

ANNUAL REPORT

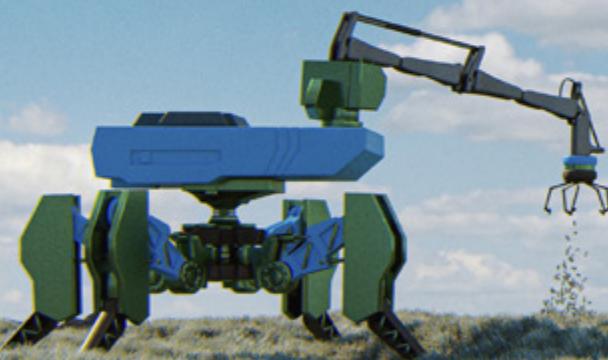
2019-20



cybera

connecting people and technology

POSITIONING ALBERTA AT THE FOREFRONT OF TECHNOLOGICAL INNOVATION.



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CONVERSATION WITH THE **PRESIDENT & CEO**



My first year as President and CEO of Cybera has certainly been disruptive, providing both challenging and exciting opportunities! By now, everyone in Alberta is feeling the impact of the COVID-19 pandemic. Combined with existing budget restrictions, this has been one of the most difficult times ever faced by the province's public and education sectors. I'm pleased to see the spirit of collaboration and community rise to the fore, as Alberta's schools, post-secondary institutions, libraries, government agencies, and start-ups have come together to support each other through this period.

As this annual review will show, Cybera has been playing its part to facilitate these collaborations, both through offering shared services that increase efficiencies and lower costs, and through bringing groups together to exchange ideas. We now serve a wider community than ever before, having surpassed the 100-member mark this past year. Today, nearly 850,000 Albertans utilize the services Cybera provides, which created over \$11 million in net savings for the public and education sectors this past year.

Mindful of the important role we play in maintaining – and improving access to – digital infrastructure for such a large group, we took some time this past year to review our mission and strategy. We wanted to ensure our mandate and actions match the changing needs and priorities of our member community.

What we discovered in the course of our strategic planning with members is that cybersecurity is becoming – across all industries – the highest priority. To reinforce and supplement our work in this domain, we have added cybersecurity as the fifth pillar of our core focus areas. We also incorporated new goals into our 2019-2022 strategic roadmap, including exploring opportunities to build Alberta's digital skills, and expand on our shared services. As you will see in this report, we're already off to a good start in pushing these three-year achievables forward.

You will also notice the "futuristic" look to this report. We recently updated our brand and logo to better demonstrate the diversity of services Cybera offers, and the community we impact. We wanted an imaginative, tech-forward feel to this report to match our newly revised mission: *To position Alberta at the forefront of technological innovation by connecting people, ideas and resources, for the benefit of all Albertans.*

We believe the future is something we should all look forward to. I'm excited to continue working with you to move Alberta through any and all roadblocks, and embrace the potential of our next-generation economy!

Barb Carra, President and CEO



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MEMBER
ORGANIZATIONS

Cybera's foundation will always be the network. From managing Alberta's vital Research & Education Network, to operating services that drive important savings for the public and education sectors, the network is at the heart of what we do. In the last fiscal year, Cybera's network services alone achieved over \$2.3 million in net savings for members.

While the **Red Deer Dark Fibre Connectivity Project** ended on December 31, 2019, we still have the Point of Presence (PoP) in place and connecting at 3 Gbps. This PoP allows us to link CyberaNet to Red Deer College, the City of Red Deer and Red Deer Public Schools.

In the 2019-20 fiscal year, our network team also began working with partners in the National Research and Education Network to implement the **MANRS** solution: Mutually Agreed Norms For Routing Security. This global initiative, supported by the Internet Society, outlines concrete steps that networks should take to secure routing weak points. There are ~68,000 core networks (Autonomous Systems) across the internet. As more operators apply MANRS, there will be fewer incidents related to route hijacking and DDOS attacks, and our collective network security posture will be more robust.

