ALBERTA’S KNOWLEDGE PIPELINE

CYBERA IS THE ARCHITECT AND GUARDIAN OF THE ULTRA HIGH-SPEED NETWORK, CYBERANET, PROPELLING RESEARCH, EDUCATION AND ENTERPRISE IN ALBERTA.
A MESSAGE FROM ROBIN WINSOR

CYBERA HAS CONNECTIONS

This is truer today than ever before: in the past fiscal year, the number of Albertans taking advantage of the Research and Education Network has skyrocketed. Where once we received two to three member applications a year, Cybera is now seeing two to three new members join every month. Today, Cybera connects more than half of Alberta’s K-12 students, and 84% of its post-secondary students.
Why are so many connecting? Because they want access to the fastest (and most economical) internet possible; they want to take part in shared cloud computing programs that achieve economies of scale; and they want to have a say in the future of Alberta’s digital economy.

I am thrilled with the success of Cybera’s networking initiatives for our members, particularly the Internet Buying Group. In the past year, the monthly bulk rate dropped to $12/Mbps—for many members, this is $50/Mbps less than what they were previously paying. We will continue to push for lower prices until Alberta has reached parity, or better, with US prices.

Another big win has been Cybera’s work with the Cities of Edmonton and Calgary to leverage their “dark fibre” (the thousands of kilometres of unused fibre-optic cables buried under Alberta’s municipalities). This fibre is a convenient way for public buildings in the cities’ cores to connect to CyberaNet, and provides an extremely effective link to urban Albertans. We hope to work with municipalities across the province to deepen this connection.

But it’s not just the public sector that is getting a technical boost from Cybera. In a world facing massive social disruption from new technologies, it is important for Albertans to prepare for the coming information economy, and this means giving digital entrepreneurs and idea makers as much technological support as possible.

This is why Cybera has made its network available to five business incubator and maker spaces in the province, and opened up its experimental cloud to startups and researchers. We want to encourage Albertans to test their digital ideas to the fullest, without having to worry about paying massive cloud hosting fees, or for pricey high-speed fibre connection points. The pilot users of the CyberaNet for Innovators and Rapid Access Cloud programs have not disappointed—over 130 groups have made use of these tools to kickstart new businesses, applications and research projects, all with the capability to take on international competitors.

In the next year, we will continue to expand our network to even more municipalities and entrepreneurial spaces.
We will work more closely with the K-20 community to help them increase IT efficiencies and collaborations in this economic climate of reduced budgets.

Ultimately, we want to help Albertans to continue to do innovative things. This means helping researchers and entrepreneurs, as well as helping researchers become entrepreneurs. By making high-quality network and computing resources available to budding business mavericks, Alberta will shorten the distance from campus to commerce, and fulfill the goal of creating a booming silicon valley in the north.

Let’s connect.

Robin Winsor
President and CEO
Cybera
Alberta’s use of its unmetered Research and Education Network, CyberaNet, has reached an all-time high. This is leading to better connectivity, increased efficiencies, reduced infrastructure costs, and improved accessibility and collaborations.

CONNECTIONS

In the past fiscal year, 16 new connections were made to CyberaNet, and the total number of Cybera members grew to 48.

OVER HALF OF ALBERTA’S K-12 STUDENTS AND 60% OF ITS POST-SECONDARY INSTITUTIONS (REPRESENTING 84% OF ALL POST-SECONDARY STUDENTS) ARE NOW MAKING USE OF THE HIGH-SPEED RESEARCH NETWORK.
**WELCOME SAVINGS**

Cybera’s networking services (Peering and Internet Buying Group) saved members over $630,000 in 2013-2014, on top of the essential benefits they get from connecting to, and collaborating with other educators on, Cybera’s super fast Research and Education Network.

