

Integrity

Annual Report Fiscal Year 2023: July 1, 2022–June 30, 2023



Center *for* Research Libraries
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GLOBAL RESOURCES NETWORK









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The Center for Research Libraries (CRL) is a member-governed, nonprofit international consortium of university, college, and independent research libraries collectively building, stewarding, and sharing a wealth of resource materials from all world regions to support inspired research and teaching. CRL's deep and diverse collections are shaped by specialists at major U.S. and Canadian research universities, who work together to identify and preserve collections and content, to ensure its long-term integrity and accessibility to researchers worldwide.

Enriching research.
Expanding possibilities.
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Message from the Chair



We have much to celebrate as CRL enters its 75th anniversary year. CRL is a collective inheritance, an abiding institution in the research library community. The theme of the 2023 CRL Annual Report is “integrity.” Through CRL, research libraries amplify and sustain our mission to collect and preserve the scholarly record and bring credible sources to bear on the research enterprise. It is a noble mission. At times, it is a precarious one. Distrust of institutions, societal polarization, and even a skepticism of facts reinforces the value of research libraries and the work we do to infuse integrity throughout all aspects of knowledge production.

One of the most important responsibilities of research libraries is to provide for the preservation and long-term access to the scholarly record. This is a matter of trust, and our collective responsibility. On account of its history and scale, CRL has a unique role to play in fostering and sustaining network-level collaborative efforts to build, preserve, and provide long-term access to the scholarly record. I appreciate the longstanding leadership CRL has provided in this area, and I am gratified that CRL’s leadership

continues to evolve and grow for the benefit of our community and the scholarly enterprise.

Beginning in 2020, CRL has actively forged new ties with organizations across the shared print community. CRL has partnered with HathiTrust and the California Digital Library to provide facilitated leadership to the evolving landscape of shared print. In 2023, this collaboration honed in on developing a strategic vision and sustainability model for shared print, resulting in the publication of two articles in the Scholarly Kitchen, which together outline a repositioning of shared print into new areas, including prospective collection development at the network level. These pieces are included in this annual report.

Integrity, credibility, trust – these are bedrock values of research librarianship. Through the cooperative infrastructure research libraries have built and sustained at the network level over many decades, we are well positioned to continue to bring research integrity to the scholarly enterprise and the preservation of the scholarly record. This work is a shared responsibility, and we can only advance this work efficiently, effectively, and sustainably through our collaborative networks. I am deeply grateful for the work we accomplish together through the Center for Research Libraries.

Denise Stephens
Peggy V. Helmerich Dean of University Libraries
University of Oklahoma

Message from the President



As CRL enters its 75th year, I am delighted to highlight the theme of integrity for this annual report, my last as CRL President. Since 2019, CRL's organizational priority has been to bring integrity to all aspects of CRL, from the inside-out, to provide a strong foundation for the bold aspirations of our community. Bringing integrity to all aspects of CRL has meant investing in CRL's core. These investments span a range of activities, from major capital investments in the CRL facility, reorganizing internal operations, launching a review of CRL's governance structures, and providing stronger support for CRL's programs and partnerships. Together, these reinvestments position the organization to enter into a phase of growth which will sustain the research enterprise for the next 75 years.

Our reinvestment in CRL's core began with a suite of major capital improvements in CRL's facility on the South Side of Chicago. These capital investments foster integrity by ensuring that CRL maintains a secure preservation environment for our collections, aligned with our mission to responsibly steward the scholarly record on which the

research enterprise relies. In addition, these capital investments meaningfully improve the workspaces and allow CRL staff to execute their work more effectively. In parallel with these capital investments, we enhanced CRL's internal policies on staff development and morale. Improved morale was reflected in the organizational climate survey in 2023, which demonstrated the CRL staff's overall satisfaction and strong alignment with our organizational mission.

CRL's institutional diversity is its greatest strength, yet for that strength to be leveraged we require governance structures that facilitate collaboration across a wide spectrum of institutional difference. In 2023, the CRL Board of Directors launched a Governance Task Force, a group which will work throughout 2024 to review and align CRL's governance for the current and future needs of the organization. CRL also launched a major effort to review its suite of partnerships and programs, particularly in its core global collections programs, to better support investments in these programs and align them with CRL's core mission, membership services model, and operational capacity. In ensuring integrity in governance, partnerships, and programs, CRL will be better equipped to leverage the collective strength of its diverse membership.

In the year ahead, CRL celebrates its 75th Anniversary. We will welcome a new president to build on the legacy of the past 75 years, an enduring foundation laid by the research library community. That foundation is built on the integrity of mission, integrity of our collective, and integrity of the facility, staff, and collections. Integrity will continue to strengthen CRL's programs, services, and community building for this unique cooperative. Thank you for letting me be a part of it.

Greg Eow
President, Center for Research Libraries

Shared Print

CDL, CRL & HathiTrust Shared Print Collaboration

by Amy Wood, Director of Discovery and Technology, Center for Research Libraries (CRL), and coordinator for the CDL, CRL, & HathiTrust Shared Print Collaboration (more commonly called the “CCH Collaboration”)¹

In 2020, CRL joined forces with the California Digital Library and HathiTrust to form the CDL, CRL, HathiTrust (CCH) Collaboration to undertake a facilitative leadership role gathering the threads of the broader shared print community’s considerable efforts to advance shared print’s transition to a new phase of integration and interoperability and change the conversation about shared print.

In the last quarter of 2020, the CCH Collaboration released the PAPR collection comparison tool as the only freely available tool to enable serials collection decision-makers to compare local serials holdings with those committed to shared print programs.

In 2021, the Collaboration held a series of town hall meetings and a summit focused on moving the work of shared print from its perceived role as special project to core collections work by embedding its cross-functional work in the lifecycle of collections.

Following the summit the Collaboration created regular opportunities for shared print program managers, librarians and vendors to share ideas, and encouraged unlikely partnerships to flourish. This led to work on a sustainability model for shared print, within the lifecycle of collections, and two Scholarly Kitchen posts-- Shared Print Down the Rabbit Hole and Shared Print & Sustainability through the Looking Glass.

This two-part series highlighted barriers to the sustainability of shared print, opportunities and the need for shared print, as a community of membership programs working in parallel, to evolve to become a more cohesive and sustainable national effort by employing an ecosystem strategy. Intentionally operating as an ecosystem to strengthen the core work and unique value of each organization within the ecosystem while building opportunities for innovation, shifting relationships, evolution and expansion of work.

While not stated explicitly in the posts, this underscores CRL’s 75 years of continuous commitment to its core work of cooperatively building a shared collection. While processes and services have variably focused on different aspects of building a shared collection—reducing redundancy in members’ collections, ensuring the future accessibility of important but rarely held material, actively collection building non-U.S. to complement and expand local collection building activities and taking a leadership role in the U.S. and Canadian shared print effort of the last decade. Highlights of this work can be found on CRL’s website, including but not limited to CRL’s twice yearly PAN forum, two major summits, the PAPR database, and many critical grant-funded projects to investigate and operationalize strategic aspects of collectively stewarding print collections.

CRL looks forward to continuing its work with the CCH Collaboration to further CRL’s overall and continual effort to achieve an ever more cohesive and sustainable cooperative effort to build and steward print collections.

Part I: Down the Rabbit Hole¹

by Heather Weltin, HathiTrust; Alison Wohlers, California Digital Library (CDL); and Amy Wood, Center for Research Libraries (CRL), who are coordinators for the CDL, CRL, & HathiTrust Shared Print Collaboration (more commonly called the “CCH Collaboration”)¹

David Crotty’s Scholarly Kitchen post, *Building for the Long Term: Why Business Strategies are Needed for Community-Owned Infrastructure*, inspired us to apply a similar lens to the sporadically high-profile, fast-growing, and complex problem space of shared print — specifically the effort to build a national shared collection by networking amongst individual shared print programs. The number of libraries committed to cooperative solutions for print preservation and management has grown considerably and, just in the last several years, we have seen major breakthroughs in building partnerships at the national level in the US and Canada. And yet, there is something in it all that feels like we’re running in place. We find ourselves, to riff off Katherine Skinner’s July 2019 blog post *Why Are So Many Scholarly Communication Infrastructure Providers Running a Red Queen’s Race*, moving at top speed year after year but are seemingly still not that far from where we started.

Applying Skinner’s framework demonstrates that shared print has a sustainability problem. Libraries’ ability to steward print collections in the future is being compromised by how we manage them now. We believe that sustainability is both a mindset and a lens through which we need to view, analyze, and act upon the needs of the libraries. Our use of the word sustainability is aligned with the United Nations’ definition: the aim to meet current information needs without compromising future needs (informational, environmental, economic), and with ALA’s call to action for librarians to be catalysts, connectors, and contributors to community resilience included in their Report of the ALA Special Task Force on Sustainability. We have to evolve our shared print strategy to align with the core values of libraries, and to increase the value proposition of print collections.

The What and Why of Shared Print

Shared print is a body of collaborative activities undertaken to ensure that print collections are retained and available for current and future users. Shared print builds on the value of long-standing library partnerships and services, including interlibrary loan and shared storage, by adding a layer of formal agreements that individual libraries make to retain (not withdraw) and provide access to a specific set of print resources through a designated time horizon.

Libraries invest in this activity because print collections continue to be relevant to the scholarly communication ecosystem. Crist and Stambaugh’s 2014 survey of ARL libraries surfaced three general rationales for retaining print collections that are generally available and preserved digitally: re-digitization, supporting research consultation of the print form, and guarding against catastrophic loss of collections. Overall, patterns of use and digital availability, coupled with space and resourcing opportunity costs, have driven the adoption of shared print strategies amongst academic libraries (Dempsey, et al., 2013).

Throughout the twentieth century, a number of strategies to create shared collections, including shared storage facilities, collaborative collection development, and rationalizing the number of copies of low-use material were undertaken. But none took hold at a scale large enough to create a national impact. In the 1990s, with the growing networked digital collection and changing economies of acquisitions and impact on perceptions of value of the print collections, the Council on Library and Information Resources (CLIR) recommended the establishment of regional repositories to steward print resources, and the creation of inter-institutional networks of information-sharing to reduce duplication and to delegate the responsibility of managing print collections. The result is what we think of as shared print today.

¹ Weltin, Heather, Alison Wohlers, and Amy Wood. “Shared Print: Down the Rabbit Hole.” The Scholarly Kitchen, March 6, 2024. <https://scholarlykitchen.sspnet.org/2024/03/06/guest-post-shared-print-down-the-rabbit-hole/>.

