

NDRIO

New Digital
Research Infrastructure
Organization

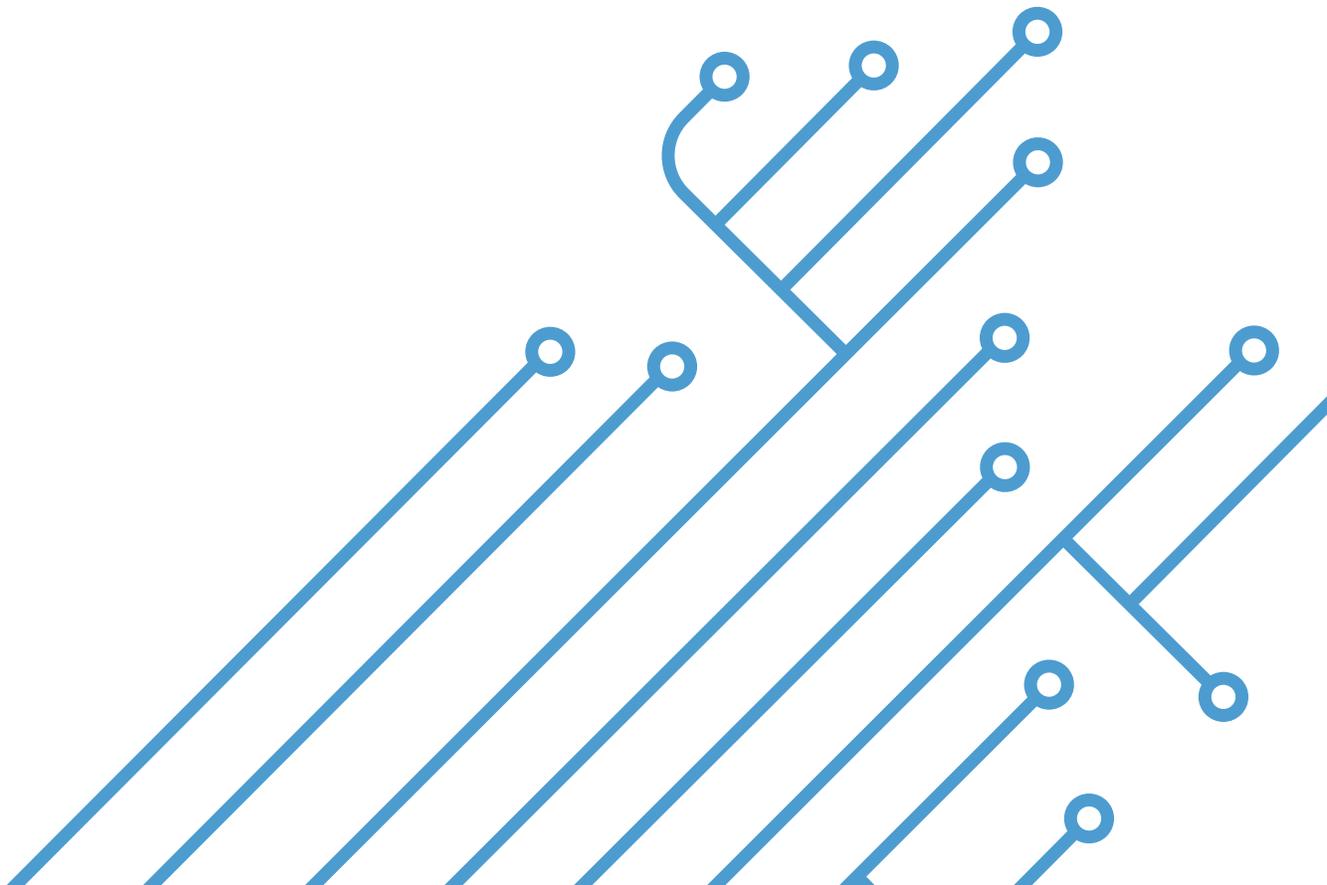
NOIRN

Nouvelle organisation
d'infrastructure de
recherche numérique

Annual Report

**11593765 Canada Association
2019-2020**

Submitted to:
Innovation, Science and Economic Development Canada
July 15, 2020



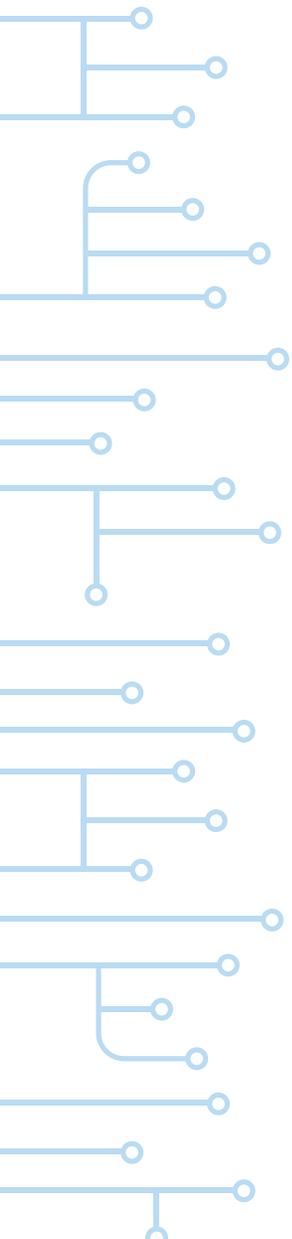


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This report is available in both official languages at [EngageDRI.ca](https://engageDRI.ca)

Message from the Chair, Board of Directors



As the Inaugural Chair of the New Digital Research Infrastructure Organization (NDRIO), I would like to commend the collective hard work and enormous efforts of NDRIO's Applicant Board, interim management team and Digital Research Infrastructure (DRI) stakeholders for the incredible achievements in the organization's first fiscal year. This endeavour would not be possible without the visionary leadership and continuous support of the national DRI Strategy by the Government of Canada.

