COUNCIL ON LIBRARY AND INFORMATION RESOURCES

ANNUAL REPORT 2003–2004

THE COUNCIL ON LIBRARY AND INFORMATION RESOURCES (CLIR) grew out of the 1997 merger of the Commission on Preservation and Access (CPA) and the Council on Library Resources (CLR). Over the years, CPA and CLR, in partnership with libraries, archives, and other information providers, had advocated collaborative approaches to preserving the nation's intellectual heritage and strengthening the many components of its information system. CLIR was founded to continue this tradition of support for a national information system and a seamless web of information resources, of which all libraries and archives are a part.

The convening role is central to CLIR's mission. CLIR brings together experts from around the country and around the world and asks them to turn their intelligence to the problems that libraries, archives, and information organizations face as they integrate digital resources and services into their well-established print-based environments.

CLIR urges individuals to look beyond the immediate challenges and imagine the most desirable outcomes for the users of libraries and archives—to be rigorously practical and to dream.

Original cover art by R. Kim Smith.

Council on Library and Information Resources

Annual Report 2003–2004

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Letter from the Chairman

Stanley A. Chodorow
Chairman of the Board

As Nancy Davenport's letter, which follows, is her first as president of CLIR, mine as chair will be my last, because this year I am completing three terms on the Board and must retire. The change of leadership at CLIR is a good opportunity to look backward and forward, as we begin a new era. Many new challenges await CLIR and, yet, in reflecting on the past, I am struck by the continuity of the organization's concerns.

CLIR was formed in 1997 through the merger of the Council on Library Resources (CLR) and the Commission on Preservation and Access (CPA). CLR was the original of the two foundational organizations. Louis B. Wright, a scholar and librarian, established CLR in 1956 with a grant from the Ford Foundation. Verner Clapp, deputy librarian of the Library of Congress, was CLR's first president. The two men wanted to create an organization that would be independent and nimble, committed to scholarship, and able to take the lead in a variety of projects that would benefit research libraries.

In its first era, CLR operated largely as a regranting agency. It received funds from the Ford Foundation and then made grants to laboratories and libraries for work on bibliographic structure, the automation of library operations, and preservation. A separate set of international activities aimed at helping European libraries recover from the devastation of World War II. So, from its inception, CLR took an interest in technology, the preservation of library materials, and the needs of the international community of libraries.

The appointment of Warren J. (Jim) Haas as CLR president in 1978 began a new era for CLR. The former librarian of Columbia University, Haas had been struggling with the problem of brittle books, and asked the Association of American Universities (AAU) to work with CLR in tackling the problem. Haas also recognized that technology was transforming libraries and that most librarians were unprepared to make the decisions necessary to use it effectively.

Work on the preservation agenda was energized in 1986 with the creation of the Commission on Preservation and Access and the appointment as its president of Patricia Battin, who had succeeded Haas as university librarian at Columbia. Under Battin's leadership, CPA partnered with the

National Endowment for the Humanities to become the most important promoter of research and best practices in preservation, nationally and internationally. Among its many accomplishments, the CPA spurred the establishment of a European CPA with which it collaborated on a wide variety of projects.

Meanwhile, changes in technology continued to pose new challenges and opportunities for libraries. Libraries were beginning to digitize collections. It was a group of librarians working on projects to test the feasibility of using digital technology for preservation that urged first the CPA, and later CLIR, to coordinate what became the Digital Library Federation (DLF). Today, CLIR continues to provide a home for the DLF, which now has 33 members.

By the time W. David Penniman succeeded Haas as CLR president in 1991, CLR's agenda had become strongly focused on three issues: research on preservation, the technological transformation of libraries, and advanced educational opportunities for librarians in a changing world.

In 1994, Pat Battin retired from the CPA and David Penniman retired as head of CLR. Deanna Marcum, who had worked for CLR earlier in her career, succeeded both of them, thereby initiating the third era of CLR/ CPA's history. I joined the board of CPA in 1996 and immediately became involved in discussions about the integration of the two organizations. CLR's leadership and digital programs focused substantial attention on preservation issues, and the convergence of the two organizations' programs and operations became compelling under the leadership of a single president. The merger was completed in 1997. I had been elected chair of the CPA board in 1996 and worked with Deanna to accomplish the merger. I've been chair of the CLIR Board since that time.

Under Deanna Marcum, CLIR demonstrated the wisdom of its founders nearly four decades ago. It continued to sponsor research on preservation, including the preservation of digital materials, film, and recorded sound. It became a leader in discussions about the cataloging of information resources in new formats. It organized leadership-training institutes such as the Frye Institute, held each spring at Emory University and honoring Billy Frye, the first chair of the CPA and a long-time member of the CLR and CLIR boards. As an independent, nonmembership organization, CLIR sponsored and hosted collaborations among groups that have had little or no history of interaction—librarians and publishers, librarians and museum directors, and university librarians and directors of academic computing centers. It sponsored research on the practices, attitudes, and habits of information users both in libraries and on the Internet.

Now, with the appointment of Nancy Davenport as president, CLIR is entering its fourth era. Nancy comes to CLIR from the Library of Congress, with which CLIR has long had a close relationship. Within the broad outlines of CLIR's traditional interests in preservation, leadership, the use of technology in library services, and international collaboration, Nancy will work with the Board and with partnering institutions to develop an agenda that keeps CLIR at the forefront of information science and practice. She has the experience, the knowledge, and the professional presence to maintain CLIR's independent role in encouraging those responsible for the collection and management of information resources to pay attention to the hard questions and to explore the most innovative ideas.

As CLIR begins its new year, the Board will also be renewing itself. Paul Le Clerc, president of The New York Public Library; Dan Tonkery, senior executive of EBSCO and Board treasurer; Jerry Campbell, chief information officer of the University of Southern California and Board secretary; and I are all leaving the Board after serving three three-year terms. I speak for all of us in saying that serving on CLIR's Board has been intellectually exciting and professionally rewarding, but, more than that, it has been a pleasure.

Stanley Chodorow

Message from the President

Nancy A. Davenport
President

This report's cover image can be interpreted various ways: the transfer of ideas and knowledge over generations, the rendering of assistance and support, the meeting of vastly different traditions, or the rewards of collaboration. It could also remind us that amidst the rapid, transformative effects of technology, some things have changed little over time. We commissioned this image by San Francisco artist Kim Smith because we think it represents CLIR's essence—a drive to continue the traditions of excellence in scholarship, to preserve access to the human record, and to enhance teaching and research in the digital age.

