

Positioning Alberta at the forefront of technological innovation.



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CONVERSATION WITH THE PRESIDENT & CEO



"My mom's an internet super hero!" Vance, age 9.

If there's one thing I learned over the past year, it's that Cybera's most important asset is our people. We simply could not do any of the important work we're doing without the amazing group of people we have on our team. It takes the right kind of dedicated, passionate, and caring person to understand the value and purpose of our mission. Like so many other organizations operating during these turbulent times, much of Cybera's focus has shifted to ensuring our staff have the physical and emotional supports they need to work remotely, during a global pandemic.

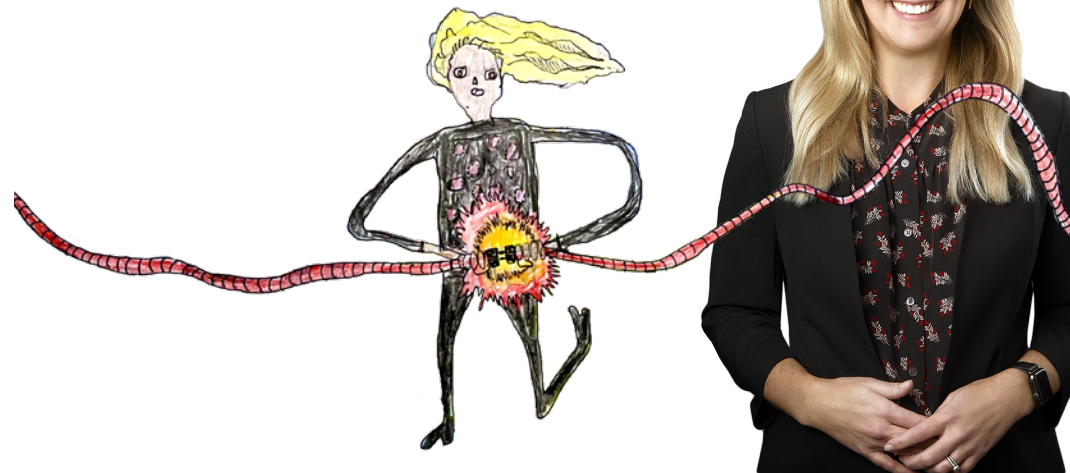
For many of us, our friends and family have provided our greatest support system over the past year, offering us much-needed, everyday moments of happiness (and clarity). We wanted to celebrate the families of Cyberans by featuring our kids' artwork in this annual report. They were asked to "draw what your parent does at Cybera." We loved the creativity and talent of their entries, with kids as young as three showing their parents teaching data science, battling computer bugs, and laughing with co-workers. My son drew me as an "internet superhero," and I admit that I have used this picture as inspiration to keep going on those days where my energy and emotional reserves felt particularly depleted.

Our focus on supporting people has gone beyond our internal operations. Externally, this past year has seen an increased effort to build more collaborations and partnerships. To really talk to our member community about what their needs are. More and more, we see that the real value we provide to our 105 members is not just secure access to fast infrastructure, or cost savings. The most valuable service we offer is simply bringing like-minded people together (be it from education, research, or government) to talk about shared needs and opportunities. Whether the actions that arise from these meetings are led by Cybera or not is immaterial, our goal is to be that nexus where ideas and capabilities meet, and create new opportunities for better and more efficient delivery.

This is a role I look forward to strengthening in the year ahead, particularly as we look to embark on a new three-year Strategic Plan in 2022. If you have an idea or a need, or just want to chat about the future of technological innovation in Alberta, please feel free to reach out to me!