**MUNICIPAL GROWTH**

In November 2013, a 10 gigabit ethernet link between Calgary and Edmonton was installed, allowing CyberaNet to begin tapping into both cities’ dark fibre. This will make it easier for members located in these cities to connect to CyberaNet, the most efficient bandwidth in the province. As well as growing the network between Calgary and Edmonton, Cybera has also doubled the available bandwidth to Lethbridge City Hall, to 1 gigabit ethernet. This will provide a faster connection, with fail-over protection, for Lethbridge-area institutions that connect through the City (including the University of Lethbridge).

**NETWORK SERVICES**

**PEERING SERVICE**

Through direct peering connections, Cybera’s members can link to major content sites such as Google, Microsoft and YouTube. This frees up, on average, 65% of their commercial bandwidth, which leads to **substantial internet cost savings**.

In the last fiscal year, another 16 member institutions joined the Peering Service, and are now enjoying these savings. This brings the total number on the peering service to 37.

**NEW PEERING SERVICE MEMBERS**

- Grande Yellowhead Public School Division
- Palliser Regional Schools No.26
- Battle River School Division No.31
- City of Lethbridge
- Northern Gateway Regional Division No.10
- Grande Prairie Catholic School District No.28
- Northern Lakes College
- Canadian University College
- Golden Hills School Division No.75
- High Prairie School Division No.48
- St. Thomas Aquinas Roman Catholic Division No.38
- Calgary Board of Education
- Grasslands Regional School Division No.6
- Prairie Rose School Division No.8
- Rocky View School Division No.41
- SAIT Polytechnic
INTERNET BUYING GROUP

For the past two years, Cybera’s Internet Buying Group has been aggregating members’ network traffic to obtain reduced “bulk” rates for internet. In the last fiscal year, this bulk rate was reduced from $14/Mbps/month to $12/Mbps/month – a price that will be reviewed every six months as new members join and service costs go down. **There are now over 110,000 people within Alberta’s public and educational sectors who are making use of this bundled internet.**

In the last fiscal year, 13 member institutions joined the Internet Buying Group. As more join, the buying power of the group increases, which will lead to even lower prices. The newest members of the group are:

- Grande Yellowhead Public School Division
- Palliser Regional Schools No.26
- Battle River School Division No.31
- City of Lethbridge
- Northern Gateway Regional Division No.10
- Grande Prairie Catholic School District No.28
- Northern Lakes College
- Canadian University College
- Chinook’s Edge School Division No.73 (switched from peering)
- Wolf Creek Public Schools (switched from peering)
- Golden Hills School Division No.75
- High Prairie School Division No.48
- St. Thomas Aquinas Roman Catholic Division No.38
Cybera is helping Alberta universities and colleges achieve economies of scale by piloting production-level cloud-based services. These pilots have already paid off: in the past fiscal year alone, Cybera’s economic impact on the three biggest research universities in the province was over $1.6 million (through infrastructure and internet savings, and bringing in outside project funding). This is on top of the many essential benefits all Cybera members enjoy: high-quality networking, big data research tools, technology training, and cloud computing collaborations to spur innovation and increase operational efficiency.
**LEARNING MANAGEMENT CLOUD**

The Learning Management Cloud was developed in 2012 to give institutions a single online system for hosting student course registrations, grades and class materials. Each of the four current participants have access to a powerful pool of computing tools, and have reported reduced bottlenecks and operational costs since joining.

This project has proved so successful that the institutions involved have begun dialogues over opportunities to develop other technology-sharing services.

**VIRTUAL COMPUTING LAB**

In 2011, the University of Alberta began piloting a tool that provides virtual workstations for students, allowing them to access their class software from any network-connected device, and replacing the need for physical computer labs on campus. Since then, over 1,800 students have spent 15,000+ hours on the Virtual Computing Lab, which was developed by Cybera.

AT THE END OF THE 2013-2014 WINTER SEMESTER, THE VIRTUAL COMPUTING LAB WAS TRANSITIONED TO BE RUN FULL-TIME BY UNIVERSITY OF ALBERTA STAFF, WHO WILL CONTINUE TO OFFER IT TO FACULTY AND STUDENTS.
SHARED FIREWALL AND DOMAIN NAME SYSTEMS

Collaborating on IT security and efficiency tools is an excellent way for smaller organizations, including K-12 school divisions and municipalities, to improve operations and save costs while giving students a safe online educational experience. The Firewall Sharing Project is one such collaboration. Begun in the last fiscal year, it is piloting a single shared firewall among four participating school divisions.

