GROWTH AND INVESTMENT

Growth traditionally is defined as an increase in budget, size, net reserves, assets, or value. For economists and planners, these are the metrics of growth. From an organizational perspective, however, growth can also result from an organization’s investment in opportunities, internal and external, and the confidence to make such commitments. The metrics that define these qualities are readiness and capacity.

Fiscal year 2003 was a period of important growth for the Center for Research Libraries, although much of it occurred in ways that are not represented on a balance sheet. In traditional terms, the Center achieved growth in value and assets, two of the defining categories noted above. Much of this growth resulted from a successful re-engineering of key aspects of the Center’s cataloging and product delivery systems. As the metrics of production show, these successes clearly have increased the Center’s value in the form of expanded capacity and accelerated production times – readiness and capacity.

The Center realized significant growth through the diverse contributions of partner organizations, including the Council of American Overseas Research Centers (CAORC), National Endowment for the Humanities, Andrew W. Mellon Foundation, and Institute for Museum and Library Services (IMLS). These organizations bring important capabilities and expertise into partnership projects, in addition to financial support.
THE CENTER FOR RESEARCH LIBRARIES is a consortium of North American universities, colleges, and independent research libraries. The consortium acquires and preserves newspapers, journals, documents, archives, and other traditional and digital resources for research and teaching and makes them available to member institutions through interlibrary loan and electronic delivery.

MISSION
The Center's mission is to support advanced research and teaching in the humanities, sciences, and social sciences by ensuring the survival and availability of the knowledge resources vital to those activities. The Center accomplishes this mission through cooperative action with its member libraries and partners.
THE CENTER FOR RESEARCH LIBRARIES has had an exceptionally productive and successful year. The Center’s mission, to ensure the long-term availability to scholars of materials for advanced research and teaching in the humanities, sciences, and social sciences, is an ambitious one. As a library director I judge the Center’s value to my library and academic community by a number of metrics. I see the leadership the Center is providing in the cooperative management and archiving of print and other traditional resources, like newspapers, JSTOR journals, and primary sources on microform. The Preserving America’s Print Resources (PAPR) conference, International Coalition on Newspapers, and the Center’s work on distributed print archiving are providing tools and strategies to help us move ahead in preserving print and electronic materials in a safe place, freeing up space in our own collections. This work enables us to devote more of our limited funds to electronic resources for faculty and students.

The Center also purchased over $900,000 in new collection materials during fiscal year 2003, and cataloged them, saving member libraries many times the cost of the CRL membership. Some of these materials have resulted as well in scholarly publications of high quality by scholars in our own institutions. I know that the liberal terms on which these materials are available to my faculty and students support scholarly projects to a far greater degree than regular interlibrary loan.

The Center’s International Resources and Global Newspapers programs have brought considerable funds and expertise to bear on creating foreign-language and area studies resources, resources which would have been prohibitively expensive for any of our individual libraries to develop on its own.

The Center’s important work has been guided and inspired by the members of the Center’s Board of Directors. This year Marianne Gaunt and Merrily Brown completed their second and final terms of office as Board directors. The Center owes them a special debt for their dedicated participation in Center governance for six particularly challenging years. Succeeding Mss. Brown and Gaunt are two new Board members: Susan Brynteson, of the University of Delaware, and Alice Prochaska, of Yale University.

There are others to whom we owe special thanks for their support this year. The Andrew W. Mellon Foundation, Institute of Museum and Library Services, National Endowment for the Humanities, and Council on Library and Information Resources provided funding for some key planning and development initiatives. I want to express special thanks to the Voting Members who took an especially active role this year in enriching the Center’s collections. The University of Iowa, Duke University, McGill University, University of Missouri-Kansas City, University of North Carolina-Chapel Hill, and Yale University partnered with the Center in the Shared Purchase Program to fund the acquisition of a major microform set, The Correspondence of Johann Caspar Lavater.

The Center continues to receive its major funding from its 190-plus Voting and Associate members. Member investment in the Center each year sustains the services and activities that in turn support research and teaching at member institutions. This partnership was expanded this year with the addition of Texas A&M University and Reed College.

Through their investment members of the Center are providing a solid foundation for future knowledge production and learning. In a time of great economic hardship the continuous dedication of these institutions to the collective good is truly extraordinary.

MESSAGE FROM CARLA STOFFLE, Chair, Board of Directors of the Center for Research Libraries

Carla J. Stoffle
THE THEME OF THIS YEAR’S ANNUAL REPORT IS GROWTH AND INVESTMENT. Since its founding in 1949 the Center has grown dramatically in the number of its members and the size of its collections. Beginning with 10 founding members the Center now numbers 196 Voting Members, Associate Members, and Affiliates. From the thousands of volumes absorbed during its first few years, the Center’s collections now include nearly five million volumes and microform titles and nearly a million digital objects.

Another kind of growth, however, made this year an important one in the Center’s history: growth of the network of working partnerships between the Center and others in the library and higher education communities. In fiscal year 2003 the Center received substantial new support for its activities and special initiatives from a number of sources. The Andrew W. Mellon Foundation provided funding for the Political Communications Web Archiving Investigation, a joint endeavor of the Center and Cornell University, the Internet Archive, Latin American Network Information Center (LANIC) of the University of Texas at Austin, New York University, and Stanford University. The Institute of Museum and Library Services sponsored and worked with the Center to plan a conference on repositories.

In a partnership with the Council on American Overseas Research Centers the Center became the home of the American Overseas Digital Library (AODL), which will afford Web access to rare and/or unique materials from the Overseas American Research Centers. The National Endowment for the Humanities renewed funding for the International Coalition of Newspapers (ICON) project, itself a partnership between the Center and the Library of Congress, British Library, National Library of Canada and others. In fiscal year 2003 the Council on Library and Information Resources commissioned the Center to conduct a survey of regional and national print repositories.

These relationships extend and enlarge the capabilities of the network that consists of the Center and its members. The growth of this network has made possible the accomplishments of the Center’s staff and leadership this year, and will shape the Center’s agenda for years to come.

MESSAGE FROM
BERNARD F. REILLY,
President of the Center for Research Libraries

Another kind of growth, however, made this year an important one in the Center’s history...
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THE MISSION OF THE CENTER is to ensure the long-term availability to scholars of materials for advanced research and teaching in the humanities, sciences, and social sciences. Since the Center's founding in 1949, meeting this challenge has involved preserving infrequently used materials in a central repository, and providing such services as selection, processing, cataloging, storage, and delivery of the materials from that central facility to users. The Center's holdings have grown to nearly five million volumes and microform titles, and nearly a million digital objects. Clearly new strategies are in order to support an enterprise of this scale.

In fiscal year 2003 the collections continued to expand with the addition of a large number of new primary source collections in microform, thousands of new documents, newspapers, and publications from various regions of the world selected and obtained by the Area Microform Projects (AMPs) or preserved under the International Coalition on Newspapers, and the hundreds of titles of journals and newspapers acquired through regular subscription. These acquisitions are described in detail in a later section of this report. In a year when budget constraints and the high cost of science, technology, and medical journals curtailed the ability of many libraries to grow their holdings in other areas, the Center's acquisitions enabled member libraries to expand the humanities and social science holdings available to their students and faculty.

Since accumulation without access has little value, Center technical services staff continued intensive efforts, begun in 2001, to improve discoverability by students and scholars. To increase the Center's processing and metadata production capabilities, the acquisitions and cataloging operations were reorganized and streamlined for more efficiency. In all, the staff cataloged nearly 200,000 titles in the last year, adding the records to OCLC's WorldCat and the Center's online catalog.

