To mark Cybera’s 25th anniversary, we have created a specially themed annual report to celebrate the year of our birth: 1994. But of course, what we are really celebrating is what Cybera is doing right now. In 2019, Cybera is running a broad, deep stack of services that are helping people work, learn, and stay economically competitive in the 21st century.

Our advocacy team is trumpeting the need for wider and more meaningful internet access. Our networking team is forging new (or improved) high-speed connections to institutions. Our data science and cloud computing teams are putting valuable skills and resources in the hands of ordinary Albertans.

This work is getting noticed. When Cyberans attend global conferences, people are coming up to us and asking questions about the unique, macro-level work our organization is doing. Other Research and Education Networks are now saying they want to replicate our advocacy and technology development efforts, because they see the value we are adding to the community.

We’re just delighted to see many Alberta organizations recognize the value of collaborating with us. By the end of the 2018-19 fiscal year we were close to 100 members, which is a 350% increase from our member base when I started in 2009. In the coming year, that number will surpass the 100-mark.

As I relinquish my role in 2019, and look back over the last 10 years, I’m very proud of how much we have grown, and all the amazing things our staff has done for Alberta’s public sector. I’m also now seeing technologies we have been monitoring for years — such as Low Earth Orbit satellites and Artificial Intelligence — really come to fruition. The quantum computing revolution has not arrived yet, but when it does come, it will shake things up again!

I know Cybera is in excellent hands to take on the new challenges of the next 25 years, and help its members rise to the occasion. These are exciting times to be working in technology. I just hope that those who follow will have as much fun in this field as I have had!
This past fiscal year was a big one for expanding and securing Cybera’s network. A new point of presence (PoP) was installed in Red Deer, allowing Red Deer College and the Red Deer Public School District to become the first institutions in that region to connect to CyberaNet, at a rate of up to 1 Gbps. In Edmonton, we upgraded our infrastructure with the City of Edmonton so that MacEwan University, Concordia University of Edmonton, NorQuest College, and the Northern Alberta Institute of Technology could connect to the National Research and Education Network (NREN).

Meanwhile, Cybera and its 12 NREN partners launched a collaborative, cross-Canada cybersecurity initiative. We have begun installing national Security Information and Event Management (SIEM) infrastructure, which will be overseen by security analysts across the country, including one from Cybera. This solution will enable all partners of the NREN to better identify, manage and respond to cybersecurity threats, and will strengthen the overall security of Canada’s NREN infrastructure.

### ADDITIONAL 2018-19 CONNECT ACHIEVEMENTS

**CONNECTED ALBERTANS**

- Cybera’s membership: 99 organizations
  - 89 connect to Cybera’s Peering service
  - 61 participate in the Internet Buying Group
- 98% of Alberta’s PSI students connect to CyberaNet
- 62% of Alberta’s K-12 students connect to CyberaNet
- Total Albertans connected to CyberaNet: 727,127

**OTHER ACHIEVEMENTS**

- +47,000 TB of data transported in 2018 (10% increase from 2017)
- Price of bandwidth for Internet Buying Group reduced by 22% to $1.75/Mbps
- Started a research project to investigate a Software Defined Networking solution for sharing excess bandwidth on networks
- Continued meeting with CANARIE, the International Center for Advanced Internet Research, and SURFNet to discuss and monitor advances in advanced research and education networking

---

**Are you interested in learning some facts about Cybera in 1994?**

- Name: WurcNet
- Staff: 3
- Network Speed: 10 Mbps
- Member Organizations: 2
- # of Albertans connected: 57,000
- Above the Network Services: 0
Cyberans spent a lot of time sharing their data science wisdom this past fiscal year. Cybera launched the Data Science for Albertans service, which provides businesses and everyday Albertans with free training workshops, online tools, and even short data science collaborations. The goal of this service is to help more Alberta businesses make use of these valuable tools, and support Albertans looking to join a career in data science.

We also see these “computational thinking” skills as being vital for young Canadians to learn, which was why we rolled out the Callysto educational platform. In the last year, our team began holding Callysto training workshops with teachers in Western Canada.

Finally, Cybera’s cloud resources and expertise continue to be tapped by educators and innovators in Alberta and across the globe. This includes The Netherlands, whose research network (SurfNET) staff rely on Cybera to maintain their internal cloud environment.

