

50

fiftieth anniversary

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

ANNUAL REPORT 2005–2006

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* completed term November 2005

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+ appointed November 2005

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

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

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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Rollins College
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Simmons College
Skidmore College
Smith College
Smithsonian Institution
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The University of Alabama Libraries
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State University

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Washington State University Library
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LETTER FROM THE CHAIRMAN



Charles Phelps
Chairman of the Board

As CLIR celebrates its first half century, we are poised for many new beginnings. Our Board will soon name a new president to succeed Nancy Davenport, who stepped down in June. While president, Nancy laid the groundwork for an ambitious new CLIR agenda by appointing advisory committees in three areas: scholarly communication, preservation, and place as library. The work of these committees is now bearing fruit, and the CLIR Board and staff are genuinely excited about the months ahead.

Within the next six months alone, CLIR will convene meetings on advancing the national preservation agenda, furthering the development of cyberinfrastructure for the humanities, and assessing the scope of leadership training programs. We will also cohost a workshop on faculty research behavior. We will guide discussions on the role of the library in the 21st century information panoply, looking beyond “library as place” and considering the future of “place as library.” Also forthcoming are new CLIR publications on topics ranging from e-journal preservation to library-workflow restructuring.

My confidence in the future and in the impact of these new activities is rooted in the successes of ongoing CLIR initiatives. Two of my favorites are the Frye Leadership Institute and the Postdoctoral Fellowships in Scholarly Information Resources. Since its inception in 2000, the Frye Institute, which CLIR cosponsors with EDUCAUSE and Emory University, has given more than 300 individuals the tools to transform their libraries for the 21st century. CLIR’s newest leadership program, the postdoctoral fellowships, has also blossomed. The program enables recent Ph.D.s from humanities disciplines to gain expertise in new forms of scholarly research and the information resources that support them. The experience has opened doors for the fellows as well as for their host libraries. Many fellows have decided to enroll in MLS programs and to pursue careers in librarianship. I am particularly proud of this program, which I proposed and developed with Deanna Marcum four years ago, because I believe it will create a much-needed new cohort of scholar-librarians for higher education.

At a time of new beginnings, the continuity and breadth of our sponsors’ engagement and support are critical, and I am confident that the months ahead will generate new opportunities for partnership, dialog, and collaboration between CLIR and its sponsoring institutions.

This year has seen a change in Board composition, as four members rotated off, a new member was named in November, and two more new members were appointed in July 2006. The cycling in of new Board members, with fresh energy and ideas, is crucial to maintaining CLIR's dynamism and independence. For CLIR, Board rotation will mean yet another new beginning in 2007, as I will retire from the Board after its November 2006 meeting.

As I reflect on the history of this organization—and my nine years of Board service—I am inspired by what CLIR has achieved, awed by its fundamental strength and flexibility, and optimistic about its future.

In closing, I want to express the Board's gratitude to Susan Perry, who has served as interim president since July. Her dedication to CLIR—its purpose, community, and staff—has been extraordinary. We could not have hoped for better leadership these past months. I also want to thank the CLIR staff members for their competence, commitment, and exemplary teamwork. To our funding organizations, I am grateful for your steadfast support of CLIR, your encouragement, and your guidance. Finally, I owe a personal debt of gratitude to the CLIR Board, whose members have contributed their time, energy, and ideas so generously. My colleagues, it has been a privilege to work with you.

Charles Phelps
August 2006

MESSAGE FROM THE PRESIDENT



Susan Perry
Interim President

Having worked with CLIR since 2001, I have gained a deep appreciation for the organization—its accomplishments, its vitality and flexibility, and, perhaps most important, the dedication and support of the community it serves. I was therefore deeply honored when the Board asked me to serve as interim president.

Taking the driver's seat of this organization has given me new perspective on the terrain through which it moves, on how it operates, and on the forces that keep it going. From my temporary position at the wheel, I'd like to share what I see ahead.

The advisory committees that CLIR convened earlier this year in preservation, scholarly communication, and place as library, as well as ongoing discussions of leadership needs, have given us a basic road map—a sense of where we should be headed. Over the summer, the CLIR Board and staff worked hard to shape the committees' recommendations and plot an organizational course. As a result of these efforts, CLIR has a full and rich calendar of activities for the fall, as Board Chairman Chuck Phelps has noted. These activities will be critical in helping CLIR further define the route ahead.

From my vantage point, one of the most exciting aspects of the months and years ahead is the degree to which we will engage with the broad community that has supported CLIR so generously. The most pressing issues affecting libraries today require dialog across communities, and I have been gratified by the participation of scholars, teachers, publishers, legal experts, and technologists in the discussions that CLIR has brokered. It has been eye-opening to see how these issues are defined by different stakeholders, and to consider their impact on libraries, whether at small liberal arts institutions or at large research universities. What we learn from these discussions will be shared through CLIR's publications program.

These past few months have also given me new appreciation for how CLIR operates. We have a wonderful and willing, albeit small, staff whose members work well together, understand the issues facing the scholarly community, and are dedicated to helping advance discussion of important topics. I am grateful that some of the brightest minds in higher education, libraries, and other information professions are willing to convene meetings and to write reports for us. I am moved to be working with such a

supportive group. When we ask if you might be willing to work on something with us, we hear right back that you are not only willing but also honored to participate.

As a final word, I would like to acknowledge the funders that keep CLIR going. We are deeply grateful to our sponsoring organizations for their trust and for their loyal support, which are important both financially and symbolically. I pledge that CLIR will work to keep this trust. We are also grateful to The Andrew W. Mellon Foundation for its ongoing operational support and guidance. We thank the Library of Congress for partnering with CLIR on the important work of the National Digital Information Infrastructure and Preservation Program. We thank the Bill & Melinda Gates Foundation for entrusting CLIR with the management of its Access to Learning Award these past five years, and the Woodruff Foundation for its continued support of the Frye Leadership Institute.

When I pass the keys to our new president later this year, I will do so with the knowledge that CLIR has a full tank of gas and a good map. Although I will change seats, I very much look forward to being part of the ongoing journey.

Susan Perry
August 2006

THE PROGRAMS

In July 2005, the executive committee of the CLIR Board held a strategic planning retreat to define the organization's agenda for 2005–2006. In their discussions, members decided to refocus and simplify CLIR's programmatic divisions. The result is a four-pronged agenda encompassing scholarly communication, preservation, leadership, and place as library. This year's annual report reviews CLIR's activities in these four areas.