CLIR's mission is to expand access to information, however recorded and preserved, as a public good. Recognizing that we cannot act alone in fulfilling this mission, we continue to place a premium on building partnerships and working collaboratively in our programs and publications. The results of these efforts, described in the following pages, are impressive. For example, the Frye Institute, now in its fifth year, has made a profound impact on nearly 250 academic librarians, faculty members, and technology experts from institutions large and small. The institute has given them new perspective on issues such as how libraries and academic computing can best serve the needs of scholars and students, and what new leadership skills are needed in merged or blended library/IT units. The institute has given members of different parts of the academy a chance to learn each other's language and how they can mutually reinforce the other's work.

Technology and new trends in learning have huge implications for the future of the library. This theme was explored in "Libraries and Learning," CLIR's annual Sponsors' Symposium held in April. The symposium, filled to capacity by attendees, considered trends in learning and changes in learning styles, and how libraries adopt to these changes.

Libraries are responding not only to changes in learning, but also to changes in scholarly communication. To identify these changes and emerging new roles for the library, CLIR last year instituted an annual Scholarly Communication Institute. The first Institute, held at Dartmouth in July 2003, brought together 24 senior scholars, librarians, technologists, and academic officers to discuss the needs and requirements for an effective system of scholarly production and dissemination. The discussions laid the groundwork for a second, very successful SCI in July 2004. I was fortunate to attend the recent institute, and realized how rare—yet how

important—such discussions are among scholars, technologists, librarians, publishers, and administrators.

CLIR works collaboratively not only in its programs, but also, often, in its publications. The June release of *The Nonsubscription Side of Periodicals*, produced in cooperation with Ithaka, was an admirable end to an impressive year of publications. Communicating research findings to the broadest possible audience is a central objective of CLIR, and we look forward to expanding our collaborations and our outreach in the coming year.

While I write with great pride about this year's accomplishments, I can take none of the credit, having only joined the staff in July 2004. The credit for this year's programs belongs entirely to the CLIR staff and two interim presidents, Rick Detweiler and Sally Sinn, under the guidance of the Board of Directors. Rick and Sally have my thanks for their able stewardship of our organization. Rick continues with CLIR as our distinguished fellow and Sally has returned to CLIR as director of administration. I am delighted to have them both as my colleagues. The staff of CLIR is excellent; they continue to work closely with the scholarly research community on fascinating projects while listening carefully for indications of where new research is needed.

In his letter, Chairman Stanley Chodorow attests to the Board's steadfast support of the president and programs of CLIR. I am grateful to Stan and his peers for entrusting this organization to me. But as I begin my tenure, Stan and three other Board members—Paul LeClerc, Dan Tonkery, and Jerry Campbell—will complete their terms of service. I extend my sincere thanks to them for their years of contributions to this organization. This fall, I will work with the Board to seek successors to these members from the worlds of libraries, information services, scholarship, and business. A commitment to CLIR's mission and to institutional stewardship, and active engagement with issues of scholarly research and access to resources are the criteria for Board membership. As the new members are elected, they will be introduced in our bimonthly newsletter, *CLIR Issues*.

Historically, CLIR has adopted as its own the research agenda of the library and information community. It distinguishes itself from other organizations by bringing the best minds to bear on difficult issues in an open and neutral forum. To borrow from both sports and politics, CLIR is the level playing field. And that was the attraction for me. Significant, rich intellectual engagement on thorny issues confronting the research and scholarly community during a period of constant technological change is personally challenging and professionally enriching.

I have begun a period of intense consultation with the community, at the national level, with academic leaders, with public library directors, with stewards of other cultural property organizations, and with the business enterprises that both support the research and scholarly community and rely on it for their market. The established programs of CLIR resonate with me—preservation of and access to a universal array of information and scholarship, the changing nature of scholarship, the need for new economic models to explain and predict business relationships that encourage both business and scholarship to flourish and prosper, each in its own way. I am deeply committed to continuing the leadership development programs and to growing more of them. Nurturing the next generation of leaders and developing the curatorial model of the twenty-first century can best be done in the collaborative mode that CLIR favors.

No annual report from CLIR would be complete without extending profound thanks to the funders who trusted that their investments of money and reputation would bring honor to them through CLIR's work. To our sponsoring institutions, to The Andrew W. Mellon Foundation, the Robert Woodruff Foundation, The Bill & Melinda Gates Foundation, to our individual donors, and to the government agencies that fund CLIR through contracts and grants, I give my deep thanks and commitment to continue the tradition of exciting, thorough research.

I look forward to meeting those of you I don't know, to working more collaboratively with all of you, and to be—as I contracted with the Board—useful. Useful in listening to your concerns, useful in structuring research programs and publications to address those concerns, useful in pushing the envelope to reach new solutions. It promises to be a grand adventure.

Nancy Davenport
August 2004

THE PROGRAMS

RESOURCES FOR SCHOLARSHIP

New forms of scholarship and publishing are radically changing the relationship between those who create, store, and distribute information. In the digital realm, scholars and librarians are forming new intellectual partnerships. Creators and publishers of scholarly resources are seeing how their decisions—not just those of libraries and archives—influence future access to information resources. Through a variety of activities, CLIR aims to inform and support new partnerships in scholarly communication.

Survey of the State of Audio Collections in Academic Libraries

Much of the twentieth century is documented in audio formats. But despite their value for scholarship, large portions of audio collections are inaccessible for teaching and research. Anecdotal evidence suggests many reasons for this, from a lack of cataloging to the frailty of the media to a lack of clearly documented rights that allow use. In recent years, a number of surveys have focused on specific aspects of the problem, but few have explored the broad set of issues that affect the ability of collection managers to expand access to their holdings.

In 2003, CLIR initiated a survey of original audio collections in academic libraries. Survey respondents included large libraries drawn from members of the Association of Research Libraries and smaller research libraries at liberal arts colleges that are members of the Oberlin Group. The survey was designed and administered by The Communications Office, Inc., a firm with long experience in broadcast and audio media. The work was guided by an advisory group of audio, preservation, and administrative experts.

The purposes of the survey were to identify audio recordings of historic importance that exist on university and college campuses and to assess their state of preservation and accessibility. The questionnaire covered virtually all areas of library stewardship, including access and bibliographic control, rights management, preservation, funding, and collection policies.