As early as 2003, at the Preserving America's Print Resources summit, there were calls for greater coordination among regional programs. Despite these calls, shared print programs continued to develop as unrelated efforts with only a fraction of the full corpus accounted for. Collections retained and services developed targeted the needs of their member libraries. This state has persisted despite the establishment of two national alliances, the Rosemont Shared Print Alliance and the Partnership for Shared Book Collections, which were born of the desire to work across the growing number of regional and local shared print initiatives.

In a parallel effort to support shared print's transition to a new phase of integration and interoperability, in January 2020 our organizations formed the California Digital Library, Center for Research Libraries, and HathiTrust (CCH) Shared Print Collaboration. The Collaboration has acted in a facilitative role to build relationships and encourage discussions across functional and organizational silos. A 2021 summit of library leaders, shared print experts, and service providers surfaced common aims for working across functional and organizational silos to embed shared print across the collections lifecycle. In 2022, the momentum continued with partnerships across libraries, consortia, and service providers effectively advancing the vision of embedding shared print into the collections lifecycle. But, in 2023, we struggled to see systemic change in embedding shared print in the work of all functional areas across the lifecycle of collections. In addition, a joint task force recommended that the two national alliances merge to meet "the organizational, structural, and cultural challenges of shared print programs" including reducing redundancy of effort and workload on individuals.

How the Seven Barriers Manifest in Shared Print

Using Skinner's list of seven barriers for academy-owned and academy-led infrastructure, we have grouped them to underscore the ways these barriers work in tandem to hinder shared print progress.

RESOURCING

- **We are chronically underfunded and understaffed; support is contingent and attention is fleeting.**
- **We often compete with one another for scarce resources.**

Chronic underfunding and understaffing are problems for libraries in general. The 2022 Ithaka US Library Survey revealed a new lens for understanding overarching resourcing trends: while resources are not necessarily lacking overall, the prioritization of those resources is shifting. Further analysis indicates a shift from expenditures for collections to services. This change particularly threatens shared print because of our business models' reliance on membership.

Shared print programs and initiatives incur costs that libraries generally share through a membership model. These costs vary and while one of the national federations is working on a calculator, we do not have the information or transparency needed to effectively compare and understand shared print costs. Several large shared print programs relied on significant grant funding for the first few years of their operations, which subsidized the initial cost, but not the ongoing expense for individual libraries. For programs embedded in the services of existing consortia and membership organizations, some raised special funds from amongst the members to support the work, others redirected existing capacity, and some also underwrote the early costs to build momentum and incentivize participation.

The Western Regional Storage Trust's (WEST's) transition out of grant funding and into a pure membership model – with accompanying fee increases to maintain similar service levels – resulted in cancellations, loss of revenue, and eventually, adjustments to service levels. While WEST has reached equilibrium with right-sized services and is growing its membership once again, the program remains vulnerable in its dependence on a membership model. The Eastern Academic Scholars' Trust (EAST) managed the transition from grant funding

more effectively through steady and intensive membership growth. For programs where consortial capacity was redirected, the sustainability of the ongoing shared print effort is subject to reprioritization and the availability of member funds.

Membership growth has been one way to maintain low costs after grants or other subsidies end, but it has its limitations. There is a limit to how much a regional or local program can grow while still providing effective services to all members and adhering to its “regionality.” In addition, if all or many programs see membership growth as the sustainability solution for the future, we are going to run into detrimental competition as multiple programs recruit the same libraries and libraries are participating in multiple programs. This will result in duplicative work and expense for the libraries without significantly expanding the services they receive.

Skinner observes that programs often compete for resources and argues for “incentives for alignment and disincentives for duplication of work.” In shared print, we are prone to duplicative work and do not have effective disincentives in place to help us avoid it. Instead, we are all trying to innovate along similar lines, particularly around technology, and measure success in our member and retention counts. This duplicative work involves resources which we know are already competing with other services across our library budgets, which can lead to undervaluing or deprioritizing shared print overall or moving support and attention elsewhere. Rather than focusing on growing membership and duplicative efforts, the shared print community could spend time focusing on collaborative efforts like broadening the scope of items committed, reaching optimal duplication of committed copies of items, or developing new and better services that leverage the shared collection.

THE INNOVATION DELUSION

- **Our planning and strategy focus more on innovation than maintenance.**

The significant role that grant funding and membership have played in shared print business models has encouraged us to emphasize the ways we can innovate rather than sustain. In his 2019 reflection on library collaborations, Roger Schonfeld observes, “Our profession has chosen to recognize and reward leaders for creating new organizations. There is as a result an incentive to create a new organization above and beyond the needs of the libraries themselves.” For years, this has worked to seed new shared print programs. The number of new shared print programs between 2010 and 2015 gave the work a center of gravity, a significance, and a sense of innovation it might not otherwise have had, because they connected networks of libraries that might not have worked together. These benefits initially carried us all forward on a wave of enthusiasm. But there is a counterbalance and unintended consequence of that momentum as Stearns and Wohlers highlighted in *Shared Print on the Threshold*, “While ever more prolific, varied, and collaborative on standards and best practices, shared print collections remain awkwardly siloed from program to program, and more detrimentally, from other library services and infrastructure.”

This siloing has led to competition for library attention and resources, and encouraged us to continually come up with something flashy and new to keep us ahead of the rest of other shared print programs and library collaborations and to provide an illusion of success. Maintenance is not captivating to funders or libraries, but it is essential to achieve sustainability and meaningful innovation. The key to finding the effective balance between innovation and maintenance requires imagining innovation and maintenance as two points on a continuum. Opportunities for innovative maintenance lie within the continuum.

BUSINESS SENSE

- **We depend on leaders who are not trained in basic business functions.**
- **We lack assessment and accountability.**
- **We don’t know how much money we currently spend on [shared print] as a field, nor are we measuring how actions we take impact that number.**

Librarians have had to diversify their expertise as more services are gathered under the umbrella of information specialists. Our libraries and collaborations have created complex products and services requiring sophisticated business and financial management (e.g. WEST's AGUA tool, CRL's PAPER registry). But we continue to come up against a lack of business experience, strategy, and business resources as we try to move forward hosting and maintaining them, investing in their further development, and governing them collectively.

Fiscal and administrative hosting is an essential but complex need for our various collaborations and these have associated costs. Library consortia have some capacity for hosting strategic programs that resonate with their visions and missions, but that capacity is limited. Just this year, fiscal hosts for a regional program, one of the national shared print federations, and another national collaborative program – outside of but similar to shared print – ended their hosting responsibilities. Hosting these programs (and being hosted) takes significant resources and is not a core service of most libraries or consortia. As we look to a sustainable future, we need to build better business models that make hosting sustainable for both host and hosted program.

Amplifying the problem of sustaining the business side of these programs is the challenge of measuring the cost of operations and their impact for libraries. Shared print's foundation is in ensuring future access. It is an effort with a long horizon for return on investment without clear measures to gauge this. Using access statistics as a measure of success has not been fruitful. In the early days of shared print, the focus was on high overlap content and there was enough redundancy across library collections that the access benefit of shared print was decidedly just in case. Even now shared print programs do not appear to play a significant role in facilitating access to content (see Figure 1 in this EAST analysis). To date, we lack the tools or data to measure either immediate or potential impact.

Conclusion

Libraries are simultaneously limited and creatively fueled by the trilateral tension to calculate the demands of legacy collections, current needs, and future possibilities in every collection stewardship strategy. A common driving force of all of library innovations has been collaboration at scale – taking place above the group or consortial level. Each of us have been deeply involved in the important library collaborative effort to ensure the preservation and access of print materials in library collections. Yet, each of these efforts has fallen short of evolving into sustainable models that effect needed change over time.

Skinner put it well when she stated, "...we have to work at it – beginning with building a strong understanding of where we are today so that we can make sure that in the future, the faster we run, the farther we go." In shared print, we can't keep running the Red Queen's Race and we are at a pivotal moment where choices we make can take us beyond these barriers. With the Rosemont Shared Print Alliance and Partnership for Shared Book Collections merger on the horizon, leadership transitions abounding, and organizational strategic planning running rampant, this could be our golden moment to forge a new and sustainable path. We'll talk more about this in the follow up blog post. We hope you'll join that conversation as well.

Part II: Shared Print & Sustainability through the Looking Glass²

Applying Katherine Skinner's list of seven barriers to progress for academy-owned and academy-led infrastructure, Shared Print down the Rabbit Hole highlighted our view that current efforts to collaboratively build shared print collections on a national or possible cross-national scale are unsustainable. With significant leadership, programmatic, and alliance changes underway, we have a golden moment to revitalize our effort to become sustainable. In her post, Skinner invites readers to expand on her list by recognizing additional barriers to progress. In this post, we add an eighth barrier: we often build inflexible organizations and fixed networks that are internally focused and siloed from each other and the larger scholarly ecosystem. We propose a solution to better align effort with outcomes to ensure the "faster we run, the farther we go".

The Eighth Barrier: Inflexible Organizations that are internally focused and siloed from the larger scholarly ecosystem

As we highlighted in our previous post, shared print has self-organized as an unsustainable network of programs working in parallel toward the common goal of ensuring the preservation and accessibility of print monographs and serials for future scholars. The result, as reported in the 2015 assessment provided at the Preserving American's Print Resources (PAPR) II summit showed that despite measurable progress of retained serial titles (the format focus of the summit), shared print retention as a multi-national effort represented a fraction of the full corpus of print holdings, and retention across programs lacked intention. We have still not moved far past the 2015 PAPR II Summit assessment findings that holdings were concentrated in a few subject areas, coverage across fields of concentration was uneven, and duplication of individual titles across programs was unsystematic because we lacked intentional collection coordination across programs.

There have been attempts at collection coordination across programs, libraries, and special interest groups. For example, CRL attempted to build programs targeting law and agriculture resources and newspaper collections. The Western Regional Storage Trust (WEST) promoted its collection analysis tools and workflow to provide consistency of approach and outcomes across programs. There have been attempts to engage Institutions with specialized missions to steward collections with targeted focus, such as the Linda Hall Library's science and technology collections and the national libraries. But our definitions of shared print programs and the collective collection, which generally require formal agreements among many libraries, lack a runway for shared print libraries and programs to get involved.

To build that runway and to make shared print more sustainable, we need to build flexible organizations, linked less by formal agreement and more by an exchange of services, data, and resources across organizations and across functional expertise. They should operate in a system that encourages co-evolution of all organizations and that fosters a variety of networks and expertise — an ecosystem that goes beyond peer network cooperation and formal agreements. Taking this sort of approach to our work will help shared print programs and their collaborators make consistent, intentional progress in a sustainable way.