The Center found other ways to widen researcher awareness of its resources. The innovations in place to date:

- A top-down redesign of the Center's Web site makes it easier to navigate and locate information intuitively.
Focus newsletter articles are more “content-rich,” providing detailed information about collections and collecting areas in order to lead researchers to Center holdings through open-Web searches.

Distribution of a popular new collections brochure provides librarians a tool for informing faculty and students at member institutions about the collections.

As a result, Center access services and stack management staff substantially increased the number of items loaned this year, while reducing the average amount of time needed to fulfill member interlibrary loan and document delivery requests.

Yet, as Center collections and capabilities grew, so did the sum total of recorded knowledge in the world. In recent years the gap between the amount of important heritage and knowledge materials produced and the amount that individual libraries are capable of preserving and managing has continued to widen. In addition, the shift of information delivery from paper-based to digital media has accelerated the transition of Center member libraries from custodians of collections to enablers of access to electronic resources. These two developments, and the high cost of electronic resources, have radically intensified libraries’ need for help in their bid to ensure continued availability of the materials needed by researchers.

The sheer number of books, journals, newspapers, and other print materials potentially orphaned by these developments exceeds the ability of the Center and other “libraries of record” to preserve. Cooperative storage repositories offer some economies but construction of new buildings remains a capital-intensive endeavor that few institutions can afford in today’s difficult economy. Hence, new and creative ways must be found to meet the challenge of growth.

New Strategies, New Opportunities

This year the Center began to pursue some promising new strategies to help keep pace with the expanding knowledge universe. In the Distributed Print Archiving Project, funded by the Andrew W. Mellon Foundation, Center staff worked with counterparts at Yale University, Michigan State University,
and University of Illinois – Urbana/Champaign libraries to develop formal agreements for sharing responsibility for maintaining and providing access to hard copy volumes of selected JSTOR journal titles. This pilot study yielded new information about what is involved in inter-institutional cooperation to archive print materials.

The Center also expanded its network of partners by enlisting other research libraries and organizations in its preservation efforts. With support from the Council on Library and Information Resources (CLIR), the Center’s Distributive Print Archive staff conducted a study of the major cooperative library repositories in the United States, and a number of existing and emerging national repositories abroad. The study was designed to assess prospects for coordinating holdings among these repositories and to devise a systematic approach to preservation of print.

The study found that these regional repositories have had some success in reducing the costs of managing print and other paper-based collections. Most of the repositories have achieved economies of scale through cooperative provision of such services as storage, retrieval, document delivery, and handling. Unfortunately, among participating libraries to date, most have had only limited success in reducing redundancy and rationalizing holdings. The findings report, *Developing Print Repositories: Models for Shared Preservation and Access*, was published by CLIR in June 2003.

As an outgrowth of the study the Center was funded by the Institute of Museum and Library Services to plan and hold a conference and workshop in July 2003 on the theme of repositories and collections of record. The two events have helped shape an ongoing dialogue on how libraries can work together to optimize management of the nation’s knowledge resources in print form.

Finding a viable solution to the challenges raised and addressed in the print repository study and conference will require continued Center leadership, additional dialogue among stakeholders, and cooperative action. The pursuit of these goals and objectives also illustrates how new strategies and new opportunities enable organizations to grow, evolve, and renew, even in a distressed economy.

With time these new strategies will strengthen the Center’s ability to accomplish its mission of
preserving the depth and diversity of resources that are required for research, teaching, and the creation of new knowledge in the humanities, sciences, and social sciences require.

International Resources

On July 1, 2002, the Center inaugurated the International Resources department as part of its commitment to "aggressively pursue and promote strategic collection development on a cooperative basis," stated in the Center’s recently approved strategic plan for fiscal year 2006. The department brings together all aspects of the Center's international collection programs and special projects. A comprehensive approach enables the Center to develop its foreign resources and programs in a more concerted manner and to respond in a coordinated way to the needs of the area studies community. As part of this plan, the Center is committing more infrastructural support to the area studies programs in order to improve their capacity to manage cooperative collecting in the digital realm, as the Center has done for so long in the analog world.

Collaborative Workspace – One example of this infrastructure was a successful grant application to the Andrew W. Mellon Foundation to support the implementation of Web-based communication and project management technologies for the Center’s area studies and cooperative acquisitions programs. Dubbed the “collaborative workspace,” this software facilitates knowledge management among the area studies microform projects and special programs such as the Political Communications Web Archive (see below). In fiscal year 2003 the Center selected a commercially-developed platform from Intraspect and planned full implementation in early Fiscal Year 2004.

The Political Web – Another major development was the initiation of a planning effort to develop an organizational framework and methodology for the systematic and sustainable preservation of Web-based international political communications. Also funded by the Mellon Foundation, this 15-month investigation will produce general specifications for three components of ongoing cooperative archiving of the “political Web” – that is, Web pages featuring politically oriented material such as party
declarations, electoral sites, NGO or activist pages and publications, government policy dissemination, and protest or opposition material. Specifically, the project will explore:

**Long Term Resource Management Issues** – To determine the organizational and economic framework necessary to support the archiving of Web-based political materials on an ongoing basis, and the persistent availability of those resources for long-term research use;

**Issues of Curatorship** – To identify the optimal curatorial regimes, practices, and tools for ongoing identification, targeting, and capture of the various types of Web-based political communications; and to develop a plan reconciling these methodologies with traditional collection development activities; and

**Technological Specifications** – To identify and specify the most appropriate technology architectures, tools, and techniques for gathering and preserving Web-based political communications; and to assess the associated costs, benefits, characteristics, and risk factors involved.

The International Resources department formulated an operating plan in line with the Center’s strategic plan and worked to bring together area studies microform projects, digital efforts, and collection development programs relating to international resources. The result has been closer coordination of effort, sharing of expertise, and leveraging of resources among initiatives.

**Global Newspapers**

The Center continues to advance the agenda of preservation of and access to international newspapers through its global newspaper program. The Foreign Newspaper Microfilm Project, the long-standing covenant to make important foreign news resources available to scholarship, began a thorough assessment of its operations with the aim of increasing title coverage and cooperating more closely with other non-profit filming organizations. The Center continues to film 15 titles of scholarly importance.
from Latin America, Western Europe, Africa, the Middle East, and Southeast Asia. Through its acquisitions program, the Center also receives on an ongoing basis more than 260 international newspaper titles in positive microfilm and print.

The International Coalition on Newspapers (ICON) was awarded a grant of $350,000 from the National Endowment for the Humanities to continue its preservation efforts and to produce a central source of information about international newspaper collections in the United States and abroad. The ICON database of international newspapers is accessible to the public at http://icon.crl.edu and contains more than 22,000 bibliographic records for newspapers published outside of the U.S., with an additional 10,000 holdings records attached to allow researchers to pinpoint usable collections of newspapers. Plans are underway to continue adding records and create new bibliographic information through original cataloging of important titles.

Also key to ICON’s efforts is microfilm preservation of newspaper titles from the Center’s collections and other repositories. In the past year, ICON and its partners completed preservation of 18 titles on more than 480 reels of microfilm. These items are fully cataloged and available through the Center’s online catalog.

Digital Projects

The Digital South Asia Library (DSAL) has produced significant results with its burgeoning collection of fundamental primary resources for the study of South Asia, including books, pedagogical material, maps, photographic images, and indexes. The collection, available at http://dsal.uchicago.edu, includes full-text versions of journals, such as the Social Scientist published in New Delhi, 1972-2001, and important reference sources, like the complete holdings of the Imperial Gazetteer of India (1908-1931). Also available are more than 10,000 images from the American Institute of Indian Studies, which features impressive representations of Indian architecture, sculpture, terracotta, painting, and numismatics; the complete Statistical Abstracts Relating to British India ranging from 1840-1920; seminal bibliographies such as the
National Bibliography of Indian Literature (NBIL) (1901-1953); and catalogs such as the British Library's holdings of 19th-century Indian publications.