A report on the survey, which CLIR published in August 2004, identifies a number of areas, such as cataloging and improved storage conditions,

that merit priority consideration. To ensure the survival of these fragile materials, the report recommends that a cadre of librarians and archivists with expertise in recorded-sound formats and genres be developed and supported.

ACLS Cyberinfrastructure Commission

Scientists and engineers no longer see digital technologies merely as tools that enhance established research methodologies; rather, they view these technologies as the foundation for new infrastructures for knowledge creation. A recent National Science Foundation (NSF) report, *Revolutionizing Science and Engineering Through Cyberinfrastructure*, argues for large-scale investments across all disciplines to develop the shared technology infrastructure that will support expanded capacities. It is crucial for humanists and social scientists to join scientists and engineers in defining and building this infrastructure so that it meets the needs and incorporates the contributions of all disciplines.

In 2004, the American Council of Learned Societies (ACLS) formed a commission to investigate and report on the development of a cyberinfrastructure for the humanities and social sciences. Members will work for one year determining what potential the cyberinfrastructure described in the NSF report has to advance the humanities and social sciences and how these domains can contribute to it. CLIR Program Director Abby Smith will serve as editor of the commission's report. The commission is supported by a grant from The Andrew W. Mellon Foundation.

Scholarly Communication Institute

Technology is fundamentally changing the traditional system of scholarly communication. It is enabling new approaches to scholarship and presenting the creators, keepers, and distributors of information with new roles and opportunities. Fully realizing these opportunities will require unprecedented collaboration between scholars, librarians, publishers, technologists, and academic officers.

The Scholarly Communication Institute (SCI) was established to provide a forum for discussion and collaboration among these professionals. The first SCI, held July 18–21, 2003, at Dartmouth University, gave 24 leaders in scholarly communication a chance to discuss the changing landscape and refine the goals of future institutes. It was agreed that the University of Virginia would host the SCI in July 2004 and in subsequent years.

Mellon Dissertation Fellowships for Research in Original Sources

Now in its third year, the Mellon Dissertation Fellowship program supports original-source doctoral research in libraries and archives, without regard to the location or the format of those sources. In 2004, 13 fellows

2004 Mellon Dissertation Fellows

Kaveh Askari, University of Chicago; Cinema and Media Studies: Silent Film History

Prateeti Ballal, University of Massachusetts-Amherst; Comparative Literature: 19th century literature in English and French

Monica Black, University of Virginia; History

Samuel Breene, Duke University; Musicology

Meghan Callahan, Rutgers, the State University of New Jersey; Art History: Italian Renaissance

Katarzyna Grochowska, University of Chicago; Musicology

Michelle King, University of California, Berkeley; Chinese History

Abel López, University of Maryland; Latin American History

Sarah Miller, University of Chicago; Art History: History of Photography

Anna Taylor, University of Texas at Austin; European History

Ioanna Theocharopoulou, Columbia University; Architectural History

were selected from more than 350 candidates. As in years past, the fellows represented a wide range of repositories, ranging from municipal archives in Siberia to the Louisiana State Museum. Their topics of study were similarly broad in scope.

At the beginning of their fellowship year, the fellows convened at the Library of Congress (LC) for a one-day workshop on research in archives and special collections. This year also saw the program's first postfellowship seminar. All first-year fellows came together for this event, which was also held at the Library, to discuss what they had learned about the research experience.

PRESERVATION AWARENESS

T he ways in which we have defined the problems of preservation in the print-on-paper domain, as well as the solutions we have developed to address them, are largely irrelevant to other media and formats. In fact, the challenges facing preservationists today extend far beyond those associated with the physical preservation of media. The primary obstacles are economic and legal. In 2004, CLIR continued to work with key preservation stakeholders—creators, distributors, librarians, archivists, and users of information resources in all formats and media—to identify what is at stake and recommend effective responses.

Legal and Technical Issues Surrounding Audio Recordings

Legal and technical challenges pose serious hurdles in preserving audio recordings. In response to the mandate set forth in the National Recording Preservation Act of 2000, the Library of Congress asked CLIR to develop and implement the first phase of a national preservation-planning strategy for audio resources. This work includes commissioning studies to assess copyright issues relating to the preservation of and access to two types of materials: sound recordings before 1972 and broadcast recordings. LC also asked CLIR to convene two groups of experts, one technical and the other curatorial, to address barriers to preserving sound recordings. The meeting of the technical work group, held in January 2004, brought together experts in the preservation reformatting of audio on analog carriers and in digital-sound engineering to map an agenda for work on analog-to-digital preservation. A summary of findings from the technical experts' meeting will be presented to the National Recording Preservation Board, and CLIR will publish a report that summarizes these issues. The curatorial experts will meet early in 2005.

National Digital Information Infrastructure and Preservation Program

In 2004, CLIR again provided technical support and other services to help LC coordinate the work of the National Digital Information Infrastructure

and Preservation Program (NDIIPP). The NDIIPP legislation, passed in December 2000, called for a phased approach to building an infrastructure of cooperating institutions to help ensure the long-term preservation of digital content.

As part of this work, CLIR, in cooperation with the National Endowment for the Humanities and the NSF, organized the processes by which applications for NDIIPP funding are evaluated. In addition, CLIR staff continued to participate in communication and outreach activities designed to raise awareness of digital preservation needs among stakeholder communities in education, research, business, and government.

DIGITAL LIBRARIES

CLIR's work at the intersection of libraries, scholarship, and technology is enhanced by the activities of the Digital Library Federation (DLF). Housed at CLIR, the DLF is a consortium of 33 members and 4 allied organizations that are pioneering the use of electronic information technologies to extend library collections and services. The DLF's newest member, the British Library, is also its first international member.

This year, the DLF focused on a range of initiatives that cut across traditional areas of DLF activity—preservation, production, metadata, management, usability, and architecture. In addition, it commissioned an independent study of its organization and governance.

The Distributed Open Digital Library

Sharable Metadata: A central challenge in building a distributed library is to determine how to create sharable, interoperable metadata—catalog records for digital objects that can be exposed to software that travels the Web, harvests records from many sites, brings them to a central point, and aggregates them, thereby making it possible for a single Web service point to provide discovery services to hundreds of sites. The DLF is working with metadata experts to build records that can be harvested en masse and that work easily in an interoperable manner. The payoff will be a first-generation multi-institutional finding system for digital library objects that is quicker and more comprehensive than any currently available system. This work builds on past DLF investments in the development of the Open Archives Initiative protocol for metadata harvesting.