The Ecosystem

STEP I: WHAT AN ECOSYSTEM IS

² Weltin, Heather, et al. "Shared Print & Sustainability through the Looking Glass." The Scholarly Kitchen, 7 Mar. 2024, scholarlykitchen.sspnet.org/2024/03/07/guest-post-shared-print-sustainability-through-the-looking-glass/.

In *The Myths and Realities of Business Ecosystems*, the authors characterize an ecosystem as “. . . multi-entity, made up of groups of companies not belonging to a single organization. They involve networks of shifting, semipermanent relationships, linked by flows of data, services and [resources].” Building on this definition, we see an ecosystem, at its heart, as a complex, multi-entity system whose participants interact in various ways to meet shared goals and co-evolve to maintain its strength.

Our nascent shared print ecosystem includes the wide spectrum of entities already in our individual networks and partnerships. These entities include researchers, managers, administrators, technology suppliers from commercial and semi-commercial organizations, grantmaking organizations, and librarians with functional expertise across the collections lifecycle. Relationships among these entities are sometimes collaborative, supplying something the other needs; and sometimes competitive, taking different approaches to solving a problem. They work best if each entity develops its own capabilities based on the application of its core mission and expertise to perceived needs and opportunities arising within the ecosystem.

STEP 2: WHY WE NEED TO OPERATE AS AN ECOSYSTEM

Operating as an ecosystem moves us away from the zero sum thinking of local versus network, which continues to confound the scholarly ecosystem. It can address our tendencies for shared print program organizational inflexibility and silo-ization which underpin many of the barriers explored in *Shared Print down the Rabbit Hole*, and are the essence of the eighth barrier we’ve identified.

To counteract the concerns that local versus network collections raise, we activate various organizational structures (trusted networks), characteristics (peer groups of library size or type), or tools (interinstitutional agreements) to manage the risk of collaboration. As Brian Lavoie highlights in *Library Collaboration as a Strategic Choice: Evaluating Options for Acquiring Capacity*, “An important part of the collective action problem is the trade-off between optimizing local benefits versus group benefits. A group of libraries may agree that collectively managing down print is a good strategy, yet individual libraries will not want to alienate local faculty by reducing the on-site print collection.”

While valuable, networks alone are not enough, particularly when we self-select with peers. We need to foster diversity of actors and expertise. With its focus on multi-entity participation, shared goals, co-evolution, networks of shifting relationships, and links of data, service and resource flows, an ecosystem approach would enable libraries to build collective action around print collections. Libraries have relationships with a variety of vendors, funding organizations, and allied organizations that need to be activated within the ecosystem. Collaborations among shared print programs alone cannot successfully develop and provide all of the technology and services needed to steward a national or possible cross-national shared print collection — even if they adapt their mission, governance, and funding models to changes in the environment.

In an ecosystem approach we amplify integration, shared resources, and complex dependencies, while building in mechanisms and solutions that support flexibility and change. Skinner noted that “solutions will have to include incentives for alignment and disincentives for duplication of work.” Instead of investing our hours in convincing libraries to join a third or tenth collaborative project, we should turn our attention to interconnecting collaborations so that a full range of specialized services and resources are available, but participation and maintenance are simpler for individual libraries and staff.

Now could be a golden moment for shared print to take an ecosystem approach. Shared print has had open, collaborative tools for collection decision-making — PAPR and JRNL and CCH collection comparison tool — and community-directed platforms and tools such as ReShare and Folio are considering features and functionality to support shared print, as well as applications for general collection decision-making. Also, the national shared print alliances, which had each focused on a single format, are merging to collaboratively consider the needs of both serials and monograph collections. This is our moment to ensure that these technologies, and the collaborations that are created around stewarding print collections, are not simply adding to the multiplicity of

cooperative silos that currently exist. Instead, an ecosystem approach allows us to harness shifting relationships and networks to create a dynamic economy, where maintenance of core services co-exist with innovation incubating around the edges.

STEP 3: HOW TO BUILD AN ECOSYSTEM

A roadmap to adoption we call the three pillars framework — purpose, organizing structure and strategy — can allow us to reorganize, reimagine, and reinvigorate our stewardship of print collections.

PURPOSE

The purpose of shared print programs has been nearly universal: to ensure the long-term retention and accessibility of print materials for future researchers. They have built relationships, technological systems, data standards, and services around this goal.

To build a sustainable shared print effort and thriving ecosystem, we need to go beyond that purpose and redefine the role of shared print within the larger scholarly ecosystem. We need to increase the value of the network-level print collections by developing services for these collections that are demonstrably better than what already exists. Within the current shared print purpose of long-term preservation and access, the value of items to the library remains unknown beyond the first year after the shared print commitment is made. In the first year after an item is moved to another facility, library administrators can document the value of a one-time gain in space. After that, volumes moved to a shared print collection depreciate rapidly in value to the previously owning library unless the relationship of that item to the scholarly ecosystem can be intentionally improved.

The collective tolerance of decision-makers for investing significant resources in retaining collections of potential rather than immediate value is decreasing. The solution is to encourage a diversity of organizations to design services that increase or release the value of the print we steward. As long as print continues to be published, there will be opportunities to link authors, ideas, and publishing aesthetic trends as well as libraries and users. Transforming print collections at academic libraries identifies ways in which print collections can serve as learning tools, literacy aids, and opportunities for using print in new ways collections that aren't on the fast track to digitization. The library community needs to investigate even more ways to innovate with print.

ORGANIZING STRUCTURE

The very characteristics of an ecosystem — multi-entity, diversity of capabilities, shifting networks, and co-evolution — highlight the type of organizations that are engaged in it, the ways those organizations interact with each other, and the larger scholarly ecosystem. In *The Myths and Realities of Business Ecosystems*, the authors identify key characteristics of organizations that make up a thriving ecosystem. They need to be dynamic, collaborative, willing to relinquish full control, finding value in the interactions within the ecosystem, embracing and generating unanticipated shifts and focuses beyond their own internal organization.

To achieve a sustainable organizing structure, shared print programs and libraries investing in them need to be flexible and adaptive to changes, and to emphasize mutually beneficial services or exchanges of resources. The participants in a shared print ecosystem understand and use formal and informal networks. So, rather than creating metadata standards and infrastructure for retained material limited to our shared print networks as ways of strengthening internal relationships, we need to build additional networks with entities of compatible capabilities across the lifecycle to realize our purpose. Welcoming participation by functional experts like those in ALA's RUSA STARS (Sharing and Transforming Access to Resources) or Cooperative Online Serials Program (CONSER) — respectively, resource sharing and metadata — enables shared print managers to focus on the needs unique to their position.

In an ecosystem, by relying on our formal and informal networks to build capacity, the shared print community can simultaneously incubate initiatives and innovation, while sustainably maintaining our core services. We can also use those networks to dissolve innovation attempts that are less than successful and use up scarce resources. We don't just innovate. We act, with shared purpose, when abandonment or pivoting is necessary to ensure a thriving ecosystem.

STRATEGY

Our strategy for increasing the value proposition of shared print collections has to evolve. Shared print's strategic focus has been to support the retention of collections as the prerequisite to digitization. We have lacked tangible plans, aligned to retention decisions, for developing innovative services to increase the value of the collective collection. Value of the shared print copy was assumed to passively increase over time, as redundant copies held throughout the network were discarded and the shared print copy remained for the focus of use. However, for circulating collections, rarity itself does not increase the value to the researcher. Improving the value of print items for researchers requires reliable access, and metadata and tools to help researchers connect ideas, authors, and social and historical context with other items within collection networks. It also requires broadening networks of collections by exposing diversity of perspectives and organizational commitment to the full stewardship collection items.

We have to change the relationship of print collections to the larger scholarly ecosystem by redrawing our boundaries from siloed shared print collections with a focus on loss mitigation to tapping into the unrealized potential of shared print collections for the future of libraries. We have to "align [our] work processes and collaborate towards a central value proposition . . . to find integral solutions and stimulate lifecycle thinking." This means finding ways to connect with experts, including scholars, university leadership, and library leadership, across the collections lifecycle to engage with shared print collections as core not just for researcher use but also for fueling improvements in librarianship. We need to use these collections to understand trends of use, to develop innovative services, to link collection networks, and to build trust throughout the ecosystem.

Some examples of how librarians and organizations have worked to increase the value of print collections can be found in *Transforming Print: Collection Development and Management*. They include digitization for access to or discovery of information hidden by inadequate metadata; user-centered arrangement of collections for browsing and serendipitous discovery; and intentional collection development to address inequities of practice. These are worthy efforts, particularly at the local level, but we need to take what we learned from them and apply them at scale in ways that are particular to the purpose of shared print, and build on the unique capabilities developed within the shared print ecosystem to benefit the larger scholarly ecosystem. This is our collective challenge.

Conclusion

Success in shared print is a process, not a goal: a goal implies an end, and shared print programs and initiatives are focused on continued access. This focus on continuing access and preventing loss underscores the need for the organizations and networks that steward the collections to evolve. Taking an ecosystem approach, in which a diversity of organizations cooperate in exchanging services, data and resources, share information, and respond to the needs of the larger scholarly ecosystem rather than remain siloed shared print programs, enables us to take on the challenge of stewarding print collections at a national-level.

We will know our process of achieving success is on track when we, a diverse group of interlocking organizations, increase the value of shared print collections for the larger scholarly ecosystem. By providing benefits around print that are demonstrably better than what has existed, our golden moment will be realized.