In fiscal year 2003, DSAL and the University of Chicago received additional funding from the Department of Education through the Technological Innovation and Cooperation for Foreign Information Access (TICFIA) program to continue its work, with an expanded roster of participants. DSAL, under the project entitled South Asian Information Access, will forge a federation of partners and supporting participants to extend its resources to those of the major collections of South Asian material held in the U.S. and overseas. While focusing on new resources with the grant funding made available, the federation will provide important in-kind contributions through the digitization of materials from their own collections.

The Center and Council of American Overseas Research Centers (CAORC) entered into an agreement to coordinate the administration of the American Overseas Digital Library http://www.aiys.org/aodl/, an international, collaborative project to build a centralized, Web-based repository of the bibliographic and digital content available at 19 separate American overseas research centers in the eastern hemisphere. The agreement also will make these materials freely available to scholars and researchers worldwide. The benefits include the creation of new bibliographic content like journal article indexes for titles that have never before been available to the academic community.

In addition to providing open access to rare and/or unique materials from these various centers, in accordance with the Center's overall mission, the AODL will allow the Center to further expand its network of partnerships to international regions where the Center previously has had little influence.

...the AODL will allow the Center to further expand its network of partnerships to international regions where the Center previously has had little influence.
Area Studies Microform Projects

The foundation of the Center’s area studies program, the “AMPs,” maintained a high degree of collaboration and successful cooperative collection development through their activities in fiscal year 2003. Newspapers continue to dominate the projects’ priorities, with several important acquisitions made, including current newspapers from 24 regions in Russia, and historic Nepali newspapers held in Kathmandu. Each group also engaged in original filming projects for newspapers such as the important English-language paper *The Standard* (Buenos Aires, Argentina), the Russian Right Wing extremist press collection (from holdings at Berkeley and Illinois), ethnic press publications from Afghan and Arab communities in the U.S., and political tabloids relating to events surrounding the June 1999 parliamentary and presidential elections in Indonesia.

Other preservation projects focused on ephemeral material, such as the Latin American Microform Project’s funding of important works on Latin American impoverished youth from the Center for Research on Childhood (CESPI) in Rio de Janeiro. The Cooperative Africana Microform Project furthered its collaboration with the National Archives of Senegal to preserve the unique French colonial collection relating to the *Administration centrale de la colonie du Sénégal, 1785-1964*. The South Asia Microform Project initiated a partnership with the Center for the Study of Social Sciences in Calcutta, India to duplicate endangered microfilm collections of some of the most important Bengali journals available. Similarly, the Southeast Asia Microform Project approved arrangements to capture important election documentation gathered from the Philippines and Cambodia.

Collection Development and Assessment Projects

Collection Assessment

The Center’s Collections and Services Advisory Panel (CSAP) conducted comprehensive reviews in fiscal year 2003 on two Center collections – domestic newspapers and foreign government documents – as noted below. The CSAP panel was chaired by Edward Shreeves of the University of Iowa, and comprised...
Domestic Newspapers – The panel reviewed 57 titles in microfilm that had been suspended due to budget shortfalls in fiscal years 2000 and 2001. After reviewing feedback from members about the suspensions and financial options for re-instatating them, the panel recommended re-starting subscriptions to 13 U.S. general circulation newspapers, including back files for the suspended years. The restarted titles:

- Boston Globe
- Chicago Tribune
- New York Daily News
- Dallas Morning News
- Denver Post
- Detroit Free Press
- Kansas City Star
- Los Angeles Times
- Miami Herald
- Philadelphia Inquirer
- Cleveland Plain Dealer
- St. Louis Post-Dispatch
- Baltimore Sun

Foreign Government Documents – The 2001 Collection Assessment Task Force had recommended that the Center evaluate its foreign documents collection in order to determine the next steps for this largely unprocessed collection. At the end of September David Block, Ibero-American Bibliographer with Cornell University Libraries, and Mary Gay Anderson, Foreign and International Documents Librarian with University of Florida, visited the Center to evaluate the Latin American documents and Western European Documents collections, respectively. Their reports depicted the Center's foreign government documents collection as having both unique and duplicative holdings. They recommended that the documents be made more accessible to users by broadly disseminating titles and holdings information. Also, they noted that implementing the recommendation was not straightforward, primarily for financial reasons. The CSAP is reviewing the consultants’ assessments and recommendations, and will determine next steps and priorities based on more information it has requested about the Center's unprocessed collections.

...the Center cataloged 105,345 dissertations in 2003, with support from the Andrew W. Mellon Foundation.
Purchase Proposal Program

In fiscal year 2004 the Center spent more than $101,600 on purchase proposals materials selected through member voting. An additional $42,650 in continuing acquisition expenditures was authorized to purchase microform reprint sets.

The Center continues to purchase installments of the *Fifteenth Decennial (1930) Census* on microfilm. The sections purchased in fiscal year 2003 were for the District of Columbia and the following states: Michigan, North Carolina, Pennsylvania, South Carolina, Louisiana, New Jersey, and Indiana.

Visibility of Resources

As part of its strategic initiative to support cooperative resource building, the Center cataloged 105,345 dissertations in 2003, with support from the Andrew W. Mellon Foundation. Records for these items appear in OCLC’s WorldCat and the Center’s OPAC. The Center is creating minimal level bibliographic records and adding English keywords if they are included in the dissertation, available on copy, or if the cataloger has language and subject proficiency. In order to use credits that it accrued through its cataloging of many new resources, the Center outsourced cataloging of some of its French dissertations on microfiche to OCLC.

Additional Cataloging

In addition to the dissertations reported above, the technical services staff cataloged other backlog areas and integrated current receipts into its workflow, as follows:

- 2,700 Russian monographs from the 18th and 19th century, published by the Russian Academy of Sciences, including some first editions with maps and other support materials. This completes backlog cataloging of Russian monographs, and the department is now keeping up with incoming deposits.

…the Center steadily and significantly improved its turnaround time compared to last year.
• National Archives and Records Administration microfilm sets were completed. The Center holds 2,421 titles either partial or full sets. More than 1,500 were cataloged in fiscal year 2003.

• More than 500 unique Turkish materials covering culture, religion, philosophy, and the development of the modern Turkish republic.

• More than 500 domestically published monographs, serials, and quasi-governmental materials from Thailand, including economic, cultural, and NGO documents and reports.

• Purchase proposals voted on by members in spring of 2003 were cataloged as received. Available analytics were purchased.

• During the second half of fiscal year 2003 the Center cataloged 3,011 monographs and 1,057 serials in 64 languages.

Access to Center Resources

The Center has a textbook collection of more than 70,000 volumes. Although the collection is not cataloged, a Web finding aid was developed to give users a better sense of the collection contents.

Workflow improvements have reduced turnaround time. The Center’s interlibrary loan management software, which tracks OCLC requests, showed that the Center steadily and significantly improved its turnaround time compared to last year.

Improved Turn-around Time

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<tr>
<td>July-Dec 2002</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Jan-May 2003</td>
<td>74%</td>
<td>72%</td>
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...conducted comprehensive reviews in fiscal year 2003 on two Center collections...
Turnaround time for most Center-owned materials is actually somewhat faster than shown above because demand purchases, which generally take three to four weeks to acquire, are included in the data above.