I would also like to take this opportunity to acknowledge that our work, and the work of our Members and stakeholders, takes place on First Nation, Métis and Inuit traditional territories covering the breadth of what is now known as Canada.

Working with our colleagues across Canada, NDRIO will transform how research data across all academic disciplines is organized, managed, stored and used. The result will help our country's research community access and interpret data and information faster than ever before. The coordination and funding of activities in advanced research computing (ARC), data management (DM) and research software (RS) will not only immensely benefit Canadian researchers, but researchers from around the world.

NDRIO has an ambitious mandate, the solid foundation for which has been built in Year One. The newly elected Board of Directors is committed to being highly engaged, collaborative and inclusive. We acknowledge and respect how important this is to the Canadian research community. The Board is also unwavering in its commitment to uphold principles of Equity, Diversity and Inclusion (EDI) and anti-racism, and operating with heightened awareness of the need for social change.

The Board is working side-by-side with the NDRIO management team to advance and deliver the 2019-20 Corporate Plan, to the ultimate benefit of Canadian researchers. Together, the Board and the NDRIO team are laser focused on ensuring the new organization is fiscally responsible, well run, accountable and transparent to its many stakeholders.

We are proud of the accomplishments to date, and we look forward to providing our 135-plus Members – including leading post-secondary institutions, research hospitals, institutes and established DRI organizations across Canada – with the digital tools and services they need for leading-edge research and scientific breakthrough.

Thank you and best wishes,

A handwritten signature in black ink that reads "Janet Davidson".

Janet Davidson, O.C., BScN, MHSA, LLD (Hon)
Chair, Board of Directors
New Digital Research Infrastructure Organization (NDRIO)
11593765 Canada Association

Message from the Interim Executive Director



It's been an incredible year building the New Digital Research Infrastructure Organization (NDRIO) from the ground up. We've made tremendous progress since NDRIO was proposed in August 2019 and the Contribution Agreement with our federal funder, Innovation, Science and Economic Development Canada (ISED) was signed in October 2019. We've begun the process of forging deep, meaningful engagement with researchers, regional groups, institutions and host sites, and other key stakeholders in the Canadian Digital Research Infrastructure (DRI) ecosystem. Our success this past year is thanks in large part to the collective contributions and efforts from these integral groups. This annual report is structured to report on activities to ISED in line with our Contribution Agreement.

Our management team has been hard at work as we begin to build new integrated service delivery and funding models for DRI in Canada. It was a busy Year One and we accomplished a great deal, including: developing and sharing our Governance and Membership Model and Guiding Principles, based on community consultations; establishing our By-Laws; and solidifying our business operations. We delivered our Corporate Plan to ISED at the end of January 2019. Our call for membership resulted in 51 Primary and 85 Associate Members representing post-secondary institutions, research hospitals, colleges and related organizations across Canada. We hosted our first Special Members' Meeting in March where our Primary Members elected the Inaugural Board of Directors.

We achieved all of this thanks to our strong Applicant Board and interim operational leadership team.

At the core of all this activity remains one constant – our focus on Canadian researchers. We exist to provide the digital tools, services and infrastructure that scholars and scientists need to conduct cutting-edge research that enables Canada to compete on the world stage.

Researchers are critical to our annual planning and priority setting. As such, we're working diligently to plan transition services without disruption to researchers. Working collaboratively with partners across the country, we're focused on exceptional change management – not only ensuring continuity of service and researcher satisfaction, but ensuring that the teams delivering these services are consulted, respected and involved.

We undertake this work being mindful of the calls for long overdue societal change echoing around the world. NDRIO has heard these calls. In keeping with clear expectations of our federal government funders, our Member institutions and the diverse researcher community that we serve, NDRIO is committed to fully embracing Equity, Diversity and Inclusion (EDI) practices. Standing against injustice unites us as a community and as a country.

Over the next year, and under the leadership of a strong and diverse Board of Directors, we will share our needs assessment, strategic plan and transition plan. We'll also introduce our Researcher Council, all the while defining and adjusting the architecture and technical backbone to support service delivery and funding models to put Canadian researchers on the global map.

NDRIO and all its stakeholders will have a significant and meaningful impact on our country. We're all part of this historical moment and the bright future that lies ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "George Ross". The signature is fluid and cursive, written over a white background.

George Ross
Interim Executive Director
New Digital Research Infrastructure Organization (NDRIO)
11593765 Canada Association

Executive Summary

The 2019-20 fiscal year was the first year of operations for 11593765 Canada Association (publicly known as the New Digital Research Infrastructure Organization [NDRIO]). It was an exciting year for the start-up organization, with the accomplishment of many milestones in Year One, including:

- Incorporation as a member-based not-for-profit organization.
- The approval of a Contribution Agreement with the Government of Canada through Innovation, Science and Economic Development Canada (ISED).
- The establishment of an inclusive, diverse Applicant Board and interim management team.
- A formal process of stakeholder consultation to inform the membership and governance structure, in which more than 210 members of the DRI community participated.
- The development and release of the Governance and Membership Model, including Guiding Principles.
- A call for Primary (Voting) Members and Associate (Non-Voting) Members, reaching out to 315 post-secondary institutions, research hospitals, colleges and related organizations across Canada. As of March 31, 2020, NDRIO's membership is composed of 136 organizations and institutions.
- Recruitment and election of an independent Inaugural Board of Directors.
- The first Members' Meeting held in Ottawa, March 2020.
- Work to begin planning the transition of the CARL Portage program by October 1, 2020.
- A clean audit report from external auditors KPMG.