Member Institutions, FY23

listed by the year they first joined CRL

1949 – Founding Members

University of Chicago
University of Illinois at Urbana-Champaign
Illinois Institute of Technology
Indiana University
University of Iowa
University of Kansas
Michigan State University
University of Minnesota
Northwestern University
Purdue University

1950

University of Cincinnati
University of Notre Dame
University of Wisconsin

1953

Ohio State University

1959

University of Kentucky

1962

University of Missouri

1963

University of Toronto

1967

University of British Columbia
University of California, Los Angeles
Cornell University
Harvard University
Iowa State University
Loyola University of Chicago
University of Pittsburgh
Princeton University
University of Rochester
University of Utah

1968

Arizona State University
Washington University in St. Louis

1969

University of California, Santa Barbara
Carleton University
Northern Illinois University
Ohio University

1970

University of Illinois at Chicago
University of Michigan
Rutgers, The State University of New Jersey
Temple University
Texas A & M University

1971

Columbia University
University of Tennessee

1972

University of Arkansas

1973

Chicago State University
University of Denver
Florida State University
University of Massachusetts, Boston
McGill University
University of New Mexico
New York Public Library
University of Pennsylvania
Yale University

1974

University of Florida
Lake Forest College
University of Oregon

1975

Vanderbilt University

1976

University of Colorado
University of Delaware
University of Georgia

1977

University of Arizona
DePaul University
University of North Carolina
Stony Brook University
University of Texas at Austin
Tulane University
University of Virginia

1978

University of Massachusetts, Amherst
Middlebury College

University of Oklahoma
University of Vermont
University of Washington

1979

University of California, Berkeley
University of California, Davis
University of California, Irvine
University of California, San Diego
University of California, Santa Cruz

1980

Carnegie Mellon University
Florida International University
Miami University of Ohio

1983

North Carolina State University
York University

1985

Oregon State University
Valparaiso University
Western University

1989

College of William & Mary
University of Southern California

1990

University of Alabama

1991

University of Maryland, College Park
Virginia Tech

1993

University of Alberta
University of Dayton
Duke University

1994

The Claremont Colleges
Emory University
George Mason University

1996

Kenyon College
New York University
University of Ottawa

1997

University of Calgary
 Paul H. Nitze School of Advanced
 International Studies at Johns
 Hopkins University

1999

Oberlin College
 Pennsylvania State University
 Texas Tech University
 University of Texas at San Antonio

2000

University of Victoria

2005

Carleton College
 Colorado College
 Grinnell College
 Knox College

2006

University of Connecticut
 University of Manitoba
 University of South Florida

2008

Brock University
 Colgate University
 Dartmouth College
 Lakehead University
 Queen's University
 University of Saskatchewan
 Simon Fraser University
 Trent University
 Toronto Metropolitan University
 Vassar College
 Wilfrid Laurier University

2009

Adler University
 Hope College
 The Newberry Library
 The School of the Art Institute of
 Chicago

2010

Illinois Wesleyan University

2011

Carroll College
 University of Central Florida
 University of North Florida
 Olivet Nazarene University
 University of the South
 Williams College

2012

Baruch College – CUNY
 Baylor University
 University of California, Merced
 Graduate Center – CUNY
 Norwich University
 West Virginia University

2013

Bard College
 Boston College
 Carthage College
 University of Nebraska–Lincoln
 Northeastern University
 Union College

2014

Liberty University
 Mount Holyoke
 Occidental College
 University of San Francisco
 Saint Olaf
 Smith College
 Stanford University

2015

Amherst College
 Hampshire College
 University of Miami
 National Agricultural Library
 Pepperdine University
 Rollins College
 University of San Diego

2016

Furman University
 Hamilton University
 Macalester College
 The New College of Florida
 United States Military Academy
 Virginia Commonwealth University
 University of West Florida

2017

Brandeis University
 University of North Texas

2018

Lafayette College
 Wofford College

2019

Ball State University
 Butler University
 Concordia University
 Kalamazoo College

Lehigh University
 SUNY Geneseo
 University of Texas at Dallas
 Thomas Jefferson Foundation

2020

Université Laval
 McMaster University
 Mount Allison University
 College of Wooster

2021

Bowie State University
 Coppin State University
 Frostburg State University
 Kwantlen Polytechnic University
 Loyola / Notre Dame Library
 Morgan State University
 Salisbury University
 San Diego State University
 St. Mary's College of Maryland
 Towson University
 University of Baltimore
 University of Baltimore – Law
 Library
 University of Maryland – Baltimore
 University of Maryland – Baltimore
 County
 University of Maryland – Center
 for Environmental Science
 University of Maryland – Eastern
 Shore
 University of Maryland – Global
 Campus
 Wesleyan University

2022

Bates College
 Bryn Mawr College
 Davidson College
 Swathmore College
 University of California – Riverside
 West Chester University

2023

Colorado State
 Johns Hopkins University
 Trinity College

2024

Bowdoin College
 Georgia Institute of Technology

Global Affiliates

2015

Max Planck Institute for Human
Development

2018

East Asia Department, Berlin State
Library (Staatsbibliothek zu Berlin)

2020

Göttingen State and
University Library (Staats- und
Universitätsbibliothek
Göttingen)

2023

Jadavpur University

Affiliate Members

1981

Association of Research Libraries
(ARL)

1983

Online Computer Library Center
(OCLC)

Members of Global Resources Programs

As of June 30, 2023

***CAMP (Cooperative Africana Materials Project)**

Ben Gurion University
Bodleian Library of
Commonwealth & African
Studies at Rhodes House
Boston University
Columbia University
Cornell University
Dartmouth College
Duke University
Emory University
Harvard University
Indiana University
Leiden University,
African Studies Centre
Library of Congress
Michigan State University
New York Public Library
New York University
Nordic Africa Institute
Northwestern University
Ohio State University
Ohio University
Princeton University
Rutgers University
Southern Methodist University
Stanford University
Syracuse University
Temple University
University of California, Berkeley
University of California,
Los Angeles
University of Cambridge,
Centre of African Studies
University of Chicago
University of Edinburgh
University of Florida
University of Illinois at
Urbana-Champaign
University of Iowa
University of Kansas
University of London,
School of Oriental and
African Studies
University of Michigan
University of Minnesota
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Toronto
University of Virginia

University of Wisconsin, Madison
Vanderbilt University
Yale University

African Affiliates

University of Cape Town
Mountains of the Moon University

***CIFNAL (Collaborative Initiative for French Language Collections)**

Brandeis University
Brigham Young University
Brown University
Colgate University
Columbia University
Cornell University
Dartmouth College
Duke University
École Nationale Supérieure des
Sciences de l'information et des
Bibliothèques
George Mason University
Harvard University
Indiana University
John Carter Brown Library
Johns Hopkins University
Michigan State University
New York Public Library
New York University
Northwestern University
Pennsylvania State University
Princeton University
Purdue University
Queens University
Reed College
Smith College
Stanford University
The Newberry Library
Tulane University
University of Alberta
University of British Columbia
University of California, Berkeley
University of California, Irvine
University of California,
Los Angeles
University of California, San Diego
University of California, Santa Cruz
University of Chicago
University of Colorado
University of Denver
University of Florida

University of Illinois,
Urbana-Champaign
University of Iowa
University of Kansas
University of Manitoba
University of Maryland,
College Park
University of Michigan
University of Minnesota
University of North Carolina
University of Notre Dame
University of Ottawa
University of Pennsylvania
University of Texas at Austin
University of Toronto
University of Utah
University of Vermont
University of Virginia
University of Washington
University of Wisconsin, Madison
Vanderbilt University
Yale University
York University

***GNARP (German-North American Resources Partnership)**

Brigham Young University
Brown University
Cornell University
Dartmouth College
Duke University
Georgetown University
Harvard University
Indiana University
Johns Hopkins University
Library of Congress
Michigan State University
Middlebury College
New York University
Northwestern University
Pennsylvania State University
Princeton University
Rice University
Rutgers University
Stanford University
University of Alabama
University of Alberta
University of California, Berkeley
University of California, Irvine
University of California,
Los Angeles

University of California, San Diego
University of California, Santa Cruz
University of Chicago
University of Cincinnati
University of Colorado
University of Delaware
University of Florida
University of Illinois,
 Urbana-Champaign
University of Iowa
University of Manitoba
University of Maryland,
 College Park
University of Michigan
University of Minnesota
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Toronto
University of Utah
University of Washington
University of Waterloo
University of Wisconsin, Madison
Vanderbilt University
Washington University
Yale University

German Partners

Bayerische Staatsbibliothek
Goethe-Institut, New York
Humboldt-Universität zu Berlin
Niedersächsische Staats- und
Universitätsbibliothek Göttingen
Universitätsbibliothek Tübingen
Universitäts- und Landesbibliothek
Sachsen-Anhalt, Halle

***LAMP (Latin American Materials Project)**

Arizona State University
Brigham Young University
Brown University
Columbia University
Cornell University
Dartmouth College
Duke University
Emory University
Harvard University
Indiana University
Library of Congress
Michigan State University
New York Public Library
New York University

Northwestern University
Ohio State University
Princeton University
Rice University
Rutgers University
Stanford University
Tulane University
University of California, Berkeley
University of California, Irvine
University of California, Los Angeles
University of California, San Diego
University of California,
 Santa Barbara
University of California, Santa Cruz
University of Chicago
University of Connecticut
University of Florida
University of Illinois,
 Urbana-Champaign
University of Iowa
University of Kansas
University of Massachusetts-
 Amherst
University of Miami
University of Michigan
University of Minnesota
University of New Mexico
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Pittsburgh
University of San Diego
University of Southern California
University of Texas at Austin
University of Toronto
University of Virginia
University of Wisconsin, Madison
Vanderbilt University
Yale University

***LARRP (Latin Americanist Research Resources Project)**

Arizona State University
Boston College
Brigham Young University
Columbia University
Cornell University
Dartmouth College
Duke University
Emory University
Florida International University
Harvard University
Indiana University
Library of Congress
Michigan State University

New York Public Library
New York University
Ohio State University
Ohio University
Princeton University
Rice University
Rutgers University
Syracuse University
Tulane University
University of Arizona
University of California, Berkeley
University of California,
 Los Angeles
University of California, San Diego
University of California,
 Santa Barbara
University of Connecticut
University of Florida
University of Illinois,
 Urbana-Champaign
University of Kansas
University of Massachusetts,
 Amherst
University of Miami
University of Michigan
University of Minnesota
University of New Mexico
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Pittsburgh
University of San Diego
University of South Florida
University of Southern California
University of Texas at Austin
University of Toronto
University of Wisconsin, Madison
Vanderbilt University
Yale University

Latin American Affiliates

Biblioteca Inca
Centro de Investigaciones
 Regionales de Mesoamerica
Instituto de Estudios Peruanos
Universidad de Puerto Rico,
 Rio Piedras
Universidade Federal do Rio
 Grande do Sul
Universidade de San Andres
University of the West Indies/
 St. Augustine

***MEMP (Middle East Materials Project)**

American University in Cairo
American University of Beirut
Arizona State University
Brigham Young University
Columbia University
Cornell University
Duke University
Harvard University
Indiana University
Library of Congress
Michigan State University
New York Public Library
New York University
Northwestern University
Ohio State University
Princeton University
Stanford University
University of Arizona
University of California, Berkeley
University of California,
Los Angeles
University of California,
Santa Barbara
University of Chicago
University of Illinois,
Urbana-Champaign
University of Iowa
University of Michigan
University of Minnesota
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Southern California
University of Texas at Austin
University of Toronto
University of Washington
University of Wisconsin, Madison
Washington University
Yale University