Scholars' Advisory Panel: Scholars often need to do more than simply view publicly available content on a remote library system. For example, they may need permission and tools to download a digital object, modify or enrich it, or incorporate it into a presentation. In June 2004, the DLF

convened a group of scholars working on digital projects, editions, and archives to serve as an advisory panel on this issue and other matters related to resource discovery and reuse, academic credit for digital work, institutional repositories, and the need for new tools for new scholarship. Facilitating this level of service is a fundamental challenge in building a distributed digital library, and one in which the DLF will continue to work.

Preservation

Global Digital Formats Registry: Information about the common digital file formats that are ingested into library repository systems is central to the success of any digital preservation strategy. This year, the DLF continued to sponsor work on the Global Digital Formats Registry, which will be a central, trusted repository of such information. The University of Pennsylvania has built a registry that is being tested by a DLF work group on digital formats registry. The work group has also developed a three-year plan to further develop the registry.

Registry of Digital Masters Library: Developed by the DLF in collaboration with the OCLC Online Computer Library Center, Inc., the Registry of Digital Masters is a list of digitized books and journals that exist in a page-image format and have been created in accordance with preservation standards set forth in the DLF's *Benchmarks for Digital Reproductions*. The *Digital Registry Phase One Implementation Guidelines* were completed in 2004 and are now being tested by several institutions. They are available at http://www.diglib.org/collections/reg/DigRegGuide.htm. Next, the DLF will focus on encouraging community buy-in, which will be needed to realize the promise of this registry.

Production

Production Workflow Good Practices: Much is now known about the design of a good digital production workflow, but there are few places to which one can turn to learn about how others design workflow, file-naming choices, lessons learned, and management software used or developed. This new DLF initiative has assembled a team of designers and managers who will share their expertise, with the ultimate goal of articulating the needed workflow practices.

The Archivists' Toolkit: In 2002, the DLF funded two meetings of the Archivists' Toolkit group, a team interested in designing tools for the creation and delivery of electronic versions of special collections finding aids (known as electronic archival descriptions, or EADs). As a direct result of these meetings, this group submitted a proposal to The Andrew W. Mellon Foundation, which this year awarded it a two-year, $847,000 grant to support the design and implementation of a digital toolkit that will decrease the cost of archival processing and promote standardized archival

information. The project is a joint venture involving staff at the University of California, San Diego; New York University; and the Five Colleges, Inc., consortium.

Metadata and Management

E-Resources Management Initiative (ERMI): The objective of the ERMI is to develop a common, sharable, XML database record for expressing the content of license agreements, related administrative information, and internal processes associated with collections of licensed electronic resources. ERMI has created a list of data fields that will be tested on vendors, aggregators, publishing-standards bodies, and publishers. The ERMI project report is available at http://www.diglib.org/pubs/dlfermi0408.

Guidelines for the Cataloging of Cultural Objects: With support from the DLF and the Getty Grant Program, the Visual Resources Association has reviewed existing data content standards and current practices and developed guidelines that may be used to describe, document, and catalog cultural objects and their visual surrogates. Version 1.0 of the guidelines is available at http://www.diglib.org/standards/vrawork.htm.

A Study of the Interoperation of Learning Management and Library Information Systems. The growth of learning-management systems (courseware) in higher education has been accompanied by an explosion of Internet-accessible collections of use to teachers and students. Although course Web sites are increasingly produced through formal learning-management systems, these systems rarely provide for interactions with external repositories and discovery systems. To help resolve this issue, The Andrew W. Mellon Foundation funded a DLF study group that examined the interaction between digital libraries and learning-management systems. The group's report, available at http://www.diglib.org/pubs/cmsdl0407/, provides a basis for further DLF activity in this area.

Forums and Forum Fellowships

The semi-annual DLF Forums were held in Albuquerque and New Orleans. The Forums provide an opportunity for those working on DLF initiatives to present their work to the broader membership, for practitioners to share experiences and practices with one another, and for the DLF to review and assess its programs and progress with input from the whole membership. This year, each drew an average of 160 registrants. Several new library staff members were able to attend, thanks to the DLF Forum Fellowships for Librarians New to the Profession, instituted in 2002.

ECONOMICS OF INFORMATION

The transformation of the information environment has placed new organizational, technical, and financial demands on libraries. Responding to these demands requires that libraries find new approaches to their work and often necessitates difficult tradeoffs. Supporting libraries as they explore new ways to achieve their missions remains a high priority for CLIR.

CLIR / Stillwater Work-Redesign Project

Libraries are challenged to offer new services, such as information literacy training and digital-asset management, while maintaining traditional functions, often with unchanging budgets. Are there ways to gain efficiencies in traditional areas so that staff can be deployed to new responsibilities? In 2003, six directors of consortial libraries began working with CLIR and the Stillwater Group, a consultancy firm, to explore this question. The directors attended two workshops on work redesign. Then, in early 2004, each director undertook a one-year redesign project at his or her home institution. The projects focus on how to rethink work in both public and technical services. The directors will complete their projects, which are supported by The Andrew W. Mellon Foundation, early in 2005. CLIR will make a report of their work available to other libraries.

LEADERSHIP

Today's information professionals require new skills and expertise to work effectively in an environment characterized by rapidly evolving technologies and organizational structures, new forms of scholarly communication, and the increasingly diverse demands of information seekers. During the past year, CLIR continued several programs that have successfully addressed leadership needs and introduced a new fellowship to build collaboration among scholars, librarians, and information technologists.

Postdoctoral Fellowship in Scholarly Information Resources in the Humanities

A century ago, the roles of scholars and librarians were intertwined. But changes in higher education after World War II led to a progressive separation of those two roles. Both scholars and librarians became increasingly professionalized, and the two groups were recruited and educated in very different ways. With the onset of the digital age, the roles of librarians and scholars are again changing. There is a growing need for a new type of librarian who combines a strong academic preparation in a discipline with an understanding of information science, particularly with digital technology and the management of digital information resources.

In November 2003, CLIR announced a new fellowship program that will

2004–2005 Fellows in Scholarly Information Resources

Fellow	Fellowship Host Institution
Sigrid Anderson Cordell	Princeton University
Amanda French	North Carolina State University
Patricia Hswe	University of Illinois
Ben Huang	University of Southern California
Megan Norcia	Lehigh University
Allyson Polsky	Johns Hopkins University
Daphnee Rentfrow	Yale University
Dawn Schmitz	University of Illinois
Rachel Shuttlesworth	University of Alabama
Amanda Watson	University of Virginia
Christa Williford	Bryn Mawr College

enable recent Ph.D.s in the humanities to spend extended periods of time in academic libraries. The fellowship is intended to educate new scholars about the opportunities created by new forms of scholarly research and the traditional and digital information resources that support them.

