



September 26, 2023

ANNUAL GENERAL MEETING OF MEMBERS

Digital Research Alliance of Canada



Digital Research
Alliance of Canada

Alliance de recherche
numérique du Canada



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LETTER FROM THE CHAIR OF THE BOARD OF DIRECTORS

September 12, 2023

On behalf of the Board of Directors of the Digital Research Alliance of Canada (the Alliance), I am pleased to invite you to our Annual General Meeting (AGM), taking place virtually on Tuesday, September 26, 2023, from 12:00 pm to 1:30 pm EDT.

The Alliance Annual General Meeting package includes the notice of the meeting, the agenda, the minutes of the AGM held in September 2022, and the Alliance's audited financial statements for the financial year ending March 31, 2023.

The meeting will include:

- Welcome and opening remarks and an update on Alliance's business from George Ross, Alliance CEO
- Official Business of the AGM, including the election of new Directors, presentation of the audited financial statements and the reappointment of external auditors
- Closing comments.

The AGM will take place virtually on Lumi, which will be also managing the voting through their virtual platform. Please note all Alliance Members are allowed to attend, and only the primary representative of primary member organizations will be permitted to vote. If you need to update your institution's information, an authorized signatory can make the request in writing, using the provided [form](#) and sharing it with us for approval by emailing it to us at membership-adhesion@alliancecan.ca.

Currently, the Alliance is focused on implementing our [2023-25 DRI investments plan](#) which includes initiatives to upgrade critical infrastructure, improve services, access and functionality over fiscal years 2023-24 and 2024-25. We are also planning for our 2025-30 mandate renewal. Our goal is to submit a proposal to ISED by the end of September that will not only meet the Canadian research community's present-day DRI needs and requirements but consider emerging opportunities and technologies. We appreciate the commitment and support of our ecosystem partners in ensuring the mission of the Alliance, on behalf of researchers in Canada, is achieved.

We look forward to seeing you at the AGM.
Thank you and best wishes,

Martha Whitehead
Chair, Board of Directors
Digital Research Alliance of Canada



LETTER FROM THE CHIEF EXECUTIVE OFFICER

September 12, 2023

Dear Digital Research Alliance of Canada Member,

I am pleased to invite you to the Digital Research Alliance of Canada's (the Alliance) Annual General Meeting (AGM), taking place virtually on **Tuesday, September 26, 2023**, from **12:00 pm to 1:30 pm EDT**. In addition to the standard AGM proceedings, we are looking forward to providing you with some important updates on the work of the Alliance.

In 2022-23, the Alliance accomplished several milestones defined in its contribution agreement with the Government of Canada. The Alliance assumed leadership of funding advanced research computing infrastructure and operations from the Canada Foundation for Innovation (CFI) and Compute Canada, as well as leadership of research data management and research software from CANARIE.

We submitted New Service Delivery and Funding Models as well as a Multi-Year Funding Proposal for 2023-25 to Innovation, Science and Economic Development Canada (ISED) following the development of the Canadian Digital Research Infrastructure Needs Assessments and extensive collaboration with Canada's digital research infrastructure ecosystem.

And, we have entered into an agreement with ISED regarding the Pan-Canadian Artificial Intelligence Strategy. In March 2023, ISED awarded funding of up to \$228.3 million for the 2023-25 period for digital research infrastructure initiatives that will directly benefit Canada's researchers. The Alliance's work would not be possible without the support of our Members and funding from the Government of Canada through ISED. Their support allows the Alliance to continue working towards an integrated, equitable and sustainable digital research infrastructure ecosystem for all researchers.

I look forward to diving into these and other updates at the AGM.