***SAMP (South Asia Materials Project)**

Centre for Studies in Social
Sciences, Calcutta
Columbia University
Cornell University
Duke University
Emory University
Harvard University
Indiana University
Kansas State University

Library of Congress
Madan Puraskar Pustakalya
Michigan State University
Mushfiq Khwaja Library and
Research Centre
New York Public Library
New York University
North Carolina State University
Ohio State University
Princeton University
Roja Muthiah Research Library
Rutgers University
Stanford University
Syracuse University
University of British Columbia
University of California, Berkeley
University of California,
Los Angeles
University of Chicago
University of Hawaii at Manoa
University of Illinois,
Urbana-Champaign
University of Iowa
University of Michigan
University of Minnesota
University of Missouri
University of North Carolina
University of Notre Dame
University of Pennsylvania
University of Texas at Austin
University of Toronto
University of Virginia
University of Washington
University of Wisconsin
Washington University
Yale University

SAOA (South Asia Open Archives)

Centre for Studies in Social
Sciences Calcutta (CSSSC)
Columbia University
Cornell University
Duke University
Emory University
Harvard University
Indiana University
Madan Puraskar Pustakalya
Michigan State University
Mushfiq Khwaja Library and
Research Centre
New York Public Library
New York University
Princeton University

Roja Muthiah Research Library
Rutgers University
Stanford University
University of California, Berkeley
University of Chicago
University of Illinois,
Urbana-Champaign
University of Michigan
University of Minnesota
University of Pennsylvania
University of Texas at Austin
University of Virginia
University of Washington
University of Wisconsin–Madison
Yale University

***SEAM (Southeast Asia Materials Project)**

Arizona State University
Columbia University
Cornell University
Duke University
Harvard University
Indiana University
Leiden University
Library of Congress
Michigan State University
Northern Illinois University
Ohio University
Princeton University
Stanford University
University of California, Berkeley
University of California, Irvine
University of California,
Los Angeles
University of Chicago
University of Hawaii at Manoa
University of London,
School of Oriental and
African Studies
University of Michigan
University of North Carolina
University of Notre Dame
University of Oregon
University of Toronto
University of Washington
University of Wisconsin, Madison
Yale University

***SEEMP (Slavic and East European Materials Project)**

Arizona State University

Columbia University
Cornell University
Duke University
Harvard University
Indiana University
Library of Congress
New York Public Library
New York University
Ohio State University
Princeton University
Stanford University
University of Arizona
University of California, Berkeley
University of California,
Los Angeles
University of Chicago
University of Florida
University of Illinois,
Urbana-Champaign
University of Iowa
University of Kansas
University of Michigan
University of Minnesota
University of North Carolina
University of Notre Dame
University of Pittsburgh
University of Texas at Austin
University of Toronto
University of Washington
University of Wisconsin, Madison
Yale University

**TRAIL (Technical Report
Archive & Image Library)**

Arizona State University
Baylor University
California Institute of Technology
Colorado School of Mines
Georgia Institute of Technology
Harvard University
Indiana University
Iowa State University
Johns Hopkins University
Kansas State University
Los Alamos National Laboratory
Massachusetts Institute
of Technology
Northwestern University
Ohio State University
Oklahoma State University
Oregon State University
Pennsylvania State University
Princeton University
Purdue University
Rice University

Stanford University
Syracuse University
Texas A&M University
Texas Tech University
U.S. Government Publishing Office
University of Arizona
University of Arkansas
University of California, Berkeley
University of California,
Los Angeles
University of California, Riverside
University of California, San Diego
University of Cincinnati
University of Colorado
University of Illinois at
Urbana-Champaign
University of Iowa
University of Massachusetts
Amherst
University of Michigan
University of Nevada, Las Vegas
University of New Mexico
University of North Texas
University of Notre Dame
University of Pennsylvania
University of Texas at Austin
University of Texas at San Antonio
University of Washington
University of Wisconsin-Madison
University of Wyoming
Utah State University
Virginia Tech
Washington State University
Yale University

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Serving as of May 1, 2023

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Center for Research Libraries

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The College of Wooster

Dean Hendrix
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Center for Research Libraries

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Northern Illinois University

John Culshaw
University of Iowa

Paula Krebs
Modern Language Association

Matthew Sheehy
Brandeis University

Gregory Eow, *ex officio*
Center for Research Libraries

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Jeannette Pierce
University of Missouri

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Center for Research Libraries

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Center for Research Libraries

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University of Toronto

Emilie Songolo
MIT Libraries

Laurie N. Taylor
University of Connecticut Library

Lidia Uziel
University of California, Santa
Barbara

Xiuying Zou
The Claremont Colleges Library

Amy Wood, *Staff Liaison*
Center for Research Libraries

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Greg Eow
President

Andrea Duntz-Satapathy
Senior Director, Finance and
Administration

To the Board of Directors of
Center for Research Libraries

We have audited the financial statements of Center for Research Libraries (the Center) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 10, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal controls of the Center solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing previously communicated to you in our engagement letter and in any meetings concerning planning matters.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

As communicated in our engagement letter, our performance of nonattest services does not include assuming management responsibilities or making management decisions. In relation to such nonattest services, you have agreed to assume all management responsibilities for the nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. However, the performance of nonattest services creates the potential for circumstances that may impair independence (“threats”). We have identified and evaluated the self-review and management participation threats created by our performance of nonattest services. In order to reduce such threats to an acceptable level, we have taken certain measures or actions (“safeguards”), including the following:

- Policies and procedures that are designed to implement and monitor engagement quality control;
- The involvement of another professional accountant who (a) reviews the work that is done for a client or (b) otherwise advises the engagement team. This individual is someone from within the firm who is not otherwise associated with the engagement; and
- Policies and procedures that are designed to ensure that members of the engagement team do not make or assume responsibility for management decisions for the client.

Qualitative Aspects of the Center’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. A summary of the significant accounting policies used by the Center are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Qualitative Aspects of the Center's Significant Accounting Practices (continued)

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimate affecting the financial statements was management's estimate of the functional allocation of expenses. Management calculated the allocation of functional expenses based on costs associated with the programs and supporting services benefited. We evaluated the key factors and assumptions used to develop the information used in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are neutral, consistent, and clear. There are no financial statement disclosures that are particularly sensitive because of their significance to financial statement users.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements, whether detected as a result of audit procedures or proposed by us as directed by management, were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 10, 2024.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Center’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Intended Use of this Letter

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

Legacy Professionals LLP

Westchester, Illinois

January 10, 2024

CENTER FOR RESEARCH LIBRARIES

FINANCIAL STATEMENTS

JUNE 30, 2023

CENTER FOR RESEARCH LIBRARIES

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
Center for Research Libraries

Opinion

We have audited the accompanying financial statements of Center for Research Libraries (the Center), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, of functional expenses and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the above paragraph present fairly, in all material respects, the financial position of Center for Research Libraries as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility of the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

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

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

Legacy Professionals LLP

Westchester, Illinois

January 10, 2024

CENTER FOR RESEARCH LIBRARIES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 10,772,950	\$ 19,698,018
Accounts receivable	133,159	93,735
Grants receivable	-	3,880
Prepaid expenses	262,732	25,798
Deferred financing costs	938	25,814
Investments	10,845,500	10,152,185
Property and equipment - net	<u>1,704,581</u>	<u>1,149,926</u>
Total assets	<u>\$ 23,719,860</u>	<u>\$ 31,149,356</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,188,679	\$ 2,287,622
Due to database vendors	559,699	13,298,481
Deferred revenue	1,869,242	1,598,909
Grant payable	-	222,890
Loans payable	<u>89,708</u>	<u>209,265</u>
Total liabilities	<u>6,707,328</u>	<u>17,617,167</u>
NET ASSETS		
Net assets without member restrictions		
Operating	10,517,288	8,098,549
Area Materials Projects	4,783,266	4,364,924
Net investment in property and equipment	<u>1,614,873</u>	<u>940,530</u>
Total net assets without member restrictions	16,915,427	13,404,003
Net assets with member restrictions	<u>97,105</u>	<u>128,186</u>
Total net assets	<u>17,012,532</u>	<u>13,532,189</u>
Total liabilities and net assets	<u>\$ 23,719,860</u>	<u>\$ 31,149,356</u>

See accompanying notes to financial statements.

CENTER FOR RESEARCH LIBRARIES

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	<u>Without Member Restrictions</u>	<u>With Member Restrictions</u>	<u>Total</u>	<u>Without Member Restrictions</u>	<u>With Member Restrictions</u>	<u>Total</u>
REVENUE AND OTHER SUPPORT						
Membership cost share	\$ 6,687,949	\$ -	\$ 6,687,949	\$ 6,804,484	\$ -	\$ 6,804,484
Area Materials Projects	901,580	-	901,580	1,029,263	-	1,029,263
Grants	-	-	-	-	82,970	82,970
Contributions	20,000	-	20,000	-	-	-
Microform sales and subscriptions	34,151	-	34,151	51,547	-	51,547
Cataloging revenue	1,905	-	1,905	-	-	-
Investment income (loss) - net	1,541,697	-	1,541,697	(905,359)	-	(905,359)
COVID-19 relief funds	318,280	-	318,280	1,057,006	-	1,057,006
Other income	159,604	-	159,604	58,592	-	58,592
Net assets released from restrictions	31,081	(31,081)	-	135,111	(135,111)	-
Total revenue and other support	<u>9,696,247</u>	<u>(31,081)</u>	<u>9,665,166</u>	<u>8,230,644</u>	<u>(52,141)</u>	<u>8,178,503</u>
EXPENSES						
Program	4,964,982	-	4,964,982	4,820,178	-	4,820,178
Management and general	658,228	-	658,228	978,825	-	978,825
Fundraising	-	-	-	104,831	-	104,831
Total expenses	<u>5,623,210</u>	<u>-</u>	<u>5,623,210</u>	<u>5,903,834</u>	<u>-</u>	<u>5,903,834</u>
CHANGE IN NET ASSETS BEFORE COLLECTION ITEMS						
PURCHASED AND NOT CAPITALIZED	4,073,037	(31,081)	4,041,956	2,326,810	(52,141)	2,274,669
COLLECTION ITEMS PURCHASED AND NOT CAPITALIZED	<u>561,613</u>	<u>-</u>	<u>561,613</u>	<u>729,907</u>	<u>-</u>	<u>729,907</u>
CHANGE IN NET ASSETS	3,511,424	(31,081)	3,480,343	1,596,903	(52,141)	1,544,762
NET ASSETS						
Beginning of year	<u>13,404,003</u>	<u>128,186</u>	<u>13,532,189</u>	<u>11,807,100</u>	<u>180,327</u>	<u>11,987,427</u>
End of year	<u>\$ 16,915,427</u>	<u>\$ 97,105</u>	<u>\$ 17,012,532</u>	<u>\$13,404,003</u>	<u>\$ 128,186</u>	<u>\$ 13,532,189</u>

See accompanying notes to financial statements.

