





# ANNUAL ES REPORT

### Table of CONTENTS

- 5 A School for the Arts
- Boards of Directors, Committees and Executive Team direction
- Governments and Associated Organizations
- 8 Words from the School's and Foundation's Chairs of the Board
- 10 Executive Director's Report
- 14 Programs in Summary
- 15 Applicants and Admissions 2006 to 2012
- 16 Class of 2012 Higher Education in Circus Arts
- Class of 2012 Instructors and Trainers in Circus Arts
- 18 Student Enrolment by Program 2006 to 2012
- 19 2011-2012 School's Financial Statements

# ANNUAL REPORT 11-12 National Circus School

### National Circus School Foundation Annual Report

- 39 Mission
- 39 Bursary Program
- 40 2012 Benefit Evening Donors
- 41 2011-2012 Annual Campaign Donors
- 43 2010-2011 Foundation Financial Statements



### A SCHOOL for the ARTS

The National Circus School is an institution for higher education located in Montreal with a primary mission to prepare circus artists. Internationally renowned for highest-quality training, the School opens its doors to near 200 students from around the world. Since its founding in 1981, the National Circus School has played a crucial role in the development of circus arts in Canada and around the world. As a pioneer of the circus renaissance in Canada and North America, the School has also contributed to the emergence of such circus companies as Cirque du Soleil, Cirque Éloize and The 7 Fingers. The School has become a world reference in the teaching of circus disciplines. It is also renowned as an international research centre for circus arts. More than ever, the National Circus School today serves as an incubator of inspiration, where performers-creators and designers find their voices, stimulating greater diversity in circus art forms and aesthetics.



### Boards of DIRECTORS

National Circus School - NCS And National Circus School Foundation - NCSF

Chair - NCS

Lili de Grandpré Senior Partner CENCEO

Chair - NCSF

David McAusland

Partner

McCARTHY TÉTRAULT

Vice-Chair and Secretary NCS - NCSF

Robert C. Nadeau

President

NADEAU CONSEIL INTERNATIONAL

Treasurer NCS - NCSF

Gilles Lapointe

Executive Vice-President – Finances & Administration FEELING PRODUCTIONS INC.

Members

Stéphane Achard

Senior Vice-President and General Manager, Business and Institutional Services DESJARDINS GROUP

Jocelyn L. Beaudoin

President and CEO FOUNDATION ON ANTIVIRALS

Claude Bédard

Vice-President

BURGUNDY ASSET MANAGEMENT LTD.

Sylvie Bovet

Vice-President of Purchasing BOVET GROUP

Pierre Carrier

Teacher, Empoyees' Representative NATIONAL CIRCUS SCHOOL

Luc Filiatreault

Parents' Representative President and CEO NEURALITIC

David J. Forest

President

DAVID FOREST FINANCIAL SERVICES

Robert Hoppenheim

Founder

HOPPENHEIM & CO.

Sébastien Guenette

Legal Director, Ligitation and Compliance JTI-MACDONALD

Marc Lalonde

Executive Director
NATIONAL CIRCUS SCHOOL

Catherine Laurin

Investment Advisor
ANDERSON LAURIN INVESTMENT
MANAGEMENT BMO NESBITT BURNS

Bernard Petiot

Vice-President, Casting and Performance CIRQUE DU SOLEIL

Paul Wilson

Partner

NATIONAL PUBLIC RELATIONS

**Outgoing Members** 

Jacques Coté

Chair of the Board SOCIÉTÉ DU HAVRE DE MONTRÉAL Bruno Duguay

Vice-President, General Counsel & Secretary JTI-MACDONALD

Marc Gagnon

Senior Vice-President – Organization and Culture CIRQUE DU SOLEIL

Normand Legault

Chair of the Board

MONTREAL INTERNATIONAL

**Bursary Committee** 

Lili de Grandpré, President Sylvie Bovet Hélène Dufresne

**Fundraising Committee** 

David McAusland, President Stéphane Achard David J. Fores Robert Hoppenheim Catherine Laurin Paul Wilson

Finance Committee

Claude Bédard Gilles Lapointe Catherine Laurin Robert C. Nadeau

**Program Committee** 

Lili de Grandpré, President Sylvie Bovet Pierre Carrier Luc Filiatreault Bernard Petiot

**Executive Team** 

Marc Lalonde
Executive Director

Daniela Arendasova Director of Studies

Howard Richard

Director of Creation

Éric Langlois

Administrative Director

Christophe Rousseau

Director of Communications

Martin Saintonge

**Technical and Production Director** 

Patrice Aubertin

Director of Research and Teacher Training Program, SSHRC Industrial Reseach Chair for Colleges in Circus Arts



The National Circus School receives financial support from the Ministère de la Culture et des Communications du Québec through the Programme d'aide au fonctionnement pour les organismes de formation supérieure en arts as well as from the Department of Canadian Heritage through the Canada Arts Training Fund Program.

The School is also accredited to receive subsidies by Quebec's Ministère de l'Éducation, du Loisir et du Sport and Ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie.

In the area of research, the School has received a grant from the Social Sciences and Humanities Research Council of Canada, and further assistance from Quebec's Ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie.

Culture et Communications

Québec 

Patrimoine Canadian canadien Heritage

Conseil science

Conseil de recherches en sciences humaines du Canada Social Sciences and Humanities Research Council of Canada Canadä

# ASSOCIATED Organizations

- TOHU La Cité des arts du cirque
- En Piste The National Circus Arts Network
- ADESAM Montreal's Professional Arts Schools Association
- FEDEC European Federation of Professional Circus Schools
- FEEP Fédération des établissements d'enseignement privés
- ACPQ Association des collèges privés du Québec
- ACQ Association des camps du Québec



# A Word from the SCHOOL'S Chair of the Board

It is with both genuine pleasure and a little trepidation that I agreed to chair the School's board of directors a few months ago. For it is a great challenge to succeed Bruno Duguay, who has helmed the Board for more than twelve years with the hand of a master. He leaves behind a wonderful legacy from which I now benefit, having worked with him since 2002.

Since the annual report just released sufficiently illuminates our institution's relevance, the quality and significance of its achievements, and its financial health, there is no need to elaborate here. However, I do want to take this opportunity to pay tribute to the entire team at the School, which under the admirable leadership of Marc Lalonde makes our task such a joy.

I would be remiss if I did not take this opportunity to thank the governments of Quebec and Canada. Through programs and funds devoted to the education of professional circus performers, they provide our establishment with multi-year stable funding, even in times of public sector belt-tightening.

The School's thirtieth anniversary year culminated with the year-end performances by the largest graduating class in our history. It is always affecting to see young people leaving the School with so much

potential for success. Moving yet reassuring, because they are tangible evidence of the School's commitment and contribution to not only the industry but to the larger society.

No less emotionally affecting were the departures of some great volunteers who spent so many years defending and developing our institution. Last June we said farewell to Marc Gagnon, who has sat on the board for the past decade. The end of the year also saw the departure of the School's treasurer, Jacques Coté, who was with us for 18 years. Finally, as mentioned earlier Bruno Duguay, the School's board chair since 2001, passed the torch after more than twenty years of involvement.

On behalf of the directors, staff and all those who have grown with this school over the past two decades, I wish to express our gratitude to those who are leaving. We appreciate both their dedication and the legacy for the circus arts they leave behind.

Thanks to the quality governance they bequeath us, the School had no difficulty in recruiting excellent candidates to fill the vacancies. We are therefore very pleased to welcome to the boards of the School and the Foundation Stéphane Achard, Sylvie Bovet, Sébastien Guénette, Robert Hoppenheim, Catherine Laurin, Bernard Petiot and Paul Wilson. No doubt we can count on their commitment as well as benefit from their diverse experiences.

We are also delighted that Robert C. Nadeau has accepted the role of vice president and secretary of the School and Foundation, and Gilles Lapointe is now the treasurer. The new officers, of whom I am one, supported by David McAusland who chairs our Foundation, pledge to honor the board members' trust.

On a less prosaic note, as required by Quebec law of Conseil exécutif from private colleges authorized to receive subsidies, I take advantage of this annual report to certify that the School's board

of directors has noted no real or apparent conflict of interest in which any of its members may have been placed during the 2011-2012 fiscal year.



Lili de Grandpré Chair of the Board of Directors National Circus School

### A Word from the FOUNDATION'S Chair of the Board



I join Lili de Grandpré in thanking all those who have left our ranks after long and unstinting service on our boards of directors. For without their personal dedication over the years, the School and Foundation today would not be able to present such a favorable balance sheet. And before further elaborating, in the company of my fellow directors I would like to congratulate Lili de Grandpré on being elected chair of the School's board. We are grateful to her for having accepted this responsibility and truly privileged to serve the School's cause under her leadership.

The Foundation's 20th Benefit Evening, which coincided with the conclusion of the School's 30th anniversary year, was an unequaled success. This was made possible with the outstanding contribution of Desjardins Group, the participation of the Foundation's many volunteers and of Cirque du Soleil, and the support of many loyal donors. We congratulate Stéphane Achard who upon joining our Board so successfully met the challenge of presiding over the 2012 Benefit Evening. The funds raised during it will enable the School to reprise, as ever under optimal and professional conditions, the educational and artistic experience that are the Annual Shows. These funds also make possible the other student performances, which are an invaluable part of their education.

The Foundation's fourth Annual Giving Campaign saw the number of donors increase by close to 10% and the total funds raised increase by over 60%. We are pleased to note the diversification of donation sources. The institution now can rely more heavily on individual contributions, whether from parents of students, circus professionals, or those who simply wish to support the School's cause.

