



Annual Financial Report

FISCAL YEAR 2024



Contents

Message from the Agency Senior Official.....	3
Section 1: Management’s Discussion and Analysis (MD&A).....	5
A. IMLS Overview and Mission.....	5
IMLS Organizational Chart.....	6
B. Strategic Goals.....	7
Strategic Goals and Objectives.....	7
C. Scope.....	8
Library Services.....	8
Museum Services.....	12
PCAH: President’s Committee on the Arts and the Humanities.....	15
Information Literacy.....	15
Cooperative Agreements.....	16
Interagency Collaboration.....	17
Policy Research, Analysis, Data Collection, and Dissemination.....	20
D. Brief Analysis of Financial Statements.....	22
Introduction and Figures.....	22
Limitations of Financial Statements.....	23
E. Management Assurances and Compliance with Laws.....	24
Overall Internal Control.....	24
Annual Assurance Statement.....	24
Management’s Assessment of Internal Control.....	25
Other Reviews.....	25
Summary of Current Financial System and Future Strategies.....	25
Section 2: Financial Section.....	26
Message from the Chief Financial Officer.....	26
Report of the Independent Auditors.....	27
Independent Auditor’s Report.....	27
Internal Control Report.....	28
Compliance with Laws and Regulations Report.....	29
IMLS Financial Statements and Notes.....	30
Section 3: Other Information.....	31
Summary of Financial Statement Audit and Management Assurances.....	31
Table 1: Summary of Financial Statement Audit.....	31
Table 2: Summary of Management Assurances.....	31
Payment Integrity.....	32
Risk Assessment and Systematic Sampling Method.....	32
Corrective Actions.....	33
Improper Payment Reporting Tables.....	33
Agency Reduction of Improper Payments with the Do Not Pay Initiative.....	34
Fraud Reduction Report.....	35

Message from the Agency Senior Official



The Institute of Museum and Library Services (IMLS) is an independent grantmaking agency and the primary source of federal support for the nation's libraries and museums. Our mission is to advance, support, and empower America's museums, libraries, and related organizations through grantmaking, research, and policy development. Our vision is a nation where museums and libraries work together to transform the lives of individuals and communities.

Understanding that these institutions are unparalleled sources of educational, information, health, employment, and cultural resources, IMLS supports them to serve all community members and visitors, bridging the gaps of distance, resources, or experience. IMLS funds work that advances collective knowledge, lifelong learning, and cultural and civic engagement, which can include everything from increasing rural broadband access to preserving and sharing the stories of our nation's veterans.

IMLS also ensures that museums and libraries have the resources they need to address current and future community challenges, from workforce development to after-school programming, and strengthens the capacity of museums and libraries to ensure community members are healthy, informed, and prepared to participate fully in society.

The Agency has an expansive reach, supporting libraries and museums of all types, including zoos, aquariums, botanical gardens, and historic sites. IMLS directs population-based funding to all 50 states, the District of Columbia, the US territories, and Freely Associated States through its Grants to States program. IMLS discretionary grants are selected through a highly respected and competitive peer review process, drawing on professionals located across the nation.

This Annual Financial Report details the FY 2024 programs and funding of IMLS, and the impact it has had on US museums, libraries, and cultural institutions and the communities they serve.

Highlights from 2024

- We have satisfactorily navigated the financial management of the American Rescue Plan and Coronavirus Aid, Relief, and Economic Security (CARES) Acts monies, and being regularly good stewards of the taxpayer funds, spent 99.80 percent of our allotted \$250M. This is, under the very exigent circumstances, a tribute to the ongoing fiscal responsibility, efficiency, and prudence of our agency.
- We continue to focus on literacy itself and understanding how the library and museum worlds are key players in the informal support for reading and the importance of reading as the necessary skill for participation in the information economy. Building on a 2022 convening with the New York Public Library, we partnered with them again in September 2024 to focus on the equity aspects of reading and how to cross the various divides. Our Office of Research and Evaluation is tracking impact of this work through the agency's Learning Agenda.
- After a successful FY 2023 pilot, IMLS is preparing to field the full the National Museum Survey, which will complement our Public Library Survey as a demonstration of the economic, cultural, and

civic importance of museums. We believe the resulting data will demonstrate the importance of museums for education and providing cultural resources across social divides.

- As part of our own continued IMLS 250 activities, we partnered with PBS Books and Detroit Public Television to create a streaming series called "Visions of America." Current analytics show that viewer engagement on social media doubled from the first to second conversations.
- In FY 2022, Congress mandated the formation of a multiagency Information Literacy Taskforce and development of a website collating relevant resources. The taskforce launched this website, [InformationLiteracy.gov](https://www.informationliteracy.gov), this fiscal year.
- The reestablishment of the [President's Committee on the Arts and the Humanities](https://www.pcah.gov) (PCAH) by President Biden in September 2022 was a momentous demonstration of the importance of the arts, humanities, libraries, and museums, and coordination across government. Specifically, locating the 42-year-old federal advisory committee at IMLS in this iteration is an important point of leadership and recognition for us. The Committee, which has the First Lady as its Honorary Chair, held two working meetings at the White House in 2023, sharing a number of recommendations with federal agencies and President Biden that resulted in new cross-agency initiatives, convenings, and public engagement continuing into 2024.

We continue to appreciate the value of ongoing professional development in meeting the needs of communities, and share best practices, research, trends, and data to build capacity within the museum and library fields. We look forward to supporting much more good work over the year to come.



Laura Huerta Migus
Senior Official Performing the Duties of the IMLS Director
Deputy Director for Museum Services

SECTION 1

Management's Discussion and Analysis (MD&A)

A. IMLS OVERVIEW AND MISSION

The Institute of Museum and Library Services (IMLS) is an independent grantmaking agency and the primary source of federal support for the nation's libraries and museums.

The mission of IMLS is to advance, support, and empower America's museums, libraries, and related organizations through grantmaking, research, and policy development. Our vision is a nation where museums and libraries work together to transform the lives of individuals and communities.

IMLS was created with the passage of the Museum and Library Services Act of 1996, which was reauthorized on December 31, 2018. The Agency has statutory authority to award financial assistance, collect data, form strategic partnerships, and advise policymakers and other federal agencies on museum, library, and information services.

The Agency consolidates federal library programs dating back to 1956 and museum programs dating back to 1976.

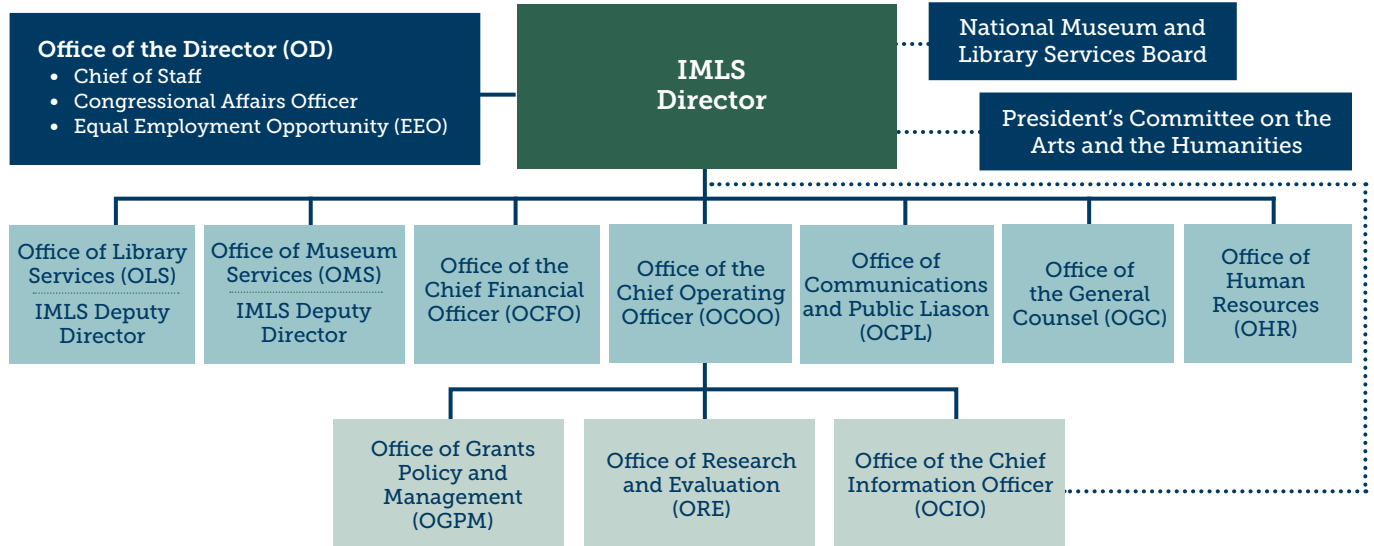
IMLS helps to ensure that all Americans have access to museum, library, and information services. The Agency invests in new and exploratory approaches, as well as proven and tested methods. IMLS funds work that advances collective knowledge, lifelong learning, and cultural and civic engagement. And the Agency builds capacity within the museum and library fields to enable better service to communities and to enhance community decision making by sharing trends and data.

IMLS has an expansive reach. The Agency is the largest source of federal funding for libraries in the nation, directing population-based funding to all 50 states, the District of Columbia, the US territories, and Freely Associated States through its Grants to States program. The Agency's discretionary grants are selected through a highly respected and competitive peer review process, drawing on professionals located across the nation.

This work enables museums and libraries located in geographically and economically diverse areas to deliver essential services that make it possible for individuals and communities to flourish.

This year, IMLS is producing this Annual Financial Report (AFR) and an Annual Performance Report (APR) and plans to post its FY 2024 APR on the IMLS website, www.ims.gov, in February 2025.

IMLS ORGANIZATIONAL CHART



..... Advisory Role
Updated October 2024

B. STRATEGIC GOALS

When IMLS was established by the Museum and Library Services Act of 1996, bringing together federal programs dating back to 1956, lawmakers recognized that US libraries and museums are powerful national assets. They saw “great potential in an Institute that is focused on the combined roles that libraries and museums play in our community life.” The law charges IMLS with advising policymakers on library, museum, and information services and supporting a wide range of programs that improve the lives of individuals throughout the nation.

We carry out this charge as we adapt to meet the changing needs of our nation’s museums and libraries and their communities. IMLS’s role—to advance, support, and empower America’s museums and libraries through our grantmaking, research, data collection, and policy development—is essential to helping these institutions navigate change and continue to improve their services.

The Agency developed a strategic plan for 2022–2026 that was [published in February 2022](#). For this 2024 AFR, the Agency is reporting on these 2022–2026 strategic goals and objectives:

STRATEGIC GOALS AND OBJECTIVES

1. Champion Lifelong Learning.

- 1.1 Advance shared knowledge and learning opportunities for all.
- 1.2 Support the training and professional development of the museum and library workforce.

2. Strengthen Community Engagement.

- 2.1. Promote inclusive engagement across diverse audiences.
- 2.2. Support community collaboration and foster civic discourse.

3. Advance Collections Stewardship and Access.

- 3.1. Support collections care and management.
- 3.2. Promote access to museum and library collections.

4. Demonstrate Excellence in Public Service.

- 4.1. Maximize public investments by cultivating a culture of planning, evaluation, and evidence-based practice.
- 4.2. Increase the impact of IMLS through strategic engagement with public and private sector stakeholders.
- 4.3. Increase the efficiency and effectiveness of Agency operations.
- 4.4. Build a workplace culture that fosters respect and collaboration, promotes open and transparent communication, and embraces diversity, equity, and inclusion.

C. SCOPE

LIBRARY SERVICES

The Museum and Library Services Act (20 U.S.C. § 9171) authorizes the Office of Library Services to:

- Enhance coordination among federal programs that relate to library, education, and information services;
- Promote continuous improvement in library services in all types of libraries in order to better serve the people of the United States;
- Facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry;
- Encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public;
- Promote literacy, education, and lifelong learning, including by building learning partnerships with school libraries in our nation's schools, including Tribal schools, and developing resources, capabilities, and programs in support of state, Tribal, and local efforts to offer a well-rounded educational experience to all students;
- Enable libraries to develop services that meet the needs of communities throughout the nation, including people of diverse geographic, cultural, and socioeconomic backgrounds, individuals with disabilities, residents of rural and urban areas, Native Americans, military families, veterans, and caregivers;
- Enable libraries to serve as anchor institutions to support community revitalization through enhancing and expanding the services and resources provided by libraries, including those services and resources relating to workforce development, economic and business development, critical thinking skills, health information, digital literacy skills, financial literacy and other types of literacy skills, and new and emerging technology;
- Enhance the skills of the current library workforce and recruit future professionals, including those from diverse and underrepresented backgrounds, to the field of library and information services;
- Ensure the preservation of knowledge and library collections in all formats and enable libraries to serve their communities during disasters;
- Enhance the role of libraries within the information infrastructure of the United States in order to support research, education, and innovation;
- Promote library services that provide users with access to information through national, state, local, regional, and international collaborations and networks; and
- Encourage, support, and disseminate model programs of library and museum collaboration.

Grants to States

Process

The library Grants to States program awards population-based formula grants to each State Library Administrative Agency (SLAA) in the 50 states, the District of Columbia, the US territories of the Commonwealth of Puerto Rico, the US Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau (20 U.S.C. § 9131).