Through the shared Domain Name System service, Cybera is also creating a faster internet experience for all members. The project, which began in early 2014, will help keep internet traffic local and reduce latency. This will be particularly beneficial for K-12 members, who will see cost savings through reduced bandwidth and IT staff time requirements.
Cybera has opened up its cloud and networking resources to aid Alberta ingenuity, and Albertans have responded in force. The number of people using Cybera’s cloud resources increased by over 350% in the past fiscal year, while high-speed connections have been installed at five business incubators and maker spaces in Alberta.

INSTANT CLOUD FOR ALBERTA’S BRAINWAVE MOMENTS

In the last fiscal year, Cybera made its test cloud infrastructure available for use by researchers and start-ups, so anyone with a spark of an idea has uninhibited access to cloud resources to flesh it out. The goal of the Rapid Access Cloud is to provide the digital tools to move budding entrepreneurs from campus to commerce in a fast and economical way.

Today, there are over 130 registered users of this cloud. These include groups who are prototyping games or video development platforms, as well as creating social media analysis tools or time-saving apps. For example, the Applied Research and Innovation Services group at SAIT has used the Rapid Access Cloud to assist a number of small Alberta companies, including PayLab Networks.

SAIT and PayLab have developed an innovative vending machine payment service — hosted in the cloud — that is patent-pending and attracting interest from large global companies.

More Canadian businesses are getting started with the cloud

The Digital Accelerator for Innovation and Research (DAIR) saw a huge uptake of users in this past fiscal year. Operated by CANARIE, in partnership with Compute Canada and Cybera, DAIR provides free (or highly subsidized) cloud resources to Canadian entrepreneurs looking to create and test new products, avoiding substantial product development costs. Cybera has been promoting extensively across Western Canada to promote the DAIR program: organizing hackathons, meetings with business incubators and presenting at startup conferences. The result? There are now 170 DAIR users in Canada — 96 in the Prairies alone (compared to a total user base of 38 in the previous fiscal year).

This program has proved so successful, it has been extended to run until 2016, giving a new batch of entrepreneurs another year to get started with Canadian cloud support.

A powerful internet hub

The Alberta Internet Exchange is up and running, with Alberta’s four provincial internet service providers (ISPs) connected. This infrastructure has hugely contributed to our success, and the money we’ve saved has gone straight into hiring more staff. The fact that Dissolve could get instant access to unlimited uploads was also crucial, he says, as it would have taken months to build a fibre connection to its office (if that was even possible).
CYBERANET
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OUR NETWORK

EDMONTON

CALGARY

REGINA

LETHBRIDGE

VANCOUVER

SASKATOON

BANFF

CONNECTING OUR WORLD
CYBERANET CONNECTS LOCAL RESEARCHERS TO OVER
80 RESEARCH NETWORKS AROUND THE WORLD.

THE LARGE HADRON COLLIDER is the world’s largest and most
powerful particle collider, built by the European
Organization for Nuclear Research. Its aim is to
allow physicists to test the predictions of differnet theories of
particle physics and high-energy physics.

THE SQUARE KILOMETRE ARRAY is one of the largest global
science projects ever undertaken, and Cybera and the
University of Calgary are working to bring it to
Alberta. The SKA will be the world’s biggest radio
telescope. Cybera’s portal will provide advanced data
visualization, analytics and processing capabilities. Industries affected will
include biotechnology, resource management,
energy, information technology and many others.

ARCTICCONNECT is bringing together valuable
Arctic research and sensor data, publications and even artwork, to be
accessed from a single, online user portal.

DIGITAL ACCELERATOR FOR INNOVATION & RESEARCH (DAIR):
DAIR provides a free testbed for small and medium-sized companies and
individual researchers who have ideas for complex, large-scale products,
but lack the digital infrastructure to create it themselves.