Readers will note that CLIR no longer assigns a distinct program division to digital libraries. Because digital resources are integral to the fabric of scholarship, digital library issues permeate all areas of CLIR's work, and are reflected across the four new program divisions.

Readers will also note that this annual report does not summarize the work of the Digital Library Federation (DLF), which is housed at CLIR. In May 2005, DLF became a legally separate organization and henceforth will issue its own annual reports, which can be viewed at <http://www.diglib.org/pubs/dlfars.htm>. CLIR will continue to work closely with DLF on a range of activities.

SCHOLARLY COMMUNICATION

The blurring of traditional roles in the chain of scholarly communication—those of creator, publisher, distributor, and steward—forces us to re-examine how each participant in the communication process contributes to the creation, dissemination, and retention of scholarly work. Collaboration among librarians, information technology experts, faculty members, and academic executives is needed to acquire and distribute new forms of digital scholarly communication, to develop user-driven services for groups whose preferred mode of access is electronic, and to maintain and exploit the rich heritage in our paper-based collections. Collaboration among these professionals and funding agencies will be necessary to develop new tools for scholarship.

Scholarly Communication Advisory Committee

In January 2006, CLIR convened a new Scholarly Communication Advisory Committee to begin to define an action agenda relating to new forms of scholarly practice, the use of digital assets, ownership of scholarly work, and the functions of the library and university press in supporting and disseminating scholarship. The discussions yielded a range of suggestions for CLIR, including advancing work on the emerging cyberinfrastructure for the humanities, supporting user studies, examining the economy of scholarly publishing, and educating faculty members about scholarly communication issues. CLIR is already planning several relevant activities and exploring others for inclusion in its agenda.

Managing Digital Assets: Strategic Issues for Research Libraries

In October 2005, CLIR partnered with the Association for Research Libraries (ARL), the Coalition for Networked Information, and DLF to hold a one-day workshop, “Managing Digital Assets: Strategic Issues for Research Libraries.” The workshop focused on issues of concern to senior decision makers in research institutions, including provosts and vice presidents for research and academic affairs, directors of research libraries and senior library managers, chief information officers, and other information technology managers. Presenters and participants explored the strategic implications of repositioning research libraries to manage digital assets for their institutions.

2006 Mellon Dissertation Fellows

Toufoul Abou-Hodeib, University of Chicago,
History of Culture

Allison Abra, University of Michigan, History:
Modern Britain

Hieu V. Ho, Temple University, History:
US Diplomatic History/Vietnamese History

Iza Hussin, University of Washington Political
Science (Comparative Policies, Public Law)

Riyaz Latif, University of Minnesota, Art History

Jonathan Levy, University of Chicago, History:
19th Century American

Clifford Murphy, Brown University,
Ethnomusicology

Jose Emmanuel Raymundo, Yale University,
African American Studies and American Studies

Sarah Waheed, Tufts University, History:
Modern South Asia

Man Xu, Columbia University, East Asian
Languages and Cultures

Joshua Yumibe, University of Chicago, Cinema and
Media Studies/Cinema Studies

Mellon Fellowships for Dissertation Research in Original Sources

In April 2006, CLIR awarded 11 Mellon fellowships for dissertation research in the humanities. The program, established in 2001 and administered by CLIR, each year awards 10 to 12 fellowships of up to \$20,000. In May, the fellows convened at the Library of Congress for a one-day workshop on research in archives and special collections.

Work-Restructuring Projects

Today’s libraries are challenged to offer new services, such as information literacy training and digital-asset management, while maintaining traditional functions, often with fixed budgets. In 2003, six directors of consortial libraries began working with CLIR to explore ways to gain efficiencies in traditional areas so that staff can be deployed to new responsibilities. In early 2004, each director undertook a one-year redesign project at his or her home institution. The projects focus on how to rethink work both in public and in technical services.

By January 2006, The Claremont Colleges, The Five Colleges of Ohio, the Tri-College Library Consortium, the Woodruff Library of Atlanta University Center, the Appalachian College Association, and the Five College Libraries of Western Massachusetts had completed at least the first phase of their work restructuring projects and had submitted written reports to CLIR. CLIR will publish the reports by the end of 2006.

PRESERVATION

The vitality of scholarly communication depends on access to the scholarly record. Libraries and other collecting institutions today face enormous challenges in providing access to the growing print and digital record. New preservation strategies that involve all stakeholders are needed to meet the particular demands of digital information and to manage a hybrid preservation environment.

Preservation Advisory Committee

In February 2006, CLIR convened its new Preservation Advisory Committee. The committee recommended that CLIR assert leadership as convener, facilitator, communicator, and advocate for preservation education, and that it serve as a public face for preservation issues in the United States. The committee's main recommendation was that CLIR reassert its role as the "voice for preservation." Committee members also urged CLIR to serve as a think tank for the library community, leading and facilitating analytical research and development for the library community.

Survey of E-Journal Archiving

Under contract with CLIR, a team from Cornell University conducted a survey of 12 e-journal archiving initiatives. The purpose of the study, framed by an agreement between CLIR and ARL, is to help libraries understand options for ensuring long-term access to born-digital scholarly literature and to enable them to determine the best course of action. The study covers the "who, what, when, where, why, and how" of significant preservation programs operated by nonprofit organizations in the domain of peer-reviewed journal literature published in digital form. CLIR will publish the report in fall 2006. The Andrew W. Mellon Foundation supported the e-journal archiving study and publication.

Audio Preservation

In 2005–2006, CLIR continued a range of work in partnership with the National Recording Preservation Board (NRPB). Established at the Library of Congress (LC) by the National Recording Preservation Act of 2000, the NRPB was charged with studying and reporting on the state of sound-recording preservation in the United States.

The CLIR/LC partnership began in 2001, when LC asked CLIR to develop and implement the first phase of a national preservation plan for recorded sound. To this end, CLIR has been undertaking work that identifies obstacles to the preservation of and access to sound recordings made before 1972. CLIR has issued several publications in conjunction with this effort.

