in projected CreativeBug subscriptions. Four new products (ProQuest O'Reilly, Size Up, JSTOR, and Gale Excel Adult High School) are budgeted to be added to the program in FY2025. The major group purchase programs budgeted are for EBSCO databases (\$1,500,000), Communico Cloud (\$500,000), Brainfuse (\$275,000), Press Reader (\$225,000), several Gale products (\$125,000), CreativeBug (\$110,000), JSTOR (\$100,000), and SWANK (\$100,000). Amounts budgeted as reimbursement revenues are beneficial to RAILS' members as they provide economies of scale for collaborative purchasing initiatives to help scarce member library dollars stretch as far as possible and to increase resource sharing. These revenues have no impact upon fund balances as they offset corresponding group purchase expenditures.

Investment income of \$1,000,000 is budgeted for FY2025, an increase of \$300,000 from the \$700,000 budgeted for the prior year. Interest rates on money market funds, such as Illinois Funds, have remained at a continued interest rate of well over 5.00%, due to the Federal Reserve's historic increases in interest rates to combat inflation. This increase in investment income is also due to our purchase of a series of investments with laddered maturities to attempt to stabilize returns during periods of fluctuating rates. We are conservatively assuming that FY2025 investment yield has peaked and will gradually begin to decrease during FY2025 with an average return of 4.25% which is a .50% increase from the FY2024 budget. These projections also assume that we will continue to receive APC funding in a pattern sufficient to maintain our current average investment balances.

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We have discontinued filing and budgeting for E-rate reimbursements due to changes in program rules which would require increased staff time for administration and tracking of the process, given the minimal amount that we are eligible to recover. This amount has decreased significantly over the course of the past twelve years due to changes in program service eligibility rules as well as our internal restructuring of our telecommunications services to minimize costs. We will continue to evaluate this as program rules evolve and projects emerge.

Other revenues are budgeted at \$2,050, which decreased \$950 from the FY2024 budget. These are primarily amounts received for the sale of Illinois Library Law and Serving Our Public books that RAILS purchases for member libraries at the ILA member rate, as well as credit card rebates. Member library book purchases are budgeted conservatively in FY2025. The revenue from these book sales has no impact upon fund balances as they offset corresponding expenditures for print materials.

Expenditure Details

Personnel

General Fund personnel-related expenditures of \$7,561,298 are budgeted to increase by \$242,032, or 3.31%, from the prior year budget. Personnel-related expenditures are budgeted to account for 43.46% of total expenditures, compared to 43.96% in the FY2024 budget, comprising the largest single category of RAILS expenditures. The FY2025 budget for salary expenditures incorporates the following highlights and assumptions:

- A system-wide 3% salary increase has been included, except for increases for those staff members subject to a collective bargaining agreement who will receive the prescribed annual increase in the agreement. The total impact of this 3% increase is approximately \$176,000, including salaries and benefits.
- The addition of a library resource specialist who will work to ensure the long-term sustainability of the group purchase program, relieving a portion of the workload of the current program, and allowing additional growth of the Deals and Discounts program. The impact of adding this position is approximately \$60,000 for salary expenditures and \$14,788 for taxes and benefits.
- With the rapid increase in the demand for the world language cataloging program, the budget also incorporates the addition of a temporary cataloging services assistant position working a total of 15 hours per week with a focus on reviewing items submitted by member libraries, quality control, tracking of these submitted items, and original as well as copy cataloging. The impact of adding this position is approximately \$21,266, including salary and salary-related expenditures. This position is anticipated to be covered by the world language cataloging services grant that is currently being reviewed by the ISL.
- The continuation of the highly successful temporary data research internship at a total of 15 hours for six months with a focus on gathering additional LLSAP data for continued development of RAILCAR, gathering new data layers for RAILS resource sharing map, assembling the data for a data-inclusive annual report, continued eRead Illinois analysis, human resources projects, and several other long-standing projects. The impact of retaining this position is approximately \$8,551, including salary and salary-related expenditures.
- The budget also incorporates the results of the benchmarking process that was conducted in FY2024 and includes the promotions of the HR Manager and the Finance Manager to Directors, and adjustments for two existing positions to bring them into alignment for equity within the

established pay scale. The impact of these changes is approximately \$27,334, including salary and salary-related expenditures.