LEARNING MANAGEMENT CLOUD: Multiple educational institutions
are sharing a single online learning management system. This reduces
IT infrastructure costs while allowing students to reliably track grades
and correspond with teachers.

PEERING SERVICE: Educational & non-profit members receive direct
access to popular sites such as Google, YouTube & Desire2Learn to
increase efficiency & reduce usage costs.

SUPPORTING: MAKERS, INNOVATORS, STUDENTS,
RESEARCHERS, ENTREPRENEURS, EDUCATORS & INSTITUTIONS

ENABLING: EFFICIENCY, ACCESS, INNOVATION, VISUALIZATION,
RESEARCH, VIRTUALIZATION, RAPID PROTOTYPING & INFRASTRUCTURE

PROGRAMS

RAPID ACCESS CLOUD: Free cloud computing resources for up to
one year to Alberta-based academics, researchers, non-profits and
small to medium-sized organizations. Tools for fast, pre-market
research, testing & prototyping.

INTERNET BUYING GROUP: Cybera pools member traffic &
negotiates bulk bandwidth rates to provide ultra-fast services at
a reduced cost.

CYBERANET FOR INNOVATORS: Providing Alberta start-ups and
makers with direct access to Alberta’s high-speed network, creating
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1,000 TIMES FASTER THAN CONVENTIONAL NETWORKS

100 Gbps BETWEEN CALGARY AND EDMONTON

12 PB OF DATA TRANSPORTED ANNUALLY

Gbps
0 10 20 30 40 50 60 70 80
Gbps

1,000 TIMES FASTER THAN CONVENTIONAL NETWORKS

CYBERANET CONNECTS LOCAL RESEARCHERS TO OVER
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increase efficiency & reduce usage costs.
In July 2013, WestGrid announced that over four petabytes of research data had been moved across Cybera and CANARIE’s advanced networks. To put this figure in context: if you were to play four petabytes-worth of music on a massive MP3 player, it would take you 8,000 years to listen to it all. The last fiscal year has also seen three important big data projects begin in Alberta, under Cybera’s management and with funding from CANARIE. The tools these projects are building will help scientists deal with the ever-growing amounts of research data.

**ACTIVE FOLDERS**

Online shared folders like Dropbox are vital tools for sharing documents. But for researchers doing data-heavy work in high-performance computing (HPC) centres, there are no shared folders available
to handle their large and sensitive files. These people usually need to copy and carry their documents. Dr. Pau Lu of the University of Alberta’s Department of Computing Science is building a new method for simple and secure data transfer between HPC centres and individual computing devices.

This encrypted, high-speed service will handle the storage and distribution of massive files, including ones in the terabytes size range.

**ARCTICCONNECT**

Canada’s far north is the subject of numerous surveys, studies and reports that focus on its fragile landscape, wildlife, weather, and impact of climate change. Searching through this information for a specific piece of data and its geographic origin can be time-consuming and frustrating. ArcticConnect is bringing together valuable Arctic information, including research station sensor data, publications, photographs and even artwork, to be accessed from a single, online user portal.

At the heart of the ArcticConnect platform is the Arctic Web Map service, which will visualize a host of data drawn from the Arctic Science and Technology Information System (ASTIS) database as well as its own portal for collected sensor and field observations. This centralized, extensive tool will contribute to our understanding of the Arctic and the effects of its rapidly changing environment.
The Square Kilometre Array (SKA), currently under construction in Australia and South Africa, will be the world’s largest radio telescope. The brainchild of a University of Calgary astronomy professor, this multi-nation initiative represents one of the most complex global science projects ever undertaken, as well as the biggest “Big Data” challenge. For perspective, the data generated daily from SKA’s dishes will produce over 10 times today’s global web traffic.