George Ross
Chief Executive Officer
Digital Research Alliance of Canada



Meeting Agenda

ALLOTTED TIME	#	ITEM	SPEAKER
OPENING SESSION			
5 min.	1.	Welcome, Land Acknowledgment and Housekeeping	G. Ross
5 min.	2.	Chair's Opening Remarks	M. Whitehead
15 min.	3.	CEO Update	G. Ross
10 min.	4.	Researcher Council Update	R. Sobie
OFFICIAL BUSINESS			
4 min.	5.	Call to Order	M. Whitehead
1 min.	6.	Chair, Secretary and Scrutineer of the Meeting	M. Whitehead
1 min.	7.	Notice of Meeting	M. Whitehead
2 min.	8.	Confirm Quorum	M. Whitehead
3 min.	9.	Approval of the Minutes	M. Whitehead
15 min.	10.	Election of Directors	M. Whitehead
7 min.	11.	Receive and Consider Financial Statements	M. Whitehead
3 min.	12.	Re-Appointment of the External Auditors	M. Whitehead
3 min.	13.	Other Business	M. Whitehead
1 min	14.	Conclusion of Official Business	M. Whitehead
CLOSING SESSION			
5 min.	15.	Closing Remarks	M. Whitehead
1 min.	16.	Termination	M. Whitehead



Approval of the Minutes

The minutes of the Annual General and Special Meetings of the Members of the Corporation held on September 27, 2022, have been circulated to the Members for approval.

RECOMMENDATION

BE IT RESOLVED THAT:

The (Class A) Primary Members approve the minutes of the Digital Research Alliance of Canada's Annual General Meeting of Members held on September 27th, 2022.



APPENDIX 1

Minutes of the Annual General Meeting of Members (September 27th, 2022).



**DIGITAL RESEARCH ALLIANCE OF CANADA /
ALLIANCE DE RECHERCHE NUMÉRIQUE DU CANADA
(the “Corporation”)**

Annual General Meeting of the Members

**Held entirely by electronic means using the Zoom platform
Tuesday, September 27, 2022 at 1:00 PM (Eastern Time)**

OPENING REMARKS

The annual general meeting (the “**Meeting**”) of the Members of the Digital Research Alliance of Canada (the “**Corporation**”) was called to order. Janet Davidson, Chair of the Board of Directors (the “**Board**”) of the Corporation, introduced the members of the Board and the Corporation’s leadership team and staff present at the Meeting, and provided an overview of the meeting and voting procedures for the Meeting.

Janet Davidson acted as Chair, Julie Robinson, the Corporation’s legal counsel, acted as Recording Secretary, and Temi Omope acted as Scrutineer of the Meeting.

NOTICE OF MEETING

The Chair confirmed that the notice of the Meeting was sent on September 6, 2022 to all the Members of record as of September 1, 2022.

QUORUM

The Chair received the Scrutineer’s report on attendance at the Meeting and informed the Meeting that she was satisfied that a quorum was present and declared that the Meeting was duly constituted for the transaction of business. The Chair asked the Scrutineer to submit the final report on attendance as soon as it is available. The final report on attendance is attached as Schedule “A” hereto.

AGENDA

The Chair explained that there were four (4) formal items of business before the Meeting, specifically:

- I. approval of the minutes for the Annual General Meeting of Members of the Corporation held on September 28, 2021;
- II. the election of directors of the Corporation;
- III. presentation of the audited financial statements of the Corporation for the financial year ended March 31, 2022; and



- IV. re-appointment of the Corporation's auditor for the financial year ending March 31, 2023.

APPROVAL OF ANNUAL GENERAL MEETING MINUTES

The Chair introduced the first item of business: approval of the minutes of the Annual General meeting of the Members of the Corporation held on September 28, 2021. The Chair advised that a copy of the Annual General Meeting minutes had been made available to Members. The Chair received no objection to dispensing with the reading of the minutes. The Chair requested a motion to approve the Annual General Meeting minutes. The motion was duly moved and seconded. There being no discussion on the motion, the Chair advised that the motion would be voted on during the designated voting period and moved to the next item of business.

ELECTION OF DIRECTORS

The Chair introduced the second item of business: the election of directors of the Corporation. The Chair noted that two directors, Dale Askey and Gail Murphy, were currently within their existing terms and advised that Members were provided information on proposed candidates by the Nominating Committee of the Board. The Chair provided an overview of the nomination process, advising that candidates were selected following an open call for nomination through a review process that included consideration of gaps on the Board, the needs of the Board, and principles of equity and diversity. The Chair invited feedback from Members on the nomination process and acknowledged gaps in representation that the Board is continuing to work on.