Copyright. Two publications examined issues in copyright. The first, *Survey of Reissues of U.S. Recordings*, by Tim Brooks, was released in August 2005. It explores the public accessibility of published sound recordings of American music by measuring the degree to which sound-recording rights holders have made available past recordings they control, either directly or through licenses. In December, CLIR published *Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives*. Written by June Besek, this report outlines what libraries and archives can do legally to preserve their pre-1972 commercial recordings and to make them accessible for research. A key recommendation of the report is that a state-by-state survey be conducted of the protections states extend to pre-1972 published sound recordings and the impact that these laws may have on the use of such recordings by nonprofit institutions.

On the basis of that recommendation, and at the request of LC, CLIR commissioned American University law professor Peter Jaszi to conduct a review of copyright protections in 10 states. The states under study are Alabama, California, Florida, Illinois, Massachusetts, New Jersey, New York, North Carolina, Ohio, and Wisconsin. Mr. Jaszi's methodology and findings will inform planning for a 50-state survey.

Preservation. In March, CLIR published *Capturing Analog Sound for Digital Preservation: Report of a Roundtable Discussion of Best Practices for Transferring Analog Discs and Tapes*. The report summarizes discussions and recommendations emerging from a meeting of leading audio preservation engineers held in 2004.

CLIR convened a second experts' roundtable, "Issues in Digital Audio Preservation Planning and Management," March 10–11, 2006. The meeting was framed by a series of white papers on storage and archiving solutions for smaller archives, measuring and evaluating analog-to-digital converters for long-term storage, the merits and drawbacks of established file formats, how to increase efficiency in transferring analog discs for digital preservation, and how the archival community can engage the scientific community in solving preservation problems.

Survey of Barriers to Access. CLIR undertook a survey of factors—from cataloging to physical deterioration to copyright—that threaten future access to our nation's recorded-sound heritage. The survey, conducted by Nancy Davenport, drew on information gathered from interviews with curators, collectors, scholars, performers, rights holders, and other stakeholders.

LEADERSHIP

The library profession needs leaders with broad perspectives, an understanding of user groups and their needs, the ability to work effectively across institutional units, and the will to effect change in a change-resistant environment. Delivering the information, services, and education that will enable scholars to thrive in a virtual library requires flexible, forward-looking leaders.

Frye Institute Participants Class of 2006

Ethan Benatan, Reed College
 Vincent Boisselle, Trinity College
 Braddlee, Simmons College
 Jean-Claude Bradley, Drexel University
 Barbara Brandt, Emory University
 Diane Butler, Rice University
 Mark Dahl, Lewis & Clark College
 Bradley Daigle, University of Virginia
 Stephen Davison, UCLA
 Joanne Dehoney, The Ohio State University
 Billie Dodge, Washington College
 Victoria Duggan, Montgomery College
 Steven Edscorn, Memphis Theological Seminary
 Edward Evans, Purdue University
 Rachel Frick, University of Richmond
 David Futey, Stanford University
 Marie Gayle, New York University
 Gail Golderman, Union College
 David Greenfield, Illinois State University
 Mara Hancock, University of California, Berkeley
 Lucy Holman-Rector, University of Baltimore
 Kristine Jones, Colorado College
 Kathleen Kern, University of Illinois at
 Urbana-Champaign
 Benette Kriel, Stellenbosch University
 Merri Beth, Lavagnino Indiana University
 Thoreau Lovell, San Francisco State University
 Dan Manier, University of Notre Dame
 Janet McCue, Cornell University
 Carole Meyers, Emory University
 Ashley Montgomery, University of Maine
 at Farmington
 Hester Mountifield, The University of Auckland
 Mur Muchane, Davidson College
 Layne Nordgren, Pacific Lutheran University
 Robert Orr, Western Carolina University
 Andrew Pace, North Carolina State University
 L. Jason Parkhill, Washington & Jefferson College
 Rebecca Petersen, Lesley University
 Michael Richichi, Drew University
 Suzanne Risley, Mitchell College
 James Robertson, New Jersey Institute of Technology
 Janet Scannell, Bryn Mawr College
 Roxanne Sellberg, Northwestern University
 Jorge Sosa Ortega, The American University of Paris
 Jennifer Stringer, Stanford University
 Patricia Tully, Wesleyan University
 Lucinda Zoe, Eugenio Maria de Hostos
 Community College

Frye Leadership Institute

The purpose of the Frye Leadership Institute is to develop leaders who can guide and transform academic information services for higher education. The institute, which CLIR sponsors with EDUCAUSE and Emory University, is now in its seventh year. It has trained more than 300 librarians, faculty members, and information technology experts. The 2006 institute was held June 4–16 at the Emory Conference Center in Atlanta. The 46 participants came from research universities, master's institutions, liberal arts colleges, community colleges, and a seminary. Three participants came from universities abroad. Nancy Davenport, Susan Perry, and EDUCAUSE President Brian Hawkins served as deans of the Frye Institute, which is supported with funds from the Robert W. Woodruff Foundation.

Postdoctoral Fellowship in Scholarly Information Resources

Now in its third year, the Postdoctoral Fellowship in Scholarly Information Resources provides opportunities for scholars who recently earned Ph.D. degrees in the humanities to develop meaningful linkages between disciplinary scholarship, libraries, archives, and evolving digital tools. CLIR administers the program in collaboration with several U.S. colleges and universities as a means of recruiting talent into the profession. Elliott Shore, library director and chief information officer of Bryn Mawr College, serves as dean of the fellowship program.

Eight individuals were awarded postdoctoral fellowships for 2006–2007 at one of four participating institutions. The fellows will spend at least one year at their host institutions, where they will gain hands-on experience relating to the issues facing scholars at research libraries today. The fellows begin their year by attending a seminar at Bryn Mawr College led by Elliott Shore.

In January, fellows in the 2005–2006 cohort and some former fellows met at the University of California, Los Angeles (UCLA), to discuss their work and their goals for the year. The two-day meeting included a discussion with UCLA Library Director Gary Strong about major issues in the library world.

2006–2007 Fellows in Scholarly Information Resources

<i>Fellow</i>	<i>Fellowship Host Institution</i>
Marta Brunner	UCLA
Arica Coleman	Johns Hopkins University
Danielle Culpeper	Johns Hopkins University
Janet Kaaya	UCLA
Caroline Kelley	UCLA
Wesley Raabe	University of Nebraska
Timothy Stinson	Johns Hopkins University
Tracie Wilson	University of Illinois at Urbana-Champaign

A. R. Zipf Fellowship in Information Management

Abe J. Crystal was named the recipient of the 2006 A. R. Zipf Fellowship in Information Management. A Ph.D. student in information and library science at the University of North Carolina at Chapel Hill, Mr. Crystal is the tenth recipient of the fellowship, which was established in 1997 to recognize a graduate student who shows exceptional promise for leadership and technical achievement in information management. Mr. Crystal's research focuses on improving the usability of large-scale information systems.