- The budget incorporates salary adjustments for the four delivery positions that float between routes to move them from the existing \$1.50 per hour incentive to a \$3.00 per hour incentive to improve recruitment and retention. The impact of these salary adjustments is approximately \$13,613, including salary and salary-related expenditures.
- To manage organizational sustainability, the budget includes the potential to evaluate some restructuring of supervisory responsibilities based on similar functions. This would result in an increase of approximately \$7,361, which includes both salary and salary-related expenditures. These potential changes will be further discussed with the Board as part of the organizational chart and pay scale review in June 2024.
- The budget incorporates an overall 8.5% anticipated increase in health insurance costs for the second half of FY2025, resulting in a \$20,284 increase in employer expenditures.

General Fund salary expenditures of \$5,913,316 are budgeted to increase by \$194,491, or 3.40%, from the prior year budget. Administrative salaries account for \$169,972 of this increase and delivery accounts for \$72,486 of the total increase, both are partially offset by a decrease in the LLSAP support (RSA) salaries of \$47,967. The decrease in the RSA salaries is due to a position that is currently open that is projected to remain open until RSA transitions to further independence in FY2026 by employing their own staff.

The budget for social security taxes increased \$13,160, or 3.01% from the similar increase in budgeted salaries. Unemployment insurance is budgeted to decrease \$2,993, or 10.84%, due to an expected decrease from the FY2024 rate. Since the rate is based on the last three years' experience and does include an experience factor for the state of Illinois as a whole, it can have large fluctuations. Worker's compensation expenditures are budgeted to increase \$12,640, or 10.97%, due to the increase in budgeted salaries as well as an overall expected increase in rates.

Retirement benefits are budgeted to decrease \$15,050, or 23.50% from the FY2024 budget due to an anticipated decrease in the employer contribution rate. The calendar year 2024 contribution rate, which applies to the first half of FY2025, is .88%. The second half of FY2025 is budgeted to anticipate the preliminary rate of .79% for a blended rate for the fiscal year of .84%. RAILS pension obligations are funded in excess of 100%, resulting in low funding obligations for FY2025 as well as FY2024. This funding percentage increased from 104.41% to 109.95% from the end of calendar year 2022 to 2023.

Health, dental, and life insurance expenditures of \$921,192 are budgeted to increase \$20,284, or 2.25% from the FY2024 budget due to an expected 8.5% increase in health insurance rates for the second half of the year. RAILS experienced no rate increase in FY2021 due to the decision of the insurance cooperative that we participate in to change insurance carriers from Blue Cross Blue Shield to Aetna, but we did experience an increase in FY2022 of 8.31% for medical premiums and 4.92% for dental premiums, an increase in FY2023 of 10.04% for medical premiums and either an 11.38% or 4.81% increase for dental premiums, as well as an increase in FY2024 of 11% for medical premiums and either a 7.45% or 3% increase for dental premiums. This account budget is constructed on a departmental and location basis based on the current expenditure levels and adjusted for future cost increases. RAILS is continuing the health reimbursement account (HRA) program, which was first implemented in FY2017, in which employees participate in a higher deductible (\$1,500) PPO program, at lower premiums, but retain the low deductible (\$500) benefit.

Other fringe benefits of \$28,500 are budgeted to increase \$9,500. This account includes provisions to reimburse employees for additional deductible expenses incurred under the HRA program (\$4,000), the health savings account (HSA) program (\$8,000), the tuition reimbursement program (\$15,000), and various administrative fees. The tuition reimbursement program, which has been historically underutilized, was increased from \$5,000 to \$15,000 based on recently expressed interest from staff.

The FY2025 budget of \$34,000 for temporary help, all of which is budgeted for the delivery department, increased \$10,000 from the FY2024 budget. Actual expenditures incurred during FY2024 for position vacancies and staff leave coverage have been well in excess of budget. Recruiting expenditures of \$12,000 are budgeted to remain level with the FY2024 budget primarily due to the new positions that are budgeted, normal turnover, a reduction in the level of recruiting for the administrative department from FY2023 and FY2024, as well as additional expenditures for added recruitment and retention policies.

Collectively, FY2025 General Fund personnel expenditures are budgeted to increase \$242,032, or 3.31% from the FY2024 budget, due primarily to budgeted increases for cost-of-living adjustments (COLA) as well as the addition of the library resource specialist position.