The Chair requested a motion to approve that the number of directors be fixed at sixteen (16) and the election of the below proposed nominees as directors, to hold office until the end of their respective terms:

- David Barnard, to restart a new three-year term ending at the Annual General Meeting in 2025;
- Chris Lumb, for a two-year term ending at the Annual General Meeting in 2024;
- Donna Bourne-Tyson, for a one-year term ending at the Annual General Meeting in 2023;
- David MaGee, for a two-year term ending at the Annual General Meeting in 2024;
- Martha Whitehead, for a two-year term ending at the Annual General Meeting in 2024;
- Jeffrey Taylor, for a two-year term ending at the Annual General Meeting in 2024;
- Jennifer Doyle, for a two-year term ending at the Annual General Meeting in 2024;
- Randall Sobie, for a one-year term ending at the Annual General Meeting in 2023;
- Denis Thérien, for a one-year term ending at the Annual General Meeting in 2023;
- Melissa Just, for a three-year term ending at the Annual General Meeting in 2025;
- Guillaume Bourque, for a three-year term ending at the Annual General Meeting in 2025;
- Connie Bonello, for a two-year term ending at the Annual General Meeting in 2024;
- Kelley McKinnon, for a three-year term ending at the Annual General Meeting in 2025;
- and
- Roya Rezaie, for a three-year term ending at the Annual General Meeting in 2025.

The motion was duly moved and seconded. There was discussion regarding the prior size of the Board and the length of Randall Sobie's proposed term as director, which was confirmed to be a one-year term. The Chair advised the motion would be voted on during the designated voting



period and moved to the next item of business.

PRESENTATION OF FINANCIAL STATEMENTS

The Chair introduced the third item of business: presentation of the Corporation's annual financial statements for the year ended March 31, 2022 and the report of the auditors on the statements. The Chair invited the Corporation's Chief Financial Officer and Vice President, Corporate Services, Narinder Dehal, to present the financial statements. Narinder Dehal presented an overview of the financial statements to the Meeting.

RE-APPOINTMENT OF AUDITORS

The Chair introduced the fourth item of business: appointment of the Corporation's auditor until the next annual meeting of the Members or until a successor is appointed and authorizing the Board to fix the auditor's remuneration. The Chair advised that KPMG LLP was selected as the Corporation's auditor and the Board recommended that KPMG LLP be re-appointed as auditor for the forthcoming year. The Chair requested a motion to re-appoint KPMG LLP as the Corporation's auditor until the next annual meeting of Members and to authorize the Board of Directors to fix the auditor's remuneration. The motion was duly moved and seconded. There was no discussion on the motion. The Chair advised that the motion would be voted on during the designated voting period and moved to the next item of business.

VOTING PERIOD

The Chair requested a vote on the following three (3) motions which were previously moved and seconded:

- I. the motion to approve the minutes of the Annual General Meeting of the Members held on September 28, 2021;
- II. the motion to approve the election of the nominated directors and the fixing the number of directors at sixteen (16); and
- III. the motion to re-appoint KPMG LLP as the Corporation's auditor and to authorize the Board to fix the auditor's remuneration.

Due to technical difficulties with the SimpleSurvey platform, the votes were conducted via Zoom. Following the vote, the Chair declared all motions carried. The Scrutineer's report on the vote is attached as Schedule "B" hereto.

CONCLUSION

There being no further business, the Chair and David Barnard, the incoming Chair of the Board, made closing remarks. The Chair then requested a motion to conclude the Meeting, which was duly moved and seconded, and the Chair declared the Meeting adjourned.



SCHEDULE "A"

Scrutineer's Report on Attendance

See details below.



**ANNUAL GENERAL MEETING OF MEMBERS
OF DIGITAL RESEARCH ALLIANCE OF
CANADA / ALLIANCE DE RECHERCHE
NUMÉRIQUE DU CANADA**

Held on the 27th day of September 2022

SCRUTINEER'S FINAL REPORT

32 CLASS A (PRIMARY) MEMBERS PRESENT ELECTRONICALLY VIA ZOOM

0 CLASS A (PRIMARY) MEMBERS REPRESENTED BY MAILED-IN BALLOT

TOTAL PRIMARY MEMBERS AS AT
RECORD DATE: 34

PERCENTAGE OF PRIMARY MEMBERS
REPRESENTED AT THE MEETING 94.12%

DATED this 1st day of November 2022.