The formula consists of a minimum allotment set by law (\$1,000,000 for states, and \$100,000 for Pacific Territories and Freely Associated States) plus a supplemental amount based on population (dependent on annual appropriations). Population

data is based on the information available from the US Census Bureau.

The program's overall budget was funded in FY 2024 at a total of \$180,000,000. The 2018 Museum and Library Services Act limits administrative costs at the state level to 4 percent and requires a 34 percent match from non-federal state or local funds.

Programs and services delivered by each SLAA support the purposes and priorities set forth in the Library Services and Technology Act (LSTA). SLAAs must complete five-year plans, conduct a five-year evaluation based on these plans, and report annually to IMLS on their progress in strengthening library services, which helps improve practice and inform policy. SLAAs set goals and objectives for their states regarding the use of Grants to States funds within the statutorily required five-year plan approved by IMLS. These goals and objectives are determined through a planning process that includes statewide needs assessments.

Site visits provide Grants to States staff the opportunity to monitor program administration at both the SLAA and subrecipient levels and to assist SLAAs in the sound management of the program. Staff aim to complete visits with all 59 SLAAs by the end of the 2023–2027 five-year cycle. In FY 2024, staff made 13 in-person visits in AR, CO, DE, HI, IA, KS, ME, MS, MT, NC, NV, SC, and WI. They also discussed the site visit questions with six Pacific Territories and Freely Associated States at the IMLS-hosted biennial Pacific Workshop in Hawaii in May 2024.

Use of Funds

States are subject to a statutory "maintenance of effort" requirement that helps ensure that federal funds do not supplant state investments. SLAAs may use their funding for:

- Expanding services for learning and access to information and educational resources in a variety of formats—including new and emerging technology, in all types of libraries, for individuals of all ages—in order to support such individuals' needs for education, lifelong learning, workforce development, economic and business development, health information, critical thinking skills, digital literacy skills, financial literacy, and other types of literacy skills;
- Establishing or enhancing electronic and other linkages and improved coordination among and between libraries and entities, for the purpose of improving the quality of and access to library and information services;
- Providing training and professional development, including continuing education, to enhance the skills of the current library workforce and leadership and advance the delivery of library and information services;
- Enhancing efforts to recruit future professionals, including those from diverse and underrepresented backgrounds, to the field of library and information services;
- Developing public and private partnerships with other agencies, Tribes, and community-based organizations;
- Targeting library services to individuals of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to individuals with limited functional literacy or information skills;
- Targeting library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children from families with incomes below the poverty line;
- Developing library services that provide all users access to information through local, state, regional, national, and international collaborations and networks; and
- Carrying out other activities as described in the SLAA's plan.

Discretionary Grants

The Office of Library Services offered five funding opportunities in FY 2024:

National Leadership Grants for Libraries support projects that enhance the quality of library and archival services nationwide by advancing theory and practice to meet the diverse needs of communities. These projects generate results such as new tools, research findings, models, services, practices, or collaborative approaches to be widely used, adapted, scaled, or replicated to extend the benefits of federal investment in communities across the country.

Native American Library Services: Basics Grants are awarded non-competitively to federally recognized Tribes. This program is designed to assist Native American Tribes in improving core library services for their communities.

Native American Library Services:

Enhancement Grants are competitive awards that assist Native American Tribes in enhancing existing library services or implementing new library services for their communities.

Native Hawaiian Library Services Grants

are available to nonprofit organizations that primarily serve and represent Native Hawaiians to support and improve core library services for Native Hawaiian communities.

Laura Bush 21st Century Librarian Grants

support developing a diverse workforce of librarians to better meet the changing learning and information needs of the American public by enhancing the training and professional development of library and archives professionals; developing faculty and library leaders; and recruiting, educating, and retaining the next generation of library and archives professionals.

The Agency also awards the **National Medal for Museum and Library Service**, with funds from the National Leadership Grants program. The Medal is the nation’s highest honor for institutions that make significant and exceptional contributions to their communities.

Funding Snapshot

Grants to States		
NUMBER OF AWARDS	FUNDS AWARDED	AWARDEE MATCH
59	\$180,000,000	\$92,449,486*

*Only includes match from the states, DC, PR, and Freely Associated States; no match is required from the Territories.

Total Grants for All Library Discretionary Programs				
NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE†
527	265*	\$90,787,904	\$30,590,557	\$2,901,854

*A portion of available funds are used to support projects that may not be reflected in the total number of awards.

†Cost share requirements vary by program.

By Program

Laura Bush 21st Century Librarian Program					
NUMBER OF PRELIMINARY PROPOSALS	NUMBER OF FULL APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE†
147	83*	38	\$40,341,917	\$10,045,501	\$643,000

*Number of Full Applications represents a portion of the highly rated preliminary proposals submitted through Grants.gov. Institutions must resubmit a full application to be considered for an award.

†Cost share requirements vary by project type.

National Leadership Grants for Libraries

NUMBER OF PRELIMINARY PROPOSALS	NUMBER OF FULL APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE [†]
151	85*	54	\$38,974,865	\$14,637,000	\$2,097,205

*Number of Full Applications represents a portion of the highly rated preliminary proposals submitted through Grants.gov. Institutions must resubmit a full application to be considered for an award.

†Cost share requirements vary by project type.

National Medal for Library Service*

NUMBER OF NOMINATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
36	5	N/A	\$50,000	N/A

*Funded through the National Leadership Grants for Libraries program. Not included in application and award totals above.

Native American and Native Hawaiian Library Service Programs

PROGRAM	NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE*
Basic Grants (non-competitive)	156	140	\$1,703,000	\$1,528,960	N/A
Enhancement Grants	65	28	\$8,760,008	\$3,631,689	\$90,799
Native Hawaiian	8	5	\$1,008,114	\$747,407	\$70,850
Total	229	173	\$11,471,122	\$5,908,056	\$161,649

*Cost share is not required for these programs.

MUSEUM SERVICES

The Museum and Library Services Act (20 U.S.C. § 9171) authorizes the Office of Museum Services to:

- Encourage and support museums in carrying out their educational role as core providers of learning and in conjunction with schools, families, and communities;
- Encourage and support museums in carrying out their public service role of connecting the whole of society to the cultural, artistic, historical, natural, and scientific understandings that constitute our diverse heritage;
- Encourage leadership, innovation, and applications of the most current technologies and practices to enhance museum services through international, national, regional, state, and local networks and partnerships;
- Assist, encourage, and support museums in carrying out their stewardship responsibilities to achieve the highest standards in conservation and care of the diverse cultural, historic, natural, and scientific heritage of the United States to benefit future generations;
- Assist, encourage, and support museums in achieving the highest standards of management and service to the public, and to ease the financial burden borne by museums as they serve their communities in new and different ways;
- Support resource sharing and partnerships among museums, libraries, schools, and other community organizations;
- Encourage and support museums as a part of economic development and revitalization in communities;
- Ensure museums of various types and sizes in diverse geographic regions of the United States are afforded attention and support;
- Support efforts at the state and regional levels to leverage museum resources and maximize museum services; and
- Assist museums in their civic engagement efforts to ensure that every person in the United States has access to high-quality museum services.

IMLS also conducts two additional grant programs with the purpose of improving operations, care of collections, and development of professional management at African American museums, pursuant to the National Museum of African American History and Culture Act (20 U.S.C. § 80r-5) and American Latino museums, pursuant to the National Museum of the American Latino Act (P.L.116-260 Title II, Sec. 201), respectively.

Discretionary Grants

The Office of Museum Services offered eight competitive funding opportunities in FY 2024:

- **Museums for America** supports museums of all sizes and disciplines in strategic, project-based efforts to serve the public through exhibitions, educational/interpretive programs, digital learning resources, professional development, community debate and dialogue, audience-focused studies, and/or collections management, curation, care, and conservation. Funded projects focus on a key component of the museum's strategic plan, reflect a thorough understanding of current practice and knowledge about the subject matter, and generate measurable results that tie directly to the need or challenge addressed.
- **Inspire! Grants for Small Museums** is a special initiative of the Museums for America grant program. It is designed to support small museums of all disciplines in project-based efforts to serve the public through exhibitions, educational/interpretive programs, digital learning resources, policy development and institutional planning, technology enhancements, professional development, community outreach, audience development, and/or collections management, curation, care, and conservation. It is designed to help small

museums implement projects that focus on a key component of the museum’s strategic plan, reflect a thorough understanding of current practice and knowledge about the subject matter, and generate measurable results that tie directly to the need or challenge addressed.

- **Museums Empowered: Professional Development Opportunities for Museum Staff** is an initiative of the Museums for America program that is designed to support projects that use the transformative power of professional development and training to generate systemic change within museums of all types and sizes. Funded projects focus on digital technology; diversity, equity, and inclusion; evaluation; or organizational management.
- **National Leadership Grants for Museums** support projects that address critical needs of the museum field and that have the potential to advance practice in the profession to strengthen museum services for the American public. In addition to museums, related organizations such as museum associations, colleges and universities, and some foundations and nonprofit organizations may be eligible to apply for grants in this funding program.
- **21st Century Museum Professional** supports projects that offer professional development to the current museum workforce, train and recruit future museum professionals,

and identify and share effective practices in museum workforce education and training.

- **Native American/Native Hawaiian Museum Services** grants support Native American Tribes and organizations that primarily serve and represent Native Hawaiians in sustaining indigenous heritage, culture, and knowledge through educational services and programming, workforce professional development, organizational capacity building, community engagement, and collections stewardship.
- **Museum Grants for African American History and Culture** build the capacity of African American museums and support the growth and development of museum professionals at African American museums. The program also increases access to museum and archival collections at African American museums and Historically Black Colleges and Universities (HBCUs).
- **American Latino Museum Internship and Fellowship Initiative** is a special initiative of the new Museum Grants for American Latino History and Culture (ALHC) program designed to provide opportunities for internships and fellowships at American Latino museums for students enrolled in institutions of higher education, including Hispanic-serving institutions. The initiative nurtures students carrying out studies relating to American Latino life, art, history, and culture.

The Agency also awards the **National Medal for Museum and Library Service**, with funds from the National Leadership Grants program. The Medal is the Nation’s highest honor for institutions that make significant and exceptional contributions to their communities.

Funding Snapshot

Total Grants for All Museum Discretionary Programs				
NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE*
1,005	293	\$203,495,634	\$54,923,282	\$49,296,586

*Cost share requirements vary by program.

By Program

Museums for America				
NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
383	115	\$98,668,887	\$23,237,085	\$29,499,682

Inspire! Grants for Small Museums*

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
307	78	\$13,372,786	\$3,324,571 [†]	\$3,395,734

*A special funding opportunity within Museums for America. Cost share is not required for this program.

[†]FY 2024 awards include those made with FY 2024 Annual Appropriations and a portion of ALHC funds.

Museums Empowered*

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
72	18	\$13,105,016	\$3,327,912 [†]	\$3,672,296

*A special funding opportunity within Museums for America.

[†]FY 2024 awards include those made with FY 2024 Annual Appropriations and a portion of ALHC funds.

National Leadership Grants for Museums

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE [†]
55	20	\$28,791,162	\$10,298,000*	\$5,678,920

*FY 2024 awards include those made with FY 2024 Annual Appropriations and a portion of IMLS 250 funds.

[†]Cost share requirements vary by project type.

National Medal for Museum Service*

NUMBER OF NOMINATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
76	5	N/A	\$50,000	N/A

*Funded through the National Leadership Grants for Museums program. Not included in application and award totals above.

Native American/Native Hawaiian Museum Services Program

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE*
58	18	\$11,479,572	\$3,772,000	\$119,603

*Cost share is not required for this program.

Museum Grants for African American History and Culture

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE [†]
75	31	\$21,331,219	\$6,221,520*	\$4,679,696

*FY 2024 awards include those made with FY 2024 Annual Appropriations and a portion of NMAL Act funds.

[†]Cost share requirements vary by project type.

American Latino Museum Internship and Fellowship Initiative

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE*
6	5	\$2,994,504	\$2,742,194	\$46,212

*Cost share is not required for this program.

21st Century Museum Professionals Program

NUMBER OF APPLICATIONS	NUMBER OF AWARDS	FUNDS REQUESTED	FUNDS AWARDED	AWARDEE COST SHARE
49	8	\$13,752,488	\$2,000,000	\$2,204,443

PCAH: PRESIDENT'S COMMITTEE ON THE ARTS AND THE HUMANITIES

The President's Committee on the Arts and the Humanities (PCAH) is an advisory body to the President of the United States on cultural policy, with a mandate to provide recommendations and facilitate public-private partnerships across over 30 federal agencies, including IMLS, the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), the John F. Kennedy Center for the Performing Arts (Kennedy Center), the National Gallery of Art (NGA), the Library of Congress (LOC), and the Smithsonian Institution. Over its 42-year history, PCAH has produced impactful research, programs, pilots, and convenings that have led to substantive policy changes. It has benefited from a close relationship to the White House, with the First Lady serving as Honorary Chair alongside a list of distinguished committee members. With IMLS as its host agency, the PCAH played a pivotal role in FY 2023 and FY 2024 in advancing President Biden's Executive Order 14084, which emphasized the need to further the cultural vitality of the United States by promoting the arts, humanities, and museum and library services.