Rovelstad Scholarship in International Librarianship

Rebecca Leigh Miller Banner, a doctoral candidate in the School of Library and Information Management at Emporia State University in Emporia, Kansas, was named the fourth recipient of the Rovelstad Scholarship in International Librarianship. She has an M.L.S. degree from Emporia State and is currently working on her dissertation, "The Diffusion of Professional Knowledge in Intercultural Exchanges: The American-Bulgarian Library Exchange Case Study." The award, which CLIR administers with funding provided by Mathilde and Howard Rovelstad, provides travel funds for a student of library and information science to attend the annual meeting of the World Library and Information Congress.

Bill & Melinda Gates Foundation Access to Learning Award

Nepal's Rural Education and Development (READ), a nongovernmental organization in Kathmandu, received the 2006 Bill & Melinda Gates Foundation Access to Learning Award. The foundation recognized READ for its rural network of self-supporting libraries that provide no-cost access to information technology and promote information and literacy among the people of Nepal. Since 1991, READ has established 39 self-supporting community libraries throughout the country.

The annual award, which totals US \$1 million, recognizes innovative efforts of libraries or similar kinds of organizations outside the United States in providing no-cost public access to computer technology, particularly in underserved communities. Past recipients include libraries and organizations in Argentina, Bangladesh, China, Colombia, Denmark, Finland, Guatemala, and South Africa. This was the fifth and final year that CLIR managed the award.

PLACE AS LIBRARY

The phrase *place as library* reflects the fact that library resources and services are increasingly being delivered outside the library's walls. Library staff are working, often side-by-side, with the creators of knowledge—in labs, classrooms, faculty departments, and computing centers. In many cases, libraries and computing centers are taking on roles in disseminating scholarship that were traditionally held by publishers. The phrase *place as library* also acknowledges the potential, in a networked world, for information resources on campus to become more integrated. Most institutions now have the technical capacity to share with the outside world the vast amount of research and information that is generated on their campuses. Ironically, these institutions often lack the organization and structures that would allow departments on their own campuses to share such information easily.

Place as Library Advisory Committee

In May, CLIR convened the first meeting of its Place as Library Advisory Committee. Five themes dominated the committee's discussion: the impact of technology; new and diverse forms of teaching and learning; library services; space and architecture; and the education of future librarians. The committee suggested a range of possible activities, which CLIR is exploring for 2007. At the committee's recommendation, CLIR has also begun to outline topics for a series of essays that will explore place as library.

Chief Information Officers

The CLIR Chief Information Officers (CIO) group comprises 35 members whose institutions are beginning to merge library and information technology support into a single unit. CLIR provides a forum in which CIOs' concerns can be treated as an integrated whole.

In 2005–2006, the group focused on a survey that Bryn Mawr College conducted to measure how students, faculty, and staff use and evaluate the services and resources of colleges and universities that have merged their libraries and computing units. The survey, conducted at 20 colleges, centered on the following questions:

- What kinds of information technologies are students, faculty, and staff using and with what levels of skill?
- How do students, faculty, and staff perceive the value of offered services, communication, and support?
- What is the preference of faculty, staff, and students for learning about information technology?
- How do faculty, staff, and students prefer to solve problems related to information technology?
- What obstacles do individuals face in their use of technology?

- What benchmarks for excellent information technology delivery can be established for merged library and computing organizations?

Academic Librarians Advisory Committee

CLIR formed the Academic Librarians Advisory Committee (ALAC) to explore how colleges, small and midsize universities, and independent research libraries are using digital information technology to improve research and teaching, and to identify and resolve issues relating to the use of new technologies. In 2005–2006, the group worked with the National Survey of Student Engagement to include questions about library research literacy in its annual survey of college students.

ALAC members met twice this year to discuss Google and in particular Google Scholar and its role in resource discovery on campus; what libraries are doing to teach students how to organize personal information; digital-asset management on campuses and the potential for consortial approaches to developing institutional repositories; and how campuses are dealing with outmoded special space (e.g., current-periodical reading rooms, reserve reading rooms). Another topic being discussed by the committee is off-site collection options for smaller libraries.

David Cohen, who served as chair of ALAC for several years, retired from the committee in May 2006. Connie Vinita Dowell succeeds him as chair.

Whole Digital Library Handbook

CLIR contracted with Diane Kresh, formerly with the Library of Congress, to produce *The Whole Digital Library Handbook*, which American Library Association (ALA) Publishing will release early in 2007. The handbook is a comprehensive guide for anyone who manages, works in, or uses digital collections. It contains facts, tips, and miscellanea on the current state of digital collections and services and on where the field is headed.

PUBLICATIONS

JULY 1, 2005–JUNE 30, 2006

MONOGRAPHS AND REPORTS

Capturing Analog Sound for Digital Preservation: Report of a Roundtable Discussion of Best Practices for Transferring Analog Discs and Tapes. March 2006. Published with LC. Available at <http://www.clir.org/pubs/abstract/pub137abst.html>.

Shidhulai Swanirvar Sangstha: Bringing Information Technology to Rural Bangladesh by Boat. Arshad Mahmud. February 2006. Available at <http://www.clir.org/pubs/abstract/pub136abst.html>.

Copyright Issues Relevant to Digital Preservation and Dissemination of Pre-1972 Commercial Sound Recordings by Libraries and Archives. June M. Besek. December 2005. Published with LC. Available at <http://www.clir.org/pubs/abstract/pub135abst.html>.

Acquiring Copyright Permission to Digitize and Provide Open Access to Books. Denise Troll Covey. October 2005. Published with DLF. Available at <http://www.clir.org/pubs/abstract/pub134abst.html>.

A Kaleidoscope of Digital American Literature. Martha L. Brogan with assistance from Daphnée Rentfrow. September 2005. Published with DLF. Available at <http://www.clir.org/pubs/abstract/pub132abst.html>.

Survey of Reissues of U.S. Recordings. Tim Brooks. August 2005. Published with LC. Available at <http://www.clir.org/pubs/abstract/pub133abst.html>.

