



**COLLABORATION
COORDINATION
CONFEDERATION**

ANNUAL REPORT 2015-2016

CRKN  **RCDR**

Canadian Research Knowledge Network
Réseau canadien de documentation pour la recherche

The Canadian Research Knowledge Network (CRKN) is a partnership of Canadian universities, dedicated to expanding digital content for the academic research enterprise in Canada. Through the coordinated leadership of librarians, researchers, and administrators, CRKN undertakes large-scale content acquisition and licensing initiatives in order to build knowledge infrastructure, and research and teaching capacity in Canada's universities. Together, CRKN's 75 university members represent over 1.2 million researchers and students.

OUR MEMBERS

Acadia University
Algoma University
Athabasca University
Bishop's University
Brandon University
Brock University
Cape Breton University
Carleton University
Concordia University
Concordia University
of Edmonton
Dalhousie University
École Polytechnique
de Montréal
HEC Montréal
Kwantlen Polytechnic
University
Lakehead University
Laurentian University
MacEwan University
McGill University
McMaster University
Memorial University of
Newfoundland
Mount Allison University
Mount Royal University
Mount Saint Vincent
University
Nipissing University
NSCAD University
OCAD University
Queen's University

Royal Military College
of Canada
Royal Roads University
Ryerson University
Saint Mary's University
Simon Fraser University
St. Francis Xavier University
The King's University
Thompson Rivers University
Trent University
Trinity Western University
Université de Moncton
Université de Montréal
Université de Sherbrooke
Université du Québec
• École de technologie
supérieure
• École nationale
d'administration publique
• Institut national de la
recherche scientifique
• Télé-université
• Université du Québec
à Chicoutimi
• Université du Québec
à Montréal
• Université du Québec
à Rimouski
• Université du Québec
à Trois-Rivières
• Université du Québec
en Abitibi-Témiscamingue

• Université du Québec
en Outaouais
Université Laval
Université Sainte-Anne
University of the Fraser Valley
University of Alberta
University of British Columbia
University of Calgary
University of Guelph
University of Lethbridge
University of Manitoba
University of New Brunswick
University of Northern
British Columbia
University of Ontario
Institute of Technology
University of Ottawa
University of
Prince Edward Island
University of Regina
University of Saskatchewan
University of Toronto
University of Victoria
University of Waterloo
University of Windsor
University of Winnipeg
Vancouver Island University
Western University
Wilfrid Laurier University
York University

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Message from the Chair

The Canadian Research Knowledge Network continues to build on past successes in content licensing and governance practices to support and encourage national knowledge infrastructure to position Canada as a leader in the global knowledge economy. The work of CRKN to leverage the collective power of member universities for licensing and collaborative projects, strategically positions all CRKN member libraries as central to the digital scholarly ecosystem.

During the past years, Canadian libraries have continued to be threatened by budget cuts and the diminishing purchasing power of the Canadian dollar. Fortunately, these threats were somewhat mitigated by the work of CRKN with its foreign exchange project, expertise in licensing and flexible purchasing options for members. CRKN added to the dialogue within the scholarly communications ecosystem through its leadership and work with several key task groups including the Model License Task Group and the Institutional Mobilization Task Group. I look forward to seeing the work of these task groups evolve over the next several years to the benefit of CRKN members.

In my role as University President at the University of Calgary and as Chair of Universities Canada, I am frequently struck by how naturally collaborative our university librarians are, and I marvel at what they have been able to accomplish through organizations like CRKN. I will be very interested to see what the next dozen years of collaboration bring in this space.

During my tenure as Chair it has been a pleasure to work with Vice-Chair Carol Shepstone, the effective, high-functioning Board and the great management team under Clare Appavoo's leadership. As my term comes to an end in Halifax in October 2016, I will reflect fondly on the work that we have undertaken at CRKN to further digital scholarship and advance research infrastructure for all CRKN members.



Dr. Elizabeth Cannon
President and Vice-Chancellor,
University of Calgary
Chair, CRKN Board of Directors



Message from the Executive Director

This fiscal year saw CRKN attain several key milestones in delivering towards our strategic objectives. These included: a comprehensive review of and update to the CRKN Model License, the development of the Canadian Digital Heritage Index (CNDHI) with the support of Library and Archives Canada, the launch of an Institutional Mobilization Toolkit to support members in engaging with stakeholders on campus, continued partnership with Érudit to explore a model for sustainable Canadian scholarly journal publishing in an open access environment, continued collaboration with the digital humanities community through Implementing New Knowledge Environments (INKE) and our continued participation in international collaborative initiatives such as Sponsoring Consortium for Open Access Publishing (SCOAP³).

The organization operated in a fiscally responsible fashion, delivering a modest surplus while achieving strong outcomes in negotiations for some of the largest renewals, to the satisfaction of the Board and members. Members continued to express their support and appreciation for the work of CRKN as we further enhanced our core service offerings with the exploration of new flexible options within license agreements and an extension of foreign exchange services. The stable and high-functioning team is able to deliver responsive services to support members as content becomes increasingly costly while the value of the Canadian dollar declines.

Under the leadership of Board Chair Dr. Elizabeth Cannon, CRKN has extended our engagement with the broader academic community and as an outcome have strengthened the profile of the organization both nationally and within the international library community by demonstrating our ability to collaborate effectively to advance digital scholarship. A highlight of the year was the opportunity to collaborate with CARL as we jointly held our Annual General Meeting in Ottawa in October 2015.

Looking to the future, the membership endorsed an extension of the current strategic objectives for an additional two years. Many CRKN members are participating in a national study to explore and compare journal usage and faculty perception of high value journals, building on the work of Dr. Vincent Larivière and the libraries at the Université de Montréal. Finally, as Dr. Cannon completes her term as Chair of the Board, she has been a tremendous support in recruiting a new Chair to succeed her following the October 2016 Annual General Meeting in Halifax.

I look forward to serving the members of CRKN for another exciting year.

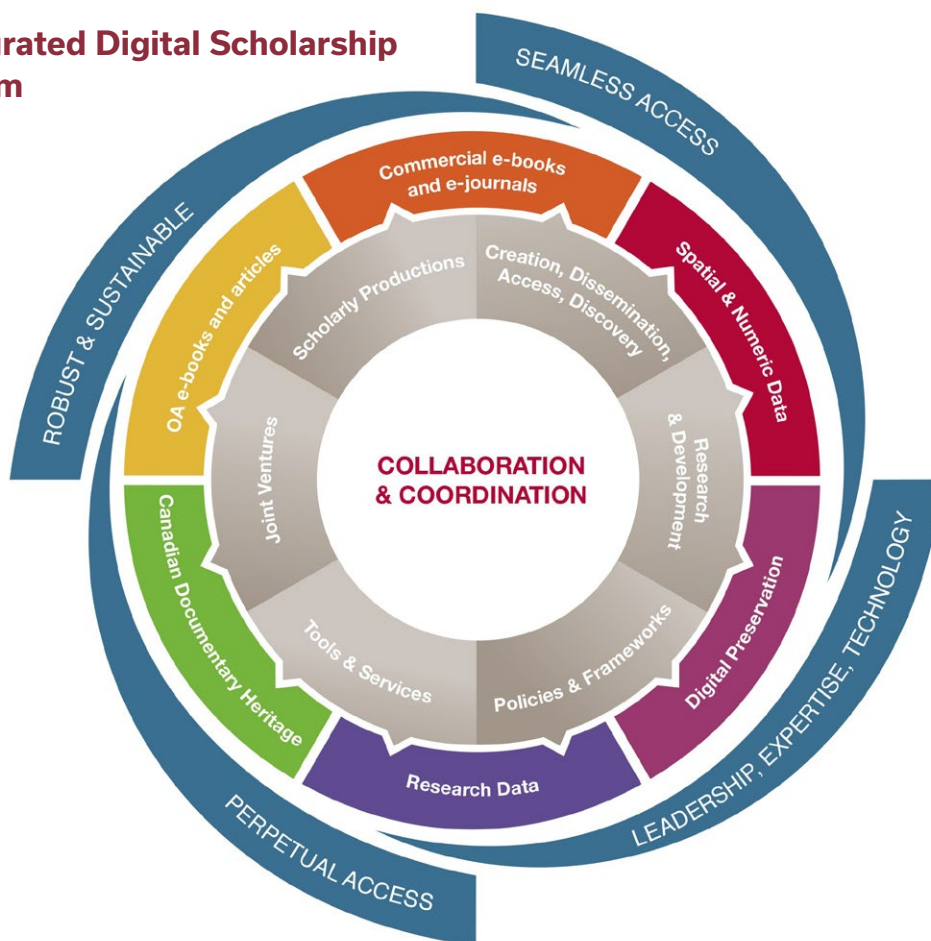


Clare Appavoo
Executive Director

Collaborate to Advance Digital Scholarship

Collaborating to advance digital scholarship continues to be a pillar of CRKN's objectives as the digital scholarly ecosystem becomes increasingly interconnected. In 2015-2016, we advanced this strategic objective through continued work on the Integrated Digital Scholarship Ecosystem (IDSE) project, through collaboration with Libraries and Archives Canada (LAC) to develop the Canadian National Digital Heritage Index (CNDHI), and through our ongoing partnership with Érudit in support of Canadian Scholarly Publishing.