The yield on our investments and endowment—which comprise, it should be noted, the outstanding contributions of our major campaign in 2002-200—generated more than \$85,000. Prudently managed by our investment committee, these funds have enabled the Foundation to distribute \$67,250 in bursaries to students, 45% more than the previous year. A rigorous review by the Foundation bursary committee ensured that the 33 scholarships were awarded to students who would not be able to pursue studies without such assistance.

Anyone perusing the Foundation's financial statements, graciously audited by KPMG, will find that the Foundation has managed to balance the School's budget and to meet the needs of its students using revenues from fundraising investments for the fiscal year. Thus, the Foundation has carefully maintained the integrity of its net assets.

The directors join me in thanking all donors, the individuals, corporations and foundations that support the National Circus School and its students, as well as the many volunteers who promote and preserve this great cause.

David McAusland Chair of the Board of Directors National Circus School Foundation





# Executive DIRECTOR'S Report

What could be more rewarding for a youthful institution than to celebrate the thirtieth anniversary of its founding? We can now rely upon a maturity and the recognition that bears witness to our inherent strengths and desire to evolve. And so it is feelings of both pride and clarity that have animated the School's team over the past school year.

The School remains the only entirely independent higher-education institution for the arts in Canada to offer the complete spectrum of secondary and post-secondary education with professional training. It is also one of the few circus schools in the world to provide such an extensive, comprehensive and effective training continuum.

Indeed, the School last year saw a record number of students in almost all of its programs and the largest graduating class of artists in its history, with 24 graduates.

We can look to the academic victories of our youngest pupils, our upper classes' achievements in pursuing a higher education, and the professional success of our graduates at the dawn of their careers. All testify to the relevance and effectiveness of our programs and curriculum, which so many consider a model. Meanwhile, the School enjoys a consistently high retention rate. This confirms not only the quality of candidate selection and student motivation, but their perseverance over the course of their education.

The employability of National Circus School graduates has repeatedly demonstrated that despite the international economic context the placement rate of more than 95% has not been affected. The job market for circus artists in Canada and abroad is still in expansion. It continues to favour circus artists that are versatile, innovative and in full mastery of their

specialty discipline, all of which the School requires of its graduates. While jobs with our three major circuses—Cirque du Soleil, Cirque Éloize and The 7 Fingers—are still prized by graduates, the 2012 graduating class also secured contracts with 14 other producers in Canada and abroad.

It is reassuring to note that the School's efforts in recent years also have been favorably received by not only production organizations but also by independent observers. The independent expert's report commissioned by Heritage Canada in fall 2012 could not have been clearer about the School's arts programs.

- "Since 2008 (the last year of assessment), the NCS has clearly consolidated its position as an international leader in the field of circus arts education."
- "The program comprises an institutional culture based on creativity and innovation. Its great strength is to have successfully

integrated in one place the entire spectrum of professional training ... "

- The "availability" and "conscientiousness" of the pedagogical and artistic staff "by adding to the methodological rigor mean that the NCS is like no other circus school."
- "The NCS is an international model in the teaching of circus arts."

As regards teacher training for the circus, the School offered three programs leading to college certificates. Five circus arts Instructors and ten Trainers successfully completed their studies last year. These new circus arts teaching professionals are entering the fields of amateur practice, social circus or preparatory circus arts training. They join their fellow 20 graduates from the class of 2011, all of whom found places as professional circus arts educators over the past year.

Our contribution to the development of our sector's human resources has not stopped there. In a second collaboration with Collège Lionel-Groulx, the School last year helped train 23 circus riggers. They have developed their skills with us, benefiting from our diversified array of equipment and relevant practical internships.

of equipment and relevant practical internships.

To reflect the increase in the number of students in recent years, the School has upgraded the range of student services.



By extending student housing services to seven days a week, our residences can better accommodate students from across Canada. This resulted in a 50% increase in the number of meals to serve and 65% more hours of supervision to ensure.

When it comes to health, we have diversified the services and skills of our team of therapists, which includes massage therapists, osteopath, physiotherapist and sports therapist. The number of consultations provided last year increased by 15%, with an average of 23 consultations per student.

The School's library can be proud of its specialized circus arts collection, one of the most comprehensive in the world. It is no wonder that the rate of consultation increased by more than 30%!

In terms of financial assistance, the bursary program run by the School's Foundation granted 33 bursaries to students that averaged \$2,000 each. The School has also helped some 30 students take advantage of various public and private financial assistance programs.

In total, the School helped 24 students participate in internships and exchange programs, notably in Canada at the Banff Centre and abroad at Festival Circa in France, and also in Brussels and Stockholm.

With the implementation of a strategy to strengthen the research and innovation component, the School was recognized as eligible for federal research funding by the Social Sciences and Humanities Research Council of Canada. This same agency also granted the School an Industrial Research Chair for Colleges in Circus Arts. This recognition has the effect of promoting collaborations with organizations and businesses involved in circus arts creation. It also facilitates the appropriation of new knowledge for the School, its faculty and students. They also enjoy an increased capacity to take on applied research projects with a significant and lasting impact on the profession, sector and discipline. To date, the School has signed partnership agreements with Edith Cowan University in Perth, Australia, Concordia University and Université de Montréal.

For the 2011-2012 school year the School has instigated research projects in pedagogy on such subjects as: "The introduction of decision training in circus arts higher education and its effects on teaching strategies, learning and performance" and "the impact of the theoretical contribution of proprioceptive motor learning." Finally, the School hosted a symposium of educational exchanges by the European Federation of Professional Circus Schools on aerial straps instruction. Fifteen experts from Canada, Australia, Belgium, Denmark, France and the United Kingdom met in Montreal to establish the fundamentals of preparatory and advanced teaching in this discipline.



The School has maintained active recruitment activities in Canada and overseas. It once more mounted a Pre-Selection Tour of 17 cities in Canada, which was expanded this year to include Quebec City, Rouyn Noranda and Saskatoon. The final national Entrance Examinations were held in Vancouver, Toronto and Montreal. As well, applications from high schools in Quebec and other Canadian provinces have tripled and quadrupled respectively over the last three years. The final tally shows a significant increase in the number of Canadians outside Quebec enrolled in the secondary program for 2012-2013.

At the college level, national efforts outside Quebec over two years have proven effective. Above-average demand has prevailed for the past three years and the quality of candidates admitted is of the highest. The number of applications from Quebec remained level over the past three years while final admissions have rebounded.

The School held the second edition of its European Entrance Exam in Paris thanks to the generous hospitality of Cirque Phénix. As well, the admission rate for European applicants is higher than ever.

Finally, with the help of the city of Buenos Aires, the School held the first Entrance Examination for South America in the Argentine capital. We have recruited a record number of candidates from Latin America.

The School has continued its work with local communities. For residents of the St. Michel district of Montreal, the School gave a total of four free performances at Tohu. Farther afield, with assistance from the Foundation of Greater Montreal, the School made available low-cost tickets to its year-end shows to over 5,500 young people attending public schools across Montreal.

In partnership with Tohu, the School has offered many services to organizations and professional circus artists. In total, more than 3,000 person-hours of studio time for creation or training purposes were made available, as well as nearly 800 hours of studio occupancy for residencies. The School continued to house free of charge within its walls the headquarters of the Circus Arts National Network En Piste.

Finally, the School has launched a preparatory program in conjunction with Estacades Academy and Centre Sportif Alphonse-Desjardins that is offered alternately in Trois-Rivières and Montreal.

Despite the stagnation in operating grants in this era of public cutbacks and thanks to an increase in operating revenues and private fundraising, the School once more was able to maintain its financial equilibrium without drawing upon the Foundation's net assets.

### Award-Winning National Circus School Alumna

### Angelica Bongiovonni (2011)

Silver medal, Audience Award and Cirque Éloize Award, 2011 Solicirco Festival in Sylt, Germany (Cyr wheel);

### Héloïse Bourgeois et William Underwood (2005)

Gold medal and President of the Republic's Award at the 33rd Festival Mondial du Cirque de Demain in France (Chinese pole duo);

#### Ugo Dario et Maxim Laurin (2011)

Gold medal, Audience Award, St. Petersburg State Circus Award, Rosgoscirk Award and Ringling Bros. and Barnum & Bailey Award, 33rd Festival Mondial du Cirque de Demain in France (Korean board duo);

#### Anne-Kim Déry et Marieve Hémond (2004)

First prize at the 12th International Circus Festival in Val d'Oise Domont, France (Aerial cube duo);

#### Leilani Franco (2008)

Star of Tomorrow prize, 2011 Solicirco Festival in Sylt, Germany (Contortion);

#### Natalie Good (2008)

Engagement with GOP Variété prize, 2011 Solicirco Festival in Sylt, Germany (Tight wire);

#### Alexandre Lane (2010)

Gold Pierrot prize at the Budapest International Circus Festival (Russian Cradle);

### Alexandra Royer (2011)

Gold medal, 2011 Solicirco Festival in Sylt, Germany (Aerial Hoop)



Beyond the quality of material resources and level of financial resources, it is obviously the people who make a school great. These people succeed when they are engaged and function as a team. The School's exceptional team, so deserving of credit for our daily successes, now consists of more than 80 regular or guest teachers, 20 people directly contributing to academic or teaching organization and support, and 13 staff members employed in communications and finance administration.

Our team can count on the enlightened governance of a board of directors that has expanded greatly over the past year even with the departure of three volunteers. I thank the directors, former and new, for their trust and can never acknowledge enough the contribution of those who left us last June after so many years invested in the development of our School: Marc Gagnon, Jacques Coté, our long-tenured treasurer, and Bruno Duguay, who presided over the School's destiny for 12 years.