A research team from the University of Calgary, with contributions from Calgary Scientific and RackForce Networks, is creating the digital infrastructure needed to visualize, distribute, deliver and access the data that will be streaming in from the SKA radio telescopes. This CyberSKA project will also use CANARIE and Cybera’s high-speed network to move large data sets.
FOSTERING NEW DIALOGUES

Seeking to increase collaborations and advance the use of game-changing technologies in the province, Cyberans have attended numerous meetings and workshops across Alberta in recent years. This includes face-to-face meetings with the Alberta Association in Higher Education for Information Technology and all post-secondary institutions in Alberta to discuss their networking, shared services, research and training needs. Cybera has also worked with senior provincial officials to draft a cloud strategy that supports economic growth in Alberta.

These conversations continued at the 2013 Cyber Summit. The event brought together 150 high-tech entrepreneurs, IT decision makers and researchers from industry, academia and government to discuss tools and opportunities to make Alberta’s public and education sectors more efficient.

Outside of the Summit and face-to-face meetings, Cybera has increased its online presence to deepen dialogues with stakeholders. In September 2013, the company launched a new website to emphasize its mandate and explain the many services it offers to Albertans. It had over 25,000 visits in the last fiscal year.
COMMUNICATION

WEBSITE
(April 1, 2013 – March 31, 2014)

25,000+ UNIQUE VISITS

BLOGS

40

TWITTER FOLLOWERS

1,210

MEDIA STORIES

12

FACEBOOK LIKES

148

LINKEDIN COMPANY PAGE + GROUP FOLLOWERS

599
SHARING WHAT WE’VE LEARNED

Cyberans are experts in cloud computing and networking, and more and more, they are looking to share this understanding with others through local presentations and workshops, and through international work exchanges.

In the past fiscal year, one Cyberan spent three months working onsite at SURFNet, which operates the National Research and Education Network in The Netherlands. Another worked onsite at various international network partners, including BCNet, SWITCH (Switzerland), the University of London Computing Centre (UK), and TERENA (the Trans-European Research and Education Networking Association, located in The Netherlands). This was an opportunity to showcase what Cybera is doing and the novel operations we have developed, and to learn new tools and techniques.

Yet another Cyberan led a month-long course on Software Defined Networking (a next-generation networking technology) at the University of Alberta, as well as a half-day workshop on the same topic at the 2013 Cyber Summit.

In response to the training needs highlighted by the Alberta Association in Higher Education for Information Technology, Cybera also organized the first OpenStack cloud computing certificate program in Alberta, held in November 2013. We also contributed to the first official OpenStack Operations Guide, published in November.
BOARD OF DIRECTORS

Three Cybera board meetings were held in the 2013-2014 fiscal year. In that time, one board member stepped down, while another became a member-at-large. There was also one new appointment: Mike Battistel, from Athabasca University. As the terms of long-serving board members are coming to an end, the Board is seeking four new members to join.

Cybera now has two member classes: voting members (organizations that have a significant research component in their mandate) and non-voting members. In the past fiscal year, the Board also took steps to ensure that Cybera transitioned to the new Federal Not For Profit Act well ahead of the required government deadline.
MIKE BATTISTEL
Athabasca University
Mike Battistel is the Vice President, Information Technology at Athabasca University.

ANDREW BJERRING (MEMBER-AT-LARGE)
Andrew Bjerring was a founding member of the board of CANARIE and was its president and CEO for 15 years prior to his retirement in October 2008.

TREVOR DAVIS
Mount Royal University
Trevor Davis is the Associate Vice-President, Research, at Mount Royal University.

FRANK MAURER
University of Calgary
Frank Maurer is the Associate Vice-President (Research) at the University of Calgary.

JONATHAN SCHAFFER (VICE CHAIR)
University of Alberta
Jonathan Schaeffer is the Dean of the Faculty of Science and Professor of Computing Science at the University of Alberta.

LESLIE WARREN (MEMBER-AT-LARGE)
Leslie Warren is a Project Coordinator for the Tiffin Conference at Lethbridge College, and the former Economic Development Officer for the Vulcan Business Development Society.

