

ANNUAL REPORT

2006 · 2007



ABOUT THIS ANNUAL REPORT

This annual report of the Canadian Council on Learning highlights activities and achievements for the fiscal year from April 1, 2006, to March 31, 2007.

FIND OUT MORE

For additional information about the Canadian Council on Learning and its activities, contact us at info@ccl-cca.ca.

www.ccl-cca.ca

Ottawa Office

215–50 O'Connor Street
Ottawa ON K1P 6L2

Tel.: 613.782.2959

Fax: 613.782.2956

Vancouver Office

1805–701 West Georgia Street
P.O. Box 10132, Vancouver BC V7Y 1C6

Tel.: 604.662.3101

Fax: 604.662.3168

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MESSAGE FROM THE CHAIR

I think I can speak for everyone at the Canadian Council on Learning when I say that the past fiscal year was our most productive to date. The period from April 1, 2006, to March 31, 2007, marked a series of firsts for CCL—from the release of the world's first Composite Learning Index, to the publication of our first annual reports on issues such as post-secondary education and the state of learning, and the release of our first annual Survey of Canadian Attitudes toward Learning.

These achievements, among the many others featured in the pages of this annual report, demonstrate the contribution that the Canadian Council on Learning is making to the progress of learning across Canada, in all its many forms.

We are proud of what CCL has accomplished—both in the past 12 months and in the three years since we were founded. And we're not alone: our sense of pride was confirmed by a formative evaluation that concluded CCL is on track to achieve its mandate.

I would like to take this opportunity to recognize the hard work of CCL's staff, without which our successes of the past year would not have been possible. I would also like to thank the members of our Board of Directors, who regularly offer their guidance and provide strategic direction to CCL's work, all on a volunteer basis.

With their help, CCL will continue in the coming years to provide the kinds of insights about learning that will strengthen Canada's social and economic growth, while ensuring that Canadians understand the importance of learning throughout all stages of life.



Robert Giroux

Chair of the Board
of Directors

MESSAGE FROM THE PRESIDENT AND CEO



Paul Cappon
Dr. Paul Cappon
President and CEO

Countries around the world are recognizing that learning matters. It contributes to the health of their citizens, the strength of their societies and the prosperity of their economies. As a result they are actively seeking out ways to foster lifelong learning within their borders.

The Canadian Council on Learning is proud of the role it is playing to support lifelong learning within Canada. The message that learning cannot be restricted to just formal schooling, or one stage of a person's life, has motivated every report, study and publication that our dedicated staff produced during the past year.

The period covered by this annual report features several important "firsts" for CCL, such as the release of the world's first-ever Composite Learning Index, the publication of the first annual *Report on the State of Learning in Canada*, the inaugural Survey of Canadian Attitudes toward Learning and the first annual *Report on the State of Post-secondary Education in Canada*.

In addition, CCL funded or contributed to more than 130 research projects, established a researcher-in-residence program for nearly a dozen researchers and initiated the online *Journal of Applied Research on Learning*—the first of its kind in the country.

All our work and all our firsts have been done to achieve our goal of providing the base of evidence needed to make the best possible investments in learning—by parents, educators, researchers, employers, policy-makers and, of course, by learners themselves.

These accomplishments would not have been possible without the hard work of CCL's staff in our Ottawa and Vancouver offices, and by the five knowledge centres we have established across the country.

Through these and many other efforts, CCL is encouraging Canadians to appreciate the value of lifelong learning—after all, lifelong learning is critical for our future prosperity as a country, and for our individual quality of life.



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CCL: A CATALYST FOR **LIFELONG LEARNING**

WHO WE ARE

Independent.

Not-for-profit.

A leader in learning.

We are the Canadian Council on Learning.

Funded through an agreement with Human Resources and Social Development Canada, our mandate is to identify ways to improve learning and report on Canada's progress throughout all stages of life—from early childhood through to the senior years.

WHAT WE DO

CCL works to improve learning outcomes for Canadians and to foster the growth of a pan-Canadian "learning architecture" by:

- Informing Canadians about the state of learning;
- Fostering quality research on learning;
- Facilitating evidence-based decisions about learning through knowledge exchange; and
- Becoming Canada's authoritative resource on learning issues.

SERVING CANADA AND ITS PEOPLE

A vibrant and creative learning culture is key to strengthening the many advantages Canada has to offer. This is crucial to maintaining not only our quality of life but also our competitiveness in the global marketplace, where there is an ever-increasing demand for skilled and knowledgeable workers.