The Integrated Digital Scholarship Ecosystem



The Integrated Digital Scholarship Ecosystem

The Integrated Digital Scholarship Ecosystem (IDSE) project seeks to advance research in Canada by understanding the complexity of the digital landscape and by seeking opportunities to align key stakeholders and providers around a series of shared objectives.

In 2015-2016, CRKN built on the Phase 1 research to advance the IDSE project, expanding the inventory of activities occurring in the ecosystem and exploring options for the development of a web-based map of the digital scholarship ecosystem to help contextualize the groups and activities within the ecosystem, and to promote the discovery of new opportunities for coordination and collaboration among academic libraries in Canada. Opportunities for CRKN participation in the ecosystem presented themselves in the form of the LAC collaboration and through the work of the Institutional Mobilization Task Group in developing the Institutional Mobilization Toolkit.

Collaborative Partnership to Support Canadian Scholarly Publishing

In 2015-2016, Érudit and CRKN continued to work together to further develop their collaborative partnership, which provides a framework for a new relationship between publishers and libraries, and helps to provide financial support to Canadian publishers during the transition to a fully open access model.

The two organizations have had the opportunity to present the partnership at various international conferences (including LIBER and The Charleston Conference) and were invited speakers at the Couperin Open Access week events in France.

The partnership has drawn attention from other countries and organizations, positioning Canadian academic libraries in a place to set the international standard for innovative support for scholarly publishing.

As the initial partnership agreement draws to a close at the end of 2016, Érudit and CRKN have entered into discussions on future directions. These conversations include various stakeholders, such as the Public Knowledge Project (PKP), Canadian Association of Research Libraries (CARL) and others with a goal of building on the strength of current partnerships to create a collaborative and sustainable scholarly journal publishing environment in Canada.

Collaborating Nationally and Internationally

CRKN continues to collaborate both nationally and internationally through participation in several initiatives: commitment to the international SCOAP³ initiative continues as the Governing Council works towards Phase 2 of the project while CRKN also contributes to the exploration around large scale conversion of commercial journals to Open Access by participating in the Berlin 12 Open Access meeting. Nationally, CRKN remains committed to the work of the Leadership Council for Digital Infrastructure, and the work of digital humanities scholars through the Implementing New Knowledge Environment (INKE) initiative.

Library and Archives Canada and CRKN Present the Canadian National Digital Heritage Index

In 2015, Library and Archives Canada (LAC) introduced the Documentary Heritage Communities Program (DCHP), a funding program that supports the development of Canada's local archival and library communities by increasing their capacity to preserve, provide access to, and promote local documentary heritage.

CRKN was awarded a grant from this program in December 2015 to develop an on-line index of digitized Canadian heritage collections located at Canadian universities and provincial and territorial libraries. In March 2016 the Canadian National Digital Heritage Index (CNDHI, affectionately pronounced "candy") was launched at cndhi-ipnpc.ca, supported by funding from Library and Archives Canada and the Canadian Research Knowledge Network.

Supported by funding from Library and Archives Canada and the Canadian Research Knowledge Network, CNDHI is designed to increase awareness of, and access to digital heritage collections in Canada, to support the academic research enterprise and to facilitate information sharing within the Canadian documentary heritage community.

This project is a component of CRKN's Integrated Digital Scholarship Ecosystem, a program that CRKN has been spearheading since October 2013 with the goal of understanding the complexity of the digital landscape and by seeking opportunities to align key stakeholders and providers around a series of shared objectives.

Currently, CNDHI includes 1,109 collections from 142 institutions and has been widely visited and shared by documentary heritage professionals and enthusiasts alike.

The screenshot shows the top of the CNDHI website. On the left, the logo 'CNDHI' is next to a circular graphic. To its right, the text reads 'CANADIAN NATIONAL DIGITAL HERITAGE INDEX'. On the far right, it says 'ENGLISH / FRANÇAIS'. Below this is a dark banner with white text: 'The Canadian National Digital Heritage Index (CNDHI) is an index of digitized Canadian heritage collections located at Canadian universities and provincial and territorial libraries. Supported by funding from Library and Archives Canada and the Canadian Research Knowledge Network, CNDHI is designed to increase awareness of, and access to digital heritage collections in Canada, to support the academic research enterprise and to facilitate information sharing within the Canadian documentary heritage community. To contact CNDHI, email info@cndhi-ipnpc.ca Questions? Visit our FAQ page'.

Type what you are looking for here

and/or use filters below:

| | | |
|--|--|--|
| Collection Title <input type="text"/> <small>Title of the project you are looking for</small> | Hosting Institution <input type="text"/> <small>Institution, city</small> | Collection Description <input type="text"/> <small>Time period, geography, related historical event</small> |
| Keyword <input type="text"/> <small>e.g. health care, interviews, local history, etc.</small> | Original Language - Any - <small>English, French</small> | Media Type - Any - <small>Newspapers, Historical Photographs, Maps, etc.</small> |

APPLY

Expand Content and Service Offerings

Content Licensing Overview

During 2015-2016, CRKN renewed 13 multi-year license agreements for science, technology and medicine (STM) and social sciences and humanities (SSH) content.

Renewed licenses included:

- American Chemical Society
- Cambridge University Press
- Elsevier (Scopus)
- Institute of Physics
- Oxford University Press
- Royal Society of Chemistry
- Springer
- Thomson Reuters
- Wiley

Of particular note was the work undertaken to move several license agreements to a new pricing model based on the CRKN banding system. CRKN also continued to act as the national contact for the SCOAP³ project and has been involved in several other initiatives to advance open access and alternative publishing models.

Introducing the New Canadian University Press Ebook License

CRKN was pleased to further support the dissemination of Canadian content through the development of a license agreement for Canadian scholarly monographs published by members of the Association of Canadian University Presses (ACUP). CRKN was able to extend an agreement nationally that built on the excellent work of the Ontario Council of University Libraries (OCUL) and ACUP.

Hosted in Canada on Scholars Portal, the license features digitized ebook collections from the following university presses:

- Athabasca University Press
- Institute of Social and Economic Research
- Les Presses de l'Université du Québec
- Les Presses de l'Université Laval
- Les Presses de l'Université de Montréal
- McGill Queens University Press
- Pontifical Institute of Mediaeval Studies
- University of Alberta Press
- University of British Columbia Press
- University of Calgary Press
- University of Manitoba Press
- University of Ottawa Press
- University of Regina Press (formerly known as Canadian Plains Research Centre Press)
- University of Toronto Press
- Wilfrid Laurier University Press

Opt-out Clauses

New this year, at the request of members, CRKN successfully negotiated an “opt-out” clause for a few licenses. Institutions with sufficient budget may continue to participate in a multi-year agreement despite uncertainty about future budget constraints. Should an institution face severe budgetary cutbacks, they have the option in year two or year three of the agreement to discontinue participation in the license.

License Participation

As expected and due to various factors, including constrained library budgets and the unfavourable exchange rate between the Canadian and US dollar, CRKN saw a higher than normal reduction in participation on several licenses. Many libraries are undertaking in-depth reviews of their collections and may continue to make cancellations in the future. CRKN continues to monitor the situation and provide tools and services to members as they navigate this difficult financial period.

New Content

Following the recommendations of the Content Development Task Group (CDTG), CRKN has implemented a new process for evaluating general levels of member interest in potential new content opportunities. The process involves standardized forms for submitting content opportunities for both members and vendors, and an informal survey to members to gauge the level of interest in a given product. Several new content opportunities were pursued during the 2015-2016 year.

Member Communication

Members were apprised of negotiation developments and other licensing activities via several tools, including frequent posts to the collections and directors listservs, license updates in the CRKN Newsbrief, recaps of all Content Strategy Committee meetings, and various member teleconferences held throughout the renewal process.

CRKN Participates in the Knowledge Unlatched Project

In early 2016, with support from the Federation for the Humanities and Social Sciences, CRKN was able to distribute eleven small grants to facilitate the participation of member institutions in the Knowledge Unlatched project. The open access model used by Knowledge Unlatched depends on many libraries sharing the payment of a single “title fee” (the basic costs associated with publishing a book) to a publisher, in return for the book being made available with a Creative Commons license via OAPEN and HathiTrust as a fully downloadable PDF. As more libraries participate in the project, the per-library cost of ‘unlatching’ each title declines, resulting in an open access funding model for monographs where libraries work together to the benefit of the whole community.

The purpose of the funding was to encourage Canadian institutions to contribute to this global project. In addition to the eleven institutions that received the grant, ten other CRKN institutions also participated in supporting the project, along with hundreds of libraries from around the world.

CRKN Model License

CRKN members have relied on the Model License to deliver advantageous usage rights, permissions, and security for licensed e-resources since 2001.

The CRKN Model License provides our members with the confidence that there is a minimum set of standards to which we aspire when negotiating licenses with vendors, and that our license agreements strive to reflect best practices in the library community.