The Center began using two-day air and ground delivery for all originals to speed up receipt of materials in many locations and to standardize receipt across the geographical areas of its membership.

The Center purchased the Advanced Searching Module from Innovative. This will give users much better keyword access to the Center’s resources than the current system. The software will be implemented in fiscal year 2004.

**Preservation**

**Preservation Assistance Grant**

In July 2002, the National Endowment for the Humanities (NEH) awarded the Center a Preservation Assistance Grant. The grant supports the work of a consulting conservator to assess the Center’s 800,000-title foreign doctoral dissertations collection and prescribe and specify recommended preservation measures. Many of these materials are paperbound and fragile. The consultant will also conduct training sessions for Center staff on best practices for handling and rehousing the collection. Sherry Byrne, Preservation Librarian at the University of Chicago Library, serves as the consultant to the Center for the project. Although the immediate focus of the grant is on the needs of the dissertations collection, the consultant’s investigations and recommendations will enable the Center to devise handling, rehousing, and simple treatment routines that address the preservation needs of similar, fragile, paper-based collections, while accommodating the requirements for access.

...conducted comprehensive reviews in fiscal year 2003 on two Center collections...
Print Archives

Distributed Print Archives

In the first year of the grant the Center focused on developing the terms and conditions to govern the distributed depositories and creating contracts with partners – Michigan State University, Yale University, and the University of Illinois at Urbana-Champaign. Concurrently, the Center has rapidly increased the number of print materials it has accepted for its JSTOR Archive.

Since the inception of the grant and the hiring of a coordinator, the rate of donations to the JSTOR print archive has increased dramatically. The Center accepted contributions of more than 4,900 units since December 2002, doubling the number of volumes that had been collected in the two-plus years prior to that. Similarly, more than 8,500 additional volumes have been offered recently to the Center. The staff anticipates accepting more than 5,300 of these in the immediate future. As of June 30, 2003, the close of fiscal year 2003, the Center had received 8,050 volumes of a possible 20,724 bibliographic volumes from 229 titles. This includes the recently announced music collection release.

Center Operations and Infrastructure

The Center’s operational plan for fiscal year 2003 ensured that the Center has the infrastructure in place both to improve current services and carry out new initiatives.

Information Technology

The Center hired a new Director of Information Systems and made substantial improvements and changes to benefit the Center long-term. The Center selected a new Internet Service Provider, saving money and ensuring better identity with a crl.edu address. The new systems director implemented a firewall to eliminate hacking and other problems, upgraded the network infrastructure, conducted preparatory technical work to accommodate a top-down Web site redesign, and developed a capital budget replacement plan for hardware and software.
Restructuring

The Center restructured its Technical Services and Access Services departments in order to eliminate positions no longer needed and add positions in which the Center needed additional resources to meet its new strategic objectives. The Center hired a manager of physical processing, a workflow manager for the dissertations project, a digital delivery specialist, a part-time human resources consultant, an additional cataloger, and created a web and digital library specialist position.

Governance

Annual Council Meeting

The Center’s 54th annual meeting was held in Chicago on April 22, 2003 and featured Kennette Benedict, senior advisor on philanthropy at the John D. and Catherine T. MacArthur Foundation. Benedict discussed the foundation’s current development agenda and the roles research libraries might play in supporting those agendas.

The business meeting focused on the security of knowledge resources, a topic prompted by recent pricing decisions among e-journal publishers and the resultant pressure on libraries to discontinue purchase of print titles for Elsevier’s Science Direct and other electronic resources. Three speakers discussed print archive approaches: Beverlee French, director of Shared Digital Content of the California Digital Library, who described the University of California’s system; Edward Shreeves, director of Collections and Information Resources at the University of Iowa Libraries, who explained the CIC print archiving method; and Melissa Trevvett of the Center, who updated members on the Center’s Distributed Print Archives project, funded by the Mellon Foundation.
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Director of International Resources, ICON Project, and Area Studies
Gerald Hall
Program Manager, Digital South Asia Library Project
Amy Wood
Head, Technical Services
Mary Wilke
Head, Acquisitions
Kevin Wilks
Head, Access Services
Patricia Finney
Head, Stack Management
Barbara DesRosiers
Project Coordinator, Distributed Print Archives
Punya Rawal
Head, Systems Management
Reginald Wojciechowski
Head, Building Services
MEMBER INSTITUTIONS FOR FISCAL YEAR 2003

ASSOCIATE MEMBERS
Bowling Green State University
Brandeis University
Carleton University
Carnegie Mellon University
Case Western Reserve University
Chicago State University
Clemson University
College of William & Mary
East Carolina University
Florida Atlantic University
Florida International University
George Mason University
Hanover College
Indiana University of Pennsylvania
Johns Hopkins – Nitze School of Advanced Int'l Studies
Lake Forest College
Marquette University
Nazareth College of Rochester
National Humanities Center
Princeton Theological Seminary
Purdue University-Calumet
Reed College
Research Libraries Group (RLG)
State Historical Society of Wisconsin
U.S. Environmental Protection Agency
University of Dayton
University of Denver
University of Mississippi
University of Missouri-St. Louis
University of North Texas
University of Ottawa
University of Texas-San Antonio
University of Victoria
Urbana Free Library
Valparaiso University
Western Kentucky University
Wright State University

VOTING MEMBERS
Arizona State University
Brown University
Claremont Colleges
Columbia University
Committee on Institutional Cooperation
Cornell University
Duke University
Emory University
Florida State University
Harvard University
Indiana University
Iowa State University
Kansas State University
Kent State University
Loyola University
McGill University
Miami University of Ohio
Michigan State University
New York University
New York Public Library
North Carolina State University
Northern Illinois University
Northwestern University
OhioLINK
Ohio State University
Ohio University
Oregon State University
Pennsylvania State University
Princeton University
Purdue University
Rice University
Rutgers University
Southern Illinois University
State University of New York-Albany
State University of New York-Binghamton
State University of New York-Buffalo
State University of New York-Stony Brook
Tulane University
University of Akron
University of Alabama
University of Alberta
University of Arizona
University of Arkansas
University of British Columbia
University of Calgary
University of California-Berkeley
University of California-Davis
University of California-Irvine
University of California-Los Angeles
University of California-Riverside
University of California-San Diego
University of California-Santa Barbara
University of California-Santa Cruz
University of Chicago
University of Cincinnati
University of Colorado
University of Delaware
MEMBER INSTITUTIONS FOR FISCAL YEAR 2003 (continued)

University of Florida
University of Georgia
University of Houston
University of Illinois-Chicago
University of Illinois-Urbana/Champaign
University of Iowa
University of Kansas
University of Kentucky
University of Maryland
University of Miami
University of Michigan
University of Minnesota-Twin Cities
University of Missouri-Columbia
University of Missouri-Kansas City
University of North Carolina
University of Notre Dame
University of Oregon
University of Pittsburgh
University of Rochester
University of Southern California
University of South Carolina
University of Tennessee
University of Texas-Austin
University of Toronto
University of Utah
University of Vermont
University of Virginia
University of Washington
University of Wisconsin
Utah State University
Vanderbilt University
Washington State University
Washington University
Western Michigan University
Yale University

GROUP MEMBERS

Antioch College
Ashland University
Athenaeum of Ohio
Baldwin-Wallace College
Belmont Technical College
Bluffton College
Capital University
Cedarville College
Central Ohio Technical College
Central State University
Cincinnati State Technical and Community College
Clark State Community College
Cleveland State University
College of Mount St. Joseph
College of Wooster
Columbus State Community College
Cuyahoga State Community College
Defiance College
Denison University
Edison State Community College
Franciscan University
Heidelberg College
Hiram College
Hocking Technical College
Jefferson Technical College
John Carroll University
Kenyon College
Lakeland Community College
Lima Technical College
AREA STUDIES PROJECTS FOR FISCAL YEAR 2003