PETER SINGENDONK (CHAIR)
Cisco Systems Canada
Peter Singendonk is the Director, Systems Engineering, Technical and Strategic Operations at Cisco Systems, Canada.

ROB TASKER
TRTech
Rob Tasker is the President and CEO of TRTech, a not-for-profit research and development company accelerating industry growth through ICT innovation.

JUSTIN WEBB (MEMBER-AT-LARGE)
Justin Webb is IBM’s Director of Western Canada for Strategic Outsourcing Delivery.
INDEPENDENT AUDITORS’ REPORT
To the Members of Cybera Inc.:

We have audited the accompanying financial statements of Cybera Inc., which comprise the statement of financial position as at March 31, 2014, the statement of operations, changes in net assets and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS’ RESPONSIBILITY
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION
In our opinion, the financial statements present fairly, in all material respects, the financial position of Cybera Inc. as at March 31, 2014, its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPHY LLP
Chartered Accountants
June 20, 2014
Calgary, Canada
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014, WITH COMPARATIVE INFORMATION FOR 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 619,881</td>
<td>$ 1,384,321</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>786,528</td>
<td>933,865</td>
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<tr>
<td>Goods and services tax receivable</td>
<td>–</td>
<td>5,631</td>
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<tr>
<td>Prepaid expenses</td>
<td>48,958</td>
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<tr>
<td></td>
<td>1,455,367</td>
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</tr>
<tr>
<td>Long term accounts receivable</td>
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<td>33,452</td>
</tr>
<tr>
<td>Deposit on equipment</td>
<td>–</td>
<td>100,902</td>
</tr>
<tr>
<td>Property and equipment (note 2)</td>
<td>321,273</td>
<td>129,425</td>
</tr>
<tr>
<td></td>
<td>321,273</td>
<td>263,779</td>
</tr>
<tr>
<td></td>
<td>$ 1,776,640</td>
<td>$ 2,609,676</td>
</tr>
</tbody>
</table>

| **Liabilities and Net Assets** | | |
| Current liabilities:  | | |
| Accounts payable and accrued liabilities (note 3) | $ 504,766 | $ 304,259 |
| Deferred revenue (note 4) | 410,426 | 1,440,612 |
| Net assets (note 5) | 861,448 | 864,805 |
| Economic dependence (note 6) | | |
|                   | $ 1,776,640    | $ 2,609,676    |

See accompanying notes to financial statements.

APPROVED BY THE BOARD:

[Signatures]