Library Materials

The major expenditure item of library materials, E-resources (\$3,730,425), is budgeted to increase \$251,925, or 7.24% from the FY2024 budget. Group purchase E-resources expenditures of \$3,212,500 are budgeted, compared to \$2,940,700 budgeted for FY2024. These expenditures are offset by reimbursement revenues and will have no impact on fund balances. Since the largest component of these group purchases are the EBSCO databases, these expenditures could change dramatically pending the announcement of the direction of the Statewide Database program by the ISL. In addition, the budget provides that RAILS will use the proceeds of its eRead Illinois membership fees (\$485,000), \$55,000 above the FY2024 budget, to purchase e-books for the eRead Illinois shared collection. Additional content purchases for eRead Illinois are budgeted at \$25,000 to meet the needs identified through the eRead data project, specifically adding additional content for audio books and graphic novels that see higher usage rates. Finally, the budget provides for the group purchase (\$7,000) of the Public Web Browser for member libraries. The additional content and Public Web Browser purchases will be provided at no cost to the membership.

Buildings and Grounds

Total buildings and grounds expenditures of \$605,372 are budgeted to increase \$35,029, or 6.14% from the FY2024 budget due primarily to an increase in rent expenditures for the lease for our new larger Rockford facility. This also includes an expected increase when the current Bolingbrook lease is renewed in June 2025 and a modest increase built into the existing lease for the East Peoria facilities. Warehouse space is extremely scarce and highly desirable in the Bolingbrook area and the 15% increase that our landlord is proposing for our next renewal has been incorporated into the budget.

Utilities are budgeted to increase \$16,237 due primarily to an increase in the Utility Distribution Company (UDC) charges that are determined by the state as well as anticipating a slightly harsher winter. RAILS signed a three-year fixed rate energy agreement with the Northern Illinois Municipal Electric Collaborative (NIMEC), locking in an increase that is approximately half of the market rate increases that are expected over the next three years.

Building repairs and maintenance decreased \$8,739 primarily due to reduction of the \$20,000 contingency for new facility build-out costs that was included in the FY2024 budget, partially offset by the addition of

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\$10,000 for the key fob system at our new Rockford facility as well as \$1,500 to contract with a roofing maintenance company for our Coal Valley facility.

Property insurance decreased \$3,901 primarily due to a less than anticipated increase in the FY2024 rates due to the results of the Burr Ridge and Coal Valley facility appraisals. This lower actual increase is partially offset by an anticipated 10% increase in rates due to nationwide casualty losses.

Vehicle Expenditures

Total vehicle expenditures of \$742,517 are budgeted to increase \$28,647, or 4.01% from the FY2024 budget, primarily from increases in vehicle insurance (\$31,567), other vehicle expenditures (\$24,950), and vehicle repairs and maintenance (\$4,500), partially offset by decreased fuel expenditures (\$32,370).

The FY2025 vehicle insurance expenditures (\$180,567) are budgeted to increase \$31,567 due to increased insurance needs from the planned purchases of eight replacement delivery vehicles during FY2025 as well as anticipated 10% premium increases overall. Other vehicle expenditures (\$41,200) are expected to increase (\$24,950) due to the RAILS signage costs for all of the new delivery vehicles.

The actual expenditures during FY2024 for vehicle repairs and maintenance were consistently above the FY2024 budget due to the aging and heavy usage of RAILS' fleet as well as the extended order lead time that delayed receiving our orders for new vehicles. Prior to FY2024, RAILS had not purchased vehicles since FY2020. After the planned purchases, RAILS will still have numerous vehicles that will have over 200,000 miles, and annual repair costs on these vehicles can be extremely high. Due to these remaining vehicles offset by the anticipated order lead time for the new vehicles in FY2025, we have budgeted a slight increase in vehicle repairs and maintenance of \$4,500.

The FY2025 budget assumes decreased fuel usage of 7,500 gallons/month and a market price of \$4.25/gallon. Due to the route optimization work that has been done over the course of several years and acquiring newer vehicles with better fuel economy, the fuel usage estimate was able to be lowered from the FY2024 estimate of 8,333 gallons/month. Given the situation in the Middle East, we have left the fuel estimate at \$4.25/gallon to allow for potential disruption that may affect prices over the course of FY2025.

Travel, Meetings and Continuing Education

Total expenditures of \$336,115 for this category are budgeted to increase \$18,773, or 5.92%.