Århus Public Libraries: Embracing Diversity, Empowering Citizens in Denmark. Jack Jackson. July 2005. Available at <http://www.clir.org/pubs/abstract/pub131abst.html>.

Evergreen: Bringing Information Resources to Rural China. Geoffrey Z. Liu. July 2005. Available at <http://www.clir.org/pubs/abstract/pub130abst.html>.

CLIR Annual Report, 2004–2005. Available at <http://www.clir.org/pubs/annual/annual.html>.

NEWSLETTERS

CLIR Issues, nos. 46–51. Available at <http://www.clir.org/pubs/issues/index.html>.

ADVISORY GROUPS

AS OF JUNE 30, 2006

Academic Librarians Advisory Committee

Nicholas C. Burckel
Marquette University

Lynn Scott Cochrane
Denison University

Connie Vinita Dowell
San Diego State University

Tyrone Cannon
University of San Francisco

Sam Demas
Carleton College

Joanne Schneider
Colgate University

A. R. Zipf Fellowship Selection Committee

Nancy Davenport, *Chair*
Council on Library and Information
Resources

Ronald Larsen
University of Pittsburgh

Deanna B. Marcum
Library of Congress

Billy Frye
Emory University

Rena Zipf

Bill & Melinda Gates Foundation Access to Learning Award 2006

Nancy Davenport, *Chair*
President
Council on Library and Information
Resources

Rolf Hapel
Director
Citizen Services and Libraries, Aarhus
Kommune

Carol L. Sheffer
Deputy Director
Queens Borough Public Library

Rashidah Begum bt. Fazal Mohammed
(retired)
Penang, Malaysia

Robert Moropa
Academic Information Services
University of Pretoria

Ana Cecilia Torres (retired)
Guadalupe
San Jose, Costa Rica

Sang-wan Han
President
Korean Library Association

Victoria Okojie
President
Nigerian Library Association

Jessica Dorr (*Ex Officio*)
Program Officer
Global Libraries Program
Bill & Melinda Gates Foundation

Valentyna S. Pashkova
President
Ukrainian Library Association

Mellon Fellowships Selection Committee 2006

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University of North Carolina
at Chapel Hill

Nancy Davenport
Council on Library and Information
Resources

Ann Okerson
Yale University

Joyce Chaplin
Harvard University

Mark Dimunation
Library of Congress

Place as Library Advisory Committee

Joseph J. Branin
Ohio State University

Alan Cattier
Emory University

Lynn Scott (Scottie) Cochrane
Denison University

Ginnie Cooper
Brooklyn Public Libraries

Samuel Demas
Carleton College

Joseph Gordon
Yale College

Deborah Jacobs
Seattle Public Library

Bob Johnson
Rhodes College

Rolf Hapel
Aarhus Public Libraries

Wendy Lougee
University of Minnesota

Robert Martin
Texas Women's University

Diana G. Oblinger
EDUCAUSE

Victoria Salmon
George Mason University

William D. Walker
University of Miami

Linda Wiedmann
University of Pennsylvania

Preservation Advisory Committee

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Simmons College

Paul Conway
University of Michigan

Evelyn Frangakis
The New York Public Library

Paul Gherman
Vanderbilt University

Karen Hunter
Elsevier

Bob Kieft
Haverford College

William G. LeFurgy
Library of Congress

Carol Mandel
New York University

James G. Neal
Columbia University

Bob Oakley
Law Center
Georgetown University

Bernie Reilly, President
The Center for Research Libraries

James Reilly
Image Permanence Institute
Rochester Institute of Technology

Mark Roosa
Pepperdine University

Johan F. Steenbakkers
Koninklijke Bibliotheek

Scholarly Communication Advisory Committee

Martha Brogan

Laura DeBonis
Google

Ray English
Oberlin College

Laura N. Gasaway
University of North Carolina

Georgia Harper
University of Texas at Austin

Charles Henry
Rice University

Steve Nichols
Johns Hopkins University

Roger Schonfeld
Ithaka

Gordon Tibbitts
Blackwell Publishing, Inc.

Katherine Skinner
Robert W. Woodruff Library

Will Thomas
University of Nebraska

Diane Parr Walker
University of Virginia

Eugene Wiemers
Bates College

GRANTS AND CONTRACTS

ACTIVE IN FY 2006

Recipient	Purpose	Authorized	Amount
Appalachian College Association Jefferson City, TN	To support a work redesign project for the Appalachian College Association libraries	11/11/2003	\$100,000
Atlanta University Center Atlanta, GA	To support a work redesign project for the Woodruff Library at the Atlanta University Center	10/15/2003	\$100,000
Berry, John River Forest, IL	To write a summary report of the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	3/3/2006	\$1,500
Besek, June New York, NY	To conduct a study of copyright issues implicated by the preservation of digital works by libraries and archives	1/21/2005	\$12,000
Brogan, Martha New Haven, CT	To review work done in 2003 surveying digital library aggregation services, and to produce a companion to the earlier publication	1/26/2005	\$18,000
Brylawski, Sam	To consult on National Recording Preservation Board activities	3/31/2006	\$12,000
Columbia University New York, NY	To write two analyses of copyright with respect to recorded sound	6/2/2004	\$17,000
Cornell University Library Ithaca, NY	To prepare a report on third-party repositories for electronic serials	2/17/2006	\$33,300
Courant, Paul Ann Arbor, MI	To serve as an economic sustainability subject matter expert for the Library of Congress	11/28/2005	\$40,000
Crandall, Mike Seattle, WA	To give technical advice and assistance to Bangladesh's Shidhulai Swanirvar Sangstha	9/27/2005	\$15,500
Durst, Brent Redmond, WA	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	3/9/2006	\$500
Emory University Atlanta, GA	To facilitate Emory University's effort in the project: "The DLF Distributed Library: OAI for Digital Library Aggregation"	10/1/2004	\$40,684
Five Colleges of Ohio, Inc. Gambier, OH	To support a work redesign project for The Five Colleges of Ohio, Inc. libraries	11/11/2003	\$100,000

