



Illinois Heartland Library System
ANNUAL REPORT

ILLINOIS HEARTLAND
LIBRARY SYSTEM

FY2025

*for submission
to the Illinois
State Library*



23 Ill. Adm. Code 3030.270 Part B Multitype Library System Annual System Report

FY2025 Cover Sheet

- 1. Narrative Report**
- 2. Financial Report**
 - 2.1 FY2025 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. System Staff**
- 5. Board of Directors**
 - 5.1 FY2025 Board Meetings
 - 5.2 System Board Members
 - 5.3 Assessment of 23 ILAC 3030.255, Board of Directors Policies
 - 5.4 Assessment of 23 ILAC 3030.260, Finances and Records
- 6. Bylaws**
- 7. General**
 - 7.1 Appraisal of System Real Estate
 - 7.2 Inventory of Motor Vehicles
 - 7.3 Out-of-State Travel
- 8. Delivery**

Library System: **Illinois Heartland Library System**

Signed:  Date: 9-4-2025
Board President

Signed:  Date: 9-4-2025
Executive Director



1. Narrative Report

A Word from the Executive Director

In FY2025, our libraries continued to help their communities steer through a flood of disinformation from high levels of government and support communities during a worsening financial crisis. Our libraries offer unmatched value to their patrons. At Illinois Heartland Library System (IHLS), we are dedicated to enhancing our members' capacity to provide such high levels of service.

This commitment guided us in a year of long-term planning, project implementation, and responsive advocacy. We worked with our staff and listened to our members to create a new, impact-driven strategic plan. We kept promises as we proceeded with the automated material handling system (AMHS) implementation at our hubs. We offered financial value to our libraries with two IHLS-sponsored grants: the HR Source Grant and the Marketing Microgrant. And we jumped into action when funding for the Institute of Museum and Library Services (IMLS) came under extreme threat, supporting and guiding our members in IMLS advocacy efforts.

In short, the entire IHLS team remained dedicated, nimble, and hopeful in FY2025, and I'm proud to show you how we did it.

Sincerely,

Leslie M. Bednar, Executive Director

Illinois Heartland Library System



Marketing & Communications

The IHLS Marketing and Communications team is a vital part of supporting the organization's membership. We focus on consistent and engaging communications with a website and email-first strategy (reaching members via their preferred channels), which is essential for the utilization of IHLS services, event success, and informed membership and staff. Thus, from day to day, staff keep members informed via regular newsletters, emails, web articles, social media, intranet articles, and more. In addition to these crucial regular communications, we also strive to expand and improve our impact each year.

In FY2025, we kept members and stakeholders informed while achieving new levels of member support, even as we lost half our capacity due to a team member's resignation. The Marketing and Communications team held strong through several significant projects: supporting the AMHS barcode duplication project, revamping our board nominations marketing strategy, suddenly taking on emergency IMLS advocacy, and launching the inaugural IHLS Marketing Microgrant.

AMHS Support

Throughout FY2025, IHLS Marketing and Communications collaborated closely with Delivery to support the Automated Material Handling System (AMHS) project, ensuring members remained informed throughout this complex and costly initiative. Our focus was on providing transparent and timely updates, communicating the value of the project, and engaging members in the process to foster excitement.

Knowing that clear communication was essential for member satisfaction, we worked on multiple updates via the website, newsletters, and Members Matter meetings. For instance, we quickly addressed unexpected issues related to the sensitive barcode duplication project, balancing member concerns with system realities in frequent updates.

In addition to transparent communications, this project also requires some marketing to ensure member buy-in. In the first half of the year, our marketing efforts focused on demonstrating the value of the machine, as seen in a social media video that contrasted the gentleness of machine-sorting with hand-sorting. As installations began, we launched the AMHS Naming Contest to engage members in the naming process, with three rounds of surveys determining the winning names. Members proposed names in Round 1, which staff narrowed down in Round 2, with the final voting (Round 3) concluding April 25. The winners will be announced at the ribbon-cutting event, initially set for July but rescheduled to October 2025. Therefore, we cannot disclose the winning names in this report, but we invite readers to attend the reveal at our 2025 annual meeting.

Board Nominations Promotion Refresh

Each year, board nominations and elections require significant promotion to ensure a qualified ballot and strong voter participation. This year was particularly challenging due to four openings for trustee representatives, a category we've struggled to fill in the past. To address this, the Marketing and Communications team collaborated with our



Illinois Heartland Library System

Executive Assistant and Executive Director to implement a targeted approach for trustees, recognizing that many are older and may not engage with social media or even emails with as much frequency or fluency as the rest of our membership.

To this end, we distributed promotional packets via delivery bins for inclusion in board materials and designed an attractive, text-light flyer to capture trustees' attention. On the back of the flyer, we added our traditional letter from our board president to appeal to more traditional audiences. Additionally, we highlighted the significant impact of serving one of Illinois's two multitype library systems, continuing to target our outreach with emails and an engaging social media video for tech-savvy trustees.

This refresh appears to have been successful: there were more nominees this year than our bylaws would even allow on the ballot, giving our members greater choice for their trustee representatives and enhancing their voice in leadership.

Advocacy Efforts

At IHLS, we consider advocacy one of our most important activities. Steering clear of all prohibited political activities, we focus our advocacy efforts on activities like educating our members about relevant state bills, demonstrating the value of libraries to the public, and persuading the state to include libraries in planning for endeavors like broadband expansion. This year, we focused largely on helping libraries advocate for themselves and championing the continuance and funding of the Institute of Museum and Library Services (IMLS).

Helping Libraries Advocate for Themselves

Our chief advocacy focus is helping libraries advocate for themselves. Last fall, we created an infographic flyer and template highlighting public

1. Narrative Report

libraries' return on investment. Using Illinois Public Library Annual Report (IPLAR) data, average book costs, and IMLS information, the infographic illustrates the per-capita cost of libraries compared to other goods and services. We provide both a



Figure 1. Save IMLS statewide infographic flyer.

ready-to-share version with data from all IHLS public libraries (see figure 1) and a customizable template for individual libraries.

In winter, we developed a similar infographic template for SHARE-member school libraries, using the SHARE Polaris Dashboard. Although due to the nature of the document and SHARE dashboards, we do not have a ready-to-share version for school data, the template allows fast and easy population of fields using the dashboard, making it user-friendly for schools and even adaptable for public libraries.



Both infographic documents are valuable tools for libraries to advocate for themselves and are available on our website.

IMLS advocacy

This spring, an urgent advocacy need arose when President Trump announced plans to downsize federal agencies, including the Institute of Museum and Library Services (IMLS), which provides essential grants to libraries. We promptly initiated crisis communications and advocacy planning.

We first informed our members via email about the situation and shared updates on our website, encouraging sign-ups for our Official Business email list, where we would continue to share updates. Then, we collaborated within IHLS and with members to reach out to legislators and patrons. Utilizing data and feedback, we created three infographic flyers advocating for IMLS—two highlighting its impact in central and southern Illinois and one showcasing statewide benefits. We sought feedback from our RAILS colleagues on the statewide flyer and provided feedback on their statewide materials.

Additionally, we promoted a meeting with national and state legislators at Edwardsville Public Library, organized by our members. There, we spoke with State Sen. Erica Harriss and staff from Rep. Nikki Budzinski's and State Rep. Katie Stuart's offices. We presented our flyers and thanked the legislators for their support.

Finally, the Marketing and Communications team developed an issue guide for IMLS advocacy, including resources for members to voice their concerns, the infographic flyers, and social media content. This guide featured downloadable items to aid in advocacy efforts.

Marketing Microgrant

In 2023, the Marketing and Communications team had the idea of creating a microgrant to assist member libraries with limited budgets in funding promotional projects. Smaller libraries often struggle with costs that larger organizations can more easily manage, such as \$200 for branded items. To support this microgrant, we launched an online print-on-demand store featuring pro-library designs. This fundraiser, active since 2022, had raised about \$1,200 by mid-2025.

In the fall of FY2025, we officially launched the IHLS Marketing Microgrant program, offering up to \$600 in funds, with the remaining \$600 for FY2026 already raised. The application period ran through December, attracting five applicants. We selected two winners announced at IHLS Member Day 2025, awarding \$200 to fully fund a project at Fairview Heights Public Library and \$400 to partially fund a project at the Mississippi Valley Public Library District's Fairmont City Library Center (see figure 2).

Winning Microgrant Projects

The Fairview Heights Public Library has received \$200 in funding for its Community Partnership Initiative, aimed at building collaborations with local businesses and organizations. They face the challenge of creating outreach programs that cater to both small businesses and larger corporate entities. The funding will be used to acquire branded gift bags for 30 businesses during their Community Partnership Initiative Tour, which includes face-to-face visits and an online survey to gather data. This initiative is designed to foster stronger relationships with potential partners.

The Mississippi Valley Library District – Fairmont City Library Center received \$400 in partial funding for a Ready-to-Go Kit aimed at reaching the predominantly Spanish-speaking community of Fairmont City. The library uses the kit to enhance its presence at local outreach events through bilingual promotional materials and word-of-mouth strategies. The Ready-to-Go Kit includes engaging items like a Plinko-style prize drop board, a Wi-Fi hotspot, a tablet for demonstrating digital resources, and a branded tablecloth, all designed to attract and inform residents about the library's services and foster community connections.



Illinois Heartland Library System

1. Narrative Report

After Member Day, our focus shifted to raising additional funds for FY2027 through the IHLS Store by expanding our design offerings. With federal funding sources like IMLS in peril, we're proud to

have created a self-sustaining microgrant program that will help our members connect with their communities despite funding challenges.



Human Resources

Human Resources (HR) plays a multi-faceted role in our organization, serving as a vital connection between our employees, business needs, and the well-being of our members. We take a comprehensive approach to HR practices, ensuring all stakeholders are informed, empowered, and compliant. Through strategic initiatives and open communication, we create a win-win situation for all. **This fiscal year, the philosophy has been to leverage our resources to automate processes by “doing more with less.”** We've strategically leveraged technology to streamline previously manual processes, boosting efficiency and empowering our existing talent. This proactive approach has not only ensured we meet our goals but also positioned us for future growth with a more scalable foundation.

Streamlining Our Processes

Enhancing Our Human Resources Information System (Paylocity)

In FY2024, the HR team worked with our Finance Department to implement Paylocity, an improved human resources information system. Since then, Paylocity has offered several benefits to HR staff and our other employees. In FY2025, HR staff worked on improvements to the system.

Applicant Tracking System

HR staff worked to further enhance Paylocity's feature for tracking applicants applying for positions, which offers easy access to the stages of recruitment for Human Resources and managers and allows for automatic email responses to applicants. We instituted measures to better protect candidates' personal data, as this information is available online. We also worked towards better tracking of the interview process by

having questions online for the entire interview process.

New Hire Packet Enhancements

To continue improving the experience of our new recruits, the HR team also implemented enhancements to our new hire onboarding process via Paylocity. Now, new employees can complete their new hire paperwork online before their start date. This process saves approximately 40 minutes during their first-day orientation and enhances data security by eliminating the need to physically deliver sensitive documents.

Paylocity Performance Module

Finally, we continued our performance review system for all IHLS employees this year. We began the process of switching our performance review platform from Teamflect to Paylocity, resulting in cost savings for our next fiscal year.

Rollout of the Employee Handbook

Another important element of our efforts to streamline our process was the rollout of our annually updated Employee Handbook for legal compliance. We announced the rollout through a post on the IHLS staff Intranet and an email to all staff, enabling employees to easily access the handbook when questions arise. We also trained staff in our policies to ensure understanding and address questions. Both the handbook rollout and the policy training also included Paylocity components, enabling HR staff and managers to verify that employees had read and completed them.

All these initiatives work toward the goal of doing more with less by giving employees access to their data, the ability to make changes, and access to forms and policies. This directly relates to



Illinois Heartland Library System

streamlining our processes and utilizing a single system approach.

Assisting the Members Doing HR Work

As usual, the HR team also focused on serving our members by empowering their workforce and helping them navigate the ever-changing landscape of human resources. We provide assistance via consultations, training, and a grant to assist with the cost of an HR Source membership.

HR Consultations

We provide our library members with access to a wealth of resources, including expert HR consultations. HR consultants convert complex legal language into straightforward, practical advice for members who find employment contracts, benefits packages, or workplace policies confusing. We also provide recommendations on effective strategies for recruitment, performance management, and resolving conflicts. Furthermore, our consultations help members stay up to date with the latest employment laws and regulations, ensuring compliance and allowing them to focus on serving their clients. This year, we provided seven consultations!

Human Resource Training

We have trained over 300 library staff, providing them with complimentary access to annual Sexual Harassment Prevention training mandated by the state. The benefits of this training extend beyond staying compliant with state law. This impactful asynchronous online training not only cultivates a safer environment for libraries but also empowers staff, significantly mitigating risks. By actively addressing and discouraging harassment, we foster a welcoming atmosphere for all patrons.

Moreover, as staff members become adept at recognizing and reporting incidents of harassment,

1. Narrative Report

their confidence and morale soar. This training equips employees to help avert potential lawsuits, ultimately contributing to a more productive and positive workplace culture. Together, we are building a stronger, safer community where everyone can thrive.



Figure 3. A screenshot of the IHLS bookings page for consultations.

HR Source Grant Program: Year Three

In FY2025, we proudly offered our HR Source Grant program for a third year, paying the bulk of 17 member libraries' HR Source annual membership fees. As a result, these libraries can address all their HR needs at an affordable price point that fits in their budget—no matter the library's size. For instance, HR Source provides access to legal resources, hotlines for quick questions, and training programs to ensure libraries stay up-to-date and compliant.

Additionally, this resource allows HR professionals in libraries to connect with colleagues through online forums and roundtables offered by HR Source. This facilitates sharing best practices, problem-solving, and staying informed about current HR trends. Especially with this grant, membership fees can be more affordable than



Illinois Heartland Library System

hiring a dedicated HR professional, especially for smaller libraries. HR Source provides access to a wealth of resources at a fraction of the cost.



Figure 4. The HR Source Grant presented on the IHLS Website.

Representing IHLS statewide

LIMRiCC

The HR team empowers our members by serving with the Library Insurance Management and Risk Control Combination (LIMRiCC), an intergovernmental organization that offers affordable insurance, risk management services, and compliance support for Illinois libraries. LIMRiCC also helps libraries remain compliant with regulations relevant to unemployment claims. This includes unemployment compensation group accounts and access to unemployment claim consultants. In FY2025, IHLS HR Director Jill Trevino continued her term as the LIMRiCC Board's Vice Chairperson. Trevino is still the sole board member representing libraries in central and southern Illinois. Her role allows her to advocate for the benefit needs of our libraries within LIMRiCC.

ILA Participation

Our HR Director was instrumental in creating the Illinois Library Association's Human Resources Administration Forum (HRAF), which assists libraries across the state in tackling human resources issues and exchanging experiences that they would not have been able to access otherwise.

1. Narrative Report

Members of the HRAF collaborate to design and present conference programs and informational materials, among various other activities. In FY2025, Trevino continued to serve as a leadership mentor in the forum.

In the interest of educating IHLS members and other Illinois library workers, our HR Director gave three presentations at the 2024 ILA Annual Conference. She gave one presentation called "Hiring in the Rising Tide of Book Bans," and she participated in the HRAF Unconference session. In collaboration with SHARE Director Cassandra Thompson, Trevino also gave a presentation titled "Shining a Light on Managing Employees." Both RAILS and IHLS members were in attendance.

Providing Staff with Professional Development Support

In connection with our focus on "doing more with less," we have continued our focus on creating a culture of learning. IHLS recognizes that knowledge is power. We embrace a philosophy that encourages employees at all levels to seek continuous learning and skill development. We value curiosity, innovation, and understanding that a dynamic workforce can adapt to change more effectively.

In FY2025, we continued to implement a variety of learning methods. Staff completed training through our Gallagher Step 360 programs, which not only focus on professional development but also support employees in achieving their personal goals. Additionally, we maintained our use of LinkedIn Learning accounts for employees, providing them with convenient access to training on their phones or other personal devices. This year, our employees explored over 200 courses. Each course helps employees acquire marketable skills and stay updated with industry standards,



Illinois Heartland Library System

1. Narrative Report

ultimately enabling them to serve member libraries more effectively.

Human Resources Training

In addition to offering subject-area professional development opportunities, we also provided staff with training on subjects relevant to IHLS employment in general. We held an Illinois Municipal Retirement Fund (IMRF) training to help our employees better understand the pension benefits of IMRF. We also held reasonable suspicion training to help employees recognize signs of someone under the influence. Additionally, we communicated IHLS policies to employees and supervisors regarding their responsibilities if they witness someone under the influence. The learning here at IHLS is inclusive, providing opportunities for everyone, regardless of their position or tenure within the organization. From entry-level employees to directors, everyone is encouraged to engage in learning experiences tailored to their individual needs.

Recruiting & Retention

Recruiting excellent team members is vital to providing excellent service to our members. While the HR Department focuses on this goal, we also continue to keep our costs low by using free resources to post our open positions. We now have a fully functioning Applicant Tracking System through Paylocity, which aligns with our theme of maximizing efficiency by leveraging our available resources and technology. In FY2025, we also saw more candidates coming directly to our job listings on the IHLS Website.

Additionally, we have increased our knowledge of equal treatment by attending webinars and keeping current with ways to include such initiatives in our hiring processes. One such initiative involves attending job fairs, where we promote not only IHLS

job openings but also jobs posted on our website for libraries throughout the state of Illinois. This year, we attended job fairs in East St Louis, McKendree University (Lebanon), and Effingham IDES (Illinois Department of Security).

As we continue our focus on recruiting top talent, turnover remains a challenge. We hired 12 employees this fiscal year (FT=6, PT=6) and 20 employees resigned (FT=10, PT=10). With an overall average of 92 employees in any given month, that gives us an annual 21.7% turnover rate. The top three reasons for this turnover are retirements, people leaving the workforce, and those moving for better pay than a quasigovernmental nonprofit can offer.



Accounting

The Finance Department upholds the organization's financial integrity by managing its funds, maintaining accurate records, and supporting sound fiscal practices. Their core functions include transaction recording, financial reporting, budgeting and forecasting, regulatory compliance, audit coordination, payroll administration, accounts payable and receivable, cash flow oversight, tax filing, and financial analysis. These responsibilities ensure the organization adheres to established accounting standards and mitigates financial risk.

During FY2025, the department upheld its commitment to transparency and accuracy by maintaining precise financial records and delivering timely reports to both the Board of Directors and the Illinois State Library via grant documentation. The annual budget was prepared and presented to the board, and the department successfully completed an external audit, receiving an unmodified opinion. These financial milestones are essential to our grant applications and annual reporting, offering stakeholders a clear view of our fiscal planning and performance.

Additionally, the department continued to provide consulting hours for member libraries, offering guidance on accounting matters. This service strengthens the financial stewardship of our members and contributes to their long-term sustainability.

In summary, the Finance Department is instrumental in ensuring financial accountability, enabling strategic decision-making, and supporting the organization's continued growth and resilience.

FY2024 Audit

Finance staff prepared for and worked with Scheffel Boyle auditors to complete the FY2024 audit. The audit was presented to the board at the September meeting and submitted with the FY2024 Annual Report. The audit resulted in an unmodified or clean opinion demonstrating our dedication to responsibility and careful management as stewards of public funds. The audit is a requirement of the IHLS Annual Report that is due each year to the Illinois State Library on September 30. Meeting these requirements and receiving an unmodified opinion on our audits lowers the risk of losing funding, enabling us to continue serving our membership effectively.

FY2026 Budget and Narrative

As we do every year, the Finance staff met with management and staff to forecast and create the FY2026 budget for six funds. The draft was presented in April to the IHLS Board of Directors and was then posted for member comments. The final versions were presented at the May board meeting for approval and will be included in the FY2026 System Area Per Capita Grant (SAPG) application. The budget not only allows us to outline our stewardship of public funds but is a requirement for the grant applications that are submitted each year to the Illinois State Library. Using the OpenGov platform allows IHLS to display the budget and narratives, which allows for more transparency for our membership to view these documents and leave comments. Developing a budget centered on support for our membership enables IHLS to effectively plan for serving them in the upcoming fiscal year.



Grant Reporting

The Finance Department also assisted with the financial sections of the CMC and iLEAD Trustee Learning Portal grant applications and quarterly reports. Additionally, we processed the narrative and financial section of the OCLC grant. Finance staff are responsible for multiple components and any financial-related sections of the State Area and Per Capita Grant application and the annual report. Providing the required information for these grants enables IHLS to continue its work under the Cataloging Maintenance Center, the iLEAD Library Trustee Training, and the OCLC Billing, benefiting not only our membership but all Illinois libraries through this grant work.

Consulting Hours

To support our member libraries, the Finance Department continued to offer consulting hours for accounting-related inquiries. Although only one formal session was scheduled, focusing on budgeting, other members reached out via email with a range of financial questions. By sharing our knowledge in these exchanges, we helped meet IHLS's goal of providing members with continuing education. Additionally, these interactions reflect our ongoing commitment to providing accessible financial guidance and strengthening the fiscal stewardship of our member libraries.

Record Accurate Financial Transactions

Daily, the finance staff records financial data accurately. The level of accuracy is extremely important since we are audited on the work. These transactions are what build the data for financial reporting to our stakeholders. Finance staff are responsible not only for financial transactions under IHLS obligations but also for financial

activities related to the OCLC Billing Grant. The OCLC membership extends to all libraries in Illinois, so there are numerous accounts to manage. The finance team provides support for account management and customer service to all IHLS, SHARE, and OCLC members. This ensures that invoices are paid in a timely manner, allowing the programs to continue with the necessary financial resources.

Renewals of Insurance Policies

The Finance team collaborated with the Human Resources department to successfully renew the organization's 2025 employee benefit insurance. In addition, we completed the renewal of liability insurance for FY2026. Throughout the process, we worked closely with our insurance brokers to secure high-quality coverage options at the most competitive rates, ensuring both staff and organizational needs were met effectively.



Facilities

Maintaining our facilities is essential to ensuring safe, functional, and efficient work environments that support our staff, visitors, and the communities we serve. Regular upkeep, timely repairs, and strategic improvements extend the life of our buildings, reduce long-term operating costs, and help avoid costly emergency repairs. By prioritizing proactive maintenance and investing in targeted upgrades, we demonstrate our commitment to being responsible stewards of taxpayer dollars—maximizing the value of public resources while preserving the integrity and performance of our facilities for years to come. In addition to ongoing maintenance at our buildings, several targeted projects were completed to improve infrastructure, enhance energy efficiency, and optimize space usage.

Champaign LED Lighting Update

This year, we began work in Champaign, upgrading the remaining lighting at the office to

high-efficiency LED fixtures. This project improves lighting quality while decreasing energy use and long-term utility costs.

Carbondale Server Room Relocation & Space Optimization

Facilities successfully relocated the server room and equipment from Suite 107 in Carbondale to save money. This move allowed us to consolidate operations and free up leased space. It reduced leasing expenses and made better use of the available space.

Edwardsville Tuckpointing Project

Late in the fiscal year, we finished a major tuckpointing project at the Edwardsville facility to fix masonry deterioration. This effort enhanced the building's structural strength, weather resistance, and overall appearance.



Information Technology

The Information Technology (IT) department at IHLS continues to be a cornerstone of nearly every aspect of our organization's work. Every day, IHLS staff and member libraries rely on the technology tools and systems we maintain, from Microsoft Teams, Outlook, and Zoom for communication, to custom applications used by our drivers, catalogers, and operations staff. The increasing reliance on technology creates a steady demand for IT support, requiring our team to balance a wide range of requests with the upkeep of complex infrastructure.

Although we remain a relatively small department, we take pride in our ability to do more than most would expect, thanks to careful documentation, continuous learning, and collaboration across the organization. Our efforts reflect our ongoing commitment to being good stewards of taxpayer dollars while supporting both our staff and libraries at the highest level. In FY2025, we focused particularly on staff and organizational support projects, enhancements to our member support, and providing continuing education to Illinois libraries.

Staff Support: Infrastructure & Facilities

Cataloging Statistics Program

For the past several years, our catalogers have stored the cataloging statistics in an old FileMaker database that is no longer supported or maintained. Bringing the database up to a modern platform on FileMaker would cost at least \$250,000. In the face of such an exorbitant cost, the IT Department chose a different path. The development team built a new web-based program to help catalogers track their statistics, including those used for billing libraries that utilize the Express Cataloging option. After user

testing, the program is nearly complete and is expected to launch in the first quarter of FY2026.