In-state and out-of-state travel expenditures increased \$14,067 and decreased \$15,461, respectively from the FY2024 budget. FY2025 budgeted in-state travel expenditures increased due to anticipated increased travel to member libraries and attendance at more in-state conferences and events. FY2025 budgeted out-of-state travel expenditures decreased due to the discontinuation of two out-of-state events from the prior year, as well as the removal of costs related to the Public Library Association conference which was held in FY2024 and is held biennially.

Registrations and meetings (\$104,472) expenditures are budgeted to increase \$18,167 from the FY2024 budget. These expenditures primarily include registration fees and sponsorships, if applicable, for all conferences and courses as well as various board meeting and hospitality expenditures. We increased these expenditures from the prior year budget as we are planning to attend additional in-state conferences (including one staff member who will participate in a library leadership cohort) as well as offer additional training to RAILS staff with a focus on management and leadership training (including our annual staff in-service day).

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The FY2025 continuing education budget of \$88,000, an increase of \$2,000 from the FY2024 budget, supports the RAILS strategic plan goal to provide continuing education (CE) and consulting on the topic of and through the viewpoint of equity, diversity and inclusion, especially with a focus on library trustees; library advocacy; general resource sharing issues; interlibrary loan (ILL) and the ILLINET Interlibrary Loan Code; reciprocal access; reciprocal borrowing; nonresident services; etc. The program primarily relies on outside, paid trainers and consulting sources to satisfy these needs. Costs include speaker fees and travel, facility, hospitality, and other associated costs. This line also includes a \$10,000 provision for a leadership training event for member libraries as well as a small provision (\$500) for assistance to member libraries for attendance at Directors University. These increases are partially offset by a second-year subscription discount decrease of \$8,500 for Freedom Lifted subscriptions for member libraries to provide social justice and leadership training through an EDI lens. The budget provides for continuing education in the following categories:

- General — \$51,500 — Continued offerings of workshops, webinars, HR Source, and other events
- CE event grants — \$16,000 — Continued support of RAILS libraries, networking groups, and consortia seeking to organize a CE event that is made available to RAILS members with a prioritization on the strategic plan goal of EDI
- Freedom Lifted subscriptions — \$10,000 — Social justice and leadership training subscriptions taught with an EDI perspective that will be made available to RAILS members
- Leadership training event — \$10,000 — New leadership training event for member libraries
- Directors University scholarships — \$500 — Assistance for member libraries with demonstrated need to cover their registration fees to attend Directors University

Public Relations

Public Relations expenditures of \$28,000 are budgeted to increase \$900 from the FY2024 budget due primarily to the inclusion of \$750 to pay for a portion of the library conference platform related to the shared planning of the Illinois School Library Workers Symposium with AISLE, IHLS, ILA, and ISL. This expenditure line also includes \$20,000 for Explore More Illinois rebranding and conference promotional materials, promotional materials for Find More Illinois (\$5,000), and an amount for booth costs for conferences (\$2,250).

Liability Insurance

Liability insurance expenditures of \$59,567 are budgeted to increase \$1,492 from the FY2024 budget, primarily from an anticipated 10% increase in calendar year 2025 rates due to nationwide loss exposure from employment claims, cyber liability claims, and potential claims for accessibility. This increase is partially offset by a less than expected increase in actual calendar year 2024 rates.

Supplies, Postage and Printing

Total expenditures of \$244,792 for this category are budgeted to increase \$49,472 from the FY2024 budget, primarily from a \$22,306 increase in general office supplies and equipment. The FY2025 budget includes a \$15,000 provision for the potential conversion of the Podcast room at Burr Ridge into additional seating for staff as we add new positions and reevaluate space needs. Additional expenditures include a provision of \$3,000 for informational mailers to libraries to encourage use of RAILS delivery and other services, encourage participation in the RAILS board election process, and raise awareness of resources and services available to various library types.

Computers, software, and supplies expenditures of \$113,067 are budgeted to increase \$17,814, primarily due to provisions for the replacement of the switching hardware at all RAILS service centers (\$15,000) and headset replacements for all staff (\$10,000) as the current equipment is all end of life. The addition of display boards for the four service centers other than Burr Ridge to increase consistency between our many facilities and enhance staff and visitor communication is also included in the budget at \$15,000. The FY2024 budget also includes an expected sharp increase from \$7,000 to \$20,000 in Microsoft Office 365 subscription costs due to the elimination of school pricing from Microsoft's business model.

