

Message from the Treasurer

The year 2023 marked a year of relative stability after the volatility in global supply chain and financial markets in the previous year. However, this is a new stability that features steady inflation and increased regulation of the financial sector. In this context, this past year, I worked on two main goals: to establish passive income for the organisation, and to strengthen the structure of IAML's financial operations. You will learn more about these two areas along the way in this report.

In 2023, IAML continues to be on sound financial footing. The detailed report produced by the certified public accountant is included in the Treasurer's Report. We have sufficient cash flow in our bank accounts. We have also set aside a reserve which is now over 110,000 €. As our reserve grows, we welcome the additional interest added to our operating budget. Going forward, a more comprehensive investment strategy will be needed. I have asked the Board to consider an investment policy and to establish an Investment Committee, so that IAML members can participate in steering the financial health of the organisation. The draft investment policy is now available for member feedback, we aim to draft the Terms of Reference to establish the Investment Committee by a vote at the General Assembly next year.

The Cohen Travel Funds received another generous donation this year which aimed to boost the endowment to the US\$300,000 level. With this endowment and our own reserve, I worked with the fund manager of the Cohen Funds, and the staff of our investment firm and our bank to restructure our accounts. I am happy to report that all our accounts are now connected and can be managed electronically. The IAML Board has also appointed Benjamin Knysak, Executive Editor of RIPM and the alternate fund manager of the Cohen Travel Funds, as IAML's Financial Representative in the United States. Together with former Treasurer Thomas Kalk as the representative in the European Union, we now have a full staff for the management of our accounts. I would like to thank Thomas and Ben for their continued service.

While high interest rates have generated additional income for us, rates are expected to decrease in the coming year, even when costs continue to rise. As a result, to balance the budget for the next three years, it will require the help of an increase in membership dues. For 2026, I propose to the General Assembly to set membership dues to €50.50 for individuals and €90.00 for institutions. This represents a 2.02% increase for individuals, and a 6.51%

increase for institutions, both at a pace less than last year's increase, and still less than the global inflation rate.

Budget estimates for 2024, 2025, and 2026 carry over most items at a stable level except for anticipating a 5% decrease in membership, the proposed membership dues increase, and a 4% increase in journal cost. This budget, together with the financial documents and the 2026 membership rates will return to the General Assembly for voting on Friday.

Responding to a member question last year, we have performed a cost analysis of two hypothetical publication scenarios for our association's journal. This analysis was discussed at length by the Board at the midyear meeting in January. We discovered that the cost savings from publishing two issues a year or entirely online will be modest. Instead, it will result in a substantial loss of royalties income, as well as a loss of members who collect the print journal. The Board has concluded that the demand for print journal, for the foreseeable future, both in terms of subscriptions and scholarship, continues to warrant the current format and frequency.

Looking ahead, IAML would like to launch significant initiatives such as overhaul of membership structure, redesign of the website, and expansion of online programmes. We rely on your support to make these improvements of membership benefits.

IAML's membership has more-or-less rebounded to the level before the year 2020. As of 31 December 2023, we have 1,433 active members: 8 honorary members, 632 individuals, and 793 institutions members. I would like to thank national branch officers and direct members for their prompt renewals. The membership rebound is being characterised as "more-or-less" because, even though we gained some new members, another 95 did not renew. I would also like to remind you that IAML membership year is aligned with the calendar year. The renewal process should be completed for direct members by the first of March, and, also by the first of March, national branches should have started the renewal process. If you or your institution still has not renewed this year, please contact your national branch or contact me at your earliest convenience.

I would like to thank the IAML Board for their diligent effort in all the work behind the scenes I look forward to a smooth and productive year ahead.