Lorain Community College
Malone College
Marion Technical College
Medical College of Ohio
Mount Carmel College of Nursing
Mount Union College
Mount Vernon Nazarene College
Muskingum Technical College
North Central Technical College
Northeastern Ohio University College of Medicine
Northwest State Community College
Oberlin College
Ohio Dominican College
Ohio Northern University
Ohio Wesleyan University
Otterbein College
Owens Community College
Rio Grande Community College
Shawnee State University
Sinclair Community College
Southern State Community College
Stark State Community College
State Library of Ohio
Terra Technical College
Tiffin University
University of Findlay
University of Toledo
Ursuline College
Washington State Community College
Wilberforce College
Wilmington College
Wittenberg College
Xavier University
Youngstown State University

AFFILIATE MEMBERS
Association of Research Libraries (ARL)
Online Computer Library Center (OCLC)

COOPERATIVE AFRICANA MICROFILM PROJECT (CAMP)

FULL MEMBERS (North America)

Boston University
Columbia University
Cornell University
Dartmouth College
Duke University
Emory University
Georgetown University
Harvard University
Indiana University
Library of Congress
Michigan State University
New York Public Library
New York University
Northwestern University
Ohio University
Ohio State University
Princeton University
Queen's University
Rutgers University
Stanford University
Syracuse Library
Temple University
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 Pennsylvania
University of Virginia
University of Wisconsin-Madison
Yale University

OVERSEAS AFFILIATES

University of Cambridge, African Studies Center
Harry S. Truman Research Institute, Hebrew University
School of Oriental and African Studies, University of London
Scandinavian Institute of African Studies
South African Library
Latin America Microfilm Project (LAMP)

Members

Brigham Young 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
Rice University
Rutgers University
Stanford University
Tulane University
University of California-Berkeley
University of California-Irvine
University of California-Los Angeles
University of California-Riverside
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 Kansas
University of Massachusetts
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 Southern California
University of Texas
University of Toronto
University of Virginia
University of Wisconsin-Madison
Vanderbilt University
Yale University

Middle East Microfilm Project (MEMP)

Members

Columbia University
Duke University
Georgetown University
Harvard University
Hoover Institution, Stanford University
Indiana University
Library of Congress
University of Michigan
University of Minnesota
New York Public Library
New York University
Ohio State University
Princeton University
University of Arizona
University of California-Berkeley
University of California-Los Angeles
University of California-Santa Barbara
University of Illinois-Urbana/Champaign
University of North Carolina
University of Pennsylvania
University of Texas
University of Washington
Washington University
Yale University

Area Studies Projects for Fiscal Year 2003 (continued)
SOUTH ASIA MICROFILM PROJECT (SAMP)

MEMBERS

Brown University
Columbia University
Cornell University
Duke University
Emory University
Florida State University
Harvard University
Indiana University
Kansas State University
Library of Congress
New York Public Library
North Carolina State University
Ohio State University
Syracuse University
University of British Columbia
University of California-Berkeley
University of California-Los Angeles
University of Chicago
University of Hawaii
Library of Congress
University of North Carolina
Northern Illinois University
Ohio University
University of Oregon
Princeton University
Royal Institute of Linguistics and Anthropology (KITLV), Netherlands
University of Washington
University of Wisconsin-Madison
Yale University

SOUTHEAST ASIA MICROFILM PROJECT (SEAM)

MEMBERS

Arizona State University
University of California-Berkeley
University of California-Los Angeles
University of Chicago
Columbia University
Cornell University
Duke University
Harvard University
University of Hawaii
Library of Congress
University of Michigan
University of North Carolina
University of Oregon
Princeton University
Royal Institute of Linguistics and Anthropology (KITLV), Netherlands
University of Washington
University of Wisconsin-Madison
Yale University

SLAVIC AND EASTERN EUROPE MICROFILM PROJECT (SEEMP)

MEMBERS

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

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INDEPENDENT AUDITOR’S REPORT
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INDEPENDENT AUDITORS’ REPORT AND SUPPLEMENTAL SCHEDULES
JUNE 30, 2003 AND 2002

To the Board of Directors
Center for Research Libraries
Chicago, Illinois

We have audited the accompanying statement of financial position of Center for Research Libraries (the “Center”) as of June 30, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Center as of June 30, 2002, were audited by Smart and Associates whose practice was acquired by us and whose report dated October 9, 2002, expressed an unqualified opinion on those statements and the supplemental schedules.

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

In our opinion, the 2003 financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the 2003 basic financial statements taken as a whole. The 2003 information on pages 41 through 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Smart and Associates, LLP

October 10, 2003
### JUNE 30, 2003 AND 2002

#### ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,780,444</td>
<td>$3,283,770</td>
</tr>
<tr>
<td>Cash held for others</td>
<td>407,850</td>
<td>341,562</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>71,141</td>
<td>99,040</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>194,873</td>
<td>161,511</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>135,133</td>
<td>39,549</td>
</tr>
<tr>
<td>Deferred financing costs</td>
<td>123,029</td>
<td>128,621</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>5,732,465</td>
<td>6,034,333</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$10,444,935</strong></td>
<td><strong>$10,088,386</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 608,410</td>
<td>$616,194</td>
</tr>
<tr>
<td>Funds held for others</td>
<td>407,850</td>
<td>341,562</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,945,973</td>
<td>2,547,524</td>
</tr>
<tr>
<td>Loan payable</td>
<td>2,115,790</td>
<td>2,210,527</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,078,023</strong></td>
<td><strong>5,715,807</strong></td>
</tr>
</tbody>
</table>

Commitments and contingencies

#### NET ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>277,628</td>
<td>(68,895)</td>
</tr>
<tr>
<td>Net investment in property, plant and equipment</td>
<td>3,616,675</td>
<td>3,823,806</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>472,609</td>
<td>617,668</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>4,366,912</strong></td>
<td><strong>4,372,579</strong></td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td><strong>$10,444,935</strong></td>
<td><strong>$10,088,386</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
### STATEMENTS OF ACTIVITIES