In FY 2024, IMLS focused on enhancing the administrative operations of the PCAH and expanding PCAH-recommended strategic initiatives. In accordance with its mandate, the PCAH voted to advance recommendations for eight nationwide initiatives across nine federal agencies. The PCAH staff then led cross-agency working groups comprising over 50 interdisciplinary staff from participating agencies (across NEA, NEH, IMLS, LOC, Heritage Emergency National Task Force, Federal Emergency Management Agency, Department of the Interior, Smithsonian Institution, Kennedy Center, and National Gallery of Art), highlighting the breadth and complexity of the work. In FY 2024, the PCAH began planning to commission comprehensive research reports which are anticipated to lead to policy recommendations to the President, host at least 14 convenings over the next year, launch three extensive multi-year collaborative pilot projects, and support special initiatives in collaboration with the White House.

In addition, the PCAH increased its marketing and outreach efforts, including launching a website and establishing accounts for social media outreach. IMLS also dedicated significant resources to official PCAH committee meeting planning and employee training to ensure the committee's continued effectiveness in advancing its mission in the arts, the humanities sector, and museum and library services.

INFORMATION LITERACY

In FY 2022, IMLS was directed by statute to establish an **Information Literacy Taskforce** charged with developing guidance, instructional materials, and national strategies on information literacy. In FY 2023, IMLS and the Taskforce gained insights from multiple stakeholders including departments and agencies throughout the Federal government, libraries and museums at the State and local level, and Federal, State, and local governments, nonprofit organizations, and private enterprises to develop an online portal disseminating best practices on information literacy and toolkits designed to help people of all ages understand, evaluate, and discern the reliability and accuracy of information.

In FY 2024, [InformationLiteracy.gov](https://www.informationliteracy.gov) went live, offering strategies and tools tailored to both native and non-native English speakers and communities. The website provides information on Federal initiatives, programs, grants, publications, and materials promoting enhanced information literacy. A focus of the site is training resources and community engagement materials for museum and library practitioners to develop programming to address specific needs in their local communities. Ongoing engagement with and feedback from Taskforce members, museum and library professionals, other community leaders, and members of the public continue to bolster the expansion of the website into new areas of information literacy, new resources in more languages, and overall website usability.

COOPERATIVE AGREEMENTS

Sustaining and Advancing Indigenous Cultures: A Continuing Education Project for Tribal Archives, Libraries, and Museums is a cooperative agreement with the Association of Tribal Archives, Libraries, and Museums (ATALM). This project provides culturally relevant training and professional development opportunities to professional current and emerging staff of Indigenous archives, libraries, and museums, as well as staff of organizations serving Indigenous audiences or holding Indigenous collections.

Museums for All is a national, branded access program that encourages individuals of all backgrounds to visit museums regularly and build lifelong museum habits. The program is administered by the Association of Children's Museums through a cooperative agreement with IMLS. It is open to participation by any type of museum, including art, history, natural history/anthropology, and general museums, children's museums, science centers, planetariums, nature centers, historic houses/sites, zoos, aquariums, botanical gardens, and arboretums. More than 1,400 participating museums in all 50 states, as well as Washington, D.C., and the US Virgin Islands, are providing free or reduced admission to families with EBT and SNAP cards for more than 7.6 million visitors to date—with 1.5 million of these visits in 2024 alone. This partnership was renewed through February 2026.

The **Museum Assessment Program (MAP)** is a cooperative agreement with the American Alliance of Museums to help small and medium-sized museums strengthen their operations, plan for the future, and meet professional standards. Museums can apply to participate in one of five different assessments focusing on organizational structure; collections stewardship; education and interpretation; community and audience engagement; or Governing Board leadership. Participating museums engage in a one-year process of self-assessment and related institutional activities. A consultative peer review, combined with a site visit, results in a formal report of recommendations to guide future development.

As part of the U.S. National Strategy to Combat Antisemitism, IMLS is partnering with the **Council of American Jewish Museums** to advance the capacity and understanding of the work of museums, libraries, and archives in countering antisemitism in America. Project activities include producing a summit program that highlights new directions in museum education, fosters cross-community partnership and shared strategies, and increases museums' role in this area to outside stakeholders. The project will result in an online toolkit of resources by Jewish museums and other institutions intended to increase the capacity of museums, libraries, and archives to counter antisemitism by serving as community educators.

The **Collections Assessment for Preservation (CAP)** program provides small and mid-sized museums with funding to assist with a study of all of the institution's collections, buildings, and building systems, as well as its policies and procedures relating to collections care. The CAP program is administered through a cooperative agreement with the Foundation for Advancement in Conservation (FAIC). Participants who complete the program receive an assessment report with prioritized recommendations to improve collections care.

Museums for Digital Learning (MDL) enables museums of all sizes and disciplines to share digitized collections and create ready-to-use educational resources for K–12 educators and their students across the country. In FY 2024, the MDL team continued recruiting museum contributors and K–12 teacher users, launched cohort-based training for content development, and published a detailed analytics dashboard, which tracked more than 36,000 engaged sessions on the platform. The MDL platform currently features resources from more than 100 museums, and offers more than 80 resource kits containing educational activities including gaming, an e-book template, and a collections hub available at Museums for Digital Learning. The cooperative agreement is funded through a partnership between History Colorado, the Indianapolis Museum of Art/Newfields, and the Field Museum.

Building Capacity for African American Museums and Emerging Professionals is a cooperative agreement with the Association of African American Museums (AAAM) to support both emerging professionals as well as more seasoned staff in building capacity to increase sustainability among African American museums. The association will offer a training program for up to 48 museums to improve skills in grant-writing through webinars and one-on-one mentoring. The project also will establish six paid internships for emerging professionals—one at its headquarters and others at individual African American museums—as well as providing 15 emerging professionals with scholarships to attend the AAAM annual conference. A project report will highlight components that may represent capacity-building models for other associations.

All People, All Places, All Stories: A National Dialogue Preparing for America's Semiquincentennial was a cooperative agreement with the American Association for State and Local History (AASLH) to plan, promote, and present five events as part of a national dialogue series to encourage audiences to consider how we share our national story; how we commemorate the past in public spaces; and how local, regional, and national histories fit together into a cohesive whole. AASLH's expertise and strategic insight guided the development of the Visions of America partnership, detailed below.

Visions of America was a partnership with PBS Books at Detroit Public Television to develop "Visions of America: All Stories, All People, All Places," a digital-first series of videos and virtual conversations targeting general audiences nationwide in commemorating the 250th anniversary of America's founding. The project includes production, distribution, marketing, and engagement for the series, which was offered to museums and libraries to tell some of the lesser-known stories that are part of our shared legacy of American independence. The series will be streamed on digital platforms and available at no cost to libraries, museums, and the general public. The series kicked off in the summer

of 2023 with three virtual countdown events highlighting the significance of the America250 project, the durability of the US Constitution and its relevance in a changing world, and the 75th anniversary of the desegregation of the military. All three discussions are available to watch on demand at on the [PBS website here](#). The conversations were followed by video tours through three lesser-known historical sites that symbolize an aspect of the spirit of our independence: The Freedom Tower in Miami, Florida; The Wing Luke Museum in Seattle, Washington; and 18th and Vine in Kansas City, Missouri. PBS Books and Detroit Public Television have finished the educational material for teachers that resulted from the partnership.

The **National Student Poets Program (NSPP)** is one of the nation's highest honors for youth poets presenting original work. A collaboration with the Alliance for Young Artists & Writers, the program strives to inspire other young people to achieve excellence in their own creative endeavors and promote the essential role of writing and the arts in academic and personal success. Each year, the program links five National Student Poets with audiences and neighborhood assets such as museums, libraries, and other community anchor institutions. NSPP builds upon the Alliance for Young Artists & Writers' long-standing work with educators and creative teens through the Scholastic Art & Writing Awards.

INTERAGENCY COLLABORATION

The Museum and Library Services Act authorizes IMLS to enter into interagency agreements to promote or assist with the museum, library, and information services-related activities of other federal agencies (20 U.S.C. § 9103). Recognizing the role of museums and libraries as anchor institutions, the Act directs the Agency to coordinate and work jointly with other federal departments and agencies on:

- Initiatives, materials, technology, or research to support education, workforce development, economic and business development, and related activities and services undertaken by libraries;

- Resource and policy approaches to eliminate barriers to fully leveraging the role of libraries and museums in supporting the early learning, literacy, lifelong learning, digital literacy, workforce development, and education needs of the people of the United States; and
- Initiatives, materials, technology, or research to support educational, cultural, historical, scientific, environmental, and other activities undertaken by museums.

In addition to project support, the Director of IMLS holds several statutory positions, including on the Federal Council on the Arts and the Humanities, the American Folklife Center, and in connection with the nation's Semiquincentennial Commission.

American Broadband Initiative

IMLS is a critical partner in the Administration's **American Broadband Initiative**, designed to identify and remove barriers to broadband access and digital resources. In collaboration with the Departments of Interior, Education, Commerce, Agriculture, Transportation, the Federal Communications Commission (FCC), and the White House Council for Native American Affairs, IMLS has hosted an annual National Tribal Broadband Summit from 2019 to 2022. The summits provide a unique opportunity for Tribal leaders, representatives of Tribal libraries and cultural programs, federal program managers, and policymakers at multiple levels of government to come together and share their innovations in expanding broadband access and adoption in Tribal communities. IMLS has continued to support a [Memorandum of Understanding \(MOU\) with the FCC](#). The MOU, which aims to promote the availability of affordable broadband programs, recognizes significant role that libraries and other community anchor institutions play in promoting digital access and inclusion. IMLS and the FCC are also partnering to increase the availability of broadband resources and support in Tribal and rural communities.

America250

America250 is a multi-year effort to commemorate the 250th anniversary of the founding of the United States. The Semiquincentennial Commission Act of 2016, as amended, established a Commission of public and private partners to plan, encourage, develop, and coordinate commemorative activities, culminating on July 4, 2026, and building community infrastructure for the future. IMLS has funded initial projects in preparation for the anniversary, and the former IMLS Director Kemper helped launch a local planning guide. IMLS partnered on the development of an MOU to work collaboratively on signature programs and activities that tap into the wealth of knowledge, historic assets, and tangible touchpoints comprising some of the country's leading cultural institutions and organizations. The IMLS Director serves as an ex-officio member of the Semiquincentennial Commission.

A highlight this year was the completion of a signature program in partnership with PBS Books and Detroit Public Television: "Visions of America," a three-part video series exploring the post-pandemic nation with a renewed interest in the stories, people, and places that have contributed to the America we live in today. See more details under Cooperative Agreements above.

Museums and Archives and HBCU Initiative: The History and Culture Access Consortium

IMLS is collaborating with the Smithsonian's **National Museum of African American History and Culture (NMAAHC)** to provide training, mentoring, and support to the next generation of museum, library, archives, and academic professionals from population groups that have been underrepresented in these fields. NMAAHC, in partnership with five HBCUs, has created the **History and Culture Access Consortium (HCAC)** to strengthen member archives and museums and to bring their rare and unique collections into the public eye. IMLS contributions to HCAC support

intensive professional training and leadership development for emerging museum, library, archives, and academic professionals from traditionally underrepresented groups via internships and fellowships, an evaluation of the effectiveness of the consortium as a model that can be successfully expanded to other HBCUs, and documentation of lessons learned from the design of the internships and fellowships for field dissemination..

Latino Museum Studies Program Arts Administration Fellowships

IMLS entered into an interagency agreement with the **National Museum of the American Latino (NMAL)** to expand its Latino Museum Studies Program to create and support three cohorts of new fellowships focused on arts administration. The purpose of this new initiative is to strengthen the career pipeline of emerging museum, archive, and academic professionals interested in Latino museum studies and careers. Based on the outcomes of a feasibility study conducted over the last year, plans for the partnership have pivoted to the development of professional capacity building modules for professionals in American Latino museums focused on leadership and museum administration, to launch in FY 2025..

Preservation of National Collections: Save America's Treasures

IMLS partners with the **National Park Service**, the **National Endowment for the Humanities**, and the **National Endowment for the Arts** to support **Save America's Treasures**, a grant program designed to preserve and protect nationally significant historic properties and collections throughout the country. Congress appropriates funding for the Save America's Treasures grants from the Historic Preservation Fund, which uses revenue from federal oil leases to provide a range of preservation assistance without expending tax dollars. In FY 2024, the program awarded 59 grants in 26 states and the District of Columbia, totaling \$25,705,000. IMLS will manage 31 of the awards that support collections preservation, totaling \$9,040,682.

Disaster and Recovery

Cultural Heritage Coordinating Committee

IMLS is partnering with 16 other agencies, including the **Departments of State, Defense, Homeland Security, Interior, Justice, and Treasury**, to strengthen the ability of the US Federal Government to protect and preserve cultural property at risk from instability, natural disasters, and other emergencies and threats. Representatives from the Offices of Museum and Library Services, as well as the Office of the General Counsel, participate in meetings and working groups associated with this effort. More information is available on the Cultural Heritage Coordinating Committee website.