If I have stressed the maturity that comes with our fourth decade, we must be wary of the complaisance that can tempt us. When it comes to the circus, pedagogy based on creation is as young as our School. Today, we learn from others as much as we pass on. We therefore must avoid certainties in this still underdeveloped field; we must continue to experiment and preserve them in a permanent state of collective research excellence.

This is essential to meet the challenge of teaching innovation as an art. The School's contribution also must remain strong, not only in shaping esteemed artists and educators but in impacting on the evolution of our discipline and its diversity. This is what we intend to undertake in this, the School's thirty-second school year.

Marc Lalonde Executive Director National Circus School

### PROGRAMS in Summary

#### Preparatory

The first level of professional training, this extra-curricular program is aimed at students 9 to 13 years old. It is a preparatory program for Circus and High School Studies program that allows students to continue their education in another school.

#### • Circus and High School Studies

This arts-academic program is offered to students in grades 7 through 11. It combines required academic subjects as outlined by the Quebec secondary school curriculum with professional training in the circus arts. After obtaining their high school diploma, students pursue higher education through the Diploma of Collegial Studies in Circus Arts (DEC) program.

#### Diploma of Collegial Studies in Circus Arts DEC (560.D0)

This 3-year program marks the pinnacle of higher education in the circus arts and leads directly to a professional career. Graduates receive a college diploma, Diploma of Collegial Studies in Circus Arts or DEC, from Quebec's ministère de l'Enseignement supérieur, de la Recherche, de la Science et de la Technologie (MES). Intended for Canadian students who have completed their high school studies, the program combines specialized training in the circus and performing arts with the general college curriculum.



### • Diploma of National Circus School Studies (DEE)

Intended exclusively for foreign students who have completed their high school studies, this 3-year program constitutes the final phase of higher education in the circus arts. Graduates receive a diploma from the School, as they prepare for a professional career.

### • Creation and Exploration Workshop for Graduates - NRC.0W-AEC

As a complement to its higher education programs, the School offers graduates a chance to participate in a professional immersion session accredited by the Quebec's MES with an Attestation of Collegial Studies (AEC). The objective of this workshop is to integrate and enhance the talents of young artists while affording them the complete experience of creating a contemporary circus work under the direction of a creator and stage director.

### • Assistant Instructor - NRC.0V, Instructor - NRC.08 and Trainer - NRC.09 - AEC

The National Circus School offers three specialized programs: Assistant Instructor, Instructor and Trainer in Circus Arts. The aim is to prepare teaching professionals versed in the circus arts able to provide high quality, safety-conscious training from introductory to advanced levels. Both programs lead to a NCS diploma: Attestation of Collegial Studies (AEC) accredited by Quebec's MES.

### Applicants and ADMISSIONS 2006-2012

|                                                                      | 2006 | -2007 | 2007- | -2008 | 2008 | 3-2009 | 2009 | -2010 | 2010- | 2011 | 2011 | 2012   | 2012 | -2013 |
|----------------------------------------------------------------------|------|-------|-------|-------|------|--------|------|-------|-------|------|------|--------|------|-------|
|                                                                      | App. | Adm.  | Арр.  | Adm.  | Арр. | Adm.   | Арр. | Adm.  | Арр.  | Adm. | Арр. | Adm.   | App. | Adm.  |
| Preparatory                                                          |      | 9     |       | 7     |      | 7      |      | 12    | 77.70 | 8    |      | 8      |      | 10    |
| Circus and High School Studies - CES                                 | 54   | 7     | 53    | 11    | 60   | 11     | 60   | 6     | 62    | 14   | 235  | 13 339 | 11   |       |
| Diploma of Collegial Studies,<br>Higher Education - DEC-DEE          | 157  | 31    | 137   | 36    | 139  | 35     | 173  | 37    | 158   | 38   | 293  | 51     | 243  | 50    |
| Creation and Exploration Workshop - AEC NRC.0W                       | 8    | 8     | 8     | 5     | 10   | 7      | 10   | 6     | 8     | 7    | 11   | 6      | 6    | 5     |
| Teacher Training program -<br>Attestation of collegial Studies - AEC | 13   | 13    | 17    | 17    | 26   | 22     | 35   | 28    | 32    | 32   | 24   | 18     | 20   | 17    |
| Total                                                                | 232  |       | 215   |       | 235  |        | 278  |       | 260   |      | 563  |        | 608  |       |

The National Circus School would like to thank the circus schools and sports organizations from which emanated many of the new students admitted in the CES, DEC, DEE 2012-2013 programs:

AFUK, Copenhagen, Denmark

Circus Danza Teatro, Monterrey, Mexico

Circus Harmony, MO, United States

Circus Helsinki, Finland

Circus Space, London, United Kingdom

Circus Warehouse, NY, United States

Circus West, British-Columbia, Canada

Club Acrosport Barani, Quebec, Canada

Club de gymnastique du Centre de la Mauricie, Quebec, Canada

Club de gymnastique Gadbois, Quebec, Canada

Club de gymnastique Gymnamic, Quebec, Canada

Club de gymnastique Laval Excellence, Quebec, Canada

Club Duncan Dynamics Gymnastics, British-Columbia, Canada

Club Gymkara de Val d'Or, Quebec, Canada

École de cirque Creacirque, Namur, France

École de cirque de Disraëli, Quebec, Canada

École de cirque de Lyon, France

École de cirque de Québec, Quebec, Canada

École de cirque de Verdun, Quebec, Canada

École de cirque Gus Circus, Saint-Vallier, France

École de cirque Le clin d'œil d'Amos, Quebec, Canada École de danse Maureen MacDonald, Quebec, Canada

École Horizon-Soleil, Quebec, Canada

École Léotard, Quebec, Canada

École nationale de cirque de Châtellerault, France

Escuela de Circo Carampa, Madrid, Spain

Escuela de Circo La Arena, Buenos Aires, Argentina

Escola de Circo Rogelio Rivel, Barcelona, Spain

Fontys – Circus Academy, Eindhoven, Netherlands

Gym Peseux ACNG, Neuchâtel, Switzerland

Jugend Circus, Basel, Switzerland

Nepean - Corona School of Gymnastics, Ontario, Canada

Orlando Circus School, FL, United States

Ottawa Rhythmic Gymnastics Club, Ontario, Canada

School of Acrobatics and New Circus Arts, WA, United States

Toronto School of Circus Arts, Ontario, Canada

Trick Circus, Melbourne, Australia

West Coast Contortion and Acrobatics, British-Columbia, Canada





## **CLASS OF 2012-**Higher Education of Circus Artists



**MAUDE ARSENAULT** AND MIKAËL **BRUYÈRE-L'ABBÉ** Chinese pole duet



RAPHAËL DUBÉ AND YOHANN FRADETTE-**TRÉPANIER** Juggling



SEBASTIAN KANN Aerial hoop



**KEVIN BEVERLEY** 



ALBA FAIVRE



MÉLODIE LAMOUREUX AND EVELYNE PAQUIN-LANTHIER Double trapeze duet



Dance Trapeze



Chinese pole



JONATHAN PEREZ Spanish web



**GUILHEM CAUCHOIS** ET SARAH TESSIER Trapeze duet



**SHANNON GÉLINAS** Silks



**EMMALINE PIATT** Cloud swing



SAMUEL CHARLTON AND REUBEN HOSLER Hand to hand



**AUDREY HAREL-**MONTPETIT Handstand and Clown



**LÉONIE PILOTE** Chinese pole



JORDAN CLARK Handstand



**BRIDIE HOOPER** Aerial straps -Contortion



**CALIN STEVENSON** Silks



JOREN DAWSON Chinese hoops, Aerial straps



LAUREN JOY HERLEY Spanish web



**CAMILLE TREMBLAY** Handstand



#### Instructors

Gabriel Boudreau Simon Brisson Melody Cyr-Dufault André Deschamps Karen Gaudreau Friederik Geertsen Joanie Grenier Isabelle Lepage Nicolas Ottenheimer de Gail Nicolas Ignacio Rivera-Diaz Domenico Stanislas

#### **Trainers**

Geneviève Godard Alexandre Lacas Véronique Lemay Gabrielle Proulx Nadia Richer Rachel Walker

## STUDENT Enrolment by Program 2006 to 2012

|                                                             | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 |
|-------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Preparatory program                                         | 18    | 22    | 15    | 19    | 10    | 16    | 19    |
| Circus and High School Studies - CES                        | 18    | 24    | 24    | 25    | 24    | 27    | 30    |
| Diploma of Collegial Studies, Higher Education - DEC-DEE    | 62    | 69    | 80    | 82    | 87    | 103   | 105   |
| Creation and Exploration Workshop - AEC NRC.0W              | 7     | 5     | 7     | 6     | 7     | 6     | 5     |
| Attestation of Collegial Studies Assistant Instructor - AEC |       |       |       |       | 4     | 1     | 3     |
| Attestation of collegial Studies Instructor - AEC           | 5     | 6     | 12    | 19    | 15    | 5     | 3     |
| Attestation of collegial Studies Trainer - AEC              | 8     | 10    | 10    | 9     | 12    | 17    | 12    |
| Sub-total Professional Studies                              | 118   | 136   | 148   | 160   | 159   | 175   | 177   |
| Summer Camps                                                | 32    | 55    | 67    | 68    | 75    | 102   | 89    |
| Recreational Activies                                       | 120   | 165   | 145   | 155   | 116   | 190   | 163   |
| Total                                                       | 270   | 356   | 360   | 383   | 350   | 467   | 429   |



Financial statements of

École nationale de cirque

June 30, 2012

### École nationale de cirque Table of contents

| Independent Auditor's Report                            | 1-2      |
|---------------------------------------------------------|----------|
| Statement of revenue and expenses                       | 3        |
| Statement of changes in net assets                      | 4        |
| Balance sheet                                           | 5        |
| Statement of cash flows                                 | 6        |
| Notes to the financial statements                       | 7-14     |
| Grants and contributions                                | Schedule |
| Donations from Fondation de l'École nationale de cirque | Schedule |

### Deloitte.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l. Les Tours Triomphe 2540 Daniel-Johnson blvd. Suite 210 Laval QC H7T 2S3 Canada

Tel: 450-978-3500 Fax: 514-382-4984 www.deloitte.ca

### **Independent Auditor's Report**

To the Members of the Board of Directors of École nationale de cirque

We have audited the accompanying financial statements of École nationale de cirque (the "Institution"), which comprise the balance sheet as at June 30, 2012, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

### Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of École nationale de cirque as at June 30, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

#### Additional information

Without modifying our opinion, we draw your attention to the fact that we also expressed an opinion on the financial statements included in the annual financial reporting presented to the ministère de l'Éducation, du Loisir et du Sport du Québec, on a prescribed form, for the year ended June 30, 2012.