Eleven scholars were awarded fellowships in 2004. Each will work 12–24 months in one of 10 academic institutions participating in the program. A two-week seminar at Bryn Mawr College prepared fellows for their internships. Throughout their internships, fellows will "meet" monthly in a virtual classroom, developed by the University of Illinois Graduate School of Library and Information Science, to hear lectures and engage in discussions.

Frye Leadership Institute

The Frye Leadership Institute, created to develop leaders who can guide and transform academic information services for higher education, marked its fifth anniversary this year. The Institute was held June 6–28 at the Emory Conference Center in Atlanta, Georgia. The class of 43 information technologists, librarians, and faculty members was selected from among more than 200 applicants. Class members came from public and private institutions of all sizes, and included representatives from Ireland, Great Britain, and Australia. Deanna Marcum and Richard Detweiler served as deans, and presenters included leaders in higher education and industry, members of the CLIR Board, and several Frye graduates.

Academic Librarians Advisory Committee

The Academic Librarians Advisory Committee (ALAC) advises CLIR on issues of interest to liberal arts colleges and small research libraries. This year, the committee began planning a workshop on digital asset management for library and information technology directors in small libraries. The workshop, to be held in February 2005, will be cosponsored by the DLF with partial support from The Andrew W. Mellon Foundation.

ALAC has also begun work on two other issues: how to ensure that college and university rankings take into account the quality of library services, and how to compare library services across institutions.

Chief Information Officers of Liberal Arts Colleges

CLIR's Chief Information Officers (CIO) Group is composed of 28 directors of organizations that have merged their library and technology units on liberal arts college campuses. The group met twice this year to discuss organizational and policy issues facing such merged units. In 2004, three CIO members collaborated to write an article identifying issues that campuses should consider when planning to merge their information services. Entitled "Greater Than the Sum of its Parts: The Integrated IT/Library

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Frye Institute Participants
Class of 2004

Bryan Alexander, Middlebury College
Bliss Bailey, Auburn University
Julius E. Bianchi, California Lutheran University
Amy K. Brooks, The University of Michigan
Jeff Bullington, University of Kansas
John Campbell, Purdue University
Colleen Carmean, Arizona State University West
Jon Cawthorne, San Diego State University
Yolanda Cooper, University of Virginia
Thomas Cramer, Stanford University
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Claire Hill, The University of New South Wales
Steven Huss-Lederman, Beloit College
Dena Hutto, Reed College
Edward Kairiss, Yale University
Catherine L. Langlais, Colby College
Gail F. Latta, University of Nebraska, Lincoln
Frances Maloy, Emory University
Catherine Manly, Manchester Community College
Sandra Maxfield, James Madison University
Matthew McNally, Georgetown University
Gobnait O'Riordan, University of Limerick
Elizabeth Reed Osika, Purdue University, Calumet
Sharon P. Pitt, North Carolina State University
Jane Schillie, University of Miami
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Carol Smith, DePauw University
Kimberly Sweetman, New York University Libraries
Lori Temple, University of Nevada, Las Vegas
Joseph W. Thomas, University of Notre Dame
Joseph Vaughan, UCLA
Deborah Ward, University of Missouri
Colleen Wheeler, Wheaton College
Calvin J. E. Williams, Seton Hall University
Alex Wirth-Cauchon, The Midwest Instructional Technology Center

Organization," the article appeared in the May/June 2004 *EDUCAUSE Review*. The group continues to explore the extent to which institutions are merging functional units and staff, what has changed in these organizations at the working level as a result of such mergers, and what benefits have accrued from them. In the coming months, the CIO Group plans to develop benchmark statistics for merged information organizations.

A. R. Zipf Fellowship in Information Management

Joan A. Smith, a doctoral student in computer science at Old Dominion University in Norfolk, Virginia, received the A. R. Zipf Fellowship in Information Management for 2004. She is the eighth recipient of the fellowship, which was established in 1997 to recognize a graduate student who shows exceptional promise for leadership and technical achievement in information management. Ms. Smith worked in information management for private industry for 12 years before embarking on her doctorate. Her research focuses on access to and preservation of digital library resources.

A. R. Zipf was a pioneer in information management systems and a guiding force in many of the technological changes that occurred in the banking industry over the course of his 40-year career with the Bank of America.

INTERNATIONAL DEVELOPMENTS

Many of the challenges facing libraries and other cultural heritage institutions today transcend national boundaries. Addressing these challenges effectively requires international dialogue and cooperation. Several of CLIR's activities, from work on digital preservation strategies to leadership training, involve institutions outside the United States. CLIR continues to build on its history of collaboration abroad in addressing issues of common concern.

Bill & Melinda Gates Foundation Access to Learning Award

China's Evergreen Rural Library Service and Denmark's Aarhus Public Libraries were joint recipients of the Bill & Melinda Gates Foundation Access to Learning Award for 2004. Each library system was recognized for its outstanding efforts to improve free public access to information technology, particularly to underserved communities.

In China, Evergreen is placing computers in rural public high schools in the three western provinces of Qinghai, Gansu, and Shaanxi and in the northern province of Jiangsu. The computers are used not only by students but also by their parents and other residents of these rural areas. To meet the information needs of Denmark's rapidly growing immigrant population, Aarhus has developed innovative library-based outreach pro-

grams, including provision of computer training in immigrants' languages and of electronic and print resources in multiple languages.

The Access to Learning Award, which totals US $1 million, is given annually to public libraries or similar kinds of organizations outside the United States for innovative programs giving the public free access to information technology. The award is intended to inspire others to expand access to information, particularly for the poor, disabled, and minorities. CLIR has managed the award program for the past three years.

Rovelstad Scholarship in International Librarianship

The Rovelstad Scholarship is awarded annually to encourage students who have an interest in international library work and enable them to participate in IFLA early in their careers. Kathleen Smith, a graduate student in information science at the University of Texas at Austin, was named the second recipient of the Rovelstad Scholarship in International Librarianship. The award, which CLIR administers through the generosity of Mathilde and Howard Rovelstad, provides travel funds for a student of library and information science to attend the World Library and Information Congress, the annual meeting of the International Federation of Library Associations and Institutions.