Kimmy Szeto, IAML Treasurer

June 2024

BALANCES

			€ = \$1.105	€ = \$1.105
BANK ACCOUNTS	EUR	USD	EUR	USD
Postbank (Germany)	35,143	--	35,143	38,833
J.P. Morgan Chase Bank (USA)	--	40,625	36,765	40,625
Total Cash			71,907	79,458

			€ = \$1.105	€ = \$1.105
INVESTMENT ACCOUNTS	EUR	USD	EUR	USD
Money Market	--	115,796	104,793	115,796
Lisbeth Hoedemaeker-Cohen Fund	--	148,548	134,433	148,548
H. Robert Cohen/RIPM Fund	--	148,555	134,439	148,555
Total Investments			373,664	412,899

ACTIVITIES OVERVIEW

			€ = \$1.081	€ = \$1.081
ACTIVITIES	EUR	USD	EUR	USD
Operating Surplus (Deficit)	36,434	(29,600)	9,059	9,796
Other Activities				
Currency Adjustment	0	3327	3,077	3,327
Donations				
-- Congress Outreach	832	0	832	899
-- Cohen Funds	0	89,500	82,771	89,500
Travel Funds Investment Returns	0	5,898	5,456	5,898
Total Surplus (Deficit)			101,195	109,420

OPERATIONS DETAILS

OPERATIONS DETAILS				€ = \$1.081		€ = \$1.081
INCOME	EUR	USD		EUR		USD
National Branches	53638	9566		62,485		67,565
Direct Members	6295	2159		8,292		8,966
Royalties	0	20321		18,793		20,321
Miscellaneous	754	3635		4,116		4,451
Interest		7252		6,707		7,252
Total Income				100,392		108,554
EXPENDITURE						
Fontes Printing & Shipping		53311		49,303		53,311
Fontes Staff Fees & Expenses	250	2673		2,722		2,944
Secretary Gen. Fees & Expenses	2000			2,000		2,163
Treasurer Fees & Expenses		2084		1,927		2,084
Forum of Sections	832			832		899
IT services + Marketing	3750			3,750		4,055
Web Team Fees & Expenses	1314	2030		3,192		3,451
Marketing / Design	143			143		154
Outreach - Congress	2593	206		2,783		3,009
Outreach - Materials	305			305		330
Outreach - Travel Funds	1840			1,840		1,990
Travel - President	1015			1,015		1,098
Travel	7298	12009		18,404		19,900
Membership Dues	2624			2,624		2,837
Bank Charges	170	127		287		310
Miscellaneous	120	94		207		224
Contribution to Invested Funds	0	0		0		0
Total Expenditure				91,333		98,758
Operating Surplus (Deficit)				9,059		9,795

MEMBERSHIP DUES

Last year in Cambridge, the General Assembly approved the 2025 membership rates of €49.50 and €84.50 for individuals and institutions, after no increases in 2022 and 2023. However, in 2022 and 2023, global inflation was 8.8% and 6.8%, and is projected to be 5.9% in 2024, according to the International Monetary Fund World Economic Outlook. Therefore, this proposal represents a modest increase, below the rate of inflation while keeping overall budget to remain stable.

Year	Individual	Institution	Increase	General Assembly Approval
2016	41.00 €	68.00 €	0.000%	GA 2014 Antwerp
2017	42.00 €	70.00 €	2.752%	GA 2015 NYC
2018	43.00 €	72.00 €	2.679%	GA 2017 Riga
2019	43.00 €	72.00 €	0.000%	GA 2017 Riga
2020	43.00 €	72.00 €	0.000%	GA 2018 Leipzig
2021	44.00 €	74.00 €	2.609%	GA 2019 Krakow
2022	44.00 €	74.00 €	0.000%	GA 2020 Online
2023	44.00 €	74.00 €	0.000%	GA 2021 Online
2024	47.00 €	79.00 €	6.780%	GA 2022 Prague
2025	49.50 €	84.50 €	6.349%	GA 2023 Cambridge
2026	50.50 €	90.00 €	4.851%	Proposed

BUDGET (EURO)