Recipient	Purpose	Authorized	Amount
Gilmour, Ian Australia	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	2/10/2006	\$1,000
IPSolutions, Inc. San Mateo, CA	To manage consultant services for NDIIPP	3/31/2006	\$68,051
IPSolutions, Inc. San Mateo, CA	To assemble and coordinate management consultant services for NDSAB and NDIIPP	5/25/2005	\$306,275
Jackson, Jack Aarhus, Denmark	To write a case study of the Aarhus Public Libraries in Denmark	11/22/2004	\$18,500
Jacobs, Eric San Jose, CA	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	2/10/2006	\$1,000
Jaszi, Peter Washington, DC	To prepare a report on the statutory and case laws regarding the intellectual property of recorded sound	3/30/2006	\$32,800
Jubert, Pierre San Jose, CA	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	3/9/2006	\$1,000
Kresh, Diane Washington, DC	To compile and edit the <i>Whole Digital Library Handbook</i>	1/3/2006	\$50,000
Libraries of The Claremont Colleges Claremont, CA	To support a work redesign project for the Libraries of The Claremont Colleges	1/20/2004	\$88,400
Liu, Geoffrey Z. Mountain View, CA	To write a case study in English and Chinese of the China Evergreen Rural Library Service in China	11/22/2004	\$10,546
Lyman, Peter Berkeley, CA	To serve as digital information management and analysis subject matter expert for the Library of Congress	12/20/2005	\$40,000
Mahmud, Arshad Vienna, VA	To research and write two case studies about Shidhulai Swanirvar Sanghstha in Bangladesh	7/1/2005	\$16,200
Mazzoni, Dominic South Pasadena, CA	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	2/17/2006	\$1,000
Mitchell, Marilyn Port Townsend, WA	To write an introductory essay and edit a series of reports on work restructuring projects	6/1/2006	\$5,000

Recipient	Purpose	Authorized	Amount
Pholmann, Kenneth Coral Gables, FL	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	2/10/2006	\$1,000
Rentfrow, Daphnee Providence, RI	To assist with the Postdoctoral Fellowship in Scholarly Information Resources Program	11/18/2005	\$15,000
Shirky, Clay Brooklyn, NY	To support Library of Congress NDIIPP work to define and implement a technical architecture	5/25/2005	\$50,000
Smith College Libraries Northampton, MA	To support a work redesign project for the Smith College Libraries	1/20/2004	\$100,000
Smith, Abby San Francisco, CA	To serve as a digital preservation subject matter expert for the Library of Congress	8/3/2005	\$100,000
Spencer, John Nashville, TN	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	2/10/2006	\$1,000
Tanner Jr., Ted C. Hollywood, SC	To write a white paper to frame the discussions of audio experts attending the Audio Engineers Roundtable Two meeting March 10-11, 2006	3/9/2006	\$500
Tri-College Consortium Libraries Haverford, PA	To support a work redesign project for the Tri-College Consortium Libraries	1/20/2004	\$100,000
Troll Covey, Denise Pittsburgh, PA	To write a report on negotiating copyright for digitizing projects	2/28/2005	\$2,500
University of Illinois Champaign, IL	To facilitate the University of Illinois' collaborative effort in the project: "The DLF Distributed Library: OAI for Digital Library Aggregation"	10/1/2004	\$66,377
University of Michigan Ann Arbor, MI	To facilitate the University of Michigan's collaborative effort in the project: "The DLF Distributed Library: OAI for Digital Library Aggregation"	10/1/2004	\$225,957
University of Virginia Library Charlottesville, VA	To provide administrative support for the 2005 Scholarly Communication Institute	6/1/2005	\$75,000
Willett, Perry Ann Arbor, MI	To develop and maintain DLF Aquifer Phase I metadata harvester	12/14/2005	\$45,000

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

FINANCIAL STATEMENTS
WITH
ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2006

WITH
INDEPENDENT AUDITORS' REPORT

STONE AND SPRING
Certified Public Accountants
Herndon, Virginia

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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

Independent Auditors' Report

Board of Directors
Council on Library and Information Resources

We have audited the accompanying statement of financial position of Council on Library and Information Resources as of June 30, 2006, and the related statement of activities and changes in net assets, and the statement of cash flows for the year then ended. These financial statements are the responsibility of Council on Library and Information Resources management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 financial statements referred to above present fairly, in all material respects, the financial position of Council on Library and Information Resources as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2006 on our consideration of Council on Library and Information Resources internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Council on Library and Information Resources taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements of the Council. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Certified Public Accountants

September 6, 2006
Herndon, Virginia

Members American Institute of Certified Public Accountants

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

STATEMENT OF FINANCIAL POSITION

June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2006</u>
Assets			
Cash and cash equivalents	\$ 587,900	\$ 533,136	\$ 1,121,036
Investments	497,008	1,920,663	2,417,671
Accounts receivable	506	485,778	486,284
Furniture and equipment, net	26,867	-	26,867
Other assets	<u>30,462</u>	<u>-</u>	<u>30,462</u>
Total Assets	<u>\$ 1,142,743</u>	<u>\$ 2,939,577</u>	<u>\$ 4,082,320</u>
Liabilities and Net Assets			
Accounts payable	\$ 352,951	\$ -	\$ 352,951
Accrued expenses	54,239	-	54,239
Sublet deposits	<u>3,859</u>	<u>-</u>	<u>3,859</u>
Total Liabilities	<u>\$ 411,049</u>	<u>\$ -</u>	<u>\$ 411,049</u>
Net Assets	<u>\$ 731,694</u>	<u>\$ 2,939,577</u>	<u>\$ 3,671,271</u>
Total Liabilities and Net Assets	<u>\$ 1,142,743</u>	<u>\$ 2,993,577</u>	<u>\$ 4,082,320</u>