October 4, 2012

Somson Belain Delatte & Tache s.e.s.c.r.l.

<sup>&</sup>lt;sup>1</sup> CPA auditor, CA, public accountancy permit no A116671

### École nationale de cirque

# Statement of revenue and expenses Year ended June 30, 2012

|                                                                    | 2012      | 2011      |
|--------------------------------------------------------------------|-----------|-----------|
|                                                                    | \$        | \$        |
| Revenue                                                            |           |           |
| Grants and contributions - Schedule                                | 3,819,954 | 3,565,119 |
| Tuition fees                                                       | 867,451   | 681,147   |
| Contract for training services                                     | 10,148    | 32,984    |
| Rental of premises and equipment                                   | 359,474   | 337,681   |
| Shows and festivals                                                | 281,118   | 236,295   |
| Donations from Fondation de l'École nationale de cirque - Schedule | 394,992   | 315,229   |
| Hosting services                                                   | 157,806   | 45,173    |
| Amortization of deferred capital assets grants                     | 489,964   | 484,473   |
| Amortization of deferred capital assets donations                  | 42,570    | 41,020    |
| Other                                                              | 23,767    | 22,590    |
|                                                                    | 6,447,244 | 5,761,711 |
| Expenses                                                           |           |           |
| Salaries and fees                                                  | 3,631,079 | 3,290,543 |
| Fringe benefits                                                    | 463,696   | 400,114   |
| Professional fees                                                  | 333,633   | 305,722   |
| Supplies and purchases                                             | 503,498   | 416,160   |
| Travel, communications and information                             | 322,896   | 323,995   |
| Contract services                                                  | 266,894   | 228,987   |
| Rental equipment                                                   | 95,665    | 82,276    |
| Students financial assistance                                      | 67,250    | 46,500    |
| Insurance and permits                                              | 46,046    | 49,221    |
| Maintenance of equipment and building                              | 33,148    | 19,361    |
| Bad debts                                                          | 6,625     | 155       |
| Financial expenses                                                 | 69,103    | 12,040    |
| Amortization of capital assets                                     | 599,830   | 585,997   |
|                                                                    | 6,439,363 | 5,761,071 |
| Excess of revenue over expenses                                    | 7,881     | 640       |

### École nationale de cirque Statement of changes in net assets Year ended June 30, 2012

|                                                               |                | 201        | 2            |         | 2011    |
|---------------------------------------------------------------|----------------|------------|--------------|---------|---------|
|                                                               | Invested in    | Restricted | Unrestricted | Total   | Total   |
|                                                               | capital assets | (Note 13)  |              |         |         |
|                                                               | \$             | \$         | \$           | \$      | \$      |
| Balance, beginning of year                                    | 1,162,389      | 150,000    | (480,142)    | 832,247 | 831,607 |
| Excess of revenue over expenses                               | -              | -          | 7,881        | 7,881   | 640     |
| Purchase of capital assets                                    | 142,040        |            | (142,040)    | -       | -       |
| Amortization of capital assets                                | (599,830)      | -          | 599,830      | -       | -       |
| Grants and donations received for financing of capital assets | (5,000)        | -          | 5,000        | -       | -       |
| Amortization of deferred capital assets grants and donations  | 532,534        | -          | (532,534)    | -       | -       |
| Balance, end of year                                          | 1,232,133      | 150,000    | (542,005)    | 840,128 | 832,247 |

### École nationale de cirque

### **Balance sheet**

as at June 30, 2012

|                                                                  | 2012                                   | 2011         |
|------------------------------------------------------------------|----------------------------------------|--------------|
|                                                                  | \$                                     | \$           |
| Assets                                                           |                                        |              |
| Current assets                                                   |                                        |              |
| Cash                                                             | 96,386                                 | 2            |
| Investment, term deposit at 1.18%                                | 500,000                                | -            |
| Accounts receivable (Note 3)                                     | 364,046                                | 507,090      |
| Operating grants receivable (Note 4)                             | 338,890                                | -            |
| Current portion of grants and donations related                  | ,                                      |              |
| to construction receivable (Note 5)                              | 76,119                                 | 2,381,800    |
| Prepaid expenses                                                 | 57,358                                 | 51,866       |
|                                                                  | 1,432,799                              | 2,940,756    |
| Grants and donations related to construction receivable (Note 5) | 2,196,830                              | 2,5 10,720   |
| Capital assets (Note 6)                                          | 22,773,345                             | 23,231,135   |
| cupitus assets (10te o)                                          | 26,402,974                             | 26,171,891   |
|                                                                  |                                        |              |
| Liabilities                                                      |                                        |              |
| Current liabilities                                              |                                        |              |
| Bank overdraft                                                   |                                        | 63,917       |
| Bank loan (Note 7)                                               | -                                      | 1,935,931    |
| Accounts payable and accrued liabilities (Note 8)                | 640,858                                | 686,436      |
| Deferred revenue                                                 | 139,817                                | 139,251      |
| Deferred operating grants                                        | 968,184                                | 445,363      |
| Current portion of deferred capital assets                       | 263,453,493,504 <b>*</b> (1999) (1974) |              |
| grants and donations (Note 9)                                    | 529,480                                | 529,380      |
| Current portion of long-term debt (Note 10)                      | 76,119                                 | -            |
| *                                                                | 2,354,458                              | 3,800,278    |
| Deferred capital assets grants and donations (Note 9)            | 21,011,732                             | 21,539,366   |
| Long-term debt (Note 10)                                         | 2,196,656                              | _            |
|                                                                  | 25,562,846                             | 25,339,644   |
| Net assets                                                       |                                        |              |
| FIG. 949 W 100                                                   | 5 520 550                              | 3 3 32 33 34 |
| Invested in capital assets                                       | 1,232,133                              | 1,162,389    |
| Restricted (Note 13)                                             | 150,000                                | 150,000      |
| Unrestricted                                                     | (542,005)                              | (480,142)    |
|                                                                  | 840,128                                | 832,247      |
|                                                                  | 26,402,974                             | 26,171,891   |

| On behalf of the Board |             |
|------------------------|-------------|
| Car Gra                | ., Director |
| Glead                  | ., Director |
|                        | ., Director |

### École nationale de cirque

### Statement of cash flows

Year ended June 30, 2012

|                                                                                                                                                                                                                                                                                                                             | 2012                                                    | 2011                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------|
|                                                                                                                                                                                                                                                                                                                             | \$                                                      | \$                                         |
| Operating activities                                                                                                                                                                                                                                                                                                        |                                                         |                                            |
| Excess of revenue over expenses                                                                                                                                                                                                                                                                                             | 7,881                                                   | 640                                        |
| Items not affecting cash                                                                                                                                                                                                                                                                                                    |                                                         |                                            |
| Amortization of capital assets                                                                                                                                                                                                                                                                                              | 599,830                                                 | 585,997                                    |
| Amortization of deferred capital assets grants                                                                                                                                                                                                                                                                              | (489,964)                                               | (484,473)                                  |
| Amortization of deferred capital assets donations                                                                                                                                                                                                                                                                           | (42,570)                                                | (41,020)                                   |
| W.S.                                                                                                                                                                                                                                                                                                                        | 75,177                                                  | 61,144                                     |
| Changes in non-cash operating                                                                                                                                                                                                                                                                                               |                                                         |                                            |
| working capital items (Note 11)                                                                                                                                                                                                                                                                                             | 276,471                                                 | (346,461)                                  |
|                                                                                                                                                                                                                                                                                                                             | 351,648                                                 | (285,317)                                  |
| 5000 100 500                                                                                                                                                                                                                                                                                                                | (27,025)                                                |                                            |
| Repayment of long-term debt                                                                                                                                                                                                                                                                                                 | (37,025)<br>2,309,800                                   | -                                          |
| 500 NO. 500                                                                                                                                                                                                                                                                                                                 | 2,309,800                                               | -<br>-<br>614,094                          |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan                                                                                                                                                                                                                                     |                                                         | -<br>614,094<br>189,956                    |
| Repayment of long-term debt Increase in long-term debt                                                                                                                                                                                                                                                                      | 2,309,800<br>(1,935,931)                                |                                            |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants                                                                                                                                                                                          | 2,309,800<br>(1,935,931)                                |                                            |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants Donations from the Fondation de l'École nationale de cirque                                                                                                                              | 2,309,800<br>(1,935,931)<br>36,851                      | 189,956                                    |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants Donations from the Fondation de l'École nationale de cirque                                                                                                                              | 2,309,800<br>(1,935,931)<br>36,851<br>77,000            | 189,956<br>150,000                         |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants Donations from the Fondation de l'École nationale de cirque allocated to the construction project                                                                                        | 2,309,800<br>(1,935,931)<br>36,851<br>77,000            | 189,956<br>150,000<br>954,050              |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants Donations from the Fondation de l'École nationale de cirque allocated to the construction project  Investing activity  Purchase of capital assets  Increase in cash and cash equivalents | 2,309,800<br>(1,935,931)<br>36,851<br>77,000<br>450,695 | 189,956<br>150,000<br>954,050              |
| Repayment of long-term debt Increase in long-term debt (Decrease) increase in bank loan Increase in deferred capital assets grants Donations from the Fondation de l'École nationale de cirque allocated to the construction project  Investing activity                                                                    | 2,309,800<br>(1,935,931)<br>36,851<br>77,000<br>450,695 | 189,956<br>150,000<br>954,050<br>(650,947) |

(See additional information presented in Note 11)

### Non-cash transactions

During the year 2011, grants were obtained according to capital assets for a total amount of \$777,508 of which \$437,552 were not cashed as at June 30, 2011.