For the years ended June 30, 2003 and 2002

<table>
<thead>
<tr>
<th></th>
<th>2003 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
<th>2002 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and other support:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td>$4,187,380</td>
<td>-</td>
<td>$4,187,380</td>
<td>$4,194,529</td>
<td>$ -</td>
<td>$4,194,529</td>
</tr>
<tr>
<td>Newspaper microfilm fees</td>
<td>7,450</td>
<td>7,450</td>
<td>7,450</td>
<td>7,450</td>
<td>7,450</td>
<td>7,450</td>
</tr>
<tr>
<td>Newspaper microfilm sales</td>
<td>262,245</td>
<td>-</td>
<td>262,245</td>
<td>228,131</td>
<td>-</td>
<td>228,131</td>
</tr>
<tr>
<td>Cataloging revenue</td>
<td>333,460</td>
<td>-</td>
<td>333,460</td>
<td>74,435</td>
<td>-</td>
<td>74,435</td>
</tr>
<tr>
<td>Microform sales</td>
<td>6,929</td>
<td>6,929</td>
<td>6,929</td>
<td>11,565</td>
<td>-</td>
<td>11,565</td>
</tr>
<tr>
<td>Access service sales</td>
<td>12,016</td>
<td>-</td>
<td>12,016</td>
<td>14,774</td>
<td>-</td>
<td>14,774</td>
</tr>
<tr>
<td>Grants</td>
<td>251,673</td>
<td>414,964</td>
<td>666,637</td>
<td>427,624</td>
<td>481,471</td>
<td>909,095</td>
</tr>
<tr>
<td>Investment income</td>
<td>32,051</td>
<td>4,030</td>
<td>36,081</td>
<td>55,998</td>
<td>5,063</td>
<td>61,061</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>20,033</td>
<td>-</td>
<td>20,033</td>
<td>44,672</td>
<td>-</td>
<td>44,672</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>563,873</td>
<td>(563,873)</td>
<td>-</td>
<td>48,382</td>
<td>(48,382)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue and other support</strong></td>
<td>$5,677,110</td>
<td>(144,879)</td>
<td>$5,532,231</td>
<td>$5,107,560</td>
<td>(438,152)</td>
<td>$4,669,408</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Newspapers</td>
<td>863,827</td>
<td>-</td>
<td>863,827</td>
<td>814,963</td>
<td>-</td>
<td>814,963</td>
</tr>
<tr>
<td>Serials</td>
<td>743,184</td>
<td>-</td>
<td>743,184</td>
<td>679,144</td>
<td>-</td>
<td>679,144</td>
</tr>
<tr>
<td>International Dissertations</td>
<td>626,400</td>
<td>-</td>
<td>626,400</td>
<td>485,711</td>
<td>-</td>
<td>485,711</td>
</tr>
<tr>
<td>Repository Collections</td>
<td>581,261</td>
<td>-</td>
<td>581,261</td>
<td>601,942</td>
<td>-</td>
<td>601,942</td>
</tr>
<tr>
<td>CRL Area Studies</td>
<td>467,278</td>
<td>-</td>
<td>467,278</td>
<td>412,381</td>
<td>-</td>
<td>412,381</td>
</tr>
<tr>
<td>Grant projects</td>
<td>767,749</td>
<td>-</td>
<td>767,749</td>
<td>432,773</td>
<td>-</td>
<td>432,773</td>
</tr>
<tr>
<td><strong>Total program activities</strong></td>
<td>4,049,699</td>
<td>-</td>
<td>4,049,699</td>
<td>3,426,914</td>
<td>-</td>
<td>3,426,914</td>
</tr>
<tr>
<td>Management and general</td>
<td>702,171</td>
<td>-</td>
<td>702,171</td>
<td>638,743</td>
<td>-</td>
<td>638,743</td>
</tr>
<tr>
<td>Fundraising</td>
<td>9,744</td>
<td>-</td>
<td>9,744</td>
<td>13,052</td>
<td>-</td>
<td>13,052</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>4,761,614</td>
<td>-</td>
<td>4,761,614</td>
<td>4,078,709</td>
<td>-</td>
<td>4,078,709</td>
</tr>
<tr>
<td><strong>Change in net assets before changes related to collection items not capitalized</strong></td>
<td>915,496</td>
<td>(144,879)</td>
<td>770,617</td>
<td>1,028,851</td>
<td>438,152</td>
<td>1,467,003</td>
</tr>
<tr>
<td><strong>Change in net assets related to collection items not capitalized</strong></td>
<td>776,104</td>
<td>180</td>
<td>776,284</td>
<td>773,323</td>
<td>711</td>
<td>774,034</td>
</tr>
<tr>
<td><strong>Net assets at beginning of year</strong></td>
<td>3,754,911</td>
<td>617,668</td>
<td>4,372,579</td>
<td>3,499,383</td>
<td>180,227</td>
<td>3,679,610</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$3,894,303</td>
<td>$472,609</td>
<td>$4,366,912</td>
<td>$3,754,911</td>
<td>$617,668</td>
<td>$4,372,579</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
For the years ended June 30, 2003 and 2002

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member and nonmember fees received</td>
<td>$4,922,401</td>
<td>$4,387,221</td>
</tr>
<tr>
<td>Grants and contributions received</td>
<td>663,311</td>
<td>881,265</td>
</tr>
<tr>
<td>Interest received</td>
<td>36,081</td>
<td>61,061</td>
</tr>
<tr>
<td>Cash paid to suppliers and employees</td>
<td>(4,071,535)</td>
<td>(3,476,879)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(40,271)</td>
<td>(54,792)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,509,987</td>
<td>1,797,876</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES:</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of collections</td>
<td>(776,284)</td>
<td>(774,034)</td>
</tr>
<tr>
<td>Purchase of property</td>
<td>(142,292)</td>
<td>(193,988)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(918,576)</td>
<td>(968,022)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES:</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of loans</td>
<td>(94,737)</td>
<td>(94,737)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>496,674</td>
<td>735,117</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,283,770</td>
<td>2,548,653</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH AND CASH EQUIVALENTS AT END OF YEAR</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,780,444</td>
<td>$3,283,770</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHANGE IN NET ASSETS</td>
<td>$ (5,667)</td>
<td>$ 692,969</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections accessions</td>
<td>776,284</td>
<td>774,034</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>444,160</td>
<td>447,280</td>
</tr>
<tr>
<td>(Increase) decrease in assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>27,899</td>
<td>(56,060)</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(33,362)</td>
<td>(50,662)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(95,584)</td>
<td>(8,185)</td>
</tr>
<tr>
<td>Deferred financing costs</td>
<td>5,592</td>
<td>5,592</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(7,784)</td>
<td>50,748</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>398,449</td>
<td>(57,840)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>1,515,654</td>
<td>1,104,907</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,509,987</td>
<td>$1,797,876</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

This summary of significant accounting policies of Center for Research Libraries (the “Center”) is presented to assist in understanding the Center’s financial statements. The financial statements and notes are representations of the Center’s management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Activities:
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 that are in all appropriate formats, international in scope and comprehensive in disciplines.

A majority of the Center’s revenue is derived from membership fee assessments. Other revenue and support consists of grants and sales of materials reproduced.

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

Global Newspapers:
This program improves access to global newspapers for scholars and other users worldwide by developing, managing and preserving a representative collection of newspapers and by stimulating cost savings through collaboration among a variety of partners to expand the long-term availability of newspapers.

Serials:
The serials program augments the pool of serial titles available for scholarly research by using cooperative collection development to reduce local subscription and space costs.

International Dissertations:
This program provides comprehensive access to doctoral dissertations submitted to institutions outside the United States and Canada, regardless of format, subject and location.

Repository Collections:
The Repository Collections program has four major subcomponents -

a) The Microform and Reprint Collections Component provides access to a large body of material that is either in low use locally or not available in its original form so as to reduce total costs.

b) The Collections of Record Component gathers dispersed materials into an accessible, unified, comprehensive collection to reduce local space costs.

c) The Retrospective Serial Titles Component backs up emerging electronic serials files and reduces the shelving costs of libraries that have discarded the paperback files.

d) The Rarely-Held Monographs Component gathers little used, retrospective monographs into an accessible and unified collection to reduce local space costs.
CRL Area Studies:
This program provides access to a pool of materials that are beyond the means of any individual area studies program. Without this extended program activity, these acquired materials would not otherwise be preserved.

Grant Projects:
This program consists of various grant funded special projects to collect, preserve and catalog materials based on grantor terms. Grant funds are also used to investigate alternative media storage techniques.

Financial Statement Presentation:
The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Center has determined that no net assets are permanently restricted at June 30, 2003 and 2002.

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

Cash and Cash Equivalents:
The Center considers its checking account and highly liquid debt securities purchased with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents include funds held in escrow and exclude funds held for others.