BUDGET	2023 Estimate	2023 Actual		2024 Estimate	2025 Estimate	2026 Estimate
INCOME	EUR	EUR		EUR	EUR	EUR
National Branches	55,000	62,485		63,385	64,039	63,788
Direct Members	7,000	8,292		8,411	8,498	8,465
Royalties	18,992	18,793		18,496	18,496	18,496
Miscellaneous	2,500	4,116		2,500	2,500	2,500
Interest	7,597	6,707		4,624	3,699	2,774
Total Income	91,089	100,392		97,416	97,232	96,023
EXPENDITURE	€ = \$1.081	€ = \$1.081		€ = \$1.081	€ = \$1.081	€ = \$1.081
Fontes Printing & Shipping	56,977	49,303		51,275	50,659	50,051
Fontes Staff Fees & Expenses	3,000	2,722		3,000	3,000	3,000
Secretary Gen. Fees & Expenses	2,500	2,000		2,500	2,500	2,500
Treasurer Fees & Expenses	2,500	1,927		2,500	2,500	2,500
Forum of Sections	1,000	832		1,000	1,000	1,000
Web Team Fees & Expenses	3,750	3,750		3,750	3,750	3,750
IT services	2,500	3,192		2,500	2,500	2,500
Marketing / Design	500	143		500	500	500
Outreach - Congress Travel	1,500	2,783		1,500	1,500	1,500
Outreach - Materials	1,000	305		2,000	2,000	2,000
Outreach - Endowed Funds	3,000	1,840		3,000	3,000	3,000
Presential Travel	1,000	1,015		1,000	1,000	1,000
Travel	20,000	18,404		20,000	20,000	20,000
Membership Dues	2,000	2,624		2,000	2,000	2,000
Bank Charges	500	287		500	500	500
Miscellaneous	500	207		500	500	500
Contribution to Investment	0	0		0	0	0
Total Expenditure	102,227	91,333		97,525	96,909	96,301
Operating Surplus (Deficit)	(11,138)	9,059		(108)	323	(-278)

BUDGET (US DOLLARS)

BUDGET	2023 Estimate	2023 Actual		2024 Estimate	2025 Estimate	2026 Estimate
INCOME	USD	USD		USD	USD	USD
National Branches	57,918	67,565		68,538	69,245	68,974
Direct Members	7,371	8,966		9,095	9,189	9,153
Royalties	20,000	20,321		20,000	20,000	20,000
Miscellaneous	2,633	4,451		2,703	2,703	2,703
Interest	8,000	7,252		5,000	4,000	3,000
Total Income	95,922	108,554		105,336	105,137	103,830
EXPENDITURE	€ = \$1.081	€ = \$1.081		€ = \$1.081	€ = \$1.081	€ = \$1.081
Fontes Printing & Shipping	60,000	53,311		55,443	54,778	54,121
Fontes Staff Fees & Expenses	3,159	2,944		3,244	3,244	3,244
Secretary Gen. Fees & Expenses	2,633	2,163		2,703	2,703	2,703
Treasurer Fees & Expenses	2,633	2,084		2,703	2,703	2,703
Forum of Sections	1,053	899		1,081	1,081	1,081
Web Team Fees & Expenses	3,949	4,055		4,055	4,055	4,055
IT services	2,633	3,451		2,703	2,703	2,703
Marketing / Design	527	154		541	541	541
Outreach - Congress Travel	1,794	3,009		1,622	1,622	1,622
Outreach - Materials	1,150	330		2,163	2,163	2,163
Outreach - Endowed Funds	2,000	1,990		3,244	3,244	3,244
Presential Travel	1,053	1,098		1,081	1,081	1,081
Travel	21,061	19,900		21,626	21,626	21,626
Membership Dues	2,106	2,837		2,163	2,163	2,163
Bank Charges	527	310		541	541	541
Miscellaneous	527	224		541	541	541
Contribution to Investment	0	0		0	0	0
Total Expenditure	106,803	98,758		105,453	104,788	104,131
Operating Surplus (Deficit)	(10,881)	9,795		(117)	349	(301)

Appendix - Cost Analysis of Journal Publication Formats

The Treasurer has been requested to analyse the impact of moving *Fontes artis musicae* toward open access, as well as reducing the publication frequency. I have made some estimates, and found that reducing frequency does not substantially reduce cost in a simple arithmetic way. While the overall cost does decrease, we should anticipate losing royalties income and membership income. I have also included estimates for an online-only open access journal modelled after *Fontes*. In this scenario, we expect to receive no royalties, as well as a large decrease in membership income, especially from members whose primary reason for membership is to receive the journal for their library.