The momentum and future-forward vision of NDRIO continues into 2020-21 with the below planned activities, underway as of April 1, 2020:

Summary of Activities 2020-21

Stream 1:

Build the Organization

1. Finalize NDRIO's governance, organizational structure and HR plan.
2. Establish the Researcher Council.
3. Articulate the strategic plan (to be delivered in Sept. 2021), including a national vision and strategy for growth in advanced research computing (ARC), research software (RS) and data management (DM), based on current-state and user-needs assessments.
4. Establish backroom finance and administrative functions, and management processes.
5. Define the NDRIO brand and visual identity, and establish communications mechanisms.

Stream 2:

Build New Service Delivery and Funding Models

6. Build new service delivery and funding models, in collaboration with regions, host sites and other DRI partners, by 2021-22.
7. Lead the development and delivery of initial projects (ARC – DM – RS).
8. Safeguard DRI resources through enhanced investments and coordination in cybersecurity.
9. Develop a joint DRI Ecosystem Plan, working with CANARIE.

Stream 3:

Plan Transition Activities

10. Develop transition plans (to be completed in 2021-22), providing for continuity of service delivery and the assessment of existing highly qualified personnel (HQP) and infrastructure.
11. Plan transition activities across organizations, at the management and governance levels.
12. Lead development of a change-management strategy and professional development plan.
13. Plan transition of DM – Carl Portage.

Core to All Streams:

Stakeholder Engagement

14. Lead researcher, partner and stakeholder engagement and communications.

NDRIO Inaugural Board of Directors



Back row, left to right: Dr. Sina Shahandeh, Dr. Denis Thérien, Donna Bourne-Tyson, Dr. Jeffrey Taylor, Dr. Gail Murphy and Dr. Deb Verhoeven
Front row, left to right: Vice-Chair Peter MacKinnon, Chair Janet Davidson and Jennifer Doyle
Missing: Dr. David Barnard, Dr. Alexandra King, Chris Lumb, Dr. David MaGee, Jane Skoblo and Martha Whitehead

With the Inaugural Board in place as of March 11, 2020, NDRIO is undertaking a CEO recruitment process. Hiring a CEO is a priority focus for the NDRIO Board of Directors. Additional executive-level leaders will be onboarded in the subsequent months ahead. The current NDRIO interim management team will allow for continuity and transition of resources until that time. The Board recognizes principles of Equity, Diversity and Inclusion (EDI) as fundamental in all its hiring processes and interactions, and will ensure NDRIO respects the rights and dignity of all of its staff, Members and stakeholders.

NDRIO's first Special Members' Meeting took place in early March, before the escalation of the COVID-19 pandemic and subsequent self-isolation measures were put into effect. With the NDRIO team already home-based across the county, the interim operational leadership continued to move NDRIO's work forward. NDRIO would like to acknowledge and thank its Members and the research community who are actively searching for solutions in the midst of the COVID-19 crisis.

NDRIO is proud of its accomplishments in Year One and looks forward to Year Two and beyond with dedication, enthusiasm and anticipation as to the DRI offering of the future. Collectively as a team, working with the Canadian DRI community, our activities in 2019-20 laid the foundation to support research excellence in Canada and around the world.

Audited Financial Statements for the Previous Fiscal Year

Audited financial statements for the year ending March 31, 2020 have been prepared in accordance with generally accepted accounting principles and have been approved by the NDRI Board of Directors.

For the audited financial statements, as prepared by KPMG, please see Appendix 1 beginning on page 12.

A statement of the total funding received by the Recipient from all sources in the previous fiscal year, including all government assistance, to support Eligible Activities

The Association received \$2,135,500 in funding from Innovation, Science and Economic Development Canada (ISED) in 2019-20. Interest income on bank balances associated with ISED funding amounted to \$10,160. There was no Member income recorded in 2019-20.

A statement of the amount of the Contribution directed towards Eligible Costs in the previous fiscal year, detailed by category of Eligible Activities.

2019-20 was the Association's first year of operations. The Contribution was directed to start-up activities and the Association incurred \$1,494,291 in Eligible Costs as follows:

Eligible Activities	Eligible Costs
1) Leading and Coordinating Governance of the DRI Ecosystem (Operating)	\$1,314,526
2) Management and Administration (General and Administration)	\$179,765
Total	\$1,494,291

With ISED's agreement, the unspent 2019-20 Contribution was carried forward to 2020-21.

Amount of funding leveraged from other sources (if applicable) in the previous fiscal year to support Eligible Activities and Eligible Projects

The Association did not receive any funds from other sources in 2019-20.

A statement of objectives for the previous fiscal year, as set out in the relevant Corporate Plan, and a statement on the extent to which the Recipient met those objectives and any course corrections or deviations from the original objective that occurred

Beginning in August 2019, the new organization focused on:

- Establishing the organization
- Consulting with stakeholders
- Putting in place a Governance and Membership Model to lay the foundation to develop a new vision and national service delivery and funding models for advanced research computing (ARC), data management (DM) and research software (RS)

The following are NDRIO's objectives for the fiscal year 2019-20, and the extent to which NDRIO met those objectives:

Objective	Details	Extent to which the Objective was Met
Incorporation and Contribution Agreement Approval	11593765 Canada Association (NDRIO) was incorporated as a member-based, not-for-profit, federally incorporated Corporation on August 28, 2019. In August 2019, NDRIO submitted a proposal to ISED to fund its activities to March 2021. That proposal was reviewed and incorporated in the Contribution Agreement between ISED and NDRIO, which was signed on October 31, 2019.	Objective was met.
Establishment of an Inclusive, Diverse Applicant Board and Interim Management Team	The interim management team was in place by fall 2019. The first meeting of the Applicant Board (four members) took place on August 19, 2019. Both the Applicant Board and management teams are geographically diverse, gender balanced and represent both official languages.	Objective was met.
Community Consultation on Governance and Membership	In September and October 2019, NDRIO led six face-to-face meetings (held in Vancouver, Saskatoon, Toronto, Ottawa, Montreal and Halifax) to consult the DRI community on NDRIO's Governance and Membership Model. In addition to the face-to-face meetings, five virtual meetings (one in French) took place in November. Approximately 220 members of the community participated. The feedback from the DRI community informed NDRIO's work in establishing the Governance and Membership Model that was communicated to the community for additional comments in December 2019.	Objective was met.
Advisory Committee Status	The establishment of an Advisory Committee was planned for 2019-2020. Although the Committee is not yet formally established, regular community consultations took place on an issue-by-issue basis. A Screening Committee was also established to review potential Board Directors, as part of the Inaugural Board recruitment process.	Objective is in progress.
Inaugural Board Recruitment	Following a competitive process, the Applicant Board engaged executive recruitment firm Odgers Berndtson to support the recruitment process for the Inaugural Board of Directors. The Board was elected by the NDRIO membership on March 11, 2020. The Inaugural Board of Directors reflects the geographic and linguistic diversity of the country as well as the complexity of the DRI ecosystem. The Board is composed of 50% independent Directors, including the Chair. (Independent Directors are defined as having no material relationship with the organization.)	Objective was met.
Call for Membership	As outlined in the Governance and Membership Model, there are two categories of membership: Primary Members (Voting) and Associate Members (Non-Voting). As of March 31, 2020, NDRIO has secured 51 Primary Members and 85 Associate Members. Member organizations include post-secondary institutions, research hospitals, colleges and related organizations across Canada. Membership recruitment continues into 2020-21. For a full list of current NDRIO Members, please see Appendix 4 on page 29.	Objective was met. Member recruitment and retention efforts are ongoing.
First Members' Meeting	NDRIO held its first Special Members' Meeting in Ottawa March 10-11, 2020. Fifty-seven Members attended the meeting in person, while 38 participated virtually. Eighty-nine per cent of Primary Members voted in the Inaugural Board of Directors.	Objective was met.

A statement of the objectives of the current fiscal year and for the foreseeable future

Work undertaken in Year Two (2020-21) will focus on **1) continuing to build the new organization, 2) building new service delivery and funding models and 3) planning transition activities**. Core to all of this advancement is stakeholder engagement – encompassing first and foremost the research community, ecosystem partners and the DRI community.

Success for NDRIO in the years ahead means:

- Demonstrating NDRIO is well governed, well led and accountable, with clearly defined roles among organizations.
- Bringing access to stable federal and provincial funding through new models that are predictable and reflective of national services.
- Transitioning services without disruption to researchers.
- Enabling service support to a full range of research services. This includes building capacity in the system for innovation and experimentation in how services are delivered.
- Achieving member satisfaction.
- Retaining our Highly Qualified Personnel, creating new opportunities for skills and career development, new opportunities for innovative work, and predictability with respect to roles and needs.
- Improving Canada’s international reputation in the DRI and academic research space.

Further details about our 2020-21 objectives are below.

Stream 1: Build the Organization

1. Finalize NDRIO’s governance, organizational structure and HR plan

- Onboard Inaugural Board of Directors
- Establish By-Laws, committee structures and supporting policies
- Establish the Researcher Council
- Recruit the CEO and executive-level team
- Undertake organizational development work, envisioning growth in the delivery of services

2. Establish the Researcher Council

- Provide for a Researcher Council that is multi-disciplinary (including social sciences and humanities); reflective of the diversity of research institutions across the country; representative of the researcher community at various points in their careers; and diverse and inclusive in its make-up
- Provide for appropriate linkages between the Researcher Council and the Board

3. Articulate the strategic plan (to be delivered in Sept. 2021), including a national vision and strategy for growth in ARC, RS and DM, based on current-state and user-needs assessments, and new service delivery and funding models.

- Conduct a user-needs assessment, under the guidance of the Researcher Council
- Develop a national position paper on research software (RS), with community input
- Update the ARC and DM roadmaps

4. Establish backroom finance and administrative functions, and management processes

5. Define the NDRIO brand and establish communications mechanisms

Stream 2: Build New Service Delivery and Funding Models

6. Build new service delivery and funding models, in collaboration with regions, host sites and other DRI partners	<ul style="list-style-type: none">• Work with host-site institutions, regional groups and other institutions involved in the delivery of services to researchers to define future state for service delivery and how activities will be funded.
7. Lead the development and delivery of initial projects (ARC – DM – RS)	<ul style="list-style-type: none">• Engage the community to articulate initial project needs
8. Safeguard DRI resources through enhanced investments and coordination in cybersecurity	<ul style="list-style-type: none">• Develop a cybersecurity framework in consultation with the community• Collaborate with other organizations to establish a longer-term national vision on cybersecurity
9. Develop a joint DRI Ecosystem Plan, working with CANARIE	

Stream 3: Plan Transition Activities

10. Develop transition plans, providing for continuity of service delivery and the assessment of existing HQP and infrastructure	<ul style="list-style-type: none">• Begin to plan the transition of ARC activities with Compute Canada Federation• Begin to plan the transition of Research Data Canada (RCD) / research data management (RDM) and research software (RS) with CANARIE
11. Coordinate transition activities across organizations, at the management and governance levels	<ul style="list-style-type: none">• Establish joint transition planning governance between NDRIO and Compute Canada, and between NDRIO and CANARIE
12. Lead development of a change management strategy and professional development plan	<ul style="list-style-type: none">• Develop a strategy to support members of NDRIO and Highly Qualified Personnel (HQP) in transition
13. Complete transition of DM – CARL Portage	