Barb Carra

Barb Carra, President and CEO



CONNECT

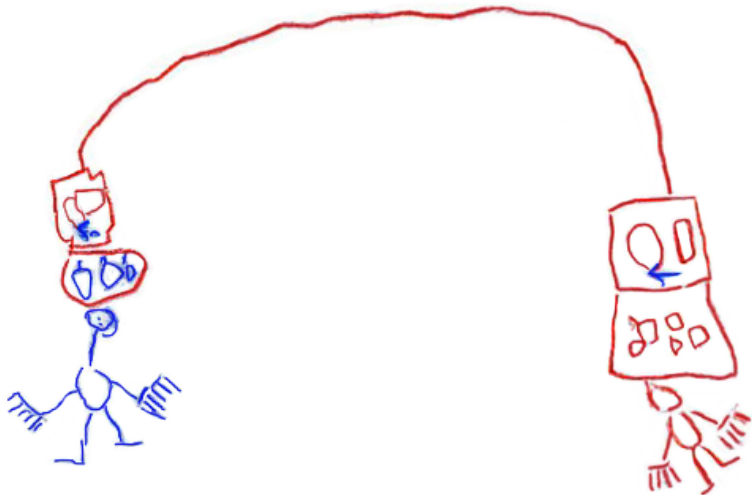
Despite the disruptions caused by COVID and lockdowns, it was a busy year for Cybera's network team. Our network transported 45.2 PB, a dip from the previous year, but still a substantial amount of data. To better support our members during the pandemic, Cybera suspended Internet Buying Group bandwidth charges between March - October 2020. We also implemented two price drops in the buying group in the past fiscal year (totaling an 11% price decrease).

To prepare for future demand, Cybera doubled its capacity to the Alberta SuperNet, and added an additional three strands of fibre at our Edmonton locations. Our team also deployed a "looking-glass" tool called Lantern, which allows members to see more details about the different routes their traffic takes within the network.

Future projects

Several new projects were started to improve network performance and analysis:

- Cybera is project managing a new NREN network performance initiative that will start in May 2021



"Dad is working on a computer connected via internet to other people." Eben, age 5.



"Hacker Dad." Benjamin, age 11.

- Cybera's team has created a test lab for virtual network services. Among other things, it will test:
 - » Open switch technologies
 - » Network reporting and visualizations using Elasticsearch

Additional 2020-21 Connect Achievements

Member organizations: **105**

- Data transported in 2020: **+45,200 TB**
- Gross member savings from network services: **+\$2,500,000**
- Peering service member organizations: **93**
- Internet Buying Group member organizations: **67**
- Albertans connected to CyberaNet: **~744,000**
- Price of bandwidth for Internet Buying Group as of March 2021: **\$1.20/Mbps**

ENABLE

This past fiscal was the busiest year yet for Cybera's data science team. In addition to ongoing project work with the Government of Alberta, our data scientists also found time to carry out consultations with local organizations, deliver introductory webinars (including a Python workshop for the Canadian Consortium of Arctic Data Interoperability team), and host two multi-week events. These events included a COVID-19 Data Science Hackathon (co-hosted in April-May 2020 with Alberta Innovates), and a **Data Science Fellowship** (held in August 2020, in partnership with Lakeland College).

Callysto Phase 2 wraps up

The second phase of the federally funded **Callysto** project, which is helping Canadian classrooms incorporate data science, successfully concluded. The Callysto team (including members of the Pacific Institute for Mathematical Sciences) was particularly excited to work on several Indigenous initiatives, including holding multiple workshops for Ermineskin Cree Nation students. They also created a series of modules in partnership with the Tla'amin Nation to teach Indigenous culture through math and code.

Cloud expands education support

The number of classrooms utilizing Cybera's free **Rapid Access Cloud** continues to grow, which has inspired our systems administrators to create a new entry portal especially for students and classrooms.

Meanwhile, Cybera signed a new three-year contract with CANARIE to continue operating the national **DAIR** cloud (a free cloud resource for start-ups and businesses).

Additional 2020-21 Enable Achievements

Cloud

- Registered uses of the Rapid Access Cloud: **3,569**
 - » **24%** increase over the previous year

- Classroom signups: **17**
 - » **42%** increase over previous year
- Gross member savings from using Rapid Access Cloud: **\$2,113,399**
- **16%** of users of the national DAIR cloud are from Alberta

Callysto

- Callysto workshops / presentations delivered across Canada: **89**
 - » **+620** teachers and students trained
- Call for proposals, number of participants and projects: **10**

Data Science

- Consultations with organizations: **13**
- External data science projects: **6**
- Data Science for Albertans workshops / introductory presentations: **5**
 - » **120** Albertans trained
- Gross savings from using Cybera's data science services: **\$445,718**



"Dad teaching a group of people how to visualize data." Julia, age 11.