Learning is not only for the youngest members of our society. Ongoing learning is associated with better health, broader opportunities and greater personal development. Canada must be committed to promoting lifelong learning to enable citizens to keep pace with changes in the community and the workplace. Through the efforts of the Canadian Council on Learning, Canadians can count on leadership and a thorough, thoughtful approach toward fostering a culture of lifelong learning.

"The challenge in life is to keep things interesting by continually learning."

The Honourable Paul Okalik
Premier of Nunavut
from Profiles in Learning, March 8, 2007

THE ROOT OF LEARNING

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OUR APPROACH

At the Canadian Council on Learning, we get to the root of learning by asking a lot of questions—questions about what works best for Canadians and for the communities where they live, work and grow.

How can we improve adult literacy levels in our society? What are the keys to early childhood learning? What is the effect of learning on our health? And what are the learning tools that Canadians need to succeed in today's global economy? Those are just a few of the questions we ask of ourselves and of those who have a stake in learning—this vital foundation of society.

Just as important are the answers we seek

Moving past the rhetoric, the Canadian Council on Learning looks for solutions that *really work*—solutions based on solid evidence.

To that end, CCL monitors and reports on the progress of learning in Canada, supports research and promotes knowledge exchange, all in an effort to achieve better learning opportunities and outcomes for Canadians.

"You have to be open to opportunity. If you try different things and you work hard at them, you build a variety of skills that you can use for the rest of your life."

Pamela Wallin
Former Canadian Consul General to New York
from Profiles in Learning, Feb. 1, 2007



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A SOLID RECORD OF **ACHIEVEMENTS**

OUR YEAR AT A GLANCE

Founded in March 2004, the Canadian Council on Learning is still a young organization. Nonetheless, we have already established a solid record of achievements, and the fiscal year 2006–2007 was no exception.

Here are some highlights of our top accomplishments for the period covered by this report. The complete list of achievements is detailed in the *Paving the Way for the Future* section of this annual report (see page 10).

- ☞ Released the world's first *Composite Learning Index*;
- ☞ Published the first annual *Report on the State of Learning in Canada*;
- ☞ Published the first annual *Report on the State of Post-secondary Education in Canada*;
- ☞ Commissioned, analyzed and published the first annual Survey of Canadian Attitudes toward Learning;
- ☞ In partnership with Aboriginal Peoples, undertook the development of new models of lifelong learning for First Nations, Inuit and Métis communities;
- ☞ Placed two researchers in the researcher-in-residence program and increased the total number of available spots in this program;
- ☞ Published a biweekly, subscription-based e-newsbulletin, highlighting CCL initiatives, research and activities;
- ☞ Implemented structured-learning partnerships with provincial and territorial governments, as well as with select national non-governmental organizations; and
- ☞ Completed a formative evaluation of the implementation, design and delivery of CCL activities and its progress in achieving the mandated goals of the organization.

"I find many elements of CCL's Composite Learning Index interesting ... For the Fondation Paul Gérin-Lajoie, this tool will be invaluable. It will allow us to fill the information gap and facilitate learning in the communities in which we have a presence. It will also allow us to involve the whole community—individuals, families and different types of government—in the learning we can provide."

Paul Gérin-Lajoie
President, Fondation Paul Gérin-Lajoie
Commenting on CCL's Composite Learning Index, 2006

THE JOURNEY TO LIFELONG LEARNING

HOW WE EXPLORE CANADA'S LEARNING CHALLENGES

As a results-driven organization, the Canadian Council on Learning takes pride in working with citizens to explore learning challenges. It is a journey we engage in through four areas of activity:

- Research and knowledge mobilization
- Monitoring and reporting
- Knowledge exchange
- Strategic initiatives