Temi Omope



SCHEDULE “B”

Scrutineer’s Report on Vote

See details below.



**ANNUAL GENERAL MEETING OF MEMBERS
OF DIGITAL RESEARCH ALLIANCE OF
CANADA / ALLIANCE DE RECHERCHE
NUMÉRIQUE DU CANADA**

Held on the 27th day of September, 2022

SCRUTINEER'S FINAL REPORT ON VOTE

MOTION #1

Approval of Minutes from the September 28, 2021, Annual General Meeting

I, the undersigned scrutineer, hereby report that the result of the vote with respect to the above matter is as follows:

Number of Votes

FOR	<u>32</u>	100%
AGAINST	<u>0</u>	0%
ABSTAIN	<u>0</u>	0%
Total	<u>32</u>	100%

Temi Omope



**ANNUAL GENERAL MEETING OF MEMBERS
OF DIGITAL RESEARCH ALLIANCE OF
CANADA / ALLIANCE DE RECHERCHE
NUMÉRIQUE DU CANADA**

Held on the 27th day of September, 2022

SCRUTINEER'S FINAL REPORT ON VOTE

MOTION #2

Election of the Directors and Approval of Number of Directors

I, the undersigned scrutineer, hereby report that the result of the vote with respect to the above matter is as follows:

Number of Votes

FOR	<u>27</u>	84.38%
AGAINST	<u>0</u>	0%
ABSTAIN	<u>5</u>	
Total	<u>32</u>	15.62%

Temí Omobe



**ANNUAL GENERAL MEETING OF MEMBERS
OF DIGITAL RESEARCH ALLIANCE OF
CANADA / ALLIANCE DE RECHERCHE
NUMÉRIQUE DU CANADA**

Held on the 27th day of September, 2022

SCRUTINEER'S FINAL REPORT ON VOTE

MOTION #3

Re-appointment of Auditors

I, the undersigned scrutineer, hereby report that the result of the vote with respect to the above matter is as follows:

Number of Votes

FOR	<u>29</u>	90.62%
AGAINST	<u>0</u>	0%
ABSTAIN	<u>3</u>	9.37%
Total	<u>32</u>	

Temi Omope



Election of Directors

The Nominating Committee of the Digital Research Alliance of Canada's Board of Directors has nominated the following director candidates, for approval:

RECOMMENDATION

The following directors are currently within their existing terms:

1. Martha Whitehead, for a one-year term ending at the AGM in 2024.
2. Jennifer Doyle, for a one-year term ending at the AGM in 2024.
3. David MaGee, for a one-year term ending at the AGM in 2024.
4. Jeffery Taylor, for a one-year term ending at the AGM in 2024.
5. Chris Lumb, for a one-year term ending at the AGM in 2024.
6. Guillaume Bourque, for a two-year term ending at the AGM in 2025.
7. Connie Bonello, for a two-year term ending at the AGM in 2025.
8. Kelley McKinnon, for a two-year term ending at the AGM in 2025.
9. Roya Rezaie, for a two-year term ending at the AGM in 2025.

BE IT RESOLVED THAT:

The Primary Members approve that the number of directors be fixed at 17, and;
That the following nominees be elected as directors, to hold office until the end of their respective terms:

1. Gail Murphy, for a two-year term ending at the AGM in 2025.
2. Donna Bourne-Tyson, for a two-year term ending at the AGM in 2025.
3. Randall Sobie, for a one-year term ending at the AGM in 2024.
4. Dale Askey, for a one-year term ending at the AGM in 2024.
5. Denis Thérien, for a one-year term ending at the AGM in 2024.
6. Edward McCauley, for a three-year term ending at the AGM in 2026.
7. Karen Barnes, for a three-year term ending at the AGM in 2026.
8. Philippe Beaudoin, for a three-year term ending at the AGM in 2026.



