

LearnCanada Financial Report

Ruth Leake
Financial Officer, STEM~Net
www.learncanada.ca



Management’s Discussion and Analysis

Learn Canada’s original cost was estimated to be \$4,252,669, of which the members would contribute \$2,729,330 (65%), and CANARIE Inc would contribute \$1,523,339 (35%). The project was to run from September 2000 through to March 2002.

Approximately, half-way through the project, the management team determined that the project as a whole was running significantly under-budget, due to low member participation, and a delay in getting all members connected to CA*Net 3.

A revised budget was created in which the total estimated costs would be \$3,820,581. Of which, \$2,250,902 (59%), would be funded by the Learn Canada members, and \$1,569,676 (41%), would be funded by CANARIE Inc. The project was also extended to September 2002, to complete the 2001-2002 school year.

Listed below are the estimated final costs for the Learn Canada Project. As of the printing date of this financial report, the eighth and final quarter claim has not been processed by CANARIE Inc., and the actual costs of the required independent audit are not known at this time.

LearnCanada Funding

	Total Project Eligible Costs	CANARIE Inc. Contribution	% CANARIE Contribution
Learn Canada Overall	2,780,248	1,206,558	43.40%
	Disbursement of CANARIE Inc. funding (Q1-Q7 only)		
Costs to Members			
STEM~Net	78,339		
CRC	168,178		
NRC	83,196		
Shaw	1,125		
AESB	47,295		
CSCV	58,830		
EPS	134,994		
KPRDSB	72,899		
TDSB	68,758		
OCDSB	78,348		
Total Recovered by Members		791,962	
Other Costs			
Expected cost share funding for Q8 (not yet processed)	158,009		
Cost of Evaluation	114,281		
10% Holdback by CANARIE Inc.	117,306		
Reserved for Project Audit	25,000		
Total Other Expenses		414,596	
Total Disbursement of Funds		1,206,558	

Figure 1 (below) shows how the funding from CANARIE Inc. has been distributed to the members of the project. The Expected Cost Share for Q8 will be distributed to the members of the Learn Canada project that have made a financial claim in the eighth quarter. The 10% CANARIE Inc. holdback will be distributed to Learn Canada members upon completion of an independent audit.