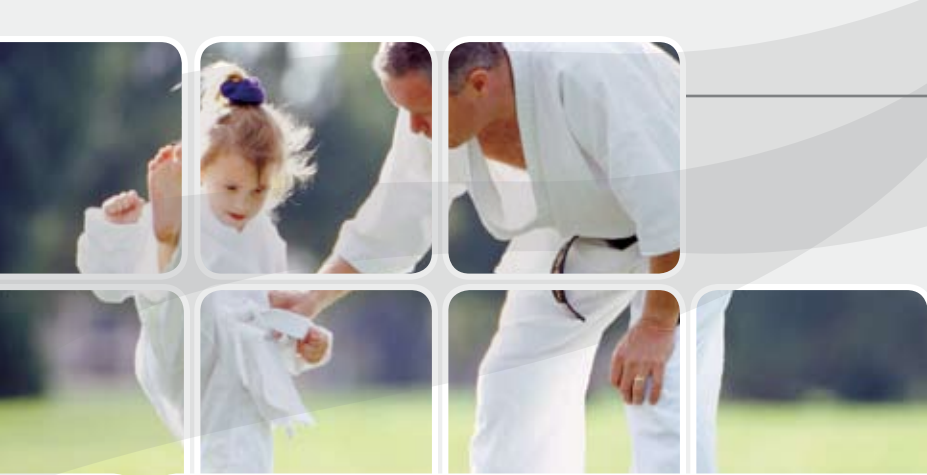
CCL's activities are managed by two principal offices, located in Vancouver and Ottawa—each with a well-defined role in serving the strategic goals of the organization. They are also supported by five knowledge centres located in regions across Canada.

Knowledge centres

Established throughout the 2005–2006 fiscal year, the Canadian Council on Learning's knowledge centres explore five of Canada's most critical learning challenges. Each centre prepares an annual work plan of activities that support better outcomes in the learning domain that it serves. Together, the knowledge centres play a key role in supporting CCL's work, including monitoring, reporting, research and knowledge exchange.

The five knowledge centres are:

- 👉 **Aboriginal Learning**—based in the Prairies, Northwest Territories and Nunavut, this centre engages Aboriginal people in exploring ways to strengthen their learning opportunities and outcomes. It is co-led by the Aboriginal Education Resource Centre at the University of Saskatchewan and the First Nations Adult and Higher Education Consortium.
- 👉 **Adult Learning**—based in Atlantic Canada, this centre was created to foster a vital, informed and coherent culture of adult learning that is accessible and relevant to Canadians. It is led by the University of New Brunswick's College of Extended Learning.
- 👉 **Early Childhood Learning**—based in Quebec, this centre helps identify ways to ensure that Canada's children have the opportunity to develop to their full potential. It is led by the Centre for Excellence in Early Childhood Development.
- 👉 **Health and Learning**—based in British Columbia and Yukon, this centre helps Canadians make the connection between healthy minds and healthy bodies. It is led by the University of Victoria.
- 👉 **Work and Learning**—based in Ontario, this centre helps employees and employers alike to succeed in the competitive marketplace in Canada and worldwide. It is co-led by the Canadian Labour Congress and Canadian Manufacturers & Exporters.



MEETING GOALS AND ACHIEVING RESULTS

In 2006–2007, CCL made significant gains in achieving four strategic goals:

- Informing Canadians about the state of learning
- Fostering quality research on learning
- Facilitating evidence-based decisions about learning through knowledge exchange
- Becoming Canada's authoritative resource on learning issues

This work is paving the way for further accomplishments in the years ahead.

Informing Canadians about the state of learning

Learning takes root best when citizens have a solid foundation of evidence to make informed decisions. Through CCL's efforts during the 2006–2007 fiscal year, Canadians gained a wealth of information about the state of learning—about the progress citizens are making, as well as how the public perceives the relationship between learning and quality of life.

Results 2006–2007

- ☞ Released the world's first Composite Learning Index—an innovative, powerful tool to inform Canadians about their progress in learning. The annual index includes information on formal and informal learning, as well as personal, social and economic dimensions. It draws attention to lifelong learning in a way that is both informative and accessible. Through CCL's website, researchers, policy-makers and interested members of the public can access an extensive collection of data representing diverse aspects of learning.
- ☞ Commissioned, as part of the development of the Composite Learning Index, a public opinion poll on expectations with respect to learning in Canada. Among the findings:
 - Some 40% of young adults in Canada participate in some form of schooling, whereas Canadians think that rate should be 62%;
 - Approximately 58% of Canadian adults can meet most everyday reading requirements, but respondents indicated that 80% would be an acceptable level;
 - While 56% of employers provide some form of structured job training, Canadians believe that 74% should do so; and
 - While 57% of the working-age population has completed some form of post-secondary education, respondents maintain that figure should be 67%.
- ☞ Prepared the first annual Survey of Canadian Attitudes toward Learning. Published in October 2006, the survey serves as a barometer of opinions, perceptions and beliefs about lifelong learning in Canada. It asked more than 5,000 Canadians for their views about the following four aspects of learning—early childhood learning, structured learning (i.e., elementary, secondary and post-secondary), work-related learning, and health and learning. Among the findings, the most-cited reason for work-related training among adults was to perform more effectively in their current jobs—far ahead of earning more money or getting a better job.