IMLS and the Department of State are engaged in a formal Interagency Agreement focused on supporting this larger partnership that includes continued support for the work of the Penn Museum's Cultural Property Experts on Call Program to expand the recruitment of museum professionals to support law enforcement needs with respect to art and artifact trafficking.

Serving New Americans

Since 2013 IMLS, and the **US Citizenship and Immigration Services** have supported cross-cultural understanding and learning opportunities by sharing information with libraries and museums on citizenship rights and responsibilities through webinars and other opportunities and materials. This is a continuing partnership that will roll out additional shared projects, especially relating to library usage.

National Book Festival

Through support to the **Library of Congress**, IMLS contributed funding to the 24th National Book Festival. The August 24, 2024, event included author conversations, for which Cyndee Landrum, then IMLS Acting Director, facilitated a session with author James S.A. Corey. Through a cooperative agreement with the Chief Officers of State Library Agencies, IMLS, along with the National Endowment for the Humanities, sponsored and participated in the National Book Festival's Roadmap to Reading. Representatives

from state libraries and Centers for the Book across the country interacted with festival attendees of all ages, providing information on each state's literary heritage, its local libraries, local authors and readings, and careers and opportunities in library and information science. The Roadmap to Reading is one of the most highly attended activities at the National Book Festival, with a diverse audience of families, teachers, and students who identify with states across the US.

Digital Humanities Advancement Grants

Through a partnership with the **National Endowment for the Humanities (NEH)**, IMLS supports Digital Humanities Advancement

Grants, an NEH program that enhances scholarly research, teaching, and public programming in the humanities. IMLS funding to this program encourages innovative collaborations between library and archival professionals, humanities professionals, and relevant communities to empower learning, foster civic cohesion, and strengthen knowledge networks. These collaborations advance preservation of, access to, use of, and engagement with digital humanities collections and services that enrich individuals' understanding of the world, support critical and creative thinking, and inform decision making.

POLICY RESEARCH, ANALYSIS, DATA COLLECTION, AND DISSEMINATION

IMLS is authorized to support and conduct policy research, data collection, analysis and modeling, evaluation, and dissemination of information to extend and improve the nation's museum, library, and information services (20 U.S.C. § 9108). The Museum and Library Services Act identifies the following objectives:

- To enhance and expand the capacity of museums, libraries, and information services to anticipate, respond to, and meet the evolving needs of communities and the public, including by identifying trends and developments that may impact the need for and delivery of services.
- To provide information and data on the role, value, and impact of museum, library, and information resources, including the identification of trends and the potential gaps in the availability and use of museum and library services by their communities and the public.
- To measure the effectiveness of museums, libraries, and information services throughout the United States, including the impact of federal programs authorized under the Act.
- To identify indicators and outcomes that can be used to create enhancements to the efficiency and efficacy of museum, library, and information services.
- To promote advancement and growth in museum, library, and information services through sharing of best practices and effective strategies in order to better serve the people of the United States.
- To facilitate planning for, and building of, institutional capacity in order to improve museum, library, and information services at the national, state, local, and regional levels, as well as international communications and cooperative networks.

In carrying out these objectives, IMLS engages with the State Library Administrative Agencies (SLAAs); networks of museums and libraries; and national, state, Tribal, and regional museum and library organizations. While not legislatively mandated, IMLS developed its first Learning Agenda in FY 2023 to supplement its current strategic plan and strengthen its capacity for establishing and advancing credible, relevant, and actionable information to better meet the needs of our nation's museums

and libraries and their communities. The Learning Agenda links research and evaluation priorities around agency strategic objectives. This agenda specifically has led to three new multi-year investigations for strengthening existing evidence bases with new bodies of facts involving: (1) research on the association between public libraries and child literacy; (2) research on the future of the museum sector post-pandemic; and (3) assessment of the equity of IMLS's grantmaking. The Learning Agenda also is driving continued efforts for IMLS to better conduct research to understand pertinent national trends in the library and museums fields and how these relate to larger developments in communities across the country.

The Agency produces evaluations and performs data collection and analysis to inform policy decisions and support the museum and library fields of practice, as reflected in its Learning Agenda. These efforts identify trends, important comparisons, and enable objective policymaking at the national and state levels. The primary data products maintained by IMLS are the Public Libraries Survey (PLS) and the SLAA Survey.

- **The Public Libraries Survey (PLS).** The PLS is an annual collection of data from over 9,200 public library systems in the United States and outlying territories. For over 30 years, more than 95 percent of our nation's public libraries have provided reliable data on key library metrics of library health and services. Used by policymakers, practitioners, and researchers, PLS data and research provide long-term trends in library services and explore significant national issues, including the impact of COVID-19 on the library field.

IMLS continues to focus on ensuring quality, reliability, and usability of the PLS. Throughout FY 2024, IMLS collaborated with key stakeholders and methodologists to draft and test new metrics on meeting rooms, other reservable spaces, and outreach services and vehicles. In addition to cognitive testing, IMLS conducted respondent research to assess the feasibility of reporting more data at the

library branch level to better capture variations across neighborhoods. [Recent methodological improvements](#) are described in a research brief released in June 2024. The Agency also maintained its commitment to continuous and iterative improvements of online PLS data tools on IMLS.gov to enable the public to customize their own queries.

In April 2024, IMLS followed up on earlier research on COVID-19 with its publication "Changes in Public Library Services as the COVID-19 Pandemic Continued Through FY 2021." In it, IMLS described how public libraries worked to ensure patrons had access to library services throughout the pandemic. IMLS also will release a state report and profiles comparing FY 2020 and FY 2021 COVID-19 data across the country.

- **The State Library Administrative Agency (SLAA) Survey.** IMLS conducts the SLAA Survey every two years to examine trends across these state government entities. In July 2024, the Agency released a report on the FY 2022 SLAA Survey collection, highlighting findings on financial health, workforce, and services provided by SLAAs to public, academic, school, and special libraries and library cooperatives. This report provides summaries in each state, both for FY 2022 and trending back to FY 2004. In fall 2024, IMLS will release a research brief on SLAA partnerships and other COVID-19 related impacts. IMLS also introduced a new SLAA Survey Comparison Tool on IMLS.gov earlier in 2024. This online dashboard allows users to compare data from up to three states and against the national average, displaying results in visually accessible 10-year trend graphs and tables. The tool also includes service tables for each state, providing a comprehensive overview of SLAA activities such as consulting services and funding for statewide databases, literacy programs, and emerging technologies like Wi-Fi hot spots.
- **National Museum Survey (NMS).** Beginning in 2021, IMLS began active planning to develop a national survey of the nation's museums to

serve as part of the federal statistical system. With the active engagement of the museum sector and in partnership with third-party statistical and survey methodologists, IMLS moved from planning to completing a pilot in January 2024. The population surveyed for this new federal statistical collection includes more than 20,000 museums, across multiple disciplines, comprising small and large organizations, located across metropolitan and non-metropolitan locales throughout the country. The first annual survey is scheduled to run in early winter 2025, with the release of its data and accompanying research briefs to the public occurring in summer 2025. The second annual survey in early winter 2026 will introduce a set of topical survey questions to supplement the varied baseline items like facilities, finances, staffing, admissions, visitors, and outreach.

- **Learning Agenda – Child Reading Literacy.**

The landscape of literacy has undergone seismic shifts with the increase in digital content. An increasing body of scholarship is documenting the correlation between digital content and children’s literacy. In response, IMLS has continued to shape a national discourse on this issue, focusing on the role of public libraries. This effort builds on two convenings of library leaders, literacy experts, and leading researchers in 2022 and

2023. Following the 2023 convening, IMLS publicly [released a study](#) that synthesized existing literature on the relation between motivation and best practices in child literacy and reading development. Since then, IMLS has been working to advance a multi-year research initiative that may lead to testing key recommendations through controlled experimental pilots in a future fiscal year.

- **Evaluation of the African American History and Culture Grant Program.**

Across more than two decades, IMLS has proactively administered grants to serve the specific needs of Native American Tribes and organizations that primarily serve and represent Native Hawaiians. IMLS spent FY 2024 nearing completion of an evaluation of these grantmaking efforts to better understand where the program has best succeeded and to identify new grantmaking areas to better help Native American tribes and Native Hawaiian organizations serve the cultural needs of their communities. IMLS is preparing to share the findings and recommendations of this study at an annual convening in November 2024 of the Association of Tribal Archives, Libraries, and Museums (ATALM). The Agency will continue disseminating and adapting these findings and recommendations through the remainder of FY 2025.

D. BRIEF ANALYSIS OF FINANCIAL STATEMENTS

INTRODUCTION AND FIGURES

Underlying the Agency’s many programmatic achievements is its commitment to organizational excellence and sound financial management. IMLS has a fiduciary and stewardship responsibility to manage its federal funds effectively and efficiently and comply with federal financial management guidance. As part of this responsibility, the Agency prepares annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The principal financial statements have been prepared to report the financial position and results of operations for IMLS. The FY 2024 financial statements and accompanying notes are presented in accordance with OMB Circular A-136, Financial Reporting Requirements, and are shown in comparative formats.

To ensure the integrity and reliability of the annual financial statements, IMLS subjects them to an annual independent audit. Figure 1 below summarizes the IMLS financial position in FY 2024.

Figure 1: IMLS FY 2024 Financial Position (\$ in millions)

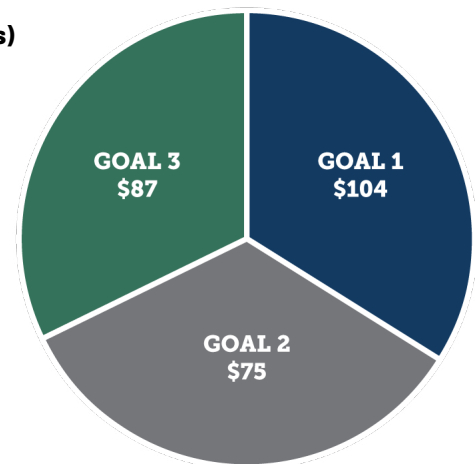
Net Financial Condition	FY 2024 (\$)	FY 2023 (\$)	Increase/Decrease (\$)	Change (%)
ASSETS	417.3	416.2	1.1	.3
LIABILITIES	63.4	58.0	5.4	9.3
NET POSITION	353.9	358.1	(4.2)	(1.2)
NET COST	294.8	329.5	(34.7)	(10.5)

FY 2024 annual appropriations were enacted at \$294.8M, the same level as the prior year. The increase in the Agency’s liabilities is driven by an increase in both reimbursable activity advances and the grant accrual balance. The decrease in the Agency’s net cost of operations was primarily due to a decrease in expenditures from the awards made in the American Rescue Plan Act (ARPA) and the Coronavirus Aid and Relief Securities Act (CARES). The awards made under both of these legislations are nearing completion and will have minimal impact on the financial statements in future years.

Figure 2 below summarizes the FY 2024 grant award obligations by Strategic Goal.

Figure 2: FY 2024 Financial Assistance Obligations (\$ in millions)

- Goal 1: Champion Lifelong Learning**
- Goal 2: Strengthen Community Engagement**
- Goal 3: Advance Collections Stewardship and Access**



LIMITATIONS OF FINANCIAL STATEMENTS

IMLS has prepared the principal financial statements to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). The statements have been prepared from the books and records of the entity in accordance with GAAP for federal entities and the formats prescribed by the Office of Management and Budget (OMB). Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S Federal Government.

E. MANAGEMENT ASSURANCES AND COMPLIANCE WITH LAWS

OVERALL INTERNAL CONTROL

In FY 2024, IMLS demonstrated its continued commitment to maintaining strong internal controls. Internal control is an integral component of effective agency management, providing reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of reporting, and compliance with laws and regulations. The Federal Managers' Financial Integrity Act of 1982 (FMFIA) establishes management's responsibility to assess and report on internal accounting and administrative controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management.

The FMFIA requires federal agencies to establish controls that reasonably ensure:

- obligations and costs are in compliance with applicable laws; funds, property and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable reports and to maintain accountability over the assets.

The FMFIA also requires agencies to annually assess whether financial management systems conform to related requirements. Guidance for implementing the FMFIA is provided through OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, and the revised Appendix A, Management of Reporting and Data Integrity Risk.

ANNUAL ASSURANCE STATEMENT

IMLS management is responsible for establishing and maintaining an effective system of internal control that meets the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). In accordance with OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, IMLS conducted its annual assessment of its system of internal control. Based on the results of this assessment, IMLS can provide reasonable assurance that its system of internal control over operations, reporting, and compliance was operating effectively as of September 30, 2024.

IMLS management is also responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. Based on the results of its annual assessment of internal controls, IMLS can provide reasonable assurance that internal controls and procedures over financial reporting were operating effectively during the year that ended on September 30, 2024.



Laura Huerta Migus,
Senior Official Performing the Duties of the IMLS Director
November 13, 2024



Chris A. Catignani,
Chief Financial Officer
November 13, 2024

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL

The Director's and CFO's FY 2024 annual assurance statement for FMFIA provides reasonable assurance that internal controls over operations, reporting, and compliance were operating effectively as of September 30, 2024. The associated objectives are: effective and efficient operations; compliance with applicable laws and regulations; and reliability of reporting.