### 1. Description of the institution

The Institution, a non-profit organization, has been incorporated under Part III of the *Québec Companies Act* and is recognized as a charitable organization under the *Income Tax Act*. The Institution provides specialized circus training for individuals aged from 9 to 30 years.

### 2. Accounting policies

The Institution has elected to use the exemption from the Canadian Institute of Chartered Accountants ("CICA") which stipulates that not-for-profit organizations do not need to adopt CICA Handbook Sections 3862 and 3863 which would otherwise have applied to the financial statements of the Institution for the year ended June 30, 2012. The Institution continues to apply the requirements of CICA Handbook Section 3861.

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

#### Financial instruments

Initially, financial instruments are recorded at fair value. Transaction costs attributable to financial assets or financial liabilities, which are not classified as being held for trading, will be added to the initial acquisition cost of those financial instruments. Otherwise, these costs will be expensed. Subsequent valuation takes into consideration the following components:

#### Cash

This financial asset is classified as held for trading and carried at fair value. Fair value is based on the most recent quoted-price, normally the most recent bid price. Unrealized gains or losses are recognized in the statement of revenue and expenses.

The Institution records its transaction related to investment on the trade date basis.

Accounts receivable, grants receivable, accounts payable and accrued liabilities and bank loan

Accounts and grants receivable are classified as loans and receivable. Accounts payable and accrued liabilities and bank loan are classified as other liabilities. Both categories are measured at amortized cost using the effective interest rate method, less any impairment.

### 2. Accounting policies (continued)

Revenue recognition

The Institution uses the deferral method to record contributions such as grants. Restricted contributions are transferred to revenue when related expenses are incurred. Unrestricted contributions are transferred to revenue when they are received or to be received if the amount is fixed or determinable and collection is reasonably assured.

Capital assets contributions are deferred and transferred to revenue following the same method as the amortization of capital assets that were purchased with those specific contributions.

Registration fees and tuition fees are recognized in the year to which they relate.

Revenue from shows, festivals and special events are recorded when the events occur.

Donations other than capital assets donations are transferred to revenue when they are received or to be received if the amount can be reasonably estimated and collection is reasonably assured. Capital assets donations follow the same recognization method as the capital assets contributions.

### Capital assets

Capital assets are recorded at cost. Amortization is computed on a straight-line method over the following terms:

| Building                   | 50 years |
|----------------------------|----------|
| Office furniture           | 5 years  |
| Training equipment         | 10 years |
| Computer equipment         | 3 years  |
| Interior layout            | 30 years |
| Audiovisual equipment      | 5 years  |
| Apparatus and tools        | 5 years  |
| Medical services equipment | 5 years  |
| Integrated equipment       | 25 years |

### Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

### 2. Accounting policies (continued)

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. Actual results could differ from these estimates.

Future accounting change

New accounting framework

The CICA has approved a new accounting framework applicable to non-for-profit organizations. Effective for fiscal years beginning on January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards (IFRSs) and GAAP for non-for-profit organizations, whichever suits them best. Early adoption of these standards is permitted. The Institution currently plans to adopt the new accounting standards for non-for-profit organizations, however the impact of this transition has not yet been determined.

### 3. Accounts receivable

|                                                                | 2012    | 2011    |
|----------------------------------------------------------------|---------|---------|
|                                                                | \$      | \$      |
| Donation receivable - Fondation de l'École nationale de cirque | 161,597 | 231,559 |
| Accounts receivable - other                                    | 159,970 | 217,687 |
| Sales taxes                                                    | 42,479  | 57,844  |
|                                                                | 364,046 | 507,090 |

### 4. Operating grants receivable

|                                | 2012        | 2011        |
|--------------------------------|-------------|-------------|
|                                | \$          | \$          |
| Balance, beginning of year     | 별           | 84,000      |
| Revenue of the year (Schedule) | 3,819,954   | 3,565,119   |
| Collections                    | (3,481,064) | (3,649,119) |
| Balance, end of year           | 338,890     | · E         |

### 2. Accounting policies (continued)

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. Actual results could differ from these estimates.

Future accounting change

New accounting framework

The CICA has approved a new accounting framework applicable to non-for-profit organizations. Effective for fiscal years beginning on January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards (IFRSs) and GAAP for non-for-profit organizations, whichever suits them best. Early adoption of these standards is permitted. The Institution currently plans to adopt the new accounting standards for non-for-profit organizations, however the impact of this transition has not yet been determined.

### 3. Accounts receivable

|                                                                | 2012    | 2011    |
|----------------------------------------------------------------|---------|---------|
|                                                                | \$      | \$      |
| Donation receivable - Fondation de l'École nationale de cirque | 161,597 | 231,559 |
| Accounts receivable - other                                    | 159,970 | 217,687 |
| Sales taxes                                                    | 42,479  | 57,844  |
|                                                                | 364,046 | 507,090 |

### 4. Operating grants receivable

|                                | 2012        | 2011        |
|--------------------------------|-------------|-------------|
|                                | \$          | \$          |
| Balance, beginning of year     | 별           | 84,000      |
| Revenue of the year (Schedule) | 3,819,954   | 3,565,119   |
| Collections                    | (3,481,064) | (3,649,119) |
| Balance, end of year           | 338,890     | · E         |

### 5. Grants and donations related to construction receivable

|                                                        | 2012      | 2011      |
|--------------------------------------------------------|-----------|-----------|
|                                                        | \$        | \$        |
| Grant from ministère de la Culture, des Communications |           |           |
| et de la Condition féminine du Québec (Note 10)        | 2,272,949 | 2,309,800 |
| Donation from Fondation de l'École nationale de cirque |           | 72,000    |
|                                                        | 2,272,949 | 2,381,800 |
| Current portion                                        | 76,119    | 2,381,800 |
|                                                        | 2,196,830 | :=        |

### 6. Capital assets

|                            | ·-         | 2012                     | 10             | 2011           |
|----------------------------|------------|--------------------------|----------------|----------------|
|                            | Cost       | Accumulated amortization | Net book value | Net book value |
|                            | \$         | \$                       | \$             | \$             |
| Land                       | 16,069     | -                        | 16,069         | 16,069         |
| Building                   | 26,120,000 | 3,774,720                | 22,345,280     | 22,771,054     |
| Office furniture           | 173,681    | 93,615                   | 80,066         | 89,495         |
| Training equipment         | 303,650    | 113,716                  | 189,934        | 206,555        |
| Computer equipment         | 47,844     | 39,096                   | 8,748          | 8,413          |
| Interior layout            | 6,723      | 1,310                    | 5,413          | 5,637          |
| Audiovisual equipment      | 18,597     | 13,216                   | 5,381          | 5,868          |
| Apparatus and tools        | 45,906     | 34,056                   | 11,850         | 11,188         |
| Medical services equipment | 5,764      | 3,337                    | 2,427          | 3,580          |
| Integrated equipment       | 127,432    | 19,255                   | 108,177        | 113,276        |
|                            | 26,865,666 | 4,092,321                | 22,773,345     | 23,231,135     |

During the year, no interest were capitalized to the building (\$102,301 in 2011).

### 7. Bank loan

The Institution has a credit agreement for an authorized amount of \$350,000, bearing interest at "Coût des fonds de la Caisse centrale Desjardins" plus 3%, guaranteed by a first ranking hypothec on the building and the universality of present and future receivables, renewable annually. As at June 30, 2012, the bank loan was unused.