PAVING THE WAY FOR THE FUTURE (CONTINUED)

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- Published the first annual *Canadian Post-secondary Education: A Positive Record – An Uncertain Future*, calling for decisive action to address challenges in this sector. Focussing on the need for a high-quality, affordable, accessible and flexible post-secondary education sector, this report identified three key areas where progress is essential:

 - The need for a set of well-defined national goals and objectives for post-secondary education;
 - Comprehensive indicators and measures so that an ongoing assessment of performance and progress can be undertaken; and
 - The creation of nationwide mechanisms to accomplish the first two tasks.
- Published the first annual report entitled: *State of Learning in Canada: No Time for Complacency*. This report informs Canadians about the state of learning in Canada from early childhood through to adulthood, including a chapter on Aboriginal learning and a special feature on literacy. It also identified knowledge gaps and steps to be taken to strengthen learning outcomes.
- Organized and hosted a workshop, February 8–9, 2007, on redefining learning success for Aboriginal people. Conducted by CCL and the Aboriginal Learning Knowledge Centre in partnership with national Aboriginal organizations in Canada, the gathering brought together Aboriginal learning professionals, community practitioners, researchers and analysts from across the country to develop models to measure learning progress for First Nations, Inuit and Métis communities.
- Commissioned a public opinion poll, to develop a better understanding of public attitudes, preferences and knowledge on post-secondary education. The poll publication, entitled *Canadian Attitudes on Post-secondary Education*, featured the following findings:

 - 94% of Canadians strongly or somewhat agree that the pace of change in the world makes it more important than ever to ensure that people can get more education or training at any time of their life;
 - 87% of Canadians agree that a highly skilled and educated workforce is the single most important thing Canada needs to ensure its economic future;
 - 59% of respondents believe that many qualified individuals don't have the opportunity to attend;
 - 80% said that student debt is too onerous, especially among those polled who were age 55 or older, women and residents of Atlantic Canada.
- In March 2007, addressed Parliament's Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities, outlining five fundamental principles for workplace training.



Fostering quality research on learning

Data and research are vital to Canada's tapestry of knowledge about learning. Through the following activities, CCL helps produce and encourage quality research. We also develop and expand audiences for that research, as well as Canada's capacity for undertaking evidence-based research on learning.

Results 2006–2007

- ✔ Contributed to more than 70 specific research projects to develop the base of evidence related to learning.
- ✔ Placed two researchers in the researcher-in-residence program—an initiative co-funded by CCL to help build research capacity and evidence-based research within learning organizations across Canada. As of the end of fiscal year 2006–2007, CCL was in the process of reviewing proposals to increase the number of researchers-in-residence.
- ✔ Conducted 10 well-attended workshops across Canada on writing research proposals, as well as finding and evaluating research evidence.
- ✔ Released findings of state-of-the-field reviews—identifying effective practices in each field of learning, major gaps in knowledge and strategies to address those gaps. Five reviews were published in 2006–2007: workplace learning; prior learning assessment and recognition; e-learning; early childhood education; and simulation in education.
- ✔ Completed 50 question scans and four systematic reviews of research, generally at the request of other organizations.
- ✔ Commissioned and sponsored research projects to develop the base of evidence related to the organization's learning themes. In 2006–2007, CCL contributed to nine peer-reviewed research projects to help CCL address gaps in research on learning.
- ✔ Adjudicated more than 266 research proposals and provided support to 62 of the most promising research projects.
- ✔ Partnered with a host of non-governmental and governmental agencies to help build Canada's learning research capacity.

Facilitating evidence-based decisions about learning through knowledge exchange

Better decision-making, deeper insights, more partnerships and a reinforced sense of community—those are among the key benefits that all stakeholders gain through CCL's knowledge exchange activities. Throughout 2006–2007, we engaged in a wide range of activities to support our mandate of getting the right information to the right people, at the right time.