The basis for management's assessment of, and assurance about, IMLS's system of internal control is composed of many facets. A central facet is the annual management controls surveys completed by each office head. These surveys were based on each person's knowledge of daily operations, self-assessments, and internal reviews over core operating functions of the Agency. Taking into account the completed surveys from office heads and the regular reviews of operations performed by the Agency's Risk Management Council, which is composed of the heads of the administrative offices and the Office of General Counsel, the CFO advises the Director as to whether IMLS had any internal control deficiencies.

OTHER REVIEWS

Federal Information Security Modernization Act (FISMA)

FISMA requires federal agencies to "develop, document, and implement an agency-wide information security program to provide information security for the information and information systems that support the operations and assets of the Agency, including those provided or managed by another agency, contractor, or other source." In addition, FISMA requires federal agencies to conduct annual assessments of their information security and privacy programs, to develop and implement remediation efforts for identified weaknesses and vulnerabilities, and to report compliance to OMB. An independent external auditor and IMLS's Chief Information Officer perform a joint review of the Agency's compliance with FISMA requirements each year. IMLS has submitted its FY 2024 report to OMB.

SUMMARY OF CURRENT FINANCIAL SYSTEM AND FUTURE STRATEGIES

In FY 2024, IMLS continued to work with its Federal Shared Service Provider, the Department of Transportation's Federal Aviation Administration–Enterprise Service Center, to enhance its existing systems. IMLS fully implemented the G-Invoicing system in FY 2024. IMLS continues to stay on the leading edge of implementing technology and staying compliant with OMB and US Treasury federal-wide guidance for executive agencies. The implementation of this system has strengthened internal controls over the reporting of activities with our federal partners.

SECTION 2

Financial Section

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

On behalf of the Institute of Museum and Library Services, it is my pleasure to join with Senior Official Huerta Migus in presenting the Agency's FY 2024 Annual Financial Report. This report is a summary presentation of our financial, operational, and programmatic achievements during the past year.

The independent audit of our financial statements has been completed, and I am pleased to report that the Agency received a 19th consecutive unmodified opinion, with no material weaknesses. This is evidence of the organization's continued emphasis on reviewing and strengthening internal controls in accordance with requirements from central regulatory bodies of the US Federal Government such as the US Treasury and OMB.

In FY 2024, the Agency continues to make updates to acquisition procedures that increases efficiency in operations and leverages the investment in the automated procurement system. The Federal Aviation Administration–Enterprise Services Center (FAA-ESC), our shared service provider, has been instrumental in assisting us in developing the end-to-end solutions for our processes. The ability to partner with one of the Centers of Excellence designated by OMB affords us the opportunity to receive the numerous benefits a shared service provider can offer, at affordable costs. IMLS, in coordination with the ESC, continues to update our DATA Act reporting architecture to implement new reporting requirements. The Agency continues to consistently meet 100 percent of the requirements of DATA Act reporting.

The Agency has begun to make investments in projects that will leverage AI and continued to focus on developing automated, system-driven solutions to gain efficiencies and increase transparency in both financial and performance reporting. These changes will improve operational efficiencies, imbed additional controls in our automated processes, and optimize the use of improved technology. The Agency continues to build on the core competencies of our federal partners, including engaging with the National Endowment for the Humanities in the eGMS grants management system.

We are confident that our financial systems and operations will provide the necessary support to deliver the Agency's mission effectively and efficiently and meet the goals established in our strategic plan. I want to extend my sincere thanks and appreciation to all the dedicated staff at IMLS whose commitment and effort made this past year a success: your work is recognized and appreciated.



Christopher A. Catignani
Chief Financial Officer
November 13, 2024

REPORT OF THE INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report on the Financial Statements

To the Director of the Institute of Museum and Library Services

Opinion

In accordance with the Accountability of Tax Dollars Act of 2002, we have audited the Institute of Museum and Library Services (IMLS) financial statements. IMLS's financial statements comprise the balance sheet as of September 30, 2024 and 2023, the related statements of net cost, changes in net position, and budgetary resources for the fiscal year then ended, and the related notes to those financial statements. In our opinion, IMLS's financial statements referred to above present fairly, in all material respects, IMLS's financial position as of September 30, 2024 and 2023, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards. 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 IMLS 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 opinion.

Responsibilities of Management for the Financial Statements

IMLS Management is responsible for the (1) preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in IMLS' Annual Financial Report (AFR), and ensuring the consistency of that information with the audited financial statements and RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness 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, including omissions, 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 of financial statements in accordance with U.S. generally accepted 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 our audit of the financial statements 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 IMLS's internal control over financial reporting. 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.
- Perform other procedures we consider necessary in the circumstances.

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 financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the RSI for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

IMLS' other information contained in the Annual Financial Report includes a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not required as part of the financial statements or RSI. Management is responsible for the other information included in the IMLS' AFR. The other information comprises the Messages from the Director and Chief Financial Officer, Other Accompanying Information, and Appendices but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with U.S. generally accepted government auditing standards and OMB Bulletin No. 24-02, we have also issued our reports dated November 13, 2024, on our consideration of IMLS' internal control over financial reporting and the results of our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements that are required to be reported under U.S. generally accepted government auditing standards for the year ended September 30, 2024. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 24-02 in considering the IMLS' internal control and compliance and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of IMLS management, OMB, U.S. Government Accountability Office, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

Alexandria, VA
November 13, 2024

INTERNAL CONTROL REPORT



Independent Auditor's Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Director of the Institute of Museum and Library Services

We have audited the financial statements of the Institute of Museum and Library Services (IMLS), which comprise the balance sheets as of September 30, 2024 and 2023, and the related statement of net cost, changes in net position, and budgetary resources for the year then ended, and the related notes to those financial statements, and have issued our report thereon dated November 13, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

In connection with our audit of IMLS' financial statements we considered IMLS' internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control Over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of IMLS' internal control over financial reporting. Given these limitations, during our Fiscal Year 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our fiscal year 2024 audit, we identified deficiencies in IMLS' internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant IMLS management's attention. We have communicated these matters to IMLS management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to IMLS' internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance.

Responsibilities of Management for Internal Control over Financial Reporting

IMLS management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of IMLS' financial statements as of and for the year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered IMLS' internal control relevant to the financial statement audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IMLS' internal control over financial reporting. Accordingly, we do not express an opinion on IMLS' internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal controls over financial reporting are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of IMLS' internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of IMLS' internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

This report is intended solely for the information and use of IMLS management, OMB, U.S. Government Accountability Office, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

Alexandria, VA

November 13, 2024

COMPLIANCE WITH LAWS AND REGULATIONS REPORT



Independent Auditor's Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Director of the Institute of Museum and Library Services

We have audited the financial statements of the Institute of Museum and Library Services (IMLS), which comprise the balance sheets as of September 30, 2024 and 2023, and the related statement of net cost, changes in net position, and budgetary resources for the year then ended, and the related notes to those financial statements, and have issued our report thereon dated November 13, 2024. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

In connection with our audit of IMLS' financial statements for the year ended September 30, 2024, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for Fiscal Year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to IMLS. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

IMLS management is responsible for complying with laws, regulations, contracts and grant agreements applicable to the IMLS.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to IMLS that have a direct effect on the determination of material amounts and disclosures in IMLS' financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to IMLS. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

This report is intended solely for the information and use of IMLS management, OMB, Government Accountability Office, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

Alexandria, VA
November 13, 2024

IMLS FINANCIAL STATEMENTS AND NOTES



INSTITUTE OF MUSEUM AND LIBRARY SERVICES
BALANCE SHEETS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)

Assets	2024/CY	2023/PY
Intragovernmental Assets		
Fund Balance with Treasury (Note 2)	\$ 413,745,925	\$ 406,545,881
Advances and Prepayments (Note 4)	833,760	947,895
Total Intragovernmental Assets	414,579,685	407,493,776
Other Than Intragovernmental Assets		
Accounts Receivable	-	5,000
Property, Plant, and Equipment, Net (Note 3)	125,932	223,286
Advances and Prepayments (Note 4)	2,602,669	8,454,720
Total Other than Intragovernmental Assets	2,728,601	8,683,006
Total Assets	\$ 417,308,286	\$ 416,176,782
Liabilities		
Intragovernmental Liabilities		
Accounts Payable	\$ 6,182	\$ 30,148
Advances from Others and Deferred Revenue	19,577,153	16,108,037
Other Liabilities (Note 6)	327,949	444,307
Total Intragovernmental Liabilities	19,911,284	16,582,492
Other than Intragovernmental Liabilities		
Accounts Payable	712,237	632,602
Federal Employee Salary, Leave and Benefits Payable	1,302,942	1,149,448
Other Liabilities (Note 6)		
Accrued Grant Liabilities	41,468,943	39,637,672
Total Other than Intragovernmental Liabilities	43,484,122	41,419,722
Total Liabilities	\$ 63,395,406	\$ 58,002,214
Commitments and Contingencies	-	-
Net Position		
Unexpended Appropriations		
Funds from Dedicated Collections	\$ -	\$ -
Funds from Other than Dedicated Collections	354,903,700	359,184,220
Total Unexpended Appropriations (Consolidated)	354,903,700	359,184,220
Cumulative Results of Operations		
Funds from Dedicated Collections (Note 8)	145,068	85,759
Funds from Other than Dedicated Collections	(1,135,888)	(1,095,411)
Total Cumulative Results of Operations (Consolidated)	(990,820)	(1,009,652)
Total Net Position	353,912,880	358,174,568
Total Liabilities and Net Position	\$ 417,308,286	\$ 416,176,782

The accompanying notes are an integral part of these financial statements:

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENTS OF NET COST
For the Fiscal Years Ended September 30, 2024 (CY) and 2023 (PY)
(In Dollars)

Gross Program Costs (Note 9)	2024/CY	2023/PY
Goal 1: Champion Lifelong Learning		
Gross Costs	\$ 90,782,188	\$ 102,846,611
Less Earned Revenue	-	-
Net Program Costs	90,782,188	102,846,611
Goal 2: Strengthen Community Engagement		
Gross Costs	87,061,799	103,522,958
Less Earned Revenue	-	-
Net Program Costs	87,061,799	103,522,958
Goal 3: Advance Collections Stewardship and Access		
Gross Costs	91,925,250	102,537,984
Less Earned Revenue	5,509,920	5,587,810
Net Program Costs	86,415,330	96,950,174
Goal 4: Demonstrate Excellence in Public Service		
Gross Costs	30,630,568	26,199,729
Less Earned Revenue	19,699	41,637
Net Program Costs	30,610,869	26,158,092
Net Cost of Operations	\$ 294,870,186	\$ 329,477,835

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 2024 (CY) and 2023 (PY)
(In Dollars)

	FY 2024 (CY)			FY 2023 (PY)		
	Funds from Dedicated Collections Consolidated (Note 8)	Funds from Other Than Dedicated Collections Consolidated	Consolidated Totals	Funds from Dedicated Collections Consolidated (Note 8)	Funds from Other Than Dedicated Collections Consolidated	Consolidated Totals
Unexpended Appropriations						
Beginning Balance	\$ -	\$ 359,184,220	\$ 359,184,220	\$ -	\$ 395,843,280	\$ 395,843,280
Beginning Balance, as Adjusted	-	359,184,220	359,184,220	-	395,843,280	395,843,280
Changes in Unexpended Appropriations						
Appropriations Received	-	294,800,000	294,800,000	-	294,800,000	294,800,000
Other Adjustments to Appropriations	-	(5,445,248)	(5,445,248)	-	(2,912,331)	(2,912,331)
Appropriations Used	-	(293,635,272)	(293,635,272)	-	(328,546,729)	(328,546,729)
Change in Unexpended Appropriations	-	(4,280,520)	(4,280,520)	-	(36,659,060)	(36,659,060)
Total Unexpended Appropriations	-	354,903,700	354,903,700	-	359,184,220	359,184,220
Cumulative Results of Operations						
Beginning Balance	85,759	(1,095,411)	(1,009,652)	79,541	(1,021,593)	(942,052)
Beginning Balance, as Adjusted	85,759	(1,095,411)	(1,009,652)	79,541	(1,021,593)	(942,052)
Changes in Cumulative Results of Operations						
Net Cost of Operations	40,721	294,829,465	294,870,186	30,047	329,447,787	329,477,835
Appropriations Used	-	293,635,272	293,635,272	-	328,546,729	328,546,729
Donations Received and Forfeitures Acquired	100,030	-	100,030	36,265	-	36,265
Imputed Financing (From Other Entities)	-	1,153,716	1,153,716	-	827,241	827,241
Total Net Change	59,309	(40,477)	18,832	6,218	(73,819)	(67,601)
Total Cumulative Results of Operations	145,068	(1,135,888)	(990,820)	85,759	(1,095,411)	(1,009,652)
Net Position	\$ 145,068	\$ 353,767,812	\$ 353,912,880	\$ 85,759	\$ 358,088,809	\$ 358,174,568

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2024 (CY) and 2023 (PY)
(In Dollars)

	2024 (CY)	2023 (PY)
	Budgetary	Budgetary
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 10,991,826	\$ 12,549,997
Appropriations (Discretionary and Mandatory)	294,905,030	294,218,763
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	9,210,381	6,809,216
Total Budgetary Resources	\$ 315,107,237	\$ 313,577,976
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	\$ 304,306,833	\$ 303,190,627
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	3,168,600	873,009
Exempt from Apportionment, Unexpired Accounts	145,068	80,759
Unapportioned, Unexpired Accounts	718,720	2,290,570
Unexpired, Unobligated Balance, End of Year	4,032,388	3,244,338
Expired Unobligated Balance, End of Year	6,768,016	7,143,011
Unobligated Balance, End of Year (Total)	10,800,404	10,387,349
Total Budgetary Resources	\$ 315,107,237	\$ 313,577,976
Outlays, Net, and Disbursements, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	\$ 282,259,737	\$ 343,658,152
Distributed Offsetting Receipts (-)	(105,030)	(31,265)
Agency Outlays, Net (Discretionary and Mandatory)	\$ 282,154,707	\$ 343,626,887
Disbursements, Net (Total) (Mandatory)	-	-

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

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 1: Significant Accounting Policies

The Financial Statements are presented in accordance with the accounting principles, reporting standards, and circulars of the principal central agencies of the Department of Treasury (Treasury); the Government Accountability Office (GAO); and the Office of Management and Budget (OMB).

A. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the Institute of Museum and Library Services (IMLS) as required by the Accountability of Tax Dollars Act of 2002 (ATDA), Public Law No. 107-289. The statements have been prepared from the books and records of IMLS in accordance with the form and content for entity financial statements, as specified by OMB Circular A-136, Financial Reporting Requirements, and IMLS accounting policies, which are summarized in this note. These financial statements differ from agency financial management reports also prepared by IMLS pursuant to OMB directives that are used to monitor and control IMLS' use of budgetary resources.

B. Reporting Entity

IMLS is the primary source of federal support for the nation's libraries and museums. The mission of IMLS is to advance, support, and empower America's museums, libraries, and related organizations through grantmaking, research, and policy development. Our vision is a nation where museums and libraries work together to transform the lives of individuals and communities. IMLS supports key issues of national concern.

The activities of IMLS are authorized by Chapter 72 of Title 20 of the U.S. Code (20 USC Section 9101 *et seq.*), which codifies the Museum and Library Services Act, as amended, as well as Section 80r-5(b) of Title 20 of the U.S. Code (20 USC Section 80r-5(b)), which codifies the National Museum of African American History and Culture Act. The National Museum of the American Latino Act, P.L. 116.260, Title II, Section 201 authorizes the IMLS National Museum of the American Latino grant program. IMLS has no balances from transactions with disclosure entities.

The reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government.

C. Budgets and Budgetary Accounting

The activities of IMLS are authorized by Chapter 72 and Section 80r-5(b) of Title 20 of the U.S. Code. As a federal agency administering discretionary federal programs, IMLS receives its funding through the indefinite appropriation process. It is one of several independent agencies whose spending limits each year are established in the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act. IMLS's function is to support museum and library services.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

C. Budgets and Budgetary Accounting (continued)

The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law.

The following budget terms are commonly used:

Appropriation means a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Budgetary resources mean amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.

Offsetting collections mean payments to the Government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts. Usually, offsetting collections are authorized to be spent for the purposes of the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government and from intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.

Offsetting receipts mean payments to the Government that are credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts. Usually they are deducted at the level of the agency and subfunction, but in some cases they are deducted at the level of the Government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and from intragovernmental transactions with other Government accounts.

Obligation means a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Outlay means a payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

D. Basis of Accounting

Transactions are recorded on an accrual accounting basis and budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds.

E. Fund Balance with Treasury

FBWT is an asset of a reporting entity and a liability of the General Fund. The amounts represent commitments by the Government to provide resources for particular programs, but they do not represent assets to the Government as a whole.

When the reporting entity seeks to use FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

F. Accounts Receivable

The agency reports an accounts receivable balance when amounts for revenue and expenses related to reimbursable agreements are accrued for reporting purposes in addition to amounts for services or goods rendered with non-federal entities provided which have yet to be paid for.

G. Advances and Prepayments

IMLS records grant payments for work not yet performed at quarter-end as advances. As advances are liquidated in subsequent fiscal quarters, they are recorded as expenses.

H. Revenue and Other Financing Sources

As a component of the Government-wide reporting entity, the entity is subject to the Federal budget process, which involves appropriations that are provided annually and appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in entity and the Government-wide financial reports.

The reporting entity's budgetary resources reflect past congressional action and enable the entity to incur budgetary obligations, but they do not reflect assets to the Government as a whole. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions (e.g., Social Security benefits). After budgetary obligations are incurred, Treasury will make disbursements to liquidate the budgetary obligations and finance those disbursements in the same way it finances all disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

IMLS receives funding through annual Congressional appropriations from the budget of the United States. In addition, IMLS was granted the authority to accept donations and to invest in interest-bearing accounts. These donations, which constitute funds from dedicated collections, may be restricted as to the purpose or time period for which they are provided.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

I. Non-Entity Assets and Liabilities

Non-entity assets are defined as those assets that are held and managed by IMLS but are not available to finance IMLS operations. An amount equal to the non-entity assets is recognized as an entity liability under Other Liabilities.

J. General Property, Plant and Equipment

IMLS' policy is to depreciate property, plant and equipment over the estimated useful life of the asset using the straight-line depreciation method. IMLS' capitalization threshold is \$75,000 for individual purchases and \$100,000 for aggregate purchases with a minimum \$10,000 per item. For internal use software, the capitalization threshold is \$250,000. Estimated useful lives by asset class are as shown below:

<u>Asset Class</u>	<u>Useful Life</u>
Computer equipment & software	3 years
Internal Use Software	5 years
Office equipment	5 years
Furniture	7 years
Leasehold Improvement	Lease Term

K. Liabilities

Liabilities represent transactions or events that have already occurred for which IMLS will likely pay. Absent an appropriation, or in some cases donated funds, the agency cannot pay a liability. Liabilities for which an appropriation has not been enacted are classified as not covered by budgetary resources, because there is no absolute certainty that the appropriation will be enacted. Also, liabilities can be abrogated by the Government acting in its sovereign capacity.

L. Accounts Payable

Accounts payable consists of amounts owed to other federal agencies and commercial vendors. Accounts payable to commercial vendors are expenses for goods and services received but not yet paid by IMLS.

M. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued leave account is adjusted to reflect current pay rates and balances. To the extent current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

N. Retirement Plans

Federal employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). FERS was established by enactment of Public Law 99-335. Pursuant to this law, FERS and Social Security automatically cover most employees hired after December 31, 1983. Employees hired before January 1, 1984 participate in CSRS unless they elected to join FERS and Social Security. IMLS does not have any employees participating in CSRS.

All employees are eligible to contribute to the Thrift Savings Plan (TSP). For those employees participating in FERS, a TSP account is automatically established and IMLS makes a mandatory one percent contribution to this account. In addition, IMLS makes matching contributions, ranging from one to four percent, for FERS-eligible employees who contribute to their TSP accounts. Matching contributions are not made to the TSP accounts established by CSRS employees.

O. Imputed Benefit Costs

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost in the Statement of Net Cost and are offset by imputed revenue in the Statement of Changes in Net Position. Such imputed costs and revenues relate to employee benefits and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

IMLS reports imputed benefit costs on Life Insurance, Health Insurance, and Retirement. The Office of Personnel Management (OPM) supplies certain cost factors that are applied to the Agency's records.

P. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes available, which could impact the amounts reported and disclosed herein.

Q. Federal Employee and Veteran Benefits

There are no federal employee and veteran benefits liabilities that require disclosure.

R. Commitments and Contingencies

There are no commitments or contingencies that require disclosure.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

S. Stewardship Investments

Stewardship investments are substantial investments made by the Federal Government for the benefit of the nation. Costs of stewardship-type resources are treated as expenses in determining the net cost of operations. For IMLS, such investments are measured in terms of expenses incurred in research and development.

T. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

U. Change in Presentation

Due to the updated presentation of the balance sheet in FY2024, unfunded annual leave has been reclassified from Other Liabilities to Federal Employee Salary, Leave, and Benefits Payable resulting in a change of presentation of the FY2023 balance sheet.

The FY2023 Note 4: Other Assets has been renamed Note 4: Advances and Prepayments in FY2024 due to advances and prepayments no longer being classified as other assets on the balance sheet in FY2024.

The FY2023 Note 6: Other Liabilities has a change in presentation removing line items no longer included in the Other Liabilities category on the balance sheet in FY2024.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 2: Fund Balance with Treasury

	2024
Status of Fund Balance with Treasury	(CY)
Unobligated Balance	
Available	\$ 3,313,668
Unavailable	7,486,736
Obligated Balance not yet Disbursed	402,945,521
Non-Budgetary FBWT	-
Total	<u>\$ 413,745,925</u>
	2023
Status of Fund Balance with Treasury	(PY)
Unobligated Balance	
Available	\$ 953,768
Unavailable	9,433,581
Obligated Balance not yet Disbursed	396,158,532
Non-Budgetary FBWT	-
Total	<u>\$ 406,545,881</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 3: General Property, Plant & Equipment

Major Class	2024 (CY)		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 888,936	\$ 763,004	\$ 125,932
IT Equipment	358,113	358,113	-
Office Furniture and Equipment	611,611	611,611	-
Total PP&E	<u>\$ 1,858,660</u>	<u>\$ 1,732,728</u>	<u>\$ 125,932</u>

Major Class	2023 (PY)		
	Acquisition Value	Accumulated Amortization	Net Book Value
Leasehold Improvements	\$ 888,936	\$ 674,110	\$ 214,826
IT Equipment	359,621	359,621	-
Office Furniture and Equipment	611,914	603,454	8,460
Total PP&E	<u>\$ 1,860,471</u>	<u>\$ 1,637,185</u>	<u>\$ 223,286</u>

The leasehold improvements which were recorded in FY 2016 represent capitalized costs incurred as part of entering into Reimbursable Work Agreements (RWA) with GSA and are being amortized on a straight-line basis over the life of the 10 year occupancy agreement at 955 L'Enfant Plaza. Both the IT Equipment and the Office Furniture and Equipment primarily include the capitalized costs of acquisitions required to complete the relocation into the new space. These items are being depreciated in accordance with the agency's policy.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 4: Advances and Prepayments

	<u>2024</u> <u>(CY)</u>	<u>2023</u> <u>(PY)</u>
Intragovernmental Assets		
Advances and Prepayments	\$ 833,760	\$ 947,895
Total Intragovernmental Assets	833,760	947,895
Other than Intragovernmental Assets		
Advances and Prepayments	2,602,669	8,454,720
Total Other than Intragovernmental Assets	2,602,669	8,454,720
Total Other Assets	<u>\$ 3,436,429</u>	<u>\$ 9,402,615</u>

The intragovernmental advances balance consists of advances to the Smithsonian Institution to support the Latino Museum Studies Program Arts Administration Fellowships, the Enterprise Services Center for the financial services agreement, and the Library of Congress for the National Book Festival.

The amount in the Other than Intragovernmental Assets Advances and Prepayments line item represents the total amount of unliquidated grant advances requested and paid to grantees as of the quarter ended September 30, 2024. Grantees are authorized by OMB to request advances toward grant awards. IMLS policy states that advances are limited to the recipient's immediate cash needs and must be fully disbursed within 30 days. Grantees are required to report on the status of funds paid in advance by submitting a notice or a request for advance or reimbursement within 30 days of receipt. Significant differences in year to year comparisons can occur depending on fluctuations in the amount of advance requests by grantees in the Grants To States program at the end of a period.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 5: Liabilities Not Covered by Budgetary Resources

	2024		2023
	(CY)		(PY)
Intragovernmental liabilities:			
Deferred rent expense	\$ 205,651	\$	342,753
Other unfunded employment related liability	41,827		40,107
Total intragovernmental liabilities	247,478		382,860
Accounts payable	-		-
Federal Employee Salary, Leave and Benefits Payable	1,014,342		935,838
Total liabilities not covered by budgetary resources	\$ 1,261,820	\$	1,318,698
Total liabilities covered by budgetary resources	\$ 62,133,586	\$	56,683,516
Total liabilities not requiring budgetary resources	\$ -	\$	-
Total liabilities	<u>\$ 63,395,406</u>	\$	<u>58,002,214</u>

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 6: Other Liabilities

	2024		
	(CY)		
	Non-Current	Current	Total
Intragovernmental Liabilities			
Deferred Rent Expense	\$ 68,550	\$ 137,101	\$ 205,651
Employer Contributions and Payroll Taxes Payable	-	80,471	80,471
Other Unfunded Employment Related Liability	-	41,827	41,827
Total Intragovernmental Liabilities	<u>\$ 68,550</u>	<u>\$ 259,399</u>	<u>\$ 327,949</u>
Other than Intragovernmental Liabilities			
Accrued Grant Liabilities	-	41,468,943	41,468,943
Total Other than Intragovernmental Liabilities	<u>\$ -</u>	<u>\$ 41,468,943</u>	<u>\$ 41,468,943</u>
Total Other Liabilities	<u>\$ 68,550</u>	<u>\$ 41,728,342</u>	<u>\$ 41,796,892</u>

	2023		
	(PY)		
	Non-Current	Current	Total
Intragovernmental Liabilities			
Deferred Rent Expense	\$ 205,652	\$ 137,101	\$ 342,753
Employer Contributions and Payroll Taxes Payable	-	61,447	61,447
Other Unfunded Employment Related Liability	-	40,107	40,107
Total Intragovernmental Liabilities	<u>\$ 205,652</u>	<u>\$ 238,655</u>	<u>\$ 444,307</u>
Other than Intragovernmental Liabilities			
Accrued Grant Liabilities	-	39,637,672	39,637,672
Total Other than Intragovernmental Liabilities	<u>\$ -</u>	<u>\$ 39,637,672</u>	<u>\$ 39,637,672</u>
Total Other Liabilities	<u>\$ 205,652</u>	<u>\$ 39,876,327</u>	<u>\$ 40,081,979</u>

The deferred rent expense represents the unamortized portion of the liability the agency accrued as part of a rent abatement period included in the occupancy agreement (OA) signed with GSA in March of 2016. The liability is being amortized on a straight-line basis over the life of the OA. The increase in the accrued grant liabilities from FY 2023 to FY 2024 reflects the methodology change made to the grant accrual in FY24.