CENTER FOR RESEARCH LIBRARIES

STATEMENT OF FUNCTIONAL EXPENSES AND COLLECTION EXPENDITURES

YEAR ENDED JUNE 30, 2023

	Program Expense								Supporting Services			
	Collections Storage and Maintenance	Acquisitions	Conversion of Materials	Service and Delivery	Cataloging and Metadata	Area Materials Projects	NERL/ Licensing Negotiations	Grants	Total Program	Management and General	Fundraising	Total
SUPPORT SERVICES												
Cataloging fees	\$ -	\$ 5,800	\$ -	\$ -	\$ 11,249	\$ -	\$ -	\$ -	\$ 17,049	\$ 527	\$ -	\$ 17,576
Innovative	3,675	3,675	12,863	14,701	-	-	-	-	34,914	1,838	-	36,752
Microform costs	1,663	17,768	14,075	53,375	19,779	4,544	-	-	111,204	5,142	-	116,346
Other support	12,218	46,008	36,987	119,129	48,889	32,437	-	-	295,668	13,765	-	309,433
	<u>17,556</u>	<u>73,251</u>	<u>63,925</u>	<u>187,205</u>	<u>79,917</u>	<u>36,981</u>	<u>-</u>	<u>-</u>	<u>458,835</u>	<u>21,272</u>	<u>-</u>	<u>480,107</u>
PERSONNEL AND OPERATIONS												
Board and Council expense	1,641	-	-	-	-	2,051	1,641	-	5,333	2,872	-	8,205
Business expense	703	993	608	595	1,279	9,010	6,291	-	19,479	8,155	-	27,634
Consumable supplies	5,465	3,667	2,027	7,237	2,219	550	1,084	-	22,249	13,424	-	35,673
Indirect expenses	-	-	-	-	-	29,089	-	-	29,089	-	-	29,089
Insurance	4,464	21,285	8,929	22,898	32,028	3,024	7,777	-	100,405	11,924	-	112,329
Member relations	9,142	-	-	-	-	11,427	9,142	-	29,711	15,998	-	45,709
Memberships	9,758	-	-	-	-	12,197	9,758	-	31,713	17,500	-	49,213
Other outside support	32,806	38,334	31,852	40,187	8,806	122,778	127,583	30,282	432,628	255,700	-	688,328
Personnel	157,773	568,208	323,964	620,384	771,601	90,700	262,324	-	2,794,954	253,745	-	3,048,699
Postage and delivery	2,955	5,427	3,608	19,066	7,209	2,049	2,028	-	42,342	4,716	-	47,058
Printing	994	-	-	245	-	526	307	-	2,072	585	-	2,657
Special events	243	1,056	270	60	1,700	4,722	7,307	-	15,358	513	-	15,871
Telecommunications	2,684	4,924	5,017	6,332	811	215	246	-	20,229	1,025	-	21,254
Travel	4,383	8,736	11,373	2,797	346	4,458	11,559	-	43,652	7,372	-	51,024
	<u>233,011</u>	<u>652,630</u>	<u>387,648</u>	<u>719,801</u>	<u>825,999</u>	<u>292,796</u>	<u>447,047</u>	<u>30,282</u>	<u>3,589,214</u>	<u>593,529</u>	<u>-</u>	<u>4,182,743</u>
PLANT AND OTHER												
Equipment leases	11,274	3,335	9,050	15,786	1,244	266	-	-	40,955	2,140	-	43,095
Service contracts	41,287	53,057	75,661	101,714	10,273	2,553	3,503	-	288,048	16,603	-	304,651
Repairs	2,283	5,372	2,224	3,393	1,094	103	266	-	14,735	619	-	15,354
Utilities	23,882	56,196	23,269	35,490	11,449	1,081	2,780	-	154,147	6,471	-	160,618
	<u>78,726</u>	<u>117,960</u>	<u>110,204</u>	<u>156,383</u>	<u>24,060</u>	<u>4,003</u>	<u>6,549</u>	<u>-</u>	<u>497,885</u>	<u>25,833</u>	<u>-</u>	<u>523,718</u>
Total operating expenses	329,293	843,841	561,777	1,063,389	929,976	333,780	453,596	30,282	4,545,934	640,634	-	5,186,568
INTEREST EXPENSE	972	2,288	947	1,445	466	44	113	-	6,275	265	-	6,540
DEPRECIATION	63,950	150,480	62,310	95,036	30,658	2,895	7,444	-	412,773	17,329	-	430,102
Total expenses before collections	<u>394,215</u>	<u>996,609</u>	<u>625,034</u>	<u>1,159,870</u>	<u>961,100</u>	<u>336,719</u>	<u>461,153</u>	<u>30,282</u>	<u>4,964,982</u>	<u>658,228</u>	<u>-</u>	<u>5,623,210</u>
COLLECTION EXPENDITURES - NOT CAPITALIZED												
Materials	36,298	145,837	38,883	36,621	35,974	261,464	-	-	555,077	-	-	555,077
Preservation	32	127	32	32	32	64	-	-	319	-	-	319
Reference works	622	2,486	622	622	622	1,243	-	-	6,217	-	-	6,217
	<u>36,952</u>	<u>148,450</u>	<u>39,537</u>	<u>37,275</u>	<u>36,628</u>	<u>262,771</u>	<u>-</u>	<u>-</u>	<u>561,613</u>	<u>-</u>	<u>-</u>	<u>561,613</u>
Total	<u>\$ 431,167</u>	<u>\$ 1,145,059</u>	<u>\$ 664,571</u>	<u>\$ 1,197,145</u>	<u>\$ 997,728</u>	<u>\$ 599,490</u>	<u>\$ 461,153</u>	<u>\$ 30,282</u>	<u>\$ 5,526,595</u>	<u>\$ 658,228</u>	<u>\$ -</u>	<u>\$ 6,184,823</u>

See accompanying notes to financial statements.

CENTER FOR RESEARCH LIBRARIES

STATEMENT OF FUNCTIONAL EXPENSES AND COLLECTION EXPENDITURES

YEAR ENDED JUNE 30, 2022

	Program Expense								Supporting Services			Total
	Collections Storage and Maintenance	Acquisitions	Conversion of Materials	Service and Delivery	Cataloging and Metadata	Area Materials Projects	Licensing Negotiations	Grants	Total Program	Management and General	Fundraising	
SUPPORT SERVICES												
Cataloging fees	\$ -	\$ -	\$ -	\$ -	\$ 24,800	\$ -	\$ -	\$ -	\$ 24,800	\$ -	\$ -	\$ 24,800
Innovative	10,931	233,313	-	-	-	-	-	-	244,244	-	-	244,244
Microform costs	5,941	7,562	18,904	21,605	-	-	-	-	54,012	-	-	54,012
Other support	19,833	46,278	-	66,112	-	30,578	-	82,970	245,771	-	-	245,771
	<u>36,705</u>	<u>287,153</u>	<u>18,904</u>	<u>87,717</u>	<u>24,800</u>	<u>30,578</u>	<u>-</u>	<u>82,970</u>	<u>568,827</u>	<u>-</u>	<u>-</u>	<u>568,827</u>
PERSONNEL AND OPERATIONS												
Board and Council expense	-	-	-	-	-	-	-	-	-	25,371	-	25,371
Business expense	351	2,650	1,521	7,977	3,547	776	-	-	16,822	33,633	98	50,553
Consumable supplies	2,930	9,178	2,538	3,906	1,086	2,198	-	-	21,836	3,433	279	25,548
Indirect expenses	-	-	-	-	-	29,089	-	-	29,089	-	-	29,089
Insurance	9,572	18,558	16,225	20,688	19,163	-	-	-	84,206	23,190	2,821	110,217
Member relations	-	-	-	-	-	-	-	286	286	22	-	308
Memberships	1,258	26,854	-	-	916	-	-	-	29,028	19,387	-	48,415
Other outside support	12,819	26,432	18,869	23,829	24,443	37,485	-	46,189	190,066	144,589	2,915	337,570
Personnel	281,949	546,633	477,932	609,395	564,466	313,652	26,821	29,982	2,850,830	642,618	83,089	3,576,537
Postage and delivery	747	18,452	11,909	57,185	22,717	-	-	-	111,010	13,930	75	125,015
Printing	-	-	-	-	-	-	-	-	-	2	-	2
Special events	-	-	-	-	-	-	-	-	-	816	-	816
Telecommunications	1,797	5,024	2,355	6,111	2,070	-	-	-	17,357	1,148	180	18,685
Travel	133	2,829	-	-	96	-	-	-	3,058	8,141	-	11,199
	<u>311,556</u>	<u>656,610</u>	<u>531,349</u>	<u>729,091</u>	<u>638,504</u>	<u>383,200</u>	<u>26,821</u>	<u>76,457</u>	<u>3,353,588</u>	<u>916,280</u>	<u>89,457</u>	<u>4,359,325</u>
PLANT AND OTHER												
Equipment leases	4,285	9,242	3,910	6,016	1,506	6,542	-	-	31,501	1,752	431	33,684
Service contracts	42,037	90,680	38,360	59,032	14,780	-	-	-	244,889	17,187	4,224	266,300
Repairs	4,774	10,298	4,356	6,704	1,680	-	-	-	27,812	1,951	480	30,243
Utilities	35,497	76,572	32,392	49,848	12,481	-	-	-	206,790	14,512	3,567	224,869
	<u>86,593</u>	<u>186,792</u>	<u>79,018</u>	<u>121,600</u>	<u>30,447</u>	<u>6,542</u>	<u>-</u>	<u>-</u>	<u>510,992</u>	<u>35,402</u>	<u>8,702</u>	<u>555,096</u>
Total operating expenses	434,854	1,130,555	629,271	938,408	693,751	420,320	26,821	159,427	4,433,407	951,682	98,159	5,483,248
INTEREST EXPENSE	1,909	4,118	1,742	2,680	671	-	-	-	11,120	780	192	12,092
DEPRECIATION	64,483	139,100	58,842	90,553	22,673	-	-	-	375,651	26,363	6,480	408,494
Total expenses before collections	501,246	1,273,773	689,855	1,031,641	717,095	420,320	26,821	159,427	4,820,178	978,825	104,831	5,903,834
COLLECTION EXPENDITURES - NOT CAPITALIZED												
Materials	-	518,631	-	-	-	197,648	-	-	716,279	-	-	716,279
Preservation	-	831	-	-	-	-	-	-	831	-	-	831
Reference works	-	12,797	-	-	-	-	-	-	12,797	-	-	12,797
	<u>-</u>	<u>532,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,648</u>	<u>-</u>	<u>-</u>	<u>729,907</u>	<u>-</u>	<u>-</u>	<u>729,907</u>
Total	\$ 501,246	\$ 1,806,032	\$ 689,855	\$ 1,031,641	\$ 717,095	\$ 617,968	\$ 26,821	\$ 159,427	\$ 5,550,085	\$ 978,825	\$ 104,831	\$ 6,633,741

See accompanying notes to financial statements.