Results 2006–2007

- ☞ Commissioned and sponsored 49 national and provincial-level knowledge exchange initiatives, each designed to address a specific learning issue by bringing together relevant decision-makers with new evidence in their particular domain.
- ☞ Held two nationwide knowledge exchange requests for proposals intended to provide local partnerships with support to address critical learning issues within the priority areas of CCL. These two competitions generated 108 proposals. Following a peer-review process, 23 proposals were selected for funding.
- ☞ Hosted the first national conference of the Aboriginal Learning Knowledge Centre, March 7–9, 2007, in Edmonton, bringing together Aboriginal people from across Canada to engage in a dialogue on the diverse perspectives of lifelong learning.
- ☞ In June 2006, co-sponsored a session, entitled *The Learning Culture in the Workplace: Concepts, Creation and Consequences*, at the 12th International Economic Forum of the Americas/Conference of Montreal.
- ☞ Conducted a forum on employer investments in workplace learning in November 2006, co-sponsored by CCL and Canadian Policy Research Networks. A background paper, entitled *Employment Investment in Workplace Learning in Canada*, contained stakeholder interviews and included a review of recent literature and research on the subject.
- ☞ Explored approaches to workplace learning and training as well as strategies for information exchange at the first annual symposium of CCL's Work and Learning Knowledge Centre, held in Ottawa, May 31–June 1, 2006.
- ☞ Led a delegation of labour, business and government representatives on a study tour of the Adult Learning Inspectorate in the United Kingdom in November 2006, to examine the U.K.'s successful approach to increasing the effectiveness of workplace training.
- ☞ CCL's Adult Learning Knowledge Centre's first national symposium, entitled *Adult Learning in Canada: What? So what? Now what?* fostered dialogue between more than 150 researchers, policy-makers and educators in adult learning, in Fredericton, June 21–23, 2006.
- ☞ Co-sponsored 12 workshops and presentations on the work of the 21st Century Learning Initiative—an undertaking launched in 2005, to engage Canadians in dialogue about the relationship between learning and the community.
- ☞ Published an e-bulletin, *The Learning Link*, on a biweekly basis. This newsletter is a compendium of CCL events, activities and releases.
- ☞ Launched *Profiles in Learning*, a monthly series profiling the pivotal learning moments of some of Canada's most influential leaders. From successful business people to elected officials, from athletes to entertainers, these Canadians share their personal stories about their commitment to lifelong learning.



Becoming Canada's authoritative resource on learning issues

We never lose sight of the fact that becoming Canada's authoritative resource on learning is a long-term process. CCL is striving to be the destination of choice for researchers, educators, policy-makers, non-governmental organizations and other partners in learning. We have undertaken an ambitious strategy to achieve that goal, starting with a solid framework to help position CCL as the national voice on lifelong learning.

Results 2006–2007

- Published *Lessons in Learning*, an ongoing series of online articles that provide Canadians with independent, evidence-based information about effective ways to address a wide range of learning challenges. Issues have been reproduced by numerous learning stakeholders.
- Issued a call for manuscripts in July 2006 for the online *Journal of Applied Research on Learning*—the first publication of its kind in Canada. Focussed on applied Canadian research that is useful to learning practitioners and policy-makers, all articles were peer-reviewed to ensure each adhered to high standards of scholarship. Published twice annually (summer/fall and winter/spring), the first issue was launched in April 2007.
- Set the groundwork for a new online resource centre for researchers, policy-makers, non-governmental organizations and anyone else interested in lifelong learning. This resource will be launched in the 2007–2008 fiscal year.
- Positioned CCL as the “go-to” resource for national and regional media to contact when looking for information on learning issues in Canada. This includes a steady influx of media calls for interviews and meetings with editorial boards of Canada's leading sources of print and electronic media.
- Sustained excellent growth in online traffic as the result of a redesigned website and the start of CCL's major releases. The new site was launched May 2006, in concert with the Composite Learning Index. The average page views per day increased an astounding 3,500% when comparing April 2006 to figures for the rest of the year. During the year, CCL's site recorded almost 200,000 unique visits and some 40,000 document downloads. In addition, the number of people subscribing to CCL's e-newsletter, *The Learning Link*, rose to more than 3,500, a 57% jump. There were also more than 185 incoming links from the blogging community.
- Undertook bilateral and multilateral agreements with various provincial governments on a number of learning-related issues. By the end of fiscal year 2006–2007, there were 20 bilateral agreements in place or being finalized with nine provinces and territories. For example, CCL and the Ministry of Advanced Education in British Columbia jointly conducted exploratory research into the literature on key policy issues, such as who is not attending post-secondary education and why, as well as factors that facilitate post-secondary success of Aboriginal students.
- Developed an agreement with Saskatchewan Learning, the Saskatchewan Literacy Commission and the Saskatchewan Communications Network—a three-year memorandum of understanding to develop an agenda of activities in areas of mutual interest.