Delivery iPad Application Rebuild

The Delivery iPad application, first launched in 2018, has been collecting essential data for years and reached a point where a major rebuild of the backend software was needed. That work is nearly complete, with a rollout planned for the first quarter of FY2026. This upgrade will ensure the application remains reliable and continues to provide the high-quality data our delivery services depend on.

Carbondale Computer Room Relocation:

IHLS is always looking for effective and reasonable ways to save money and ensure IHLS continues to be a true steward of taxpayer funds. To this end, our Leadership Team decided to downsize the Carbondale Office from three suites to two, thereby reducing the cost of rent. Thus, the computer room was relocated from Suite 107 to Suite 106. The IT Department coordinated this complex project with SIUC staff to ensure uninterrupted access to power and fiber optics. This made the move much smoother for the staff.

Later, the new room began experiencing overheating issues. When IHLS IT staff reported the problem, SIU promptly provided additional ductwork, resolving the issue and ensuring a stable environment for our equipment. Now, the computer room at the Carbondale office is well air-conditioned and supports work at IHLS effectively.

Broadband Opportunities and Digital Equity Advocacy

With many of our libraries located in remote, rural areas serving small communities, digital equity and broadband expansion are major priorities at IHLS.



Illinois Heartland Library System

1. Narrative Report

Much of our service area falls short of the FCC's standard for high-speed internet, and libraries are often the first places residents turn to for computers and reliable internet access. Recognizing this, the IT Department works diligently to ensure our libraries not only have the necessary technology and internet connectivity but also have a voice in the decision-making process regarding statewide broadband expansion.

Broadband Expansion for Our Libraries

To help our libraries get dependable internet access, the IT team actively promotes statewide broadband opportunities and grants to member libraries. As grant opportunities arise, IHLS IT staff consult with libraries to match the right technology solutions to their needs.

We also continued working closely with RAILS and CARLI on large-scale digital equity projects. Although a highly anticipated grant opportunity did not materialize this year—disappointing as it was—we remain ready for future opportunities as additional federal and state funds become available. When we secure grant funds, we will make sure every library in Illinois has at least one gigabit per second (Gbps) internet access. This is the minimum speed needed for libraries to provide adequate broadband service to their communities, as outlined in the Connect Illinois Five-Year Action Plan developed by the Illinois Broadband Lab.

Library Connectivity Initiative

While we help libraries close the digital divide, the IT Department has also focused on ensuring libraries have affordable internet. This year, we advanced a major broadband procurement project with the Illinois Century Network (ICN) for Illinois libraries, including development of a consortium model for better pricing and state appropriation coverage. The procurement is set for July 2026 with

six-year service terms, offering libraries potentially more stability and cost efficiency in their broadband services.

Member Services & Support

In addition to helping our libraries obtain quality internet access and supporting our staff as they support members, the IHLS IT Department also directly serves our members. Sometimes, they help members connect to engagement opportunities. IT staff continue to support IHLS's monthly Members' Matter events, ensuring members have the technical support they need to participate fully. Other times, our member support comes in the form of ongoing, enhanced, or new technology-based services like implementing MessageBee and building data dashboards.

MessageBee Implementation

IT staff helped fully implement SMS alerts to library patrons, which, this year, gave SHARE administrative staff a clearer view of message delivery and made it easier to track communication failures.

Data Dashboards

In the first part of the year, IHLS Data Analyst Stephanie Hunt created new dashboards that help libraries complete their annual reports and support their applications for grant funding. A major presentation of this work was delivered at the January board meeting. The feedback from member libraries has been overwhelmingly positive, with many noting that the dashboards save them time and provide clarity when completing reports or grant applications.

Hunt also designed a new dashboard to support the Illinois Public Library Annual Report (IPLAR). Pulling real-time data from the SHARE consortium database, the dashboard provides member



libraries with accurate answers to IPLAR questions, eliminating the need for multiple reports and manual calculations.

Professional Development & Conferences

Providing and obtaining professional development opportunities are very important to the IT team, as with every other IHLS department.

To further our own professional development, select IT staff attended this year's Innovative Users Group (IUG) Conference. For some, it was their first time attending, while others presented on behalf of

IHLS and SHARE. This annual opportunity continues to provide valuable training and networking. IT staff also invested 194 hours in Pluralsight online courses this year, strengthening technical skills and expanding knowledge to better serve IHLS and its member libraries.

The IT team also pulled double duty, giving and attending presentations at the ILA Annual Conference. We also met face-to-face with members at the IHLS booth, strengthening our support and outreach.



Delivery

Illinois Heartland Library System Delivery service plays a vital role in supporting resource sharing across over 500 member libraries throughout central and southern Illinois. By transporting materials loaned from one library to another, IHLS helps members significantly reduce costs by eliminating the need for each library to purchase every new book or media item. Instead, libraries can borrow materials from one another, allowing their budgets to stretch further while still providing robust collections to their patrons.

Interlibrary loan remains a core pillar of IHLS's mission, and delivery is the engine that makes this possible. In FY2025, IHLS Delivery continued to focus on timely, efficient service while expanding efforts to improve operations through innovation and technology. The most significant project this year was the development and phased implementation of automated sorting machines at all three IHLS delivery hubs. This major undertaking will improve turnaround times and provide a range of internal operational benefits.

Equitable Access in Functional Five-Day Delivery

IHLS guarantees that all member libraries—regardless of size—receive functional five-day-a-week delivery, eliminating access barriers that often exist in volume-based delivery models. This approach ensures fast, reliable, and cost-free delivery of library materials system-wide, thereby enhancing access for residents across the region. With a library card from any IHLS-member library, Illinois residents can easily borrow materials from any other member library in the system. During FY2025 Delivery was provided Monday through Friday, excluding major holidays and emergency

closures. IHLS maintained 20 daily delivery routes with over 1 million miles driven, ensuring comprehensive coverage across our 28,000-square-mile service area in central and southern Illinois.

During FY2025, IHLS sorted and delivered approximately 2.7 million items for IHLS delivery service and over 32,000 items for ILDS (Illinois Library Delivery Service) academic libraries. Additionally, nearly 600,000 items required dual sorting—meaning they were transferred between two IHLS hubs before reaching their final destination, highlighting the complexity and coordination of system-wide logistics.

In addition to promoting equity, we are deeply committed to ensuring expedited delivery wherever feasible. Our IHLS Delivery On the Go service facilitates the arrival of qualifying items at the receiving library on the very same day they are requested. Through this efficient same-route, same-day service, patrons have benefited from an estimated savings of \$1.1 million. This has allowed library patrons to receive their materials free of charge and in a timelier manner compared to making online purchases. Over 44,000 items were delivered using this service during FY2025.

Items Delivered On the Go	44,000+
Average Value Per Book	\$25**
Total Estimated Patron Savings	\$1,100,000+

Table 1. Calculates the estimated patron savings on items delivered the same day via Delivery On the Go.

***The \$25 is an average of all the totals from the School Library Journal's Average Book Prices 2023 list—rounded up to account for tax and shipping.*



Illinois Heartland Library System

1. Narrative Report

Enhancing Efficiency and Reducing Turnaround Time

The largest project of the fiscal year was the planning and implementation of automated materials handling systems (AMHS) at all three IHLS delivery hubs: Edwardsville, Champaign, and Carbondale. These machines are designed to streamline the sorting process, significantly reduce manual handling, and improve overall delivery turnaround times for member libraries. One of the key drivers for this initiative was feedback from our annual delivery survey, where the top complaint from members had consistently been inaccurate sorting. Previously, sorting has been a manual process, using printed receipts, which are prone to human error—especially when item statuses are not updated in real time. Due to human nature, even the most careful staff can misread or sort

incorrectly when relying on outdated or unclear information.

The new automated system changes that by sorting items based on their current item status at the exact time of scanning, ensuring higher accuracy and fewer delivery errors. In preparation for this transition, we worked closely with libraries to ensure system compatibility. While many members already used external barcodes suitable for automated scanning, IHLS provided hands-on assistance to those who did not, helping them acquire and apply external barcodes to their circulating materials. This proactive support ensures that all libraries—regardless of size or prior technology adoption—can fully benefit from the increased efficiency and accuracy the sorting machines are designed to deliver.



Figure 5. Sorters in Edwardsville use the new AMHS.

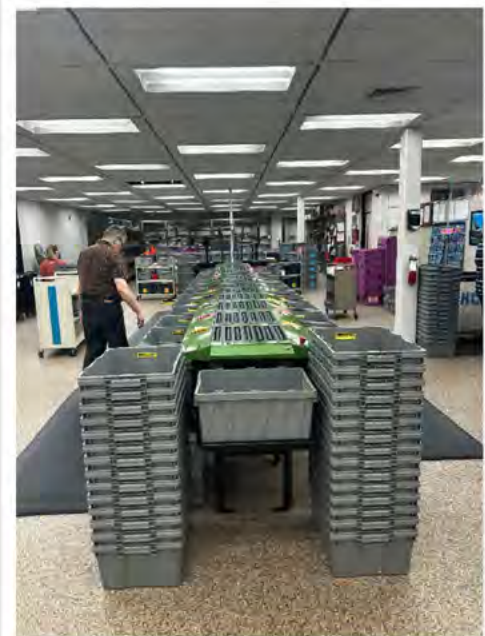


Figure 6. Sorters in Champaign use the new AMHS.



Resource Sharing via SHARE

SHARE was in the process of transition in FY2025 after several years of planning for membership fee scale changes and a major implementation of the Aspen catalog. The core of SHARE membership, outside of technology, is training and member support. In addition to bibliographic services training, SHARE provided members with 54 training sessions to 104 participants, for a total of 288 continuing education hours. We also provided support with 5,477 help desk tickets and 14,273 emails. Throughout the year, there were both successes and challenges, but the team was extremely successful in navigating special projects while keeping focused on our core values of member service and support.

Accessible Data

There was a renewed focus on data in FY2025, specifically data between departments, data for return on investment, and data for membership. We began utilizing the Pipedrive system to facilitate cross-departmental communication and reduce data silos. We began tracking the member support that we provide, which led to a better return on investment report that we were able to share with members. For instance, we found that our team is more likely to communicate with members via email, and we are now able to include those metrics to show our support for members! We also collaborated with the IHLS Data Analyst to develop data dashboards, which make Polaris data easier to access for SHARE members completing the IPLAR and Traffic Survey. Both efforts make internal workflows easier and advocacy more accessible for members.

Fee Scales

This was our first year with the new, inclusive fee scale! Creating and establishing the new scale was a long effort and still required additional communication to address questions and concerns. It has been beneficial to demonstrate that our financial practices align with our organizational values, ensuring everyone has equal access to high-quality infrastructure, regardless of size or budget.

Engagement

This year, SHARE participated in conferences, including sponsorships, for the Illinois Library Association (ILA), the Association of Illinois School Library Educators (AISLE), Reaching Forward South (RFS), and the Illinois Digital Educator Alliance's IDEAcon. This conference participation allowed us to further network with our members and colleagues, promote SHARE membership, and share our knowledge during conference

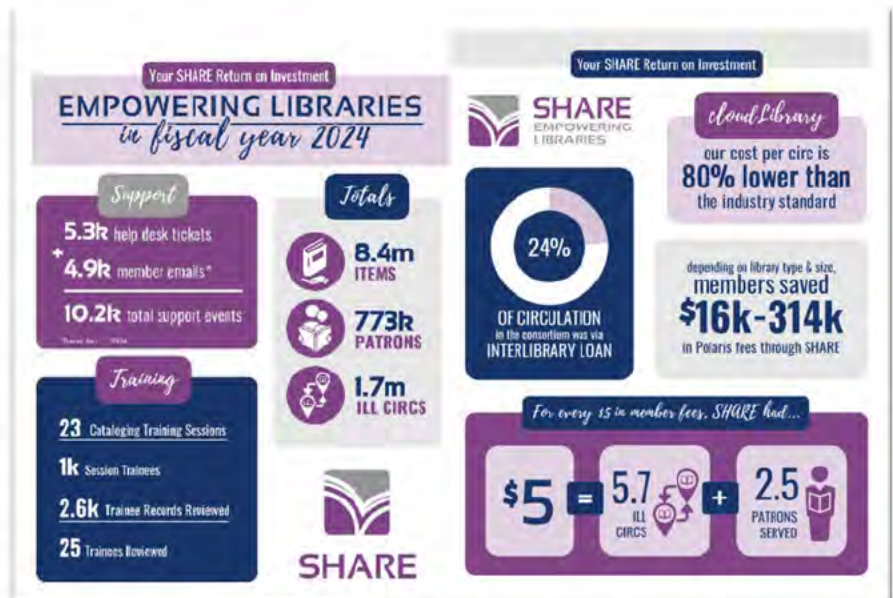


Figure 7. 2024 SHARE ROI report front and back.



Illinois Heartland Library System

1. Narrative Report

presentations. We were also active within the broader library community, with presentations on e-resources with the Consortium of Academic and Research Libraries in Illinois (CARLI), presentations at the Innovative Users Group (IUG) conference, and conference planning and presentations at the International Coalition of Library Consortia (ICOLC) conference. We have also been very active in member engagement via networking group meetups, IHLS Member Day events, and the annual Library Crawl. We love serving our members! When we are very visible, members know what resources are available and look to SHARE for solutions.

Policies & Procedures

SHARE committees are very active in shaping the culture of the consortia via an active review of policies and procedures. There was an internal focus on enhancing database security, with smart changes to database access, updates to the Permissions policy, and revisions to the Data Privacy and Protection policy to support the MessageBee notification service.

Group Purchases

This year, we continued partnerships with several vendors. SHARE members were offered McNaughton book leasing options through Brodart. IHLS members had access to group purchases through Gale (databases), LibraryIQ (collection analysis), and Swank Movie Licensing, LLC (public performance licenses). Swank offered additional selections this year, with a new streaming option for public libraries and a site license and streaming option for K-12 schools. We also promoted several

IHLS discounts (Biblio+, Learnics, and Magic Desktop) as well as free or low-cost services for our “Resources for Libraries” page, including EPIC, Learning Ally, ABC Mouse, and BallotReady.org. These discounts and group purchases are an important service provided to our members, and their promotion ensures members can take advantage of them.

Aspen

The most significant project for SHARE this year was the Aspen implementation. We were thrilled to complete all the member integrations on schedule in FY2025! There were some unexpected challenges, like difficulties with payment integrations between Polaris and NCR, the state's ePay vendor. Thankfully, that problem is now fully resolved. We have been able to add such additional benefits to members via the Aspen catalog. There are better search results, increased readers' advisory opportunities, as well as branding, marketing, and communication opportunities. Aspen benefits also include real-time e-resources integration with Overdrive and hoopla, additional integrations with vendors that have MARC records, via a process called side loading, optional integrations with the Illinois Digital Archives, and the addition of the statewide EBSCO database package. We are excited to have such a huge project completed, even as we keep our focus on the future. We are exploring how we might continue to fine-tune the service and integrate Aspen with the SHARE Mobile Library app in the coming months.



Bibliographic Services

Bibliographic services are integral to how IHLS facilitates resource sharing among member libraries in Illinois. Cataloging support allows our interlibrary loan (ILL) delivery service and integrated library service platform to run properly. Additionally, effective cataloging maintains order and consistency in the description of library items, ensuring patrons can readily locate the library items they need in the public access catalogs.

To maintain peak accessibility at SHARE libraries and statewide, the IHLS Bibliographic Services team offers various services, including cataloging, database maintenance, and cataloging training, all at no extra cost. This team comprises two divisions: the Cataloging Maintenance Center (CMC) and SHARE Bibliographic Services. While SHARE catalogers focus on supporting the SHARE database and training SHARE members, CMC catalogers facilitate access to resources and special collections throughout the state, including digitized collections at Illinois Digital Archives (IDA).

With their responsibility to train other catalogers, the SHARE and CMC staff recognize continuing education and training as essential. IHLS's catalogers have extensive library cataloging experience, but they continue to seek opportunities to enhance their knowledge and skills by participating in conferences and training sessions. This commitment ensures our members receive top-quality education, cataloging, and database support.

SHARE Bibliographic Services

During FY2025, SHARE Bibliographic Services continued to provide high-quality cataloging services to our members, while also making ongoing improvements to our database through

item, bibliographic, and authority record cleanup projects. Additionally, we provided educational opportunities for our member libraries. To ensure continued database integrity, we focused on updating and correcting subject headings, merging duplicate and short bibliographic records, identifying item records with potential errors, and updating both internal and external policies and procedures to reflect current best practices in cataloging. SHARE Bibliographic Services staff provided barcoding, barcoding recertification, and cataloging training both online and in-person, including at several member libraries throughout our service area. We have continued building our new cataloging training course, with a tentative launch planned for the first quarter of FY2026. The NACO SHARE Consortium Funnel was established with two member libraries in the training and review process.

Maintaining Exceptional Database Integrity

To ensure the SHARE catalog remains useful, SHARE Bibliographic Services staff must maintain the database's integrity through ongoing cleanup projects, thereby allowing patrons to continue to easily access the materials they are seeking. Pursuant to this, we cataloged over 10,000 items for member libraries during FY2025. SHARE catalogers also merged and improved over 700 duplicate and substandard bibliographic records, ensuring that the records in our database are accurate and complete, thereby reducing confusion for libraries and patrons about what an item may or may not be. Additionally, we identified and corrected over 5000 subject headings in bibliographic records, making these records easier to find during subject and keyword searches. Meanwhile, our team also identified and made corrections to over 3500 item



records, allowing member libraries to more seamlessly place holds on items.

Comprehensive Cataloging Training for Member Library Staff

As part of IHLS's commitment to continuing education, SHARE Bibliographic Services provides comprehensive training to our member libraries through monthly Cataloger's Training Sessions, SHARE Your Cataloging Questions, and individual review periods with catalogers-in-training at member libraries. These training opportunities ensure catalogers remain up to date with cataloging best practices and procedures, both internationally and locally.

Training Session	Sessions	Trainees
SHARE Cataloger's Training	9	886
SHARE Your Cataloging Questions	14	228
Training Activity	Libraries	Records
Record Review	33	2,280

Table 2: Cataloging training, trainees, and records offered in FY2024. SHARE staff worked with staff members at 33 member libraries – reviewed 577 files containing 2,280 records and imported 1,111 records.

Providing Comprehensive Barcoding Training for Member Library Staff

SHARE Bibliographic Services continued to provide comprehensive barcoding training for member libraries for both first-time barcoders as well as individuals needing to complete recertification. Full barcoding training was provided in live in-person sessions, via Zoom, or through the Moodle platform. Barcoding recertification training was provided solely through the Moodle platform. The recertification process, in addition to ensuring that member library staff are kept up to date with changes to barcoding standards, has allowed

SHARE staff to identify staff members who are no longer at member libraries and can have their usernames deactivated to help maintain database security.

- Full Barcoding Training – 191 participants across all three delivery methods
- Barcoding Recertification Training – 242 individuals recertified during FY25

Conducting Comprehensive Review and Updates to SHARE Bibliographic Services Policies and Procedures

Another element of maintaining the strength of the SHARE catalog is member library compliance with bibliographic services best practices and procedures. Therefore, we must occasionally review our policies and procedures to ensure clarity and accuracy, which helps our member libraries remain compliant. SHARE Bibliographic Services staff reviewed all SHARE Bibliographic Services policies and procedures for accuracy and clarity. Our team reviewed all policies and took any resulting modifications and recommendations for removal to the SHARE Bibliographic and Cataloging Standards Committee for approval and adoption. Updated policies are now available on the SHARE website, and the finalization of a handful of procedures is being completed in the first quarter of FY2026.

Launching the NACO SHARE Consortium Funnel

In FY2025, SHARE created the NACO SHARE Consortium Funnel. NACO, or the Name Authority Cooperative Program, is part of the international Program for Cooperative Cataloging. In NACO, participating institutions, both consortia and special interest groups contribute RDA authority records for the LC/NACO Name Authority File through their established funnels.



Illinois Heartland Library System

The SHARE NACO Funnel officially launched in July 2024. Two fully certified catalogers from two SHARE member libraries joined the funnel in September 2024 and underwent training, subsequently entering their review period. These catalogers reviewed and submitted a total of 62 name authority records for inclusion in the Name Authority File. By coordinating a NACO Funnel for SHARE member libraries, we are allowing members additional opportunities to contribute to the cataloging community at large, as well as providing additional continuing educational opportunities for themselves.

Cataloging Maintenance Center

Cataloging Maintenance Center (CMC) catalogers are supported by a grant from the Illinois State Library (ISL) to provide services that enhance access to resources in Illinois libraries. Their offerings include free cataloging of eligible special collections, consultation on metadata projects, database cleanup for Local Library System Automation Projects (LLSAPs), cataloging training, merging duplicate records in OCLC Connexion, and more. In FY2025, CMC staff carried out several projects, with their most significant efforts focused on database cleanup for PrairieCat, RSA, and the Consortia of Academic and Research Libraries in Illinois (CARLI). A new database cleanup project began in May 2025 for the Indian Prairie Community Unit School District #204, where brief records were enhanced to full bibliographic records. Other efforts include original cataloging and enhancements to existing records; the creation of authority records and training for this work; the cataloging and addition of metadata items, including the continuation of the Mobile Memory Lab; and several continuing education endeavors, including offering asynchronous online cataloging-

1. Narrative Report

related courses and attending and presenting at conferences.

Database Cleanup

The CMC staff spent a significant amount of time on database cleanup: enhancing, originally cataloging, or identifying as merges 2,249 bibliographic records for the PrairieCat Cleanup Project, merging, deleting, and editing 7,045 bibliographic records in the Alma database for the CARLI Cleanup Project, enhancing or originally cataloging and merging or importing into WorkFlows 1,469 bibliographic records for the RSA Backlog Cleanup Project, which began in October 2023 and concluded in April 2025, and enhancing 206 brief to full bibliographic records for the Indian Prairie Community Unit School District #204 (see figure 8). Database cleanup improves the search results when patrons

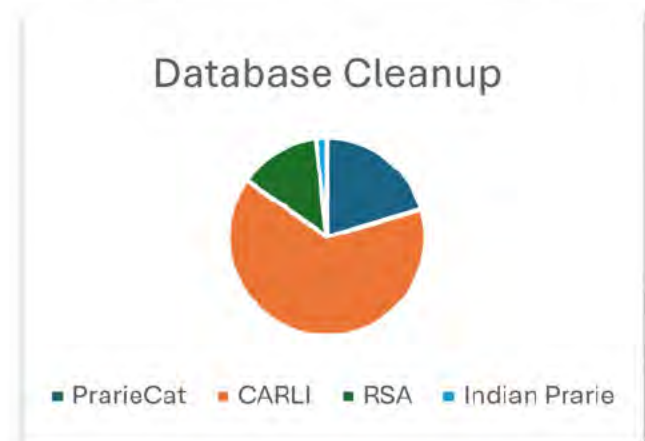


Figure 8. CMC staff provided database cleanup, and during FY2025, 2,249 records were enhanced and identified as merges for PrairieCat, 1,469 records were enhanced or originally cataloged and merged in WorkFlows for RSA, 7,045 records were edited, deleted, or merged for CARLI, and 206 brief records were enhanced to full bibliographic records for Indian Prairie Community Unit School District #204. A total of 10,969 bibliographic records were enhanced, originally cataloged, merged, or deleted.

search online catalogs.



Original Cataloging & Enhancing Records

The CMC staff focused on both established and new tasks and projects. They originally cataloged 3,136 and enhanced 3,247 bibliographic records. CMC staff cataloged many items in English. They also cataloged items in 27 different world languages: Arabic, Bengali, Chinese, French, German, Greek, Gujarati, Hebrew, Hindi, Italian, Japanese, Kannada, Korean, Latin, Marathi, Oriya, Polish, Quechua, Russian, Scottish Gaelic,

Original Cataloging & Enhancing Records



Figure 9. During FY2025, CMC staff originally cataloged 3,136 items and enhanced 3,247 records.

Spanish, Swedish, Tamil, Telugu, Turkish, Ukrainian, and Urdu. Materials were cataloged for 158 individual libraries (excluding the consortial libraries helped through database cleanup). (see figure 9).