PUBLICATIONS

JULY 1, 2003–JUNE 30, 2004

MONOGRAPHS AND REPORTS

Emerging Visions for Access in the Twenty-first Century Library. Conference Proceedings, Documentation Abstracts, Inc., Institutes for Information Science, Washington, D.C., April 21–22, 2003. August 2003. Available at http://www.clir.org/pubs/abstract/pub119abst.html.

Use and Users of Electronic Library Resources: An Overview and Analysis of Recent Research Studies. Carol Tenopir, with the assistance of Brenda Hitchcock and Ashley Pillow. August 2003. Available at http://www.clir.org/pubs/abstract/pub120abst.html.

Care and Handling of CDs and DVDs: A Guide for Librarians and Archivists. Fred R. Byers. October 2003. Available at http://www.clir.org/pubs/abstract/pub121abst.html.

Libraries Designed for Learning. Scott Bennett. November 2003. Available at http://www.clir.org/pubs/abstract/pub122abst.html.

Reflecting on Leadership. Karin Wittenborg, Chris Ferguson, and Michael A. Keller. December 2003. Available at http://www.clir.org/pubs/abstract/pub123abst.html.

Business Planning for Cultural Heritage Institutions. Liz Bishoff and Nancy Allen. January 2004. Available at http://www.clir.org/pubs/abstract/pub124abst.html.

E-Powering the People: South Africa's Smart Cape Access Project. Susan Valentine. March 2004. Available at http://www.clir.org/pubs/abstract/pub125abst.html.

Access in the Future Tense. April 2004. Available at http://www.clir.org/pubs/abstract/pub126abst.html.

The Nonsubscription Side of Periodicals: Changes in Library Operations and Costs between Print and Electronic Formats. Roger C. Schonfeld, Donald W. King, Ann Okerson, and Eileen Gifford Fenton. June 2004. Available at http://www.clir.org/pubs/abstract/pub127abst.html.

CLIR Annual Report, 2002–2003. Available at http://www.clir.org/pubs/annual/annrpt2002/02annrep.pdf.

NEWSLETTERS

CLIR Issues, nos. 34–39. Available at http://www.clir.org/pubs/issues/issues.html.

CLIRinghouse, nos. 17–19. Available at http://www.clir.org/pubs/cliringhouse/house.html.

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Massachusetts Institute of Technology

GRANTS AND CONTRACTS
ACTIVE IN FY 2004

Recipient	Purpose	Authorized	Amount
Abaris Books/Opal Publishing Norwalk, CT	To assist in the digitization of images for the ArtSTOR Digital Bartsch collection	2/1/2002	$221,050
Alderman Library Charlottesville, VA	To support the 2004 Scholarly Communication Institute	1/14/2004	$99,000
Appalachian College Association Jefferson City, TN	To support a work redesign project for the Appalachian College Association libraries	11/11/2003	$100,000
Atlanta University Center Atlanta, GA	To support a work redesign project for the Woodruff Library at the Atlanta University Center	10/15/2003	$100,000
Azimuth Consultants LLC Santa Monica, CA	To assess and make recommendations regarding DLF's organization, governance, and related matters	3/1/2004	$25,000
Bennett, Scott Urbana, IL	To conduct a survey and write a report on reconceptualizing the academic library as a space for teaching and learning	2/25/2002	$15,200
Bishoff, Liz Denver, CO	To write a report to assist cultural heritage institutions in planning sustainable online access to their assets	1/6/2003	$24,820
Brogan, Martha New Haven, CT	To review and evaluate digital library aggregation services using OAI harvesting	7/1/2003	$12,800
Brooks, Tim Greenwich, CT	To design and report the results of an analytical study for the Library of Congress and National Recording Preservation Board	6/16/2004	$5,000
Bryn Mawr College Bryn Mawr, PA	To hold a two-week intensive workshop for CLIR's Post-Doctoral Fellowship recipients	5/12/2004	$23,540
Columbia University New York, NY	To write two analyses of copyright with respect to recorded sound	6/2/2004	$10,000
Communications Office, The Amissville, VA	To design and conduct a survey and analyze data on the state of audio collections in academic libraries	12/30/2002	$35,000
Communications Office, The Amissville, VA	To facilitate a meeting of audio engineers convened on behalf of the Library of Congress and the National Recording Preservation Board	1/16/2004	$4,000
Cornell University Office of Sponsored Programs Ithaca, NY	To develop a Web-based tutorial on preservation and conservation for Southeast Asia	10/1/2001	$124,886
Demas, Sam Northfield, MN	To write an essay on the library as cultural center	7/18/2002	$1,500

Recipient	Purpose	Authorized	Amount
Five Colleges of Ohio, Inc. Gambier, OH	To support a work redesign project for the Five Colleges of Ohio, Inc. libraries	11/11/2003	$100,000
IFLA The Hague, Netherlands	To support the IFLA Core Programme for Preservation and Conservation	4/15/2002	$20,000
Ismail, Mymoena Cape Town, South Africa	To translate into Afrikaans and Xhosa and publish in print a case study on the Smart Cape Access Project	1/22/2004	$8,000
Keller, Michael Stanford, CA	To write an essay on leadership	2/13/2003	$3,000
Kingsbury, Paul Nashville, TN	To write a summary report of a meeting of audio engineers convened on behalf of the Library of Congress and the National Recording Preservation Board	12/29/2003	$2,500
Luna Imaging, Inc. Culver City, CA	To digitize images for the ArtSTOR Digital Bartsch Collection	2/1/2002	$498,375
Mortenson Center for International Library Programs Urbana, IL	To support the International Librarianship Leadership Program	4/8/2002	$20,000
Oliver, Kate Baltimore, MD	To write an essay on new services at the Welch Library	6/15/2004	$1,500
Shore, Elliott Wynnewood, PA	To direct the CLIR Post-Doctoral Fellowship for 2004-2005	5/12/2004	$15,000
Silha, Stephen Vashon Island, WA	To research and write an evaluation of the Bill & Melinda Gates Foundation Access to Learning Award	5/11/2004	$16,600
Smith College Libraries Northampton, MA	To support a work redesign project for the Smith College Libraries	1/20/2004	$100,000
Smolian Sound Studios Frederick, MD	To implement and contribute to reporting the results of an analytical study for the Library of Congress and National Recording Preservation Board	6/30/2004	$11,000
The Libraries of The Claremont Colleges Claremont, CA	To support a work redesign project for The Libraries of The Claremont Colleges	1/20/2004	$88,400
Tri-College Consortium Libraries Haverford, PA	To support a work redesign project for the Tri-College Consortium Libraries	1/20/2004	$100,000
Valentine, Susan Cape Town, South Africa	To write a case study on the Smart Cape Access Project in Cape Town, South Africa	7/25/2003	$6,000
Visual Resources Association Charlottesville, VA	To develop a guide for standards in digital objects and images	1/23/2002	$30,000
Zorich, Diane M. Princeton, NJ	To produce a report on a survey of American-based digital cultural heritage initiatives	3/10/2003	$5,200