CYBERA DATA SCIENCE CONSULTATION OPENS UP OPPORTUNITIES FOR CARBON CAPTURE AND STORAGE

In 2020, Cybera's data science team ran a month-long partnership with carbon, capture, storage and utilization company, CMC Research Institutes. Our objective was to help investigate their carbon injection data, which they had been collecting for about a year. The overall goal was to improve the efficiency of their facility, and mitigate any well shut downs.

CMC Research Institutes operates a carbon capture and storage facility in Newell County, Alberta (near Brooks). Their mission is to capture carbon dioxide (CO₂) that would otherwise go into the atmosphere, and inject it into the underground bedrock. Technologies such as carbon capture and storage show great potential in reducing the impact of large-scale industry on the environment.

Many challenges can occur when working on a project of this scope in Alberta, including the drastic changes in weather (for example, dramatic temperature and air pressure shifts). This is why CMC Research Institute approached Cybera's data scientists during one of our calls for proposals. They specifically wanted to look for a way to better identify, organize, and analyze the data collected at their Newell County site while CO₂ is being injected into the bedrock. This data could help them improve the well's efficiency.

Over the course of a month, our team sifted through the well site data looking for specific trends. At the completion of the project, Cybera's data scientists provided CMC Research Institute with a script (code) that would

help them identify specific points in time of when they were injecting the well and significant events were occurring (like changes in weather or pressure). This script helped them narrow years' worth of data into a few critical hours of injecting to focus on.

"One of the biggest things we have been able to gain [from working with Cybera] is an understanding of what we are missing and how to better identify our own events on a go-forward basis," says Greg Maidment, Project Manager at CMC Research Institutes.

"We didn't know what we didn't know," adds Shamez Kotadia, Business Manager at CMC Research Institutes. "This opened up possibilities [for] how we can leverage machine learning to do some of the data processing, and pointed us to where the gaps are."

"The goal of projects like this is for organizations to adopt data science practices," says Barb Carra, CEO of Cybera. "In doing so, we believe organizations can improve their overall efficiency – whether economic or environmental – while creating jobs for emerging data scientists in Alberta."



Cybera's Data Science team on a CMC facility visit prior to starting work on the data science project.

SHARE

In April 2020, the Alberta Association for Higher Education Information Technology (AAHEIT) formally joined with Cybera's **ShareIT** to operate as a single entity. The expanded **Alberta ShareIT Program** now focuses on shared procurement, training, collaboration, and improving cybersecurity among the province's education institutions.

ShareIT capped off its 2020-21 fiscal year with one of the strongest quarters to date, generating savings of over \$3 million between January and March 2021 alone. It was also a record-setting year for the team in terms of catalogue additions and professional development and training (PD & T) offerings (see the ShareIT Achievements for more details).