Through original cataloging and enhancement of less-than-full or transformation of Anglo-American Cataloguing Rules, Second Edition (AACR2) to Resource Description and Access (RDA) records, over 6,000 items are now available or more findable.

Authority Record Creation

This year, the CMC created 118 name, series, subject, and title authority records. Authority records link names, series, subjects, and titles in a bibliographic record, allowing patrons to access all the works of an author or all the titles in a series.

Metadata Cataloging for Illinois Digital Archives (IDA)

The CMC Metadata Cataloger, Kat Anderberg, kept busy transcribing 103 handwritten and typed documents and two audio recordings, uploading 203 simple objects and 169 compound objects to the IDA website using CONTENTdm. She made four site visits as part of the Mobile Memory Lab, where Digitization Days were held at Williamsville Public Library & Museum, Galesburg Public Library, Dupo School, and New Lenox Public Library. When Kat finished cataloging and uploading all items for the Mobile Memory Lab, she had edited and digitized 630 images (see figure 10). People can access the IDA website worldwide, so anyone can find documents, photos, and realia as part of the

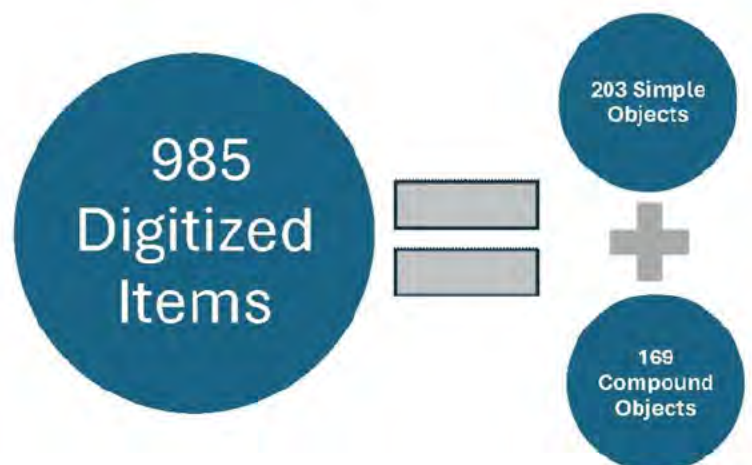


Figure 10. Metadata Cataloger Kat Anderberg digitized 630 items for the Mobile Memory Lab and cataloged and digitized 355 items for other libraries, resulting in the creation and upload of 203 simple objects and 169 compound objects.



Digitization Days or other metadata projects, including digitized oral histories.

Continuing Education Offered & Obtained

Training was another area where CMC staff focused their time and attention. They created and presented ten webinars for the Online with the CMC webinar series, with 355 live attendees and 355 total contact hours. The CMC offered eight online asynchronous cataloging courses with 164 successful completers, totaling 1,746 contact hours (see figure 11). Staff completed 16 courses for a total of 16.5 CEUs. By providing cataloging training, Illinois library staff are creating quality bibliographic records and are more skilled at cataloging. Continuing education courses allow CMC staff to acquire new skills.



Figure 11. During FY2025, CMC staff presented 10 webinars with 355 live attendees, offered eight courses with 164 successful completers, and presented at 10 conferences with 244 attendees for 276 contact hours. Overall, there were 763 total attendees/completers of courses and 2,377 contact hours from the webinars, courses, and presentations.

Outreach & Promotion of CMC Services

This year, CMC staff also created presentations and staffed booths at various conferences, yet another way they provide cataloging education to Illinois library workers. CMC Grant Manager Dr. Pamela Thomas presented “CMC Information” at the IHLS

Extra Credit! Special Edition meeting for 19 attendees. Additionally, she and CMC Cataloging Trainer Eric McKinney presented “Connecting Your Community to Your Collection” at the annual PrairieCat Users Group (PUG Day) to 24 attendees. Thomas presented “Cataloging Best Practices” at RSA Day to 16 attendees. Dr. Thomas and Eric McKinney presented on best cataloging practices to the Indian Prairie Community Unit School District #204. Additionally, Dr. Thomas presented “What Can the CMC Do for You?” to 28 CARLI members. Finally, Kat Anderberg presented “Meet the Mobile Memory Lab” at the Reaching Forward South (RFS) Conference, which had 24 attendees. In these presentations, CMC staff provided a total of 111 contact hours.

CMC staff also partnered with catalogers at RAILS to share their knowledge at the ILA Annual Conference. Dr. Thomas joined SHARE Bibliographic Services Manager Jennifer Baugh to present “Fields of Change: New MARC Fields” to 38 attendees. Thomas, Baugh, SHARE, and RAILS Cataloging Services Manager Nincy George presented “Calling All Catalogers: Mentorship is for You” to 30 attendees. Also, CMC Cataloger Mary Cornell co-presented “Time for a Change! Updating Access Points for Inclusivity” with RAILS Cataloging & Database Coordinator Lisa Schemensky, Lucas McKeever of Downers Grove Public Library, RK Knauer of Champaign Public Library, and Sara Scodius of

Northbrook Public Library, to 25 attendees. Then, Thomas, Baugh, and George presented the “iCAMP Meetup: Meet Your Match Around the Campfire” to 10 attendees. Altogether, the CMC provided 103 contact hours via joint ILA presentations.



Illinois Heartland Library System

1. Narrative Report

The CMC also helped promote their services in more casual settings. They staffed conference booths. Dr. Thomas staffed a virtual booth at IHLS Member Day. Eric McKinney staffed a CMC booth at Reaching Forward South. They also attended other events. Throughout the year, staff attended monthly SHARE Cataloging Training sessions and quarterly Local History and Genealogy Forums (RAILS and IHLS).

Altogether, CMC staff offered 2,377 contact hours for FY2025 through online courses, presentations, and webinars. (see figure 11). By presenting at state-wide and regional conferences and staffing booths, the CMC can network and explain the free services provided to Illinois libraries.



Membership

In FY2025, the IHLS membership department continued to support our 520 library agencies as they worked to provide excellent service to the library users of central and southern Illinois. Work in the department ranged from one-on-one interactions with library workers and trustees as they sought information or faced challenges with their specific agencies, to planning instruction and events that would benefit a particular library type or the entire system membership. Highlights from the Membership Department's work this year include the growth of our robust continuing education program, increased member engagement, expanded representation for our libraries, growth of the iLEAD Trustee Learning Portal, and participation in the *Can't Shelve This* school librarian podcast.

Development of a Robust Continuing Education Program

Continuing education for IHLS library workers and trustees is a significant priority for this department and the system itself. In addition to being a multitype library system, we also serve a diverse group of library stakeholders. Our membership includes public libraries that are small and rural, and those that are larger and more urban; individual school libraries with certified staff and entire school districts served by library aides; and special and academic libraries of all kinds. Developing education opportunities that meet such a broad range of needs is an annual challenge.

The bedrock of our continuing education program is our monthly Members Matter/Third Thursday event. The Third Thursday Continuing Education portion of the event ensures our members have access to a different learning opportunity each month, and the Members Matter portion allows us to update our system members on IHLS activities and seek

feedback from membership as needed. Most of these presentations are recorded for later viewing, making them accessible to all members. Topics in FY2025 ranged from basic library skills, such as filling out an Illinois Public Library Annual Report (IPLAR), to what library workers need to know about how to best serve neurodivergent coworkers and patrons.

In addition to our recurring Third Thursday webinars, we also provide an array of other continuing education opportunities to meet various arising member needs. Response to need is a goal of the IHLS continuing education program, resulting in events like our Weeding with Friends training and a very popular series of in-person book repair workshops. Thanks to collaboration from our HR department, we continue to provide professional development with HR Source. We also collaborate often with our sister system, RAILS, to provide cooperative continuing education programs throughout the year. Our most successful cooperative effort with RAILS is the Illinois School Library Workers Symposium, which was held for the second time in FY2025.

Confident in the diversity and quality of our offerings, we have worked with the Marketing and Communications team to strengthen the promotion and accessibility of continuing education programs. A regular continuing education spot appears in our semi-monthly newsletter in addition to our Library Learning Roundup, which provides links to numerous free and inexpensive third-party webinars. The continuing education section of our website also includes a Learning Center, Upcoming Events, Resource Directory, and an Issues Guide.



Last, but never least, our annual Member Day conference provided 370 participants with a full day of professional development and virtual networking. IHLS staff from every department are committed to making this virtual conference meaningful for attendees, and the effort is always apparent. In FY2025, our project manager discovered and implemented a new project planning tool, which significantly improved the clarity of diverse tasks and timelines. So successful was the planning that even with staff running the event from home due to a snowy building closure, Member Day 2025 was a success.

Amid these successes, we continue to face two challenges in providing continuing education. The first is encouraging people to participate in person and in real time. Most of our FY2025 Members Matter events were held at various libraries throughout the system map to encourage local participation, but the turnout was consistently low. Due to the number of staff hours required for travel to these locations, the events have been relocated to Zoom for FY2026. The second challenge is ongoing, and that is to continue promoting participation among those who do not often engage. With our members participating during the busy workday, it can be challenging to engage in active participation in a webinar or class. Nonetheless, attendees will benefit most if they ask questions and contribute to discussions. To encourage participation in our events, staff have begun integrating fun activities like slideshow games into Members Matter and Member Day.

Increased Member Engagement

The Membership Department is driven by a commitment to establish relationships with our members and to assist our members in establishing relationships within the library community. This creates a very interactive team that spends time

connecting and communicating on topics that range from regular compliance issues to providing meaningful support when a library or library worker is facing serious challenges. Such relationship building is most evident in the work that is done, not in one of our hubs, but out in the field.

Membership staff have a distinct commitment to planning site visits with new public library directors. New directors always appreciate the effort, which gives the system a “face.” Questions and concerns tend to arise naturally when a director hosts a staff member at their workplace, benefiting all parties involved. In addition, the Continuing Education Coordinator made a concerted effort to meet all the prospective DU attendees before the August 2025 event.

Staff also made a special effort in FY2025 to participate in networking groups when feasible. Typically, a member of the membership team and a member of the SHARE staff attended these events together. This representation ensured that accurate and timely information was shared with the attendees. These networking groups provide us with a reliable source for member input and opportunities to inform members about our services. We also took time to promote the iLEAD Trustee Learning Portal at networking meetings, introducing more directors to this valuable resource.

With Membership Department support, our members also formed new networking groups in FY2025. One group is designed for “Micro-Libraries,” and the second is designed to connect people from south central Illinois. We are confident that these two groups will be successful with our continued support.

Of course, networking does not have to be in-person; the long-standing virtual Directors Chat



Illinois Heartland Library System

and Extra Credit!, our monthly live networking event for our school libraries, both still occur regularly.

Additionally, the Membership Department frequently engages with members on a one-on-one basis. We have provided support and service to library workers who often face a broad range of serious challenges. If IHLS can provide solutions to these issues, that is all for the good. If a solution cannot be easily accessible, we can provide resources, connections, and supportive colleagues.

Expanded Representation for Central & Southern Illinois Libraries

We at IHLS feel strongly that libraries in central and southern Illinois should always have a seat at the table wherever library-relevant planning is being done and decisions are being made at the local, state, and federal level. However, limited staff and budgets often make it difficult for many of our libraries to participate at that level, so Membership staff are poised to represent our libraries in any initiatives in which we can be effective.

Our staff represent our members at a variety of events:

- Association of Illinois School Library Educators (AISLE) Board of Directors
- Chief Officers of State Library Agencies (COSLA) Continuing Education Committee
- Directors University
- Illinois Youth Services Institute (IYSI)
- Illinois Library Association (ILA) Intellectual Freedom Committee
- ILA Reporter
- Library Learning (L2) Governance Group
- Illinois Library Association Public Policy Committee (PPC)
- School Library Workers Symposium
- United Against Book Bans

1. Narrative Report

All IHLS staff members who participate in these groups make meaningful contributions. Our involvement also helps build connections and share information that benefits IHLS membership.

Growth of the iLEAD Trustee Learning Portal

FY2025 saw ongoing growth of the iLEAD Trustee Learning Portal, with expanded content and increased recognition as an essential resource for the Illinois library community. Our iLEAD Project Manager, Dr. Leanne Furby, expanded the policy section of the portal and launched modules on community engagement, strategic planning, succession planning, and building and maintenance. Mid-year additions included a trustee orientation, days and dates, and a revision of the annual library requirements.

Additionally, we continued to focus efforts on promoting the portal. Overall, Dr. Furby delivered twenty-six presentations both virtually and in person for library boards and administrators via demos, workshops, networking meetings, and half-day orientations. She also gave additional presentations during the PrairieCat Users Group (PUG) Day and the Illinois Library Association's Annual Conference. Additionally, iLEAD participated as an exhibitor at the Reaching Forward North and South Conferences, as well as the ILA Annual Conference. All told, during FY2025, iLEAD reached four hundred users.

The use of the iLEAD Portal as a resource is continuing to grow. Users soon realize that if they want a "one-stop shop" for information and documentation regarding trustees and many aspects of library governance, which is available twenty-four hours a day and seven days a week, then the portal is the place to go. We are glad to see



more libraries and library boards buying into this valuable resource.

For Your Edification & Entertainment: Participation in *Can't Shelve This*

It is fitting to conclude this section and our entire annual report narrative by highlighting an initiative that has provided both education and entertainment to several thousand listeners nationwide.

On September 10, 2024, the *Can't Shelve This* podcast debuted. Developed as a production of RAILS in collaboration with IHLS, this conversation is led by IHLS School Library Liaison Leah Gregory and RAILS Data Analyst Janette Derucki. The program is produced by RAILS Digital Marketing and Communications Specialist Ola Gronski.

Nine episodes aired throughout the school year, including:

- You Can Totally Sit with Me
- Advocacy 101: Help Me Help You
- The Library's Got Rizz
- A Good Librarian's Guide to Getting Along (with Administration)
- A Love Letter to Libraries
- Let's Get Certified
- E is for Everyone
- An Airing of Grievances
- Thanks for the Memories

The information provided in these episodes is solid, and quality presenters have been involved throughout. What makes these offerings particularly appealing is the joyful relationship between the two hosts and the producer. *Can't Shelve This* promotes a positive image of library colleagues, especially those who work in schools. To date, the podcast has had 6,251 listens in fourteen countries and forty-eight states. The IHLS Membership Department is proud to have one of our own participating in such an important and influential project.

ILLINOIS HEARTLAND LIBRARY SYSTEM

REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2025

ILLINOIS HEARTLAND LIBRARY SYSTEM

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-11
<u>BASIC FINANCIAL STATEMENTS:</u>	
<u>Exhibit</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	12
B Statement of Activities	13
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds	14
D Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	15
E Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
F Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	17
G Statement of Net Position - Proprietary Fund	18
H Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	19
I Statement of Cash Flows - Proprietary Fund	20
J Statement of Fiduciary Net Position - Fiduciary Funds	21
K Statement of Changes in Fiduciary Net Position - Fiduciary Funds	22
<u>NOTES TO FINANCIAL STATEMENTS</u>	23-44

ILLINOIS HEARTLAND LIBRARY SYSTEM

TABLE OF CONTENTS (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION

<u>Schedule</u>	<u>PAGE</u>
1 Schedules of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund and Major Special Revenue Funds	45-46
Notes to the Required Supplementary Information	47
2 Schedule of Changes in Net Pension Liability and Related Ratios	48
3 Schedule of Employer Contributions	49
Notes to the Schedule of Employer Contributions	50

SUPPLEMENTARY INFORMATION

Schedule

Non - Major Special Revenue Funds

4 Combining Balance Sheet - Non-Major Special Revenue Funds	51
5 Combining Income Statement - Non-Major Special Revenue Funds	52

Individual Fund Financial Statements - Governmental Funds

6 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	53
---	----

Special Revenue Funds

7 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - CMC Grant Fund	54
8 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - OCLC Grant Fund	55
9 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Library Trustee Training Grant Fund	56

Capital Project Fund

10 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	57
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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Illinois Heartland Library System

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Heartland Library System (the System) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the System, as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the System 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 the System's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 the System's basic financial statements. The accompanying individual nonmajor fund financial statements are 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, the individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Scheff Boyle".

Alton, Illinois
September 2, 2025

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Illinois Heartland Library System's Management Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the Illinois Heartland Library System for the fiscal year that ended June 30, 2025 (FY2025). The MD&A is designed to:

- Focus on significant financial issues;
- Provide an overview of the Illinois Heartland Library System's financial activities;
- Identify any material deviations from the financial plan (approved budget); and
- Identify issues and/or concerns for each individual Illinois Heartland Library System Fund.

Background

The Illinois Heartland Library System (IHLS) is a quasi-governmental agency of the State of Illinois established through a merger on July 1, 2011, of four regional library systems in central and southern Illinois (Lewis & Clark, Lincoln Trail, Rolling Prairie, and Shawnee). Each regional library system was dissolved effective June 30, 2011.

Library systems have been a part of the library landscape in Illinois for over five decades. Following the enactment of legislation in 1965, there were 18 Illinois library systems. Prior to the July 2011 IHLS merger, nine multitype regional library systems were in Illinois with the remaining five merging in July 2011 as well, which established the Reaching Across Illinois Library System (RAILS). Library Systems are funded primarily by a grant (System Area and Per Capita) administered by the Illinois State Library (ISL), a division of the Illinois Secretary of State. In the founding legislation, the Library Systems Area & Per Capita Grant (23 ILAC 3035.100) formula is based on \$43.2999 per square mile and \$1.2457 per person. The demographic information from the 2020 Census is used to calculate the funding level and indicates a total population served of 2,160,649 and a 28,368 square mile service area. In FY2015, IHLS received requested funding of \$3,364,429. However, in FY2016 and FY2017 due to the Illinois budget impasse, IHLS's funding level was reduced to 58% of FY2015 funding level - \$1,989,671. In FY2018 through FY2022, IHLS received funding for \$3,400,700. In FY2023, IHLS received an increase in funding due to changes to the cost per area and per capita. The FY2023 through FY2025 funding totaled \$3,919,852.

Funds received from the System Area & Per Capita Grant (SAPG) are utilized by IHLS to provide services to member libraries and to pay for the basic administration operations of the organization. In FY2025, 521 libraries of various types participated as members of IHLS (28 academics, 227 publics, 240 school districts, and 26 special libraries). Membership totals fluctuate year to year for several reasons – libraries are suspended for failure to meet membership qualifications, agencies such as school districts and academic libraries consolidate locations as a cost-savings measure, and new library agencies apply for and are approved as members. The service area comprises 58 counties in central and southern Illinois. Services are focused on supporting resource sharing through library materials delivery, library automation services, and cataloging.

A legally established Board of Directors governs the operation of IHLS. The Board of Directors (consisting of fifteen board members) are elected from the member libraries. Eight members must be members of the governing board of public libraries. Additionally, seven board members must represent:

- An academic library (1 director)
- A public library (2 directors)
- A school library (3 directors)
- A special library (1 director)

As an organization, the Illinois Heartland Library System is guided by its mission statement and vision. The mission statement of IHLS is:

IHLS empowers all types of libraries through advocacy, shared resources, innovative technologies, and robust learning opportunities that engage and enhance our member communities.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

The vision of IHLS is:

Imagining tomorrow, delivering today.

The Illinois Heartland Library System's basic financial statements contained in this report are comprised of three components:

- Government-wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Financial Statements.

Government-Wide Financial Statements

The Government-wide financial statements distinguish functions of IHLS that are principally supported by grants and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The only core service provided with costs recovered through user fees is the Local Library System Automation Program (LLSAP) which is called Sharing Heartland's Available Resources Equally (SHARE). Information regarding the LLSAP is found under the Proprietary Fund – Computer Development Fund sections of the Audit Report.

The first two documents in the audit section titled, *Basic Financial Statements*, contain information that summarizes financial activity for all funds used to support IHLS's programs and projects. Page 17 contains the *Statement of Net Position* which presents information on all IHLS's assets and liabilities as of June 30, 2025. The *Statement of Activities*, found on page 18, reflects the change in Net Position and FY2025 year-end Net Position for all IHLS's programs and activities. All changes in the Net Position are reported in the fiscal year of occurrence, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., grant receivables and accounts payable).

Fund Financial Statements

Financial information for IHLS is reported by fund. Each fund is a separate accounting entity created to segregate specific activities and to ensure and demonstrate compliance with finance-related legal requirements. IHLS has three types of funds – Governmental, Proprietary, and Fiduciary.

There were several governmental funds represented in the FY2025 IHLS financial reports and audit. The *General Fund* contains the financial information for the general administration and operation of IHLS, and the provision of core services (except for automation and bibliographic access).

A *Capital Projects Fund* was established to ensure there are dedicated funds to be used for the purchase and/or replacement of capital items and for major facilities' renovation and repair. The *Capital Projects Fund* may be utilized for operating capital on a loan basis when allocated State funding is delayed.

Special Revenue Funds are grants awarded by ISL for specific projects undertaken by IHLS. In FY2025, IHLS had three *Special Revenue Funds* – *Cataloging Maintenance Center (CMC)*, *iLEAD Library Trustee Training (LTT)*, and *Online Computer Library Center (OCLC) Billing*.

CMC is the more significant grant that provided funding to IHLS. The grant's purpose is to provide original or copy cataloging of library materials, bibliographic database cleanup, training and assistance, and metadata consultation for all Illinois libraries and library consortia. IHLS has participated in this project since its inception.

The *iLead Library Trustee Training* and *OCLC Grant* funds are represented in the audited financial statements under "Other Governmental Funds."

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Proprietary Fund

IHLS has one Proprietary Fund referenced in these audited financial statements. The financial information presented in the *Computer Development Fund* is for the Local Library System Automation Program (LLSAP). IHLS internally refers to its *Computer Development Fund* as *Sharing Heartland Available Resources Equally (SHARE)*. As of June 30, 2025, *SHARE* currently represents 339 agencies (utilizing 467 library buildings). *SHARE* membership fluctuates based on factors such as new (transitional) members, members' ability to afford membership fees, overall library sustainability, and the consolidation or closure of school libraries. IHLS's LLSAP participates in a single library automation system with a shared database. Staff from these libraries also receive technical and other support as well as training from IHLS.

The basic proprietary fund financial statements can be found on pages 23-25 of this report. The fees collected for this service support out-of-pocket expenditures (including direct staff and their benefits).

Fiduciary Funds (Custodial Funds)

Based on the audited financial statements, IHLS has three *Fiduciary Funds*, *The Online Computer Library Center, Inc. (OCLC) Fund*, *Lewis and Clark Library System 457 Plan*, and *SWAYS (Southwest Advocates for Youth Services)*. For OCLC, IHLS receives transaction information electronically from OCLC and the ISL. IHLS then generates and mails invoices throughout the State of Illinois for ILLINET OCLC services and applies cash receipts. These funds are then held in trust and disbursed to OCLC. For the Lewis and Clark Library System 457 Plan, IHLS acts as a fiduciary for funds held in trust for participants that participated in the plan during the timeframe the Lewis and Clark Library System was operational. IHLS acts as a fiduciary for the Southwest Advocates for Youth Services and the monies held are for participants in that activity.

Notes to the Financial Statements

The notes provide additional information and insight that is essential to a full understanding of the data provided. *The Notes to the Financial Statements* can be found on pages 28-49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning IHLS's budget to actual schedules and progress in funding its obligation to provide pension benefits to its employees. The required supplementary information for the budget to actual schedules and pension obligations can be found on pages 50-55 of this report.

The other supplementary schedules contain combining non-major special revenue fund balance sheets and income statements, individual fund statements, and the budget to actual comparison for non-major special revenue funds and the capital projects fund. Other supplementary information can be found on pages 56-62 of this report.

Government-Wide Financial Analysis

Over time, Net Position may serve as a useful indicator of an entity's financial position. IHLS's Assets exceeded Liabilities by \$12,490,138 at the close of FY2025.