APPENDIX 1 Director Candidate Biographies

DIRECTOR CANDIDATE BIOGRAPHIES



APPENDIX 1

GAIL MURPHY

Gail C. Murphy is a Professor of Computer Science and Vice-President, Research and Innovation at the University of British Columbia.

[BIOGRAPHY](#)



DONNA BOURNE-TYSON

Donna Bourne-Tyson is the former Dean of Libraries at Dalhousie University. During two terms in this role, Ms. Bourne-Tyson led the team responsible for libraries, learning commons and archives, amongst other DRI initiatives.

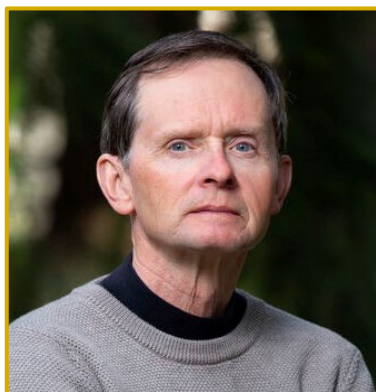
[BIOGRAPHY](#)



RANDALL SOBIE

Dr. Randall Sobie is an Institute of Particle Physics Research Scientist, Professor and Director of the Subatomic Physics and Accelerator Research Centre at the University of Victoria.

[BIOGRAPHY](#)





DALE ASKEY

Dr. Dale Askey currently serves as Vice Provost (Library & Museums) and Chief Librarian at the University of Alberta.

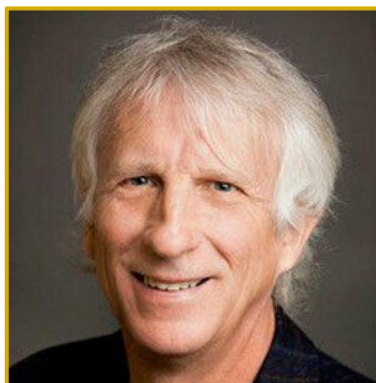
[BIOGRAPHY](#)



DENIS THÉRIEN

Dr. Denis Thérien is Vice-President of Research and Partnerships at ServiceNow, a Montreal start-up that helps organizations operationalize AI by connecting business and the research community.

[BIOGRAPHY](#)



EDWARD McCaULEY

Dr. Edward McCauley has served as the University of Calgary's ninth president and vice-chancellor since January 2019 and has subsequently been re-appointed to a second term, ending in December 2028.

[BIOGRAPHY](#)





KAREN BARNES

Karen Barnes recently retired as President of Yukon University (formerly Yukon College) in Whitehorse, Yukon (the first Canadian University North of 60), a role she held since 2011.

[BIOGRAPHY](#)



PHILIPPE BEAUDOIN

Philippe Beaudoin has thirty years of professional experience as an executive, academic researcher and software engineer. He is the co-founder of Waverly where he and his team work to build healthier social spaces, by using generative and conversational Artificial Intelligence (AI).

[BIOGRAPHY](#)





Receive and Consider Financial Statements

The Digital Research Alliance of Canada's Audited Financial Statements for the year ended March 31, 2023, have been provided to the members for information.



APPENDIX 1

KPMG LLP Independent Auditor's Report: Digital Research Alliance of Canada Audited Financial Statements (March 31, 2023)

Financial Statements of

**DIGITAL RESEARCH ALLIANCE
OF CANADA**

And Independent Auditor's Report thereon

Year ended March 31, 2023



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa ON K2P 2P8
Canada
Tel 613-212-5764
Fax 613-212-2896

INDEPENDENT AUDITOR'S REPORT

To the Directors of Digital Research Alliance of Canada

Opinion

We have audited the financial statements of Digital Research Alliance of Canada (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and changes in 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our Auditor's 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.