Core to All Work Streams: Stakeholder Engagement

14. Lead researcher, partner and stakeholder engagement and communications	<ul style="list-style-type: none">• Develop and implement a multi-channel strategy• Participate in relevant national and international associations
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2020-21 Objectives: Delivery Timeline

First Members' Meeting	March 2020
Election of Inaugural Board of Directors	March 2020
Establish the Researcher Council	September 2020
Establish By-Laws, Committee Structures and Supporting Policies	September 2020
Recruit a CEO	September/October 2020
Develop and Deliver Initial Projects	from October 2020
Complete Integration of CARL Portage	October 2020
Change Management Strategy and Professional Development Plan	December 2020
Backroom Finance, Administrative Functions and Management Processes	December 2020
Program Management Model	December 2020
Operational Transition Plan – CANARIE	January 2021
Joint (with CANARIE) DRI Ecosystem Plan	January 2021
Operational Transition Plan – Compute Canada	April 2021
Define Organization Name and Brand Identity	April 2021
Delivery of 2021-2024 Strategic Plan	September 2021
Cybersecurity Framework	March 2022

An updated statement of investment policies, standards and procedures

The Investment Policy was approved by the Board of Directors at its March 12, 2020 inaugural Board meeting. The Investment Policy can be found in Appendix 2 on page 22.

The Investment Strategy was updated and approved at the June 25, 2020 Board meeting. The approved Investment Strategy reflects minimum administrative changes (e.g. changes to the membership and frequency of meetings have been added to the Terms of Reference). The Investment Strategy can be found in Appendix 3 on page 26.

Criteria that were applied to select the Eligible Projects

NDRIO did not have any Eligible Projects in this fiscal year.

Summary of results of any program evaluations, performance audits or risk assessments

NDRIO did not have any program evaluations, performance audits or risk assessments to document in this fiscal year. A framework for future assessments will be delivered in December 2020.

A statement of remuneration setting out the total amount of remuneration paid to each employee, officer and director of the Recipient whose remuneration in that year exceeded \$100,000

Through March 31, 2020 the Association did not have any full-time employees. Support to the Board of Directors was provided by interim staff who filled positions that are expected to become full time in fiscal 2020-21. For the year ending March 31, 2020, the following positions were paid remuneration that exceeded \$100,000 (including any fee, allowance or other benefit):

Position	Compensation Range
Interim Executive Director	\$100,000 - \$150,000
Director, Planning, Governance and Membership Development	\$100,000 - \$120,000

In keeping with many other national Boards in this sector, all NDRIIO Board roles are voluntary in nature. The NDRIIO Board of Director By-Laws do not allow remuneration for Directors. Travel expenses will be reimbursed for any reasonable out-of-pocket expenses incurred while performing Directorial duties or attending NDRIIO meetings.

An account of performance and activities undertaken to advance equity, diversity and inclusion in the past year as outlined in the relevant Annual Corporate Plan, including performance indicators where applicable

NDRIIO is committed to ensuring it is inclusive and representative of the diversity of Canadian society in the adoption of services it provides, in the programs it runs, in its engagement with stakeholders, and in its own organization. Now more than ever, as we collectively embrace the societal movement taking place around the world regarding race relations, we are acutely aware of how critical it is to actively institute Equity, Diversity and Inclusion (EDI) principles. Beyond gender, linguistic and geographic considerations, we will always strive to be inclusive of Indigenous Peoples, persons with disabilities, members of visible minorities/racialized groups, and members of LGBTQ2+ communities.

NDRIIO's Inaugural Board of Directors recruitment process included EDI principles that resulted in a Board that reflects the gender, geographic and linguistic diversity of the country.

A high-level EDI Policy Framework is currently in development and approval by the Board of Directors in Fall 2020. Equity, Diversity and Inclusion principles will be featured in NDRIIO's developing Governance Model and Strategic Plan, as well as in the recruitment process for the Researcher Council, CEO and other positions.

Appendix 1

Financial Statements of
11593765 CANADA ASSOCIATION
And Independent Auditors' Report thereon
Year ended March 31, 2020



KPMG LLP
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Ottawa ON K2P 2P8
Canada
Telephone 613-212-5764
Fax 613-212-2896

INDEPENDENT AUDITORS' REPORT

To the Directors of 11593765 Canada Association

Opinion

We have audited the financial statements of 11593765 Canada Association (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2020
- 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, 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 25, 2020

11593765 CANADA ASSOCIATION

Statement of Financial Position

March 31, 2020

2020

Assets

Current assets:

Cash	\$	841,229
HST recoverable		96,495
Prepaid expenses		25,024

\$ 962,748

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities	\$	311,379
Deferred funding		641,209
		952,588

Net assets 10,160

\$ 962,748

See accompanying notes to financial statements.

On behalf of the Board:





11593765 CANADA ASSOCIATION

Statement of Operations and Changes in Net Assets

Year ended March 31, 2020

	2020
Revenue:	
Ministry of Innovation, Science and Industry/ISED funding	\$ 1,494,291
Interest income	10,160
	<u>1,504,451</u>
Expenses:	
Operating:	
Transportation and communication	157,725
Services	1,156,801
	<u>1,314,526</u>
General and administration:	
Transportation and communication	1,417
Services	178,348
	<u>179,765</u>
	<u>1,494,291</u>
Excess of revenue over expenses, being net assets, end of year	<u>\$ 10,160</u>

See accompanying notes to financial statements.

11593765 CANADA ASSOCIATION

Statement of Cash Flows

Year ended March 31, 2020

	2020
Cash provided by (used in):	
Operating activities:	
Excess of revenue over expenses	\$ 10,160
Net change in non-cash working capital:	
HST recoverable	(96,495)
Prepaid expenses	(25,024)
Accounts payable and accrued liabilities	311,379
Deferred funding	641,209
Increase in cash, being cash, end of year	\$ 841,229

See accompanying notes to financial statements.