CONNECTION ACHIEVEMENTS

- Peering service members: 93
- Internet Buying Group members: 67
- Gross member savings from network services: +\$3,000,000
 - » 28% increase over the previous year
- Albertans connected to CyberaNet: +750,000

OTHER HIGHLIGHTS

- Data transported in 2019: +55,000 TB
 - » 18% increase over previous year
- Price of bandwidth for Internet Buying Group reduced by 23% to \$1.35/Mbps
- New CANARIE router installed in Edmonton, allowing Cybera to connect to the backbone network at 100 Gbps

ENABLE

Cybera's **Data Science for Albertans** team ran dozens of training workshops and presentations in the last year. They also held several short-term "sprint" consultations with companies looking to dive into their first data science project. We have shared some examples of these projects on our Tech Radar blog. The team also developed an open-source software tool, called **Mimir**, that provides a framework for setting up and running data science projects.

In August 2019, we ran a Data Science for Albertans Industry Fellowship in Calgary and Edmonton. The program saw 22 budding data scientists work on data science problems from six Alberta-based startup companies over the course of four weeks. The fellowship resulted in at least 13 jobs for the participating fellows.

Meanwhile, the **Callysto** project received a second round of CanCode funding. Run in partnership with the Pacific Institute for Mathematical Sciences (who also supported the data science fellowships), this program develops data science modules to accompany existing school curricula, and trains teachers and students in Grades 5-12. So far, we have trained over 39,000 students and 1,400 teachers across Canada, and hosted three student hackathons.

Finally, Cybera's cloud resources and expertise continue to be tapped by educators and innovators in Alberta and across the globe. In the last fiscal year, 12 post-secondary classrooms across Alberta utilized the **Rapid Access Cloud**, as well as one hackathon (at the University of Alberta).

NEW PROJECTS

AI Hub – Cybera has stood-up a new OpenStack cloud for artificial intelligence research within the University of Alberta's Electrical and Computer Engineering program

Tech Skills – Cybera's data scientists have begun developing a new platform to showcase Alberta's tech talent data