Postage expenditures of \$16,685 increased \$5,702 to accommodate increases in postage rates for overall mailings, RAILS informational mailings to member libraries, and an increased number of items mailed as a part of the FMI program due to growing participation. Delivery supplies expenditures of \$50,500 increased \$3,650 due primarily to an anticipated increase in the cost of labels, based on the results of the RFP process conducted during FY2024.

Telephone and Telecommunications

FY2025 budgeted expenditures of \$100,446, which incorporate existing contracts, are budgeted \$16,440 below the FY2024 budget primarily due to cost savings from restructuring our services with one of our internet service providers that services two of our facilities as well as the reevaluation of the number of hotspots that staff require for travel, given current technology capabilities and travel levels.

Equipment Rental, Repair & Maintenance

Total expenditures of \$143,145 for this category are budgeted to increase \$4,623 from the FY2024 budget, primarily due to increased equipment repair and maintenance agreements. The budget includes existing contracts for HVAC maintenance, copier equipment, and annual maintenance expenditures on various equipment and software, including Zoom. This increase is primarily due to the addition of a subscription for CrowdStrike which is an endpoint security software to enhance protection from cyber threats.

Professional Services

Total expenditures of \$331,426 for this category are budgeted to increase \$58,811 from the FY2024 budget, primarily from a \$43,775 increase in consulting expenditures related to growth of the world language cataloging services program resulting in increased services from our third-party cataloging service that assists with languages that cannot be translated and cataloged in-house (\$35,775). Consulting expenditures also increased due to the addition of a planned website accessibility audit and transcription services to increase the accessibility of our websites (\$14,000), the addition of succession planning services for the organization (\$4,000), and the addition of \$10,000 to support RSA during their transition towards increased independence. These additions were partially offset by the FY2024 near-completion of the EDI review of the RAILS handbook.

FY2025 budgeted consulting expenditures of \$200,275 consist of:

- HR Source (Formerly MAI) discount membership program - \$54,000
- World language cataloging services consulting for member libraries - \$49,775
- Find More Illinois rebranding project consulting - \$27,000
- Equity, diversity, and inclusion (EDI) consulting - \$19,500
- FOIA/OMA hotline - \$12,000
- RSA staff independence support - \$10,000
- Website accessibility audit - \$10,000

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- Final EDI review of the employee handbook - \$5,000
- Penetration testing for added security enhancements - \$5,000
- Transcription services for accessibility - \$4,000
- Succession planning for the organization - \$4,000

We are continuing to develop contracts with consultants in a variety of areas for which libraries and RAILS have needs. These needs and priorities change from year to year, as will the amounts that we have budgeted. We have not hired permanent staff to provide consulting services, as that service model limits our ability to respond to changing financial conditions and the needs of members. The HR Source membership program is partially reimbursed by fees that are billed on a sliding scale to participating libraries.

Legal fees of \$67,600 are budgeted to increase \$12,600 due to the upcoming FY2025 union negotiations for a portion of our delivery staff. These costs are budgeted based on actual costs over the last negotiation period, partially offset by less than anticipated legal actual costs incurred during FY2024.

Contractual Services

Total expenditures of \$3,491,311 for this category are budgeted to increase \$76,657 from the FY2024 budget, due primarily to an increase in other contractual services (\$175,350), partially offset by a decrease in contractual agreements with systems, member libraries and other cooperatives (\$75,205) as well as a decrease in information service costs (\$23,488).

Other contractual services expenditures of \$1,803,647 increased \$175,350 primarily due to a \$92,919 increase in the budgeted delivery services contract with Continental Transportation Logistics (CTL). We are anticipating a 6% increase in CTL costs, reflecting the continued increases in labor, vehicle, and overhead costs that are similar to the increases that RAILS is and has experienced over the past several years. Additional increases due to the need for additional development of the statewide L2 platform (\$52,500) as well as the addition of \$25,000 to support adult learners participating in Gale Excel high school programs and the \$15,000 provision to support subscriptions to JSTOR which has a focus on world resource materials.