Although the Model License has seen minor periodic updates over the years, there has never been a systematic review and upgrade of the entire document. In 2015, the Model License Task Group was formed to undertake a holistic review of the license and update it to reflect the evolution of e-resource licensing and to incorporate current and expected future trends.

The task group took a consultative approach to its work to ensure that feedback from CRKN members would inform the changes to the license that would be recommended to the Content Strategy Committee. Input from members was one of the main factors guiding the work of the task group, as was a thorough environmental scan and review of other model licenses in use both at other consortia in Canada and internationally, as well as examples of vendor licenses.

Beginning in fiscal year 2016-2017, this newest version of the CRKN Model License will be the standard platform upon which all CRKN licenses are negotiated and executed. As scholarly communications continue to evolve and the needs of academic libraries evolve correspondingly, the CRKN Model License will be reviewed and updated more regularly to ensure that CRKN license agreements are state of the art with regards to trends in e-resource licensing.

Engagement with International Standards Organizations

CRKN seeks opportunities to improve members' impact on the information landscape. In 2015-2016, CRKN explored the potential of two new memberships with international standards organizations in order to provide opportunities for members to express their view on current and new standards. The memberships include: the National Information Standards Organization (NISO), a non-profit association accredited by the American National Standards Institute (ANSI), which identifies, develops, maintains, and publishes technical standards to manage information, and Project COUNTER (Counting Online Usage of Networked Electronic Resources), an international initiative serving librarians, publishers and intermediaries by setting standards that facilitate the recording and reporting of online usage statistics in a consistent, credible and compatible way. Through this participation, CRKN members are now able to vote on various initiatives from these organizations and have direct input to the establishment of standards.

Engage Members and Stakeholders

CRKN invests in different forms of member engagement to advance national issues, share news and information, and foster interaction with and among members.

In 2015-2016, CRKN continued to keep members and other stakeholders apprised of activities via communication channels such as the listserv and website. In addition, CRKN hosted teleconferences for 16 product renewals as well as issuing several surveys in support of CRKN's licensing and negotiations activities. CRKN also issues quarterly financial updates to finance contacts at member institutions. The CRKN NewsBrief was issued four times during the year.

CRKN has also enhanced its presence on Twitter, growing its following by approximately 50% in the last year. CRKN's social media presence enhances other forms of communication by sharing industry news and adding to the evolving conversations about access to content and libraries on Twitter.

Institutional Annual Reviews

In order to provide specific details and outcomes of CRKN services for its members, CRKN developed the fourth installment of the Institutional Annual Review (IAR), a customized dashboard for each of its 75 member institutions. The review includes a six-year history of member spend and membership fees, outlined individual contributions to specific content programs, described

advantages of centralized negotiation and administration and charted the work of our task groups in addressing national issues. Members continue to appreciate the effectiveness of a focused view of their participation in CRKN and the IAR has been used in whole and in part by member libraries in broader discussions on their campuses.

Journal Value Analytics

Based on the success of the Institutional Annual Reviews, CRKN continued to provide enhanced data and information in the form of the fourth installment of the Journal Value Analytics tool that now includes 2014 data. The tool includes title-level usage data for most of the journal packages under renegotiation for the year (ACS, Cambridge Journals Online, IOP Journals, Oxford University Press Journals, RSC Journals, Springer Journals Wiley Online Library Journals) as an aid towards decisions regarding renewals. Also, in order to prepare the renewal of the Taylor and Francis deals (including the SSH, S&T and Medical collections), a fifth installment of the tool was provided to the members in March.

The CRKN Annual General Meeting

The 2015 CRKN AGM, jointly held with the Canadian Association of Research Libraries (CARL) in Ottawa, set a recent record for member attendance and participation. Sessions included updates on CRKN and CARL projects, copyright updates and updates on the work of the Institutional Mobilization Task Group and the IDSE project. Feedback from the event indicated that the joint meeting formula was appreciated, and demonstrates that the event continues to be highly valued for networking, education and collaboration, with 96% of respondents to the evaluation survey indicating that they were satisfied with the event. The 2016 AGM is currently being planned for October 18-20, in Halifax, N.S.



Dr. Vincent Larivière delivers keynote at AGM 2015.



AGM 2015 Award Reception.



The Institutional Mobilization Toolkit

Access to scholarly research is key to Canada's success in the global information economy.

The current commercial publishing model is placing that access at risk creating severe challenges for CRKN members as they aim to provide continued access to research content. The Institutional Mobilization Task Group (IMTG), was initiated with a goal to develop a toolkit for member librarians to help facilitate communications with their internal stakeholders on the issues of negotiation priorities and how their publishing choices, and promotion and tenure decisions impact the larger academic enterprise.

Evolution of journal pricing
Digital distribution of scholarly research has enabled a more equitable access to content in Canada, but at what cost?

Print Distribution

- Priced by title
- Institutions negotiated with vendors
- Smaller institutions couldn't afford all titles

Digital Distribution

- Publishers are free of physical distribution costs
- Universities are no longer constrained by shelf space
- Digital technology allows researchers to mine, map, link and share content

The "Big Deal"

- The Big Deal offers unlimited access to a publisher's entire collection for an annual fee
- Universities form consortia to pool their buying power
- The Big Deal ensures a steady and predictable revenue stream for publishers

Benefits

- Universities of all sizes have access to a wider range of research than ever before
- An explosion of digital content allows scholars to identify connections in unrelated disciplines

Challenges

- Increased consolidation and market power of publishing industry = increased profitability
- Subscription rates continue to increase more quickly than university budgets and general inflation
- Big Deals are increasingly tough to break, and there are few or no palatable alternatives

Proposing a National Strategy

- Canada needs innovative strategies that work across jurisdictions
- In the short term, we need practical strategies to secure access to electronic journals and databases
- In the long term, we need new organizational, business and scholarly communication models to meet researchers' information needs

The CRKN represents these strategies, bringing together universities in Canada across 10 provinces and in both official languages, to create a national foundation for acquiring scholarly research content in digital formats.
<http://crkn-rcdr.ca/en/institutional-mobilization-toolkit>

The Institutional Mobilization Toolkit was launched in January 2016 and contains the following documents:

1. Introduction: The Scholarly Publishing Challenge (PDF)
2. Evolution of Journal Pricing (PDF)
3. Canadian Economic Environment (PDF)
4. Innovation in Scholarly Communication (PDF)
5. Sustainability Challenges (PDF)
6. Understanding Scholarly Metrics (PDF)
7. Scholarly Publishing Models (PDF)
8. Glossary of Terms (PDF)
9. Selected Bibliography (PDF)
10. Bold Moves: Sustainability Issues in Scholarly Communication (PPT)

The task group also circulated a letter to Canadian University Presidents in May 2016, encouraging them to support their librarians in their efforts to advance the goals of institutional mobilization through communication of these issues on their campuses.

Maintain and Strengthen Sustainability

Throughout its brief history, CRKN has understood its role in supporting member libraries and researchers, and has worked to ensure that it is properly resourced to accomplish its mandate. At all levels, CRKN continues to ensure that it is best-configured to accomplish its objectives, including making best use of volunteer, staff and contract resources to deliver a full range of seamless, high-quality services to members.

Organizational Capacity

Through the use of standing and ad-hoc committees, CRKN leverages the time and expertise of its community to undertake governance, negotiation and other collaborative activities. In particular, the Model License Task Group (MLTG) (see page 11) and the Institutional Mobilization Task Group (IMTG) (see page 27) were convened during the year to modernize and extend CRKN's licensing process, and to strengthen libraries' bargaining position by galvanizing the support of their constituencies. Both significantly achieved their objectives during the year.

During the year, CRKN continued the orderly transition of Board and Committee members as terms expired or came up for renewal. Succession planning was initiated to prepare for the conclusion of Dr. Cannon's term as Board Chair in October 2016.

CRKN continues to benefit from the time and diverse expertise of its members, and our ability to attract and retain high-quality volunteers

remains a source of tremendous strength to the organization.

Staff Composition

The addition of a Special Projects Officer focused on the IDSE project facilitated CRKN's capacity to undertake key initiatives such as the development of the Institutional Mobilization Toolkit and the application for a grant from LAC to develop the Canadian National Digital Heritage Index (CNDHI). A contract Communications Consultant was also retained beginning in December, to provide high-level communications coordination and support.

CRKN was able to host two interns over the course of the year; a high school student who digitized much of CRKN's paper archives, and a Digital Services Intern to assist with the website and the AGM during the fall. The LAC grant facilitated the hiring of a Project Analyst to complete work on the CNDHI-IPNPC.ca site. Otherwise, staff complement was stable over the course of the year.

Maintaining Financial Sustainability

CRKN's Finance & Audit Committee and Board have, for the past six years, considered the annual budget within the context of a multi-year financial model. The goal remains to align financial planning with the strategic plan, strengthen decision-making, and increase predictability and transparency for CRKN members. In particular, CRKN's budget approach is as follows:

- To reduce the organization's reliance on unpredictable interest revenue;
- To increase revenue from membership fees and other sources in a planned and predictable way over several years;
- To reduce and contain costs wherever possible; and,
- To draw down unrestricted net assets with a series of deficit budgets as a bridging measure, within the parameters of CRKN's Net Assets Policy

CRKN is pleased to report that it recorded another surplus in FY2015-2016 – the second in a row following six years of deficits. In particular, CRKN significantly diversified its revenue streams in FY2015-2016 with the successful Library and Archives Canada grant for the CNDHI project, and the joint AGM with CARL in Ottawa in 2015.