The largest portion of the IHLS's Net Position (61%) is Cash and Cash Equivalents, which are used as working capital, necessitated because of delays in the receipt of the System Area and Per Capita Funds. These funds are also utilized for capital improvements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

The following table (in millions) reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 5.2	\$ 6.3	\$ 2.8	\$ 2.4	\$ 8.0	\$ 8.7
Noncurrent Assets	4.7	3.1	1.0	0.9	5.7	4.0
Total Assets	<u>\$ 9.9</u>	<u>\$ 9.4</u>	<u>\$ 3.8</u>	<u>\$ 3.3</u>	<u>\$ 13.7</u>	<u>\$ 12.7</u>
Deferred Outflows of Resources	<u>\$ 2.6</u>	<u>\$ 4.0</u>	<u>\$ 1.1</u>	<u>\$ 1.7</u>	<u>\$ 3.7</u>	<u>\$ 5.7</u>
Current and Other Liabilities	\$ 0.4	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.5	\$ 0.3
Long-Term Liabilities	0.5	0.2	0.2	0.2	0.7	0.4
Total Liabilities	<u>\$ 0.9</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 1.2</u>	<u>\$ 0.7</u>
Deferred Inflows of Resources	<u>\$ 2.1</u>	<u>\$ 2.5</u>	<u>\$ 0.9</u>	<u>\$ 1.0</u>	<u>\$ 3.0</u>	<u>\$ 3.5</u>
Net Position						
Net Investment in Capital Assets	\$ 2.8	\$ 2.1	\$ 0.3	\$ 0.5	\$ 3.1	\$ 2.6
Restricted	0.1	0.1	0	0	0.1	0.1
Unrestricted	6.6	8.3	3.4	3.2	10.0	11.5
Total Net Position	<u>\$ 9.5</u>	<u>\$ 10.5</u>	<u>\$ 3.7</u>	<u>\$ 3.7</u>	<u>\$ 13.2</u>	<u>\$ 14.2</u>

Long-Term Liabilities represents the value of earned, but unused compensated absences accumulated by employees, future payments on leased assets and SBITA contracts, as well as Net Pension Liability (if any) related to participation in the Illinois Municipal Retirement (IMRF) Fund, as of June 30, 2025. Restricted Assets are the remaining fund balances for the Capital Projects, CMC Grant, LTT Grant, and OCLC Grant Funds which must be used by those funds only. IHLS has internally set aside committed and reserve funds in its *Computer Development Fund (SHARE)* for the eBooks combined purchases and future capital outlay purchases.

The following table (in millions) is a summary of the Statement of Activities for the years ended June 30, 2025, and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for Services	\$ 0.4	\$ 0.3	\$ 1.9	\$ 1.7	\$ 2.3	\$ 2.0
Operating Grants and Contr.	4.9	5.0	0	0	4.9	5.0
General Revenues	0.3	0.4	0.1	0.1	0.4	0.5
Internal Activity - Transfers	(0.3)	(0.3)	0.3	0.3	0	0
Total Revenues	<u>\$ 5.3</u>	<u>\$ 5.4</u>	<u>\$ 2.3</u>	<u>\$ 2.1</u>	<u>\$ 7.6</u>	<u>\$ 7.5</u>
Expenses:						
General Library Services	\$ 6.3	\$ 4.8	\$ 0	\$ 0	\$ 6.3	\$ 4.8
Computer Development	0	0	2.3	1.7	2.3	1.7
Total Expenses	<u>\$ 6.3</u>	<u>\$ 4.8</u>	<u>\$ 2.3</u>	<u>\$ 1.7</u>	<u>\$ 8.6</u>	<u>\$ 6.5</u>
Change in Net Position	\$ (1.0)	\$ 0.6	\$ 0	\$ 0.4	\$ (1.0)	\$ 1.0
Beginning Net Position	10.5	9.9	3.7	3.3	14.2	13.2
Ending Net Position	<u>\$ 9.5</u>	<u>\$ 10.5</u>	<u>\$ 3.7</u>	<u>\$ 3.7</u>	<u>\$ 13.2</u>	<u>\$ 14.2</u>

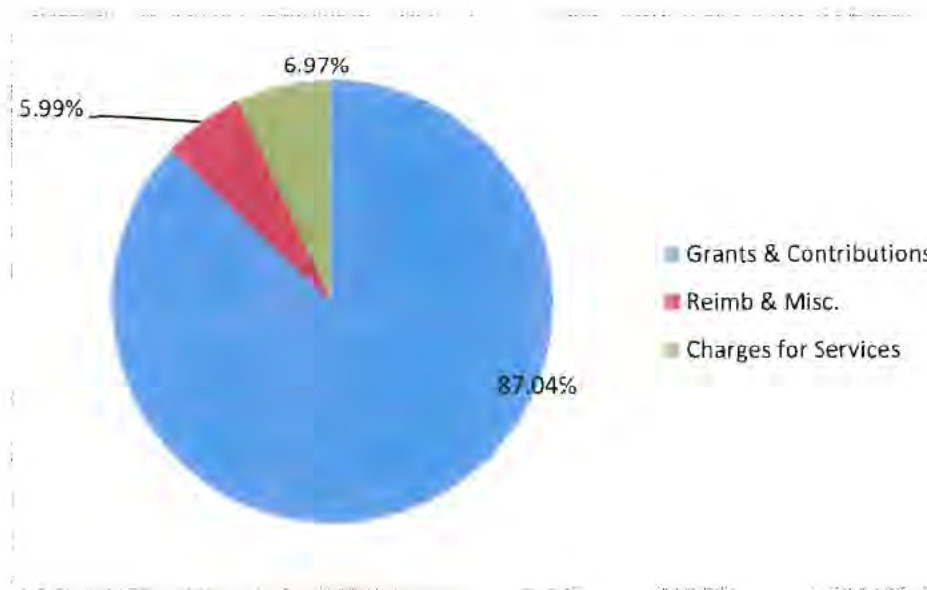
ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

This Statement reflects a change in Net Position of (\$941,212). This is a 6.6% decrease from the prior year. This decrease in the current year is largely attributable to the Actuarial Valuation performed in the System's participation in the Illinois Municipal Retirement Fund. The System recognized current year pension expense of \$611,616 compared to pension income of \$815,044 in the prior year.

Revenues by Source

Government Activities

The following pie chart depicts total revenue by percentage. This is a typical distribution of Revenue for a multi-type library system:



Business Type Activities

Based on the audited financial statements, IHLS's business-type activity is the LLSAP, SHARE. As reported on the *Statement of Revenues, Expenses, and Changes in Fund Net Position* (page 24), *Charges for Services* continued to represent most of the *Operating Revenues* (approximately 93%).

Financial Analysis of the Government's Funds

As noted earlier, IHLS uses fund accounting to demonstrate and ensure compliance with finance-related legal and grant requirements. As indicated on page 19, as of June 30, 2025, *IHLS's Governmental Funds* reported a combined ending fund balance of \$4,904,427.

IHLS developed a budget based on the priority areas identified by the ISL and the *FY2025 Goals* contained in the *IHLS Operational Plan*. The budget must be approved by the IHLS's Board of Directors and the ISL. IHLS's staff uses the budget to guide the operations throughout the fiscal year. The FY2025 budget represents normal funding levels.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

General Fund

The following table compares the budget to actual expenditures for the *General Fund*. IHLS used its approved budget:

	Original Budget	Final Budget	Actual
Revenues:			
Area and Per Capita Grants	\$ 3,919,852	\$ 3,919,852	\$ 3,919,852
Fees for Services and Material	395,925	395,925	394,791
Reimbursements	8,726	8,726	11,173
Investment income	94,467	94,467	209,999
Miscellaneous	90,136	90,136	134,301
Total Revenues	<u>\$ 4,509,106</u>	<u>\$ 4,509,106</u>	<u>\$ 4,670,116</u>
Expenditures:			
Personnel	\$ 3,800,108	\$ 3,837,108	\$ 3,510,855
Other Operating Expenditures	1,368,358	1,305,358	1,058,628
Total Expenditures	<u>\$ 5,168,466</u>	<u>\$ 5,142,466</u>	<u>\$ 4,569,483</u>
Excess of Revenue Over (Under)			
Expenditures	<u>(659,360)</u>	<u>(633,360)</u>	<u>100,633</u>
Other Financing Sources (Uses):			
Transfers In (Out)	<u>\$ (1,075,000)</u>	<u>\$ (1,075,000)</u>	<u>\$ (1,073,514)</u>
Net Change in Fund Balance	<u>\$ (1,734,360)</u>	<u>\$ (1,708,360)</u>	<u>\$ (972,881)</u>

IHLS welcomed a new team member in the General Fund, a Driver Sorter position based in Edwardsville, to provide flexible coverage and prevent route cancellations. The final phase of the minimum wage increase impacted compensation for Sorter staff, and the courier starting wage was increased to \$17 per hour. Additionally, other staff received a 3% salary increase. These adjustments contributed positively to organizational morale and operational stability.

In FY2025, IHLS' in-person travel ensured staff would receive the necessary support for site visits, networking opportunities, and continuing education. Staff are better equipped to build expertise in different areas of librarianship, enhancing their training skills, building, and sustaining professional relationships, and remaining current with library marketplace trends.

IHLS continued to expend the remainder of a \$4,000 grant from the Illinois Humanities Grant to initiate a Mobile Memory Lab. This allowed patrons and the sites visited to scan and record their historical items.

IHLS initiated the rollout of Automated Material Handling Systems (AMHS) across all locations. A barcoding project was launched in collaboration with member libraries to reposition barcodes on the exterior of circulating materials. IHLS covered these costs for equipment and labels, for libraries that elected us to do the work and also funded staff time to complete the project. To support the purchase of the machines, funds were transferred from the General Fund's existing fund balance to the Capital Projects Fund. Additionally, 1,350 new delivery tubs were purchased to replace damaged or missing units with an updated design.

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Cataloging Maintenance Center (CMC)

In FY2025, the Cataloging Maintenance Center (CMC) project continued its statewide focus on bibliographic database cleanup, cataloging library materials, and training in a variety of formats. The CMC catalogers are supported by a grant from the Illinois State Library (ISL) to provide services that help improve access to the resources in Illinois libraries.

The CMC provides support to libraries within the IHLS service area as well as throughout Illinois. During the fiscal year, three temporary catalogers continued their assigned work on the Consortium of Academic and Research Libraries in Illinois (CARLI) data cleanup initiative. A staff departure, coupled with a delay in rehiring, resulted in a portion of grant funds remaining unspent and returned to ISL. Meanwhile, the metadata cataloger maintained ongoing support for the Mobile Memory Lab Grant project.

Sharing Heartland's Available Resources Equally (SHARE)

In FY2025, SHARE advanced the implementation of the Aspen discovery layer to enhance Polaris functionality. Contractual services were secured to assist libraries with this transition, with costs incorporated into the newly established SHARE member fee scale effective in FY2025. As a result, all SHARE members gained access to Cloud Library, the SHARE Mobile Library App, and all associated modules under their membership fee.

SHARE's in-person travel allows staff to continue their education, offers the ability to network with SHARE members, and creates the opportunity to promote the program to non-members.

Additionally, SHARE introduced a messaging service to support patron notifications via Polaris, addressing limitations imposed by certain mobile carriers on text message delivery.

Capital Projects Fund

Capital Assets for IHLS include purchases of items or services with a minimum per-unit cost of \$5,000. Capital Projects in FY2025 included the cost of an LED lighting upgrade at the Champaign office and the purchase and installation of two AMHS machines at the Champaign and Edwardsville offices.

In FY2025, IHLS purchased five Ford Transit vans. IHLS surplus five vans after receipt of the new vans, four of which were leased through the Enterprise Fleet Management agreement. This generated an additional \$44,151 of revenue for the General and Capital Projects funds.

Capital Assets

The table below shows the net book value (in thousands) of IHLS Capital Assets at June 30, 2025, and 2024:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Land	\$ 411.6	\$ 411.6	\$ 0	\$ 0	\$ 411.6	\$ 411.6
Assets in Progress	71.9	0	0	0	71.9	0
Buildings & Improvements	1,057.2	1,049.9	0	0	1,057.2	1,049.9
Equipment & Other	575.1	0	0	0	575.1	0
Computers	15.1	19.6	251.0	340.0	266.1	359.6
Vehicles	744.1	669.7	0	0	744.1	669.7
Leased Office Space	309.4	0	0	0	309.4	0
Subscription Software	0	0	158.6	237.9	158.6	237.9
Total Capital Assets	<u>\$ 3,184.4</u>	<u>\$ 2,150.8</u>	<u>\$ 409.6</u>	<u>\$ 577.9</u>	<u>\$ 3,594.0</u>	<u>\$ 2,728.7</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Discussions of Currently Known Facts, Decisions, or Conditions

IHLS's FY2025 budget was developed using the modified zero-based budget process. Administrative staff from the system participated in developing the budget. Careful consideration was given to the core service priorities as expressed by the Illinois Secretary of State and the Illinois State Library.

The primary funding source for the *Governmental Activities* is the System Area and Per Capita Grant from the Illinois State Library, which is supported by the Illinois General Revenue and Federal Funds. The federal source of funding is through the Library Services and Technology Act (LSTA). Other revenue sources used for the *Proprietary Activities* include the fees collected to support the operation of the LLSAP, SHARE, which provides services to approximately 339 full-member agencies.

FY2014 marked the first completed fiscal year of 300-member libraries sharing a single integrated library system. The SHARE consortium utilizes Polaris Integrated Library Systems for its automation platform. The SHARE membership continues to contribute annually to a reserve fund in anticipation of hardware replacement, technology upgrades, and to have the capital to implement a new software platform if a change in vendor becomes necessary.

A prudent business practices framework will continue to guide policies and financial decisions, providing a more sustainable model. As IHLS moves into FY2026, it will continue to balance staying within the priority areas established by the Illinois State Library, providing quality service based on identified member needs, and remaining fiscally responsible (knowing the financial realities of available funding). In alignment with these goals, IHLS developed a new strategic plan during FY2025. This plan will serve as a guiding framework for decision-making and service delivery in future years, ensuring IHLS remains responsive to member needs and positioned for long-term success.

Request for Information

This financial report is designed to provide a general review of the Illinois Heartland Library System for all those with an interest in IHLS's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Illinois Heartland Library System, Edwardsville Office, 6725 Goshen Road, Edwardsville, IL 62025.

ILLINOIS HEARTLAND LIBRARY SYSTEM

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 5,086,089	\$ 2,583,983	\$ 7,670,072
Accounts Receivable	105,492	47,597	153,089
Prepaid Expenses	68,013	166,407	234,420
Due from Other Funds		1,853	1,853
Total Current Assets	\$ 5,259,594	\$ 2,799,840	\$ 8,059,434
Noncurrent Assets:			
Capital Assets:			
Non-Depreciable	\$ 483,499		\$ 483,499
Depreciable, Net of Accumulated Depreciation	2,391,500	\$ 251,041	2,642,541
Amortizable, Net of Accumulated Amortization	309,391	158,568	467,959
Total Net Capital Assets	\$ 3,184,390	\$ 409,609	\$ 3,593,999
Net Pension Asset	1,480,401	564,565	2,044,966
Total Noncurrent Assets	\$ 4,664,791	\$ 974,174	\$ 5,638,965
Total Assets	\$ 9,924,385	\$ 3,774,014	\$ 13,698,399
Deferred Outflows of Resources:			
Deferred Outflows from Pension Contributions	\$ 2,615,527	\$ 1,077,535	\$ 3,693,062
Total Deferred Outflows of Resources	\$ 2,615,527	\$ 1,077,535	\$ 3,693,062
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 12,539,912	\$ 4,851,549	\$ 17,391,461
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
Current Liabilities:			
Accounts Payable	\$ 184,008	\$ 55,941	\$ 239,949
Accrued Expenses	169,306	51,177	220,483
Due to Other Funds	1,853		1,853
Accrued Compensated Absences, Current Portion	53,993	16,857	70,850
Lease Liability, Current Portion	49,545		49,545
Total Current Liabilities	\$ 458,705	\$ 123,975	\$ 582,680
Long-Term Liabilities:			
Accrued Compensated Absences, Net of Current Portion	\$ 215,970	\$ 67,428	\$ 283,398
Lease Liability, Net of Current Portion	269,247		269,247
Subscription-Based IT Software Liability, Net of Current Portion		72,936	72,936
Total Long-Term Liabilities	\$ 485,217	\$ 140,364	\$ 625,581
Total Liabilities	\$ 943,922	\$ 264,339	\$ 1,208,261
Deferred Inflows of Resources:			
Deferred Inflows of Resources Related to Net Pension Asset	\$ 2,068,061	\$ 844,459	\$ 2,912,520
Total Deferred Inflows of Resources	\$ 2,068,061	\$ 844,459	\$ 2,912,520
Net Position:			
Net Investment in Capital, Right-of-use, and SBITA Assets	\$ 2,865,598	\$ 336,673	\$ 3,202,271
Restricted			
Grant Expenditures	22,814		22,814
Unrestricted	6,639,517	3,406,078	10,045,595
Total Net Position	\$ 9,527,929	\$ 3,742,751	\$ 13,270,680
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 12,539,912	\$ 4,851,549	\$ 17,391,461

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues				Net (Expense)/Revenue And Changes in Net Position - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Library Services	\$ 6,319,302	\$ 394,791	\$ 4,926,822	-	\$ (997,689)		\$ (997,689)
Business-Type Activities:							
Computer Development	2,299,058	1,897,968				\$ (401,090)	(401,090)
	<u>\$ 8,618,360</u>	<u>\$ 2,292,759</u>	<u>\$ 4,926,822</u>	<u>\$ 0</u>	<u>\$ (997,689)</u>	<u>\$ (401,090)</u>	<u>\$ (1,398,779)</u>
General Revenues:							
Reimbursements					\$ 11,173		\$ 11,173
Investment Income					247,968	\$ 118,762	366,730
Miscellaneous					73,120		73,120
Gain (Loss) on Sale of Capital Assets					6,544		6,544
Internal Activity - Transfers					(350,000)	350,000	
Total General Revenues					<u>\$ (11,195)</u>	<u>\$ 468,762</u>	<u>\$ 457,567</u>
Change in Net Position					\$ (1,008,884)	\$ 67,672	\$ (941,212)
Net Position - Beginning of Year					10,536,813	3,675,079	14,211,892
Net Position - End of Year					<u>\$ 9,527,929</u>	<u>\$ 3,742,751</u>	<u>\$ 13,270,680</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Funds				
	General Fund	CMC Grant Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,241,291	\$ 54,766	\$ 785,077	\$ 4,955	\$ 5,086,089
Accounts Receivable	66,762			38,730	105,492
Prepaid Expenses	56,867	3,388		7,758	68,013
Due from Other Funds	43,721	120		28	43,869
Total Assets	<u>\$ 4,408,641</u>	<u>\$ 58,274</u>	<u>\$ 785,077</u>	<u>\$ 51,471</u>	<u>\$ 5,303,463</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 32,578	\$ 5,164	\$ 144,963	\$ 1,303	\$ 184,008
Accrued Expenses	136,934	23,659		8,713	169,306
Due to Other Funds	375	3,249		42,098	45,722
Total Liabilities	<u>\$ 169,887</u>	<u>\$ 32,072</u>	<u>\$ 144,963</u>	<u>\$ 52,114</u>	<u>\$ 399,036</u>
Fund Balances:					
Non-Spendable	\$ 56,867	\$ 3,388		\$ 7,758	\$ 68,013
Restricted		22,814			22,814
Assigned			\$ 640,114		640,114
Unassigned	4,181,887			(8,401)	4,173,486
Total Fund Balances (Deficit)	<u>\$ 4,238,754</u>	<u>\$ 26,202</u>	<u>\$ 640,114</u>	<u>\$ (643)</u>	<u>\$ 4,904,427</u>
Total Liabilities and Fund Balances	<u>\$ 4,408,641</u>	<u>\$ 58,274</u>	<u>\$ 785,077</u>	<u>\$ 51,471</u>	<u>\$ 5,303,463</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
 RECONCILIATION OF THE BALANCE SHEET -
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 JUNE 30, 2025

Total Fund Balance, Governmental Funds \$ 4,904,427

Total net position reported for government activities in the
 statement of net position is different because:

Capital and right-of-use assets used in governmental activities
 are not financial resources and therefore are not reported
 in the funds.

Those assets consist of

Land	\$	411,667	
Construction in Progress		71,832	
Equipment, net of \$2,008,553 accumulated depreciation		575,018	
Buildings and Improvements, net of \$2,239,956 accumulated depreciation		1,057,206	
Computers, net of \$1,075,918 accumulated depreciation		15,181	
Automobiles, net of \$705,655 accumulated depreciation		744,095	
Right-of-Use Assets, net of \$46,409 accumulated amortization		309,391	
Total			3,184,390

Long-term liabilities are not due and payable in the current period
 and therefore are not reported in the governmental funds.

Those liabilities consist of

Accrued Compensated Absences		(269,963)	
Lease Liability		(318,792)	

Net pension asset and related deferrals are not due and payable
 and/or receivable in the current period, therefore, are not reported
 in governmental funds.