ON TRACK TO ACHIEVE OUR MANDATE

As part of the funding arrangement with Human Resources and Social Development Canada, CCL was required to complete a formative evaluation of its activities by September 30, 2006.

Carried out by an independent third party, the evaluation looked at how effective we have been in identifying and defining CCL's goals and objectives in a manner consistent with the purposes outlined in the funding agreement with Human Resources and Social Development Canada. It also examined intended audiences, resources, activities and outcomes to determine whether each is consistent with the organization's goals. Lastly, it assessed the degree to which CCL is on track in achieving its stated outcomes.

The evaluation confirmed that CCL has successfully defined its goals and objectives, created an effective infrastructure, and designed and developed relevant products and activities—all in a very short period of time.

SELECTED PUBLICATIONS

Reports, surveys and discussion papers

- Composite Learning Index
- State of Learning in Canada: No Time for Complacency
- Canadian Post-secondary Education: A Positive Record – An Uncertain Future
- Survey of Canadian Attitudes toward Learning
- Moving Forward on Workplace Learning
- Who Likes Science and Why?
- Employer investment in workplace learning in Canada
- Canadian Attitudes on Post-secondary Education

Lessons in Learning

- Canada's biggest economic challenge: Improving workplace learning in Canada
- Canada slow to overcome limits for disabled learners

- The cultural divide in science education for Aboriginal learners
- The skills gap in Canada: The knowledge intensity of Canadians' jobs is growing rapidly
- Let the children play: Nature's answer to early learning
- School enrolment trends in Canada
- Never too old to learn: Seniors and learning in Canada
- Apprenticeship training in Canada
- Working to learn: Meeting university and college costs
- Why is high-quality child care essential? The link between quality child care and early learning
- First language not necessarily linked to reading proficiency
- Can workplace learning create healthier employees?



FINANCIAL STATEMENTS

INVESTING IN CANADA, NOW AND FOR THE FUTURE

As we work toward our stated goals, we are mindful of the importance of fiscal accountability and our responsibility to use our resources wisely. To that end, CCL's activities are governed by the following overall principles:

- A minimum of 40% of the total funds will be spent to inform Canadians of Canada's progress on learning outcomes;
- A minimum of 40% of the total funds will serve to promote knowledge and information exchange among learning partners;
- 10% of the total funds will be made available to fund strategic initiatives and the formative and summative evaluation processes required by our funding agreement; and
- No more than 10% of the total funds will be used for administrative costs.

FINANCIAL STATEMENTS

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AUDITOR'S REPORT

To the Members of

Canadian Council on Learning

We have audited the balance sheet of the Canadian Council on Learning as at March 31, 2007 and the statements of revenue and expenses and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 30, 2007

FINANCIAL STATEMENTS

STATEMENT OF REVENUE AND EXPENSES AND CHANGES
IN NET ASSETS, YEAR ENDED MARCH 31, 2007

	2007	2006
REVENUE		
Amortization of restricted deferred contributions	\$ 22,975,188	\$ 9,636,723
Amortization of deferred contributions related to capital assets	418,812	206,701
Other	103,273	28,816
	23,497,273	9,872,240
EXPENSES		
Structured learning	645,783	107,340
Research and knowledge mobilization	2,555,276	1,459,357
Knowledge exchange	1,317,231	577,218
Monitoring and reporting	1,862,031	1,010,550
Strategic initiatives and liaison	2,090,958	1,498,720
Communications	1,626,527	1,016,158
Operations and administration	1,993,532	1,091,690
	12,091,338	6,761,033
Contribution agreements	11,405,935	3,111,207
	23,497,273	9,872,240
EXCESS OF REVENUE OVER EXPENSES	-	-
NET ASSETS, BEGINNING AND END OF YEAR	\$ -	\$ -

BALANCE SHEET AS AT MARCH 31, 2007

	2007	2006
CURRENT ASSETS		
Cash	\$ 26,119	\$ 3,935,389
Accounts receivable (note 3)	663,051	1,165,871
Prepaid expenses	395,512	42,720
	1,084,682	5,143,980
LONG-TERM INVESTMENTS (note 4)	59,469,202	73,485,938
CAPITAL ASSETS (note 5)	1,041,593	898,788
	\$ 61,595,477	\$ 79,528,706
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,467,515	\$ 1,246,679
Deferred revenue	78,824	11,174
Current portion of capital lease obligations (note 6)	7,493	6,056
	4,553,832	1,263,909
CAPITAL LEASE OBLIGATION (note 6)	15,141	22,635
LEASE INDUCEMENTS (note 7)	32,792	49,188
DEFERRED CONTRIBUTIONS (note 8)	55,974,753	77,322,877
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (note 9)	1,018,959	870,097
	61,595,477	79,528,706
NET ASSETS	-	-
	\$ 61,595,477	\$ 79,528,706