11593765 CANADA ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2020

11593765 Canada Association (the "Association") 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 Association.

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

(b) Revenue recognition:

Contributions and funding designated for the Association'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.

(c) Expenses:

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

(d) 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.

11593765 CANADA ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

2. Deferred funding:

The Association received funding from ISED as follows:

	2020
Balance, beginning of year	\$ -
Contributions received	2,135,500
Recognized as revenue	(1,494,291)
Balance, end of year	\$ 641,209

3. Contribution agreement:

The Contribution Agreement between the Association and ISED was signed on October 31, 2019 and is to fund the Association's activities. The Agreement ends on March 31, 2021, but subject to conditions as outlined in the Agreement can be extended to March 31, 2024.

4. Financial risks:

The Association'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 Association is exposed to this risk relating to its cash and accounts receivable. The Association holds its cash accounts with a federally regulated chartered bank who are insured by the Canadian Deposit Insurance Corporation.

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

11593765 CANADA ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Financial risks (continued):

(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 Association 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 Association 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 Association is not exposed to other price risk.

5. Impact of Coronavirus COVID-19 Pandemic:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in significant financial, market and societal impacts in Canada and around the world.

(a) Current year transactions:

For the year, ended March 31, 2020 there has been no significant financial impact on the Association.

(b) Subsequent events related to COVID-19:

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditor's report that provide additional evidence relating to conditions that existed as at year-end. Management has assessed the financial impacts and there are no additional adjustments required to the financial statements at this time.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Association's operations and financial position is not known at this time. These impacts could include a decline in future cash flows and changes to the value of assets and liabilities. An estimate of the financial effect of the pandemic on the Association is not practicable at this time.

Appendix 2

11593765 CANADA ASSOCIATION

Statement of Investment Policy

January 2020

Statement of Investment Policy

Purpose

The purpose of this document is to establish an investment policy best suited to meet the needs and objectives of 11593765 Canada Association's (Association) investment portfolio. This document is specifically intended to meet the requirements of ss 5.6.6 (Statement of Investment Policy) of the Contribution Agreement between the Association and Her Majesty in Right of Canada.

All aspects of this Policy are governed by the Prudent Person Principle (refer to ss 5.6.3 of the Contribution Agreement) and the principal objective of investment decisions shall be the preservation of capital to meet future disbursement requirements

Investment Policy

(1) Long-term return objectives and expectations:

The long-term objectives of the portfolio are twofold: (a) to provide funds on an "as-needed" basis to meet the disbursement needs of the Association, and (b) to maximize the investment income earned by the Association, subject to the Investment Strategy and Investment Policy adopted by the Association.

(2) Ratings of Securities:

The deemed rating (the "Rating") of any Eligible Security will be established, at the time of the Association's acquisition of the Eligible Security.

Reference to the "issuer" shall include the unconditional guarantor, if applicable.

The rating category for Investment Policy purposes shall be based on the ratings of at least two of the following four rating agencies: Dominion Bond Rating Service (DBRS), Standard and Poor's (S&P) Rating Services, Moody's Investors Service and Fitch Rating Ltd.

In the case of Commercial Paper and other short-term investments:

To be included in the AAA category, the security must have at least two of the following, where two are available:

- (i) R-1 (high) from DBRS,
- (ii) A-1+ from S&P and the issuer's bonds are rated "AAA" by S&P,
- (iii) P-1 from Moody's and the issuer's bonds are rated Aaa by Moody's, or
- (iv) F-1+ from Fitch and the issuer's bonds are rated AAA by Fitch.

To be included in the AA category, the security must have at least two of the following, where two are available:

- (i) R-1 (middle) from DBRS,
- (ii) A-1+ from S&P,
- (iii) F-1+ from Fitch, or
- (iv) P-1 from Moody's and the issuer's bonds are rated Aa by Moody's.

In the case of bonds and other longer-term investments:

To be included in the AAA category, the security must have at least two of the following:

- (i) AAA from DBRS,
- (ii) AAA from S&P,
- (iii) AAA from Moody's, or
- (iv) AAA from Fitch.

To be included in the AA category, the security must have at least two of the following:

- (i) AA from DBRS,
- (ii) AA from S&P,
- (iii) AA from Moody's, or
- (iv) AA from Fitch.

(3) Diversification policy of the investment portfolio, including quantitative limits on investments:

Throughout the life of the Association's portfolio, Association investments in the securities of **any one issuer (or two or more affiliated entities)** will be limited to an aggregate market value limit based on the Rating of the security.

Rating of Security	AA	AAA
Government Securities	no limit	no limit
Provincial / Municipal Financing Authority	10% of portfolio	10% of portfolio
Municipal Securities	10% of portfolio	10% of portfolio
Other Eligible Securities	10% of portfolio	10% of portfolio

Throughout the life of the Association's portfolio, the Association's investment in the securities of **any one category** will be limited to an aggregate market value limit of the category, as set out below.

Rating of Security	AA	AAA
Government Securities*	30% of portfolio	no limit
(minimum Government Securities is 10% of the portfolio)		
Provincial / Municipal Financing Authority	70% of portfolio**	same 70%
Municipal Securities	70% of portfolio**	same 70%
Other Eligible Securities	70% of portfolio**	80% of portfolio

* For greater certainty, the phrase "Government Securities" means all securities issued, guaranteed by, or that have the full faith and credit of the federal government or a provincial government.

** The 70% constraint applies to the aggregate of AA securities

(4) Asset allocation strategy:

The portfolio will, at all times, be invested in Eligible Securities (refer to (5) below).