The grant accrual amount is computed using the straight line method. In FY24, IMLS updated the methodology from a calculation using the remaining active performance periods as a basis for the accrual to a calculation using the total number of periods for the grant award as the basis for the accrual. The accrual is calculated by dividing the beginning award balance by the number of months in the grant performance period, except for the Library Services Technology Act Grants to States program.

The Grants to States (GTS) current year grant award accrual estimate is based on IMLS performing a data call to each State Library Agency to obtain their accrual estimates for the reporting period for all open grants. The Grants to States program alone represents approximately 68% of IMLS program funds from annual funds and from a cost/benefit perspective is the only program that can employ the data call approach because of the lower volume of grants. If a data call response is not received for a GTS award, the total number of periods calculation is used for the basis of the accrual. For the prior year GTS cohorts that have a performance period end date of September 30, 2024, the total remaining grant balance is accrued less a four-year historical average of the total GTS program remaining balance for each cohort (unspent funding) calculation percentage. The FY24 change in methodology for GTS grants, if applied retrospectively, would result in an increase of \$9 million in the Q4 FY23 grant accrual and increases the Q4 FY24 grant accrual by \$11 million.

Grant Accrual	FY2024	FY2023
LSTA GTS Formula Grants	\$30,447,424	\$15,815,519
Discretionary Grants	<u>11,021,519</u>	<u>23,822,153</u>
Total Accrual	<u>\$41,468,943</u>	<u>\$39,637,672</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 7: Lease

The agency entered a 10-year occupancy agreement with GSA to occupy 27,714 square feet of office space at 955 L'Enfant Plaza, SW in the District of Columbia, and the agency relocated into the space in March of 2016. This occupancy agreement is cancellable, has a rent abatement clause through the first 12 months, and includes a tenant improvement allowance of approximately \$1.1M which covered improvements for occupancy by the agency. The probability of the agency terminating the occupancy agreement is remote, therefore no liability has been recorded for the unamortized tenant improvement allowance. The billing of the rental rate of approximately \$109,600 monthly is recorded along with any necessary inflationary adjustments.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 8: Funds from Dedicated Collections

IMLS has a dedicated collections fund for Gifts and Donations. The Treasury Symbol for this fund is 59X8080, Gifts and Donations, Institute of Museum Services. The DELPHI accounting system tracks the activity in this fund via a unique code.

	2024	2023
	(CY)	(PY)
Balance Sheet		
Assets		
Fund Balance with Treasury	\$ 145,868	\$ 80,759
Accounts receivable, net	-	5,000
Total assets	<u>\$ 145,868</u>	<u>\$ 85,759</u>
Liabilities		
Other liabilities	\$ -	\$ -
Cumulative results of operations	<u>145,068</u>	<u>85,759</u>
Total liabilities and net position	<u>\$ 145,068</u>	<u>\$ 85,759</u>
Statement of Net Cost		
Gross program costs	\$ (40,721)	\$ (30,047)
Less: Donated revenues	<u>100,030</u>	<u>36,265</u>
Net program costs	<u>\$ 59,309</u>	<u>\$ 6,218</u>
Statement of Changes in Net Position		
Net position, beginning of period	\$ 85,759	\$ 79,541
Net cost of operations	<u>59,309</u>	<u>6,218</u>
Net position, end of period	<u>\$ 145,068</u>	<u>\$ 85,759</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
SUPPORTING SCHEDULE BY SUBORGANIZATION
For the Fiscal Year Ended September 30, 2024 (CY)
(In Dollars)
Audited

Note 9 Suborganization Program Costs/Program Costs by Segment

Program Costs:	2024				
	Library	Library	Museum	Administrative	Total
	State Grants	Other Grants	Grants		
Goal 1: Champion Lifelong Learning					
Gross Costs	\$ 63,725,642	\$ 9,001,498	\$ 17,180,493	\$ 874,555	\$ 90,782,188
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 63,725,642</u>	<u>\$ 9,001,498</u>	<u>\$ 17,180,493</u>	<u>\$ 874,555</u>	<u>\$ 90,782,188</u>
Goal 2: Strengthen Community Engagement					
Gross Costs	\$ 65,621,005	\$ 10,519,946	\$ 10,448,371	\$ 472,477	\$ 87,061,799
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 65,621,005</u>	<u>\$ 10,519,946</u>	<u>\$ 10,448,371</u>	<u>\$ 472,477</u>	<u>\$ 87,061,799</u>
Goal 3: Advance Collections Stewardship and Access					
Gross Costs	\$ 63,690,975	\$ 7,059,587	\$ 20,836,980	\$ 337,708	\$ 91,925,250
Less: Earned Revenue	-	-	5,509,920	-	5,509,920
Net Program Costs	<u>\$ 63,690,975</u>	<u>\$ 7,059,587</u>	<u>\$ 15,327,060</u>	<u>\$ 337,708</u>	<u>\$ 86,415,330</u>
Goal 4: Demonstrate Excellence in Public Service					
Gross Costs	\$ -	\$ -	\$ -	\$ 30,630,568	\$ 30,630,568
Less: Earned Revenue	-	-	-	19,699	19,699
Net Program Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,610,869</u>	<u>\$ 30,610,869</u>
Net Cost of Operations	<u>\$ 193,037,622</u>	<u>\$ 26,581,031</u>	<u>\$ 42,955,924</u>	<u>\$ 32,295,609</u>	<u>\$ 294,870,186</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
SUPPORTING SCHEDULE BY SUBORGANIZATION
For the Fiscal Year Ended September 30, 2023 (PY)
(In Dollars)
Audited

Note 9 Suborganization Program Costs/Program Costs by Segment

Program Costs:	2023				
	(PY)				
	Library	Library	Museum	Administrative	Total
	State Grants	Other Grants	Grants		
Goal 1: Champion Lifelong Learning					
Gross Costs	\$ 71,929,819	\$ 9,531,101	\$ 20,327,293	\$ 1,058,398	\$ 102,846,611
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 71,929,819</u>	<u>\$ 9,531,101</u>	<u>\$ 20,327,293</u>	<u>\$ 1,058,398</u>	<u>\$ 102,846,611</u>
Goal 2: Strengthen Community Engagement					
Gross Costs	\$ 74,109,511	\$ 12,308,348	\$ 16,260,539	\$ 844,560	\$ 103,522,958
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	<u>\$ 74,109,511</u>	<u>\$ 12,308,348</u>	<u>\$ 16,260,539</u>	<u>\$ 844,560</u>	<u>\$ 103,522,958</u>
Goal 3: Advance Collections Stewardship and Access					
Gross Costs	\$ 71,929,819	\$ 8,507,706	\$ 21,384,498	\$ 715,961	\$ 102,537,984
Less: Earned Revenue	-	-	5,587,810	-	5,587,810
Net Program Costs	<u>\$ 71,929,819</u>	<u>\$ 8,507,706</u>	<u>\$ 15,796,688</u>	<u>\$ 715,961</u>	<u>\$ 96,950,174</u>
Goal 4: Demonstrate Excellence in Public Service					
Gross Costs	\$ -	\$ -	\$ -	\$ 26,199,729	\$ 26,199,729
Less: Earned Revenue	-	-	-	41,637	41,637
Net Program Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,158,092</u>	<u>\$ 26,158,092</u>
Net Cost of Operations	<u>\$ 217,969,149</u>	<u>\$ 30,347,155</u>	<u>\$ 52,384,520</u>	<u>\$ 28,777,011</u>	<u>\$ 329,477,835</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 10: Exchange Revenues

Exchange Revenue in the amount of \$5,529,619 and \$5,629,447 was recorded in FY 2024 (CY) and FY 2023 (PY), respectively.

The amount of exchange revenue in FY 2024 and FY 2023 is primarily related to reimbursable agreements with the National Park Service for the Save America's Treasures grants. The National Park Service's agreements have been developed due to Public Law 115-31 and Public Law 115-141 appropriating funds from the Historic Preservation Fund for the Save America's Treasures grants which are for the conservation of important historical collections.

Pricing policy – Generally, when providing products and services, IMLS sets prices to recover the full costs incurred unless otherwise noted in the interagency agreement.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 11: Inter-Entity Costs

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by IMLS are recognized as imputed costs in the Statement of Net Cost, and are offset by imputed revenue in the Statement of Changes in Net Position. Such imputed costs and revenues relate to employee benefits for IMLS. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 12: Undelivered Orders at the End of the Period

	2024 (CY)		
	Federal	Non-Federal	Total
Undelivered Orders - Paid	\$ 833,760	\$ 2,602,669	\$ 3,436,429
Undelivered Orders - Unpaid	<u>762,187</u>	<u>359,626,900</u>	<u>360,389,087</u>
Total Undelivered Orders	<u>\$ 1,595,947</u>	<u>\$ 362,229,569</u>	<u>\$ 363,825,516</u>

	2023 (PY)		
	Federal	Non-Federal	Total
Undelivered Orders - Paid	\$ 947,895	\$ 8,454,720	\$ 9,402,615
Undelivered Orders - Unpaid	<u>1,642,934</u>	<u>353,940,118</u>	<u>355,583,052</u>
Total Undelivered Orders	<u>\$ 2,590,829</u>	<u>\$ 362,394,838</u>	<u>\$ 364,985,667</u>

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

As of September 30, 2024 (CY) and 2023 (PY)

(In Dollars)

Audited

Note 13: Explanation of Differences between the SBR and the Budget of the U.S. Government

The President's Budget for fiscal year 2025, published in March of 2024, included IMLS actual budget amounts for fiscal year 2023 in the "Other Independent Agencies" section located in the Appendix of the Budget, which can be found at <https://www.whitehouse.gov/omb/budget/appendix/>. Actual numbers for fiscal year 2024 will be included in the President's Budget for fiscal year 2026, scheduled to be released in February 2025. The budget can be found at <https://www.whitehouse.gov/omb/budget/> when it becomes available.

Differences exist between the amounts reported in the fiscal year 2023 Statement of Budgetary Resources and the fiscal year 2023 enacted amounts reported in the fiscal year 2025 Budget of the U.S. Government. The difference in the Budgetary Resources amounts is due to a combination of rounding, no year fund balances, and the expired unobligated balances from prior year annual funds that are reported in the Statement of Budgetary Resources and the SF 133 but not in the Budget of the U.S. Government. The totals for Net Outlays have been rounded up to the next million.

FY23 (in Millions of Dollars)	Total Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$314	\$303	\$0	\$344
Differences	\$8	\$0	\$0	\$1
Budget of the U.S. Government	\$306	\$303	\$0	\$343

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 14: Incidental Custodial Collections

Custodial collections made by IMLS are deposited and reported into a designated miscellaneous receipt account. At fiscal year-end all custodial collections are returned to the U.S. Treasury.

	2024	2023
	(CY)	(PY)
Collections for IMLS projects funded in prior years	\$ 1,078,455	\$ 4,950
Total cash collections	\$ 1,078,455	\$ 4,950
Disposition of collections:		
Transferred to Treasury (general fund)	\$ 1,078,455	\$ 4,950
Retained by the reporting entity	-	-
Net custodial revenue activity	\$ -	\$ -

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 15: Contributed Capital

IMLS is authorized to solicit, accept, receive, and invest in the name of United States, gifts, bequests, or devices of money and other property of services and to use such property or services in furtherance of the functions of the Institute.