The FY2025 other contractual services budget provides for administration expenditures of \$495,800, an increase of \$82,431 from the FY2024 budget. These expenditures include:

- Find More Illinois expenditures of \$172,800, or \$6,431 above the FY2024 budget
- Expenditures of \$87,500 related to the continued development and maintenance of L2, an increase of \$52,500 from the FY2024 budget
- BiblioLabs platform expenditures of \$70,000 to support the statewide BiblioLabs platform for Inkie.org which promotes local self-published author materials
- Explore More Illinois expenditures of \$60,000 to expand the program, which connects library patrons to deals and discounts from museums and other cultural attractions. This has increased \$5,000 from the FY2024 budget
- A provision of \$35,000 to continue and further develop Consortia Manager, which is an increase of \$5,000 from the FY2024 budget. Consortia Manager provides an infrastructure for managing member library group purchases and discounts as well as create the opportunity for the expansion of group purchase programs and process efficiencies

- A provision of \$25,000, which is RAILS’ investment to continue and encourage participation in the Smart Horizons Career Online High School group purchase offer
- A provision of \$25,000, which is RAILS’ investment to start and encourage adoption of the Gale Excel high school group purchase offer
- A provision of \$15,000 to support and encourage use of the new group purchase subscription to JSTOR, with a focus on K-12 materials
- A provision of \$4,000 for the Backstage Library Works bibliographic MARC records processing for eRead Illinois, which is a \$2,000 increase
- A provision of \$1,500 for potential records shredding in compliance with our Illinois State approved records retention plan

The FY2025 budget for agreements with systems, member libraries, and other cooperatives expenditures (\$1,661,666) is \$75,205 below the FY2024 budget primarily due to a decrease in administration expenditures (\$84,500), partially offset by the annual recalculation of LLSAP support (\$9,295). This decrease in administration includes the fluctuating needs for cataloging membership grants which are projected to decrease \$90,000 in FY2025. These grants are budgeted based on expressed interest and anticipated need.

LLSAP direct support expenditures increased \$9,295 from the FY2024 budget, as RSA and PrairieCat will receive in-kind personnel support from RAILS personnel that will be recorded within the administration department. RAILS intends to continue its support payments to six entities, three of which (CCS, Rock River, and Pinnacle) were added in FY2020. The FY2025 and FY2024 support payments are shown below:

	<u>FY 2025</u>	<u>FY 2024</u>
CCS	\$ 215,295	\$ 210,232
Pinnacle	57,803	56,989
PrairieCat	515,237	516,776
RRLC	70,215	66,836
RSA	0	0
SWAN	500,616	499,038
Total Direct LLSAP Support	\$ 1,359,166	\$ 1,349,871

The FY2025 total support allocations to PrairieCat and RSA are \$568,723 and \$835,828, respectively. Since budgeted RSA in-kind support expenditures (\$1,228,458) exceed this amount, RSA will make payments to RAILS totaling \$392,630.

This increase is also further offset by information services costs, which decreased overall by \$23,488 primarily due to a decrease in our website support needs as well as the FY2024 completion of the creation of a signup form for the eRead Illinois program.

Professional Association Membership Dues

Total expenditures of \$11,249 for this category are budgeted to decrease \$226 from the FY2024 budget, due primarily to changing needs for memberships and achieving savings from shifting individual membership to organization memberships for select library groups.

Miscellaneous

Total expenditures of \$12,450 for this category are budgeted to increase \$627 from the FY2024 budget. This account is used for bank and credit card fees as well as other minor expenses.

Capital Outlays

Expenditures of \$748,000 are budgeted \$151,000 below the FY2024 budget. The budget includes \$25,000 to purchase servers to migrate away from VMware to avoid sharply rising costs and \$10,000 for replacing the Cisco router at the Burr Ridge office.

In FY2024, RAILS had a building assessment performed for the Burr Ridge facility that highlighted several areas of long-deferred maintenance that have been incorporated into the FY2025 budget, including:

- Curb replacement at a cost of \$5,000
- Asphalt replacement at a cost of \$60,000
- Precast wall barrier replacement at a cost of \$40,000
- Tuckpointing at a cost of \$25,000
- Stucco replacement at a cost of \$27,000
- Generator replacement at a cost of \$8,000
- Server room climate control unit replacements at a cost of \$25,000

In addition to these items for Burr Ridge, a provision of \$13,000 is included to replace the well-worn carpet in the East Peoria facility. Similar to last year, a provision of \$50,000 has been incorporated for necessary office renovations for the Coal Valley facility that have previously been deferred for many years.