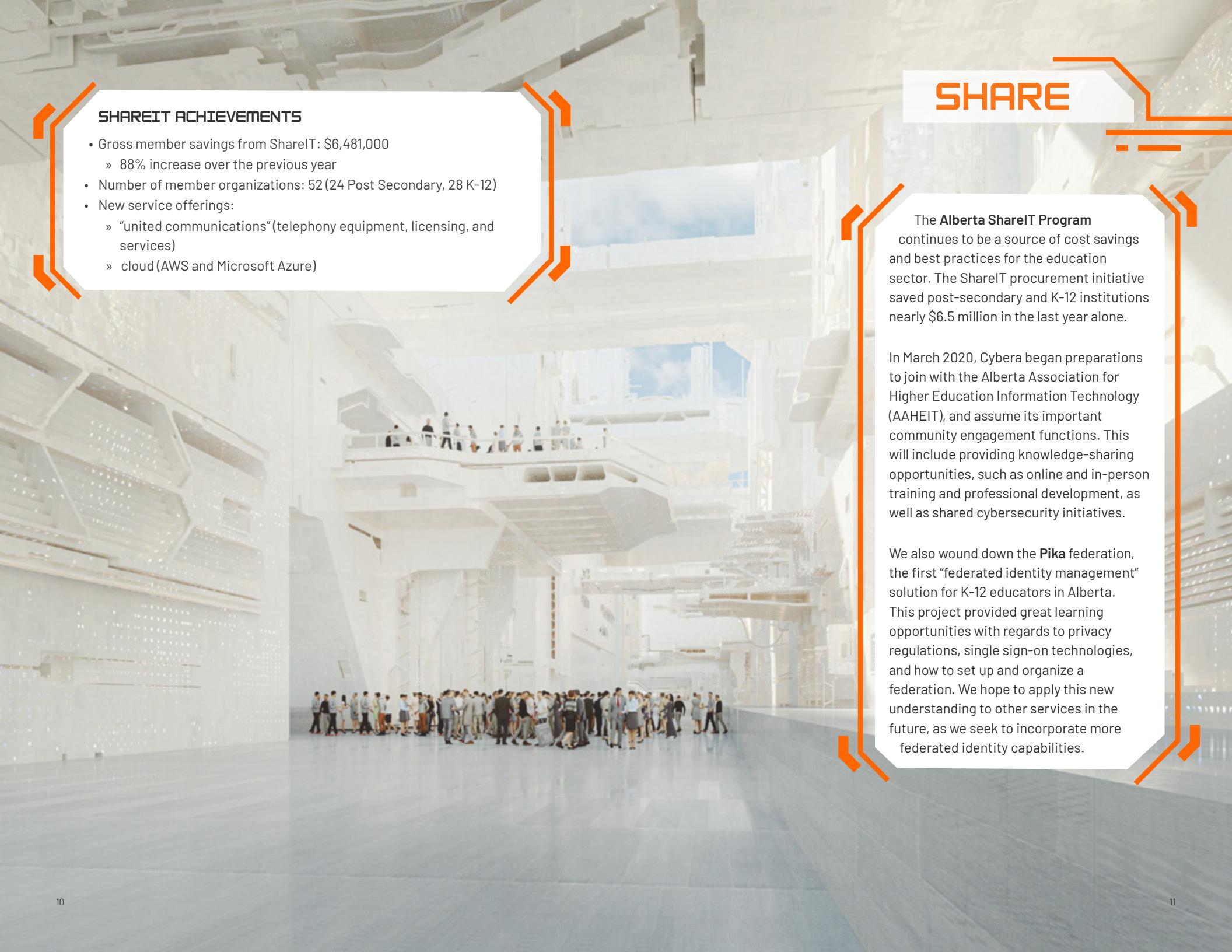
WORKSHOPS

15 Callysto workshops / presentations delivered across Canada (+620 teachers and students trained)

23 Data Science for Albertans workshops / introductory presentations (+1,200 Albertans participated / trained)

CLOUD

- Registered uses of the Rapid Access Cloud: 2,890
 - » 40% increase over the previous year
- Gross member savings from using Rapid Access Cloud: \$1,963,000
- 16% of users of the national DAIR cloud are from Alberta
- Cybera also completed a number of cloud independence tutorials that taught DAIR users how to:
 - » Architect their cloud solution to be cloud agnostic
 - » Ensure applications are functioning as expected
 - » Leverage continuous integration and continuous delivery technologies
 - » Leverage multiple clouds



SHARE

SHAREIT ACHIEVEMENTS

- Gross member savings from ShareIT: \$6,481,000
 - » 88% increase over the previous year
- Number of member organizations: 52 (24 Post Secondary, 28 K-12)
- New service offerings:
 - » “united communications”(telephony equipment, licensing, and services)
 - » cloud (AWS and Microsoft Azure)

The Alberta ShareIT Program

continues to be a source of cost savings and best practices for the education sector. The ShareIT procurement initiative saved post-secondary and K-12 institutions nearly \$6.5 million in the last year alone.

In March 2020, Cybera began preparations to join with the Alberta Association for Higher Education Information Technology (AAHEIT), and assume its important community engagement functions. This will include providing knowledge-sharing opportunities, such as online and in-person training and professional development, as well as shared cybersecurity initiatives.

We also wound down the **Pika** federation, the first “federated identity management” solution for K-12 educators in Alberta. This project provided great learning opportunities with regards to privacy regulations, single sign-on technologies, and how to set up and organize a federation. We hope to apply this new understanding to other services in the future, as we seek to incorporate more federated identity capabilities.

ADVOCATE

The ConnectIN project wrapped up in February 2020. This initiative used open and accessible technologies to assess the connectivity capabilities of First Nations communities in BC, Alberta, and Manitoba. The results provided conclusive evidence of the dire state of connectivity in many rural, Indigenous communities. The technical and data platforms were made open source, and are available for others to perform similar assessments.

Over the last year, Cybera staff travelled across the province to meet with our community, and discuss their current and future digital needs. These five “roadshows” featured representatives from schools, post-secondaries, municipalities, libraries, start-ups, vendors, and government. The results of these discussions will help Cybera prioritize actions and advocacy efforts.