Accounts and Grants Receivable:
Accounts and grants receivable are stated at the amounts that the Center expects to collect from outstanding balances. The Center performs in-house collections as necessary based on circumstances. Bad debts, which are typically minimal, are written off as incurred.

Property and Equipment:
Property and equipment with a cost in excess of $500 and a useful life greater than one year are recorded at cost and are depreciated over the estimated useful lives of the assets. Estimated lives range from three to 10 years for furniture and equipment and 30 years for the 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 statement of activities.

Collections:
The Center has a 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 the collections in its financial statements. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as decreases in temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in the appropriate net asset class.
Deferred Financing Costs:
All of the costs incurred in obtaining the $2,400,000 loan to the Center have been deferred and are being amortized over the life of the loan starting in fiscal year 2001.

Contributions:
Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor imposed restrictions on the use of the funds. Contributions reported as temporarily restricted support are reclassified to unrestricted net assets when the restrictions have been satisfied and are reported in the statement of activities as net assets released from restrictions.

Revenue Recognition:
Membership dues are recognized as revenue during the membership year. Dues received in advance of the membership year are accounted for as deferred revenue at year end.

Allocation of Expenses:
The costs of providing the Center’s various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services on the basis of estimates by management.

Income Taxes:
The Center is a non-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes.

Reclassifications:
Certain amounts have been reclassified within the prior year comparative numbers to conform with current year classifications.

2. COLLECTIONS:
The Center’s Collections are made up of a wide array of publications and print material, international in scope, that are held for educational, research, scientific and curatorial purposes. New acquisitions as well as large segments of existing collections are catalogued. All holdings are preserved and their existence and condition are continuously monitored. The Collections are subject to a policy that requires proceeds from their sales to be used to acquire other items for Collections. No Collection items were deaccessioned through sales in 2003.

3. PROPERTY AND EQUIPMENT:
Property and equipment consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2003</th>
<th>June 30, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$128,446</td>
<td>$128,446</td>
</tr>
<tr>
<td>Building and furniture</td>
<td>$10,186,005</td>
<td>$10,166,005</td>
</tr>
<tr>
<td>Equipment</td>
<td>$1,368,760</td>
<td>$1,246,469</td>
</tr>
<tr>
<td></td>
<td>$11,683,211</td>
<td>$11,540,920</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(5,950,746)</td>
<td>(5,506,587)</td>
</tr>
<tr>
<td></td>
<td>$5,732,465</td>
<td>$6,034,333</td>
</tr>
</tbody>
</table>

Depreciation expense was $444,160 and $447,280 for the years ended June 30, 2003 and 2002, respectively.

4. LOAN PAYABLE:
The Center has a $2,400,000 loan under the Illinois Educational Facilities Authority’s Cultural Pooled Financing Program. The loan is collateralized by a priority lien on the Center’s property and also by a letter of credit for 110 percent of the loan amount. The letter of credit expires in 2006 and no balances are currently drawn. The loan is also subject to a debt service covenant referred to as the “Keepwell
Agreement”. The covenant has been met for the year ended June 30, 2003. The loan is repayable in monthly installments of $7,895, plus interest at a variable rate (1.32% at June 30, 2003), with a final maturity in 2025. Interest expense for the years ended June 30, 2003 and 2002 was $39,779 and $51,430, respectively.

Principal payments by year are as follows:

For the years ending June 30,

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$94,740</td>
</tr>
<tr>
<td>2005</td>
<td>94,740</td>
</tr>
<tr>
<td>2006</td>
<td>94,740</td>
</tr>
<tr>
<td>2007</td>
<td>94,740</td>
</tr>
<tr>
<td>2008</td>
<td>94,740</td>
</tr>
<tr>
<td>2009 and thereafter</td>
<td>1,642,090</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,115,790</strong></td>
</tr>
</tbody>
</table>

5. TEMPORARILY RESTRICTED NET ASSETS:
Temporarily restricted net assets consist of grants received from private foundations and the federal government to support microform projects and the purchase of equipment to automate library materials.

6. FUNDS HELD FOR OTHERS:
The Center serves as a fiscal agent for groups involved in area study activities. The area study groups assess fees to their members and incur expenditures for the acquisition of international library materials. The Center has also entered into a service agreement with the Center for South Asia Libraries (CSAL) to act as administrator and custodian for CSAL. The Center receives funds on behalf of CSAL and pays expenditures related to CSAL from those funds. Amounts held at June 30, 2003 were as follows:

- Cooperative Africana Microform Project: $95,079
- Latin American Microform Project: 93,635
- Middle East Microform Project: 41,026
- South Asia Microform Project: 13,911
- Southeast Asia Microform Project: 49,527
- Slavic and East European Microform Project: 38,135
- Center for South Asia Libraries: 76,537

**Total**: $407,850

7. PENSION PLAN:
The Center’s retirement plan is a defined contribution, money purchase pension plan. Under this plan, funds contributed by the employer and participating employees are used to purchase retirement annuity and death benefit policies for the participants through the Teachers Insurance and Annuity Association and/or the College Retirement Equities Fund. Contributions are based on participants’ compensation. Pension expense for fiscal 2003 and 2002 was $160,942 and $155,057, respectively.

8. CONCENTRATION OF CREDIT RISK:
The Center maintains its cash accounts primarily with banks located in Illinois and in brokerage accounts, which are not federally insured. The cash balances are insured by the FDIC up to $100,000 per bank. The Center had cash balances on deposit at June 30, 2003 that exceeded the balance insured by the FDIC by approximately $3,770,000. Management minimizes the risk of loss by routinely monitoring account transactions and using only reputable financial institutions.
SUPPLEMENTAL SCHEDULES
### Schedule of Functional Expenses and Collections Expenditures

For the year ended June 30, 2003

#### Center for Research Libraries

<table>
<thead>
<tr>
<th>Supporting Services</th>
<th>Program Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Support Services:

- **Cataloging fees**: $323,000
- **Borrowing transaction fees**: $2,528,000
- **Innovative**
- **Microform costs**: $181,552
- **Other support**: $4,000

<table>
<thead>
<tr>
<th>Global Newspapers</th>
<th>Serials</th>
<th>International Dissertations</th>
<th>Repository Collections</th>
<th>CRL Area Studies</th>
<th>Grants</th>
<th>Management and general</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$323,000</td>
<td>$2,824,000</td>
<td>$214,466</td>
<td>$10,476</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$228,089</td>
</tr>
<tr>
<td>2,528,000</td>
<td>1,203,000</td>
<td>272,000</td>
<td>896,000</td>
<td>479,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,378</td>
</tr>
<tr>
<td>16,878,000</td>
<td>8,036,000</td>
<td>1,820,000</td>
<td>5,986,000</td>
<td>3,201,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,921</td>
</tr>
<tr>
<td>181,552,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,989,000</td>
<td>-</td>
<td>203,541</td>
<td></td>
</tr>
<tr>
<td>4,000</td>
<td>37,000</td>
<td>2,821,000</td>
<td>138,000</td>
<td>1,500,000</td>
<td>28,326,000</td>
<td>1,563,000</td>
<td>-</td>
<td>34,389</td>
</tr>
<tr>
<td>201,285,000</td>
<td>12,100,000</td>
<td>219,379,000</td>
<td>17,496,000</td>
<td>5,180,000</td>
<td>50,315,000</td>
<td>1,563,000</td>
<td>-</td>
<td>507,318</td>
</tr>
</tbody>
</table>