(5) Permitted investment instruments and trading activities:

The Association shall invest in Eligible Securities. Eligible Securities are defined as: bank certificates of deposit; banker's acceptances; treasury bills, commercial paper and other short-term securities, bonds and notes issued by the federal government, provincial governments, municipal governments and corporations; cash deposits in banks identified in Schedule I of the Bank Act; guaranteed investment certificates; and other fixed-income securities that carry the full faith and credit of the Government of Canada. For greater certainty, the Association shall not invest in derivatives, swaps, options or futures.

Any securities acquired shall have a Rating of at least AA.

All securities will be denominated in Canadian dollars.

The Investment Advisors/Managers will have authorized power to recommend and execute all trades on behalf of the Association. The Investment Advisors/Managers will notify the Association and include all details of all confirmations of trades.

The Board's Investment Committee will be advised of the transaction details by email or facsimile the same week that the transactions are authorized, or as soon as practical thereafter.

(6) Prohibited investment instruments and trading activities:

Prohibited investments consist of all investments not defined as permitted investment instruments.

(7) Liquidity and maturity of securities policy:

- A. The maturities and terms of investments shall match the profile of the Association's forecasted disbursements. In cases where the timing of disbursements is unknown, investments shall be held in securities with term to maturity of one year or less.
- B. Should an unexpected disbursement or series of disbursements made by the Association reduce the total market value of the portfolio, the Association shall immediately take the steps necessary to comply with the requirements set by the diversification policy (refer to (3) above) within a period of 60 days from the date as of which the Association first failed to meet those requirements. Under no circumstances shall the Association materially fail to comply with the diversification requirements of section 3 for a period of more than 90 consecutive days.

(8) Risk management policies:

The purpose of the Association's investment portfolio is to earn investment income until such funds are needed to finance the Association's objectives. The principal risks therefore are liquidity and capital preservation. Both risks, and steps taken to manage such risks, are specifically addressed in the Association's Statement of Investment Policy and Statement of Investment Strategy. In addition to the constraints contained in these documents, certain processes are in place to further manage these risks:

- On a monthly basis, the Investment Advisor/Manager receives reports from the Association's management regarding upcoming short-term cash requirements. This is compared to the upcoming maturity schedule with corrective action, if any, being initiated.
- On an annual basis, the Investment Advisor/Manager receives a long-term projection of the Association's liquidity requirements. This is compared to the long-term maturity schedule. Based on the comparison of the two, corrective action, if any, is taken. Note that corrective action in this instance may be taken over an extended time period.
- On a quarterly basis, the Investment Advisor/Manager reviews the credit ratings of all holdings. This is intended to act as an early warning as to potential, upcoming capital impairment issues.
- On a quarterly basis (or more frequently if necessary), the Investment Advisor/Manager reports to the Investment Committee on portfolio matters. Such matters include diversification compliance and potential capital impairment situations and recommended corrective actions.

(9) Policy on the lending of cash or securities and borrowing:

The lending of cash or securities is not permitted.

The borrowing of money, issuing any debt obligations or securities, guaranteeing or securing a debt or other obligation of a person, mortgagor or other entity, pledging all or any portion of the funds received as outlined in the Contribution Agreement by way of security for payment to any creditor or do any other thing that would encumber the funds received as outlined in the Contribution Agreement is not permitted.

(10) Performance measurement and monitoring procedures:

Performance is measured first by the prime objective of safety of investment and, secondly, by the ability of the investment portfolio to have funds on hand to meet all expenditure requirements. After those considerations in importance comes performance measurement. This will be addressed in an ongoing fashion in reporting on new investments and reinvestments in terms of their yield relative to the Canada Curve (the yield that would be achieved from a benchmark Government of Canada bond of similar duration). Less attention will be paid to annual comparisons with other bond managers, unless they operate under similar constraints.

(11) Review:

This Statement of Investment Policy shall be reviewed at least once a year.

Appendix 3

11593765 CANADA ASSOCIATION

Statement of Investment Strategy

June 2020

Statement of Investment Strategy

Purpose

The purpose of this document is to establish a strategy best suited to meet the needs and objectives of 11593765 Canada Association's (Association) investment portfolio. This document is specifically intended to meet the requirements of s 5.6.6 (b) of the Contribution Agreement(s) between the Association and Her Majesty in Right of Canada.

Strategy

The Association's investment strategy is specifically tailored to the duration and quality constraints imposed by the Statement of Investment Policy. These constraints, while deemed appropriate and necessary to meet the overall objectives of the Association, preclude adding value through active investment management. This conclusion is reached due to the "tightness" of the constraints, tightness which does not allow enough latitude for active investment management to be effective.

Rather than active investment management, the strategy adopted by the Association is "buy and hold," based on the following framework.

- Investment maturities will, wherever possible, match the forecasted cash requirements of the Association.
- The quantitative limits on investment holdings provide ample structural liquidity to meet the needs of the Association. It is appropriate, therefore, to hold less liquid types of approved investments. Value added will be achieved by moving out the "liquidity curve" when possible.
- At all times, the Association will hold investments deemed eligible under the Statement of Investment Policy. For greater clarity, the determination of eligibility shall be made at the time of purchase. The Association will not be obliged to dispose of investments which become ineligible after the date of purchase but will favour (subject to market conditions) disposing of such securities should assets need to be liquidated. (Refer to the Liquidity policy (s7) in the Statement of Investment Policy.)

