
Summary financial statements of Canadian Research Knowledge Network

March 31, 2022

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Independent Auditor's Report on the Summary Financial Statements

To the Members of
Canadian Research Knowledge Network

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2022, and the summary statements of revenue and expenses for the year then ended, and related notes, are derived from the audited financial statements of Canadian Research Knowledge Network ("CRKN") for the year ended March 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the CRKN audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

In our report dated June 17, 2022, we expressed an unmodified audit opinion on those audited financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibility

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



Chartered Professional Accountants
Licensed Public Accountants
July 11, 2022

Canadian Research Knowledge Network
Summary statement of financial position
As at March 31, 2022

Notes	2022 \$	2021 \$
Assets		
Current assets		
	37,457,111	34,209,182
	835,482	—
	12,236,952	36,669,226
	90,061,407	93,640,729
	135,959	125,015
	140,726,911	164,644,152
	242,385	320,491
	140,969,296	164,964,643
Liabilities		
Current liabilities		
	44,968,014	61,725,927
	647,483	4,417,117
3	90,506,633	94,056,941
4	1,203,041	1,070,701
	137,325,171	161,270,686
6		
Net assets		
	242,385	320,491
5	1,776,000	1,721,000
	1,625,740	1,652,466
	3,644,125	3,693,957
	140,969,296	164,964,643

The accompanying notes are an integral part of the summary financial statements.

On behalf of the Board of Directors


_____, Director


_____, Director

Canadian Research Knowledge Network
Summary statement of revenue and expenses
Year ended March 31, 2022

Notes	Budget 2022 \$	2022 \$	2021 \$
	(Unaudited)		
Revenue			
License fees	135,000,000	126,127,485	143,083,913
HCAP fees	1,425,000	1,460,687	1,422,880
Membership fees	1,445,986	1,461,531	1,416,766
Interest	199,900	208,433	198,484
Digitization	20,000	17,222	17,625
Other	205,400	220,605	214,215
	138,296,286	129,495,963	146,353,883
Expenses			
License fees	135,000,000	126,127,485	143,083,913
Salaries and benefits	2,593,630	2,398,363	2,233,250
Professional fees	427,050	249,887	257,238
Insurance	9,200	7,330	6,434
Administration	657,596	566,219	449,702
Telecommunications	28,200	23,454	26,793
Meetings and conferences	23,392	2,669	10,201
Meals, travel and accommodations	11,500	6,819	1,105
Amortization of capital assets	233,631	163,569	217,735
	138,984,199	129,545,795	146,286,371
Excess (deficiency) of revenue over expenses	(687,913)	(49,832)	67,512

The accompanying notes are an integral part of the summary financial statements.

Canadian Research Knowledge Network
Notes to the summary financial statements
 March 31, 2022

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 the use of estimates.

For the year ended March 31, 2022, CRKN estimates that \$25,584 of its receivables (\$25,584 in 2021) are likely uncollectible and has provided for that amount on its financial statements. The impairment results from an exceptional circumstance at one member institution and management is confident that it does not reflect a material change in the riskiness of CRKN's operating environments.

2. Nature of activities

The Canadian Research Knowledge Network (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*.

CRKN's mission is to advance interconnected, sustainable access to the world's research and to Canada's documentary heritage content.

For CRKN member organizations and the diverse communities they serve, the organization empowers researchers, educators, and society with greater access to the world's research and Canada's preserved documentary heritage, now and for future generations.

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:

	2022			2021
	License fees	Other	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	93,915,994	140,947	94,056,941	105,327,207
Contributions received during the year	122,597,041	139,233	122,736,274	131,965,638
Contributions recognized as revenue	(126,127,485)	(159,096)	(126,286,581)	(143,235,904)
Balance, end of year	90,385,549	121,084	90,506,633	94,056,941

4. Deferred revenue for the Heritage program

Other deferred revenue relates to amounts received or receivable from members to support Heritage Programs and from clients for hosting fees for future fiscal years.

On October 20, 2017, the CRKN membership endorsed a business plan to integrate the operations of CRKN and Canadiana.org, including a three-year minimum commitment by members to redirect their existing expenditures on canadiana.org activities to the Heritage Content Access and Preservation fee ("HCAP").

On October 22, 2020, the CRKN membership endorsed an extension of the HCAP fee for a further three years until 2024.

5. 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 and 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 40% of its operation budget each year. For the year ended March 31, 2022, the Board of Directors approved the transfer of \$25,000 from internally restricted to unrestricted net assets (\$37,000 to internally restricted in 2021) to comply with the net assets policy and ensure sufficient funds for operational contingencies.

6. Commitments

CRKN has commitments for the rental of office equipment through to June 2025 in the amount of \$46,121.

During the year, CRKN received an estimated \$144,000 (\$144,000 in 2021) in consideration from a member in the form of free office rent. These offsetting amounts are shown on the statement of revenue and expenses as other revenue and as administration expenses, respectively.

At March 31, 2022, CRKN has a commitment for the purchase of US\$33,340,794 through the use of forward contracts to settle license obligations on behalf of its membership.