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

FINANCIAL STATEMENTS
WITH
ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2004
(With Summarized Financial Information for June 30, 2003)

WITH
INDEPENDENT AUDITORS' REPORT

STONE AND SPRING
Certified Public Accountants
Herndon, Virginia

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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STONE AND SPRING
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A Partnership of Professional Corporations

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Michael G. Spring, Jr., C.P.A.
Stephen C. Stone, C.P.A

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Council on Library and Information Resources
Washington, D.C.

We have audited the accompanying statement of financial position of the Council on Library and Information Resources as of June 30, 2004, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's 2003 financial statements and, in our report dated August 28, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council on Library and Information Resources as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Certified Public Accountants

Herndon, Virginia
August 26, 2004

Members American Institute of Certified Public Accountants

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

STATEMENT OF FINANCIAL POSITION

June 30, 2004
(With summarized financial information for June 30, 2003)

	Unrestricted	Temporarily Restricted	Total 2004	Total 2003
Assets				
Cash and cash equivalents	$ 695,551	$ 196,777	$ 892,328	$ 1,675,924
Investments	400,000	6,585,390	6,985,390	5,720,976
Accounts receivable	118,989	318,417	437,406	455,416
Furniture and equipment, net	37,974	-	37,974	40,234
Other assets	28,920	-	28,920	31,736
Total Assets	$ 1,281,434	$ 7,100,584	$ 8,382,018	$ 7,924,286
Liabilities and Net Assets				
Accounts payable	$ 587,227	$ -	$ 587,227	$ 318,552
Accrued expenses	55,935	-	55,935	78,557
Deferred revenue	-	-	-	135,000
Sublet deposits	2,956	-	2,956	2,956
Total Liabilities	$ 646,118	$ -	$ 646,118	$ 535,065
Net Assets	$ 635,316	$ 7,100,584	$ 7,735,900	$ 7,389,221
Total Liabilities and Net Assets	$ 1,281,434	$ 7,100,584	$ 8,382,018	$ 7,924,286

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2004
(With summarized financial information for June 30, 2003)

	Unrestricted	Temporarily Restricted	Total 2004	Total 2003
Revenue				
Grants and contracts	$ 435,628	$ 4,142,863	$ 4,578,491	$ 2,527,518
Contributions	230,950	1,818,458	2,049,408	2,290,725
Publication sales	8,589	-	8,589	10,502
Investment income	90,269	162,414	252,683	298,440
Other income	6,584	-	6,584	13,183
	$ 772,020	$ 6,123,735	$ 6,895,755	$ 5,140,368
Net Assets released from restrictions				
Satisfaction of program restrictions	$ 5,443,025	$ (5,443,025)	$ -	$ -
Total Revenue	$ 6,215,045	$ 680,710	$ 6,895,755	$ 5,140,368
Expenses				
Program services:				
Preservation	$ 2,232,253	$ -	$ 2,232,253	$ 1,728,537
Leadership	2,456,494	-	2,456,494	2,046,059
Digital libraries	934,448	-	934,448	1,611,745
Resources for scholarship	322,859	-	322,859	180,877
Education	35,067	-	35,067	-
Economics of information	21,835	-	21,835	27,222
Total Program services	$ 6,002,956	$ -	$ 6,002,956	$ 5,594,440
Administration	546,120	-	546,120	551,141
Total Expenses	$ 6,549,076	$ -	$ 6,549,076	$ 6,145,581
Change in Net Assets	$ (334,031)	$ 680,710	$ 346,679	$ (1,005,213)
Net Assets, Beginning of Year	$ 969,347	$ 6,419,874	$ 7,389,221	$ 8,394,434
Net Assets, End of Year	**$ 635,316**	**$ 7,100,584**	**$ 7,735,900**	**$ 7,389,221**

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2004
(With summarized financial information for June 30, 2003)

	2004	2003
Operating Activities		
Change in net assets	$ 346,679	$ (1,005,213)
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities		
Depreciation	24,072	25,047
Unrealized (gain) loss on investments	(84,269)	(32,899)
Realized (gain)loss on investments	(167,441)	-
(Increase) decrease in other assets	2,816	(8,063)
(Increase) decrease in accounts receivable	18,010	(347,088)
Increase (decrease) in accounts payable and accrued expenses	246,053	(85,394)
Increase (decrease) in deferred revenue	(135,000)	135,000
Net Cash Provided (used) By Operating Activities	$ 250,920	$ (1,318,610)
Investing Activities		
Proceeds from sales of investments	$ 7,474,375	$ 6,497,171
Purchases of investments	(8,487,079)	(5,179,617)
Purchases of furniture and equipment	(21,812)	(23,419)
Net Cash Provided (used) By Investing Activities	$ (1,034,516)	$ 1,294,135
Financing Activities		
Principal payments on capital lease	$ -	$ -
Net Cash Provided (used) By Financing Activities	$ -	$ -
Net Change in Cash and Cash Equivalents	$ (783,596)	$ (24,475)
Cash and cash equivalents, beginning of year	1,675,924	1,700,399
Cash and cash equivalents, end of year	**$ 892,328**	**$ 1,675,924**
Supplemental Cash Flow Information		
Interest paid during the year	$ -	$ -

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

NOTE 1-   Organization
The Council is a not-for-profit organization incorporated under the laws of the District of Columbia in 1988 for the purpose of fostering, developing, and supporting systematic and purposeful collaboration in order to ensure the preservation of the published and documentary record in all formats and provide equitable access to that information.

The Council's operations are financed through contributions from colleges, universities and other organizations and through general support grants and restricted grants from private foundations and other sources. The Council conducts its work directly through committees and working groups as well as through contracts with other organizations and individuals.

NOTE 2-   Summary of Significant Accounting Policies

Basis of accounting - The accompanying financial statements of the Council have been prepared on the accrual basis.