Cybera’s largest outreach event of the year, the Cyber Summit – held once again in partnership with SRNET and MRNET – drew over 160 attendees. The theme for this year, “Mission: Accessible”, explored the many different issues of modern accessibility, and what solutions exist to put all Canadians on a level playing field when it comes to learning, working, and playing.

CRTC SUBMISSIONS

In November 2019, Cybera responded to a petition by the largest telecommunications providers in Canada to reverse the August 2019 decision to lower wholesale rates

OTHER FEDERAL SUBMISSIONS

- Responded to Canada’s Office of the Privacy Commissioner on how to regulate consumer privacy with regards to data transfers (August 2019)
- Responded to a consultation by Innovation Science and Economic Development Canada on the Modernization of Canada’s Personal Information Protection and Electronic Documents Act (PIPEDA) (September 2019)
- Responded to the Competition Bureau’s review of anti-competitive conduct in the digital economy (December 2019)

OTHER ADVOCATE HIGHLIGHTS

- Presentations / workshops delivered at conferences and other events: 60+
- Visitor’s to Cybera’s website: 63,000+
- Twitter audience growth: 9%
- Facebook audience growth: 9%
- LinkedIn audience growth: 20%

SECURE

Cybera is working with Alberta's 26 post-secondary institutions to collectively share information and strategies to enhance the security and privacy of their digital assets. The goal of **AB SecureIT** is to share resources, reduce costs, and facilitate knowledge sharing.

We are collaborating with our National Research and Education Network (NREN) partners on several initiatives. The largest is a **Security Information and Event Management (SIEM)** project. The pan-Canadian effort will improve the identification, management and response to cyber security threats, thereby strengthening the overall security of the network.

We are also working with the NREN on a **Joint Security Project (JSP)**. As part of this project, Cybera received and deployed an intrusion detection system. Our security specialist has created an open-source version of the deployment package, which has been shared with other JSP participants, and is now available globally.

Finally, in the last year, we began an NREN evaluation of the SecurityScorecard service. This tool monitors participating institutions' publicly listed IP addresses to identify known vulnerabilities on their network, and provide a final security rating. This will help Alberta's post-secondary institutions prioritize their security initiatives.

SECURE ACHIEVEMENTS

- In its second year, the **Virtual Firewall Service** has doubled to 24 members
- As part of **AB SecureIT**, all 26 post-secondary schools in Alberta are participating in the BitSight Continuous Monitoring Services (part of a national CUCCIO pilot)
- Cybera continues to support the shared CISO being utilized by Olds College, Lakeland College, and Norquest College

THE BOARD OF DIRECTORS

The Board of Directors met four times during the reporting period. At the February 2020 board meeting, SAIT was voted in to become Cybera's fourth Class A member.

THE 2019-20 BOARD OF DIRECTORS



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



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



CYBERA MEMBER ORGANIZATIONS

K-12 SCHOOL DISTRICTS

Alberta Conference SDA Church
Aspen View School Division
Battle River School Division
Black Gold Regional Division No.18
Buffalo Trail Public Schools
Calgary Board of Education
Calgary Catholic School District
Calgary Girls' School
Canadian Rockies School District No.12
Chinook's Edge School Division No.73
Clearview Public Schools
Conseil scolaire Centre-Nord
Conseil scolaire FrancoSud
East Central Alberta Catholic School
Edge School for Athletes
Edmonton Public Schools
Evergreen Catholic Regional Division No.2
Fort McMurray Public School District
Fort Vermilion School District No.52
Foundations for the Future Charter Academy
Glenmore Christian Academy
Grande Prairie Catholic School District No.28
Grande Prairie Public School District No.2357
Grande Yellowhead Public School Division
Grasslands Regional School Division No.6
Greater St. Albert Catholic School Division No.734
High Prairie School Division No.48
Holy Family Catholic Regional Division No.37
Holy Spirit Roman Catholic Separate School Division
Horizon School Division No.67
Kee Tas Kee Now Tribal Council Education Authority
Lethbridge School District No.51
Living Waters Catholic Regional Division No.42
Medicine Hat School District No.76
Northern Gateway Public Schools
Northern Lights School Division No.69
Northland School Division No.61
Palliser Regional Schools No.26
Parkland School Division No.70
Peace River School Division No.10
Peace Wapiti School Division No.76
Pembina Hills Public Schools
Prairie Land School Division
Prairie Rose School Division No.8
Red Deer Catholic Division No.39
Red Deer Public Schools
Rocky View School Division No.41
St. Thomas Aquinas Roman Catholic Division No.38
Stoney Education Authority
Sturgeon Public School Division No.24
Wetaskiwin Regional Public Schools
Wild Rose School Division No.66
Wolf Creek Regional Division No.32 C