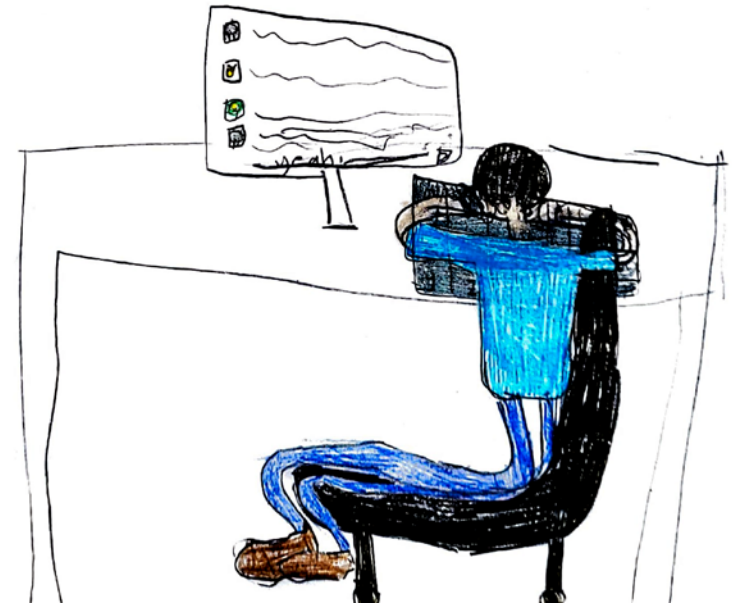
In November 2020, Cybera hosted the Annual Shared Procurement Community Summit for eight organizations across Canada and Australia. The focus of this event was on national collaboration opportunities and shared procurements. Since then, Cybera has participated in one, and led one, national shared procurement.

eduroam all the things!

The past fiscal year saw several major **eduroam** (education roaming) developments in Alberta. The Edmonton Public Library became the first non-post-secondary



"This is dad in a meeting wearing his work clothes, dress shoes and a tie, drinking coffee and always laughing." Ariana, age 6.



"My dad works on his computer a lot and he e-mails and texts people." Niece, age 7.

education institution in Alberta (and only second library in Canada) to offer eduroam, a world-wide roaming internet access service.

Meanwhile, MacEwan University became the first Cybera member to set up eduroam Visitor Access, which provides secure, temporary access to Wi-Fi for large or small groups.

Additional 2020-21 Share Achievements

- Member savings from ShareIT in 2020-21: **~\$10.2 million**
 - » **57%** increase over the previous year
- Total spend on ShareIT contracts: **\$15,508,479**
- ShareIT member organizations: **59** (25 Post Secondary, 34 K-12)
- PD&T sessions held: **29** (974 course participants)
- Shared procurement working groups and participants: **8** (56 working group members)
- Collaboration working groups and participants: **3** (29 participants)
- New contracts added: **7**
- eduroam participant organizations: **13**

ADVOCATE

In March 2021, Cybera co-hosted the first ever **Alberta Rural Connectivity Forum**, a two-day virtual event that brought together community leaders and policymakers to discuss connectivity gaps (and promising broadband projects) in the province.

This followed months of campaigns, articles, and even a white paper produced by Cybera to raise awareness of the internet access issues faced by many rural, remote, First Nations and Metis communities in Alberta. These issues were only exacerbated by the COVID pandemic.

Virtualization = more events

The 2020 **Cyber Summit** focused on cross-sector collaborations, and how digital leaders in Western Canada are adapting to the new world of uncertainties. Over the course of three days, presenters looked at tools, methodologies, and philosophies to help organizations thrive through COVID, and beyond. The virtual event had over 200 participants.

The first ever **Canadian National Research & Education Network Summit** was held in December 2020. Cybera worked with national partners to organize the three-day event, which featured talks on research and remote education during COVID, and national cybersecurity efforts. The event brought together over 300 research and education decision makers and innovators from across the country.

New K-12 Advisory group

Cybera is looking to develop a new project or service for the K-12 sector that we can begin implementing in 2021/22. In March 2021, we launched an advisory group to brainstorm ideas for this sector, and advise on existing services. We look forward to developing the new service(s) put forward by this group in the next fiscal year!

Additional 2020-21 Advocacy Achievements

CRTC submissions

- Responded to the call for comments regarding potential barriers to the deployment of broadband-capable networks in underserved areas in Canada (May 2020)
- Responded to the call for comments on Appropriate Network Configurations for Disaggregated Wholesale High-Speed Access Services (October 2020)

Other federal submissions

- Responded to the Standing Committee on Industry, Science and Technology's study of the accessibility and affordability of telecommunications services in Canada (January 2021)
- Responded to Justice Canada's consultation to update the Privacy Act (January 2021)

Other Advocate Highlights

- Presentations / workshops delivered at conferences and other events: **38**
- Visitor's to Cybera's website: **25,700**



"Laptop, desk, chair and coffee." Hana, age 6.