### 8. Accounts payable and accrued liabilities

|                                                             | 2012    | 2011    |
|-------------------------------------------------------------|---------|---------|
|                                                             | \$      | \$      |
| Accounts payable - Fondation de l'École nationale de cirque | 49,167  | 34,775  |
| Trade accounts payable                                      | 298,649 | 379,728 |
| Salaries and employee benefits                              | 293,042 | 271,933 |
|                                                             | 640,858 | 686,436 |

### 9. Deferred capital assets grants and donations

|                              | 2012       |                             | 2011              |                   |
|------------------------------|------------|-----------------------------|-------------------|-------------------|
|                              | Grants     | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |
|                              | \$         | \$                          | \$                | \$                |
| Grant from the ministère     |            |                             |                   |                   |
| de la Culture, des           |            |                             |                   |                   |
| Communications et de         |            |                             |                   |                   |
| la Condition féminine        |            |                             |                   |                   |
| du Québec                    | 19,652,045 | 3,088,266                   | 16,563,779        | 16,971,594        |
| Grant from ministère du      |            |                             |                   |                   |
| Patrimoine canadien          | 1,899,564  | 128,271                     | 1,771,293         | 1,822,683         |
| Capitalized interest         | 1,524,028  | 259,087                     | 1,264,941         | 1,295,422         |
| Donations from the Fondation | n          |                             |                   |                   |
| de l'École nationale         |            |                             |                   |                   |
| de cirque                    | 2,198,000  | 268,570                     | 1,929,430         | 1,967,000         |
| Bid revenues                 | 12,150     | 2,065                       | 10,085            | 10,328            |
| Other                        | 1,772      | 88                          | 1,684             | 1,719             |
|                              | 25,287,559 | 3,746,347                   | 21,541,212        | 22,068,746        |
| Current portion              |            |                             | 529,480           | 529,380           |
| -                            | 25,287,559 | 3,746,347                   | 21,011,732        | 21,539,366        |

### 10. Long-term debt

|                                                                                                                                                                                                                                       | 2012            | 2011 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------|
| Term loan, 4.34%, payable by semi-annually instalment of \$86,974, principal and interest, renewable in November 2016, secured by a first ranking hypothec on the building and the universality of present and future receivables (1) | \$<br>2,272,775 | \$   |
| Current portion                                                                                                                                                                                                                       | 76,119          |      |
|                                                                                                                                                                                                                                       | 2,196,656       | . 2  |

<sup>(1)</sup> Under the terms of the loan agreement, the grant receivable from the ministère de la Culture, des Communications et de la Condition féminine du Québec (Note 5) will be used to reduce the principal repayments. Interests are also funded by the Ministère.

Long-term debt principal payments over the next five years are as follows:

|      | Ф         |
|------|-----------|
| 2013 | 76,119    |
| 2014 | 79,459    |
| 2015 | 82,945    |
| 2016 | 86,583    |
| 2017 | 1,947,669 |

### 11. Additional information relating to the statement of cash flows

Changes in non-cash operating working capital items

|                                          | 2012      | 2011      |
|------------------------------------------|-----------|-----------|
|                                          | \$        | \$        |
| Accounts receivable                      | 143,044   | (258,330) |
| Grants receivable                        | (338,890) | 84,000    |
| Prepaid expenses                         | (5,492)   | (3,051)   |
| Accounts payable and accrued liabilities | (45,578)  | (644,961) |
| Deferred revenue                         | 566       | 30,518    |
| Deferred operating grants                | 522,821   | 445,363   |
|                                          | 276,471   | (346,461) |
| Cash and cash equivalents                |           |           |
| Cash                                     | 96,386    | -         |
| Term deposit                             | 500,000   | -         |
| Bank overdraft                           | -         | (63,917)  |
|                                          | 596,386   | (63,917)  |

### 12. Commitments

The Institution entered into operating leases for office equipments. Future lease payments total \$38,754 and include the following amounts payable over the next years:

|      | \$     |  |
|------|--------|--|
| 2013 | 9,308  |  |
| 2014 | 9,308  |  |
| 2015 | 9,308  |  |
| 2016 | 8,360  |  |
| 2017 | 2,470  |  |
| E3   | 38,754 |  |

### 13. Restrictions on net assets

On September 11, 2000, the Board of Directors adopted a resolution to maintain an amount as restricted, which cannot be allocated to the budget of the Institution without a resolution adopted by the Board of Directors, for the following purposes;

- a) Future development of the Institution
- b) Working capital
- c) Countermeasure for a sharp decline of clientele
- d) Improvement or repairs to the building

The Institution will have to keep a minimum balance of \$100,000 as restricted. Any amount exceeding \$300,000 will be transferred to the unrestricted net assets account.

### 14. Related parties transactions

During the year, the Institution received an amount of \$72,843 (\$63,729 in 2011) from the Fondation de l'École nationale de cirque to cover the salary expenses incurred by the Institution during the fundraising activities of the Fondation.

The Fondation de l'École nationale de cirque paid an amount of \$77,000 to the Institution during the year for the construction project (\$150,000 in 2011).

These transactions, concluded in the normal course of operations, are measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

### 15. Disbursement quota

In order to maintain its registered charity status, the Institution must meet certain annual spending requirements ("disbursement quota") according to the *Income Tax Act*. The disbursement quota is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees. Failure to comply with these requirements could lead to a revocation of the Institution's registered charity status. As at June 30, 2012, the Institution complies with the requirements.

### 16. Financial instruments

Fair value

The fair value of cash, term deposit, accounts receivable, grants receivable and accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

Interest rate risk

The Institution is subject to interest rate risk due to the prime rate since the bank loan bears variable interest rate.

### École nationale de cirque

**Schedule** 

### **Grants and contributions**

Year ended June 30, 2012

|                                                           | 2012      | 2011      |
|-----------------------------------------------------------|-----------|-----------|
|                                                           | \$        | \$        |
| Operating grants                                          |           |           |
| Ministère de l'Éducation, du Loisir et du Sport du Québec | 1,850,389 | 1,673,029 |
| Ministère de la Culture, des Communications               |           |           |
| et de la Condition féminine du Québec                     | 1,035,000 | 1,035,000 |
| Ministère du Patrimoine canadien                          | 840,000   | 840,000   |
|                                                           | 3,725,389 | 3,548,029 |
| Projects                                                  |           |           |
| Conseil de recherche en sciences humaines                 | 35,382    | _         |
| Association des collèges privés du Québec                 | 51,900    | -         |
| Emploi-Québec                                             | 1,783     | 5,350     |
| Ministère de la Culture, des Communications               | **        |           |
| et de la Condition féminine du Québec                     | 3,500     | 6,740     |
| Ministère des Relations internationales du Québec         | 2,000     | 5,000     |
|                                                           | 94,565    | 17,090    |
|                                                           | 3,819,954 | 3,565,119 |

### Donations from Fondation de l'École nationale de cirque Year ended June 30, 2012

| -                                | 2012    | 2011    |
|----------------------------------|---------|---------|
|                                  | \$      | \$      |
| Operations                       | 254,899 | 205,000 |
| Students scholarships            | 67,250  | 46,500  |
| Fundraising activities (Note 14) | 72,843  | 63,729  |
|                                  | 394,992 | 315,229 |







The National Circus School Foundation provides the National Circus School with vital financial support to sustain its mission of educational excellence, and innovative pedagogical and artistic initiatives. Thanks to the generosity of donors and partners in Canada and around the world, the School can provide talented youth from all regions in Canada accessibility to the best possible programs and services.

# Foundation BURSARY Program

## Supporting the next generation of circus artists

The generosity of donors to the major Campaign 2002-2006 has allowed the creation of a Bursary Endowment, which provides a sustainable source of financial aid to needy students who wish to pursue their studies at the National Circus School.

## **Bursary Program Disbursements**

|                                         | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 |
|-----------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Collegial programs<br>(DEC - DEE - AEC) | 16        | 16        | 21        | 21        | 26        |
| High School program (CES)               | 14        | 10        | 8         | 3         | 7         |
| Total Bursaries                         | 30        | 26        | 29        | 24        | 33        |
| Total \$                                | \$54,350  | \$45,750  | \$54,000  | \$46,500  | \$67,250  |

## **BENEFIT EVENING 2012**

Thanks to the generosity of our donors and partners, the Benefit Event held on May 31, 2012 was a great success! Under the Honorary Chair of Stéphane Achard, Senior Vice-President and General Manager, Business and Institutional Services of Desjardins Group, the event raised \$250,000 in benefit of the National Circus School Annual Show and the students' public presentations.

Thanks to the generosity of our donors, 24 talented graduates of the School, were able to demonstrate their talent in a professional setting. The Annual Show has proved an essential experience in launching the careers of these young artists, all of whom have successfully found employment.

The Foundation extends sincere thanks to all donors and partners, Honorary Committee members, Cirque du Soleil management, School and Foundation Board members and volunteers, without whom this event's success would not have been possible.

### **PATRONS**

Presenter of the Evening \$20,000

Desjardins Group

Partner \$10,000

Solotech

Sponsors \$5,000

**Bombardier** 

Borden Ladner Gervais

David Forest Financial Services

**Hunt Partners** 

Power Corporation of Canada

Rio Tinto Alcan

#### **DONORS**

## \$7,500

Desiardins Venture Capital JTI-Macdonald Corp.

## \$5 000

Laurent Wermenlinger

## \$2 500 - \$4 999

André Rodrique Peintre Décorateur

Anonymous

Aon Reed Stenhouse

Hélène Blackburn and Bruno Duquay

Caisse Desjardins du Centre-est

de la métropole

Caisse d'économie solidaire Desjardins

Centre financier aux entreprises

Desjardins de l'Est de Montréal

Centre financier aux entreprises

Desjardins de l'Ouest de Montréal

Centre financier aux entreprises

Desjardins Rive-Sud

Centre de semi-remorques Leader

CGI

Cirque du Soleil

Cogeco Cable

Deeth Williams Wall

Desjardins Capital Markets

Farris, Vaughan, Wills & Murphy

Fasken Martineau

**Feeling Productions** 

Groupe Desgagnés

Heenan Blaikie

Informatique ProContact

Irving Mitchell Kalichman

**KPMG** 

Lavery

Lucien Bernèche

Metafore

Norton Rose Canada

Outbox Technology

Québecor

RailTerm

**ROBIC** 

Samson Bélair/ Deloitte & Touche

Wortzman Nickle Professional

Corporation

### \$500 and more

Action Sport Physio Centre-Ville

Aéroports de Montréal

Artelite

ARTV

Autolux MB Collision

Catherine B. Bachand

Bell Canada

Roger Berthelot

Robert Blain

**Brio Conseils** 

Burgundy Asset Management

Capital Augusta

Catsima

Chateau Bodywear manufacturer

Chubb Insurance Company of Canada

Cirque du Soleil

Cirque Éloize

Cisco Systems

Jacques J. Coté

Couvre-planchers Labrosse

Mario D'Amico

Lili de Grandpré

Suzanne de Grandpré

Deschênes & Perreault Construction

Desjardins, Ménard et associés

Desjardins Securities

E3 Services Conseils

Fondation Daniel Lamarre

Fujitsu

Jean-Pierre Gagné

Gaz Metro

GDI – Distinction

Gestion environnementale Éconord

Groupe Sportscene

GSF Canada

Hardy, Normand and associates

Bernard Hébert

Roger Hobden

Imprimerie Contact Industrial Alliance

Inspec-Sol

Intégrale MBD

Interface Flooring Systems

Suzanne Langevin and Guy Lapierre

Danny Lavy

John LeBoutillier

Lectra

Le réseau des sports (RDS)

Les 7 doigts de la main

Les Centres Jeunesse de Lanaudière

Robert Levac

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David McAusland

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Montrusco Bolton Investments

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Permacon

Pierre Petit

Raymond Chabot Grant Thornton

Nicole Riendeau and Yvon R. Tessier

Rogers Communications

SAP Canada

Scotiabank

Stephen J. Shiller

Societe Generale (Canada)

Symantec Synetik

The Jean Coutu Group

Truck'N'Roll

**UBS** Securities Canada

Peter and Karen Velan

Vézina assurances Videotron Business Solutions

Xerox Canada

## Goods and services

Les Eaux Nava

S.P.I.N.

