



ANNUAL REPORT

2007 / 2008





ANNUAL 2007 2008 REPORT

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National Circus School

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HISTORY

The National Circus School was founded in 1981 by Guy Caron, actor and circus artist, and eminent gymnast Pierre Leclerc. In an era when contemporary circus companies were virtually unknown in Canada, and nearly all professional circus schools were located in Eastern Europe or Asia, establishing a centre for circus arts training represented a formidable challenge. The first students and trainers soon regrouped at the Centre Immaculée-Conception. Even before Cirque du Soleil, the School became a national institution with an international reputation.

Following a move to Dalhousie Station in Old Montreal, the School further developed its training programs, which came to be recognized by the Quebec ministries of Education and Culture and by Heritage Canada. The School began offering professional training programs of the arts-academic type at the secondary level in 1991, adding college-level circus arts programs in 1995. By 2003, the School had outgrown its quarters. It then took up residence in a new space designed specifically for training professional circus artists in the heart of Tohu, the Cité des arts du

cirque, in Montreal. The School is now able to provide optimum conditions for a greater number of students. It also offers new programs such as the Attestation of Collegial Studies in Circus Arts for instructors and trainers in circus arts and a range of services for professional circus artists. Since its founding 25 years ago, the National Circus School has played a crucial role in the development of circus arts in Canada and around the world. Impelled by a continual quest for excellence, the School has remained a world leader in training professional circus artists. It is a place of research, study, creation and experimentation in circus arts.

The School has prepared more than three hundred circus artists for professional careers. The School's students and graduates have garnered numerous prizes and distinctions through participation in prestigious world festivals, including those of Paris, Wuqiao in China and Tournai in Belgium. 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.



Boards of DIRECTORS

National Circus School

Chair

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Vice-President, General Counsel & Secretary,
Americas
JTI-MACDONALD

Treasurer

Jacques Coté
President
JACQUES COTÉ ET ASSOCIÉS INC.

Secretary

Jovette Demers
Manager, Marketing Communications
IBM CANADA LTÉE

.....

Jocelyn L. Beaudoin, C.M.
Administrator

Marc Gagnon
Senior Vice-President, Organization and Culture
CIRQUE DU SOLEIL

Marc Lalonde
Executive Director
NATIONAL CIRCUS SCHOOL

Pierre Carrier
Teachers' Representative
NATIONAL CIRCUS SCHOOL

MEMBER-ELECT

Pierrette Levesque
Parents' Representative, High School Program
NATIONAL CIRCUS SCHOOL

OUTGOING MEMBER

François Lanthier
Parents' Representative, High School Program
NATIONAL CIRCUS SCHOOL

Executive Team

Executive Director
Marc Lalonde

Director of Studies
Daniela Arendasova

Director of Creation
Howard Richard

National Circus School Foundation

Chair

David McAusland
Lawyer, Corporate Director and Consultant

Vice-Chair

Lili de Grandpré
Senior Partner
CENCEO CONSEIL

Treasurer

Luc Martin
Partner
SAMSON BÉLAIR/DELOITTE & TOUCHE

Secretary

Maria Piccioni
Director
NATIONAL CIRCUS SCHOOL FOUNDATION

.....
Bruno Duguay
Vice-President, General Counsel & Secretary,
Americas
JTI-MACDONALD

Marc Lalonde
Executive Director
NATIONAL CIRCUS SCHOOL

Robert C. Nadeau
Partner and Managing Director
SPENCER STUART

André St-Jean
Teacher
NATIONAL CIRCUS SCHOOL

Pierre Vézina
President & CEO, Marketing and Sales
VÉZINA DUFAULT

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Vice-President
BURGUNDY ASSET MANAGEMENT LTD.

Gilles Lapointe
Executive Vice-President
FEELING PRODUCTIONS INC.

OUTGOING MEMBERS

David A. Gilmour
President
JIG-A-LOO WORLD

Patrice Drouin

Administrative Director
Éric Langlois

Director of Communications
Christophe Rousseau

Technical and Production Director
Martin Saintonge

Director of the Foundation
Maria Piccioni

Governments and ASSOCIATED Organizations

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 National Arts Training Contribution Program. The School is also accredited for subsidies by the ministère de l'Éducation, du Loisir et du Sport du Québec.

The National Circus School Foundation has been granted financial support from the Conseil des arts et des lettres du Québec through the Placements Culture Program and from Heritage Canada through the Canadian Arts and Heritage Sustainability Program.