2,027,867

Total Net Position of Governmental Activities

\$ 9,527,929

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Major Funds			Formerly Major Fund		
	General Fund	CMC Grant Fund	Capital Projects Fund	Library Trustee Training Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
State Grants:						
Area and Per Capita - State Allotment	\$ 3,260,130					\$ 3,260,130
Area and Per Capita - Federal Pass Through	659,722					659,722
Illinois State Library		\$ 665,076			\$ 341,894	1,006,970
Fees for Services and Material	394,791					394,791
Reimbursements	11,173					11,173
Investment Income	209,999		\$ 37,969			247,968
Other Revenue	134,301					134,301
Total Revenues	<u>\$ 4,670,116</u>	<u>\$ 665,076</u>	<u>\$ 37,969</u>		<u>\$ 341,894</u>	<u>\$ 5,715,055</u>
EXPENDITURES:						
Current:						
General Library Services:						
Personnel Service	\$ 3,510,855	\$ 573,667			\$ 202,250	\$ 4,286,772
Contractual Services	344,189	84,509			134,530	563,228
Supplies and Materials	701,866	6,900			5,114	713,880
Member Library Reimbursement Expense	12,573					12,573
Capital Outlay			\$ 1,024,424			1,024,424
Total Expenditures	<u>\$ 4,569,483</u>	<u>\$ 665,076</u>	<u>\$ 1,024,424</u>		<u>\$ 341,894</u>	<u>\$ 6,600,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 100,633	\$ 0	\$ (986,455)		\$ 0	\$ (885,822)
OTHER FINANCING SOURCES (USES):						
Proceeds from Sale of Capital Assets			6,544			6,544
Transfers In (Out)	(1,073,514)		723,514			(350,000)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (972,881)	\$ 0	\$ (256,397)		\$ 0	\$ (1,229,278)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR, as previously presented	<u>5,211,635</u>	<u>26,202</u>	<u>896,511</u>	<u>0</u>	<u>(643)</u>	<u>6,133,705</u>
Change within financial reporting entity (major to nonmajor fund)				0	0	0
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR, as adjusted	<u>5,211,635</u>	<u>26,202</u>	<u>896,511</u>	<u>0</u>	<u>(643)</u>	<u>6,133,705</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 4,238,754</u>	<u>\$ 26,202</u>	<u>\$ 640,114</u>	<u>\$ 0</u>	<u>\$ (643)</u>	<u>\$ 4,904,427</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (1,229,278)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeds depreciation expense in the current period.	724,134
Governmental funds report lease payments as expenditures while governmental activities report amortization expense on right-of-use assets and interest expense on the lease liability to allocate those expenditures over the term of the lease. This is the amount by which the amortization and interest expense exceed the lease payments in the current period.	(9,401)
Changes in compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(66,209)
Changes in net pension asset/liability, deferred outflows and deferred inflows related to pension assets/liabilities are reported only in the statement of activities.	(428,130)
Change in Net Position of Governmental Activities	<u><u>\$ (1,008,884)</u></u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	<u>Computer Development Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Current Assets:	
Cash and Cash Equivalents	\$ 2,583,983
Accounts Receivable	47,597
Prepaid Expenses	166,407
Due from Other Funds	1,853
Total Current Assets	<u>\$ 2,799,840</u>
Noncurrent Assets:	
Capital Assets:	
Depreciable Capital Assets	\$ 3,410,739
Accumulated Depreciation	<u>(3,159,698)</u>
Net Capital Assets	<u>\$ 251,041</u>
Amortizable Right-of-Use Assets	\$ 290,708
Accumulated Amortization	<u>(132,140)</u>
Net Right-of-Use Assets	<u>\$ 158,568</u>
Net Pension Asset	<u>564,565</u>
Total Noncurrent Assets	<u>\$ 974,174</u>
Total Assets	<u>\$ 3,774,014</u>
Deferred Outflows of Resources:	
Deferred Outflow from Pension Contribution	<u>\$ 1,077,535</u>
Total Deferred Outflows of Resources	<u>\$ 1,077,535</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,851,549</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION:	
Current Liabilities:	
Accounts Payable	\$ 55,941
Accrued Expenses	51,177
Accrued Compensated Absences, Current Portion	16,857
Total Current Liabilities	<u>\$ 123,975</u>
Long-Term Liabilities:	
Accrued Compensated Absences, Net of Current Portion	\$ 67,428
Subscription-Based IT Software Liability, Net of Current Portion	72,936
Total Long-Term Liabilities	<u>\$ 140,364</u>
Total Liabilities	<u>\$ 264,339</u>
Deferred Inflows of Resources:	
Deferred Inflows of Resources Related to Net Pension Asset	<u>\$ 844,459</u>
Total Deferred Inflows of Resources	<u>\$ 844,459</u>
Net Position:	
Net Investment in Capital and SBITA Assets	\$ 336,673
Unrestricted	3,406,078
Total Net Position	<u>\$ 3,742,751</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,851,549</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Computer Development Fund
OPERATING REVENUES:	
Charges for Services	\$ 1,772,940
Grant Administration and Facility Fees	30,168
Member Library Reimbursement Revenue	94,860
Total Operating Revenues	<u>\$ 1,897,968</u>
OPERATING EXPENSES:	
Personnel Services	\$ 1,250,150
Contractual Services	387,626
Supplies and Materials	202,753
Member Library Reimbursement Expense	94,860
Depreciation	88,950
Amortization	79,284
Change in Pension Expense	183,485
Total Operating Expenses	<u>\$ 2,287,108</u>
OPERATING INCOME (LOSS)	<u>\$ (389,140)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment Income	\$ 118,762
Interest Expense	(11,950)
Total Non-Operating Revenues (Expenses)	<u>\$ 106,812</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ (282,328)</u>
Transfers In	<u>350,000</u>
CHANGE IN NET POSITION	<u>\$ 67,672</u>
NET POSITION - BEGINNING OF YEAR	<u>3,675,079</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,742,751</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

Computer
Development Fund

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 1,853,052
Receipts from Interfund Services Provided	30,168
Payments to Vendors	(649,132)
Payments to Employees	(1,241,438)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (7,350)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Operating Transfers From Other Funds	\$ 350,000
(Increase) Decrease in Due To Other Funds	(222)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>\$ 349,778</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal Payments on Subscription Assets	\$ (74,375)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>\$ (74,375)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment Income	\$ 118,762
Net Cash Provided by (Used In) Investing Activities	<u>\$ 118,762</u>
NET INCREASE IN CASH	\$ 386,815
CASH, BEGINNING OF YEAR	<u>2,197,168</u>
CASH, END OF YEAR	<u><u>\$ 2,583,983</u></u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Net Operating Income (Loss)	\$ (389,140)
Adjustment to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	88,950
Amortization	79,284
(Increase) Decrease in Assets:	
Accounts Receivable	(20,078)
Prepaid Expenses	5,335
Deferred Outflows of Resources	577,794
Increase (Decrease) in Liabilities:	
Accounts Payable	39,886
Deferred Inflows of Resources	(174,907)
Net Pension Asset/Liability	(219,402)
Accrued Expenses	5,378
Compensated Absences Payable	<u>(450)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u><u>\$ (7,350)</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	SWAYS - Custodial Fund	OCLC - Custodial Fund	457(b) Plan - OPEB Trust Fund	Total
ASSETS				
Cash	\$ 2,195	\$ 3,187,164		\$ 3,189,359
Investments			\$ 350,699	350,699
Accounts Receivable		163,034		163,034
Total Assets	<u>\$ 2,195</u>	<u>3,350,198</u>	<u>\$ 350,699</u>	<u>\$ 3,703,092</u>
LIABILITIES				
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET POSITION				
Restricted for:				
Postemployment Benefits				
Due to Individuals			\$ 350,699	\$ 350,699
Amounts Distributable to				
Other Agencies	\$ 2,195	\$ 3,350,198		3,352,393
Total Net Position	<u>\$ 2,195</u>	<u>\$ 3,350,198</u>	<u>\$ 350,699</u>	<u>\$ 3,703,092</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,195</u>	<u>\$ 3,350,198</u>	<u>\$ 350,699</u>	<u>\$ 3,703,092</u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SWAYS - Custodial Fund	OCLC - Custodial Fund	457(b) Plan - OPEB Trust Fund	Total
ADDITIONS:				
Collections	\$ 330	\$ 5,563,856		\$ 5,564,186
Interest and Investment Income		23,725	\$ 40,029	63,754
Other Additions		25		25
Total Additions:	<u>\$ 330</u>	<u>\$ 5,587,606</u>	<u>\$ 40,029</u>	<u>\$ 5,627,965</u>
DEDUCTIONS:				
Distributions		\$ 5,410,111	\$ 12,142	\$ 5,422,253
Account Fees		543	2,924	3,467
Other Deductions		25		25
Total Deductions:	<u>\$ 0</u>	<u>\$ 5,410,679</u>	<u>\$ 15,066</u>	<u>\$ 5,425,745</u>
CHANGE IN NET POSITION	\$ 330	\$ 176,927	\$ 24,964	\$ 202,220
NET POSITION, BEGINNING OF YEAR	<u>\$ 1,865</u>	<u>\$ 3,173,271</u>	<u>\$ 325,736</u>	<u>\$ 3,500,872</u>
NET POSITION, END OF YEAR	<u><u>\$ 2,195</u></u>	<u><u>\$ 3,350,198</u></u>	<u><u>\$ 350,699</u></u>	<u><u>\$ 3,703,092</u></u>

The accompanying notes are an integral part of the financial statements.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Illinois Heartland Library System (the System) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*. The more significant accounting policies established by GAAP and used by the System are discussed below.

A. Financial Reporting Entity

The System was created July 1, 2011 by the merger of four regional library systems in southern and central Illinois. The System provides delivery and automation (online catalog software) services to the libraries of southern and parts of central Illinois, as well as certain grant program services, such as the Catalog Maintenance Center to libraries throughout Illinois. The System is governed by a 15-member Board of Directors selected from among the System's member organizations.

The definition of what constitutes the entity of the System is based on the guidelines set forth in GASB Statement No. 14, as amended by GASB Statement No. 61. The primary government of the System consists of the funds presented herein as governmental funds, a proprietary fund, and three fiduciary funds.

According to GASB Statement No. 14, as amended by Statement No. 61, a legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the organization. Financial accountability is determined as follows:

1. The organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
2. The primary government appoints a voting majority of the organization's governing body and:
 - It is able to impose its will on the organization, or
 - There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Based on the operational and financial criteria noted above, the System does not have a component unit that should be reported as part of the reporting entity.

Related organizations for which the Directors appoint a voting majority of the governing body, but for which the System is not financially accountable, are not included in the reporting entity.

Jointly governed organizations are those for which the System does not have an on-going financial interest or responsibility. Jointly governed organizations are not included in the reporting entity.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the System as a whole. They include all funds of the System, except the fiduciary funds. The Statement of Net Position and the Statement of Activities include the governmental activities and business-type activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal balances and activities within the System's funds are eliminated in the government-wide financial statements. Transactions between the governmental and business-type activities are not eliminated.

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting (as described in Note 1.c).

Fund Financial Statements

Fund financial statements of the System are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The System's funds are organized into three categories: governmental, proprietary, and fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the System or meets the following criteria:

1. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual fund are at least 5 percent of the corresponding total for all funds combined.
3. Management, at their discretion, may choose to report a fund as major.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The proprietary and fiduciary fund financial statements are reported on the accrual basis of accounting (as described in Note 1.c.).

The fund types of the System are described below:

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial 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 the System:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund - The General Fund is the primary operating fund of the System and is always classified as a major fund. It is used to account for all activities except automation and bibliographic access and those activities legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity of the System includes the following special revenue funds:

Major Special Revenue Funds

CMC Grant Fund – Grants from the Illinois State Library finance this fund, which acts as the fiscal agent for the Cataloging Maintenance Center program.

Non-Major Special Revenue Funds

The System's non-major special revenue funds are the OCLC Grant Fund and the Library Trustee Training Grant Fund.

Capital Projects Fund – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by Proprietary Funds. The reporting entity of the System includes one capital projects fund, the Capital Projects Fund, which is reported as a major governmental fund.

Proprietary Fund

Enterprise Fund – An Enterprise Fund is used to account for business-like activities provided to the general public or outside entities. The measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:

Computer Development Fund – Accounts for all activities related to an automated library database system that provides widespread library accessibility services to a system of member libraries.

Fiduciary Funds

Fiduciary funds are used to report assets held by the System in a trustee or custodial capacity for others and therefore cannot be used to support the System's own programs. The System has three fiduciary funds, the OCLC–Custodial Fund, which is used to account for funds held in trust for the ILLINET OCLC, Lewis and Clark Library System 457 Plan – Pension Trust, which is used to account for funds held in trust for participants that participated in the Lewis and Clark Library System when the organization was still in service, and SWAYS – Custodial Fund, which is used to account for funds from the Southwest Advocates for Youth Services.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

1. Accrual

Governmental activities and business-type activities in the government-wide financial statements and enterprise fund financial statements are presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The System considers receipts within 60 days of year-end to be available. Expenditures generally are recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when payment is due.

D. Cash and Cash Equivalents

Cash and cash equivalents includes deposits at financial institutions, short-term investments with original maturities at issuance of three months or less, certificates of deposit, and funds held in money market mutual funds at depository banks.

E. Receivables

Receivables are reported at the estimated net realizable amounts from third-party payers and others for services rendered. Receivables are stated at the amount management expects to collect on outstanding balances. The System's allowance for doubtful receivables at June 30, 2025 was \$0.

F. Interfund Balances

Receivables and payables between funds are reported as due from and due to other funds, respectively. Amounts not expected to be repaid within a reasonable time are considered interfund transfers. In governmental funds, amounts due from other funds expected to be repaid within a reasonable time, but beyond one year from June 30, 2025, as well as other long-term receivables are offset by non-spendable fund balance because they do not represent expendable, available financial resources.

G. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses such as for insurance or service contracts are deferred and expensed over the term when the services are received.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental fund financial statements at the time of purchase. Capital assets of governmental activities are reported in the government-wide financial statements offset by accumulated depreciation. Capital assets, with the exception of those arising as a result of a lease or Subscription Based Information Technology Arrangement (SBITA), are recorded at actual or estimated historical cost while donated capital assets are valued at their fair market value on the date donated. Right-of-Use lease and SBITA assets are initially measured as the sum of present value of payments expected to be made during the lease or subscription term, payments associated with the lease or SBITA contract made to the vendor at the lease or subscription commencement, when applicable, and capitalizable implementation costs; less any vendor incentives received at the commencement of the lease or SBITA term. Capital assets are defined as assets with initial, individual costs over \$5,000 and an estimated useful life in excess of one year.

Depreciation is calculated on all capital assets (other than land, assets that appreciate in value, and impaired capital assets carried at net realizable value) using the straight-line method with the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	10 - 30
Equipment and Other	7
Furniture and Fixtures	8
Computers	5
Vehicles	5

Right-of-Use lease and SBITA assets are amortized on a straight-line basis over the shorter of the lease or subscription term or the underlying asset's useful life.

I. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the System's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and fund financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the government-wide and fund financial statements include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and will be recognized as inflows of resources (revenue) in the year in which they are intended to be available to finance expenditures.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Program Revenues

Program Revenues on the statement of activities include the following:

Governmental Activities

Charges for Services – Fees paid by outside entities for services provided by the General Fund.

Operating Grants and Contributions – Grants used to support operations.

Capital Grants and Contributions – Grants used to purchase equipment, vehicles, and other capital assets.

Business-type Activities

Charges for Services – Fees paid by outside entities for the automated library database services.

Operating Grants and Contributions – Grants used to support operations.

Capital Grants and Contributions – Grants used to purchase equipment, vehicles, and other capital assets.

M. Operating and Non-Operating Revenues and Expenses of the Proprietary Fund

Operating revenues and expenses for the proprietary fund are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

N. Reimbursement Revenue

In the fund financial statements, the System has recorded \$61,180 of Reimbursements Revenue in the General Fund and Contractual Services Expenditures in various other funds related to the allocation of Administrative and Facilities Costs from the General Fund to certain grant funds, as allowed by the applicable grant agreement. In the government-wide financial statements, this interfund activity has been eliminated.

O. Compensated Absences

It is the System's policy to permit employees to accumulate earned but unused vacation and sick time. Vacation time is accrued under the vesting method, can be accumulated up to the lesser of 200 percent of an employee's annual amount of vacation earned, or 400 hours, and is paid out to the employee upon termination. This earned vacation leave meets the recognition criteria of a liability, as it is attributable to services already rendered and is more likely than not to be paid. Sick time can be accumulated without a maximum and is not paid out to the employee upon termination. A portion of accrued sick leave also constitutes a liability, as employees are more likely than not to use it for time off, even though sick leave does not vest upon termination. The System measures the liability portion based on a five-year history of usage of each employee. The System also provides paid leave to all

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Compensated Absences (continued)

employees under the Paid Leave for All Workers Act. Full-time employees are provided 40 hours per calendar year, which are granted on January 1 of each year, and are available for use immediately. Part-time employees earn one hour of leave for every forty hours worked, which is available for use as it is accrued. Any PLAW days not used by the end of the calendar year are lost. Based on historical usage, the System believes that all PLAW time granted will be used and, as such, recognizes a liability for the entire unused balance as of the Statement of Net Position date. All compensated absences are accrued when incurred in the government-wide financial statements and the proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured and are payable upon separation of employment, for example, as a result of employee resignations or retirements. All compensated absence liabilities are measured using the employee's rate of pay as of the Statement of Net Position date.

P. New Accounting Pronouncements

Effective July 1, 2024, the System adopted the provisions of GASB Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. This statement requires the recognition of a liability for both unused and used, but unpaid, compensated absences. The liability is recognized when the leave is attributable to past services, accumulates, and is more likely than not to be used. The liability is measured at the employee's rate of pay as of the Statement of Net Position date. The implementation of this standard had no effect on the net position of the System.

Effective July 1, 2024, the System adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to disclose information about risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. At this time, the System has not identified any new concentrations or constraints that pose a risk requiring disclosure as a result of adopting this standard.

Q. Change in Reporting Entity

During the year ended June 30, 2025, The Library Trustee Training Grant Fund no longer met the criteria for being presented as a major fund. The System now presents this fund with other non-major governmental funds in the fund financial statements. A reconciliation of the change is included in the governmental fund statement of revenues, expenditures, and changes in fund balance. This change had no effect on the net position of the System or the fund balance of any individual funds.

NOTE 2. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. Below are definitions of the differences and how these balances are reported:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specific purposes.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the System’s Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The System’s Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. There were no committed fund balances for the System as of June 30, 2025.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the System’s Board itself or (b) the finance committee, if applicable, to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. In addition to the General Fund, negative balances in the governmental funds are reported as unassigned.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2. FUND BALANCE REPORTING (CONTINUED)

Details of the System's fund balances as of June 30, 2025, are as follows:

	General Fund	CMC Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
Non-spendable:					
Prepaid Expenses	\$ 56,867	\$ 3,388		\$ 7,758	\$ 68,013
Restricted:					
State Grants		22,814			22,814
Assigned:					
Capital Projects			\$ 640,114		640,114
Unassigned:	4,181,887			(8,401)	4,173,486
Total Fund					
Balances (Deficit)	<u>\$ 4,238,754</u>	<u>\$ 26,202</u>	<u>\$ 640,114</u>	<u>\$ (643)</u>	<u>\$ 4,904,427</u>

The following non-major funds had a deficit fund balance at June 30, 2025: OCLC Grant Fund (\$643).

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The System is allowed to invest in securities as authorized by Illinois Compiled Statutes Chapter 30, Act 235, Section 2. This statute generally allows for investments in government securities, certificates of deposit, corporate obligations, and money market mutual funds.

Cash, cash equivalents, and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

	Governmental Funds	Proprietary Fund	Fiduciary Funds
Cash and Cash Equivalents	\$ 5,086,089	\$ 2,583,983	\$ 3,189,359
Investments - Mutual and Other Funds			350,699
	<u>\$ 5,086,089</u>	<u>\$ 2,583,983</u>	<u>\$ 3,540,058</u>

Cash, cash equivalents, and investments as of June 30, 2025, consisted of the following:

	Governmental Funds	Proprietary Fund	Fiduciary Funds
Demand Deposits/NOW Accounts with Financial Institutions	\$ 621,224	\$ 292,030	\$ 2,682,738
Illinois Funds	4,464,865	2,291,953	506,621
Lewis & Clark Library System 457(b) Plan - Mutual and Other Funds			350,699
	<u>\$ 5,086,089</u>	<u>\$ 2,583,983</u>	<u>\$ 3,540,058</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Custodial Credit Risk

Custodial credit risk for cash and cash equivalents is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2025, none of the System's cash or cash equivalents were considered to be uninsured or uncollateralized. As of June 30, 2025, the System had investments in securities held in Fiduciary Funds for the Lewis & Clark Library System 457(b) Plan of \$250,000, which were covered by SIPC and \$100,699, which were uninsured.

The System's investment in the state investment pool is fully collateralized. The System maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The total balance in the System's state investment pool as of June 30, 2025, was \$7,263,439 for governmental, proprietary, and fiduciary funds. The System's investment in the state investment pool is reported at cost which estimates fair value.

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the System manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The system had no investments susceptible to interest rate risk as of June 30, 2025.

C. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The credit risk of investments is addressed by the System's investment policy by limiting investments to instruments insured by the FDIC, issued by the U.S. Treasury, or the Illinois Funds portfolios overseen by the Treasurer of the State of Illinois. As of June 30, 2025, the System has \$7,263,439 deposited into accounts with the Illinois Funds. The investment pool has earned Standard and Poor's highest rating (AAA).

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

As of June 30, 2025, the System had the following investments. Ratings, where applicable, were rated by Morningstar:

	Fiduciary Funds	Rating
NCIT Large Cap Growth B	\$ 91,275	N/A
NCIT Clearbridge Large Cap Value B	66,374	★★
Nationwide Large Cap Growth	1,416	N/A
SEI S&P 500 Index	191,634	★★★★
	<u>\$ 350,699</u>	

D. Fair Value Hierarchy

The System categorized 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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significantly unobservable inputs. The Level 3 investments are not mutual funds and their performance cannot be obtained through public resources. The value is tracked by the portfolio manager and was obtained from the June 30, 2025 quarterly statement.

As of June 30, 2025, the System's investments were categorized as follows:

	Level 1	Level 2	Level 3	Not Requiring Leveling	Total
Mutual Funds					
NCIT Large Cap Growth B	\$ 91,275				\$ 91,275
NCIT Clearbridge Large Cap Value B	66,374				66,374
SEI S&P 500 Index	191,634				191,634
Other Investments					
Nationwide Large Cap Growth			\$ 1,416		1,416
	<u>\$349,283</u>	<u>\$ 0</u>	<u>\$ 1,416</u>	<u>\$ 0</u>	<u>\$350,699</u>

NOTE 4. RECEIVABLES

At June 30, 2025, receivables were as follows for the governmental activities and governmental funds:

	Receivables
State Grant	\$ 38,730
Member Libraries	66,762
Total	<u>\$ 105,492</u>

At June 30, 2025, receivables were as follows for the business-type activities and enterprise fund:

	Receivables
Member Libraries	\$ 47,597
Total	<u>\$ 47,597</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5. CAPITAL ASSETS

The following is a summary of the changes in capital assets of the governmental activities for the year ended June 30, 2025:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets, Not Being Depreciated				
Land	\$ 411,667			\$ 411,667
Construction in Progress		\$ 71,832		71,832
Total Capital Assets, Not Being Depreciated	<u>\$ 411,667</u>	<u>\$ 71,832</u>	<u>\$ 0</u>	<u>\$ 483,499</u>
Capital Assets, Being Depreciated				
Automobiles	\$ 1,219,034	\$ 258,410	\$ 27,694	\$ 1,449,750
Buildings and Improvements	3,182,830	114,332		3,297,162
Equipment and Other	2,003,721	579,850		2,583,571
Furniture and Fixtures	391,590			391,590
Computers	1,091,099			1,091,099
Total Capital Assets, Being Depreciated	<u>\$ 7,888,274</u>	<u>\$ 952,592</u>	<u>\$ 27,694</u>	<u>\$ 8,813,172</u>
Right-of-Use Assets, Being Amortized				
Leased Office Space		\$ 355,800		\$ 355,800
Total Right-of-Use Assets, Being Amortized	<u>\$ 0</u>	<u>\$ 355,800</u>	<u>\$ 0</u>	<u>\$ 355,800</u>
Less Accumulated Depreciation and Amortization:				
Automobiles	\$ 549,331	\$ 184,018	\$ 27,694	\$ 705,655
Buildings and Improvements	2,132,894	107,062		2,239,956
Equipment and Other	2,003,721	4,832		2,008,553
Furniture and Fixtures	391,590			391,590
Computers	1,071,540	4,378		1,075,918
Total Accumulated Depreciation	<u>\$ 6,149,076</u>	<u>\$ 300,290</u>	<u>\$ 27,694</u>	<u>\$ 6,421,672</u>
Leased Office Space		\$ 46,409		\$ 46,409
Total Accumulated Amortization	<u>\$ 0</u>	<u>\$ 46,409</u>	<u>\$ 0</u>	<u>\$ 46,409</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>\$ 1,739,198</u>	<u>\$ 961,693</u>	<u>\$ 0</u>	<u>\$ 2,700,891</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,150,865</u>	<u>\$ 1,033,525</u>	<u>\$ 0</u>	<u>\$ 3,184,390</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5. CAPITAL ASSETS (CONTINUED)

Current year depreciation and amortization expense was charged to the following function:

General Library Services	\$ 346,699
Total Depreciation and Amortization	<u>\$ 346,699</u>

The following is a summary of the changes in capital assets of the business-type activities and enterprise fund for the year ended June 30, 2025:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets, Being Depreciated				
Equipment	\$ 1,679,402			\$ 1,679,402
Computers	1,731,337			1,731,337
Total Capital Assets, Being Depreciated	<u>\$ 3,410,739</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,410,739</u>
Right-of-Use Assets, Being Amortized				
Subscription Software	\$ 290,708			\$ 290,708
Total Right-of-Use Assets, Being Amortized	<u>\$ 290,708</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 290,708</u>
Less Accumulated Depreciation and Amortization:				
Equipment	\$ 1,679,402			\$ 1,679,402
Computers	1,391,346	\$ 88,950		1,480,296
Total Accumulated Depreciation	<u>\$ 3,070,748</u>	<u>\$ 88,950</u>	<u>\$ 0</u>	<u>\$ 3,159,698</u>
Subscription Software	\$ 52,856	\$ 79,284		\$ 132,140
Total Accumulated Amortization	<u>\$ 52,856</u>	<u>\$ 79,284</u>	<u>\$ 0</u>	<u>\$ 132,140</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>\$ 577,843</u>	<u>\$ (168,234)</u>	<u>\$ 0</u>	<u>\$ 409,609</u>
Enterprise Activities Capital Assets, Net	<u>\$ 577,843</u>	<u>\$ (168,234)</u>	<u>\$ 0</u>	<u>\$ 409,609</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5. CAPITAL ASSETS (CONTINUED)

Current year depreciation and amortization expense was charged to the following function:

Computer Development	\$ 168,234
Total Depreciation and Amortization	<u>\$ 168,234</u>

NOTE 6. LONG-TERM LIABILITIES

The following is a summary of changes in the System's long-term liabilities of the governmental activities for the year ended June 30, 2025:

	June 30, 2024	Increases	Decreases	June 30, 2025	Due Within One Year
Accrued					
Compensated Absences	\$ 203,754	\$ 66,209		\$ 269,963	\$ 53,993
Lease Liability		355,800	\$ 37,008	318,792	49,545
Totals	<u>\$ 203,754</u>	<u>\$ 422,009</u>	<u>\$ 37,008</u>	<u>\$ 588,755</u>	<u>\$ 103,538</u>

The following is a summary of changes in the System's long-term liabilities of the business-type activities and enterprise fund for the year ended June 30, 2025:

	June 30, 2024	Increases	Decreases	June 30, 2025	Due Within One Year
Accrued					
Compensated Absences	\$ 84,735		\$ 450	\$ 84,285	\$ 16,857
Subscription Liabilities	135,361		62,425	72,936	
Totals	<u>\$ 220,096</u>	<u>\$ 0</u>	<u>\$ 62,875</u>	<u>\$ 157,221</u>	<u>\$ 16,857</u>

Subscription-Based Information Technology Arrangements

The System has a subscription-based information technology arrangement (SBITA) for a software platform used in the Computer Development Fund, the terms of which expire June 30, 2027. This SBITA has a remaining term of 24 months and a discount rate of 8.49% was used to calculate the lease liability.