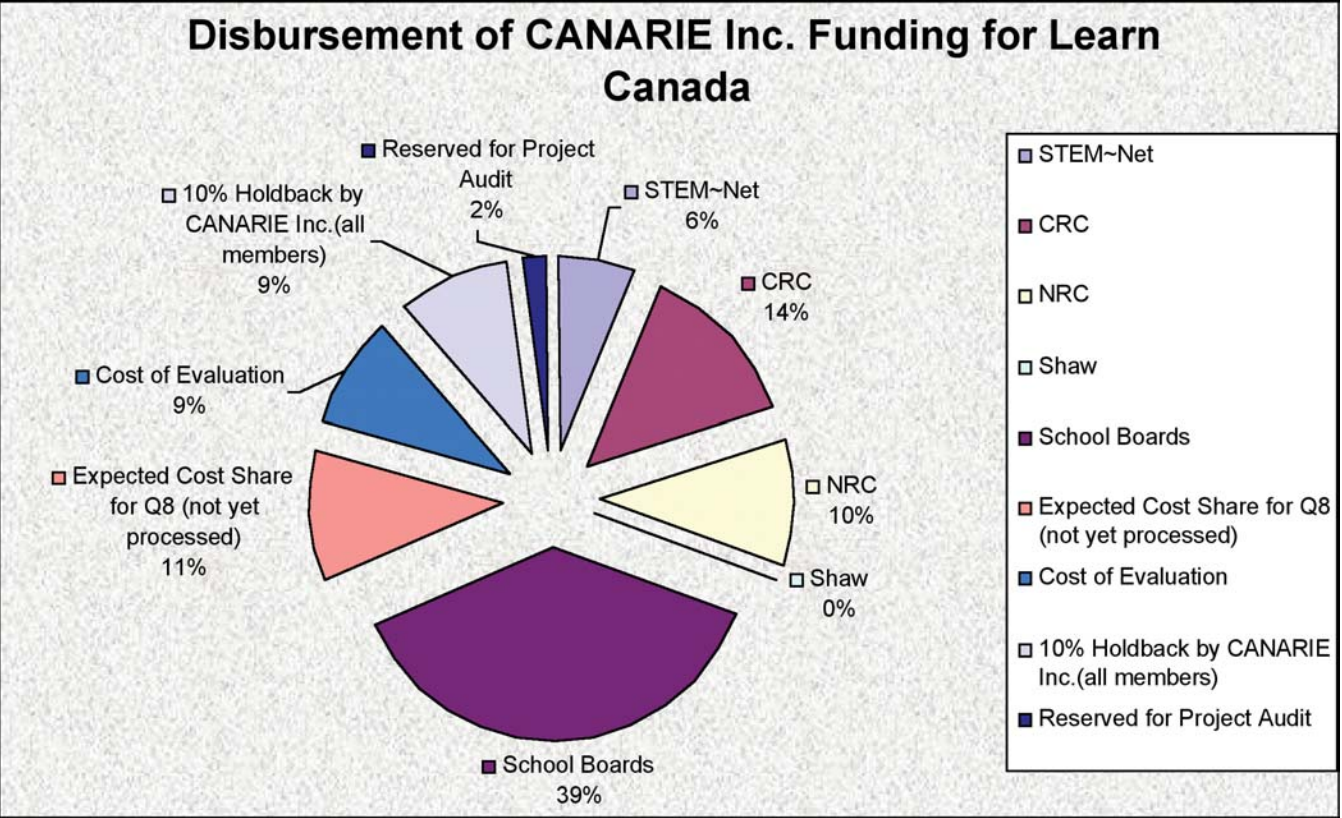


Fig. 1

Figure 2 is a breakdown of the cost share funding that each school board has received from the Learn Canada project from September 2000 through May 2002 (Q1 to Q7 incl.).

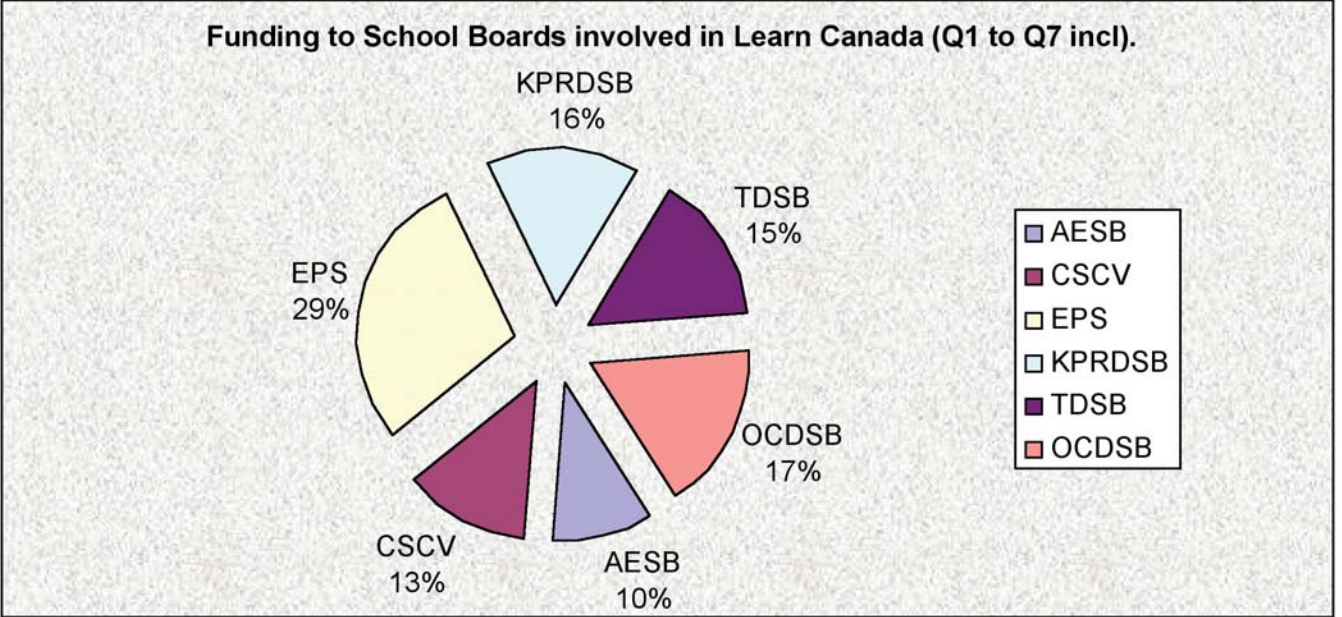
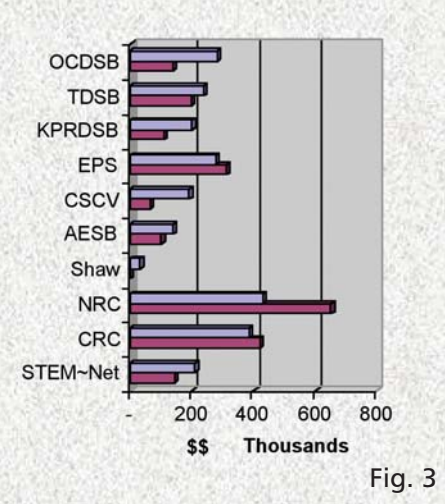