**ADDITIONAL 2018-19 ENABLE ACHIEVEMENTS**

**CLOUD**
- By January 2019, the Rapid Access Cloud had 2,025 registered users, a 38% increase over the previous year
- Sahara (an application for data science use) was added to the Rapid Access Cloud
- # of classrooms that made use of the Rapid Access Cloud: 10
- By March 2019, 17% of users of the national DAIR cloud were from Alberta

**WORKSHOPS**
- # of Callysto workshops delivered across Canada: 56
  - +750 teachers and students trained
- # of Data Science for Albertans workshops / introductory presentations: 11
  - +230 Albertans participated

---

Are you interested in learning some facts about Cybera in 1999?

- **Name:** Netera
- **Staff:** 17
- **Network Speed:** 155 Mbps
- **Member Organizations:** 11
- **Above the Network Services:** 0
Cybera’s shared services are becoming vital to our members, helping them achieve over $3.45 million in gross savings in 2018-19 alone! This past fiscal year, we launched two new shared programs: the **Virtual Firewall Service** and the **Pika** federation. The Virtual Firewall Service saves educators time and money by removing the need to host their own physical firewall devices. Pika is the first “federated identity management” solution in Alberta to be dedicated to educators. Its benefits include a safer login experience for students, and reduced administration time for schools.

**ShareIT** continues to grow in use and relevance. This past year, it expanded its user base, as well as its catalogue of offerings to include more hardware and networking products, as well as security services, such as vulnerability assessment and penetration testing. It also now offers a learning platform for members to share best practices in purchasing and utilizing IT equipment.

Finally, in March 2019, Cybera assumed management of the **Alberta Shared Chief Information Security Officer (CISO)** project from NorQuest College. To save costs, three post-secondary provinces are sharing the use of a single CISO, who will aid in the design and implementation of their security programs.

**ADDITIONAL 2018-19 SHARE ACHIEVEMENTS**

- Near the end of its first year, the Virtual Firewall Service included 12 member organizations
- Pika connected five service providers, and offered single sign-on to five services (including G Suite for Education and Office 365)
- ShareIT saved participants nearly $3.3 million in IT purchasing, bringing the total savings to-date to nearly $6 million
  - ShareIT launched a new dashboard to demonstrate the number of members and savings to date

---

**Are you interested in learning some facts about Cybera in 2004?**

- **Name**: Netera
- **Staff**: 18
- **Network Speed**: 1 Gbps
- **Member Organizations**: 15
- **Above the Network Services**: 0
Cybera continued to participate in a number of federal and provincial discussions on the broadband needs of Canadians (see the achievements column for more details). But we recognize it is difficult to make the case for connectivity investments without reliable data.

With this in mind, in 2018, we partnered with First Nations technology organizations, as well as CIRA and the University of Alberta, to create the ConnectIN project. This initiative will evaluate the internet speeds of Indigenous communities in Manitoba, Alberta, and B.C. using small, cost-efficient devices. The resulting data will more clearly demonstrate where internet-building programs should focus.

The list of technology issues we advise on has also grown. In August 2018, Cybera’s COO, Barb Carra, was one of 16 Albertans selected to join the province’s Talent Advisory Council on Technology. In 2019, they presented a report to the Government of Alberta that offered strategies and potential avenues of investment for growing Alberta’s tech talent pool.

ADDITIONAL 2018-19 ADVOCATE ACHIEVEMENTS

CRTC SUBMISSIONS:
- Provided comments on the Preliminary Application Guide for the Broadband Fund
- Submitted a letter in support of Southwestern Integrated Fibre Technology (SWIFT)’s appeal to the CRTC to reconsider its Broadband Fund eligibility criteria

MEETINGS AND TESTIMONIES:
- Testified before a federal panel on the Telecommunications Legislative Review about the need to close Canada’s digital divide through increased competition, and fostering open-access networks
- Met with representatives from the Government of Alberta to discuss the provincial broadband strategy and First Nations engagement
- Participated in the development of an Internet Number Resource Policy (for Autonomous System Numbers, as well as IPv4 and IPv6) at the bi-annual meeting of the American Registry for Internet Numbers

OTHER:
- In its report on Rural Broadband, the House of Commons’ Standing Committee on Industry, Science, and Technology cited evidence presented by Cybera
- Held a security workshop with all 26 post-secondary institutions and representatives from the Government of Alberta to determine public security priorities
Cybera’s most effective public outreach continues to come from face-to-face interactions with our community. In November 2018, our annual Cyber Summit brought over 170 attendees together to discuss the theme of “surviving and thriving in the age of disruption.” This event continues to be our biggest and most important gathering of members.

In early 2019, we began researching our priorities for the next three years, holding a number of focus groups in Calgary, Edmonton, and Lethbridge (and releasing a survey to our wider community). The focus groups — made up of a small number of people from a variety of sectors — proved a remarkably fertile ground for open discussions and idea sharing.