The National Circus School is a member of the following organizations:

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



A Word from the CHAIR of the Board of Directors

Last spring, as every year, I had the great pleasure of attending Épreuve Synthèse, the final examination of the graduates of the higher education program as well as the National Circus School students' Annual Show. These public exercises never fail to impress me, and serve as an eloquent testament of the School's excellence and the dynamic evolution of its training programs.

Each member of the School's Board of Directors can testify – as do I – that these performances bear witness to the work invested by both the entire School team and the students in their own personal and artistic development. This 2007-2008 annual report, which we proudly present to you, seeks to clearly present School accomplishments in relation to the services offered and the impact of its programs.

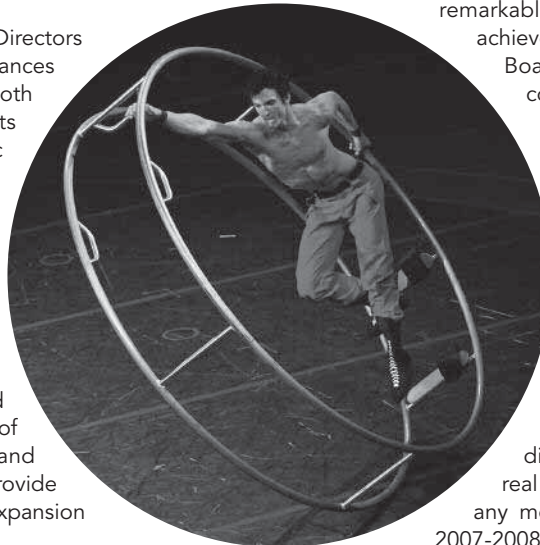
I would like to take this opportunity to thank the governments of Quebec and Canada for their unwavering support of our School and its operations, and particularly for their commitment to provide important financing for the School's expansion planned for 2009.

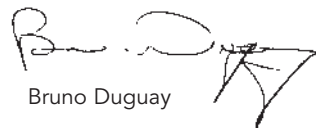
The 2009-2012 period marks the dawn of a new cycle of development for the School. And with an ambitious strategic plan in hand, I extend our greatest wish that both Heritage Canada and the ministère de la Culture, des Communications et de la Condition

féminine du Québec will continue to accompany our institution, unique in Canada and the world over, through its expansion. The evolution, development and diversity of the circus arts, which is a growth sector for Montreal, Quebec and Canada, depend on it.

My deepest thanks and congratulations go to the remarkable team at the School for their achievements, and to my fellow members on the Board of Directors for their steadfast commitment. I would also like to express my sincere appreciation to all the administrators of the National Circus School Foundation for their dedicated efforts in raising and managing private funds, which are so essential in order for the School to fully carry out its mission.

As required by the Loi sur le Conseil exécutif du Québec from any private college receiving subsidies, this annual report serves to certify that the board of directors has not noted any instance of real or apparent conflict of interest in which any member would have been placed during 2007-2008, nor over any preceding period.¹




Bruno Duguay

¹ The Board of Directors' Code of Ethics and Deontology of the National Circus School is available on his Web Site.



2007-2008 Highlights

A promising future

Every member of the graduating class of 2008 earned a degree. Among them the large majority have already signed long-term agreements with prominent circuses.

The Circus and High School Studies program provided the largest group of high school graduates, with 8 students being admitted to the college-level program.

With the support of the National Circus School Foundation

The School's library saw the number of visits double and participation in its activities increase by 350%.

The School augmented its internal physiotherapy and sports therapy services by more than 200%.

The School increased the number of free or reduced-price cultural outings by 280% with 700 tickets made available.

Thirty scholarships were awarded to students of all backgrounds involved in all arts education programs, for a total of more than \$54,000, a 20% increase compared to 2006-2007.

The Tohu-National Circus School partnership

The School's Annual Show, the longest running production at Tohu in 2007-2008, attracted a record number of spectators, more than 15,000.

Young professionals made use of studio space at the School to train or undertake creative residencies for a total of 5,700 person-hours.

With commitments from the Governments of Canada and Quebec, and the National Circus School Foundation

The School announced the 2008-2009 construction of on-campus dormitories to house 23 students and an additional 625 m² space devoted to training, a \$4.8 million project.

On the national and international scenes

In 2007 the School participated in Canada Day festivities on Parliament Hill in Ottawa, which were broadcast on the SRC and CBC networks.

Fifteen of the School's young graduates distinguished themselves last year at the Festival mondial du cirque de demain in Paris; the Festival mondial de cirque in Belo Horizonte, Brazil; the Wuqiao International Acrobatics Festival in China; Festival Circa in Auch, France; and the Jeunes Talents Cirque international competition.