Banding and Membership Fees

CRKN continued our communication with members in anticipation of the transition to a new banding structure for membership fees beginning in FY2017-2018. This communication also advised members of a lower rate of membership fee increase than initially anticipated by the multi-year plan.

CRKN staff continue to maintain the banding system annually, and have developed procedures to advise members when they near or cross boundaries between bands.

The Foreign Exchange Project

The majority of content licensed by CRKN continues to be settled in U.S. dollars (USD) to provide better negotiating leverage and avoid potential exchange surcharges from vendors. CRKN ordinarily invoices members in Canadian dollars (CAD) for all content, and has worked over the last decade to refine a process for locking in exchange rates for members using forward contracts (i.e. promises to buy amounts of US currency at a future date) so members can be billed accurately. While this approach is efficient administratively, it does not afford members any protection from the foreign exchange risk embedded in CRKN licensing agreements.

For several years now, CRKN has offered additional foreign exchange options to members for some of CRKN's largest licenses and most widely-subscribed content. With this service members may authorize CRKN to customize a foreign exchange approach for their institution either by locking in their foreign exchange rates earlier, or by placing bids intended to capitalize on any temporary appreciation in the value of the Canadian dollar over a three to six month horizon.

Given the success of the previous foreign exchange project and with the support of the Finance & Audit Committee and the Board of Directors, CRKN once again offered members the opportunity to participate in the project and potentially, to secure better rates for their USD invoicing for two of CRKN's largest products. In total, 22 members elected to participate, with commitments in excess of \$14.3M USD to the project. Even after accounting for project fees, participants saved over \$765,000 by opting into the project. In addition, for the first time, CRKN piloted a new service allowing members to leverage institutional USD accounts and settle some of their CRKN invoices in USD.

In January 2016, facing the worst CAD/USD exchange rates in a decade, on the recommendation of the Finance & Audit Committee staff prepared a document and hosted teleconferences for the membership, codifying the cumulative effects of the weaker dollar on the membership, and providing additional information on the foreign exchange project.

Member Recognition

The recipient of the Ron MacDonald Distinguished Service Award was celebrated at the 2015 Annual General Meeting in Ottawa.

Michael Ridley was recognized for his demonstrated vision, leadership, and commitment to advance the goals and the knowledge infrastructure for the benefit of CRKN members including his contributions to digital scholarship and the library profession in the form of services and solutions such as the shared platform, Scholars Portal, benefitting library users within Ontario and beyond. Mike's involvement with CRKN spans several decades and his leadership and support on the CRKN Board and Committees has contributed to the valued and healthy condition in which CRKN operates now. Mike served as Project Manager for the Integrated Digital Scholarly Ecosystem (IDSE) initiative, drafting the first Integrated Digital Scholarship Ecosystem (IDSE) report, describing the current ecosystem and offering CRKN many significant recommendations for areas of future collaborations and contribution in this space. This member recognition award, first conferred in 2010, honors the late Ron MacDonald, a key contributor to the development of CRKN's collaborative programs and services.



From left to right: Rebecca Graham and Donna Bourne Tyson with Michael Ridley and CRKN Board Chair Dr. Elizabeth Cannon at the 2015 Annual General Meeting in Ottawa.



Strategic Planning

CRKN activities and budget development continued to be driven by the objectives of the 2013-2016 strategic plan. During the 2015 AGM, the membership endorsed an extension of the existing plan to 2018, both in recognition of the ongoing value of the current strategic objectives and to align more closely with five-year strategic planning cycles common at member institutions.

The Board of Directors and staff met in January 2016 to brainstorm the development of new or revised tactics, consistent with the current environment, which might be considered as an update under an extended strategic plan. Meetings have been planned for spring 2016 with each of Canada's four regional consortia to gain further input to the extended strategic direction.

A session will be planned for the 2016 AGM to review the revised tactics so that the extended updated strategic plan may be approved for the 2016-2018 period. CRKN will continue with a 5-year strategic planning horizon for the future.



Board of Directors

Dr. Elizabeth Cannon

Chair
President and Vice-Chancellor
University of Calgary

Larry Alford

Chief Librarian
University of Toronto

Lesley Balcom

University Librarian
University of New Brunswick

Gwen Bird*

University Librarian
University of Victoria

Christopher Callbeck*

Treasurer
Assistant Vice President,
Financial & Administrative Services
University of New Brunswick

Carol Shepstone*

Vice-Chair
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Mount Royal University

Robert Clarke*

University Librarian
Trent University

Trevor Davis*

Associate Vice-President, Scholarship and
Community Engagement
Vancouver Island University

Daniel Godon

Library Director
Université du Québec en Outaouais

Todd Mundle

University Librarian
Kwantlen Polytechnic University

*Member of the Executive Committee



Board of Directors

January 2016

Back row left to right: Lesley Balcom, Gwen Bird, Robert Clarke, Trevor Davis, Chris Callbeck, Todd Mundle, Larry Alford, Daniel Godon

Front row: Carol Shepstone, Elizabeth Cannon, Clare Appavoo



Content Strategy Committee

The CRKN Content Strategy Committee is established by the Board of Directors as a Standing Committee of the Board. The CSC is responsible for:

- Developing and overseeing systematic means of needs analysis with members, to ensure meaningful consultation with regard to members' priorities, requirements and specifications for the identification, negotiation, implementation and perpetual access of electronic resources;
- Maintaining an awareness of developments in the scholarly publishing landscape and potential opportunities to advance members' interests;
- Developing objectives, principles, strategies, and specifications for vendor and open access negotiations and license agreements, for recommendation to the Board as appropriate;
- Monitoring the execution of agreed-upon negotiations strategies by staff, and assisting/serving as a resource to the staff negotiator(s) according to the objectives established by the Board of Directors;
- Evaluating the results of negotiations, and apprising the Board of progress, developments, issues and resulting contract terms achieved through negotiations;
- Advising and assisting staff with effective implementation of resulting license agreements and access (including, for example, serials management and perpetual access details);
- Contributing strategic insights and operations expertise from members' professional practice to support overall CRKN planning, program implementation and communications;
- Working closely with other Committees to ensure alignment of committee objectives with respect to license fees and cost-sharing;
- Apprising the Board and staff of any policy and/or operational issues arising from the committee's work that may require delegation to another group or action elsewhere within the organization;
- Assuming such other responsibilities as from time to time may be delegated by the Board.



Back row : Monica Ward, Yanick Beaudoin, Dianne Keeping, Louise Houle, Lisa Petrachenko, Tony Horava, Peter Webster, Pamela Jacobs, Stéphanie Gagnon, Denise Koufogiannakis, Craig Olsvik

Front row : Todd Mundle, Clare Appavoo, Benoit Séguin

Todd Mundle, Chair of the CSC,
University Librarian, Kwantlen
Polytechnic University

Benoit Séguin, Vice Chair of the CSC
Université du Québec à Trois-Rivières

**Council of Atlantic University Libraries
(CAUL) designates:**

- Elaine MacInnis, Dalhousie University
(to Nov 2015)
- Dianne Keeping, Memorial University of
Newfoundland (from Nov 2015)
- Peter Webster, Saint Mary's University

**Ontario Council of University Libraries
(OCUL) designates:**

- Tony Horava, University of Ottawa
- Pamela Jacobs, University of Guelph

**Bureau de coopération interuniversitaire
(BCI) designates:**

- Christine Hiller, BCI (formerly CREPUQ)
(to Dec 2015)
- Stéphanie Gagnon, Université de Montreal
(from Dec 2015)
- Louis Houle, McGill University

**Council of Prairie and Pacific University
Libraries (COPPUL) designates:**

- Jo Anne Newyear Ramirez, University of
British Columbia (to January 2016)
- Denise Koufogiannakis, University of
Alberta (from February 2016)
- Lisa Petrachenko, University of Victoria



Finance & Audit Committee

The CRKN Finance & Audit Committee is established by the Board of Directors as a Standing Committee of the Board and is responsible for:

-
- Advising the Board on all financial matters affecting CRKN;
 - Recommending auditors for appointment;
 - Reviewing scope of the audit and approving the audit fees involved;
 - Receiving and reviewing the audited financial statements of CRKN as to reasonableness of presentation, appropriateness of accounting principles and adequacy of disclosure prior to their submission to the Board;
 - Receiving and reviewing written annual report of the auditor;
 - Recommending the annual budget to the Board, including recommending the annual membership fee;
 - Determining whether revised budgets are necessary and recommending accordingly to the Board;
 - Advising the Board on specific matters relating to financial exigencies;
 - Reviewing on behalf of the Board all contracts, agreements or other instruments involving the financial affairs of CRKN and which are to be presented to the Board and to make recommendations to the Board regarding appropriate action;
 - Ensuring that CRKN has an effective process in place that provides appropriate alignment of financial resources with strategic directions;
 - Promoting transparency and accountability in all financial and planning activities of CRKN; and,
 - Assuming such other responsibilities as from time to time may be delegated by the Board.