CENTER FOR RESEARCH LIBRARIES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Member cost share and non-member fees received		
- net of amounts paid to database vendors	\$ (4,395,780)	\$ 13,930,796
Grants and contributions received	20,000	305,860
Interest and dividends received	1,145,872	129,701
Cash paid to suppliers and employees	(3,725,204)	(4,884,976)
Interest paid	(6,540)	(12,092)
Net cash provided by (used in) operating activities	<u>(6,961,652)</u>	<u>9,469,289</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(297,489)	(113,892)
Purchase of collections	(561,613)	(729,907)
Purchase of property and equipment	(984,757)	(324,625)
Net cash (used in) investing activities	<u>(1,843,859)</u>	<u>(1,168,424)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on loan	(119,557)	(125,402)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,925,068)	8,175,463
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>19,698,018</u>	<u>11,522,555</u>
End of year	<u>\$ 10,772,950</u>	<u>\$ 19,698,018</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 3,480,343	\$ 1,544,762
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Collections purchased	561,613	729,907
Forgiveness of loan payable	-	(1,029,642)
Depreciation	430,102	408,494
Realized and unrealized (gain) loss on investments	(395,826)	1,035,060
Amortization of deferred financing cost	24,876	8,727
Changes in operating assets and liabilities		
Accounts receivable	(39,424)	228,920
Grants receivable	3,880	-
Other receivable	-	202,364
Prepaid expenses	(236,934)	132,025
Accounts payable and accrued expenses	1,901,057	1,264,272
Due to database vendors	(12,738,782)	7,036,510
Deferred revenue	270,333	(2,315,000)
Grant payable	(222,890)	222,890
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (6,961,652)</u>	<u>\$ 9,469,289</u>

See accompanying notes to financial statements.

CENTER FOR RESEARCH LIBRARIES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

NOTE 1. NATURE OF ACTIVITIES

Center for Research Libraries (the Center) is a membership consortium of institutions with significant academic and research libraries. The Center's mission is to foster and advance scholarly and scientific research through cost-effective, cooperative programs that provide reliable access through traditional and electronic means to unique and unusual collections of library materials in all appropriate formats, international in scope and comprehensive in disciplines.

A majority of the Center's revenue is derived from membership cost share assessments. Other revenue and support consist of grants and sales of materials reproduced.

The following provides a brief description of the Center's program services:

Collections Storage and Maintenance - The Center maintains active and inactive collections consisting of an estimated five million volumes or equivalents in its repository facility. These collections are in paper, microform and electronic media. Activities associated with storage and physical maintenance of the Center's film and paper collections include sorting, shelving, labeling, housing, and binding conservation work. Also included are the costs of maintaining, monitoring and improving the portion of the building dedicated to collections storage, including climate control and other functions.

Acquisitions - This program consists of activities supporting the acquisition and processing of collection materials, including surveying of members on collection needs, selection and subscription costs, ordering, transporting and receiving materials.

Conversion of Materials - The Center preserves unique and at-risk cultural and historical materials through microfilming and digital conversion. Materials are organized, analyzed, collated and shipped to and from service providers by the Center and partner organizations. Film and digital copies are produced and distributed.

Service and Delivery - The Center delivers an estimated 33 million pages of collection materials to member institutions and other clients each year. Activities include receiving and processing requests for the Center's collection materials from member libraries and clients, retrieval and preparation of materials for delivery, shipping, fulfillment of electronic document delivery requests, receipt and re-shelving of returned materials and fulfillment and processing of member purchase requests for individual items.

NOTE 1. NATURE OF ACTIVITIES (CONTINUED)

Cataloging and Metadata - This program involves production and processing of preliminary and final catalog records, finding aids for the Center's collection materials and metadata for electronic resources including those produced and/or acquired by the Center.

Area Materials Projects (AMPS) - This program involves specific support for the Area Materials Projects and other self-funded area studies projects undertaken by the Center for partner organizations. Activities include identification and procurement of materials for preservation, microfilming and digitization as well as conversion and cataloging of those materials.

Licensing Negotiations - The Center identifies electronic databases and datasets of potential interest to member institutions; negotiates with their publisher and vendors terms for the subscription and purchase of those databases on behalf of the Center members; and provides to appropriate personnel at member libraries information on the value, limitations, and terms of access for those electronic resources. In some instances, the Center also invoices member libraries for their purchase/subscription to the electronic resources, and disburses funds due to the publishers/vendors.

Grants - The Center expends funds related to grants received to fund preservation, cataloging, union lists, acquisitions and other activities, either independently or as a partner in cooperative projects. These grants are normally from private philanthropies or from the U.S. federal government.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Center's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

New Accounting Pronouncement - In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions under the standard include disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Upon evaluating the Center's leasing arrangements, management has determined that the lease liability is either an immaterial amount or that the lease is not considered enforceable as a result of termination options. Therefore, the provisions of ASC 842 related to the recognition of right-to-use assets and lease liabilities are not applicable to the Center's leasing arrangement and additional disclosures are not required.

Basis of Presentation - In order to conform with provisions of generally accepted accounting principles, the Center, as a not-for-profit entity, is required to report information regarding its financial position and activities in two classes of net assets: without member restriction and with member restriction.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Net Assets without Member Restriction - Net assets that are not subject to member-imposed restrictions and available to finance the general operations of the Center. The only limits on the use of net assets without member restriction are the broad limits resulting from the nature of the Center, the environment in which it operates and the purposes specified in its articles of incorporation. Net assets without member restrictions are reflective of revenues and expenses associated with the principal operating activities of the Center are not subject to member-imposed stipulations. Net assets without member restrictions may include Board-designated amounts, which represent assets set aside by the Board of Directors and management over which the Board retains control. As of June 30, 2023 and 2022, net assets of \$6,398,139 and \$5,305,454 respectively, had been designated by the Board primarily for the purposes of Area Materials Projects as described in Note 1, and for property used in its operations.

Net Assets with Member Restriction - Net assets subject to member or grantor imposed restrictions. Some member-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the member. Other member-imposed restrictions are perpetual in nature, where the member stipulates that resources be maintained in perpetuity. Member-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As described in Note 11, as of June 30, 2023 and 2022, the Center has net assets with member restrictions of \$97,105 and \$128,186 respectively. At June 30, 2023 and 2022, there were no net assets with perpetual donor restrictions.

Cash and Cash Equivalents - The Center considers all liquid investments, including amounts invested in money market instruments, with a maturity of three months or less when purchased to be cash equivalents.

Accounts, Grants and Other Receivable - Accounts, grants and other receivables are stated at the amounts that the Center expects to collect from outstanding balances. Bad debts, which are typically minimal, are written off as incurred. Accounts receivable totaled \$133,159, \$93,735, and \$322,655 at June 30, 2023, June 30, 2022, and July 1, 2021, respectively.

Deferred Financing Costs - The costs incurred in obtaining the Center's loan have been deferred and are being amortized on a straight-line basis over the term of the loan.

Investments - The investments of the Center are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price). Purchases and sales of the investments are reflected on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment - Property and equipment with a cost in excess of \$1,000 and a useful life greater than one year are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Estimated lives range from three to seven years for furniture and equipment and from ten to thirty years for building and improvements. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in the statements of activities. Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no impairment charges for the years ended June 30, 2023 and 2022.

Collections - The Center has an extensive collection of library materials, which is held for research purposes. The materials were acquired through purchases and contributions since the Center's inception. The Center has adopted a policy of not capitalizing collection expenditures in its financial statements.

Purchases of collection items are recorded as decreases in net assets without member restrictions in the year in which the items are acquired and a release of net assets with member restrictions if acquired with such funds. Contributed collection items are not reflected in the financial statements. Proceeds from disposals or insurance recoveries are reflected as increases in the appropriate net asset class.

The collections are subject to a policy that requires proceeds from their sales to be used to acquire other collection items. No collection items were disposed of through sales during the years ended June 30, 2023 and 2022.

Due to Database Vendors - The Center acts as a conduit on behalf of members by collecting and then remitting database vendor subscription premiums on their behalf. Amounts held at year end that had not yet been remitted are shown as a liability on the statements of financial position.

Revenue Recognition - The Center receives a significant portion of its operating revenue from membership cost share assessments and AMPS program revenue.

Membership cost share assessments are collected annually from member libraries at varying rates and are recognized as revenue annually over the period of the membership, which is generally one year. The value of membership benefits, including access to the Center's scholarly resources, are made available to members in exchange for their cost share assessments is deemed to equal or exceed the assessments paid. Membership cost share assessments received in advance of the membership year are accounted for as deferred revenue at year end. AMPS funds were received for projects during the year at varying rates and recognized as revenue monthly over the period of the membership year. AMPS funds received in advance of the project year are accounted for as deferred revenue.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Income - Grant awards without substantial conditions are recognized in the period in which they are approved by the governing bodies. Various grants may be subject to certain conditions, which are met by incurring qualifying expenses for the particular program or project that is funded by the grant. Revenue from such grants are recognized when the funds have been expended on activities stipulated in the grant agreement. Grantor-restricted support is reported as an increase in net assets with member restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with member restrictions are reclassified to net assets without member restrictions and reported in the statements of activities as net assets released from restrictions. Grant funds received in advance are accounted for as deferred revenue.

COVID-19 Relief Funds - The Center was granted a loan of \$1,029,642 under the Paycheck Protection Program (PPP) administered by the U.S. Small Business Administration (SBA). The loan was uncollateralized and fully guaranteed by the Federal government. The Center initially recorded the loan as loans payable at June 30, 2021, and subsequently recognized revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. As of June 30, 2022, a total of \$1,029,642 was recognized as revenue. In addition, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Center received \$318,280 and \$27,364 in employee retention credits as of June 30, 2023 and 2022, respectively. These amounts were unconditional and recorded in full as revenue during the years ended June 30, 2023 and 2022.