Fontes artis musicae Estimated Costs Currency: euro	4 issues per year (current)	2 issues per year	Savings
Editorial staff honorarium	2750	2750	0%
Production management	2662	2329	-12.5%
Typesetting, design, layout	2212	2212	0%
Printing	26919	25573	-5%
Handling	515	343	-33%
Postage	5763	5043	-12.5%
Total Production Cost	40821	38250	-6.30%
Lost royalties		?	
Lost advertising		?	

Open Access by Article (Print)

Number of pages per year	400	400
Cost per page	102	96

Open Access Journal - Online Only

Editorial staff honorarium	2750	2750
Production management	2662	1775
Publishing Platform	1500	1500
Peer Review Platform	1350	1350
Typesetting, design, layout	2600	2600
Total Production Cost	10862	9975
Lost royalties	18793	18793
Savings	-11166	-9482
Lost membership	?	?

Open Access by Article (Online)

Number of pages per year	400	400
Cost per page (before lost membership)	74	72

MEMBERSHIP

Year	2004	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Countries	46	48	52	50	51	52	51	50	46	49	50	49	49	49	48	48	49	50
Total	1853	1857	1817	1779	1770	1757	1801	1736	1646	1584	1624	1553	1526	1518	1432	1429	1423	1433
Albania	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Argentina	1	1	0	1	1	3	2	0	0	0	0	0	0	0	0	0	0	0
Armenia	2	2	2	2	2	2	2	2	2	2	2	1	1	1	0	0	1	1
Australia	58	62	58	70	74	65	58	54	46	39	39	37	29	36	36	31	39	40
Austria	20	21	22	23	23	25	26	30	28	28	27	27	28	28	29	30	31	31
Belgium	19	19	23	21	19	17	21	32	31	23	24	23	23	22	17	17	17	16
Brazil	0	1	2	4	3	3	4	4	3	5	6	8	8	10	7	7	5	5
Bulgaria	0	0	1	1	0	0	1	1	1	1	1	1	1	1	2	2	1	1
Cameroon	1	0	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Canada	62	64	60	52	56	55	73	65	69	77	65	56	53	48	51	57	50	49
China	1	1	2	2	1	1	1	2	5	3	3	3	2	1	1	2	1	1
Croatia	5	6	8	8	8	8	8	7	7	7	7	7	7	7	7	5	5	6
Cuba	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1	1	1	0
Czech Rep	10	10	11	11	11	11	11	12	12	12	11	11	11	12	12	11	12	14
Denmark	71	71	60	61	52	52	50	43	39	37	35	31	27	26	23	21	19	15
Dominican Rep	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Estonia	18	18	17	15	15	15	12	12	13	13	13	15	14	14	14	14	13	13
Finland	68	68	62	62	63	64	64	63	65	30	38	36	37	31	26	29	31	29
France	103	98	98	70	75	100	102	70	52	44	58	58	55	40	42	42	44	54
Georgia	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	223	217	213	223	220	227	225	221	217	216	217	214	211	213	216	224	217	219