Back row : Daniel Godon, Bernard Bizimana, France Paul, Trudy Pound-Curtis, Bill Kuurstra

Front row : Ken Blonski, Christopher Callbeck, Clare Appavoo

Membership 2015-2016

Christopher Callbeck

Chair and Treasurer,
Assistant Vice President,
Financial & Administrative Services
University of New Brunswick,
Saint John campus

Bernard Bizimana

Directeur des services techniques
et informatisés
Bibliothèque Myriam et J.-Robert Ouimet
HEC Montréal

Daniel Godon

Library Director
Université du Québec en Outaouais

France Paul

Director of Technical Services,
Library and Archives Department
Université de Sherbrooke

Trudy Pound-Curtis

Assistant Vice-President, Finance and
Chief Finance Officer
York University

Task Groups

Serials Management Sub-Committee

Reporting to the Content Strategy Committee, the Serials Management Sub-Committee ensures that title lists and link resolvers are collectively and proactively updated with the best information, for the benefit of all CRKN members.

The members of the Serials Management Sub-Committee are:

Linda Day Chair (until March 1, 2016)
Electronic Resources Librarian,
University of Guelph

Sandra Wong Chair (from March 8, 2016)
Electronic Resources Librarian,
Simon Fraser University Library

Janice Adlington
Collection Development Coordinator,
McMaster University

Jennifer Richard
Academic Librarian, Acadia University

Lino Tremblay
Bibliothécaire des systèmes et des ressources
électroniques, Université du Québec à
Chicoutimi

Model License Task Group

Reporting to the Content Strategy Committee, the Model License Task Group was formed in early 2015 with a mandate to systematically review the CRKN Model License and update it to reflect current standards and best practices for e-resource licensing. The task group took a consultative approach to its work by soliciting feedback from CRKN members at several stages of their review process, in an effort to ensure the resulting Model License adequately addresses the needs of member institutions. The Content Strategy Committee reviewed the final draft of the Model License in March 2016 and subsequently submitted it for Board approval in fiscal year 2016-2017.

The members of the Model License Task Group were:

Christine Hiller Chair
Chargée de projet, Achats en commun,
Bureau de coopération interuniversitaire

Scott Gillies
Head of Information Resources,
University of Guelph

Harriet Rykse
Associate Chief Librarian, Western University

Carol Stephenson
Strategic Projects Librarian,
Wilfrid Laurier University

Kumiko Vézina

Electronic Resources Coordinator,
Concordia University

Patti Wilson

Collections Librarian,
University of the Fraser Valley

**Institutional Mobilization
Task Group**

Reporting to the Board of Directors, the Institutional Mobilization Task Group (IMTG) was created in January, 2015. The objective of the IMTG was to develop materials for members to utilize in communications with their internal stakeholders on the issues of negotiation priorities and to develop a communications campaign to raise awareness and support on a national level within and beyond the university.

The IMTG was composed of a diverse group of experienced librarians, researchers and academic administrators, drawn from across the width and breadth of the membership. The group met in person, via teleconference and independently with staff to achieve their objectives. The IMTG completed its work in May 2016.

The members of the IMTG were:**Dr. Karen Grant** Chair

Provost and Vice-President, Academic & Research, Mount Allison University (Chair)

Annie Bélanger

Associate University Librarian, University of Waterloo

Jean Blackburn

Collections Librarian, Vancouver Island University

Dr. Constance Crompton

Assistant Professor, Digital Humanities and English, Faculty of Creative and Critical Studies, UBC Okanagan

Richard Dumont

University Librarian, Université de Montréal

Dr. Joy Johnson

Vice-President, Research, Simon Fraser University

Dr. Jennifer Love

Associate Professor, Department of Chemistry, Faculty of Science, University of British Columbia

Jennifer Sowa

Manager, Communications and Marketing, Libraries and Cultural Resources, University of Calgary

Staff



Back row left to right: Ken Blonski, Nazia Bundhoo, Craig Olsvik, Yanick Beaudoin, Bill Kuurstra

Front row: Monica Ward, Clare Appavoo, Kimberly Silk

Ken Blonski

Director of Operations
Tel: 613-907-7030
kblonski@crkn.ca

Nazia Bundhoo

Office Administrator
& Event Coordinator
Tel: 613-907-7036
nbundhoo@crkn.ca

Craig Olsvik

Senior Content &
Licensing Officer
Tel: 613-907-7033
colsvik@crkn.ca

Yanick Beaudoin

Member Services
& Licensing Officer

Bill Kuurstra

Finance Officer
Tel: 613-907-7037
bkuurstra@crkn.ca

Monica Ward

Senior Content &
Licensing Officer
Tel: 613-907-7031
mward@crkn.ca

Clare Appavoo

Executive Director
Tel: 613-907-7029
cappavoo@crkn.ca

Kimberly Silk

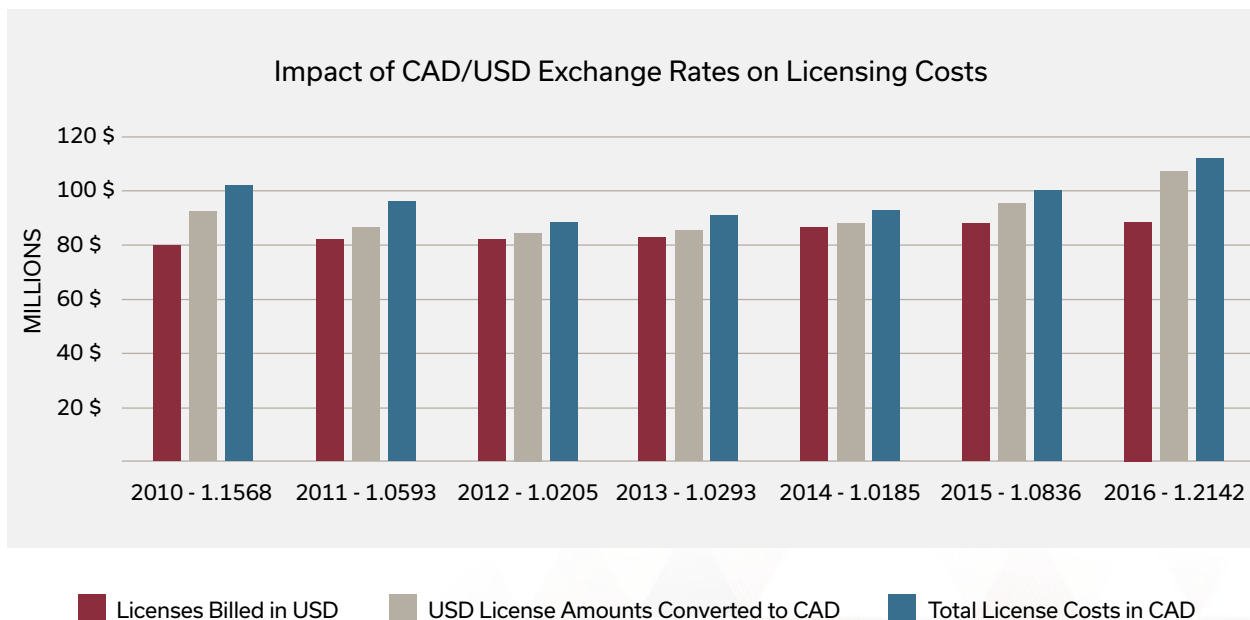
Special Projects
Officer - IDSE
Tel: 613-907-7034
ksilk@crkn.ca