SECURE

As part of Cybera's ongoing security efforts with the National Research and Education Network, our team began working with national partners to pilot a **Security Information and Event Management infrastructure (SIEM)**. This included defining initial use-cases that the infrastructure would be used for. The large-scale, complex project will ultimately allow higher education institutions to better identify, manage and respond to cybersecurity threats.

One of the more interesting tools implemented by Cybera's staff in the past fiscal year was a "plaintext password sniffer" originally developed by the University of Alberta to detect and secure their institution against phishing attempts, as well as insecure online passwords. Cybera's security analyst developed a portable, open source variation of the tool, called **SniffPass**, that is now being used on global security projects.

Revisions have been made to the **Virtual Firewall Service** to give users more functionality in their firewall setup. For example, members can now launch their own firewall from Cybera's Rapid Access Cloud dashboard.

Several projects have also commenced under **AB SecureIT** (a collaboration of all 26 Alberta post-secondary institutions). These include the **Information Security Assessment** pilot, in which Alberta institutions have received funding to work with the NREN to develop a national security self-assessment tool, as well as participate in ongoing collaborations on incident sharing and other security frameworks.

Additional 2020-21 Secure Achievements

- Gross member savings from security services in 2020-21: **\$822,108**
- Virtual Firewall Service members: **31**
- CIP participants: **13**
 - » Intrusion Detection System: **13**
 - » DZone DNS Firewall: **8**
 - » CanSSOC ThreatFeed: **5**

THE BOARD OF DIRECTORS

The Board of Directors met four times during the reporting period. At the 2020 AGM, we welcomed three new members to our Board of Directors: Roy Daykin (Chief Financial Officer and Vice President, Corporate Services, SAIT), John Schutte (Director of Information Technology, Calgary Catholic School Division), and Helen Wetherley Knight (Founder, H Knight Nonprofit Consulting). They replaced outgoing board members Darryl Vleeming, Jaymon Lefebvre, and Brenda MacDonald. Cybera would like to thank Darryl, Jaymon and Brenda for their support and commitment to moving our mandate forward during their time on our board!

The 2020-21 Board of Directors



Mike MacGregor
(Chair)
Vice Provost
and AVP of
Information
Services and
Technology (IST)
at the University
of Alberta



Mark Humphries
(Vice Chair)
Chief
Information
Officer at the
University of
Lethbridge



Susan Skone
Associate
Vice-President
(Research) at
the University of
Calgary



Roy Daykin
Chief Financial
Officer and
Vice President,
Corporate
Services at SAIT



John Schutte
Director of
Information
Technology
at Calgary
Catholic School
Division



**Helen
Wetherley
Knight**
Founder,
H Knight
Nonprofit
Consulting



**Solange
Gagnebin**
President at
High Level
Analytics



**Etienna
Moostoos-
Lafferty**
Indigenous
Education
Coach at
Evergreen
Catholic
Schools



Trevor Butler
Information
Technology
General
Manager at
the City of
Lethbridge

MEMBER ORGANIZATIONS

Post-Secondary Institutions

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

Public and Not-for-Profit Organizations

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

Municipalities, Towns and Counties

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

K-12 School Districts

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

Private Organizations

Whipcord

FINANCIAL STATEMENTS OF CYBERA INC.

And independent Auditors' Report thereon
Year ended March 31, 2021



"Daddy and his screens." Alexander, age 11.

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, 2021
- 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, 2021, 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

Chartered Professional Accountants

Calgary, Canada
July 16, 2021

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 69,871	\$ 295,333
Short-term investments (note 7)	3,832,082	3,762,951
Accounts receivable (note 2)	785,931	897,847
Prepaid expenses	244,071	120,731
	<u>4,931,955</u>	<u>5,076,862</u>
Property and equipment (note 3)	94,208	101,649
	<u>\$ 5,026,163</u>	<u>\$ 5,178,511</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 298,443	\$ 623,391
Deferred revenue (note 4)	1,894,812	3,175,980
	<u>2,193,255</u>	<u>3,799,371</u>
Net assets (note 5)	2,832,908	1,379,140
Economic dependence and government assistance (note 6)		
Subsequent event (note 6)		
Commitments (note 9)		
	<u>\$ 5,026,163</u>	<u>\$ 5,178,511</u>

See accompanying notes to financial statements.