Greece	4	3	3	3	2	2	2	1	1	2	25	30	27	26	25	24	26	26
Hong Kong	2	3	3	4	4	4	5	6	4	2	3	4	4	3	3	4	4	3
Hungary	7	10	12	14	13	13	12	12	12	12	12	11	11	11	12	12	12	13
Iceland	3	3	4	4	3	2	1	2	2	2	2	1	1	1	1	1	1	1
Indonesia	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	1	0
Ireland	7	8	7	7	5	6	7	7	7	7	7	8	6	7	6	7	7	7
Israel	4	4	4	4	4	4	2	3	3	2	1	1	1	1	1	2	2	2
Italy	154	177	143	135	134	131	128	124	103	111	117	117	116	117	118	120	129	136
Japan	89	86	78	78	76	74	75	76	76	74	80	79	78	75	65	56	57	57
Kazakhstan	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Latvia	1	1	1	1	1	2	2	2	2	2	2	2	2	1	1	1	1	1
Lithuania	4	3	4	4	4	5	4	4	4	3	4	5	3	2	1	1	2	2
Luxembourg	1	1	2	2	3	3	3	3	3	2	1	0	0	1	1	1	1	1
Netherlands	79	80	74	72	72	71	68	59	57	57	50	49	48	47	48	51	51	53
New Zealand	21	20	18	18	19	17	16	21	20	21	19	22	21	11	10	10	10	10
Nigeria	0	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
N Macedonia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1
Norway	78	78	80	80	82	76	87	78	71	52	65	72	75	105	67	63	66	65
Oman	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Poland	10	10	11	12	14	15	15	16	17	17	18	17	19	18	17	17	18	17
Portugal	4	4	4	4	2	1	1	2	2	2	2	2	3	3	3	3	3	3
Qatar	0	0	0	0	0	0	0	0	0	1	1	1	1	1	0	0	0	0
Romania	1	1	1	1	1	1	1	1	0	0	1	1	1	1	1	1	1	2
Russia	4	3	6	6	6	7	10	10	6	3	1	1	3	3	3	3	3	3
Saudi Arabia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Serbia	0	0	3	3	3	3	1	1	1	1	1	1	1	1	1	1	1	0
Singapore	0	0	0	0	0	1	2	2	1	1	1	1	1	1	1	1	1	1
Slovakia	11	9	8	7	8	10	12	13	14	14	16	16	14	12	12	12	12	11
Slovenia	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
South Africa	3	3	4	3	3	3	3	1	0	2	2	2	1	1	1	1	3	3
South Korea	0	0	0	0	0	0	1	1	1	30	32	27	27	31	31	31	31	24
Spain	180	179	153	153	158	158	147	151	144	139	144	129	148	147	149	149	149	130
St Kitts	0	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Sweden	109	110	126	122	108	121	117	120	111	99	97	97	100	101	88	89	86	84
Switzerland	56	48	46	48	48	49	49	49	47	45	43	43	42	43	43	42	40	36
Taiwan	0	0	1	0	0	0	0	0	0	1	2	1	1	2	2	2	2	2
Turkey	1	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	0	0
Ukraine	2	2	1	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0
United Kingdom	108	95	96	98	93	90	84	85	86	88	80	86	73	63	71	67	67	69
USA	243	248	273	261	270	229	278	260	255	250	244	194	186	188	162	160	146	174