POST-SECONDARY INSTITUTIONS

Alberta University of the Arts
Ambrose University
Athabasca University
Banff Centre for Arts and Creativity
Bow Valley College
Burman University
Concordia University of Edmonton
Grande Prairie Regional College
Keyano College
King's University
Lakeland College
Lethbridge College
MacEwan University
Medicine Hat College
Mount Royal University
NAIT
NorQuest College
Northern Lakes College
Olds College
Portage College
Red Deer College
SAIT Polytechnic
St. Mary's University
University of Alberta
University of Calgary
University of Lethbridge

MUNICIPALITIES, TOWNS & COUNTIES

City of Calgary
City of Edmonton
City of Lethbridge
City of Red Deer
Clearwater County
Lac La Biche County
Town of Drayton Valley

PUBLIC & NOT-FOR-PROFIT ORGANIZATIONS

Alberta Innovates
Blue Mountain Power Co-op
Canadian Energy Research Institute (CERI)
Edmonton Public Library
French National Centre for Space Studies (CNES)
Genome Alberta
German Aerospace Center
Grande Prairie Public Library
MindFuel
Northern Lights Library System
OpenBSD Foundation
Peace Library System
Pinnguaq Association
Platform Calgary
Red Deer Public Library

PRIVATE ORGANIZATIONS

Whipcord

A YEAR IN FLUX

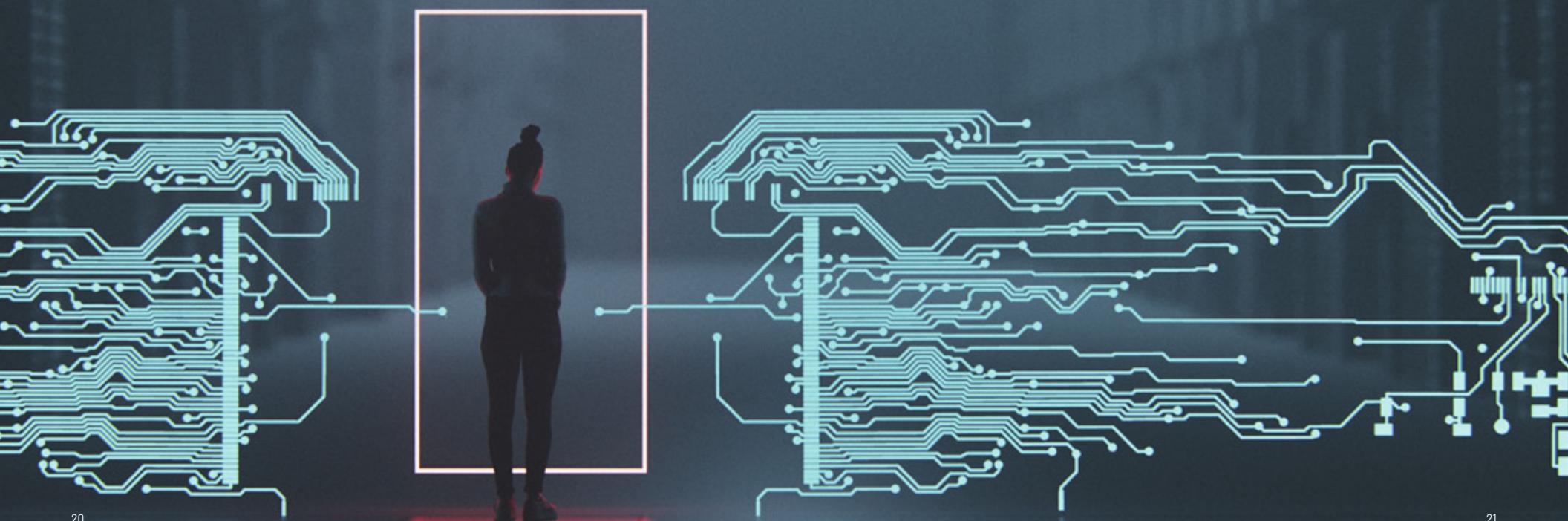
As we write this review of the April 1, 2019 – March 31, 2020 fiscal year, the world is in the midst of the COVID-19 pandemic, which has forced the closure of physical offices and classrooms. We expect these closures to remain in place for most of 2020.