Auditor's 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 Auditor's 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 Auditor's 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 Auditor's 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 27, 2023

DIGITAL RESEARCH ALLIANCE OF CANADA

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 6,405,903	\$ 7,441,777
Accounts receivable	139,002	108,567
HST recoverable	86,727	90,118
Prepaid expenses	266,193	119,379
	<u>6,897,825</u>	<u>7,759,841</u>
Capital assets (note 4)	98,656	–
	<u>\$ 6,996,481</u>	<u>\$ 7,759,841</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,382,101	\$ 1,417,198
Current portion of lease inducement	22,606	–
Advances from projects	50,320	–
Deferred funding (note 2)	2,437,007	5,121,311
	<u>4,892,034</u>	<u>6,538,509</u>
Deferred lease inducement	119,480	–
Net assets	1,984,967	1,221,332
Commitments (note 5)		
Contingent liabilities (note 7)		
	<u>\$ 6,996,481</u>	<u>\$ 7,759,841</u>

See accompanying notes to financial statements.

On behalf of the Board:

DIGITAL RESEARCH ALLIANCE OF CANADA

Statement of Operations and Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Ministry of Innovation, Science and Industry/Economic Development Canada funding	\$ 31,511,921	\$ 11,247,353
Membership fees	618,500	635,000
Interest income	220,721	40,518
Other revenue	156,156	39,056
	<u>32,507,298</u>	<u>11,961,927</u>
Expenses:		
Program expenses:		
Salaries and benefits	14,643,792	1,884,187
Services	3,096,879	–
Equipment	648,036	33,107
Maintenance and repairs	1,118,007	1,129
General and administration	595,162	283,277
	<u>20,101,876</u>	<u>2,201,700</u>
Operating, general and administration:		
Salaries	7,437,973	5,815,740
Benefits	1,376,210	853,573
Services	2,391,199	2,247,694
Transportation and communication	318,514	85,371
Supplies	77,918	42,358
Miscellaneous expenses	17,826	916
Amortization of capital assets	22,147	–
	<u>11,641,787</u>	<u>9,045,652</u>
Total expenses	<u>31,743,663</u>	<u>11,247,352</u>
Excess of revenue over expenses	763,635	714,575
Net assets, beginning of year	1,221,332	506,757
Net assets, end of year	<u>\$ 1,984,967</u>	<u>\$ 1,221,332</u>

See accompanying notes to financial statements.

DIGITAL RESEARCH ALLIANCE OF CANADA

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 763,635	\$ 714,575
Items not involving cash:		
Amortization of capital assets	22,147	–
Amortization of deferred lease inducement	(25,072)	–
Net change in non-cash working capital:		
Accounts receivable	(30,435)	(108,567)
HST recoverable	3,391	117,855
Prepaid expenses	(146,814)	(68,909)
Accounts payable and accrued liabilities	964,903	859,643
Advances from projects	50,320	–
Deferred funding	(2,684,304)	2,988,647
	(1,082,229)	4,503,244
Investing activities:		
Purchase of capital assets	(120,803)	–
Financing activities:		
Increase in deferred lease inducement	167,158	–
Increase (decrease) in cash	(1,035,874)	4,503,244
Cash, beginning of year	7,441,777	2,938,533
Cash, end of year	\$ 6,405,903	\$ 7,441,777

See accompanying notes to financial statements.

DIGITAL RESEARCH ALLIANCE OF CANADA

Notes to Financial Statements

Year ended March 31, 2023

The Digital Research Alliance of Canada (the “Organization”) is a not-for-profit organization that was federally incorporated on August 28, 2019 as a member-based organization with an agreement between Innovation, Science and Economic Development Canada (ISED) and the Organization.

The Organization’s mandate is to play a critical role in helping advance the establishment of a researcher-focused, accountable, agile, strategic and sustainable Digital Research Infrastructure ecosystem for Canadian researchers.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Basis of presentation:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

Contributions and funding designated for the Organization’s mandate are recorded as deferred funding and are recognized as revenue when the related expenditure is incurred. Unrestricted contributions are recorded as revenue in the year received.

Membership fees are recognized in the period to which they relate, providing collection is reasonably assured.

(c) Expenses:

In the statement of operations, the Organization presents its expenses by function. Expenses are recognized in the year incurred and recorded in the function to which they are directly related.

(d) Capital assets:

Capital assets are comprised of leasehold improvements, which are recorded at cost. When a leasehold improvement no longer contributes to the Organization’s ability to provide services, its carrying amount is written down to its residual value.

Leasehold improvements are amortized over the life of the lease.