* No data was collected in 2006 and 2007.

PROPOSALS FOR THE GENERAL ASSEMBLY

Proposal: 2026 membership dues to be set to €50.50 individual; €90.00 institution

Proposal: Accept the financial documents and approve the 2024-2025-2026 budget as presented in the Treasurer's Report

**International Association of Music Libraries, Archives and
Documentation Centres**

Financial Report

December 31, 2023

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of
International Association of Music Libraries, Archives and Documentation Centres
Middleton, Wisconsin

Management is responsible for the accompanying financial statement of International Association of Music Libraries, Archives and Documentation Centres (a nonprofit organization), which comprise the statement of assets, liabilities and net assets—modified cash basis as of December 31, 2023, and the related statements of revenues, expenses and other changes in net assets – modified cash basis and statement of cash flows for the year then ended, and the related notes to the financial statement in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on this financial statement.

We draw attention to Note 2 of the financial statement, which describes the basis of accounting. The financial statement is prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Mak & Company, CPAs, LLP

Mak & Company, CPAs, LLP
New York, New York
May 31, 2024

International Association of Music Libraries, Archives and Documentation Centres
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2023

ASSETS

CURRENT ASSETS

Cash	\$ 72,206
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Total Current Assets	72,206
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INVESTMENTS - See Note 5	<u>412,899</u>
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TOTAL ASSETS	<u><u>\$ 485,105</u></u>
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LIABILITIES AND NET ASSETS

NET ASSETS

Without Donor Restrictions	175,883
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With Donor Restrictions	<u>309,222</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 485,105</u></u>
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International Association of Music Libraries, Archives and Documentation Centres
Statement of Revenues, Expenses and Other Changes in Net Assets - Modified Cash Basis
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	See Note 4 <u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Gains:			
Donations	\$ -	\$ 90,389	\$ 90,389
Membership Dues	76,530	-	76,530
Royalties	20,321	-	20,321
Journal Sales and Advertising	4,451	-	4,451
	<hr/>	<hr/>	<hr/>
Total Revenues and Gains	101,302	90,389	191,691
Expenses and Losses:			
Program Costs	64,421	889	65,310
Management, General and Administrative	33,439	-	33,439
	<hr/>	<hr/>	<hr/>
Total Expenses and Losses	97,860	889	98,749
INCREASE IN NET ASSETS FROM OPERATIONS	3,442	89,500	92,942
OTHER CHANGES IN NET ASSETS:			
Investment Return, Net - See Note 6	7,252	5,898	13,150
Gain From Foreign Currency Translation - See Note 7	3,327	-	3,327
	<hr/>	<hr/>	<hr/>
Total Other Changes in Net Assets	10,579	5,898	16,477
TOTAL INCREASE IN NET ASSETS	\$ 14,021	\$ 95,398	\$ 109,419
NET ASSETS AT BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	161,862	213,824	375,686
NET ASSETS AT ENDING OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 175,883	\$ 309,222	\$ 485,105

International Association of Music Libraries, Archives and Documentation Centres
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Costs:		Management, General and Adminstrative	Total
	Without Donor Restrictions	With Donor Restrictions		
Journal Production and Distribution	\$ 56,255	\$ -	\$ -	\$ 56,255
Organization Memberships	2,837	-	-	2,837
Outreach	5,329	889	-	6,218
Marketing and Technology	-	-	7,660	7,660
Office of the Secretary General	-	-	2,163	2,163
Office of the Treasurer	-	-	2,084	2,084
Travel and Meetings	-	-	20,998	20,998
Business Expenses	-	-	310	310
Supplies	-	-	224	224
	<u>\$ 64,421</u>	<u>\$ 889</u>	<u>\$ 33,439</u>	<u>\$ 98,749</u>

International Association of Music Libraries, Archives and Documentation Centres
Statement of Cash Flows
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 109,419
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Realized Gain from Investments	<u>(13,150)</u>
Net Cash Provided by Operating Activities	<u>96,269</u>
INVESTING ACTIVITIES	
Investments Made	(657,372)
Proceeds from Sale of Investments	<u>357,688</u>
Net Cash Used by Investing Activities	<u>(299,684)</u>
NET DECREASE IN CASH	\$ (203,415)
CASH AT BEGINNING OF YEAR	<u>275,621</u>
CASH AT END OF YEAR	<u><u>\$ 72,206</u></u>
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:	
Gain from Foreign Currency Translation	\$ 3,327

International Association of Music Libraries, Archives and Documentation Centres
Notes to Financial Statement
December 31, 2023

Note 1 – Organization

The International Association of Music Libraries, Archives and Documentation Centres (the “Organization”) is a not-for-profit entity founded with the purpose of encouraging and promoting the activities of music libraries, archives and documentation centres to support and facilitate the realization of projects in music bibliography, music documentation and music library and information science at national and international levels. It currently has about 1,700 individual and institutional members in around 40 countries with national branches in 24 countries, five institutional sections, four subject sections and various project groups, and is responsible for several large-scale documentation projects. Main operations are predominantly facilitated in the United States and Europe.