DIRECTOR

DIRECTOR
# STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2014, WITH COMPARATIVE INFORMATION FOR 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>$2,520,719</td>
<td>$2,833,947</td>
</tr>
<tr>
<td>Grant</td>
<td>3,104,597</td>
<td>2,186,300</td>
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<tr>
<td>Membership</td>
<td>314,186</td>
<td>155,112</td>
</tr>
<tr>
<td>Interest</td>
<td>22,207</td>
<td>16,177</td>
</tr>
<tr>
<td>Other</td>
<td>11,237</td>
<td>9,500</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>5,972,946</strong></td>
<td><strong>5,201,036</strong></td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>3,164,609</td>
<td>2,626,939</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,244,287</td>
<td>1,219,483</td>
</tr>
<tr>
<td>General and administrative</td>
<td>534,972</td>
<td>519,722</td>
</tr>
<tr>
<td>Marketing and communications</td>
<td>396,399</td>
<td>493,451</td>
</tr>
<tr>
<td>Project and partnership development</td>
<td>488,952</td>
<td>377,586</td>
</tr>
<tr>
<td>Depreciation</td>
<td>147,084</td>
<td>92,016</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>5,976,303</strong></td>
<td><strong>5,329,197</strong></td>
</tr>
<tr>
<td><strong>Deficiency of revenues over expenses</strong></td>
<td><strong>($3,357)</strong></td>
<td><strong>($128,161)</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2014, WITH COMPARATIVE INFORMATION FOR 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$864,805</td>
<td>$992,966</td>
</tr>
<tr>
<td>Deficiency of revenues over expenses</td>
<td>($3,357)</td>
<td>($128,161)</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td><strong>$861,448</strong></td>
<td><strong>$864,805</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
# STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2014, WITH COMPARATIVE INFORMATION FOR 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenues over expenses</td>
<td>$ (3,357)</td>
<td>$ (128,161)</td>
</tr>
<tr>
<td>Add item not affecting cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>147,084</td>
<td>92,016</td>
</tr>
<tr>
<td></td>
<td>143,727</td>
<td>(36,145)</td>
</tr>
<tr>
<td>Changes in non-cash working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>147,337</td>
<td>198,368</td>
</tr>
<tr>
<td>Goods and services tax receivable</td>
<td>5,631</td>
<td>5,206</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(26,878)</td>
<td>19,976</td>
</tr>
<tr>
<td>Long term accounts receivable</td>
<td>33,452</td>
<td>(33,452)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>200,507</td>
<td>(612,705)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(1,030,186)</td>
<td>882,896</td>
</tr>
<tr>
<td></td>
<td>(526,410)</td>
<td>424,144</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures on property and equipment</td>
<td>(338,932)</td>
<td>–</td>
</tr>
<tr>
<td>Deposit on equipment</td>
<td>100,902</td>
<td>–</td>
</tr>
<tr>
<td>Proceeds from sale of investment</td>
<td>–</td>
<td>862,702</td>
</tr>
<tr>
<td></td>
<td>(238,030)</td>
<td>862,702</td>
</tr>
<tr>
<td>(Decrease) increase in cash and cash equivalents</td>
<td>(764,440)</td>
<td>1,286,846</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>1,384,321</td>
<td>97,475</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$ 619,881</td>
<td>$ 1,384,321</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2014, WITH COMPARATIVE INFORMATION FOR 2013

GENERAL:
Cybera Inc. (“Cybera”) was incorporated on January 12, 1994 under Part II of the Canada Corporations Act as a corporation without share capital as WurcNet Inc. In 1999 it changed its name to Netera Alliance Inc. and in 2007 it changed its name to Cybera Inc. Cybera was continued under the Canada Not-For-Profit Corporations Act on November 27, 2013.

Cybera is an Alberta-based, not-for-profit alliance that manages large-scale inter-institutional information and communication technology projects, including research networks, high performance computing resources, digital content projects and collaboration facilities.

The objectives of Cybera are to provide information and communications infrastructure, project management, advocacy and technical expertise to leverage the resources, skills and services of its members, without preference or partiality to any individual member.

As a not-for-profit organization, the income of Cybera is not subject to tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

1. SIGNIFICANT ACCOUNTING POLICIES:
The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook.

(a) Revenues:
Revenue from membership dues is recognized evenly over the term of the membership.

Project revenue, which is comprised of contributions towards project costs, is recognized using the deferral method. Under this method, restricted contributions are recognized as revenue when the related project costs are incurred. Restricted contributions received in a period before the related expenses are incurred are accumulated as deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable.

Grant revenue, which is comprised of contributions towards project costs, is recognized using the deferral method. Under this method, restricted contributions are recognized as revenue when the related project costs are incurred. Restricted contributions received in a period before the related expenses are incurred are accumulated as deferred revenue. Unrestricted contributions are recognized as revenue when received or receivable.

Interest income is recognized when earned.

(b) Project expenses:
As part of the development of applications for high speed networks, Cybera provides funding for certain research and development projects. Cybera charges costs incurred on these projects to operations as incurred. Typically, Cybera does not retain ownership rights in the results of these projects, rather, these rights reside with the project participants on a basis defined in the respective project agreements.

(c) Cash and cash equivalents:
Cybera considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents.

(d) Investments:
Cybera measures its investments at cost plus accrued interest in accordance with accounting standards for not-for-profit organizations; earnings from such investments are recognized only to the extent received or receivable. Investments are comprised of term deposits held at accredited financial institutions.