How have these closures impacted Cybera and our community?

- Cybera's R&E network traffic dropped by 30-40% in March 2020
- Residential internet providers have reported network traffic increases of 30-60%
- Over 930,000 K-12 and post-secondary students in Alberta are learning from home
- Roughly 16.5% of Albertans (most of whom live in rural areas) have reported issues with connecting to the internet
- Conferences and other face-to-face networking / training opportunities have been cancelled
- Cybersecurity companies have reported an increase in online attacks on companies, as hackers explore new vulnerabilities of staff working from home.

So, what will the next year look like for the province? Here's what we predict:

- The need for improved rural connectivity will see more funding freed up and innovative solutions trialled (expect more ground-up, community broadband projects)
- Blended learning environments will create more options for students to learn from home (and give rise to more creative technologies that promote interactive online learning, presenting, and collaborating)
- Ongoing conferences will see *increased* attendance over the next year, as more people are able to attend (particularly as they unveil shorter programs and innovative online opportunities to network with other attendees)
- Public institutions across Alberta will collaborate much more on shared services for all citizens – including shared classes and diploma / certificate programs – as well as sharing staff expertise and infrastructure behind the scenes
- Greater use of virtual private networks and training staff on phishing
 - » We also recommend that organizations ensure regular application security updates are installed, use multi-factor authentication whenever possible, and implement mobile device management.





FINANCIAL STATEMENTS OF CYBERA INC.

YEAR ENDED MARCH 31, 2020

INDEPENDENT AUDITORS' REPORT

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, 2020
- 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, 2020, 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.

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020, WITH COMPARATIVE INFORMATION FOR 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 295,333	\$ -
Short-term investments	3,762,951	1,672,719
Accounts receivable (note 3)	897,847	895,792
Prepaid expenses	120,731	112,850
	<hr/> 5,076,862	<hr/> 2,681,361
Property and equipment (note 4)	101,649	115,897
	<hr/> <hr/> \$ 5,178,511	<hr/> <hr/> \$ 2,797,258

LIABILITIES AND NET ASSETS

Current liabilities:		
Bank indebtedness	\$ -	\$ 22,178
Accounts payable and accrued liabilities	623,391	348,919
Deferred revenue (note 5)	3,175,980	1,262,450
	<hr/> 3,799,371	<hr/> 1,633,547
Net assets (note 6)	1,379,140	1,163,711
Economic dependence and government assistance (note 7)		
Subsequent event (note 9)		
	<hr/> <hr/> \$ 5,178,511	<hr/> <hr/> \$ 2,797,258

See accompanying notes to financial statements.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
July 20, 2020

Approved by the Board:

Signed (Darryl Vleeming, Chair)

Signed (Mike MacGregor, Vice Chair)

STATEMENT OF OPERATIONS

MARCH 31, 2020, WITH COMPARATIVE INFORMATION FOR 2019

	2020	2019
Revenues:		
Grant	\$ 3,301,858	\$ 3,387,620
Project	3,202,555	1,941,791
Membership	585,222	554,733
Other	33,258	23,396
Interest	121,501	26,261
	<u>7,244,394</u>	<u>5,933,801</u>
Expenses:		
Project	\$ 3,577,806	\$ 2,654,086
Infrastructure	1,501,289	1,434,182
Project and partnership development	798,501	673,145
General and administrative	668,613	634,017
Marketing and communications	428,508	353,800
Depreciation	54,248	58,151
	<u>7,028,965</u>	<u>5,807,381</u>
Excess of revenues over expenses	\$ 215,429	\$ 126,420