Vincent Lafleur Traiteur

# 2011-2012 Annual Campaign

The Student Fund
Teaching and Artistic Excellence Fund
National Circus School Priorities Fund

## Principal Donor \$100 000 and more

Cirque du Soleil

Roger Berthelot

## Great Donors Circle \$5 000 - \$10 000

Alain Pacherie – Cirque Phenix Foundation of Greater Montreal KPMG National Bank of Canada

## Ring Masters Circle \$1 000 - \$4 999

Robert Blain William and Jeannette Buholzer Cirque du Soleil's employees Cogeco Cable David Forest Financial Services Lili de Grandpré Bruno Duguay Feeling Productions Luc Filiatreault Fondation Daniel Lamarre Marc Gagnon Bernard Hébert Hewitt Equipment Limited Jean-Pierre and Caroline Jelmoni JTI-Macdonald Corp. Marc Lalonde David McAusland Scott D. Miller Carol and Brian O'Sullivan Parents of the NCS students **RBC** Foundation Nicole Riendeau and Yvon R. Tessier **ROBIC** 

## Ambassadors Circle \$500 - \$999

Herbert Black
CGI
CIBC Bank - Employees as Ambassador Program
Jacques Coté
Yves Desmarais
Wolfgang and Martina Droescher
Emmanuel Dubourg, Deputy of Viau
Aldo Giampaolo
Roslyn Heward
Christophe Rousseau

## Supporters Circle \$200 - \$499

Anonymous Claude Bédard Julia Bouvet Calvin B. and Karen Buss Gilles Chatel Rodolphe and Angélique Delin Deschênes & Perreault Construction Jordan Fiksenbaum J.F.P. Marois Couvre Plancher Anthony S. Layton Jacques Méthé Charles Morgan André Morissette Montrusco Bolton Investments Anton Schlemm Yannick Spierkel Chantal Tremblay Neilson Vignola Tessie Yanez

Thanks to our donors!



Financial Statements of the

## NATIONAL CIRCUS SCHOOL FOUNDATION

Year ended June 30, 2012



KPMG LLP Chartered professional accountants 600 de Maisonneuve Blvd. West Suite 1500 Tour KPMG Montréal (Québec) H3A 0A3 Telephone (514) 840-2100 Fax (514) 840-2187 Internet www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of National Circus School Foundation

We have audited the accompanying financial statements of National Circus School Foundation, which comprise the balance sheet as at June 30, 2012, the statements of operations and changes in net assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Page 2

## Basis for Qualified Opinion

In common with many charitable organizations, National Circus School Foundation derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of National Circus School Foundation. Therefore, we were not able to determine whether, as at and for the years ended June 30, 2012 and June 30, 2011, any adjustments might be necessary to contributions and excess of revenues over expenses reported in statements of operations, and current assets and unrestricted net assets reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended June 30, 2011.

## Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of National Circus School Foundation as at June 30, 2012, and the results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

October 4, 2012

KPMG LLP.

Montréal, Canada

Financial Statements

Year ended June 30, 2012

## **Financial Statements**

| Balance Sheet                      | 1 |
|------------------------------------|---|
| Statement of Operations            | 2 |
| Statement of Changes in Net Assets | 3 |
| Notes to Financial Statements      | 4 |

**Balance Sheet** 

June 30, 2012, with comparative figures for 2011

|                                                                                                                                    |           |                      |                    |    |                                   |                             | 2012                  | 2011             |
|------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|--------------------|----|-----------------------------------|-----------------------------|-----------------------|------------------|
|                                                                                                                                    | Ма        | Asset intenance Fund | Bursaries<br>Fund  | _  | Inrestricted<br>Endowment<br>Fund | Adminis-<br>tration<br>Fund | Total                 | Tota             |
| Assets                                                                                                                             |           |                      |                    |    |                                   |                             |                       |                  |
| Current assets:                                                                                                                    |           |                      |                    |    |                                   |                             |                       |                  |
| Cash Term deposits of 0.65% to 1.02%                                                                                               | \$        | 1 <u>22</u> 5        | \$<br>9 <u>2</u> 0 | \$ | <u>=</u> 0                        | \$<br>60,589                | \$<br>60,589          | \$<br>200,10     |
| (2011 - 0.875% to 1.55%)<br>Amount receivable from the                                                                             |           | 1=0                  | R <del></del>      |    | <del>-</del> .9                   | 320,875                     | 320,875               | 396,67           |
| National Circus School<br>Amount receivable from                                                                                   |           | _                    | _                  |    | _                                 | 49,167                      | 49,167                | 34,77            |
| Bursaries Fund<br>Amount receivable from Asse                                                                                      | et        | -                    | 85                 |    | = 1                               | 191,209                     | 191,209               | 159,640          |
| Maintenance Fund<br>Amount receivable from<br>Unrestricted Endowment                                                               |           | _                    | 11-                |    |                                   | 61,217                      | 61,217                | 54,41            |
| Fund                                                                                                                               |           | 100                  | -                  |    | -                                 | 16,578                      | 16,578                | 11,348           |
| Receivables                                                                                                                        |           | _                    | -                  |    | -                                 | 48,321                      | 48,321                | 23,51            |
| Prepaid                                                                                                                            |           | -                    | -                  |    | -                                 | 1,350                       | 1,350                 | 791              |
| Inventory                                                                                                                          |           | 127                  | 120                |    | 28                                | 1,750                       | 1,750                 | 1,750            |
|                                                                                                                                    |           | -                    | -                  |    | -                                 | 751,056                     | 751,056               | 883,00           |
| Investments (note 2)                                                                                                               |           | 300,256              | 1,404,293          |    | 1,026,906                         | 460,731                     | 3,192,186             | 3,239,484        |
|                                                                                                                                    | \$        | 300,256              | \$<br>1,404,293    | \$ | 1,026,906                         | \$<br>1,211,787             | \$<br>3,943,242       | \$<br>4,122,48   |
| Liabilities and Net Asse<br>Current liabilities:<br>Contribution payable to<br>National Circus School<br>Payable to Administration | ets<br>\$ | -                    | \$<br>-            | \$ | _                                 | \$<br>161,597               | \$<br>eraceae ceratur | \$<br>303,55     |
| Fund<br>Accounts payable                                                                                                           |           | 61,217               | 191,209<br>–       |    | 16,578                            | 5,773                       | 269,004<br>5,773      | 225,399<br>5,360 |
| -                                                                                                                                  |           | 61,217               | 191,209            |    | 16,578                            | 167,370                     | 436,374               | 534,32           |
| Deferred (loss) gain related to<br>expenses of future periods<br>(note 3)                                                          |           | (18,558)             | (9,709)            |    | -                                 | _                           | (28,267)              | 42,159           |
| Net assets                                                                                                                         |           | 257,597              | 1,222,793          |    | 1,010,328                         | 1,044,417                   | 3,535,135             | 3,546,00         |
|                                                                                                                                    |           |                      |                    |    |                                   |                             |                       |                  |

See accompanying notes to financial statements.

Approved by the Board:

Au nom du conseil.