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2006</u>
Revenue			
Grants and contracts	\$ 714,479	\$ 868,934	\$ 1,583,413
Contributions	483,800	99,000	582,800
Publication sales	12,985	-	12,985
Investment income	185,618	214,058	399,676
Other income	<u>57,258</u>	<u>15,000</u>	<u>72,258</u>
	<u>\$ 1,454,140</u>	<u>\$ 1,196,992</u>	<u>\$ 2,651,132</u>
Net Assets released from restrictions			
Satisfaction of program restrictions	<u>\$ 4,813,538</u>	<u>\$ (4,813,538)</u>	<u>\$ -</u>
Total Revenue	<u>\$ 6,267,678</u>	<u>\$ (3,616,546)</u>	<u>\$ 2,651,132</u>
Expenses			
Program services:			
Preservation and stewardship	\$ 2,029,740	\$ -	\$ 2,029,740
Leadership	2,595,045	-	2,595,045
Place as library	782,243	-	782,243
Scholarly communication	<u>257,485</u>	<u>-</u>	<u>257,485</u>
Total Program services	<u>\$ 5,664,513</u>	<u>\$ -</u>	<u>\$ 5,664,513</u>
Administration	<u>531,609</u>	<u>-</u>	<u>531,609</u>
Total Expenses	<u>\$ 6,196,122</u>	<u>\$ -</u>	<u>\$ 6,196,122</u>
Change in Net Assets	\$ 71,556	\$ (3,616,546)	\$ (3,544,990)
Net Assets, Beginning of Year	<u>\$ 660,138</u>	<u>\$ 7,630,683</u>	<u>\$ 8,290,821</u>
Net Assets related to DLF	<u>\$ -</u>	<u>\$ (1,074,560)</u>	<u>\$ (1,074,560)</u>
Net Assets restated, Beginning of Year	<u>\$ 660,138</u>	<u>\$ 6,556,123</u>	<u>\$ 7,216,261</u>
Net Assets, End of Year	<u>\$ 731,694</u>	<u>\$ 2,939,577</u>	<u>\$ 3,671,271</u>

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2006

Operating Activities	
Change in net assets	\$ (3,544,990)
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities	
Depreciation	19,234
Unrealized (gain) loss on investments	(225,987)
Realized (gain) loss on investments	(173,689)
(Increase) decrease in other assets	(3,388)
(Increase) decrease in accounts receivable	139,444
Increase (decrease) in accounts payable and accrued expenses	<u>68,273</u>
Net Cash Provided (used) By Operating Activities	\$ <u>(3,721,103)</u>
Investing Activities	
Proceeds from sales of investments	\$ 3,785,749
Purchases of investments	(55,764)
Purchases of furniture and equipment	<u>(5,681)</u>
Net Cash Provided (used) By Investing Activities	\$ <u>3,724,304</u>
Net Change in Cash and Cash Equivalents	\$ 3,201
Cash and cash equivalents, beginning of year	<u>1,117,835</u>
Cash and cash equivalents, end of year	\$ <u><u>1,121,036</u></u>
Supplemental Cash Flow Information	
Interest paid during the year	\$ _____ -

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

NOTE 1- Organization

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

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

NOTE 2- Summary of Significant Accounting Policies

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

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

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

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

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

Advertising costs - Advertising costs are expensed as incurred.

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

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2006
(Continued)

NOTE 2- Summary of Significant Accounting Policies (continued)

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

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

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

Fair value of financial instruments - Management estimates that the fair value of all financial instruments at June 30, 2006 does not differ materially from the aggregate carrying values reported in the accompanying statement of financial position due to the short term maturities of those instruments.

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

NOTE 2 - Furniture and Equipment

Furniture and equipment consist of the following:

Furniture and equipment	\$ 207,348
Leasehold improvements	<u>4,015</u>
	211,363
Less: Accumulated depreciation and amortization	<u>(184,496)</u>
	<u>\$ 26,867</u>

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2006
(Continued)

NOTE 3- Investments – The Organization has adopted SFAS No. 124, “Accounting for Certain Investments Held by Not-for-Profit Organizations.” Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investment return consists of the following at June 30, 2006

	Gain/(loss) on <u>Investments</u>	Unrealized Gain/(loss) on <u>Investments</u>	<u>Fair Value</u>
Stocks	\$ 4,246	\$ 6,568	\$ 84,082
Corporate fixed income	47,846	(1,547)	295,766
Government securities	11,009	(26,680)	454,490
Mutual funds	<u>38,366</u>	<u>247,646</u>	<u>1,583,333</u>
Subtotal	\$ 101,467	\$ 225,987	\$ <u>2,417,671</u>
Cash and cash equivalents	<u>72,222</u>	<u>-</u>	\$ <u>533,136</u>
Total	\$ <u>173,689</u>	\$ <u>225,987</u>	

NOTE 4 - Income Taxes

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

NOTE 5 - Net Assets released from Restrictions

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

NOTE 6 - Retirement Plan

Employees are eligible for participation in the Council’s defined contribution retirement annuity program (“the Plan”) administered through the TIAA/CREF insurance companies. Individual contracts issued under the Plan provide for full and immediate vesting of the Council’s contributions. The Council contributes 15% of employees’ salaries to the Plan each year. The Council’s contributions were \$112,567 in 2006.

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2006
(Continued)

NOTE 7 - Concentrations of Credit Risk

Financial instruments which potentially subject the Council to concentrations of credit risk consist primarily of cash equivalents. At June 30, 2006, approximately \$2,950,807 respectively, in cash equivalents was being held by third parties in money market accounts that invest solely in United States government securities. This amount is not insured by the Federal Deposit Insurance Corporation. In addition, cash in the bank at June 30, 2006 exceeded FDIC insurance limits by approximately \$647,453. Furthermore, all balances in investment accounts are uninsured.

NOTE 8 - Accounts Receivable

	<u>June 30,</u> <u>2006</u>
Account balances are aged as follows	
Current	\$ 275,407
30 - 60 days	1,500
60 - 90 days	506
Over 90 days	208,871
Less: Allowance for doubtful accounts	<u>-</u>
Total Accounts Receivable	<u>\$ 486,284</u>

NOTE 9 - Commitments

The Council has entered into a noncancelable operating lease agreement for its office space which expires in August 2008. The Council is subleasing a portion of its space until September 2006, with an option to renew. Rental expense, net of sublease income for the year ending June 30, 2006 was \$130,997. The Council is also leasing a copier under a capital lease. This lease will expire in June 1, 2010. Future minimum lease payments under all leases with initial remaining noncancelable lease terms in excess of one year are as follows:

Period Ending	Capital	Operating
<u>June 30, ____</u>	<u>Lease</u>	<u>Leases</u>
2007	3,588	117,756
2008	3,588	157,412
2009	3,588	27,805
2010	<u>3,588</u>	<u>-</u>
Total minimum lease payments	\$ 14,352	\$ <u>302,973</u>
Less: Amount representing interest.	<u>(374)</u>	
Present value of net minimum lease payments	<u>\$ 13,978</u>	

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2006
(Concluded)

NOTE 10- Board Designated Net Assets Funds

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

NOTE 11- Change In The Reporting Entity

The Digital Library Federation has organized into a separate legal entity as of July 1, 2005. The Federation has organized as a 501(c)(3) organization with separate management, and separate board of directors. The net assets as of July 1, 2005 in the amount of \$1,074,560 associated with the federation were removed from the Council's financial statements. As of June 30, 2006, the Council owed the Federation \$219,605.