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

MARCH 31, 2020, WITH COMPARATIVE INFORMATION FOR 2019

	2020	2019
Cash provided by/(used in):		
Operations:		
Excess of revenues over expenses	\$ 215,429	\$ 126,420
Add item not affecting cash:		
Depreciation	54,248	58,151
	<u>269,677</u>	<u>184,571</u>
Changes in non-cash working capital:		
Accounts receivable	(2,055)	(216,067)
Prepaid expenses	(7,881)	150
Accounts payable and accrued liabilities	274,472	(48,356)
Deferred revenue	1,913,530	1,208,205
	<u>2,447,743</u>	<u>1,128,503</u>
Investments:		
Change in short-term investments	(2,090,232)	(1,116,221)
Purchase of property and equipment	(40,000)	(102,861)
	<u>(2,130,232)</u>	<u>(1,219,082)</u>
Increase (decrease) in cash and cash equivalents	317,511	(90,579)
Cash and cash equivalents (bank indebtedness), beginning of year	(22,178)	68,401
Cash and cash equivalents, (bank indebtedness), end of year	\$ 295,333	\$ (22,178)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

MARCH 31, 2020, WITH COMPARATIVE INFORMATION FOR 2019

	2020	2019
Net assets, beginning of year	\$ 1,163,711	\$ 1,037,291
Excess of revenues over expenses	215,429	126,420
Net assets, end of year	\$ 1,379,140	\$ 1,163,711

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020, WITH COMPARATIVE INFORMATION FOR 2019

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.

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Alberta resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

As at the reporting date, Cybera has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any impacts on its financial statements as at March 31, 2020.

The factors discussed above may present uncertainty over future government support, project revenues and cash flows which may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

Cybera's significant accounting policies are as follows:

(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) Short-term investments:

Short-term investments have original maturities of over three months and less than a year.

(e) 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.

(f) 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.

(g) 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.

(h) 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. Changes in accounting policies:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions - Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of three new handbook sections as follows:

A. Section 4435, Tangible Capital Assets Held by Not-for-Profit Organizations, which directs organizations to apply the accounting guidance of Section 3061, Property Plant and Equipment in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at April 1, 2019.

B. Section 4434, Intangible Assets Held by Not-for-Profit Organizations, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expenses should the net carrying value be higher than the asset's fair value or replacement cost.

This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairment of intangible assets that existed as at April 1, 2019.

C. Section 4441, Collections Held by Not-for-Profit Organizations, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

Organizations are permitted to retrospectively capitalize collections at their cost or fair value at the date of acquisition, or fair value or replacement cost as at January 1, 2019, based on the most readily determinable value. In addition, an adjustment to opening net assets is permitted to recognize any partial impairment of the value of collections that existed as at April 1, 2019.

The amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019.

The implementation of these changes had no impact on the financial statements.

3. Accounts receivable:

Included in accounts receivable are government remittances receivable of \$17,019 (2019 - \$23,097), which include amounts receivable for input tax credits.

4. Property and equipment:

		2020	2019
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 956,486	\$ 854,837	\$ 101,649
			\$ 115,897

5. 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:

	2020	2019
Balance, beginning of year	\$ 1,262,450	\$ 54,245
Less: amounts recognized as revenue in the year	(1,522,996)	(54,245)
Add: amounts received related to expenses of future periods	3,436,526	1,262,450
	<hr/> \$ 3,175,980	<hr/> \$ 1,262,450

6. 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.

7. 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.

8. 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) 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 \$10,146 (2019 - \$4,155).

(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.