The following schedule represents the principal and interest required by year under SBITAs as of June 30, 2025:

Year Ending June 30	Principal	Interest	Total
2026	\$	\$	\$
2027	72,936	6,439	79,375
	<u>\$ 72,936</u>	<u>\$ 6,439</u>	<u>\$ 79,375</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Leases

The System leases office space under a non-cancellable lease which began on October 1, 2024 and expires on June 30, 2029, with an option to renew for an additional year. It is reasonably certain that the System will exercise its option to extend the lease term. At June 30, 2025, the remaining right-of-use asset, net of accumulated amortization, for the office space was \$309,391 and the remaining lease liability was \$318,792. For the year ended June 30, 2025, the System recognized interest expense of \$17,914 in the Statement of Activities. This lease has a remaining term of 60 months and a discount rate of 7.99% was used to calculate the lease liability.

The following schedule represents the principal and interest, to be paid out of the General Fund, required by year under the lease as of June 30, 2025:

Year Ending June 30	Principal	Interest	Total
2026	\$ 49,545	\$ 23,684	\$ 73,229
2027	59,497	19,365	78,862
2028	64,429	14,433	78,862
2029	69,769	9,093	78,862
2030	75,552	3,310	78,862
	<u>\$ 318,792</u>	<u>\$ 69,885</u>	<u>\$ 388,677</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables at June 30, 2025, are summarized below:

	Due From Other Funds	Due To Other Funds
Major Governmental Funds		
General Fund	\$ 43,721	\$ 375
CMC Grant Fund	120	3,249
Total Major Governmental Funds	<u>\$ 43,841</u>	<u>\$ 3,624</u>
Non-Major Governmental Funds		
OCLC Grant Fund	\$ 21	\$ 6,285
Library Trustee Training Grant Fund	7	35,813
Total Non-Major Governmental Funds	<u>\$ 28</u>	<u>\$ 42,098</u>
Major Proprietary Funds		
Computer Development Fund	\$ 1,853	
Total Proprietary Funds	<u>\$ 1,853</u>	<u>\$ 0</u>
Total for all Governmental and Proprietary Funds	<u>\$ 45,722</u>	<u>\$ 45,722</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The amounts due among the funds relate to working capital loans. The amounts due have no specific repayment date scheduled, however, repayment is expected within the next fiscal year.

Interfund transfers made during the year ended June 30, 2025, are summarized below:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		\$ 1,073,514
Capital Project Fund	\$ 723,514	
Total Major Governmental Funds	<u>\$ 723,514</u>	<u>\$ 1,073,514</u>
Major Proprietary Funds		
Computer Development Fund	\$ 350,000	
Total Proprietary Funds	<u>\$ 350,000</u>	<u>\$ 0</u>
Total for all Governmental and Proprietary Funds	<u>\$ 1,073,514</u>	<u>\$ 1,073,514</u>

Transfers are made to utilize unrestricted resources of the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. PENSION PLAN

In July 2011, the System was created through a merger of four regional library systems in central and southern Illinois. One of the library systems that was a part of the merger had established a 457(b) retirement plan for its employees. Since the merger, the plan is no longer active and available for new participants, but the plan still exists for the participants that were enrolled prior to the merger. No contributions by either remaining participants or the System are made to the plan. The System is the Plan Administrator and acts in a fiduciary capacity for the plan; however, they have contracted with a third party to handle the administrative and custodial activities. The assets of the plan are held in trust, (custodial account or annuity contract) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for the exclusive benefit of the participants, holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. In accordance with the provisions of GASB Statement 97, plan balances and activities are reflected as a Fiduciary Fund within the System's financial statements.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

The System currently offers post-employment benefits to retirees by offering continuation of participation in the System's health insurance plan as required by law for a period of 18 months (COBRA coverage). The retiree pays 100% of their own premium cost. As of June 30, 2025, no retirees were covered under COBRA coverage. As such, no Other Post Employment Benefit's liability has been recorded as of June 30, 2025.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description. The System's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The System's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual net position, and required supplementary information. That report may be obtained on-line at www.imrf.org.

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).

All three IMRF benefit plans have two tiers. 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:

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

At December 31, 2024, the following employees were covered by the Plan:

Active Employees	68
Inactive employees or beneficiaries currently receiving benefits	218
Inactive employees entitled to but not yet receiving benefits	<u>69</u>
Total	<u>355</u>

Contributions. As set by statute, the System's Regular plan members are required to contribute 4.50 percent 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. The employer annual required contribution rate for calendar year 2024 was 0.81 percent. For the fiscal year ended June 30, 2025, the System contributed \$35,786 to the plan. The System also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability. The System's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Assets Valuation Method	Market Value of Assets
Price Inflation	2.25%
Salary Increases	2.85% to 13.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount- Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2024 Illinois Municipal Retirement Fund annual actuarial valuation report.

The long term expected rate of return on 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 Plan investment expenses 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 by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Return 12/31/2024	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	33.50%	19.02%	5.70%	4.35%
International Equities	18.00%	6.35%	7.10%	5.40%
Fixed Income	24.50%	3.14%	5.30%	5.20%
Real Estate	10.50%	2.25%	7.30%	6.40%
Alternatives	12.50%	6.72%		
Private Equity		N/A	10.00%	6.25%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	6.05%	4.85%
Cash Equivalents	1.00%	5.57%	3.60%	3.60%
Total	<u>100.00%</u>			

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the difference between the actuarially determined contribution rates and member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is project to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in System's Net Pension Liability. Changes in the System's net pension liability (asset) for the year ended December 31, 2024, were as follows:

	Total Pension Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2023	\$ 34,922,156	\$ 36,235,782	\$ (1,313,626)
Changes for the year:			
Service Cost	309,453		309,453
Interest	2,448,274		2,448,274
Difference between expected and actual experience	(472,091)		(472,091)
Changes in assumptions	0		0
Contributions-employees		175,704	(175,704)
Contributions- employer		37,484	(37,484)
Net investment income		3,755,351	(3,755,351)
Benefit payments including refunds of employee Contributions	(2,615,172)	(2,615,172)	0
Other (Net Transfer)		(951,563)	951,563
Net Changes	\$ (329,536)	\$ 401,804	\$ (731,340)
Balance, December 31, 2024	<u>\$ 34,592,620</u>	<u>\$ 36,637,586</u>	<u>\$ (2,044,966)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as, what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.25%	\$ 1,180,975
Current discount rate	7.25%	(2,044,966)
1% increase	8.25%	(4,728,821)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued report.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources. For the year ended June 30, 2025, the System recognized pension expense of \$611,617. At June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 158,242
Changes of assumptions		
Net difference between projected and actual earnings		
on Plan investments	\$ 3,676,544	2,754,278
Contributions after Measurement Date	16,518	
Total	<u>\$ 3,693,062</u>	<u>\$ 2,912,520</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	<u>Year ending December 31,</u>
2025	\$ 301,477
2026	1,283,650
2027	(554,622)
2028	(249,963)
2029	0
Thereafter	0
Total	<u>\$ 780,542</u>

NOTE 11. RELATED PARTY TRANSACTIONS

The System's Board of Directors is comprised of representatives from its member organizations. Member organizations pay fees to the System for various services. For the year ended June 30, 2025, total charges for services revenue earned from these organizations was \$228,877. At June 30, 2025, the System had receivable balances of \$20 in the General Fund and \$59 in the Computer Development Fund from these organizations.

NOTE 12. RISK OF LOSS

Significant losses are covered by commercial insurance for property, liability, and workers compensation. During the year ended June 30, 2025, there were no significant reductions in coverage. There have been no material settlement amounts that have exceeded insurance coverage or that have been uncovered by insurance in the past three years.

NOTE 13. CONCENTRATION OF REVENUE

For the year ended June 30, 2025, 63.7% of the System's revenue was received through grants or allocations from the Illinois Secretary of State's Office through the Illinois State Library.

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14. COMMITMENTS AND CONTINGENCIES

The System participates in a number of state and federally assisted programs. Under the terms of the programs, periodic audits may be required, and certain costs may be questioned as not being appropriate expenditures under the terms of these programs. Such audits could lead to reimbursements to grantor agencies. Based on prior experience, the System believes examinations would not result in any material disallowed costs for grant revenue recorded in these financial statements or from prior years.

NOTE 15. EXCESS OF EXPENDITURES OVER BUDGET

There were no major funds that had excess expenditures over budget for the fiscal year ended June 30, 2025.

NOTE 16. SUBSEQUENT EVENTS

Management has evaluated the effect of subsequent events on the financial statements through September 2, 2025, which is the date the financial statements were available to be issued.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual	Over/(Under) Final Budget
	Original	Final		
REVENUES:				
State Grants:				
Area and Per Capita - State Allotment	\$ 3,260,130	\$ 3,260,130	\$ 3,260,130	
Area and Per Capita - Federal Pass Through	659,722	659,722	659,722	
Fees for Services and Material	395,925	395,925	394,791	\$ (1,134)
Reimbursements	8,726	8,726	11,173	2,447
Investment Income	94,467	94,467	209,999	115,532
Other Revenue	90,136	90,136	134,301	44,165
Total Revenues	<u>\$ 4,509,106</u>	<u>\$ 4,509,106</u>	<u>\$ 4,670,116</u>	<u>\$ 161,010</u>
EXPENDITURES:				
Current:				
General Library Services:				
Personnel Service	\$ 3,800,108	\$ 3,837,108	\$ 3,510,855	\$ (326,253)
Contractual Services	514,780	444,780	344,189	(100,591)
Supplies and Materials	844,852	851,852	701,866	(149,986)
Member Library Reimbursement Expense	8,726	8,726	12,573	3,847
Total Expenditures	<u>\$ 5,168,466</u>	<u>\$ 5,142,466</u>	<u>\$ 4,569,483</u>	<u>\$ (572,983)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (659,360)</u>	<u>\$ (633,360)</u>	<u>\$ 100,633</u>	<u>\$ 733,993</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,075,000)</u>	<u>(1,075,000)</u>	<u>(1,073,514)</u>	<u>1,486</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (1,734,360)</u>	<u>\$ (1,708,360)</u>	<u>\$ (972,881)</u>	<u>\$ 735,479</u>
FUND BALANCE - BEGINNING OF YEAR			<u>5,211,635</u>	
FUND BALANCE - END OF YEAR			<u>\$ 4,238,754</u>	

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CMC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Over/(Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES:				
State Grants:				
Illinois State Library	\$ 709,016	\$ 709,016	\$ 665,076	\$ (43,940)
Total Revenues	<u>\$ 709,016</u>	<u>\$ 709,016</u>	<u>\$ 665,076</u>	<u>\$ (43,940)</u>
EXPENDITURES:				
Current:				
General Library Services:				
Personnel Service	\$ 613,718	\$ 613,718	\$ 573,667	\$ (40,051)
Contractual Services	88,661	88,661	84,509	(4,152)
Supplies and Materials	6,637	6,637	6,900	263
Total Expenditures	<u>\$ 709,016</u>	<u>\$ 709,016</u>	<u>\$ 665,076</u>	<u>\$ (43,940)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
FUND BALANCE - BEGINNING OF YEAR			26,202	
FUND BALANCE - END OF YEAR			<u>\$ 26,202</u>	

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Budgets and Budgetary Basis of Accounting:

A. Budgetary Process

1. In accordance with the Illinois Library System Act, Administrative Rules, prior to each May 1, the System's Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and revenues provided to finance them.
2. The proposed budget is discussed at regular meetings of the Board of Directors.
3. Prior to June 1, the Board of Directors formally adopts the budget.
4. The System's Executive Director presents monthly/quarterly reports to the Board of Directors explaining significant variances from the approved budget.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles.
6. The System budgets for all funds through the budget process or through budgets for individual grant awards.
7. The organizational budget lapses at fiscal year end and no revisions may be made after year end.

B. Legal Level of Budgetary Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed the budget) is the fund level. The budgetary expenditure comparisons in the basic financial statements are from approved organizational budgets for all funds except for the OCLC Grant and the Library Trustee Training Grant, which are derived from the grant budget.

C. Amendments to the Budget

The System's Executive Director is authorized to transfer budgeted amounts within the departments in any fund; however, any revisions that alter the total expenditures of the System must be approved by the Board of Directors.

D. Budgetary Basis of Accounting

Budgets are adopted on essentially the same basis of accounting as the fund financial statements.

E. Encumbrances

Encumbrance accounting is not used by the System.

F. Expenditures Over Budget

There were no major funds that had excess expenditures over budget or total grant awarded for the fiscal year ended June 30, 2025.

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2015)

Calendar year ending December 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 309,453	\$ 292,071	\$ 253,687	\$ 220,516	\$ 228,448	\$ 224,615	\$ 179,185	\$ 180,886	\$ 240,821	\$ 208,201
Interest on the Total Pension Liability	2,448,274	2,421,456	2,368,278	2,163,963	1,370,681	2,333,691	2,318,785	2,331,743	2,314,570	2,234,972
Benefit Changes	0	0	0	0	0	0	0	0	0	0
Difference between Expected and Actual Experience	(472,091)	296,562	668,797	(48,565)	(37,780)	368,851	337,494	504,869	(214,774)	616,002
Assumption Changes	0	(40,241)	0	0	(204,627)	0	736,512	(997,797)	0	0
Benefit Payments and Refunds	(2,615,172)	(2,602,104)	(2,550,820)	(2,435,149)	(2,455,681)	(2,382,045)	(2,263,936)	(2,125,298)	(2,044,060)	(1,984,300)
Net Change in Total Pension Liability	(329,536)	367,744	739,942	100,765	(98,959)	545,112	1,308,040	(99,597)	296,557	1,074,875
Total Pension Liability - Beginning	34,922,156	34,554,412	33,814,470	33,713,705	33,812,664	33,267,552	31,959,512	32,059,109	31,762,552	30,687,677
Total Pension Liability - Ending (a)	\$ 34,592,620	\$ 34,922,156	\$ 34,554,412	\$ 33,814,470	\$ 33,713,705	\$ 33,812,664	\$ 33,267,552	\$ 31,959,512	\$ 32,059,109	\$ 31,762,552
Plan Fiduciary Net Position										
Employer Contributions	\$ 37,484	\$ 33,584	\$ 27,231	\$ 103,134	\$ 183,339	\$ 40,470	\$ 177,666	\$ 202,868	\$ 273,509	\$ 325,404
Employee Contributions	175,704	157,431	140,853	117,027	110,564	108,703	93,727	84,381	94,367	132,256
Pension Plan Net Investment Income	3,755,351	3,932,880	(6,173,137)	6,915,910	3,435,425	6,374,681	(2,365,486)	5,935,957	2,104,214	152,703
Benefit Payments and Refunds	(2,615,172)	(2,602,104)	(2,550,820)	(2,435,149)	(2,455,681)	(2,382,045)	(2,263,936)	(2,125,298)	(2,044,060)	(1,984,300)
Other	(951,563)	545,201	(194,806)	(637,457)	(340,144)	245,524	889,733	(663,474)	506,944	704,141
Net Change in Plan Fiduciary Net Position	401,804	2,066,992	(8,750,679)	4,063,463	2,933,503	4,387,333	(3,468,296)	3,434,434	934,974	(669,796)
Plan Fiduciary Net Position - Beginning	36,235,782	34,168,790	42,919,469	38,856,004	35,922,501	31,535,168	35,003,464	31,569,030	30,634,056	31,303,852
Plan Fiduciary Net Position - Ending (b)	\$ 36,637,586	\$ 36,235,782	\$ 34,168,790	\$ 42,919,469	\$ 38,856,004	\$ 35,922,501	\$ 31,535,168	\$ 35,003,464	\$ 31,569,030	\$ 30,634,056
Net Pension Liability/(Asset) -Ending (a)-(b)	(2,044,966)	(1,313,626)	385,622	(9,104,999)	(5,142,299)	(2,109,837)	1,732,384	(3,043,952)	490,079	1,128,496
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.91%	103.76%	98.88%	126.93%	115.25%	106.24%	94.79%	109.52%	98.47%	96.45%
Covered Valuation Payroll	\$ 3,904,538	\$ 3,498,457	\$ 3,130,052	\$ 2,600,594	\$ 2,338,492	\$ 2,269,397	\$ 2,082,826	\$ 1,800,090	\$ 2,018,517	\$ 2,245,715
Net Pension Liability as a Percentage of Covered Valuation Payroll	(52.37%)	(37.55%)	12.32%	(350.11%)	(219.90%)	(92.97%)	83.17%	(169.10%)	24.28%	50.25%

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 CALENDAR YEARS

<u>Calendar Year</u> <u>Ending</u> <u>December 31,</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>Covered</u> <u>Valuation</u> <u>Payroll</u>	<u>Actual Contribution</u> <u>as a % of</u> <u>Covered</u> <u>Valuation Payroll</u>
2015	\$ 325,404	\$ 325,404	\$ 0	\$ 2,245,715	14.49%
2016	273,509	273,509	0	2,018,517	13.55%
2017	188,289	202,868	(14,579)	1,800,090	11.27%
2018	177,665	177,666	(1)	2,082,826	8.53%
2019	18,609	40,470	(21,861)	2,269,397	1.78%
2020	183,338	183,339	(1)	2,338,492	7.84%
2021	97,002	103,134	(6,132)	2,600,594	3.97%
2022	27,231	27,231	0	3,130,052	0.87%
2023	33,585	33,584	1	3,498,457	0.96%
2024	37,484	37,484	0	3,904,538	0.96%

ILLINOIS HEARTLAND LIBRARY SYSTEM
NOTES TO THE SCHEDULE OF CONTRIBUTIONS
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2024 CONTRIBUTION RATE

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the calendar year in which contributions are reported.

Methods and Assumptions Used to Determine 2024 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 19-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 16 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled 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.

Other Information:

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation

ILLINOIS HEARTLAND LIBRARY SYSTEM
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2025

	OC LC Grant	Library Trustee Training Grant	Total Non-Major Special Revenue Funds
ASSETS			
Cash and Cash Equivalents	\$ 4,951	\$ 4	\$ 4,955
Accounts Receivable		38,730	38,730
Prepaid Expenses	6,068	1,690	7,758
Due from Other Funds	21	7	28
Total Assets	<u>\$ 11,040</u>	<u>\$ 40,431</u>	<u>\$ 51,471</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 64	\$ 1,239	\$ 1,303
Accrued Expenses	5,334	3,379	8,713
Due to Other Funds	6,285	35,813	42,098
Total Liabilities	<u>\$ 11,683</u>	<u>\$ 40,431</u>	<u>\$ 52,114</u>
Fund Balances:			
Nonspendable	\$ 6,068	\$ 1,690	\$ 7,758
Unassigned	(6,711)	(1,690)	(8,401)
Total Fund Balances (Deficit)	<u>\$ (643)</u>	<u>\$ 0</u>	<u>\$ (643)</u>
Total Liabilities and Fund Balances	<u>\$ 11,040</u>	<u>\$ 40,431</u>	<u>\$ 51,471</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>OCLC Grant</u>	<u>Library Trustee Training Grant</u>	<u>Total Non-Major Special Revenue Funds</u>
REVENUES:			
State Grants:			
Illinois State Library	\$ 175,573	\$ 166,321	\$ 341,894
Total Revenues	<u>\$ 175,573</u>	<u>\$ 166,321</u>	<u>\$ 341,894</u>
EXPENDITURES:			
General Library Services:			
Personnel Service	\$ 145,845	\$ 56,405	\$ 202,250
Contractual Services	24,861	109,669	134,530
Supplies and Materials	4,867	247	5,114
Total Expenditures	<u>\$ 175,573</u>	<u>\$ 166,321</u>	<u>\$ 341,894</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0
FUND BALANCE (DEFECIT), BEGINNING OF YEAR	<u>(643)</u>	<u>0</u>	<u>(643)</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u><u>\$ (643)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (643)</u></u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budget		
	Original	Final	Actual
REVENUES:			
State Grants:			
Area and Per Capita - State Allotment	\$ 3,260,130	\$ 3,260,130	\$ 3,260,130
Area and Per Capita - Federal Pass Through	659,722	659,722	659,722
Fees for Services and Material	395,925	395,925	394,791
Reimbursements	8,726	8,726	11,173
Investment Income	94,467	94,467	209,999
Other Revenue	90,136	90,136	134,301
Total Revenues	<u>\$ 4,509,106</u>	<u>\$ 4,509,106</u>	<u>\$ 4,670,116</u>
EXPENDITURES:			
General Library Services:			
Personnel			
Salaries and Wages	\$ 2,926,069	\$ 2,926,069	\$ 2,828,742
Payroll Taxes and Fringe Benefits	844,513	881,513	662,230
Recruiting	8,700	8,700	7,935
Training and Professional Development	20,826	20,826	11,948
Contractual Services			
Contractual Agreements	75,171	75,171	71,019
Travel, Meetings, and Continuing Education for Staff and Board	84,293	84,293	35,421
Professional Services	43,719	43,719	38,557
Consulting	52,500	52,500	27,265
Contractual Staff	106,750	36,750	41,888
Liability Insurance	23,722	23,722	23,858
Telephone and Telecommunications	27,659	27,659	26,303
Conferences and Continuing Education Meetings	55,500	55,500	48,797
Professional Association Membership Dues	9,836	9,836	7,184
Public Relations	35,630	35,630	23,897
Supplies and Materials			
Computer Supplies	39,920	39,920	26,155
General Office Supplies and Equipment	8,950	8,950	7,718
Postage	575	575	656
Delivery Supplies	109,993	116,993	117,650
Buildings and Grounds	287,428	287,428	240,681
Vehicle Expenses	386,957	386,957	299,557
Miscellaneous	4,910	4,910	4,970
Equipment Rental, Repair, and Maintenance	6,119	6,119	4,479
Member Library Reimbursement Expense	8,726	8,726	12,573
Total Expenditures	<u>\$ 5,168,466</u>	<u>\$ 5,142,466</u>	<u>\$ 4,569,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (659,360)	\$ (633,360)	\$ 100,633
OTHER FINANCING SOURCES (USES):			
Transfers Out	<u>(1,075,000)</u>	<u>(1,075,000)</u>	<u>(1,073,514)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (1,734,360)</u>	<u>\$ (1,708,360)</u>	<u>\$ (972,881)</u>
FUND BALANCE - BEGINNING OF YEAR			5,211,635
FUND BALANCE - END OF YEAR			<u>\$ 4,238,754</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CMC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual
	Original	Final	
REVENUES:			
State Grants:			
Illinois State Library	\$ 709,016	\$ 709,016	\$ 665,076
Total Revenues	<u>\$ 709,016</u>	<u>\$ 709,016</u>	<u>\$ 665,076</u>
EXPENDITURES:			
General Library Services:			
Personnel	\$ 613,718	\$ 613,718	\$ 573,667
Contractual Services			
Contractual Agreements	70,357	70,357	60,356
Travel, Meetings, and Continuing Education for Staff and Board	11,016	11,016	11,496
Professional Services			5,963
Professional Association Membership Dues	1,560	1,560	1,605
Telephone and Telecommunications	1,728	1,728	1,728
Public Relations	4,000	4,000	3,361
Supplies and Materials			
Computer Supplies	4,800	4,800	5,188
Supplies, Postage and Printing	150	150	100
Vehicle Expenses	100	100	108
Equipment Rental, Repair, and Maintenance	1,587	1,587	1,504
Total Expenditures	<u>\$ 709,016</u>	<u>\$ 709,016</u>	<u>\$ 665,076</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0
FUND BALANCE - BEGINNING OF YEAR			<u>26,202</u>
FUND BALANCE - END OF YEAR			<u>\$ 26,202</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
OCLC GRANT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		
	Original	Final	Actual
REVENUES:			
State Grants:			
Illinois State Library	\$ 175,573	\$ 175,573	\$ 175,573
Total Revenues	<u>\$ 175,573</u>	<u>\$ 175,573</u>	<u>\$ 175,573</u>
EXPENDITURES:			
General Library Services:			
Personnel	\$ 143,244	\$ 143,244	\$ 145,845
Contractual Services			
Contractual Agreements	22,227	22,227	15,912
Professional Services	2,000	2,000	7,806
Professional Association Membership Dues	400	400	375
Telephone & Telecommunication	768	768	768
Supplies and Materials			
Computer Supplies			1,841
Equipment Rental, Repair, and Maintenance	3,180	3,180	2,289
Supplies, Postage and Printing	3,754	3,754	737
Total Expenditures	<u>\$ 175,573</u>	<u>\$ 175,573</u>	<u>\$ 175,573</u>
EXCESS (DEFICIENCY) OF			
REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR			<u>(643)</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (643)</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LIBRARY TRUSTEE TRAINING FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual
	Original	Final	
REVENUES:			
Illinois State Library	\$ 166,321	\$ 166,321	\$ 166,321
Total Revenues	<u>\$ 166,321</u>	<u>\$ 166,321</u>	<u>\$ 166,321</u>
EXPENDITURES:			
General Library Services:			
Personnel	\$ 56,426	\$ 56,426	\$ 56,405
Contractual Services			
Contractual Agreements	69,929	69,929	70,002
Travel, Meetings, and Continuing Education			
for Staff and Board	4,864	4,864	5,013
Professional Services	7,500	7,500	7,620
Contracted Staff	19,000	19,000	19,100
Professional Association Membership Dues	150	150	150
Telephone and Telecommunications	192	192	192
Public Relations	7,410	7,410	7,592
Supplies and Materials			
Supplies, Postage, and Printing	775	775	247
Vehicle Expenses	75	75	
Total Expenditures	<u>\$ 166,321</u>	<u>\$ 166,321</u>	<u>\$ 166,321</u>
EXCESS (DEFICIENCY) OF			
REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0
FUND BALANCE - BEGINNING OF YEAR			<u>0</u>
FUND BALANCE - END OF YEAR			<u>\$ 0</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budget		Actual
	Original	Final	
REVENUES:			
Investment Income	\$ 17,846	\$ 17,846	\$ 37,969
Total Revenues	<u>\$ 17,846</u>	<u>\$ 17,846</u>	<u>\$ 37,969</u>
EXPENDITURES:			
Capital Outlay	\$ 1,022,500	\$ 1,122,500	\$ 1,024,424
Total Expenditures	<u>\$ 1,022,500</u>	<u>\$ 1,122,500</u>	<u>\$ 1,024,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,004,654)	\$ (1,104,654)	\$ (986,455)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets			6,544
Transfers from Other Funds	<u>725,000</u>	<u>725,000</u>	<u>723,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (279,654)</u>	<u>\$ (379,654)</u>	\$ (256,397)
FUND BALANCE - BEGINNING OF YEAR			<u>896,511</u>
FUND BALANCE - END OF YEAR			<u>\$ 640,114</u>