Approved by the Board:

Signed (Mike MacGregor, Chair)

Signed (Mark Humphries, Vice Chair)

Statement of Operations

March 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Grant	\$ 2,392,894	\$ 3,301,858
Project	3,557,271	3,202,555
Membership	612,956	585,222
Other	28,762	33,258
Interest	71,536	121,501
Government assistance (note 6)	1,276,485	-
	<u>7,939,904</u>	<u>7,244,394</u>
Expenses:		
Project	\$ 3,500,250	\$ 3,577,806
Infrastructure	1,054,288	1,501,289
Project and partnership development	926,634	798,501
General and administrative	627,554	668,613
Marketing and communications	311,397	428,508
Depreciation	66,013	54,248
	<u>6,486,136</u>	<u>7,028,965</u>
Excess of revenues over expenses	\$ 1,453,768	\$ 215,429

See accompanying notes to financial statements.

Statement of Changes in Net Assets

March 31, 2021, with comparative information for 2020

	2021	2020
Net assets, beginning of year	\$ 1,379,140	\$ 1,163,711
Excess of revenues over expenses	1,453,768	215,429
Net assets, end of year	<u>\$ 2,832,908</u>	<u>\$ 1,379,140</u>

See accompanying notes to financial statements.

Statement of Cash Flows

March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 1,453,768	\$ 215,429
Add item not affecting cash:		
Depreciation	66,013	54,248
	<u>1,519,781</u>	<u>269,677</u>
Changes in non-cash working capital:		
Accounts receivable	111,916	(2,055)
Prepaid expenses	(123,340)	(7,881)
Accounts payable and accrued liabilities	(324,948)	274,472
Deferred revenue	(1,281,168)	1,913,530
	<u>(97,759)</u>	<u>2,447,743</u>
Investing activities:		
Change in short-term investments	(69,131)	(2,090,232)
Purchase of property and equipment	(58,572)	(40,000)
	<u>(127,703)</u>	<u>(2,130,232)</u>
(Decrease) increase in cash and cash equivalents	(225,462)	317,511
Cash and cash equivalents (bank indebtedness), beginning of year	295,333	(22,178)
Cash and cash equivalents, end of year	<u>\$ 69,871</u>	<u>\$ 295,333</u>

See accompanying notes to financial statements.

Notes to Financial Statements

March 31, 2021, with comparative information for 2020

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 WucNet 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:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants ("CPA") Handbook.

On March 11, 2020, the Coronavirus COVID-19 ("COVID-19") outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian government, enacting emergency measures to combat the spread of the virus. These measures include implementation of travel bans, self-imposed quarantine periods and social distancing, which are causing material disruption to businesses globally and in Canada, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. These measures have caused a significant increase in economic uncertainty, with reduced demand for commodities leading to volatile prices and currency exchange rates, and a decline in long-term interest rates. These factors may impact future funding. The potential direct and indirect impacts of the economic downturn have been considered in the Cybera's estimates and assumptions at year end and have been reflected in the results.

Market conditions had improved over the course of fiscal 2021 as nations began re-opening their economies, but the recent resurgence of COVID-19 cases (including cases related to variants or mutations of the COVID-19 virus) in certain geographic areas, and the possibilities that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions noted above by local authorities. In addition, while vaccines are beginning to be distributed, there is uncertainty as to the timing, level of adoption, duration of efficacy and overall effectiveness of the vaccine against variants or mutations. As such, the COVID-19 pandemic continues to present challenges to Cybera.

While the full impact is not yet known, Cybera will continue to monitor the impact of the pandemic and reflect the consequences as appropriate in accounting and reporting. Cybera continues to use its assets and meet its current obligations as they come due.