Executive DIRECTOR'S Report

The professional placement of young graduates is one of the most important indicators of the relevance of a school of higher education in the arts. However, it is far from being the only one. The value of such a school's contribution does not depend solely on the size of its graduating class, nor on each individual's attractiveness to employers. It is further necessary that these graduates continue to contribute to the evolution of their art form and their sector.

As these lines are being written, the Montreal and international scene for contemporary circus arts provides a revealing portrait of the added value of the National Circus School's contribution. In fact, two burgeoning companies founded by and comprised of School graduates, *Cirque Éloïze* and *Sept doigts de la main*, are simultaneously presenting the Montreal premieres of their latest productions. At the same time, two recent graduate start-ups, *Cie un Loup pour l'homme* and *Cirque Trottole*, are showcasing their new creations at the Festival Circa in Auch, France. All this is taking place as *Cirque du Soleil* launches *Zaia*, a new production involving four graduates of the School in Macao.

We are told that the 2008 graduating class was one of the most solid ever to emerge from the School. It is difficult to concur without the risk of underestimating previous classes. Let us then accept the judgement of the professionals who attended the end-of-program final examination last April and the aficionados among the thousands of spectators who attended the Annual Show at the Tohu. It is true that all 16 students from the 2008 graduating class received their diplomas. Two months after graduation, the vast majority had already signed long-term agreements with renowned circuses. They join the 16 students from the 2007 class who all successfully entered the profession within months of graduation.

The class of 2008 is also the first cohort to have completed the entire cycle of the revamped college-level program implemented in 2005. The School completed this cycle by updating its institutional policy with respect to the evaluation of learning which was approved by the Commission d'évaluation de l'enseignement collégial.

The Creation and Exploration Workshop, our professional integration session, was held for a third year in fall 2007 in which five young artists participated. The workshop culminated in *The Book of Wishes*, an original work by Toronto choreographer Sharon Moore, which was presented at the Tohu.

A precursor to a college-level education, the Circus and High School Studies Program (CES) saw the largest group of secondary school graduates since its creation in 1991. All eight graduates who applied to the DEC college-level were accepted. Together, the Preparation for Advanced Training (PFS) and CES programs supplied nearly 50 percent of new Canadian students who have entered the DEC program at the start of the 2008 school year. However, the CES program is still awaiting final recognition as a

specialized arts program by the ministère de l'Éducation, du Loisir et du Sport (MELS). Following the School's recommendations, the MELS has implemented a mechanism to offer recognition for special projects in circus arts, as is the case for dance or music. The School anticipates tabling its application for full program recognition in 2008-2009.

For the fourth consecutive year, the School offered full-time programs for instructors and trainers in circus arts leading to an Attestation of Collegial Studies (AEC). The success and attractiveness of these programs cannot be denied. Eleven of the twelve graduates of the 2007 class have taught circus arts during 2007-2008 and continue to work in the field. Most students in the 2007-2008 program are completing their internship and will obtain their diplomas in fall 2008 as planned.

In keeping with its strategic plan, the School has diversified and strengthened support for teaching and student services. For example, visits to the School's library more than doubled and participation in its activities increased by 350 percent. And in addition to handling acquisitions, the library also undertook a substantial archival project. Its collection of nearly 400 rare and original videos, under threat of deterioration due to age and intensive viewing, were transferred to DVD format.

In matters of health, the School increased its physiotherapy and sports therapy services by more than 200 percent compared to 2006-2007. This was accomplished by offering the services of an on-site therapist for 35 hours a week and by replacing user fees with an insurance plan subsidized by the School.

The School increased the number of free or reduced-rate cultural outings by 280 %, bringing the number of tickets provided for students to 700, an average of eight cultural activities per full-time student.

International exchanges for students were encouraged more than ever. A total of twenty students participated in internships and exchange programs in Australia, Belgium, Brazil, France and Switzerland. The School also welcomed eleven foreign-exchange students and two teachers.

Student financial aid also received a significant boost. Increased demand has led the National Circus School Foundation to award thirty bursaries to eligible students. Recipients emanated from all circus arts training programs and from varying places of origin, whether Canada or abroad. With bursaries ranging from \$500 and up to \$4,500, the Foundation disbursed a total of more than \$54,000, a 20 percent increase over 2006-2007.

In the wake of its 25th anniversary celebrations, the School was able to extend its reach in Canada and abroad. The School took part in the 2007 Canada Day festivities on Parliament Hill, and the students' performance was broadcast coast-to-coast on both the CBC and SRC networks. The 2008 Annual Show, Tohu's most

popular production, drew a record crowd of more than 15,000 spectators and received exceptional media coverage.