Financial Highlights

Licensing Costs and Revenues

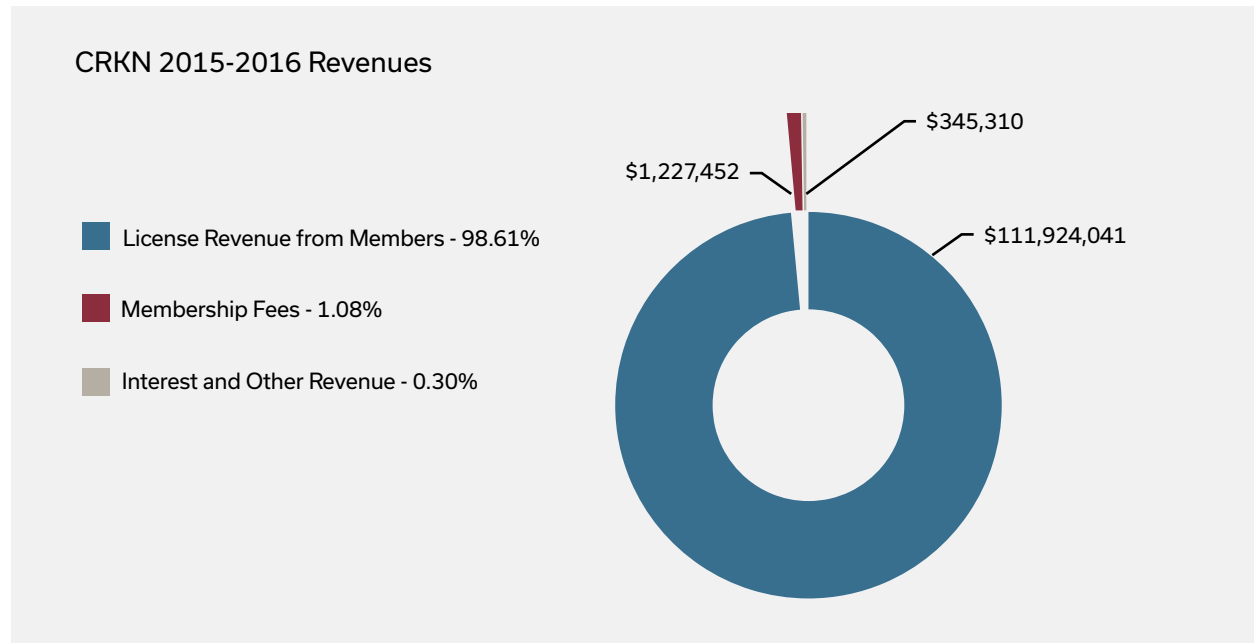
2015-2016 was CRKN's most expensive licensing year ever. CRKN's cost-recovery licensing activities meant that the nearly \$112M CAD in license revenues were offset by corresponding member license expenditure. CRKN uses principals of accrual accounting to ensure that license revenues and license expenditures are matched to the appropriate periods.

As in past years, with nearly 95% of CRKN's licensed content purchased in US currency, CRKN's license revenues (and corresponding members' license expenses) are significantly impacted by changes in the value of the Canadian dollar. While the total price of CRKN's US-denominated licenses has grown gradually, the exchange effects have introduced additional variability in the license costs experience by the CRKN membership.



Revenues

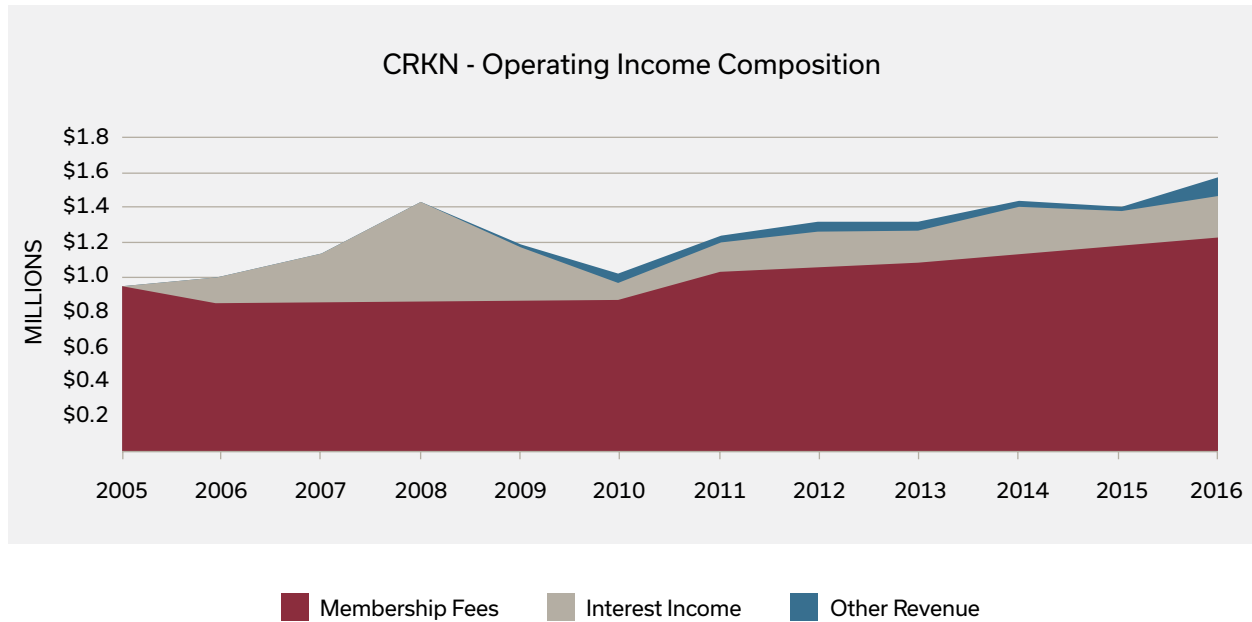
The majority of CRKN's annual revenues relate to its licensing activities. To support those activities and at the direction of the broader membership, CRKN has developed a lean and efficient administration. CRKN's annual membership fees are themselves insufficient to support CRKN's operations budget. While CRKN has taken steps to reduce its dependence on volatile investment income, it is still necessary to CRKN's current operation.



CRKN revenues for the fiscal year of 2015-2016 were \$113M derived from content license fees, membership fees, and miscellaneous income.

Figures correspond to the audited financial statements for the year ended March 31, 2016.

Revenues

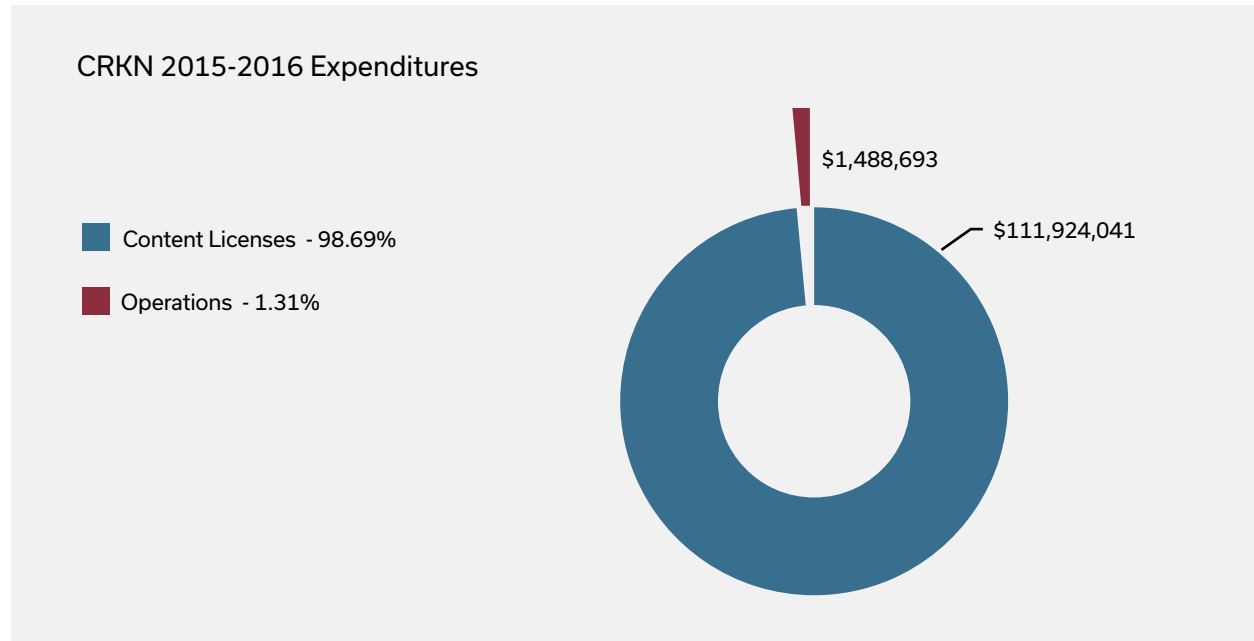


Over time, CRKN has worked within the constraints of its multi-year financial model to contain costs and increase membership fees in a measured and predictable way in order to return to a balanced sustainable budget. CRKN has exceeded its interest income targets significantly in each of the past two years. While CRKN has reduced its budgetary reliance on unpredictable interest revenues, membership fees alone remain insufficient to pay for CRKN's ordinary operation.

Figures correspond to CRKN's audited financial statements.