(b) 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.

(c) 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.

(d) 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.

(e) Short-term investments:

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

(f) 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.

(g) 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.

(h) 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.

These estimates and judgments have been made taking into consideration the economic impact of the COVID-19 pandemic and the significant economic volatility and uncertainty it has created, however, the future impact of COVID-19 cannot be reasonably estimated at this time.

(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.

(j) Government assistance:

Cybera applies for financial assistance under available government programs. Government assistance is recorded in income for the period to which it relates.

2. Accounts receivable:

Included in accounts receivable are government remittances receivable of \$24,625 (2020 – \$17,019), which include amounts receivable for input tax credits.

3. Property and equipment:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 1,015,058	\$ 920,850	\$ 94,208	\$ 101,649

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:

	2021	2020
Balance, beginning of year	\$ 3,175,980	\$ 1,262,450
Less: amounts recognized as revenue in the year	(1,584,001)	(1,522,996)
Add: amounts received related to expenses of future periods	302,833	3,436,526
	\$ 1,894,812	\$ 3,175,980

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.

During the year, the Government of Canada created the Canada Emergency Wage Subsidy ("CEWS") program to provide wage assistance to companies who experienced a drop in revenues resulting from the COVID-19 pandemic. During the year, Cybera met the eligibility requirements for certain months and applied for CEWS. As at March 31, 2021, Cybera recognized CEWS revenue of \$1,276,485, of which \$1,182,681 was received before year-end and \$93,804 was received after year-end.

7. Short-term investments:

Short-term investments represent term deposits with original maturity dates of one year. The interest rates on these short-term investments are between 1.4% and 2.55%.

8. Financial instruments and related risks:

Fair value of financial assets and financial liabilities:

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and short-term investments. 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 \$9,755 (2020 – \$10,146). The risk exposure is considered to have increased from 2020 due to the COVID-19 pandemic and the impact on the business as described in note 1(a).

(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, other than the potential impact of COVID-19 as described in note 1(a) and note 1(h).

9. Commitments:

Cybera is committed under a long-term office lease agreement. Estimated payments with respect to the lease commitments for office premises over the next five years are as follows:

2022	\$	32,532
2023		32,532
2024		32,532
2025		32,532
2026		18,977

LOOKING AHEAD

When we wrote our 2019-20 Annual Report, we were still early into the COVID pandemic in North America, and unsure of what was to come. At the time, these were the trends we predicted would arise in the year ahead:

- 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)
- Ongoing conferences will see *increased* attendance over the next year, as more people are able to attend
- Public institutions across Alberta will collaborate 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

Many of these have since come to pass.

In November 2020, the federal government launched a \$1.75 billion Universal Broadband Fund, which included a Rapid Response Stream to focus on communities that were urgently in need of connectivity (several Alberta projects



"Dad working." Nathaniel, age 8.



"This is dad's meme, and these are his lists." Max, age 6.

were confirmed as of March 2021). Our Alberta Rural Connectivity Forum (held in March 2021) also highlighted several local community broadband projects that are in progress. There is still much work to be done on this file though.

As expected, COVID restrictions did lead to new opportunities for people (particularly those with enough bandwidth) to work and learn from home. We saw several new platforms emerge to offer more interactive, gamified ways to attend classes or conferences. We also saw the rise of "Zoom fatigue" and increased reports of worker burnout, which has paused many plans by companies to go permanently virtual. It turns out, technology cannot replace actual human interactions.

One of the more worrying trends from the past year was the steep rise in cyberattacks, with CIRA reporting that three in 10 organizations surveyed had seen a spike in the volume of attacks during the pandemic. Many companies are still belatedly updating their security policies and training of staff.

There have also been more calls from the Government of Alberta for public institutions to increase collaborations and the sharing of services.

We expect "collaboration" and "security" to dominate the agendas for Cybera and our member community in the next fiscal year.



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Cover: "My mom's an internet super hero!" Vance, age 9.