Authority

The Investment Committee shall:

- Establish the Statement of Investment Policy for approval of the Board.
- Recommend to the Board for their approval the appointment of one or more independent, external investment advisors to provide investment advice. The Committee may also recommend to the Board the appointment of one or more professional portfolio managers to invest the Amount in a manner consistent with the approved Statement of Investment Policy and the investment strategy.
- Verify compliance with s 5.6.8 of the Contribution Agreement with respect to conflict of interest as it concerns the Investment Advisor/Manager.
- Ensure that funds are only invested in investments or securities within the terms of the Statement of Investment Policy.
- Ensure that the Board is regularly made aware of any significant financial risks facing the Association, including the consequences of significant potential losses of investments of any or all of the amount.
- Report to the Board on the status, operation and annual performance of the investment portfolio.
- Ensure that adequate safekeeping procedures are in effect for all investment instruments.

Committee Membership

The Committee consists of a minimum of five members, all of whom are members of the Board of Directors, are independent of the Association's management and are financially literate. At least one member should have an accounting background or related financial management experience. The Board Chair is an ex Officio non-voting member of the Committee.

The Board shall appoint one of the Committee members to be the Committee Chair.

Committee members are appointed for a one-year term with the possibility of renewal.

Meetings, Meeting Schedule and Frequency

The Committee meets a minimum of four times annually. The Committee may choose to hold additional meetings if it considers them necessary for it to carry out its responsibilities effectively. Meetings can be held at any time and place as determined by its members, provided notice of such meeting is given to each member of the Committee. Meetings may be held by teleconference or videoconference, provided members have a means to vote. If members cannot participate in person, they may participate in a meeting that is held in-person via the teleconference or telephone.

A majority of the Committee shall constitute a quorum for the transaction of business at any meeting thereof, and the act of a majority of the members of the Committee present at any meeting at which a quorum is present shall be the act of the Committee. The Chair, or in his or her absence, one of the directors shall preside at all meetings of the committee.

As an ex-officio member of the Committee, the Board Chair has voting rights at the Committee meetings that they attend. The Board Chair's attendance is not counted to determine whether a quorum is present at a meeting.

In the event of a vote that results in a tie, the Chair of the Committee has a casting vote.

At each meeting, the members of the Committee may meet in private in in-camera sessions with committee members only.

Minutes of meetings will be available to the Board.

Review

This document will be reviewed and updated (if necessary) no less frequently than annually.

Appendix 4

NDRIO Primary Members and Associate Members as of March 31, 2020

Primary Members

Athabasca University
Baycrest
Bow Valley College
British Columbia Institute of Technology (BCIT)
Brock University
Carleton University
Centre for Addiction and Mental Health
CHU Sainte-Justine
Concordia University
Dalhousie University
École de technologie supérieure (ÉTS)
HEC Montréal
The Hospital for Sick Children
Kwantlen Polytechnic University
Lakehead University
McGill University
McMaster University
Memorial University of Newfoundland
Queen's University
Royal Military College of Canada
Ryerson University
Saint Mary's University
Simon Fraser University
St. Francis Xavier University
Sunnybrook Research Institute
Unity Health Toronto
Université de Montréal
Université de Sherbrooke
Université du Québec à Chicoutimi (UQAC)
Université Laval
Université TÉLUQ
University Health Network (UHN)
University of Alberta
University of British Columbia
University of Calgary
University of Guelph
University of Manitoba
University of New Brunswick
University of Northern British Columbia
University of Ontario Institute of Technology
University of Ottawa
University of Prince Edward Island
University of Regina
University of Saskatchewan
University of Toronto
University of Victoria
University of Waterloo
University of Windsor
University of Western Ontario
Wilfrid Laurier University
York University

Associate Members

Acadia University
ACENET
ACORN-NS
Amii (Alberta Machine Intelligence Institute)
Aurora College
BCNET
Brandon University
Calcul Québec
Cambrian College of Applied Arts & Technologies
Canadian Astronomical Society (CASCA)
Canadian Astronomy Data Centre
Canadian Federation for the Humanities & Social Sciences
Canadian Research Data Centre Network
Canadian Research Knowledge Network (CRKN)
Canadore College
CANARIE
Cape Breton University
Canadian Association of Research Libraries (CARL)
Centre de documentation collégiale
Compute Canada
Compute Ontario
Concordia University of Edmonton
Conestoga College
Council of Prairie and Pacific University Libraries (COPPUL)
Canadian University Council of CIOs (CUCCIO)
Cybera
Durham College
École nationale d'administration publique (ENAP)
École Polytechnique (Polytechnique Montréal)
Emily Carr University of Art and Design
Fanshawe College
Fleming College
Fraser Health Authority
George Brown College
Georgian College
Grande Prairie Regional College
Humber College
Institut national de la recherche scientifique (INRS)
Institute of Particle Physics
Lambton College
Lawson Health Research Institute
Lunenfeld-Tanenbaum Research Institute, Sinai Health
MacEwan University
Mila
Mohawk College of Applied Arts and Technology
Mount Royal University College
Mount Saint Vincent University
MRnet
NB/PEI Educational Computer Network
Niagara College
Northern Alberta Institute of Technology (NAIT)
Nova Scotia Community College
NSCAD University
Ocean Networks Canada
ORION
Red Deer College
Réseau d'informations scientifiques du Québec (RISQ)
Royal Roads University
Saskatchewan Polytechnic
Selkirk College
Seneca College
Sheridan College Institute of Technology and Advanced Learning
Southern Alberta Institute of Technology (SAIT)
SRNET
St. Joseph's Healthcare Hamilton
Thompson Rivers University
Trent University
Trinity Western University
TRIUMF
Université de Moncton
Université du Québec
Université du Québec à Montréal (UQAM)
Université du Québec à Rimouski (UQAR)
Université du Québec à Trois-Rivières (UQTR)
Université du Québec en Abitibi-Témiscamingue
Université du Québec en Outaouais
University of Ottawa Institute of Mental Health Research
University of the Fraser Valley
University of Winnipeg
Vancouver Island Health Authority
Vancouver Island University
Vector Institute
Waypoint Centre for Mental Health Care
World Data System
Yukon College