Expenditures

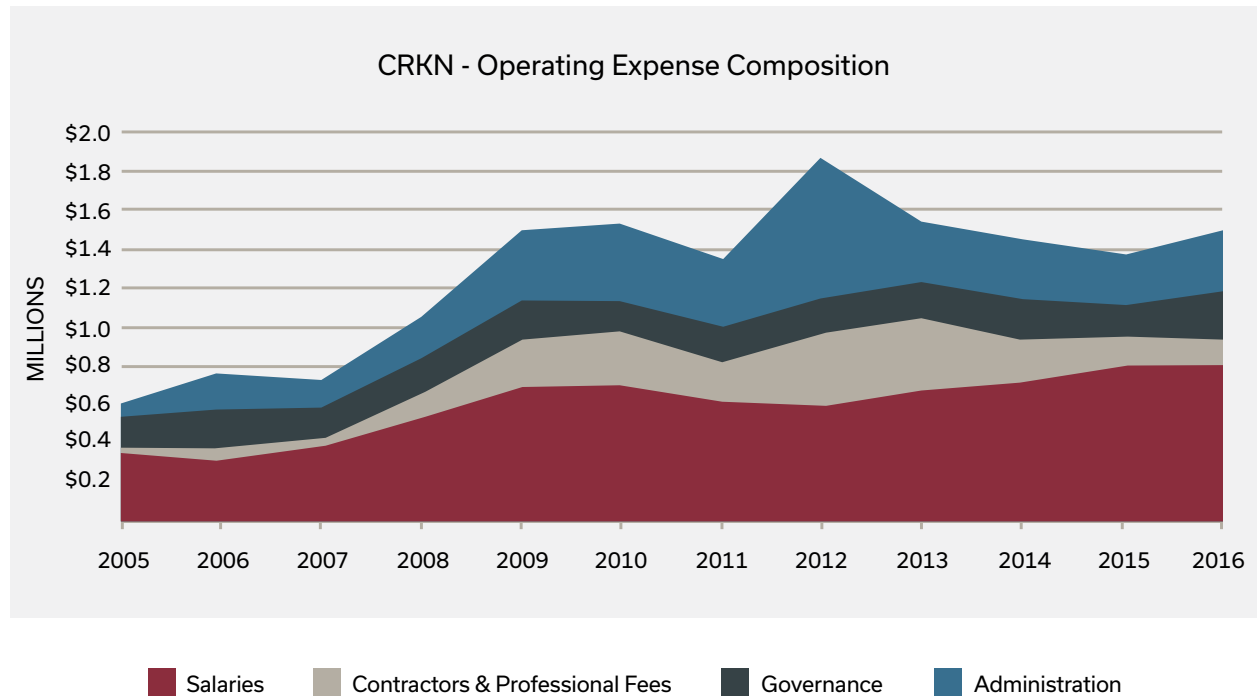
Similarly, the majority of CRKN's expenditures are dedicated to the purchase of licensed digital content. Operations (as shown below), including administration, salaries and benefits, professional fees, and governance account for \$1.49 million or 1.31% of CRKN's expenditures. The organization works to efficiently leverage its activities to respond to the membership and to achieve its strategic objectives.



Nearly 99%, or more than \$110M of expenditures for the 2015-2016 fiscal year consisted of electronic content licensing fees. The remainder of CRKN's expenditures are for organizational operations, including salaries and benefits, professional fees, governance and administration.

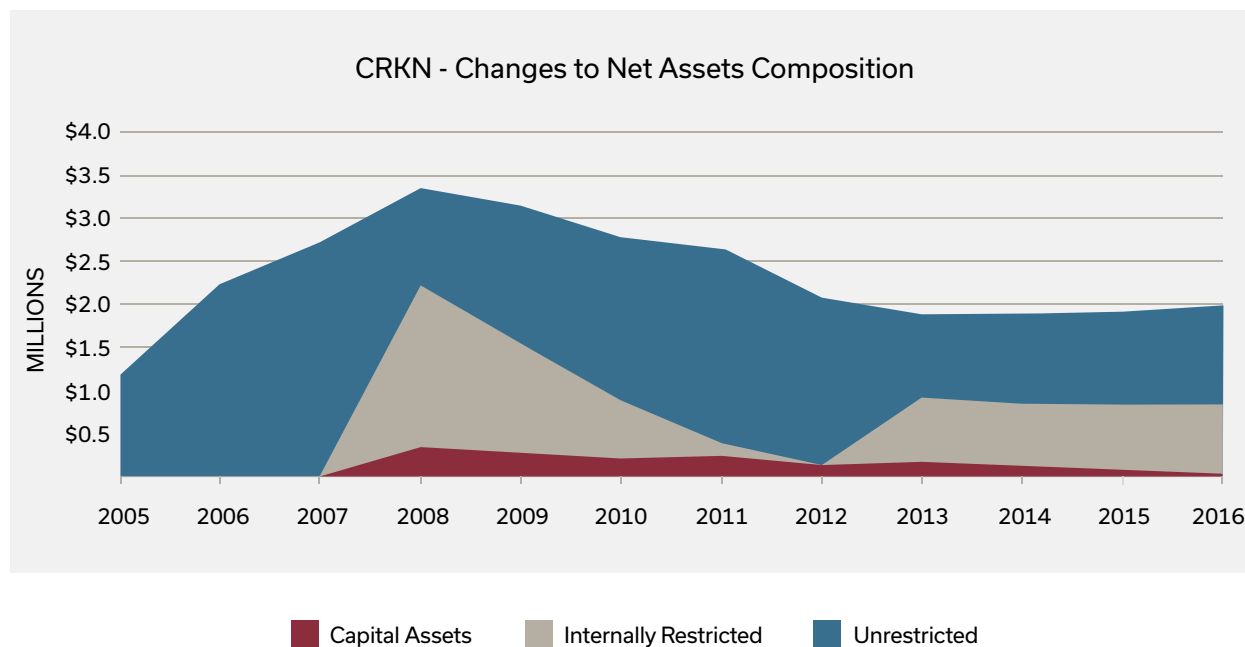
Figures correspond to the audited financial statements for the year ended March 31, 2016.

Expenditures



The composition of CRKN's expenditures has also evolved over time. Staff and contractor costs have stabilized over the last three years, while contractor and professional fees (including translation, audit, bookkeeping, HR, legal and other contractor costs) have varied over time. Governance expenses relate to travel, telecommunication and logistical expenses related to the orderly operation of CRKN's Board, committees and task groups. Administration includes rent, amortization, computer hardware and software, telecommunications and office expenses.

Sustainability



Following CRKN's incorporation in 2004, CRKN benefited both from the generous support and assistance of the University of Ottawa and from a series of initial surpluses, which permitted the organization to rapidly grow its balance of net assets (the organization's accumulated equity). The accumulated net assets were particularly vital for managing the cash-flow demands of the DCI project, but also supported the growth of CRKN's licensing program and enabled CRKN's transition into an autonomous organization.

During the 2007-2008 fiscal year, the organization moved to new offices and significantly capitalized leasehold improvements. For the first time, CRKN also restricted a portion of its net assets, recognizing significant holdback amounts due from CFI for the DCI project.

Between 2009 and 2013, additional facilities and salary costs combined with declining investment income opportunities demanded a series of budget deficits which reduced the organization's accumulated net assets. During this period, CRKN completed the DCI project, formalized and extended its content program, and reorganized its staff complement and facilities.

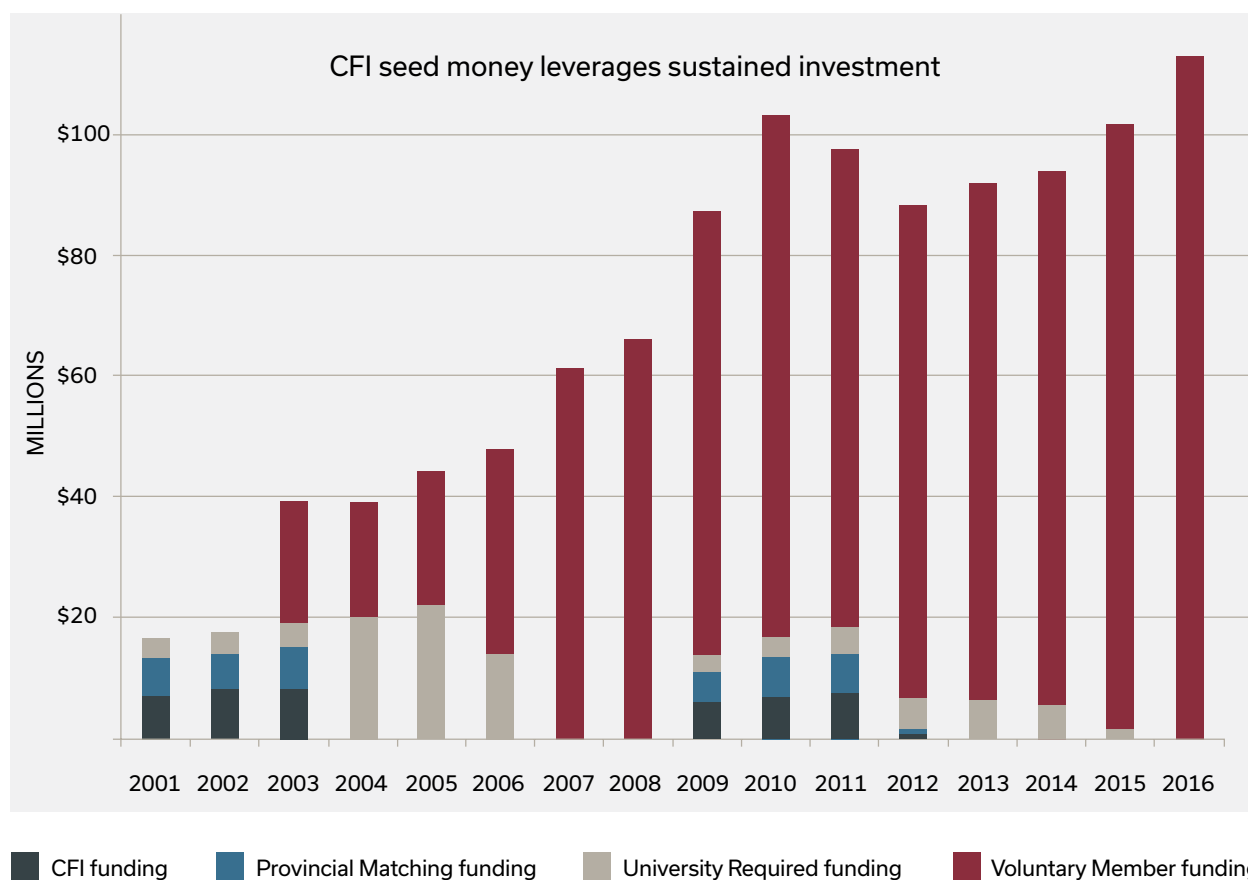
CRKN adopted a multi-year model in 2011, aiming to draw down net assets over time while slowing increasing membership fees in a planned and predictable way.