The Organization was incorporated as a non-stock corporation in the State of Wisconsin on April 5, 2017 to operate in the United States of America. In addition, the Organization is a public charity registered as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of the United States of America.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statement has been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized receivables from donors or payables to vendors and their related effects on earnings in the accompanying financial statement.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statement by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

International Association of Music Libraries, Archives and Documentation Centres
Notes to Financial Statement
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Presentation (Continued)

As indicated in Note 1, the Organization mainly operates in the United States and Europe. A bank account is held in each continent to facilitate those activities of which the European bank account is denominated in Euros. As the accompanying financial statement is stated in US dollars, foreign currencies are translated to be consistent for financial statement presentation through the following methodologies:

Receipts (revenue) and disbursements (expenses) from the European bank account is translated by utilizing the annual average exchange rate from Dollar to Euro for the year ended December 31, 2023.

The cash balance of the European bank account at December 31, 2023 is translated by utilizing the exchange rate from Dollar to Euro at December 31, 2023. Gains and losses from foreign currency translation for the year ended is determined at year-end and is recorded as other changes in net assets of the accompanying statement of revenues, expenses and other changes in net assets – modified cash basis. See Note 7 for further detail.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Organization maintains cash in major financial institutions in the United States and Europe.

Balances in the United States are federally insured for limits up to \$250,000. As of December 31, 2023, the Organization's United States cash balances were fully insured.

Balances in Europe are insured for limits up to €100,000. As of December 31, 2023, the Organization's European cash balances were fully insured.

In the opinion of management, the Organization has not experienced any loss in such accounts and believes it is not exposed to any significant risk on cash.

Investments

The Organization reports investments in equity securities with readily determinable fair values in the statement of assets, liabilities and net assets – modified cash basis. Annual realized and unrealized gains and losses, interest income and dividend income are reported as a net balance under other changes in net assets of the accompanying statement of revenues, expenses and other changes in net assets – modified cash basis.

International Association of Music Libraries, Archives and Documentation Centres
Notes to Financial Statement
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Investments (Continued)

All investments indicated on the accompanying statement of assets, liabilities and net assets – modified cash basis are Level I investment categories which are publicly traded equity securities. Their quoted fair value prices are available in active markets for identical investments as of the reporting date.

Donated investments, if any, and are recorded as contributions at their fair values at the date of donation.

The Organization generally hold such investments for more than a year; as such, investments are presented as current assets on the accompanying statement of assets, liabilities and net assets – modified cash basis.

Property and Equipment

The Organization capitalizes major expenditures for property and equipment on a case-to-case basis. If any, property and equipment care capitalized and carried at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed using the straight-line method and are depreciated over the estimated useful life. Repairs and maintenance are expensed as incurred.

Revenue Recognition

Contributions and donations are recognized when cash or other assets are received. Any conditional promises to give are not recognized until the actual contribution is received.

Contributions and donations are received are recorded at its fair value at the date of donation as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Organization also recognize revenues from membership dues, journal sales and related royalties from those journals. These avenues of revenues are recognized when payments are received.

Functional Allocation of Expenses

The direct and indirect costs of providing the Organization's operations are summarized on a functional basis in the statement of revenues, expenses and other changes in net assets – modified cash basis. The statement of functional expenses – modified cash basis presents the natural classification of expenses by function. Accordingly, certain costs have been allocated directly to the supporting services benefited. Management, general and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

International Association of Music Libraries, Archives and Documentation Centres
Notes to Financial Statement
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising

Advertising costs are expensed as incurred. For the year ended December 31, 2023, advertising costs totaled \$7,660 and is reported as Marketing and Technology costs on the accompanying Statement of Functional Expenses.

Donated Services

No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise. However, individuals may volunteer their time and perform a variety of tasks that assist the Organization.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). As such, no provision for income taxes has been made in the accompanying financial statement.

Subsequent Events

The Organization has evaluated subsequent events through May 31, 2024, the date on which the financial statement was available to be issued. No subsequent events were noted for financial statement disclosures.

Note 3 – Revenues

The Organization's main source of revenues are donations that come as endowments which are invested to be used for specific purposes. Thus, these revenues are received with donor restrictions. For the year ended December 31, 2023, such donations were \$90,389.

The Organization's remaining sources of revenues are from membership dues, royalties and journal sales and advertising. These revenues are received without donor restrictions. For the year ended December 31, 2023, the total revenues from these sources were \$101,302.