Fig. 2

There are three major cost areas associated with the Learn Canada project: Direct Labour, Audio/Visual Equipment, and Connectivity. A discussion of each will follow.

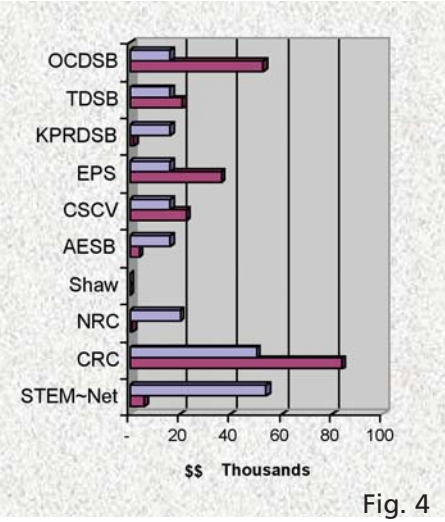


Direct Labour

Figure 3 shows the difference between the budgeted costs and actual costs for the Learn Canada Project.

NRC and CRC were expected to be over-budget due to the additional requirements of expert technical labour needed to complete the project successfully.

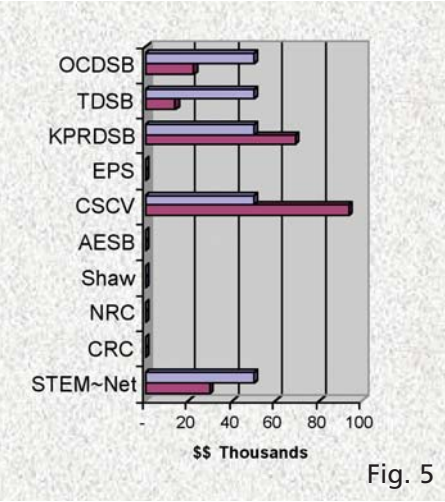
In all other cases except one, members finished well within the budgeted labour amounts.



Audio Visual Equipment

The need for new equipment to participate in the Learn Canada project varied greatly from member to member. In some cases the members needed to add very little to already existing equipment to participate, while other members needed to purchase all the equipment new.

In future projects, a careful examination to determine each member's technical requirements should be undertaken before the project starts.



Connectivity

Connectivity was not a financial burden for the members in the major centers (Ottawa, Toronto). However, the more rural members' (Kawartha-Pine Ridge, ON., Buckingham, QC.) costs were well above the budgeted amounts.

CRC, NRC, and SHAW were already connected to CA*Net 3, therefore their costs were not eligible. EPS made other arrangement with their local provider, and AESB's connectivity was paid for by STEM~Net.

In future, connectivity costs will have to be carefully examined, before the start of a project such as this, so that the costs of participation are feasible for all members.

Learn Canada was a groundbreaking project, the first of its kind. As with all first time projects, there are many circumstances that arise during the project, which will affect the outcome of the project, and cannot possibly known or anticipated at the outset. Future projects will benefit from the knowledge gained from Learn Canada, regarding the initial budgeting of direct labour, equipment, and connectivity. Overall, Learn Canada was a financially successful project. The duration of the project was two complete school years (Sept. 2000 through June 2002), the project overall finished well within the overall budgeted guidelines, and all participants were able to recover a full 50% of their eligible costs.