NOTE 12 - Indirect Expense

The Council accumulated all non-direct expenses in one common indirect pool. The Council is allowed to charge indirect expense to its Library of Congress- (C-LC01025) up to 19.00% of direct charges. Gates and EEBO are not included in the direct expense base because they are flow through contracts allowing only administrative fees to be charged to them. The excess indirect expense is not reimbursable by the Library of Congress and is allocated to the Council.

Indirect expense consist of the following at June 30, 2006:

Salaries	\$	86,728
Fringe benefits		23,104
Travel (Board and Staff)		49,734
Grants and contracts		5,000
Rent		130,997
Telephone		15,399
Publication and website		26,135
Insurance		7,184
Consultants		48,733
Office supplies		19,218
Equipment rental		33,048
Meetings		67,095
Depreciation		<u>19,234</u>
Total Indirect Expenses	\$	<u>531,609</u>
Total Indirect Expense	\$	<u>531,609</u> =15.2%
Total Direct Expense	\$	<u>3,486,408</u>

Reconciliation of direct expense

Total expenses	\$	6,196,122
Amounts related to Gates and EEBO	\$	<u>(2,709,714)</u>
Total Direct Expense	\$	<u>3,486,408</u>

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

SCHEDULE OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2006

	Place As Library	Scholarly Communication	Leadership	Preservation and Stewardship	Total Program Services	Admin.	Total 2006
Grants & Contracts	\$ 186,751	\$ -	\$ 2,180,362	\$ 1,006,680	\$ 3,373,793	\$ -	\$ 3,373,793
Meeting & Travel	166,055	19,820	112,030	17,550	315,455	54,770	370,225
Project Expenditures	-	-	69,269	464,499	533,768	116,173	649,941
Communications	944	83	34	90	1,151	15,399	16,550
Staff	67,277	228,168	90,140	521,236	906,821	179,326	1,086,147
Consultants	335,857	-	15,589	-	351,446	50,300	401,746
Program Support	25,359	9,414	127,621	19,685	182,079	115,641	297,720
TOTAL	\$ 782,243	\$ 257,485	\$ 2,595,045	\$ 2,029,740	\$ 5,664,513	\$ 531,609	\$ 6,196,122

COUNCIL ON LIBRARY AND INFORMATION RESOURCES

SCHEDULE OF FEDERAL AWARDS
For the Year Ended June 30, 2006

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Number</u>	<u>Expenditures</u>
Institute of Museum and Library Services	45.312	\$ 114,816
* Library of Congress-Support for a National Plan and Library of Congress Digital Strategy. Contract No. C-LC01025	14.850	\$ <u>651,887</u>
		\$ <u>766,703</u>

* Denotes major program

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

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Michael G. Spring, Jr., C.P.A.
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Council on Library and Information Resources

We have audited the financial statements of Council on Library and Information Resources (a nonprofit organization) as of June 30, 2006 and have issued our report thereon dated September 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Council on Library and Information Resources internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Council on Library and Information Resources ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-1 through 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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Compliance and other matters

As part of obtaining reasonable assurance about whether Council on Library and Information Resources financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 06-1 through 06-2.

We also noted certain additional matters that we reported to management of Council on Library and Information Resources, in a separate letter dated September 6, 2006.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

September 6, 2006
Herndon, Virginia

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

Board of Directors
Council on Library and Information Resources

We have audited the compliance of Council on Library and Information Resources with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The Council on Library and Information Resources major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Council on Library and Information Resources management. Our responsibility is to express an opinion on Council on Library and Information Resources compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Council on Library and Information Resources compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Council on Library and Information Resources compliance with those requirements.

As described in item 06-2 in the accompanying schedule of findings and questioned costs, Council on Library and Information Resources did not comply with requirements regarding unallowable costs incurred that are applicable to its Library of Congress (C-LC01025) contract. Compliance with such requirements is necessary, in our opinion, for Council on Library and Information Resources to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Council on Library and Information Resources complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

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Internal Control Over Compliance

The management of Council on Library and Information Resources is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Council on Library and Information Resources internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over compliance that, in our judgment, could adversely affect Council on Library and Information Resources ability to administer a major federal program in accordance with the applicable requirements of laws regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-1 through 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

September 6, 2006
Herndon, Virginia

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Library of Congress-Support for a National Plan and Library of Congress Digital Strategy (C-LC01025)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006

Board of Directors
Council on Library and Information Resources

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Council on Library and Information Resources
2. Two reportable conditions disclosed during the audit of the financial statements are reported in the report of findings and questions costs.
3. One instance of non-compliance not material to the financial statements and one instance of questioned costs that was not material to the financial statements of the Council on Library and Information Resources were disclosed during the audit.
4. Two reportable conditions in internal control over major federal award programs disclosed during the audit are reported in the schedule of findings and question costs.
5. The auditor's report on compliance for the major federal award programs for Council on Library and Information Resources expresses a qualified opinion on the major federal program audited.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included Library of Congress-Support for a National Plan and Library of Congress Digital Strategy (C-LC01025)
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Council on Library and Information Resources was determined to be a high-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS

06-1 Expenses

Condition: Documents submitted to the federal government for reimbursement lacked sufficient detail in regards to what was purchased.

Criteria: Internal controls should be in place to provide reasonable assurance that expenses submitted to the federal government are allowable.

Effect: Because of the Organization's failure to provide sufficient documentation to the federal government, certain amounts reimbursed by the federal government may be questioned costs.

Recommendation: We recommend that procedures be implemented by the Organization to insure that expense reimbursement by the federal government has sufficient supporting documentation attached.

06-2 Unallowable costs

Condition: Audit procedures revealed that the organization submitted an expense reimbursement for unallowable costs.

Criteria: Internal controls should be in place that provide reasonable assurance that expense reimbursement is only for costs that are allowable.

Effect: Because of the Organization's failure to review expenses prior to submission to the federal government, the federal government was charged for unallowable costs.

Recommendation: We recommend that procedures be implemented to review all federal government expenses and insure that those expenses submitted to the federal government are allowable.



COUNCIL ON LIBRARY AND INFORMATION RESOURCES

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