FINANCIAL STATEMENTS

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STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2007

	2007	2006
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenses	\$ -	\$ -
Adjustments for non-cash items		
Amortization of capital assets	418,812	206,701
Amortization of deferred contributions related to capital assets	(418,812)	(206,701)
Amortization of deferred contributions	(22,975,188)	(9,636,723)
Amortization of lease inducements	(16,396)	(12,296)
	(22,991,584)	(9,649,019)
Changes in non-cash operating working capital items (note 10)	2,748,952	376,624
	(20,242,632)	(9,272,395)
INVESTING AND FINANCING		
Acquisition of capital assets	(561,617)	(976,459)
Decrease in investments	14,016,736	11,514,062
Interest received on deferred contributions	2,884,300	1,855,464
Capital lease obligation	-	34,351
Payments of capital lease obligation	(6,057)	(5,660)
Lease inducements	-	43,388
	16,333,362	12,465,146
NET CASH INFLOW (OUTFLOW)	(3,909,270)	3,192,751
CASH, BEGINNING OF YEAR	3,935,389	742,638
CASH, END OF YEAR	\$ 26,119	\$ 3,935,389

1. DESCRIPTION OF THE ORGANIZATION

The Canadian Council on Learning (the Council) is a national not-for-profit organization incorporated under Part II of the Canada Corporations Act on December 11, 2003. It commenced active operations in April, 2004, at which time, as described in Note 8, it received a one-time grant of \$85 million from Human Resources and Social Development Canada (HRSDC). One of the conditions of that grant specifies that the funds shall be fully expended by March 31, 2009. The Council is actively pursuing arrangements to continue operations beyond that date.

The Council's mandate is to improve learning across Canada for the benefit of all Canadians, by informing Canadians on the progress of learning in Canada, by promoting a Canada-wide learning culture with all of our partners, and by promoting and facilitating the exchange of knowledge and information among those involved in delivering learning across the country.

The Council is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and include the following significant accounting policies:

Revenue recognition

The Council follows the deferral method of accounting for contributions. Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenue is recognized in the year in which the related expenses are incurred.

Investment revenue

Interest revenue is recorded when it is earned. Interest on non-restricted investments is recorded as income in the period when earned. Interest earned on restricted investments is deferred and recognized as revenue in the statement of revenue and expenses as the eligible expenses are incurred.

Contributions to Knowledge Centres

Contributions to Knowledge Centres for various programs are expensed once disbursements have been approved.

Investments

Investments are recorded at cost net of unamortized premiums and/or discounts. If the market value of the investments is lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

Capital assets

Capital assets are recorded at cost. Amortization is computed using the straight-line method over the estimated useful lives of the assets as follows:

Office furniture and equipment	5 years
Computer hardware	3 years
Computer software	3 years
Furniture under capital lease	3 years
Leasehold improvements	Term of lease

Financial instruments

The Council's financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. Investments in financial instruments render the Council subject to investment risks. These include the risks arising from changes in interest rates. It is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of the Council's financial instruments approximate their fair values unless otherwise noted.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include accounts receivable and accounts payable and accrued liabilities. Actual results could differ from these estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

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3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2007	2006
Accounts receivable	\$ 87,819	\$ 1,500
Accrued receivable	35,077	6,762
Accrued interest	315,573	1,005,135
Goods and service tax recoverable	221,015	151,265
Travel advances	3,567	1,209
	\$ 663,051	\$ 1,165,871

4. LONG-TERM INVESTMENTS

The investments consist of low risk financial instruments which mature on various dates up to December 17, 2011. Interest earned but not received is recorded in accounts receivable.