Functional Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses which are directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the program and supporting services benefited. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The allocated expenses are allocated on the basis of time spent, physical space occupied and programs benefited.

Income Taxes - The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes recorded in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require the Center to evaluate its tax positions and recognize tax liabilities if it has taken an uncertain position that more likely than not would not be sustained upon examination by tax authorities. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Management Estimates and Assumptions - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events - Subsequent events have been evaluated through January 10, 2024, which is the date the financial statements were available to be issued.

NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Center considers membership cost share assessments, AMPS revenue, investment income without restrictions, contributions without member restrictions, and contributions with member restrictions for use in programs that are ongoing, major and central to its annual operations as available to meet cash need for general expenditures. General expenditures include collection expenditures not capitalized, program expenses, general and administrative expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as total expenses related to program services, supporting service activities and collection expenditures not capitalized.

Financial assets available for general expenditures within one year at June 30, 2023 and 2022 comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 10,772,950	\$ 19,698,018
Accounts receivable	133,159	93,735
Grants receivable	-	3,880
Investments	<u>10,845,500</u>	<u>10,152,185</u>
Total financial assets	21,751,609	29,947,818
Member/external-imposed restrictions		
Purpose restricted by members/grantors	(97,105)	(128,186)
Cash held for database vendors	<u>(559,699)</u>	<u>(13,298,481)</u>
Net financial assets after member/external-imposed restrictions	21,094,805	16,521,151
Internal designations		
Financial assets held for Area Materials Projects	<u>(4,783,266)</u>	<u>(4,364,924)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,311,539</u>	<u>\$ 12,156,227</u>

NOTE 4. INVESTMENTS

The composition of investments at June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 6,317,319	\$ 5,781,169
Money market fund	<u>4,528,181</u>	<u>4,371,016</u>
Total	<u>\$10,845,500</u>	<u>\$10,152,185</u>

Investment income (loss) for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,145,871	\$ 129,701
Realized and unrealized gains (losses)	<u>395,826</u>	<u>(1,035,060)</u>
Net investment income (loss)	<u>\$ 1,541,697</u>	<u>\$ (905,359)</u>

The Center invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

NOTE 5. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly

- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The following tables set forth, by level within the fair value hierarchy, the Center's investment assets at fair value as of June 30, 2023 and 2022. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value Measurements at 6/30/23 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 3,914,856	\$ 2,402,463	\$ -	\$ -
Fixed income	2,402,463	3,914,856	-	-
Money market fund	4,528,181	4,528,181	-	-
Total	<u>\$10,845,500</u>	<u>\$10,845,500</u>	<u>\$ -</u>	<u>\$ -</u>

	Fair Value Measurements at 6/30/22 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Equity	\$ 3,355,850	\$ 3,355,850	\$ -	\$ -
Fixed income	2,425,319	2,425,319	-	-
Money market fund	4,371,016	4,371,016	-	-
Total	<u>\$10,152,185</u>	<u>\$10,152,185</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 Measurements

The fair values of the mutual funds are determined by reference to the funds' underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds are traded in active markets on national securities exchanges and are valued at the net asset value as of the last business day of each period presented.

Money market fund represent shares held in a mutual fund.

NOTE 6. PREPAID EXPENSES

Prepaid expenses consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Prepaid library materials	\$ 38,683	\$ 20,048
Prepaid insurance	119,650	-
Prepaid expenses - other	<u>104,399</u>	<u>5,750</u>
Total	<u>\$ 262,732</u>	<u>\$ 25,798</u>

In the course of cataloging its dissertations collection, the Center incurs usage fees to access the Online Computer Library Center, Inc. (OCLC) database. The Center is able to offset these fees from credits received from OCLC for the reciprocal use of the Center. The Center had earned cumulative net credits of \$1,905 and \$0 as of June 30, 2023 and 2022, respectively.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 128,446	\$ 128,446
Building and improvements	13,290,303	12,521,481
Computer equipment and website	1,488,300	1,329,426
Furniture and other equipment	<u>1,121,867</u>	<u>1,064,806</u>
	16,028,916	15,044,159
Less accumulated depreciation	<u>(14,324,335)</u>	<u>(13,894,233)</u>
Net property and equipment	<u>\$ 1,704,581</u>	<u>\$ 1,149,926</u>

Depreciation expense was \$430,102 for the year ended June 30, 2023 and \$408,494 for 2022. Included in the computer equipment and website are costs totaling \$73,632 associated with the development of a new website design. Included in building and improvements are costs totaling \$20,000 for a deposit on a construction project. No depreciation has been taken on these costs as the assets have not been placed into service as of June 30, 2023.

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 3,488,207	\$ 1,919,183
Accrued vacation	174,842	191,500
Accrued salaries and withholdings	50,071	151,880
Other accrued expenses	475,559	25,059
Total	<u>\$ 4,188,679</u>	<u>\$ 2,287,622</u>

NOTE 9. DEFERRED REVENUE

The Center regularly bills in advance of the upcoming fiscal year for membership cost share assessments and AMPS membership. Those membership payments that are received for future fiscal years are held as deferred revenue to be recognized in the fiscal year for which they will be earned. Occasionally, grant payments received in advance of a future fiscal year are also held as deferred revenue. As of June 30, 2023, 2022, and 2021 deferred revenue consisted of the following:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred membership cost share	\$ 1,768,892	\$ 1,471,292	\$ 3,666,093
AMPS deferred revenue	100,350	127,617	240,200
Grants deferred	-	-	7,616
Total	<u>\$ 1,869,242</u>	<u>\$ 1,598,909</u>	<u>\$ 3,913,909</u>

NOTE 10. LOANS PAYABLE

The Center had previously entered into a loan agreement with BMO Harris Bank. The loan was secured by the Center's property in Chicago, Illinois.

The loan required monthly installments of \$11,458 including principal and interest. The loan had an interest rate of 4.28% and was set to mature in January 2024. Subsequent to year end, in August 2023, the loan was paid off in full with a payment of principal and interest totaling \$91,455.

Interest expense for the years ended June 30, 2023 and 2022 was \$6,540 and \$12,092 respectively.

NOTE 11. GRANT ACTIVITY

Net assets with member restrictions arise from grants received from various organizations to support cataloging, microform projects, digitization, digital preservation activities and the purchase of equipment to automate library materials. Grant contributions received that are not expended for their restricted purposes are refundable to the grantor. The following tables present a summary of grant activity for the years ended June 30, 2023 and 2022:

	2023						
	Carnegie Corp. of New York	MacArthur Foundation	New York Public Library ReCAP Serials Record Reclamation	Qatar Foundation World Digital Library	University of Arizona Govt Docs Digitization Project	Whiting Foundation World Digital Library	Total
REVENUE							
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-	-
EXPENSES							
Outside professional services	-	31,081	-	-	-	-	31,081
CHANGE IN NET ASSETS	-	(31,081)	-	-	-	-	(31,081)
NET ASSETS							
Beginning of year	19,813	47,538	41,504	14,177	5,095	59	128,186
End of year	<u>\$ 19,813</u>	<u>\$ 16,457</u>	<u>\$ 41,504</u>	<u>\$ 14,177</u>	<u>\$ 5,095</u>	<u>\$ 59</u>	<u>\$ 97,105</u>

	2022							
	Carnegie Corp. of New York	MacArthur Foundation	Mellon Foundation Collections Data	New York Public Library ReCAP Serials Record Reclamation	Qatar Foundation World Digital Library	University of Arizona Govt Docs Digitization Project	Whiting Foundation World Digital Library	Total
REVENUE								
Grants	\$ -	\$ -	\$ 82,970	\$ -	\$ -	\$ -	\$ -	\$ 82,970
EXPENSES								
FICA	-	366	-	-	-	-	-	366
Other library support	-	-	82,970	-	-	-	-	82,970
Outside professional services	-	46,190	-	-	-	-	-	46,190
Retirement	-	1,008	-	-	-	-	-	1,008
Salaries	-	4,523	-	-	-	-	-	4,523
Workmen's compensation	-	54	-	-	-	-	-	54
Total expenses	-	52,141	82,970	-	-	-	-	135,111
CHANGE IN NET ASSETS	-	(52,141)	-	-	-	-	-	(52,141)
NET ASSETS								
Beginning of year	19,813	99,679	-	41,504	14,177	5,095	59	180,327
End of year	<u>\$ 19,813</u>	<u>\$ 47,538</u>	<u>\$ -</u>	<u>\$ 41,504</u>	<u>\$ 14,177</u>	<u>\$ 5,095</u>	<u>\$ 59</u>	<u>\$ 128,186</u>

NOTE 12. PENSION PLAN

The Center has established and made available to its employees a defined contribution money purchase pension plan. Under this plan, funds contributed by the Center and participating employees are used to purchase retirement annuity and life insurance contracts for the participants through the Teachers Insurance and Annuity Association and/or the College Retirement Equities Fund. Contributions made by the Center are based on participants' compensation as defined by the plan. The Center's contributions for the years ended June 30, 2023 and 2022 totaled \$177,482 and \$182,326 respectively.

NOTE 13. RELATED PARTY TRANSACTIONS

The Center earns cataloging revenue from OCLC and also purchases cataloging and other services from OCLC as described in Note 6. Total services purchased from OCLC were approximately \$17,600 and \$24,800 for the years ended June 30, 2023 and 2022, respectively.

The Center also routinely provides membership services to educational institutions that employ members of the Board of Directors.

NOTE 14. CONCENTRATION OF CASH

The Center maintains its cash balances in financial institutions deemed to be creditworthy. Balances are insured by FDIC up to \$250,000 per financial institution. Balances may at times exceed insured limits. However, the balances are swept nightly into a money market account that is secured by U.S. Government bonds. The Center believes its credit risk to be minimal.

NOTE 15. DEFERRED FINANCING COSTS

In 2014, the Center capitalized \$45,023 in additional financing costs associated with the refinancing of its loan with BMO Harris Bank. In 2001, the Center capitalized \$110,448 in financing costs associated with the original financing of the loan. These costs are being amortized over the term of the loan using the straight-line method, which approximates the effective interest method. Amortization expense totaled \$24,876 and \$8,728 for the years ended June 30, 2023 and 2022, respectively. Accumulated amortization for the years ended June 30, 2023 and 2022 was \$154,533 and \$129,657 respectively. Future amortization of capitalized financing costs as of June 30, 2023 totals \$938.