Beginning in 2013 and in accordance with its budget monitoring and modification policy, CRKN restricted 1/2 of its operating budget each year to prudently anticipate any wrap-up scenario. CRKN's balance of net assets have stabilized, and even increased slightly each year for the past three.

Funding Partner

The Canada Foundation for Innovation (CFI) investment has been instrumental in establishing a collaborative knowledge infrastructure in support of CRKN's mandate to increase access to digital research content. In 2001 CFI invested \$20 million in support of the Canadian National Site Licensing Project (CNSLP), with a further \$30 million matched by provincial governments and member institutions. In 2009 CFI invested in CRKN again with \$19.1 million in the DCI Project, with a further \$29 million matched by provincial and member institutions.

CRKN members continue to derive value from their investments in high value content, benefiting from advantageous licensing terms and opportunities for interdisciplinary research and brain-gain recruitment.



Figures drawn from CRKN's audited financial statements.

The first year investment of \$6.2 million made by CFI in 2001 for the Canadian National Site Licensing Project (\$20 million over 3 years) has been leveraged into more than \$100M in licenses content expenditures in 2016 through investment from provincial funding partners and the member institutions. While license participation has steadily increased, favorable exchange rates and the low recurring costs of the DCI Project resulted in lower costs in 2012-2014, a situation which has reversed in 2015 and 2016. The DCI Project sustainability period ended in 2015, when \$667K in University Required Funding was expended. This chart demonstrates the value of consortial purchasing and the multiplier effect through CRKN's collaborative infrastructure.



Summary Financial Statements

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- 2 Summary statement of financial position**
- 3 Summary statement of revenue and expenses**
- 4 Notes to the summary financial statements**

Independent Auditor's Report on Summary Financial Statements

To the Members of
Canadian Research Knowledge Network

The accompanying summary financial statements, which comprise the summary statement of financial position as at March 31, 2016 and the summary statement of revenue and expenses for the year then ended, and related notes are derived from the audited financial statements of the Canadian Research Knowledge Network (CRKN) for the year then ended.

We expressed an unmodified audit opinion on those financial statements in our report dated June 20, 2016.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited financial statements of CRKN. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of CRKN.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the established criteria disclosed in Note 1 to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of CRKN for the year ended March 31, 2016 are a fair summary of those financial statements in accordance with the established criteria disclosed in Note 1 to the summary financial statements.



Chartered Professional Accountants
Licensed Public Accountants


June 20, 2016

Canadian Research Knowledge Network


Summary statement of financial position as at March 31, 2016

| | 2016 | 2015 |
|--|--------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 17,411,662 | 10,920,594 |
| License and operations fees receivable | 2,864,974 | 8,857,082 |
| Government remittances receivable | 621,469 | 409,344 |
| Prepaid licenses | 91,361,571 | 78,789,040 |
| Other prepaid expenses | 84,891 | 53,020 |
| | 112,344,567 | 99,029,080 |
| Capital assets | | |
| | 37,466 | 76,451 |
| | 112,382,033 | 99,105,531 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 18,998,037 | 18,088,057 |
| Government remittances payable | 36,010 | 242,027 |
| Deferred revenue for license fees (Note 3) | 91,358,217 | 78,869,747 |
| | 110,392,264 | 97,199,831 |
| Commitments (Note 5) | | |
| Net assets | | |
| Invested in capital assets | 37,466 | 76,451 |
| Internally restricted (Note 4) | 778,260 | 758,494 |
| Unrestricted | 1,174,043 | 1,070,755 |
| | 1,989,769 | 1,905,700 |
| | 112,382,033 | 99,105,531 |

On behalf of the Board of Directors



Administrator



Administrator

See the accompanying Notes to these financial statements.

Canadian Research Knowledge Network

Summary statement of revenue and expenses
year ended March 31, 2016

| | Budget 2016 | 2016 | 2015 |
|--|-------------------|--------------------|-------------|
| | \$ | \$ | \$ |
| | (unaudited) | | |
| Revenue | | | |
| License fees | 96,000,000 | 111,924,041 | 100,101,504 |
| License fees - DCI sustainability period | - | - | 667,259 |
| Operation fees | 1,227,452 | 1,227,452 | 1,185,955 |
| Interest | 180,000 | 244,800 | 194,303 |
| Other | 48,496 | 100,510 | 32,224 |
| | 97,455,948 | 113,496,803 | 102,181,245 |
| Expenses | | | |
| Licenses fees | 96,000,000 | 111,924,041 | 100,101,504 |
| License fees - DCI sustainability period | - | - | 667,259 |
| Salaries and benefits | 805,213 | 814,077 | 800,311 |
| Professional fees | 190,262 | 121,317 | 151,857 |
| Insurance | 7,488 | 7,133 | 7,087 |
| Administration | 201,775 | 233,512 | 188,417 |
| Telecommunications | 18,660 | 18,186 | 17,981 |
| Meetings and conferences | 115,950 | 127,430 | 83,911 |
| Meals, travel and accommodations | 131,511 | 126,682 | 77,684 |
| Amortization of capital assets | 46,128 | 40,356 | 43,047 |
| | 97,516,987 | 113,412,734 | 102,139,058 |
| Excess of revenue over expenses | (61,039) | 84,069 | 42,187 |

See the accompanying Notes to these financial statements.

Canadian Research Knowledge Network

Notes to the summary financial statements

March 31, 2016

1. Basis of presentation

The summary financial statements are derived from the complete set of financial statements of Canadian Research Knowledge Network (CRKN) and they meet the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations. A listing of the significant accounting policies is described in the full statements, including financial instruments, revenue recognition, capital assets, and use of estimates.

2. Nature of activities

CRKN was incorporated on April 1, 2004 under the Canada Corporations Act, and continued on November 8, 2013 under the Canada Not-for-Profit Corporations Act. Through coordinated leadership of librarians, researchers, administrators and other stakeholders, CRKN undertakes large-scale digital content acquisition and licensing initiatives in order to build knowledge infrastructure and research and teaching capacity of Canada's universities.

3. Deferred revenue for license fees

Deferred revenue relates to amounts received or receivable from members for license fees for future fiscal years. CRKN matches its license revenue and corresponding license expenses monthly to the period to which the license pertains:

| | 2016 | 2015 |
|---------------------------------------|---------------|---------------|
| | \$ | \$ |
| Balance, beginning of year | 78,869,747 | 69,052,210 |
| Contribution received during the year | 124,412,511 | 109,919,041 |
| Contribution recognized as revenue | (111,924,041) | (100,101,504) |
| Balance, end of year | 91,358,217 | 78,869,747 |

4. Capital management

CRKN manages its capital to ensure that there are sufficient financial resources in place to deliver on the priorities set by the Board of directors. CRKN does not have any short-term or long-term debt.

CRKN follows a budget monitoring and modification policy to routinely and systematically evaluate financial results to budget and, as required, inform the Finance & Audit Committee and Board of deviations.

CRKN also employs a net assets policy to govern management of net assets and to ensure responsible stewardship of organizational equity on behalf of members. In particular, the policy specifies a minimum and maximum limit to unrestricted net assets, and formally restricts net assets equivalent to one half of its operation budget each year. For the year ending March 31, 2016, the Board of Directors approved a transfer of \$19,766 (2015 - \$16,441) from internally restricted to unrestricted net assets to comply with the net assets policy and ensure sufficient funds for operational contingencies.

5. Commitments

CRKN has commitments for the rental of space through to March 31, 2022 and for the rental of office equipment through to January 2019. Minimum lease payments for the rental period are \$738,239 and \$10,560 respectively.

CRKN has commitments to spend \$5,000 per year (\$25,000 total) between April 2016 and March 2021 to host the cndhi-ipnpc.ca website. CRKN has prepaid the hosting provider, and recorded offsetting deferred grant revenue and prepaid expense amounts to match.

CRKN also has commitments with publishers to purchase licenses (and corresponding commitments from its members to participate in those licenses) of \$2,705,695 CDN, 499,924 GBP and \$105,159,494 USD. At March 31, 2016, CRKN has a commitment for the purchase of \$23,447,860 USD (2015 - \$13,892,766 USD) and 4,021 GBP (2015 - NIL GBP) through the use of forward contracts to settle license obligations on behalf of its membership.