Note 4 – Restricted Funds

For the year ended December 31, 2023, the Organization had the following restricted funds and activities:

	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
LHC	\$ 47,696	-	47,696
HRC	47,702	-	47,702
IAML Outreach Fund	899	(899)	-
	<u>\$ 96,297</u>	<u>(899)</u>	<u>95,398</u>

The purpose of these restricted funds is to support travel costs to attend the annual IAML Congress.

International Association of Music Libraries, Archives and Documentation Centres
Notes to Financial Statement
December 31, 2023

Note 5 – Investments

As stated in Note 2, investments include entirely of Level I investments which are publicly traded equity securities and mutual funds as of December 31, 2023. At December 31, 2023, the value of the Organization's investments held are \$412,899 at fair market value.

Note 6 – Investment Returns

Investments are funded using donations with and without restrictions. For the year ended December 31, 2023, the net return from the Organization's investment activities is as follows:

Dividend Income	\$	12,111
Gain from Sale of Investments		1,039
Foreign Taxes Paid		<u>(1)</u>
Investment Return, Realized	\$	<u>13,150</u>

Note 7 – Gain From Foreign Currency Translation

For the year ended December 31, 2023, the Organization resulted in a gain from foreign currency translation as follows:

	In Euros	Conversion	In USD	Gain (USD – Euros)
Cash Beginning Balance, 2022	97,877	x 1.0666	104,396	(6,518)
2023 Revenues, Net	60,687	x 1.0813	65,621	(4,934)
2023 Expenses, Net	(23,421)	x 1.0813	(25,325)	1,904
Transfer to Investment	100,000	(per Vanguard)	109,185	9,185
Cash Ending Balance, 2023	35,143	x 1.050	38,833	<u>3,690</u>
			Total	<u>3,327</u>

IAML Investment Policy - Draft for Member Discussion June 2024

Purpose

This policy covers the investment of IAML's funds, and (1) establishes the delegation of duties and responsibilities concerning the oversight and management of investments, (2) outlines the objectives and performance measurement criteria for the investments, (3) establishes operational policies and procedures.

(1) Delegation of Responsibilities

- The IAML Board has a direct oversight role regarding all decisions concerning IAML's investments.
- The Board has delegated supervisory responsibility for the management of the investments to the *Investment Committee*, and the implementation of the investment policy to the Treasurer.
- The *Investment Committee* monitors the management of the investments and produces quarterly reports and policy recommendations to the Board. Members of the *Investment Committee* shall consist of the Treasurer, who chairs the committee, one other current Board member, Chair of the Development Committee, and two IAML individual members in good standing, who are not current Board members.
- The Treasurer is responsible for implementing the investment policy, executing trades and fund transfers, and serving as the primary contact with financial services providers.
- All responsible for IAML's investment are bound by legal fiduciary duties required by law in the United States, where IAML is incorporated as a nonprofit organisation, and must consider IAML's mission and do so in good faith and with the care of a reasonably prudent person.

(2) Investment Objectives

- The investment objective is to achieve a 3-year average total annual return (income and appreciation) of 2% after inflation and cost.
 - Inflation is measured by the average of the Consumer Price Index published by the United States Bureau of Labor Statistics and the Harmonised Index of Consumer Prices (HICP) published by the European Central Bank. The formula for annualised inflation rate is $((\text{target year} / \text{base year})^{1/\text{years in time frame}} - 1) \times 100$.
- A reserve must be kept in cash or cash equivalents. The minimum amount of the reserve is the average annual total expenditure in the past 3 years.

(3) Operational Policy and Procedures

- Funds may be invested in the following ranges:
 - Bank accounts, certificates of deposit, or money market funds: 30%-60%
 - Low-cost, passive investments: 40%-70%
- Funds exceeding the reserve and the investment objective may be withdrawn for the following year's proposed operating budget with Board approval.
- For all donations, IAML shall make its best effort to honor the donor's intent and instructions, including restrictions on investment and expenditure different from this policy. Without donor's instructions, donations shall be converted expeditiously, usually within one month, according to this policy.