The FY2025 budget also includes \$460,000 for the purchase of eight delivery vehicles to continue moving us towards a regular schedule for replacement of our aging fleet. RAILS purchased thirteen vehicles in FY2024 after deferring vehicle purchases since 2020 due to evaluation of an RFP for additional outsourcing and market shortages. These purchases will be helpful to control growing repair costs and achieve greater fuel efficiency.

Conclusion

General Fund revenues of \$17,869,363 are budgeted to increase \$965,277 from the FY2024 budget, primarily due to increases in fees for services and materials (\$400,047), investment income (\$300,000), and reimbursements (\$271,800).

Budgeted General Fund expenditures of \$17,400,263 are \$751,622 above the FY2024 budgeted amounts. Lower than prior year's expenditures are budgeted in two expenditure categories: telephone and telecommunications and professional association membership dues. Budgeted expenditures increased in all other categories, primarily library materials, personnel, contractual services, and professional services.

For the General Fund, we are budgeting that total estimated revenues will exceed estimated expenditures by \$469,100. We are also budgeting \$748,000 of expenditures from the Capital Projects Fund, which has no budgeted revenues.

The budget and operational plan are based on level APC funding of \$11,871,714. We requested additional funding (\$104,283) to support the continued maintenance and development of L2, and additional funding (\$109,342) to support the world language cataloging services. The budget we are presenting includes the services that RAILS believes we should be providing for our members.

This is both a forward-looking and financially sound budget that will enable RAILS to work toward meeting the goals in its strategic plan and the activities identified by the Illinois State Library with enough flexibility to allow for additional activity growth and cost increases for the future.

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**ILLINOIS STATE LIBRARY
SYSTEM AREA AND PER CAPITA GRANT APPLICATION
FY 25 BUDGET SHEET**

	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Fiduciary Funds	Total Budget
Revenues						
State Grants						
Area & Per Capita	\$11,871,714.	\$0.	\$0.	\$0.	\$0.	\$11,871,714.
Blind & Physically Handicapped	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
System Automation & Technology	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Other	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Federal Grants	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Other Grants	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Fees for Services & Materials	\$1,782,099.	\$0.	\$0.	\$0.	\$0.	\$1,782,099.
Reimbursements	\$3,212,500.	\$0.	\$0.	\$0.	\$0.	\$3,212,500.
Investment Income	\$1,000,000.	\$0.	\$0.	\$0.	\$0.	\$1,000,000.
Other Revenue	\$3,050.	\$0.	\$0.	\$0.	\$0.	\$3,050.
Estimated Total Revenue	\$17,869,363.	\$0.	\$0.	\$0.	\$0.	\$17,869,363.

	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Fiduciary Funds	Total Budget
Expenditures						
Personnel						
Salaries						
Library Professionals	\$1,611,600.	\$0.	\$0.	\$0.	\$0.	\$1,611,600.
Other Professionals	\$2,038,691.	\$0.	\$0.	\$0.	\$0.	\$2,038,691.
Support Services	\$2,263,025.	\$0.	\$0.	\$0.	\$0.	\$2,263,025.
Payroll Taxes & Benefits						
Social Security Taxes	\$450,849.	\$0.	\$0.	\$0.	\$0.	\$450,849.
Unemployment Insurance	\$24,626.	\$0.	\$0.	\$0.	\$0.	\$24,626.
Workmen's Compensation	\$127,817.	\$0.	\$0.	\$0.	\$0.	\$127,817.
Retirement Benefits	\$48,998.	\$0.	\$0.	\$0.	\$0.	\$48,998.
Health, Dental & Life Insurance	\$921,192.	\$0.	\$0.	\$0.	\$0.	\$921,192.
Other	\$28,500.	\$0.	\$0.	\$0.	\$0.	\$28,500.
Temporary Help	\$34,000.	\$0.	\$0.	\$0.	\$0.	\$34,000.
Recruiting	\$12,000.	\$0.	\$0.	\$0.	\$0.	\$12,000.
Library Materials						
Printed Materials	\$2,150.	\$0.	\$0.	\$0.	\$0.	\$2,150.
Non-Printed Materials	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
E-Resources	\$3,730,425.	\$0.	\$0.	\$0.	\$0.	\$3,730,425.