, administrateur

, administrateur

1

Statement of Operations

Year ended June 30, 2012, with comparative figures for 2011

|                                          |                              |                   |                       |     |                             | 2012          | 2011            |
|------------------------------------------|------------------------------|-------------------|-----------------------|-----|-----------------------------|---------------|-----------------|
|                                          | Asset<br>Maintenance<br>Fund | Bursaries<br>Fund | Unrestrict<br>Endowme | ent | Adminis-<br>tration<br>Fund | Total         | Tota            |
|                                          | Fulla                        | runa              | ru                    | nu  | Fund                        | Total         | Tota            |
| Revenues:                                |                              |                   |                       |     |                             |               |                 |
| Annual campaign                          | \$ -                         | \$<br>-           | \$                    | -   | \$<br>162,875               | \$<br>162,875 | \$<br>99,246    |
| Residence campaign                       | 100                          | _                 |                       | -   | 5,000                       | 5,000         | 155,000         |
| Fundraising campaign                     | -                            | -                 |                       | -   | 230                         | 230           | 31,398          |
| Grant - Placements Culture               | -                            | 30 <del>70</del>  |                       | -   | -                           | -             | 62,000          |
| Benefit event:                           |                              |                   |                       |     |                             |               |                 |
| Tickets - with receipts                  |                              |                   |                       |     | 1221122                     | W1252 (1252)  | 0.02/2002/02/02 |
| (80%)                                    | _                            | _                 |                       | -   | 120,400                     | 120,400       | 105,600         |
| Tickets - without receipt (20%)          | _                            | _                 |                       |     | 30,100                      | 30,100        | 26,400          |
| Contributions with receip                | pts                          |                   |                       |     | 00,100                      | 00,100        | 20,400          |
| (100%)                                   | -                            | -                 |                       | -   | 32,879                      | 32,879        | 18,100          |
| Sponsorship                              | -                            | 822               |                       | -   | 66,733                      | 66,733        | 58,195          |
|                                          |                              | 100               |                       |     | 250,112                     | 250,112       | 208,295         |
| Bursaries Fund                           | -                            | 31,569            |                       |     | -                           | 31,569        | 28,568          |
| Asset Maintenance Fund                   | 6,806                        | -                 |                       | -   | -                           | 6,806         | 6,159           |
| Other contributions                      | _                            | -                 |                       | -   | 10,000                      | 10,000        | 4,500           |
| Realized investment revenues             | es –                         |                   | 22,8                  | 78  | 13,863                      | 36,741        | 31,208          |
|                                          | 6,806                        | 31,569            | 22,8                  | 78  | 442,080                     | 503,333       | 626,374         |
| Expenses:                                |                              |                   |                       |     |                             |               |                 |
| Funding:                                 |                              |                   |                       |     |                             |               |                 |
| Fundraising campaign                     |                              | -                 |                       | -   | 3,955                       | 3,955         | 7,055           |
| Benefit event                            | _                            | _                 |                       | _   | 42,828                      | 42,828        | 36,069          |
| Operating expenses:<br>Professional fees |                              |                   |                       |     | 9.784                       | 9.784         | 6.000           |
| Office expenses                          | _                            | _                 |                       | _   | 5,575                       | 5,575         | 2,997           |
| Public relations                         |                              |                   |                       |     | 0,070                       | 0,070         | 2,007           |
| expenditures                             | -                            | _                 |                       | _   | 936                         | 936           | 133             |
| Bank charges                             | _                            | -                 |                       | -   | 3,550                       | 3,550         | 1,047           |
| Other bursaries                          | <del>-</del>                 |                   |                       | 7   | -                           | -             | 3,000           |
| Management fees                          | 1,530                        | 7,153             | 5,2                   | 30  | (13,913)                    |               | _               |
|                                          | 1,530                        | 7,153             | 5,2                   | 30  | 52,715                      | 66,628        | 56,301          |
| Excess of revenues over expenses         | s                            |                   |                       |     |                             |               |                 |
| before contributions and bursari         |                              | 24,416            | 17,6                  | 48  | 389,365                     | 436,705       | 570,073         |
| Contribution to the National Circus      | 200                          |                   |                       |     |                             |               |                 |
| School                                   | 5,276                        | 10-               |                       |     | 249,623                     | 254,899       | 205,000         |
|                                          |                              |                   |                       |     |                             |               |                 |
| Contribution for fund development        | -                            | -                 |                       | _   | 72,843                      | 72,843        | 63,729          |
| Student bursaries - ENC                  | 17                           | 24,416            |                       | -   | 42,834                      | 67,250        | 46,500          |
| Contribution - Residence project         | -                            | -                 |                       | -   | 5,000                       | 5,000         | 217,000         |
| Excess of revenues over                  |                              |                   |                       |     |                             |               |                 |
| expenses                                 | \$ -                         | \$                |                       |     |                             |               | 37,844          |

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended June 30, 2012, with comparative figures for 2011

|                                                   |    |                            |                   |                                   |                             | 2012         | 2011         |
|---------------------------------------------------|----|----------------------------|-------------------|-----------------------------------|-----------------------------|--------------|--------------|
|                                                   | Ма | Asset<br>intenance<br>Fund | Bursaries<br>Fund | Unrestricted<br>Endowment<br>Fund | Adminis-<br>tration<br>Fund | Total        | Total        |
| Balance, beginning of year                        | \$ | 257,597                    | \$<br>1,222,793   | \$ 1,034,665                      | \$ 1,030,950                | \$ 3,546,005 | \$ 3,468,559 |
| Excess of revenues over expenses                  |    | _                          | _                 | 17,648                            | 19,065                      | 36,713       | 37,844       |
| Contributions received (used) as endowments       |    | _                          | _                 | _                                 | _                           | _            | (62,000)     |
| Unrealized (loss) gain on investments at year-end |    | -                          | -                 | (41,985)                          | (5,598)                     | (47,583)     | 101,602      |
| Balance, end of year                              | \$ | 257,597                    | \$<br>1,222,793   | \$ 1,010,328                      | \$ 1,044,417                | \$ 3,535,135 | \$ 3,546,005 |

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended June 30, 2012

The National Circus School Foundation (the "Foundation") was incorporated under Part III of the *Companies Act* (Québec) and is a registered charity under the *Income Tax Act*. The Foundation's funds must be used to help the National Circus School to pursue its own mission and that of its components and constituencies and to contribute to the development of circus arts, primarily in the areas of professional training, research and creation. The National Circus School has a certain influence on the Foundation, as the President of the School sits on both boards of directors.

## 1. Significant accounting policies:

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

## (a) Revenue recognition:

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

Revenues from fundraising and benefit events are recognized as revenue when the events occur.

### (b) Endowment Fund:

Contributions received as endowments are recognized as direct increases in net assets. Investment revenue is presented as revenues in the statement of operations in the year in which the related bursaries as well as the donations to the National Circus School are paid. Investment revenue, which will be used for future expenses, is deferred and presented as "Deferred loss related to expenses of future periods".

## (c) Financial instruments:

Section 3855 of the Canadian Institute of Chartered Accountants Handbook ("CICA Handbook"), *Financial Instruments - Recognition and Measurement*, establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Following the application of those new standards, the financial assets and liabilities are initially measured at fair value and subsequently measured with respect to their classification, as described below. These financial instruments must be classified in defined categories. The classification determines the manner in which each instrument is evaluated and the presentation of related gains and losses.

Notes to Financial Statements, Continued

Year ended June 30, 2012

## 1. Significant accounting policies (continued):

## (c) Financial instruments (continued):

Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest method. The Foundation classified its cash and term deposits as "held-for-trading", its receivables as "loans and receivables" and its amounts payable as "other financial liabilities". Investments are classified as "available-for-sale financial assets".

## 2. Investments:

Investments consist primarily of \$2,866,852 (2011 - \$2,920,546) held in investment funds of the Foundation of Greater Montréal and Épargne Placements Québec bond of \$325,334 (2011 - \$318,938). Only revenues generated from these investments can be used by the Foundation, with the exception of the Administration Fund, as the donors have all required that the capital constitute an investment held in perpetuity.

## 3. Deferred (loss) gain related to expenses of future periods:

|                                                        |    |                             |                   | 2012           | 2011            |
|--------------------------------------------------------|----|-----------------------------|-------------------|----------------|-----------------|
|                                                        | Ma | Asset<br>aintenance<br>Fund | Bursaries<br>Fund | Total          | Total           |
| Balance, beginning of year                             | \$ | (6,068)                     | \$<br>48,227      | \$<br>42,159   | \$<br>(108,352) |
| Realized investments income                            |    | 6,806                       | 31,569            | 38,375         | 34,727          |
| Allocation to statement of operations                  |    | (6,806)                     | (31,569)          | (38,375)       | (34,727)        |
| Change in the fair value of investment during the year |    | (12,490)                    | (57,936)          | (70,426)       | 150,511         |
| Balance, end of year                                   | \$ | (18,558)                    | \$<br>(9,709)     | \$<br>(28,267) | \$<br>42,159    |

## 4. Net assets received as endowments:

The net assets received as endowments represent funds that will be used for purposes specified by the donors, primarily for student bursaries and for maintaining the National Circus School real estate assets.

Notes to Financial Statements, Continued

Year ended June 30, 2012

## 5. Financial instruments:

### (a) Fair value:

The Foundation has determined that the carrying value of its current financial assets and liabilities approximates their fair value because of their immediate or short-term maturity. All other financial instruments are presented at fair value.

## (b) Foreign exchange risk:

The Foundation carries out a non-significant portion of its business in other currency and is therefore not exposed to foreign exchange risk.

## (c) Interest rate risk:

All the short-term investments of the Foundation bear fixed interest rates and, consequently, a change in market interest rate would have an impact on the market value of the investments.

### (d) Market volatility risk:

The Foundation's investments are presented at their fair value of \$3,192,186 as at June 30, 2012 (\$3,239,484 as at June 30, 2011) and are subject to market volatility risk.

### (e) Credit risk:

As at June 30, 2012, the Foundation is not exposed to a significant risk in relation to credit.

### 6. Capital disclosures:

National Circus School Foundation's objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide the appropriate level of benefits and services.

There are no restrictions on the utilization of the net assets of the administration fund of the National Circus School Foundation.

The National Circus School Foundation manages the net assets based on the risks, the economic conditions and the risk of the underlying assets.

### 7. Cash flows:

A cash flow statement has not been prepared since it would not provide any additional useful information that would help understand cash flows during the year.

Notes to Financial Statements, Continued

Year ended June 30, 2012

## 8. Disbursement quota:

In order to maintain its registered charity status, the Foundation must meet certain annual spending requirements ("disbursement quota") according to the *Income Tax Act*. The disbursement quota is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees. Failure to comply with these requirements could lead to a revocation of the Foundation's registered charity status. As at June 30, 2012, the Foundation complies with the requirements.