(e) Deferred lease inducements:

Deferred lease inducements for leasehold improvements consists of allowances granted to the Organization for the leased offices. The contributions are amortized on a straight-line basis over the term of the lease.

DIGITAL RESEARCH ALLIANCE OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) Employee benefit plans:

The Organization is a member of the Colleges of Applied Arts and Technology Pension Plan, which is a multi-employer, defined benefit pension plan. The Organization has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles.

(g) Use of estimates:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and accordingly, require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates. The significant estimates in the financial statements include the collectability of receivables, deferred contributions, and the amount of certain accrued liabilities in the year they become known.

2. Deferred funding:

The Organization received funding from ISED as follows:

	2023	2022
Balance, beginning of year	\$ 5,121,311	\$ 2,132,664
Contributions received	28,827,617	14,236,000
Recognized as revenue	(31,511,921)	(11,247,353)
Balance, end of year	\$ 2,437,007	\$ 5,121,311

3. Contribution agreement:

The Contribution Agreement between ISED and the Organization under the Digital Research Infrastructure Contribution Program was signed on October 31, 2019. The purpose of this agreement is to fund the Organization's activities. The original end date of March 31, 2021 was subsequently extended to March 31, 2023. Subsequent to year-end, an extension to March 31, 2025 was approved by the Board of Directors and submitted to ISED.

The Contribution Agreement between ISED and the Organization under the Dedicated Computing Capacity for Artificial Intelligence Contribution Program was signed on September 28, 2022. The purpose of this agreement is to fund dedicated computing capacity for artificial intelligence researchers, in support of the Pan-Canadian Artificial Intelligence Strategy. The agreement ends on March 31, 2027.

DIGITAL RESEARCH ALLIANCE OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2023

4. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Leasehold improvements	\$ 120,803	\$ 22,147	\$ 98,656	\$ –

5. Commitments:

Under the terms of the operating lease agreement, the Organization is required to make the following payments over the next 4 years:

2024	\$	152,651
2025		167,861
2026		169,244
2027		169,244
	\$	659,000

6. Employee benefit plans

Starting on May 1, 2021, the Organization became members of the College of Applied Arts and Technology (“CAAT”) Pension Plan, which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the CAAT. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination or death.

The Organization does not recognize any share of the Plan’s pension surplus or deficit as insufficient information is available to identify the Organization’s share of the underlying pension assets and liabilities. The regulatory surplus of the Plan as at December 31, 2022 was \$4.71 billion and the most recent actuarial valuation filed with pension regulators was as at January 1, 2023.

Employer contributions to the Plan during the year by the Organization amounted to \$503,576 (2022 – 332,552) and are included in benefits expense on the Statement of Operations.

7. Contingent liabilities:

The Organization is involved in an employment related litigation matter, the outcome of which is not determinable at this time. Any liability or payments resulting from this matter will be recognized in the year when the outcome is reasonably determinable, and the amounts involved can be estimated.

DIGITAL RESEARCH ALLIANCE OF CANADA

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Financial risks:

The Organization's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to this risk relating to its cash and accounts receivable. The Organization holds its cash accounts with a federally regulated chartered bank who are insured by the Canadian Deposit Insurance Corporation.

The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due. The Organization mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and keeping accounts payable current throughout the year. The Organization is continuously monitoring its cash flow in order to maintain its liquidity moving forward.

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors.

(i) Foreign currency risk:

Foreign currency risk results from the fluctuation and volatility of exchange rates. The Organization is not exposed to foreign exchange risk.

(ii) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates. The Organization is not subject to significant interest rate risk.

(iii) Other price risk:

Other price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Organization is not exposed to other price risk.

9. Comparative information:

Certain 2022 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.



Re-Appointment of the External Auditors

The Alliance Board of Directors has approved and recommends to the Membership the re-appointment of KPMG LLP as the Corporation's auditor.

RECOMMENDATION

BE IT RESOLVED THAT:

The (Class A) Primary Members approve the re-appointment of KPMG LLP as the Corporation's auditor until the next annual meeting of Members or until a successor is appointed and to authorize the Board of Directors to fix the auditor's remuneration.



TERMINATION