	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Fiduciary Funds	Total Budget
Buildings & Grounds						
Rent	\$313,797.	\$0.	\$0.	\$0.	\$0.	\$313,797.
Utilities	\$134,106.	\$0.	\$0.	\$0.	\$0.	\$134,106.
Property Insurance	\$26,449.	\$0.	\$0.	\$0.	\$0.	\$26,449.
Repairs & Maintenance	\$55,526.	\$0.	\$0.	\$0.	\$0.	\$55,526.
Custodial and Janitorial Service & Supplies	\$57,711.	\$0.	\$0.	\$0.	\$0.	\$57,711.
Other	\$17,783.	\$0.	\$0.	\$0.	\$0.	\$17,783.
Vehicle Expense						
Fuel	\$394,850.	\$0.	\$0.	\$0.	\$0.	\$394,850.
Repairs & Maintenance	\$125,900.	\$0.	\$0.	\$0.	\$0.	\$125,900.
Vehicle Insurance	\$180,567.	\$0.	\$0.	\$0.	\$0.	\$180,567.
Vehicle Leasing & Rent	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Other	\$41,200.	\$0.	\$0.	\$0.	\$0.	\$41,200.
Travel, Meetings and Continuing Education for Staff & Board						
In-state Travel	\$86,039.	\$0.	\$0.	\$0.	\$0.	\$86,039.
Out-of-State Travel	\$57,604.	\$0.	\$0.	\$0.	\$0.	\$57,604.
Registrations, Meetings and Other Fees	\$104,472.	\$0.	\$0.	\$0.	\$0.	\$104,472.
Conferences and Continuing Education Meetings	\$88,000.	\$0.	\$0.	\$0.	\$0.	\$88,000.
Public Relations	\$28,000.	\$0.	\$0.	\$0.	\$0.	\$28,000.

	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Fiduciary Funds	Total Budget
Liability Insurance	\$59,567.	\$0.	\$0.	\$0.	\$0.	\$59,567.
Supplies, Postage and Printing						
Computer Software and Supplies	\$113,067.	\$0.	\$0.	\$0.	\$0.	\$113,067.
General Office Supplies and Equipment	\$64,540.	\$0.	\$0.	\$0.	\$0.	\$64,540.
Postage	\$16,685.	\$0.	\$0.	\$0.	\$0.	\$16,685.
Binding	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Library Supplies	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Delivery Supplies	\$50,500.	\$0.	\$0.	\$0.	\$0.	\$50,500.
Other	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Telephone and Telecommunications	\$100,446.	\$0.	\$0.	\$0.	\$0.	\$100,446.
Equipment Rental, Repair & Maintenance						
Equipment Rental	\$9,244.	\$0.	\$0.	\$0.	\$0.	\$9,244.
Equipment Repair and Maintenance Agreements	\$133,901.	\$0.	\$0.	\$0.	\$0.	\$133,901.
Professional Services						
Legal	\$67,600.	\$0.	\$0.	\$0.	\$0.	\$67,600.
Accounting	\$63,551.	\$0.	\$0.	\$0.	\$0.	\$63,551.
Consulting	\$200,275.	\$0.	\$0.	\$0.	\$0.	\$200,275.
Contractual Staff	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Contractual Services						
Information Service Costs	\$25,998.	\$0.	\$0.	\$0.	\$0.	\$25,998.

Agreements with systems, member libraries and other cooperatives	\$1,661,666.	\$0.	\$0.	\$0.	\$0.	\$1,661,666.
Outside Printing Services	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Other	\$1,803,647.	\$0.	\$0.	\$0.	\$0.	\$1,803,647.
Depreciation	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Professional Association Membership Dues	\$11,249.	\$0.	\$0.	\$0.	\$0.	\$11,249.
Miscellaneous	\$12,450.	\$0.	\$0.	\$0.	\$0.	\$12,450.
Capital Outlays						
Equipment	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Computer hardware and software	\$0.	\$0.	\$35,000.	\$0.	\$0.	\$35,000.
Furniture & Fixtures	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Building and Improvements	\$0.	\$0.	\$253,000.	\$0.	\$0.	\$253,000.
Land	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Vehicles	\$0.	\$0.	\$460,000.	\$0.	\$0.	\$460,000.
Debt Service						
Principal	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Interest	\$0.	\$0.	\$0.	\$0.	\$0.	\$0.
Estimated Total Expenditures	\$17,400,263.	\$0.	\$748,000.	\$0.	\$0.	\$18,148,263.
Excess of Estimated Revenues Over (Under) Estimated Expenditures	\$469,100.	\$0.	\$-748,000.	\$0.	\$0.	\$-278,900.