ILLINOIS HEARTLAND LIBRARY SYSTEM

AGREED UPON PROCEDURES

JUNE 30, 2025



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Illinois Heartland Library System
6725 Goshen Road
Edwardsville, Illinois 62025

We have performed the procedures enumerated on the attached page on Illinois Heartland Library System's Online Computer Library Center (OCLC) fiduciary activity and accounting records the year ended June 30, 2025. Illinois Heartland Library System's management is responsible for the System's Online Computer Library Center (OCLC) fiduciary activity and accounting records.

Illinois Heartland Library System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of this engagement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by Illinois Heartland Library System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which is the expression of an opinion or conclusion, respectively, on Illinois Heartland Library System's Online Computer Library Center (OCLC) fiduciary activity and accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Illinois Heartland Library System and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors and management of Illinois Heartland Library System and is not intended to be and should not be used by anyone other than these specified parties.

Alton, Illinois
September 19, 2025

ILLINOIS HEARTLAND LIBRARY SYSTEM
AGREED-UPON PROCEDURES

Our engagement consisted of performing the following agreed-upon procedures:

1. Examine bank reconciliations and bank statements for the year ended June 30, 2025 and trace the book balances to the financial statements and/or trial balance.

No exceptions were found as a result of performing this procedure.

2. Confirm the June 30th bank balances for the fiscal year 2025 with the financial institutions.

No exceptions were found as a result of performing this procedure.

3. Select a sample of disbursements which comprises at least 25% of the total dollar value of disbursements for the year ended June 30, 2025, and examine the cancelled check and invoice or other supporting documentation for each such disbursement selected. Verify that each disbursement is a valid disbursement of OCLC activity.

No exceptions were found as a result of performing this procedure.

4. Select a sample of receipts which comprises at least 25% of the total dollar value of receipts for the year ended June 30, 2025, and trace each receipt to a deposit slip and corresponding bank statement and examine any supporting documentation accompanying the receipt (e.g. letter, check stub, copy of check, etc.) noting agreement.

No exceptions were found as a result of performing this procedure.

5. Trace the receipts and disbursements tested to the ledger.

No exceptions were found as a result of performing this procedure.

2.2 System Member Fees and Revenue

The SHARE fund contains LLSAP user fees from member libraries in the following categories:	
SHARE LLSAP Full Member Fees	\$1,629,472
SHARE LLSAP Transitional Member Fee	\$29,463
SHARE Bibliographic Service Fee	\$67,244
SHARE Additional Solus Module Fees	\$10,000
SHARE SAM Fee	\$9,130
Total:	\$1,745,309
The SHARE fund contains LLSAP group purchase fees from member libraries in the following categories:	
SHARE Group Purchase Subscriptions	\$39,431
SHARE eBook Purchases	\$83,060
Total:	\$122,491
The General fund contains program attendance and purchase fees on behalf of member libraries in the following categories:	
Book Repair Workshops	\$825
Dreamhost Domain Name	\$630
HR Source Membership Grant	\$7,500
HR Source Webinar Series	\$1,820
Library Law Books	\$350
Mental Health Webinar	\$60
Serving Our Public Books	\$165
Swank Movie Copyright Compliance Site License & Streaming	\$11,173
Total:	\$22,523

2.3 System Non-Member Fees and Revenue

The General fund generated revenue in the following categories:	
ILDS Contract	\$394,161
Office Leasing at the Champaign Office	\$12,350
Sales from Branded Items	\$379
Member Day Vendor Sponsorships and Non-Member Ticket Sales	\$4,449
Total	\$411,339
The OCLC fund generated revenue in the following categories:	
ILLINET/OCLC Group Service Fees	\$5,173,570
ILLINET/OCLC Monthly Network Transactional Billing	\$390,286
Total	\$5,563,856

2.4 Capital Expenditures in Excess of \$5,000

Capital Projects Fund Expenditures*	Expense
Champaign Equipment – Automated Material Handling System	\$289,925
Edwardsville Equipment – Automated Material Handling System	\$289,925
Champaign Building – LED Lighting Upgrade	\$14,332
Edwardsville Building – Brick Tuckpointing	\$100,000
Vehicles - (5) Cargo Vans	\$258,410

*The Capital Projects Fund includes transfers from multiple SAPC grant years.

2.5 Loans or Letters of Credit

As of June 30, 2025, there were no outstanding loans or mortgage payables for the Illinois Heartland Library System.

As of June 30, 2025, IHLS had the following letters of credit:

- Busey Bank – \$4,500,000.00
- US Bank – \$2,000,000.00

2.6 Treasurer's Surety Bond

The Cincinnati Insurance Company
6200 S Gilmore Rd
Fairfield, OH 45014-5141

Public Official Bond No. CBE1039672

KNOW ALL MEN BY THESE PRESENTS:

That Sarah Beth Hill
of Watson State of Illinois (hereinafter called the Principal) and
The Cincinnati Insurance Company (hereinafter called the Surety), a corporation organized under the laws of the state of
Ohio with its principal office in the City of Fairfield and the State of Ohio are held
and firmly bound unto Illinois Heartland Library System
(hereinafter called the Obligee) in the sum of One Million Nine Hundred and Sixty Thousand Dollars and Zero Cents
(\$ 1,960,000.00) for the payment whereof
to the Obligee the Principal binds himself/herself, his/her heirs, executors, administrators, and assigns, and the Surety
binds itself, its successors, and assigns, jointly and severally, firmly by these presents.

Signed, sealed and dated this 11th day of March, A.D. 2025.

Whereas the above named Principal has been duly appointed or elected to the office of Treasurer / Board Member
and

Whereas, the effective date of this bond is February 28th, 2025.

Now, therefore, the condition of the foregoing obligation is such that if the Principal shall faithfully perform such duties as
may be imposed on him/her by law and shall honestly account for all money that may come into his/her hands in his/her
official capacity during such period, then this obligation shall be void; otherwise, it shall remain in full force until cancelled
as provided herein.

This Bond is executed by the Surety upon the following express conditions, which shall be conditions precedent to the right
of recovery hereunder:

First: That the Surety may, if it shall so elect, cancel this Bond by giving thirty (30) days notice in writing to Illinois Heartland Library System and this
Bond shall be deemed canceled at the expiration of said thirty (30) days; the Surety remaining liable, however, subject to
all terms, conditions, and provisions of this Bond, for any act or acts covered by this Bond which may have been
committed by the Principal up to the date of such cancellation; and the Surety shall, upon surrender of this Bond and its
release from all liability hereunder, refund the premium paid, less a pro rata part therefore for the time this Bond shall have
been in force.

Second: That the Surety shall not be liable hereunder for the loss of any public moneys or funds occurring
through or resulting from failure of, or default in payment by, any banks or depositories in which any public moneys or
funds have been deposited, or may be deposited by or placed to the credit, or under control of the Principal, whether or
not such banks or depositories were or may be selected or designated by the Principal or by other persons; or by reason
of the allowance to, or acceptance by the Principal of any interest on said public moneys or funds, any law decision,
ordinance, or statute to the contrary notwithstanding.

Third: That the Surety shall not be liable for any loss or losses, resulting from the failure of the Principal to collect
any taxes, licenses, levies, assessments, etc., with the collection of which he/she may be chargeable by reason of his/her
election or appointment as aforesaid.

Witness:

Rebecca Mueller
(as to the Principal)

[Redacted Signature]
Principal



The Cincinnati Insurance Company

By Laken Allen
Attorney-in-Fact: Laken Allen

STATE OF Illinois SS
COUNTY OF Coles

Sarah Beth Hill being
duly sworn, says that he/she will support the constitution of the United States and of the State of Illinois
and that he/she will faithfully, honestly, and impartially perform and discharge the duties of the office position to which
he/she has been appointed while he/she shall hold said office.

Sworn to by said Sarah Beth Hill
Before me, and by him/her subscribed in my presence this 8th
day of April, A.D. 2025
Connie E Compton Notary Public



3.1 Report of Changes in Membership

July 1, 2024

A merger between the Harristown and Barclay libraries became effective under the name of the Barclay Public Library District

November 26, 2024

IHLS Board Action approved the membership application of the Sandoval Public Library.

May 27, 2025

IHLS Board Action approved the recommendations to suspend from membership

Gibault High School (Bond County) (Library Program shuttered)

Lawrence County CUSD #20 (Failed to certify)

Mulberry Grove CUSD #1 (No staffing)

3.2 Summary of System Membership

Summary of System Membership:

Report the number of full member agencies and the number of member agencies by type.

The number of full member agencies as of June 30, 2025, follows:

Academic Libraries	28
Public Libraries	227
School Districts	240
Special Libraries	26
Total Agencies	521

3.3 Continuing Education Training

The continuing education/training programs offered by the system for the priorities of service, including the types of offerings, number of events held, total number of participants, and total number of contact hours provided, are as follows:

IHLS

Number of Events/Programs	55
Number of Participants	2257
Total Contact Hours	3970.5

The 9 Members Matter Third Thursday offerings that were held in FY2025 drew 342 attendees for 684 Contact Hours.

The 2025 Member Day involved 370 attendees for 1850 contact hours.

Although not a specific Continuing Education offering, 33 Directors' Chats were held in FY2025 for a total of 871 Contact Hours.

SHARE (Circulation)

Number of events/programs	54
Number of participants	104
Total Contact hours	287.50

SHARE (Cataloging)

Number of events/programs	47
Number of participants	1831
Total Contact hours	2912

CMC

Number of events/programs	30
Number of participants	722
Total Contact hours	2337

3.4 Member Site Visits

In FY2025, 188 Site visits were conducted:

Academic Libraries	2
Public Libraries	159 (2 were sent to RAILS libraries for the CMC)
School Libraries	23
School/Public Combination Libraries	0
Special Libraries	5

3.5 Non-Resident Fee Participation

This is the URL for the listing of public libraries in IHLS with an indication of whether they are or are not participants in the non-resident fee program:

<https://www.illinoisheartland.org/members/non-resident-fee>

4.1 System Staff

Title	Department	Annual Salary Schedule	Fringe Benefits
Accounts Payable Coordinator	Accounting	\$40,651.52	\$0.00
Accounts Receivable Coordinator	Accounting	\$50,627.20	\$0.00
Associate Director	General Administrative	\$158,618.20	\$0.00
Bibliographic Grant Manager	CMC	\$79,186.64	\$0.00
CMC Cataloger	CMC	\$58,680.96	\$0.00
CMC Cataloger	CMC	\$56,423.90	\$600.00
CMC Cataloger	CMC	\$50,344.00	\$350.00
CMC Cataloger	CMC	\$50,781.90	\$600.00
CMC Cataloger	CMC	\$52,813.02	\$0.00
CMC Cataloger	CMC	\$17,607.20	\$0.00
CMC Training Cataloger	CMC	\$55,633.24	\$0.00
Communications & Advocacy Administrator	General Administrative	\$54,860.00	\$0.00
Continuing Education Coordinator Liaison	General Administrative	\$62,077.08	\$0.00
Courier	Operations	\$18,635.76	\$0.00
Courier	Operations	\$15,996.24	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Courier	Operations	\$35,547.20	\$0.00
Courier	Operations	\$16,071.12	\$0.00
Courier	Operations	\$20,348.64	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$37,668.80	\$0.00
Courier	Operations	\$41,080.00	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Courier	Operations	\$35,547.20	\$0.00
Courier	Operations	\$40,664.00	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$16,071.12	\$0.00

Courier	Operations	\$35,360.00	\$0.00
Courier	Operations	\$20,348.64	\$0.00
Courier	Operations	\$35,713.60	\$0.00
Courier	Operations	\$35,547.20	\$0.00
Courier	Operations	\$16,071.12	\$0.00
Courier	Operations	\$16,950.96	\$0.00
Data Analyst	Information Technology	\$68,200.60	\$0.00
Delivery & Facilities Director	Operations	\$83,283.72	\$0.00
Driver Sorter Floater	Operations	\$37,440.00	\$0.00
Executive Assistant	General Administrative	\$64,854.40	\$0.00
Executive Director	General Administrative	\$204,521.20	\$0.00
Finance Director	Accounting	\$112,048.04	\$0.00
Full Stack Developer	Information Technology	\$60,621.86	\$0.00
Human Resources Coordinator	Human Resources	\$50,336.00	\$0.00
Human Resources Director	Human Resources	\$101,790.78	\$0.00
ILDS Coordinator	Operations	\$40,664.00	\$0.00
IT Director	Information Technology	\$143,538.46	\$0.00
Lead Software Architect	Information Technology	\$92,113.06	\$0.00
Lead Sorter	Operations	\$35,360.00	\$0.00
Membership Coordinator	General Administrative	\$66,360.84	\$0.00
Member Services Assistant	General Administrative	\$45,552.00	\$0.00
Metadata Cataloger	CMC	\$53,321.06	\$0.00
Network Administrator	Information Technology	\$79,495.26	\$0.00
Operations Coordinator	Operations	\$51,729.60	\$0.00
Operations Manager	Operations	\$68,200.34	\$0.00
Operations Manager	Operations	\$60,912.28	\$0.00
Project Coordinator	General Administrative	\$68,586.44	\$0.00
Senior Accountant	Accounting	\$68,260.14	\$0.00
SHARE Administrative Services Manager	SHARE	\$76,141.00	\$0.00
SHARE Administrative Service Specialist	SHARE	\$47,798.40	\$0.00
SHARE Bibliographic Services Manager	SHARE	\$83,032.04	\$0.00
SHARE Cataloger	SHARE	\$50,540.36	\$0.00
SHARE Cataloger	SHARE	\$50,344.00	\$0.00
SHARE Cataloger	SHARE	\$50,344.00	\$0.00
SHARE Cataloger	SHARE	\$53,312.74	\$0.00
SHARE Cataloging Supervisor	SHARE	\$55,633.24	\$0.00
SHARE Circulation Specialist	SHARE	\$50,540.10	\$0.00
SHARE Director	SHARE	\$106,368.60	\$0.00
SHARE Member Engagement Specialist	SHARE	\$50,336.00	\$0.00
SHARE Resource Sharing Specialist	SHARE	\$58,680.96	\$0.00

SHARE Tech Support Specialist	SHARE	\$52,832.00	\$0.00
SHARE Training Cataloger	SHARE	\$55,849.82	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Sorter	Operations	\$33,072.00	\$0.00
Sorter	Operations	\$17,886.96	\$0.00
Sorter	Operations	\$14,040.00	\$0.00
Web and IT Administrator	Information Technology	\$56,116.84	\$0.00

Number of Vacant Positions Currently Trying to Fill

Title	Department
Digital Marketing Specialist	General Administrative
Lead Sorter	Operations

List by job titles the number of positions eliminated during FY2025

Title	Department
N/A	

5.1 FY2025 Board Meetings Held

The regular meetings of the Board of Directors of the Illinois Heartland Library System will be held on the fourth Tuesday of the month at the Illinois Heartland Library System. There will not be a regularly scheduled meeting for the month of December. Each meeting will begin at 5 p.m.

July 10, 2024

July 23, 2024

August 27, 2024

September 24, 2024

October 22, 2024

November 26, 2024

December 11, 2024

January 28, 2025

February 25, 2025

March 25, 2025

April 22, 2025

May 27, 2025 - Board elections certified

June 24, 2025

All Board and committee meeting agendas are posted on the Illinois Heartland Library System website.

5.2 List of System Board Members

Board Members	Officers	Term Ends	Address	Library Phone	Email
Loretta Broomfield		June 2025	206 South Market St. Marion, IL 62959		lbroomfield@board.illinoisheartland.org
Karen Bounds	President	June 2025	515 East Broadway Ave. Centralia, IL 62801		kbounds@board.illinoisheartland.org
Samantha Carroll		June 2025	130 N Franklin St. Decatur, IL 62523		scarroll@board.illinoisheartland.org
Ann Chandler		June 2027	121 W Vine St. Taylorville, IL 62568		achandler@board.illinoisheartland.org
Mark Decker		June 2026	315 South Maple St. Salem, IL 62881		mdecker@board.illinoisheartland.org
Kimberly Dykstra		June 2027	6425 Old Route 36 Riverton, IL 62561		kdykstra@board.illinoisheartland.org
Matthew Greider	Ethics Officer	June 2027	200 N Third St. Effingham, IL 62401		mgreider@board.illinoisheartland.org
Sarah Hill	Treasurer	June 2026	5001 Lake Land Blvd Mattoon, IL 61938		shill@board.illinoisheartland.org
Ryan Johnson	Secretary	June 2027	120 Civic Plaza O'Fallon, IL 62269		rjohnson@board.illinoisheartland.org
Kristi Lear		June 2026	Margaret Cross Norton Bldg. Springfield, IL 62756		klear@board.illinoisheartland.org
Linda McDonnell	Vice President	June 2025	2001 Delmar Ave. Granite City, IL 62040		lmcdonnell@board.illinoisheartland.org
Emily Pickell		June 2026	610 W University Ave. Champaign, IL 61820		epickell@board.illinoisheartland.org

Joshua Short	FOIA Officer	June 2025	1001 Ninth St. Highland, IL 62249		jshort@board.illinoisheartland.org
Michael Treece	OMA Officer	June 2027	600 Louisa Ave Dupo, IL 62239		mtreece@board.illinoisheartland.org
Kristy Walker	Member at Large	June 2026	321 S Prairie St. Bethalto, IL 62010		kwalker@board.illinoisheartland.org

5.3 IHLS Board Meets Requirements Specified In 23 ILAC 3030.255

The Board of Directors of the Illinois Heartland Library System does have policies in place to meet compliance regulations with 23 ILAC 3030.255.

Policies and Bylaws:

[Governance Documents | IHLS](#)

Contracts and Purchasing:

[IHLS Financial Policy](#)

Personnel Code (Conflict of Interest, Travel Expenditures, and Secondary Employment):

[IHLS FY2025 Employee Handbook](#)

5.4 IHLS Board Meets Finances and Records Responsibilities In 23 ILAC 3030.260

The Board of Directors of the Illinois Heartland Library System is compliant with 23 ILAC 3030.260.

- Financial records are maintained at the Administrative Headquarters in Edwardsville.
- A monthly financial report is prepared and reviewed by the finance committee and the full board.
- An annual audit is conducted.
- Funds are accounted for as of June 30 of each year by expenditure, encumbrance or reserves.
- An annual budget has been prepared and submitted prior to July 1.
- A purchase inventory is maintained.
- Accounts are organized on the basis of funds.
- Financial reports are submitted to the Illinois State Library twice a year.



Article I Name

The name of the organization shall be Illinois Heartland Library System, hereinafter referred to as the System.

Article II Authority

The System derives its authority from the Illinois Library System Act, 75 Illinois Compiled Statutes 10/1 et. seq. as amended (hereinafter called "Statutes"); and operates in accordance with the Administrative Rules of Title 23, Part 3030 of the Illinois Administrative Code (hereinafter called "Administrative Rules") promulgated thereunder.

Article III Purpose/Objectives/Vision & Mission

Section 1. The System is a cooperative multi-type library system serving academic, public, school, and special libraries of central and southern Illinois in the counties of Alexander, Bond, Calhoun, Champaign, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Douglas, Edgar, Edwards, Effingham, Fayette, Ford, Franklin, Gallatin, Greene, Hamilton, Hardin, Iroquois, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macon, Macoupin, Madison, Marion, Massac, Menard, Monroe, Montgomery, Moultrie, Perry, Piatt, Pope, Pulaski, Randolph, Richland, Sangamon, Saline, St. Clair, Shelby, Union, Vermilion, Wabash, Washington, Wayne, Williamson, White, and parts of DeWitt, Logan and Mason and other counties that may be associated with the System in the future.

Section 2. The System Vision is Imagining tomorrow, delivering today. IHLS empowers all types of libraries through advocacy, shared resources, innovative technologies, and robust learning opportunities that engage and enhance our member communities. (Mission)

Section 3. In accordance with its Strategic Plan and its Operational Plan of Service, the System provides services and facilitates cooperation among its member libraries in order to implement the objectives stated in the Statutes and Administrative Rules.

Section 4. To achieve its purpose, the System responsibly utilizes the Area & Per Capita Grant appropriation from the Illinois General Revenue Fund and Library Services and Technology Act funding as disbursed and administered by the Illinois State Library as a department of the Secretary of State's Office. Additionally, the System actively pursues alternative revenue streams and earned income opportunities to fulfill its mission.

Article IV Fiscal Year

The fiscal year of the System shall begin with July 1 and end with June 30.

Article V Membership

Section 1. The Statutes and Administrative Rules of the State of Illinois and the Membership Criteria of the System govern Membership in the System. All academic, public, school, and special libraries whose governing authority headquarters are within the geographic boundaries of the System are eligible to apply for membership. Participating libraries will hereinafter be known as Members.

Acceptance is subject to the approval of the Board of Directors of the System and the State Librarian and implies agreement by the applying library to applicable State statutes and rules and to the System's Bylaws, policies, and Annual Operational Plan. Members agree to comply with the policies, rules, and regulations required for maintaining Membership.