In the coming year, we hope to host more of these roundtable discussions as we embark on a Cybera roadshow across the province. Our goal is to increase knowledge and resource sharing across Alberta schools, municipalities, libraries, and business incubators through the simple act of putting people in a room together!

ADDITIONAL 2018-19 OUTREACH ACHIEVEMENTS

- The 2018 Cyber Summit featured over 170 attendees, 30 speakers and 16 sessions
  - Surveyed attendees said they found the event to be informative and useful
- Five focus groups were held with nearly 30 participants from Alberta’s government, start-up, education, and research sectors, outlining the future digital needs of the province
  - # of presentations / workshops delivered by Cybera staff at conferences and events: 40+
  - # of visitors to Cybera’s website: 39,000+
  - Twitter audience growth: 11%
  - Facebook audience growth: 9%
  - LinkedIn audience growth: 24%

Are you interested in learning some facts about Cybera in 2014?

- Name: Cybera
- Staff: 31
- Network Speed: 10 Gbps
- Amount of data transported: 7,298 TB
- Member Organizations: 64
- # of Albertans connected: 92,000
- Above the Network Services: 6
- Rapid Access Cloud users: 217
The Board of Directors met four times during the last fiscal year. At its September 2018 AGM, Cybera elected two new board members: Etienna Moostoos-Lafferty, Indigenous Education Coach for Evergreen Catholic Schools, and Trevor Butler, Information Technology Manager at the City of Lethbridge. They replaced Doug Hawkins and Peter Garrett.

2018-19 Board of Directors (Top Row, L-R): Darryl Vleeming (Chair) - Chief Information Officer at Aurora Cannabis; Mike MacGregor (Vice Chair) - Vice Provost and AVP of Information Services and Technology (IST), and a Professor in the Department of Computing Science at the University of Alberta; Solange Gagnebin - President of High Level Analytics; Jaymon Lefebvre - Director of Technology for Wild Rose School Division; Brenda MacDonald - Deputy Superintendent of Clearview Public Schools.

(Bottom Row, L-R): Susan Skone - Associate Vice-President (Research) and an Associate Professor in Geomatics Engineering at the University of Calgary; Trevor Butler - Information Technology General Manager at the City of Lethbridge; Etienna Moostoos-Lafferty - Indigenous Education Coach for Evergreen Catholic Schools; Mark Humphries - Chief Information Officer at the University of Lethbridge.

Are you interested in learning some facts about Cybera in March 2019?

- Name: Cybera
- Staff: 39
- Network Speed: 30 Gbps
- Amount of data transported: 45,000 TB
- Member Organizations: 99
- # of Albertans connected: 727,127
- Above the Network Services: 16
- Rapid Access Cloud users: 2,100
INDEPENDENT AUDITORS’ REPORT

Financial Statements Of Cybera Inc.
YEAR ENDED MARCH 31, 2019

To the Members of Cybera Inc.

OPINION
We have audited the financial statements of Cybera Inc. (the Entity), which comprise:
• the statement of financial position as at March 31, 2019
• the statement of operations for the year then ended
• the statement of changes net assets for the year then ended
• the statement of cash flows for the year then ended
• and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BASIS FOR OPINION
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors’ Responsibilities for the Audit of the Financial Statements" section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.
AUDITORS’ RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP
Calgary, Canada
August 1, 2019

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,650,541</td>
<td>$624,899</td>
</tr>
<tr>
<td>Accounts receivable (note 2)</td>
<td>895,792</td>
<td>679,725</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>112,850</td>
<td>113,000</td>
</tr>
<tr>
<td>Property and equipment (note 3)</td>
<td>2,659,183</td>
<td>1,417,624</td>
</tr>
<tr>
<td>LIABILITIES AND NET ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$348,919</td>
<td>$397,275</td>
</tr>
<tr>
<td>Deferred revenue (note 4)</td>
<td>1,262,450</td>
<td>54,245</td>
</tr>
<tr>
<td>Net assets (note 5)</td>
<td>1,163,711</td>
<td>1,037,291</td>
</tr>
<tr>
<td>Economic dependence and government assistance (note 6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsequent event (note 8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$2,775,080</td>
<td>$1,488,811</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

Approved by the Board:

Signed (Darryl Vleeming, Chair)       Signed (Mike MacGregor, Vice Chair)
**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant</td>
<td>$ 3,387,620</td>
<td>$ 2,428,461</td>
</tr>
<tr>
<td>Project</td>
<td>1,941,791</td>
<td>1,881,986</td>
</tr>
<tr>
<td>Membership</td>
<td>554,733</td>
<td>548,260</td>
</tr>
<tr>
<td>Other</td>
<td>23,396</td>
<td>29,624</td>
</tr>
<tr>
<td>Interest</td>
<td>26,261</td>
<td>20,801</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,933,801</strong></td>
<td><strong>4,909,132</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>2,654,086</td>
<td>1,879,675</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,434,182</td>
<td>1,411,581</td>
</tr>
<tr>
<td>Project and partnership development</td>
<td>673,145</td>
<td>618,122</td>
</tr>
<tr>
<td>General and administrative</td>
<td>634,017</td>
<td>553,658</td>
</tr>
<tr>
<td>Marketing and communications</td>
<td>353,800</td>
<td>276,634</td>
</tr>
<tr>
<td>Depreciation</td>
<td>58,151</td>
<td>50,035</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,907,381</strong></td>
<td><strong>4,789,705</strong></td>
</tr>
</tbody>
</table>

**Excess of revenues over expenses**

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 126,420</td>
<td>$ 119,427</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018**

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>$ 1,037,291</td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>126,420</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,163,711</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018**

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in):</td>
<td></td>
</tr>
<tr>
<td>Operations:</td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>$ 126,420</td>
</tr>
<tr>
<td>Add item not affecting cash:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
</tr>
<tr>
<td>58,151</td>
<td>50,035</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>184,571</strong></td>
</tr>
<tr>
<td>Changes in non-cash working capital:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(216,067)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>150</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(48,356)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,208,205</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,128,503</strong></td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(102,861)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>903,737</strong></td>
</tr>
<tr>
<td>Decrease (increase) in cash and cash equivalents</td>
<td>$ 1,025,642</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>624,899</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>624,899</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2019, WITH COMPARATIVE INFORMATION FOR 2018

1. Significant accounting policies:
The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

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

Project and grant revenues, which are comprised of contributions towards project and infrastructure 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) Property and equipment:
Property and equipment is recorded at cost. Depreciation of computer equipment is provided using the straight-line method at a rate of one-third of cost per year.

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

(f) Use of estimates:
The preparation of the financial statements in conformity with Canadian accounting standards 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.

(g) 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. Accounts receivable:
Included in accounts receivable are government remittances receivable of $23,097 (2018 - $9,895), which include amounts receivable for input tax credits.

3. Property and equipment:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated amortization</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>$916,486</td>
<td>$800,589</td>
</tr>
</tbody>
</table>
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>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$54,245</td>
<td>$233,921</td>
</tr>
<tr>
<td>Less amounts recognized as revenue in the year</td>
<td>(54,245)</td>
<td>(233,921)</td>
</tr>
<tr>
<td>Add amounts received related to expenses of future periods</td>
<td>1,262,450</td>
<td>54,245</td>
</tr>
<tr>
<td></td>
<td>$1,262,450</td>
<td>$54,245</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 by the Board of Directors.

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.

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 and cash equivalents are held at financial institutions that are considered to be creditworthy by Cybera.

(b) Market risk:
Cybera is exposed to the following market risk:

(i) Interest rate risk:
Interest rate risk arises from the holdings of fixed income securities. For every 0.25% change in interest rates, the annual change in interest income would be approximately $4,155 (2018 - $1,206).

(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 16, 2019, $2,250,000 operating grant from the Alberta Government was deposited into Cybera’s bank account relating to fiscal 2019-2020 funding.
Looking Ahead

This past fiscal year was a transformational one for Cybera, with the addition of several important new services and members. And looking ahead, the next year will be just as eventful — if not more so!

As I write this, Cybera is hosting face-to-face discussions with our community to launch our next three-year strategy, as well as starting the leader transition process as Robin moves away from his role at Cybera. On top of that, our staff is growing to meet the needs of our new projects, and we’re also starting a brand refresh!

Our members can expect to see a lot of exciting changes in the months ahead.

The one constant for us is our commitment to serving Alberta’s public sector through increasing efficiencies, driving competition, and reducing costs. Our goal isn’t to predict the technology future, but rather to enable Alberta education and innovation through the use of technology. So while the tools and services we offer may change, the core group of people we serve, and our purpose in serving them, will remain the same.

Stay tuned for many announcements in the coming year. And as always, if you have any ideas for new services we should provide, we would love your feedback. We look forward to continue growing Alberta’s digital capabilities with our entire business, innovation, research, and education community!

Barb Carra, Chief Operating Officer, Cybera

Helping Albertans take on tomorrow’s challenges.