#### Personnel and operations:

- **Consumable supplies**: $10,963,000
- **Memberships**: $5,830,000
- **Insurance**: $6,871,000
- **Travel**: $1,686,000
- **Business expense**: $37,000
- **Printing**: $17,000
- **Postage and delivery**: $5,520,000
- **Telecommunications**: $6,871,000
- **Board and council expense**: $4,359,000
- **Member relations**: $4,359,000
- **Exhibits expense**: $4,359,000
- **Special events expense**: $4,359,000
- **Other outside support**: $4,359,000

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Plant and other:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$448,181,000</td>
<td>$500,450,000</td>
</tr>
<tr>
<td>390,473,000</td>
<td>437,924,000</td>
</tr>
<tr>
<td>246,052,000</td>
<td>279,015,000</td>
</tr>
<tr>
<td>347,192,000</td>
<td>388,463,000</td>
</tr>
<tr>
<td>383,399,000</td>
<td>421,622,000</td>
</tr>
<tr>
<td>261,212,000</td>
<td>699,053,000</td>
</tr>
<tr>
<td>454,439,000</td>
<td>652,666,000</td>
</tr>
<tr>
<td>7,960,000</td>
<td>8,896,000</td>
</tr>
<tr>
<td>8,228,000</td>
<td>10,536,000</td>
</tr>
<tr>
<td>2,538,908,000</td>
<td>2,388,089,000</td>
</tr>
</tbody>
</table>

#### Plant and other:

- **Equipment leases**: $3,564,000
- **Equipment purchases**: $2,469,000
- **Service contracts**: $11,574,000
- **Repairs**: $4,398,000
- **Utilities**: $46,781,000
- **Indirect cost allocation**: $66,317,000

<table>
<thead>
<tr>
<th>Total operating expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$768,052,000</td>
</tr>
<tr>
<td>549,889,000</td>
</tr>
<tr>
<td>444,548,000</td>
</tr>
<tr>
<td>671,878,000</td>
</tr>
<tr>
<td>4,236,000</td>
</tr>
<tr>
<td>24,620,000</td>
</tr>
<tr>
<td>69,379,000</td>
</tr>
<tr>
<td>23,247,000</td>
</tr>
<tr>
<td>2,538,204,000</td>
</tr>
</tbody>
</table>

#### Collection expenditures – not capitalized:

- **Materials**: $259,980,000
- **Preservation**: $114,351,000
- **Reference works**: $2,393,000

<table>
<thead>
<tr>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$863,827,000</td>
</tr>
<tr>
<td>562,400,000</td>
</tr>
<tr>
<td>767,749,000</td>
</tr>
<tr>
<td>9,744,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Collection expenditures – not capitalized:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Materials</strong>: $245,627,000</td>
</tr>
<tr>
<td><strong>Reference works</strong>: $2,393,000</td>
</tr>
</tbody>
</table>

---

**Interest expense (including line-fees totaling $24,470)**: $12,146,000

**Depreciation** – Building: $58,618,000

**Depreciation** – Equipment and furniture: $25,011,000

**Total expenses**: $863,827,000

**Collection expenditures – not capitalized**: $259,980,000
## Schedule of Program Revenue and Expenses

**Grants for the year ended June 30, 2003**

### Temporarily Restricted

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>Mellon/Delmas Foundation Collection Project</th>
<th>Historian’s Conference Deposit</th>
<th>JSTOR Description</th>
<th>JSTOR Area Studies</th>
<th>Political Web Archive</th>
<th>South Asian Information Access</th>
<th>Other</th>
<th>Total</th>
<th>Temporarily Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td>-</td>
<td>-</td>
<td>(9,659)</td>
<td>(20,377)</td>
<td>445,000</td>
<td>-</td>
<td>-</td>
<td>414,964</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>420</td>
<td>174</td>
<td>69</td>
<td>140</td>
<td>199</td>
<td>1,672</td>
<td>1,109</td>
<td>445,247</td>
<td>418,994</td>
</tr>
<tr>
<td>Total revenue</td>
<td>420</td>
<td>174</td>
<td>(9,590)</td>
<td>(20,1237)</td>
<td>199</td>
<td>1,672</td>
<td>1,109</td>
<td>445,247</td>
<td>418,994</td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Costs</th>
<th>Mellon/Delmas Foundation Collection Project</th>
<th>Historian’s Conference Deposit</th>
<th>JSTOR Description</th>
<th>JSTOR Area Studies</th>
<th>Political Web Archive</th>
<th>South Asian Information Access</th>
<th>Other</th>
<th>Total</th>
<th>Temporarily Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of microfilms</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>360</td>
<td>-</td>
<td>107</td>
<td>8,169</td>
<td>192</td>
<td>2,788</td>
<td>-</td>
<td>11,161</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
<td>12,240</td>
<td>1,917</td>
<td>2,900</td>
<td>360</td>
<td>3,568</td>
<td>-</td>
<td>20,985</td>
<td></td>
</tr>
<tr>
<td>Other business expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43</td>
<td>15</td>
<td>38</td>
<td>96</td>
<td>1,888</td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td>-</td>
<td>40</td>
<td>12</td>
<td>179</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,888</td>
<td></td>
</tr>
<tr>
<td>Telecommunication</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>305</td>
<td></td>
</tr>
<tr>
<td>Outside professionals</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
<td>1,192</td>
<td>2,257</td>
<td>7,046</td>
<td>368,300</td>
<td>383,795</td>
<td></td>
</tr>
<tr>
<td>Special events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,878</td>
<td>48,219</td>
<td>19,094</td>
<td>7,790</td>
<td>79,981</td>
<td></td>
</tr>
<tr>
<td>SA Salaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,820</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,820</td>
<td></td>
</tr>
<tr>
<td>Temporary agencies</td>
<td>-</td>
<td>-</td>
<td>31,142</td>
<td>2,383</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,525</td>
<td></td>
</tr>
<tr>
<td>FICA</td>
<td>-</td>
<td>-</td>
<td>2,233</td>
<td>3,620</td>
<td>1,332</td>
<td>612</td>
<td>-</td>
<td>7,787</td>
<td></td>
</tr>
<tr>
<td>Workmen’s compensation</td>
<td>-</td>
<td>-</td>
<td>464</td>
<td>255</td>
<td>108</td>
<td>45</td>
<td>873</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Medical insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,640</td>
<td>1,238</td>
<td>670</td>
<td>-</td>
<td>5,548</td>
<td></td>
</tr>
<tr>
<td>Retirement</td>
<td>-</td>
<td>-</td>
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### Collections materials

| Collections materials            | -                                           | -                               | -                 | -                 | -                    | -                         | -     | 180    |                       |

| Total expenses and collections   | 5,486                                       | 12,280                          | 1,929             | 131               | 72,888               | 67,221                    | 32,623 | 383,013 | 564,053               |
| Change in net assets             | (5,066)                                     | (12,106)                        | (11,519)          | (20,368)          | (72,889)             | (65,549)                  | (31,514) | 62,234 | (145,056)               |
| Net assets at beginning of year  | 66,034                                      | 25,774                          | 11,519            | 20,368            | 72,317               | 263,103                   | 170,109 | -     | (11,556)               |
| Net assets at end of year        | $ 60,968                                    | $ 13,668                        | $ -               | $ -               | $(372)               | $ 197,554                 | $ 138,595 | $ 62,234 | (38) $ 472,609          |

(continued on following page)
### Revenue:

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<th>Department of Education</th>
<th>NEH</th>
<th>CLIR</th>
<th>IMLS</th>
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<th>Total</th>
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### Expenses:

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<th>Total</th>
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### Collections materials

<table>
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<th>Department of Education</th>
<th>NEH</th>
<th>CLIR</th>
<th>IMLS</th>
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**Net assets at end of year:**

- $1,182
- $1,837
- $2,206
- $(5,225)
- $467,384