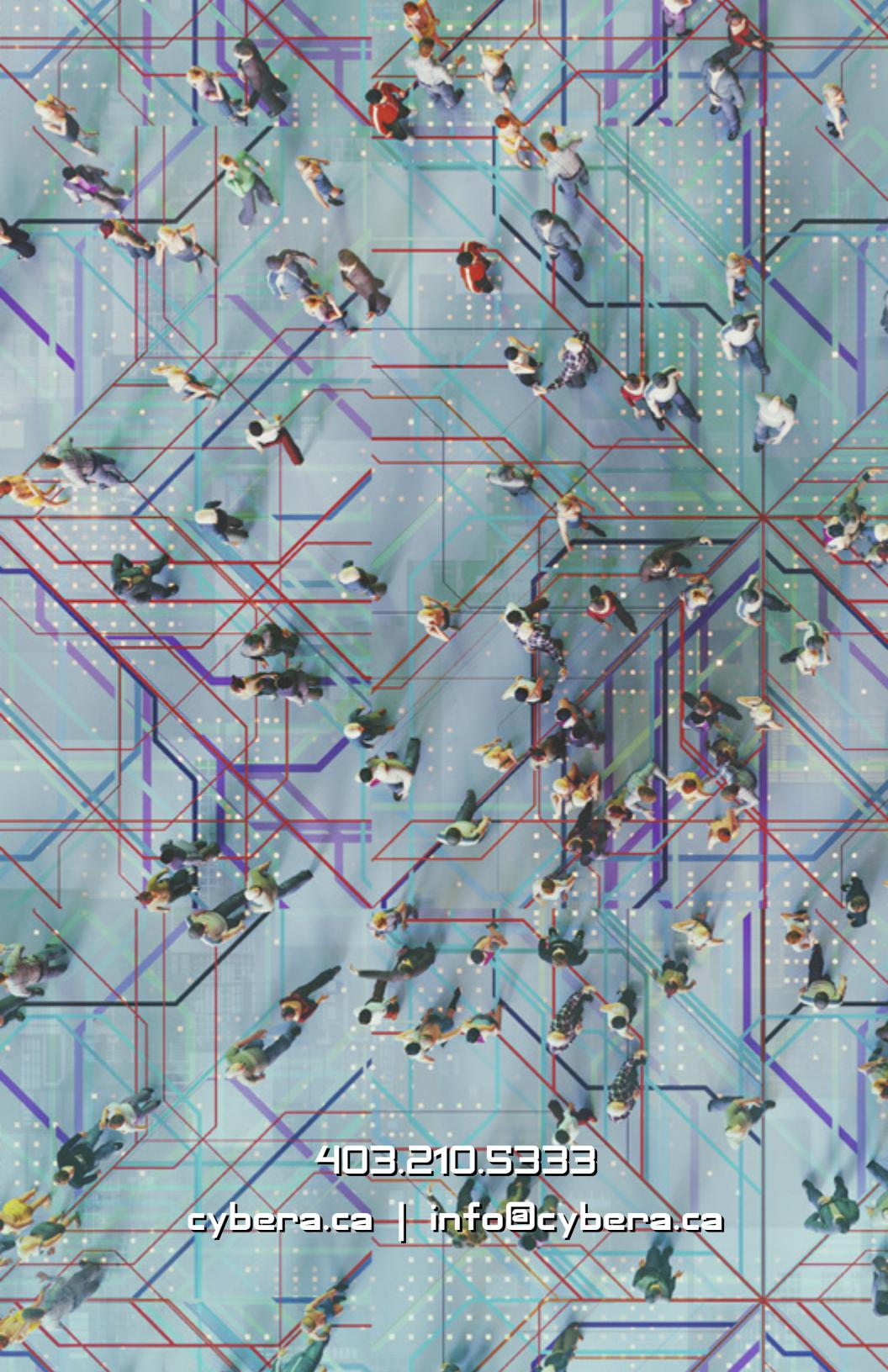
There has been no change to the risk profile when compared to prior year.

9. Subsequent event

On June 18, 2020, \$1,500,000 operating grant from the Alberta Government was deposited into Cybera's bank account relating to fiscal 2020-2021 funding.

10. Comparative information

Certain comparative information has been reclassified to conform the financial statement presentation adopted in the current year.



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