Section 2. Any Member library may be suspended from Membership if not in compliance with State statutes or System requirements. Members will remain in good standing as long as they meet System and State Membership criteria in compliance with statute 75 ILCS 10/9. Specific information about Suspension can be found in the Administrative Rules (3030.100 et seq).

Section 3. Transfer of a Member library to another System shall be governed by the administrative rules of the Illinois State Library.

Section 4. Upon written notice on or before April 1 of any year, a member library governing authority may voluntarily terminate System membership on or before June 30 of the same year (the end of the System's fiscal year) and upon fulfillment of all outstanding obligations to the System.

Article VI Board of Directors

Section 1. The System shall be governed by a Board of Directors of fifteen (15) members. No library shall be represented by more than one Board member. All Board members must be eligible electors in the geographical area of the System. Eligible electors are individuals who are eligible to register to vote within the territory of the System.

Section 2. Duties of Board

The Board of Directors of the System shall have the authority to make such policy to carry out the spirit and intent of the Illinois Library System Act and shall have the powers conferred by the Act. The Board of Directors as a whole has the responsibility to review and approve the overall budget as submitted by the Executive Director.

Section 3.

The Board of Directors shall be composed of elected members according to the following manner:

- a. Eight (8) members from the governing boards of public libraries
- b. Two (2) members representing public libraries
- c. Three (3) members representing school libraries
- d. One (1) member representing special libraries
- e. One (1) member representing academic libraries

Section 4. Nominating Committee for the Board of Directors.

A Nominating Committee of five (5) members, who shall be eligible electors within the geographic area of the System, shall be appointed by the President of the System Board, with Board approval, in October of each year. It is the preference of the Board that a minimum of two members from the current Nominating Committee will serve the following year in order to ensure continuity of the process. No currently sitting System Board member may serve on the Nominating Committee, and no Nominating Committee Member may be slated for that election to the System Board.

a. The Nominating Committee shall select and confirm candidates for election to the System Board representing all geographic areas. Nominees must be members of a governing board of a member library, professional staff, or the administration of the type of library to be represented as set out in these Bylaws. The call for nominations will be appropriately publicized to the Members of the System, and any member may propose names for the Nominating Committee's consideration. Additional nominations may be sent to the Nominating Committee upon written petitions of ten (10) member libraries represented by the type of seat on the System Board to be filled. Such petitions, accompanied by written acceptance of the nominee, must be filed with the System Executive Assistant, who will forward them to the Chair of the Nominating Committee for inclusion on the list of nominees. Criteria for the inclusion or any elimination of names to appear on the ballot will be developed by the Nominating Committee, and this information will be included with the certification results presented to the Board at its May meeting. The determination of the final slate of candidates is the responsibility of the Nominating Committee, with the goal of creating a balanced ballot representative of all System members.

b. The Nominating Committee shall prepare a ballot and certify that all candidates are eligible electors in the geographic area of the System. The ballot will include no more than six (6) eligible candidates for each open seat. Any incumbent board member running for a second term will automatically be awarded a slot on the ballot. In the event that there are no eligible candidates for an open position on the IHLS board, there will be a write-in vote. Any viable write-in candidate will be required to meet all eligibility criteria for the specific board position and must receive a minimum of five (5) affirmative votes in order to win the election. The nominating committee must verify the winning candidate. If there is no clear winner from the write-in vote, the president will appoint a new board member.

c. The ballot will be distributed to each member library agency electronically by March 15. A library agency is defined as a library or libraries with a single governing body or corporate authority. For example, a public library with branches would be counted as a single agency, as would a school district with libraries in several buildings. Each library will be entitled to return only one ballot for its choice of candidates for the System Board of Directors. Before the vote is cast, each library agency should determine who will be responsible for casting the vote for its agency. The Nominating Committee will accept only the first completed ballot if multiple votes are cast by the same library agency.

d. Ballots must be completed and submitted by April 15th to be counted. In the event of a tie, a subsequent election to break the tie will be announced no later than April 25th. This ballot will

be available electronically for one full week. The Nominating Committee will certify the election results to the System Board of Directors at its May meeting each year.

Section 5. Terms of Office

- a. All Board members will be elected for a term of three (3) years, except for those board members whose term might be limited by Section 5b below.
- b. No Board member shall be permitted to serve for more than a total of six (6) consecutive years unless two (2) years have elapsed since their sixth year of service.
- c. All terms of office shall be staggered, with one-third of the board seats ending each year.
- d. Terms of office begin on July 1 and end on June 30, the System's fiscal year.
- e. Any appointment to the System Board for a partial term is counted as a full year of service at the conclusion of the most current fiscal year.
- f. Prior service in office on the board of directors of any Illinois Library System shall count toward the statutory maximum of serving a total of no more than six (6) years as a director, unless two years have elapsed since their sixth year of service.

Section 6. Economic Interest

- a. No member of the System Board may profit personally, either directly or indirectly, from any business connected with the System.
- b. Each member of the System Board shall file a Statement of Economic Interest pursuant to the Illinois Governmental Ethics Act.
- c. All records and accounts of the System shall be kept in the System headquarters office and in the custody of the Executive Director. All such records and accounts shall be open to the inspection and use of all members of the System Board at all reasonable times.
- d. The members of the System Board shall serve without compensation, but their actual and necessary expenses shall be paid by the System.

Section 7.

Should a board member no longer be an eligible elector within the geographic area of the System or leave the local position by virtue of which he/she was eligible, nominated, and elected, the seat shall be declared vacant. Vacancies may be filled by appointment by the remaining members of the Board. The appointee shall serve for the unexpired term of the Director being replaced. Persons appointed must have the same qualifications as those elected and represent the constituency of the vacant seat.

Section 8. Officers

- a. The Officers of the Board of Directors shall be a President, Vice-President, Secretary, and Treasurer.
- b. The Board Nominating Committee shall present a slate of candidates to the Board at the first meeting of the fiscal year. Additional nominations may be made from the floor. The Directors shall then vote on the slate of candidates.
- c. The Officers shall be elected for one year, and no Officer shall serve more than two consecutive terms in the same office. A term of six months or more shall be considered a full term.
- d. The duties of the Officers shall be:

- i. The President shall preside at all meetings of the Board, appoint any necessary committees, be an ex officio member of all committees, and be entitled to vote on such committees.
- ii. The Vice-President shall preside at meetings in the absence of the President and shall, in case of the resignation of the President, assume the President's responsibilities until the election of a new President.
- iii. The Secretary shall have responsibility for the records of the Board of Directors.
- iv. The Treasurer shall be chairperson of the Finance Committee. Before entering the duties, the Treasurer shall be required to give a bond in an amount equal to at least 50% of the average amount of the system's operating fund from the prior 3 fiscal years. The cost of the bond is paid by IHLS.
- v. Should an office become vacant prior to the expiration of the term of that office, the Directors shall elect from their members an Officer to fill the unexpired term.

Section 9. Attendance of Board members

Board members are expected to fulfill the duties imposed on them by the nature of their office. It is expected that Board members attend meetings at a public location for regularly scheduled meetings of the full board. Board members must notify the System Executive Director if they are unable to attend a board meeting. When a Board member is absent from a meeting, the following actions will be taken. The President shall notify in writing any member missing their second meeting. Upon a member's third absence, the topic will be included on the agenda for discussion at the next meeting. The System Board, by a majority vote may, with a quorum present, declare a Board position vacant if a Director fails to attend three (3) meetings during the fiscal year.

Section 10. Committees

The President of the Board of Directors shall appoint committees. Membership on standing committees is limited to members of the Board of Directors, excluding the Advocacy and Education Committee and the Nominating Committee. The Advocacy and Education Committee is comprised of members of the Board of Directors, IHLS staff, school and public library members, and a public library trustee. The Nominating Committee is made up of members only. Membership on committees shall be not less than three. Members of the Board of Directors are limited to membership on two standing committees, excluding the Executive Committee. Terms on committees are for one year, or until such time as new appointments are made.

All IHLS Board committees are advisory only, except the Executive Committee and the Nominating Committee. Advisory committees do not have the authority to make binding recommendations or determinations or to take any other substantive action.

Executive Committee:

The elected officers of the Board of Directors, plus one other Board member, shall constitute the Executive Committee. A majority of the Executive Committee may authorize payment of bills in the event a meeting cannot be held. The duties of the committee shall be:

- a. To conduct business between regularly scheduled meetings of the Board of Directors
- b. To provide for the annual evaluation of the Executive Director
- c. To review the Bylaws of the System annually

Standing Committees (other than Nominating Committee for the Board of Directors):

a. Finance

- i. The Treasurer shall be the chairperson of this committee
- ii. To monitor System revenue and expenditures and report significant variances to the Board of Directors*
- iii. To review expenditures over \$2,500.00 that are not included in the approved budget
- iv. To review monthly projections of cash balances that are provided by the Finance Director
- v. To review and provide guidance to the Board of Directors on policies or recommendations having potential financial implications
- vi. To review annual audit findings
- vii. To expect the Finance Director to brief the committee on upcoming known issues that will skew the financials in some significant manner
- viii. To review and recommend the Pay Grade Assignments appropriately based upon information from the Executive Director.

*The committee would not generally expect to be involved in financial matters that are within the parameters of an established budget, other than as a monitor function. Certainly, establishment of policies that impact finances, anything that would suggest the need to expend contingency funds or move funds, is within the realm of Committee purview. It would be our desire to review planned changes before taking them to the Board when changes from the budget are proposed (even if the overall budget for the line will remain unaffected). For example, when creating a new position not initially funded or deciding to add/eliminate a capital project, the Committee would expect to review and comment on such a change to the Board.

b. Delivery and Facilities

- i. To review the property needs of the System
- ii. To review that system property fits into the System strategic plan
- iii. To review property leases and purchases
- iv. To review delivery policies

c. Personnel

- i. To review position descriptions and staffing requirements of the System
- ii. To review and make recommendations to the board regarding Personnel Handbook of the System

d. Policy and Membership

- i. To review and make recommendations to the board regarding the service policies of the System
- ii. To review progress in fulfilling the System Operational Plan
- iii. To review continued membership eligibility of libraries that are members of the System

e. Advocacy and Education

- i. To identify and address library challenges
- ii. To collaborate with partners
- iii. To promote library values and funding
- iv. To develop and promote advocacy resources

- e. Nominating Committee for Officers of the Board
 - i. To develop a slate of officer candidates from the Directors serving on the board at the beginning of the fiscal year and to provide the slate for the July meeting
 - ii. To ensure each candidate shall be contacted about their willingness to serve as an officer
- f. Ad Hoc Committees
 - i. The President may appoint Ad Hoc committees as needed. Members of Ad Hoc committees may also include other personnel associated with the System, but who are not members of the Board of Directors. Ad Hoc committees must include members of the Board, and no library associated with the System can have more than one member on an Ad Hoc committee.

Section 11. Meetings

- a. The Board shall hold a minimum of nine (9) regular monthly meetings per year to conduct the business of the System. The dates, times, and locations of the meetings shall be determined at the July meeting. Board agendas shall be posted in accordance with the Illinois Open Meetings Act.
- b. All Board and Committee meetings will be conducted in full compliance with the Open Meetings Act (5 ILCS 120/1 et seq.). All Board, Committee, and sub-committee meetings will be conducted in full compliance with the Open Meetings Act (5 ILCS 120/1 et seq.) and the IHLS Policy on Meetings via Electronic Means.
- c. The President may call special meetings on their initiative; the President must call a special board meeting when requested by at least five (5) board members. Notice shall be given 48 hours prior to the date of the meeting and shall state the business to be transacted. The meeting will be limited to the business stated.
- d. A quorum shall be a simple majority of the members of the System Board. With fifteen (15) members, the quorum is eight (8).
- e. Should both the President and Vice-President be absent from any meeting, the Directors present shall choose from among their number a temporary, presiding Officer who shall be designated President Pro Tem for that meeting.
- f. A roll call vote shall be taken for the expenditure of funds, execution of a contract, and upon the request of any board member.
- g. Standard Order of Business will comply with the Open Meetings Act.
- h. Closed session minutes will be reviewed by the President or Vice President at the January and July board meetings each year.

Article VII Executive Director

The Executive Director shall be the System's Chief Executive Officer and be responsible for the administration of the System. The qualifications of the Executive Director shall include a master's degree from an American Library Association-accredited library education program and who has a minimum of five years postgraduate employment that includes a minimum of two years in library administrative experience. The Executive Director shall have the authority to hire such other employees as may be necessary, to fix their compensation, and to remove such appointees, subject to the approval of the Board. The acts of the Executive Director are subject to the approval of the Board. Applicable hiring, compensation, and termination procedures may differentiate based on business needs. A new employee

may begin the onboarding process and the recommendation for hire will be included in the next Board meeting packet. The Executive Director reports to and is responsible directly to the Board. Performance is evaluated by the Board of Directors based upon the agency's ability to serve the needs of its membership and achieve the goals of the Board.

Article VIII Membership Input

The Executive Director shall hold regularly scheduled meetings for system members at rotating sites throughout the system.

The purpose of these meetings is to:

1. Gather input and feedback from members regarding current System services and initiatives.
2. Offer an additional opportunity for communication and networking with and among the membership.
3. Provide a forum in which suggestions can be made for the consideration of the Board of Directors and the Executive Director.

These meetings will be held on a bi-monthly schedule at geographically diverse locations throughout the system. Videoconference sites will be open to enable members from throughout the system to attend in several locations. As they become available and effective, other electronic methods of connectivity will be implemented to offer other meeting options for members.

Article IX LLSAP Governance Group

The LLSAP membership shall form a governance group that will act as an effective liaison between the LLSAP membership and the IHLS Board of Directors. The purpose of this group is to:

1. Promote membership excellence and involvement.
2. Provide input and review of changes to LLSAP governance documents.
3. Initiate suggestions regarding the LLSAP to the Executive Director and the IHLS Board of Directors.

Members of the LLSAP governance group shall serve according to the guidelines set by the LLSAP governance and its membership.

Article X Parliamentary Authority

All meetings shall be conducted in accordance with Robert's Rules of Order, latest edition, and shall be open to the public in compliance with the "Illinois Open Meetings Act," as amended (ILCS 120/1 et seq.)

Article XI Amendments and Revisions

Section 1. These Bylaws may be amended by a vote of two-thirds (2/3) of all Board members at a regular Meeting of the Board of Directors of the System, provided a written draft of the proposed amendments has been given to each Director at the preceding regular meeting with notice to all member libraries.

Section 2. Bylaws changes can originate from the System Board or from the membership of the System submitted to the System Board.

Section 3. Bylaws changes must be submitted for approval by the State Librarian through the Illinois State Library before they become effective.

Approved by Planning Panel on February 26, 2011

Approved by the Illinois Heartland Library System Transition Board on March 29, 2011

Approved by the Illinois Heartland Library System Board of Directors on July 5, 2011

Amended by the Illinois Heartland Library System Board of Directors on August 23, 2011

Amended by the Illinois Heartland Library System Board of Directors on August 28, 2012

Amended by the Illinois Heartland Library System Board of Directors on February 26, 2013

Amended by the Illinois Heartland Library System Board of Directors on July 23, 2013

Amended by the Illinois Heartland Library System Board of Directors on October 22, 2013

Amended by the Illinois Heartland Library System Board of Directors on May 27, 2014

Amended by the Illinois Heartland Library System Board of Directors on October 28, 2014

Amended by the Illinois Heartland Library System Board of Directors on November 25, 2014

Amended by the Illinois Heartland Library System Board of Directors on March 5, 2015

Amended by the Illinois Heartland Library System Board of Directors on July 28, 2015

Amended by the Illinois Heartland Library System Board of Directors on April 26, 2016

Amended by the Illinois Heartland Library System Board of Directors on February 26, 2019

Amended by the Illinois Heartland Library System Board of Directors on January 23, 2024

Amended by the Illinois Heartland Library System Board of Directors on February 27, 2024

Amended by the Illinois Heartland Library System Board of Directors on June 24, 2025

7.1 Summary Appraisal of System Real Estate

Property Description	Own or Rent?	Value of Property	Plans for Property
Carbondale Hub 1740 Innovation Drive Carbondale, IL	Rent	\$6,102.42/mo. or \$73,229 annually	Continue to lease
Champaign Hub 1704 Interstate Drive Champaign, IL	Own	Appraised value \$920,000 as of February 2025	
Edwardsville Hub 6725 Goshen Road Edwardsville, IL	Own	Appraised value \$2,100,000 as of April 2019	

7.2 Inventory of Current Owned Motor Vehicles

Type (Model/Year)	License Plate Number	Current Mileage	Type of Use	Will vehicle be replaced during FY2026?
2021 Ford Transit	U35969	94,006	Delivery	
2021 Ford Transit	U35999	113,081	Delivery	Yes
2024 Ford Transit	U37006	71,234	Delivery	
2024 Ford Transit	U38151	58,456	Delivery	
2024 Ford Transit	U37009	52,243	Delivery	
2024 Ford Transit	U37010	116,139	Delivery	
2015 Ford Taurus	U30129	40,115	Staff	
2015 Ford Taurus	U18520	124,072	Staff	
2008 Dodge Grand Caravan SE	U25399	165,898	Staff	Yes
2021 Ford Transit	U35767	140,383	Delivery	Yes
2020 Ford Box Truck	U35065	115,716	Delivery	
2023 Ford Transit	U36092	95,638	Delivery	
2021 Ford Transit	U35987	137,279	Delivery	Yes
2024 Ford Transit	U37007	53,806	Delivery	
2024 Ford Transit	U37011	69,793	Delivery	
2024 Ford Transit	U37012	47,890	Delivery	
2025 Ford Transit	U38450		Delivery	
2020 Chrysler Voyager	U34175	82,673	Staff	
2023 Chevrolet Express Cargo Box Truck	U36531	132,848	Delivery	
2020 Ford Transit	U35998	112,705	Delivery	
2019 Ford Transit	U33849	198,232	Delivery	Yes
2024 Ford Transit	U37013	70,786	Delivery	
2024 Ford Transit	U37014	44,360	Delivery	
2025 Ford Transit	U38449	14,703	Delivery	
2025 Ford Transit	U38451	10,037	Delivery	
2025 Ford Transit	U38452	15,752	Delivery	
2025 Ford Transit	U38453	8,894	Delivery	

2015 Dodge Grand Caravan	U30423	123,109	Staff	
2015 Ford Taurus	U8313	131,447	Staff	

7.3 Summary of Fiscal Year Out of State Travel Information

Name of Event or Reason for Travel Destination	Number of Travelers
American Library Association (ALA) Conference; Philadelphia, PA	1
Association for Rural & Small Libraries (ARSL) Conference; Springfield, MA	4
Innovative Users Group (IUG) Conference; Denver, CO	6
Library Marketing & Communications Conference (LMCC); St. Louis, MO	1

8.0 Delivery Annual Report

See PDF file

**23 Ill. Adm. Code 3030.270 Part B Multitype Library System Annual System Report
FY2025 Delivery Annual Report**

8. Delivery Annual Report

In addition to including delivery goals, objectives, and activities in the Annual Report Narrative (1.1), complete Tables 1, 2 and 3 with information specific to the delivery service only.

Tables 1 and 3 include both system and ILDS delivery.

Table 1: Delivery Operating Expenses

Delivery Expenditures	FY2025 System Delivery	FY2025 ILDS
Delivery Personnel		
Library Professionals		
Other Professionals	\$ 200,508.69	\$ 11,887.65
Support Services	\$ 1,055,292.95	\$ 179,082.37
Social Security Taxes (FICA)	\$ 93,404.29	\$ 14,057.89
Unemployment Insurance	\$ 1,828.82	\$ 205.25
Workers' Compensation	\$ 56,618.30	\$ 11,908.63
Retirement Benefits	\$ 8,339.81	\$ 1,699.34
Health, Dental, and Life Insurance	\$ 168,215.59	\$ 28,977.12
Temporary Help	\$ 5,888.19	
Recruiting	\$ 3,491.60	
TOTAL	\$ 1,593,588.24	\$ 247,818.25
Delivery Buildings & Grounds		
Rent	\$ 34,253.37	
Utilities	\$ 22,765.02	
Property Insurance	\$ 7,079.40	
Repairs & Maintenance	\$ 19,103.88	
Janitorial Services & Supplies	\$ 9,492.48	
Other	\$ 13,344.11	
TOTAL	\$ 106,038.26	\$ 0.00
Delivery Vehicle Expense		
Fuel	\$ 120,603.77	\$ 48,641.80
Repairs & Maintenance	\$ 41,490.20	\$ 9,250.50
Vehicle Insurance	\$ 38,601.00	\$ 6,180.00
Vehicle Leasing & Rent	\$ 1,907.00	\$ 8,584.69
TOTAL	\$ 202,601.97	\$ 72,656.99
Travel & CE for Delivery Staff		
In-State Travel	\$ 1,168.41	
Out-of-State Travel		
Registration & Other Fees	\$ 894.03	
TOTAL	\$ 2,062.44	\$ 0.00

23 Ill. Adm. Code 3030.270 Part B Multitype Library System Annual System Report

Delivery Expenditures	Expense Item	FY2025 System Delivery	FY2025 ILDS
Delivery Liability Insurance		\$ 9,641.53	
TOTAL		\$ 9,641.53	\$ 0.00

Supplies, Postage & Printing			
Delivery Supplies		\$ 115,176.43	\$ 2,473.60
General Office Supplies & Equipment		\$ 4,641.36	
Internal Printing/Photocopying			
Postage		\$ 143.72	
Library Supplies			
Other		\$ 421.07	
TOTAL		\$ 120,382.58	\$ 2,473.60

Delivery Telephone & Telecomm			
Local/Long Distance – Voice		\$ 10,166.48	\$ 612.23
Telecomm – Data & Fax		\$ 2,935.85	
TOTAL		\$ 13,102.33	\$ 612.23

Delivery Equipment Rental, Repair & Maintenance			
Equipment Rental			
Equipment Repair & Maintenance		\$ 1,887.43	
Maintenance Agreement			
Computer Hardware Insurance			
TOTAL		\$ 1,887.43	\$ 0.00

Delivery Professional Services			
Legal		\$ 640.00	
Accounting			
Consulting		\$ 620.00	
Contractual Staff			
TOTAL		\$ 1,260.00	\$ 0.00

Delivery Contractual Services			
Contractual Agreements with commercial carriers			
TOTAL		\$ 0.00	\$ 0.00

TOTAL DELIVERY OPERATING EXPENSES		\$ 2,050,564.78	\$ 323,561.07
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23 Ill. Adm. Code 3030.270 Part B Multitype Library System Annual System Report

Table 2: Regional Delivery Statistics

Provide a summary of regional delivery services. Chart regional statistics by routes or hubs including the number of items transported, average number of delivery miles traveled per week, and average number of direct delivery stops per week. Do not include ILDS items that were transported. Report statistical data using methods agreed upon through the work of the statewide Delivery Standardization project.

Delivery Route or Hub	Items Transported	Average Miles/Week	Average Stops/Week
Carbondale	335,580	6,029	288
Champaign	1,168,181	6,838	584
Edwardsville	1,191,906	7,543	468
TOTAL	2,695,667	20,410	1,340

Table 3: Delivery Supplemental Statistics as of June 30, 2025

All Agencies	Number receiving system-provided delivery	Number receiving outsourced delivery	Total
Public libraries (agencies)	227	0	227
Academic libraries (agencies)	28	0	28
School libraries (agencies)	240	0	240
Special libraries (agencies)	26	0	26
TOTAL	521	0	521

Community Delivery Partnership (CDP) Agencies	Number participating in CDPs as host	Number participating in CDPs as participant
Public libraries (agencies)	67	0
Academic libraries (agencies)	0	0
School libraries (agencies)	4	77
Special libraries (agencies)	0	0
TOTAL	71	77

23 Ill. Adm. Code 3030.270 Part B Multitype Library System Annual System Report

Agency Delivery by Frequency	Number in functional frequency categories. Include all types of delivery
On Demand	0
2 day per week	0
3 day per week	0
4 day per week	0
5 day per week	0
Other	521
TOTAL	521



Illinois Heartland Library System

IMAGINING TOMORROW - DELIVERING POSSIBILITIES TODAY

Illinois Heartland Library System

Carbondale • Champaign • Edwardsville

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