In FY 2024, IMLS has received \$100,030 in contributions. In FY 2023, IMLS received \$36,265 in total contributions.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 16: Reconciliation of Net Cost to Net Outlays

	2024		
	(CY)		
	Federal	Non-Federal	Total
Net Operating Cost	\$ 2,224,732	\$ 292,645,454	\$ 294,870,186
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Depreciation, Amortization, and Depletion	-	(97,354)	(97,354)
Increase/(decrease) in assets not affecting Budget Outlays:			
Accounts Receivable	-	(5,000)	(5,000)
Advances and Prepayments	(114,135)	(5,852,052)	(5,966,187)
(Increase)/decrease in liabilities not affecting Budget Outlays:			
Accounts Payable	23,966	(79,636)	(55,670)
Advances From Others and Deferred Credits	(3,469,116)	-	(3,469,116)
Federal Employee and Benefits Payable	-	(153,493)	(153,493)
Other Liabilities	116,358	(1,831,271)	(1,714,913)
Financing Sources			
Imputed Financing Costs	(1,153,716)	-	(1,153,716)
Total Components of Net Operating Cost Not Part of the Budget Outlays	(4,596,643)	(8,018,806)	(12,615,449)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Financing Sources			
Donated Revenue	-	(100,030)	(100,030)
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	-	(100,030)	(100,030)
Misc Items			
Custodial/Non-exchange Revenue	-	(1,078,455)	(1,078,455)
Non-Entity Activity	1,078,455	-	1,078,455
Net Outlays	\$ (1,293,456)	\$ 283,448,163	\$ 282,154,707
Related Amounts on the Statement of Budgetary Resources			
Outlays, net	\$ 282,259,737		
Distributed Offsetting Receipts	(105,030)		
Agency Outlays, Net	\$ 282,154,707		

INSTITUTE OF MUSEUM AND LIBRARY SERVICES
NOTES TO THE FINANCIAL STATEMENTS
As of September 30, 2024 (CY) and 2023 (PY)
(In Dollars)
Audited

Note 16: Reconciliation of Net Cost to Net Outlays

	2023		
	(PY)		
	Federal	Non-Federal	Total
Net Operating Cost	\$ 1,212,407	\$ 328,265,428	\$ 329,477,835
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Depreciation, Amortization, and Depletion	-	(124,880)	(124,880)
Increase/(decrease) in assets not affecting Budget Outlays:			
Accounts Receivable	-	-	-
Advances and Prepayments	754,198	3,884,876	4,639,074
(Increase)/decrease in liabilities not affecting Budget Outlays:			
Accounts Payable	(30,148)	(411,600)	(441,748)
Advances From Others and Deferred Credits	(1,130,600)	-	(1,130,600)
Federal Employee and Benefits Payable	-	(85,254)	(85,254)
Other Liabilities	125,983	12,024,983	12,150,966
Financing Sources			
Imputed Financing Costs	(827,241)	-	(827,241)
Total Components of Net Operating Cost Not Part of the Budget Outlays	(1,107,808)	15,293,125	14,185,317
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Financing Sources			
Donated Revenue	-	(36,265)	(36,265)
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	-	(36,265)	(36,265)
Misc Items			
Custodial/Non-exchange Revenue	-	(4,950)	(4,950)
Non-Entity Activity	4,950	-	4,950
Net Outlays	\$ 109,550	\$ 343,517,337	\$ 343,626,887
Related Amounts on the Statement of Budgetary Resources			
Outlays, net	\$ 343,658,152		
Distributed Offsetting Receipts	(31,265)		
Agency Outlays, Net	\$ 343,626,887		

SECTION 3

Other Information

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

TABLE 1: SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion	Unmodified				
RESTATEMENT	NO				
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	ENDING BALANCE
None					
Total Material Weaknesses	0	0	0	0	0

TABLE 2: SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
STATEMENT OF ASSURANCE	UNMODIFIED					
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
None						
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						
STATEMENT OF ASSURANCE	UNMODIFIED					
MATERIAL WEAKNESSES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
None						
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)						
STATEMENT OF ASSURANCE	FEDERAL SYSTEMS CONFORM TO FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS					
NON-COMPLIANCES	BEGINNING BALANCE	NEW	RESOLVED	CONSOLIDATED	REASSESSED	ENDING BALANCE
None						
Total Non-Compliances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	AGENCY	AUDITOR
Overall Substantial Compliance	Not applicable*	Not applicable*
1. Federal Financial Management System Requirements	Not applicable*	
2. Applicable Federal Accounting Standards	Not applicable*	
3. United States Government Standard General Ledger at Transaction Level	Not applicable*	

*OMB Bulletin 14-02 states that agencies subject to the Accountability of Tax Dollars Act and Government Corporation Control Act are not subject to the requirements of FFMIA.

PAYMENT INTEGRITY

The Improper Payment Information Act of 2002 (IPIA) and subsequent amendments, including the Payment Integrity Information Act of 2019, requires agencies to review all programs and activities they administer to identify those that may be susceptible to significant erroneous payments. For all program activities in which the risk of erroneous payment is significant, agencies are to estimate the annual amount of erroneous payments made in those programs.

RISK ASSESSMENT AND SYSTEMATIC SAMPLING METHOD

There are only five IMLS grant programs with an entire annual budget authority exceeding \$10 million: 1) Grants to States; 2) Laura Bush 21st Century Librarian Grants; 3) National Leadership Grants for Libraries; 4) National Leadership Grants for Museums; and 5) Museums for America. Risk factors included in the review of these programs were:

Risk Factor	Response
Whether the program or activity reviewed is new to the Agency	No programs reviewed are new to the Agency.
The complexity of the program or activity reviewed	No program or activity within IMLS is deemed complex, particularly with respect to determining the correct amounts.
The volume of payments made annually	IMLS does not make a high volume of payments annually.
Whether payments or eligibility decisions are made outside of the Agency	No payments or eligibility decisions are made outside of the Agency.
Recent major changes in program funding, authorities, practices, or procedures	No recent major changes have been made to program funding, authorities, practices, or procedures.
Training for personnel	IMLS staff are adequately trained throughout the year on current grant administration practices and policies within the US Federal Government.
Significant deficiencies in audit reports	There have been no significant deficiencies in any audit report that might hinder accurate payment certification.
Results from prior improper payment work	A review of improper payments is done each fiscal year and there have been no findings or significant improper payments.

None of the grant programs above are considered susceptible to significant erroneous payments or qualify as "risk susceptible" based on OMB guidance thresholds. The Grants to States program grants are awarded yearly to each of the 50 states, the District of Columbia, the US territories, and Freely Associated

States. Grant recipients are the SLAAs of each state or territory and do not change from year to year. The other four programs follow the IMLS discretionary grant process and pre-determine each institution for eligibility.

To identify payments that were erroneously paid, a review of all FY 2024 grant payments was performed. In FY 2024, there were \$11,350 in overpayments, or .0044 percent of the Agency outlays of \$253.68 million for grant programs. As of September 30, 2024, IMLS had recovered 100 percent of these payments. In FY 2023, there were no overpayments for grant programs. In FY 2024, there were no underpayments. In FY 2023, there were underpayments totaling \$21,167, or .0066 percent of the Agency outlays.

In accordance with the Improper Payments Elimination and Recovery Improvement Act of 2012, the FY 2024 administrative expense review included vendor payments and employee travel costs, but did not include payroll costs because the actual disbursement of payroll costs to employees is fully the responsibility of our shared service provider. Interagency agreement payments are also not included. There were \$707.33 of administrative improper overpayments as of September 30, 2024, of which \$675.45 was recaptured by September 30, 2024. In FY 2024, there were contracting interest charges of \$176.96. As contracting interest charges are not subject to recapture, they will not be recovered. In FY 2024, there were no contracting invoice underpayments. There were no administrative improper payments as of September 30, 2023. Contracting interest charges in the amount of \$84.44 were incurred in FY 2023. These funds were not subject to recapture and will not be recovered.

CORRECTIVE ACTIONS

While IMLS has determined that no programs are susceptible to significant erroneous payments, it has continued to strengthen its preventative controls prior to disbursement of grant and administrative payments. In FY 2024, IMLS, along with its financial management shared-service provider, continued use of the Batch Processing function of OMB's Do Not Pay Solution. If a payment is paid in error and deemed improper, IMLS can immediately collect those funds. IMLS reviews 100 percent of reimbursement or advance grant payment requests before a disbursement is made.

IMPROPER PAYMENT REPORTING TABLES

Table 1: Improper Payment Reduction Outlook									
PROGRAM OR ACTIVITY	PY OUTLAYS	PY IP%	PY IP\$	CY OUTLAYS	CY IP%	CY IP\$			
Grants	\$317.98M	0.0066%	\$.021M	\$253.68M	0.0044%	\$.011M			
Administrative	\$9.74M	0.000%	\$.000M	\$10.99M	0.009%	\$.001M			
Total	\$327.72M		\$.021M	\$264.67M		\$.012M			
PROGRAM OR ACTIVITY	CY+1 EST. OUTLAYS *	CY+1 IP%	CY+1 IP\$	CY+2 EST. OUTLAYS	CY+2 IP%	CY+2 IP\$	CY+3 EST. OUTLAYS	CY+3 IP%	CY+3 IP\$
Grants	\$250.00M	0.001	\$.010M	\$240.00M	0.000	\$.000M	\$240.00M	0.000	\$.000M
Administrative	\$9.0M	0.00	\$.000M	\$9M	0.000	\$.000M	\$9.0M	0.000	\$.000M
Total	\$259.00M		\$.010M	\$249.00M		\$.000M	\$249.00M		\$.000M

*Outlays do not match the President's Budget due to payroll and interagency agreement outlays not reflected.

Table 2: Overpayments Recaptured Outside of Payment Recapture Audits

AGENCY SOURCE: (POST-PAYMENT REVIEWS)	AMOUNT IDENTIFIED (CY)	AMOUNT RECAPTURED (CY)	AMOUNT IDENTIFIED (PY)	AMOUNT RECAPTURED (PY)	CUMULATIVE AMOUNT IDENTIFIED (CY+PY)	CUMULATIVE AMOUNT RECAPTURED (CY+PY)
Grants	\$.011M	\$.011M	\$.331M	\$.331M	\$.342M	\$.342M
Administration	\$.001M	\$.001M	\$.0003M	\$.0003M	\$.0013M	\$.0013M
Total	\$.012M	\$.012M	\$.3313M	\$.3313M	\$.3433M	\$.3433M

AGENCY REDUCTION OF IMPROPER PAYMENTS WITH THE DO NOT PAY INITIATIVE

An important part of the IMLS's program integrity efforts design to prevent, identify, and reduce improper payments, is integrating the Treasury Department's Do Not Pay (DNP) Business Center into our existing processes. IMLS utilizes the DNP Business Center to perform online searches, screen payments against the DNP databases, and augment Office of Financial Management's data analytics capabilities.

IMLS follows established pre-enrollment, pre-award, and pre-payment processes for all acquisition and financial assistance awards. Pre-enrollment procedures include cross-referencing applicants against General Services Administration's (GSA) System for Award Management (SAM) exclusion records. We also review federal and commercial databases to verify past performance, US Federal Government debt, integrity, and business ethics. As part of our pre-award process and prior to entering into an agreement, we require recipients of financial assistance to verify the entities they transact with are not excluded from receiving federal funds. For pre-payment processes, ESC verifies an entity against both SAM and the Internal Revenue Service's Taxpayer Identification Number (TIN) Match Program before establishing them as a vendor in our core financial accounting system.

Using the DNP Business Center helps IMLS to improve the quality and integrity of information within our financial system. ESC engaged the DNP Analytics Services to match our vendor records with the Death Master File (DMF) which enabled them to classify the vendor records into risk-based categories for further evaluation. ESC deactivated the highest risk vendor records, thereby decreasing the likelihood of improper payments to deceased individuals.

The IMLS performs post-payment reviews to adjudicate conclusive matches identified by the DNP Business Center. The monthly adjudication process involves verifying payee information against internal sources, reviewing databases within the DNP Business Center, and confirming whether IMLS applied appropriate business rules when the payments were made.

The upgrade by the DNP Business Center to improve its capabilities by automating the adjudication process through the DNP portal and providing better matching against SAM in the prior year has resulted in efficiencies. ESC is up to date on reviews based on DNP's automated adjudication process.

More detailed information on improper payments and all of the information previously reported in the Agency's prior year AFRs that is not included in this year's AFR can be accessed at <https://paymentaccuracy.gov>.

Table 3: Implementation of the Do Not Pay Initiative to Prevent Improper Payments

	NUMBER (#) OF PAYMENTS REVIEWED FOR IMPROPER PAYMENTS	DOLLARS (\$) OF PAYMENTS REVIEWED FOR IMPROPER PAYMENTS	NUMBER (#) OF PAYMENTS STOPPED	DOLLARS (\$) OF PAYMENTS STOPPED	NUMBER (#) OF IMPROPER PAYMENTS REVIEWED AND NOT STOPPED	DOLLARS (\$) OF IMPROPER PAYMENTS REVIEWED AND NOT STOPPED
Reviews with the DMF and SAM	6,542	\$264.16M	0	\$0	0	\$0

FRAUD REDUCTION REPORT

IMLS conducts an annual survey of all office heads to review and respond on all core agency and office specific functions for reported or suspected fraud, waste, or abuse. Both the FY 2024 and FY 2023 surveys resulted in no responses that would indicate any fraud, waste, or abuse. The Agency has an internal Risk Management Council that monitors the status of active projects and continues to propose top priorities for further review by the Leadership Team. The agency provides internal training on the Grants Administration Manual (GAM) which is posted on the Agency's intranet. This incorporates recent updates from OMB to grants management policies. Making the GAM accessible to all staff and increases the efficiency of conducting grantmaking operations and further reduces the probability of fraud, waste, or abuse of government funds.