Grant revenue and recognition of grantor restrictions - The Council reports grants as temporarily restricted support if they are received with grantor stipulations that limit the use of the grants as to time or purpose. When either condition is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Support that is restricted by the grantor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Contracts / Grants payable - Contracts made by the Council are recorded as contracts payable and expensed at the time contracts are awarded. Current period expenses are adjusted for contract refunds or over appropriations when received.

Board designated net assets - From time to time, the Board of Directors designates a portion of unrestricted net assets for various short-term projects.

Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents consist primarily of deposits in a money market account and investments with original maturities of 90 days or less.

Advertising costs – Advertising costs are expensed as incurred.

Accounts Receivable - Accounts receivable represent membership dues billings, and current unreimbursed expenses on various contracts. Allowance for doubtful accounts is normally recorded for amounts deemed as uncollectible. The Council has not recorded any amount for the allowance for doubtful accounts because the Council receives funds on a cost reimbursement basis and membership dues are current.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2004
(Continued)

NOTE 2-   Summary of Significant Accounting Policies (continued)

Functional allocation of expenses - Costs of the various programs have been summarized on a functional basis in the accompanying financial statements. Certain indirect costs which include rent and other expenses are identified as support services costs and have been allocated directly to programs and administration. Salaries and travel costs have been allocated directly to programs and administration on a time-allocated basis.

Furniture and Equipment - Furniture and equipment are recorded at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are charged against income as incurred; betterments which increase the value or materially extend the life of the related assets are capitalized.

Contributions - The Council records grant income as unrestricted, temporarily restricted, or permanently restricted support, depending upon the terms and conditions of the grant.

Fair value of financial instruments – Management estimates that the fair value of all financial instruments at June 30, 2004 does not differ materially from the aggregate carrying values reported in the accompanying statement of financial position due to the short term maturities of those instruments.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summarized financial information - The financial statements include certain prior year comparative information summarized in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2003 from which the summarized information was derived.

Reclassification of prior year information - Certain amounts from the prior year have been reclassified to enhance comparability.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2004
(Continued)

NOTE 2- Summary of Significant Accounting Policies (continued)

Investments – The Organization has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investment return consists of the following at June 30, 2004

	Gain/(loss) on Investments	Unrealized Gain/(loss) on Investments	Fair Value
Stocks	$ 4,004	$ 10,176	$ 89,548
Corporate fixed income	60,829	(28,132)	2,793,566
Government securities	54,674	(32,681)	834,289
Certificate of deposit	12,777	63	580,096
Mutual funds	31,613	134,843	2,687,891
Subtotal	$ 163,897	$ 84,269	$ 6,985,390
Cash and cash equivalents	3,544	-	$ 892,328
Total	$ 167,441	$ 84,269	

NOTE 3 - Income Taxes
The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable regulations of the District of Columbia.

NOTE 4 - Furniture and Equipment
Furniture and equipment consist of the following:

	2004	2003
Furniture and equipment	$ 177,666	$ 167,719
Leasehold improvements	4,015	4,015
	181,681	171,734
Less: accumulated depreciation and amortization	(143,707)	(131,500)
	$ 37,974	$ 40,234

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2004
(Continued)

NOTE 5 -   Net Assets released from Restrictions
Net assets were released from grantor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by grantors.

NOTE 6 -   Retirement Plan
Employees are eligible for participation in the Council's defined contribution retirement annuity program ("the Plan") administered through the TIAA/CREF insurance companies. Individual contracts issued under the Plan provide for full and immediate vesting of the Council's contributions. The Council contributes 15% of employees' salaries to the Plan each year. The Council's contributions were $173,270 and $170,313 in 2004 and 2003, respectively.

NOTE 7 -   Concentrations of Credit Risk
Financial instruments which potentially subject the Council to concentrations of credit risk consist primarily of cash equivalents. At June 30, 2004 and 2003, approximately $566,716 and $1,169,916 respectively, in cash equivalents was being held by third parties in money market accounts that invest solely in United States government securities.   This amount is not insured by the Federal Deposit Insurance Corporation. In addition, cash in the bank at June 30, 2004 and 2003 exceeded FDIC insurance limits by approximately $308,373 and $406,008. Furthermore, all balances in investment accounts are uninsured.

NOTE 9 –   Accounts Receivable

	June 30, 2004
Account balances are aged as follows	
Current	$ 360,466
30 – 60 days	41,376
60 – 90 days	-
Over 90 days	35,564
Less: Allowance for doubtful accounts	-
Total Accounts Receivable	**$ 437,406**

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2004
(Concluded)

NOTE 10 - Commitments

The Council has entered into a noncancelable operating lease agreement for its office space which expires in August 2008. The Council is subleasing a portion of its space until August 2004. Rental expense, net of sublease income for the year ending June 30, 2004 was $122,866.

Future minimum payments under all leases, net of sublease receipts, are as follows:

Year Ending June 30,	Operating Lease
2005	186,796
2006	201,749
2007	209,819
2008	218,212
2009	36,603
Total	$ 853,179

NOTE 11- Board Designated Net Assets Funds

The Board of Directors voted to restrict net assets of $400,000 for operating reserves.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2004
(With summarized financial information for June 30, 2003)

	Digital Libraries	Economics of Information	Leadership	Preservation	Education	Resources For Scholarship	Total Program Services	Admin.	Total 2004	Total 2003
Grants & Contracts	$ 75,723	$ -	$ 1,740,872	$ 148,827	$ -	$ 236,510	$ 2,201,932	$ -	$ 2,201,932	$ 2,088,181
Refunds	-	-	(12,800)	-	-	-	(12,800)	-	(12,800)	(22,000)
Meeting & Travel	229,281	11,566	419,785	19,338	23,413	23,819	727,202	52,419	779,621	1,035,776
Project Expenditures	2,177	-	2,141	1,456,988	8,860	-	1,470,166	-	1,470,166	615,078
Communications	10,551	-	892	2,950	159	230	14,782	11,882	26,664	29,096
Staff	489,445	-	229,700	584,562	2,214	51,173	1,357,094	237,878	1,594,972	1,738,933
Consultants	44,878	-	-	-	-	95	44,973	22,602	67,575	96,943
Program Support	82,393	10,269	75,904	19,588	421	11,032	199,607	221,339	420,946	535,278
Board Expense	-	-	-	-	-	-	-	-	-	28,296
TOTAL	$ 934,448	$ 21,835	$ 2,456,494	$ 2,232,253	$ 35,067	$ 322,859	$ 6,002,956	$ 546,120	$ 6,549,076	$ 6,145,581