(e) Property and equipment:
Property and equipment is recorded at cost. Depreciation of property and equipment is provided using the straight-line method at a rate of one-third of cost per year.

(f) Donations of services:
Cybera receives from its members and others, donations of professional time, services and office support. The value of these donations is not included in these financial statements as the related fair value cannot be reasonably determined.

(g) Foreign currency:
Monetary items denominated in a foreign currency and non-monetary items carried at market are adjusted at the statement of financial position date to reflect the exchange rate in effect at that date. Non-
monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred.

(g) Foreign currency (continued):
Revenues and expenses are translated at average rates of exchange during the year. Exchange gains and losses are included in the determination of deficiency of revenues over expenses.

(h) Use of estimates:
The preparation of the financial statements in conformity with Canadian accounting standard for not-for-profit organizations 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates include the valuation of accounts receivable, estimated life of property and equipment and accrued liabilities. Actual results could differ from those estimates.

(i) Financial instruments:
Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Cybera has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Cybera determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Cybera expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. PROPERTY AND EQUIPMENT:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$631,452</td>
<td>$310,179</td>
</tr>
<tr>
<td>Accumulated amortization</td>
<td>$321,273</td>
<td>$129,425</td>
</tr>
<tr>
<td>Net book value</td>
<td>$321,273</td>
<td>$129,425</td>
</tr>
</tbody>
</table>

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:
Included in account payables and accrued liabilities are government remittances payable of $45 (2013 - $3,560), which include amounts payable for payroll related taxes.

4. DEFERRED REVENUE:
Deferred revenue represents restricted contributions received that relate to expenses of future years. Contributions are recorded as deferred revenue until the related expenditures have been incurred.

The components of deferred revenue as at March 31 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$1,440,612</td>
<td>$557,716</td>
</tr>
<tr>
<td>Less amount recognized as revenue in the year</td>
<td>(1,440,612)</td>
<td>(57,716)</td>
</tr>
<tr>
<td>Add amount received related to expenses of future periods</td>
<td>410,426</td>
<td>940,612</td>
</tr>
<tr>
<td></td>
<td>$410,426</td>
<td>$1,440,612</td>
</tr>
</tbody>
</table>

5. NET ASSETS:
In the event of dissolution or winding-up of Cybera, all of its remaining assets, after payment of its liabilities, would be distributed to other not-for-profit organizations.

6. ECONOMIC DEPENDENCE AND GOVERNMENT ASSISTANCE:
Cybera’s future operations are dependent on continued funding from the Alberta Government.
Cybera periodically applies for financial assistance under available government incentive programs. Government assistance relating to research and development expenditures is recorded as a reduction of current year expense when the related expenditures are incurred.

7. FINANCIAL INSTRUMENTS AND RELATED RISKS:
Fair value of financial assets and financial liabilities:
Financial instruments include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to their short term nature.

(a) Credit risk:
Accounts receivable are subject to minimal credit risk as the majority of the receivables are from government-sponsored institutions. Cash is held at financial institutions that are considered to be credit worthy by Cybera.

(b) Market risk:
Cybera is exposed to the following types of market risk:
(i) Foreign currency risk:
Foreign currency exposure arises from the holding of a U.S. bank account and transactions with foreign companies. Cash held in foreign currencies as at March 31, 2014 and 2013 was minimal.

(ii) Interest rate risk:
Interest rate risk arises from the holdings of fixed income securities. As interest rates fluctuate, the fair value of these securities will be impacted.

(c) Liquidity risk:
Liquidity risk is the risk that Cybera will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Cybera is not exposed to significant liquidity risk and manages its liquidity risk by monitoring its operating requirements.

8. SUBSEQUENT EVENT:
On April 2, 2014, $250,000 was received from the Alberta Government – Minister of Innovation and Advanced Technology relating to fiscal 2014-2015 funding, extension of the Special Projects Grant.

On June 4, 2014, $2,000,000 operating cheque was received from the Alberta Government – Minister of Innovation and Advanced Technology relating to fiscal 2014-2015 funding.