	2007		2006	
	Cost	Market Value	Cost	Market Value
Cash	\$ 52,975	\$ 52,975	\$ 663,831	\$ 663,831
Guaranteed investment certificate (4%)	2,500,000	2,500,000	2,000,000	2,000,000
Canadian discount bonds	17,316,674	17,318,682	-	-
Canadian - fixed income				
Government of Canada Bonds (2.75% - 4.4%)	24,763,063	24,821,001	47,631,691	47,453,883
Provincial Bonds (5.2 % - 6.0 %)	5,710,873	5,790,852	8,773,649	8,721,370
Corporate Bonds (3.2 % - 6.0 %)	9,125,617	9,168,591	14,416,767	14,330,200
	\$ 59,469,202	\$ 59,652,101	\$ 73,485,938	\$ 73,169,284

5. CAPITAL ASSETS

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture and equipment	\$ 317,120	\$ 79,004	\$ 238,116	\$ 166,529
Computer hardware	572,773	281,104	291,669	354,780
Computer software	479,045	186,079	292,966	234,980
Furniture lease	34,351	10,305	24,046	30,916
Leasehold improvements	286,031	91,235	194,796	111,583
	\$ 1,689,320	\$ 647,727	\$ 1,041,593	\$ 898,788

6. CAPITAL LEASE OBLIGATION

The Council has entered into a capital lease for furniture and equipment. Minimum lease payments under the capital lease, which expires in November 2009, together with the balance of the obligation, are as follows:

2007	\$ 11,758
2008	11,758
2009	7,310
Total minimum lease payments	30,826
Less interest	8,192
	22,634
Less current portion of capital lease	7,493
Long-term portion of capital lease	\$ 15,141

7. LEASE INDUCEMENTS

In 2005, the Council entered into an office lease agreement for a forty-six month period, effective June 2005, which provided for a three-month rent-free period prior to the commencement of the lease valued at \$54,288. This will be amortized over the term of the lease as an annual decrease in rent expense. Accordingly, \$14,162 (2006 - \$10,621) was amortized during the year.

In 2006, the Council entered into an office lease agreement for a forty-five month period, which provides for a one-month rent-free period valued at \$8,376. This inducement will be amortized over the term of the lease as an annual decrease in rent expense. Accordingly, \$2,234 (2006 - \$1,675) was amortized during the year.

8. DEFERRED CONTRIBUTIONS

In April 2004, the Council received \$85 million in funding from Human Resources and Social Development Canada (HRSDC) to promote and support evidence-based decision-making in all areas of lifelong learning. The funds, and all income earned on the funds, are to be used to inform Canadians regularly on Canada's progress on learning outcomes, and to promote knowledge and information exchange among learning partners. The funding agreement contains certain restrictions on the use of the funds, and specifies that the funds shall be fully expended by March 31, 2009.

Changes in the deferred contributions balance are as follows:

	2007	2006
Balance, beginning	\$ 77,322,877	\$ 85,121,546
Restricted investment revenue	2,194,738	2,785,822
Amount recognized as revenue	(22,975,188)	(9,636,723)
Amount transferred to deferred contributions related to capital assets	(567,674)	(947,768)
Balance, ending	\$ 55,974,753	\$ 77,322,877

NOTES TO THE FINANCIAL STATEMENTS

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9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2007	2006
Balance, beginning	\$ 870,097	\$ 129,030
Amount transferred from deferred contributions	567,674	947,768
Amount recognized as revenue	(418,812)	(206,701)
Balance, ending	\$ 1,018,959	\$ 870,097

10. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	2007	2006
Accounts receivable less accrued interest	\$ (186,742)	\$ (108,399)
Prepaid expenses	(352,792)	12,686
Accounts payable and accrued liabilities	3,220,836	461,163
Deferred revenue	67,650	11,174
	\$ 2,748,952	\$ 376,624

11. COMMITMENTS

The Council leases office space and equipment under operating leases which expire on March 31, 2009. The Council also has commitments for multiple research and knowledge exchange contracts. The minimum amounts payable over the next two years are as follows:

	Research and knowledge exchange contracts	Leases	Total
2008	\$ 3,581,625	\$ 663,890	\$ 4,245,515
2009	1,558,946	663,890	2,222,836
	\$ 5,140,571	\$ 1,327,780	\$ 6,468,351

12. RETIREMENT BENEFIT PLANS

The Council has a defined contribution plan for its employees. The Council matches the contributions of member employees up to a maximum of 6% of each employee's base salary. Additionally, the Council has a retirement compensation arrangement. The expense during the year for these plans was \$181,469 (2006 - \$100,189).

13. COMPARATIVE FIGURES

Certain numbers of the previous year, presented for comparative purposes, have been reclassified to conform to the current year's presentation.



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