In 2007-2008, ten recent graduates made their mark at the Festival mondial du cirque de demain in Paris, the Festival Mundial de Circo do Brasil in Belo Horizonte, Wuqiao International Acrobatic Art Festival in China, as well as at the European competition, Jeunes Talents Cirque. The graduates of the creation workshop also stood out, thanks to their performance at the Festival Circa in Auch, France.

Performances at these events have helped us maintain our very good track record in recruitment. In fact, the number of applications to our higher education programs (DEC-DEE) remains as high as in the past three years, with 139 applications and an admission rate of 21 percent.

The number of applications for the CES program enjoyed a record increase of nearly 26 percent compared with the previous three years. This translated into an acceptance rate of 24 percent.

While Canadian applications from outside Quebec for the DEC remained the same, the number of applications for the CES, a stepping-stone to a college level program education, increased significantly.

Our positive recruitment performance is also the result of extensive outreach activities and the favourable relationships that the School has forged with a number of circus preparatory or leisure schools and sports federations in the country and abroad. Among those from which we accepted candidates for 2008-2009: preparatory schools in Verdun and Quebec City, Cirkids in Vancouver, French national schools of Rosny-sous-Bois and Châtellerault, the Circus Center in San Francisco, the Flying Fruit Fly Circus in Australia, l'École Circule de Genève, and the gymnastics federations in Quebec and Ontario. We are grateful that they have opened their protégés' eyes to our programs.

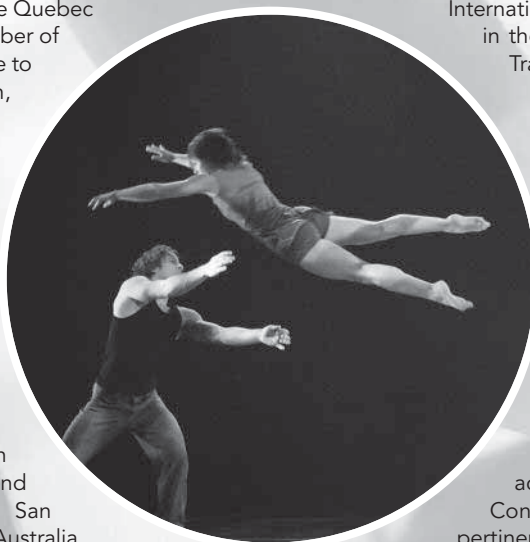
Beyond its primary mission, the School offered other services to circus arts professionals and pursued its commitment to its community. In partnership with Tohu, the Cité des arts du cirque, and with the help of the ministère de la Culture, des Communications et de la Condition féminine du Québec (MCCCF), the School offered artists and professional organizations access to its space, equipment and technical staff for individual training, creation residencies, or performances for promotional purposes. More than 4,700 man-hours of studio use for training purposes were accounted for, an increase of 20 percent over 2006-2007.

Residencies and rentals took up more than 1,000 hours of studio time, 87 percent more than the previous year.

With the help of En Piste, the national circus arts organization, the School also offered professional development to circus instructors working outside of the Montreal metropolitan area. It also developed a training plan for the École de cirque de Gaspésie's team of instructors in anticipation of its future development.


The School also collaborated with Collège Lionel-Groulx to develop a professional study program (AEC) to train riggers for circus arts shows. The program is ready to be implemented.

At the community level, the School continued to uphold its commitment to foster synergy and citizenry, as aspired by the Tohu. The School's management participated in sector roundtables conducted by the Association des écoles supérieures d'art de Montréal (ADÉSAM). And finally, the School continued its complimentary housing of En Piste, and has contributed to its overall management and accessibility of its member services.



Internationally, the School continued to participate in the International Network for Social Circus Training. It has also contributed to the development of educational projects and continues to hold a seat on the Executive Committee of the European Federation of Professional Circus Schools. And, once again, the School hosted a large foreign delegation, this time from Sweden, who visited the School to study our educational and institutional model.

With drawings available in early 2007, the construction project for student residences took shape and includes the addition of a new training studio and the acquisition of new specialized equipment. Confident of this investment project's pertinence to making the School's programs more readily accessible to youth from outside the Montreal area and to increasing the capacity of the CES high-school studies program, both Heritage Canada and the MCCCF recently announced they are each contributing \$1.7-million to this project. This announcement followed with a commitment from the National Circus School Foundation to raise \$1 million in private donations. The School is able to finance the remainder of the \$4.8-million expansion, and therefore announced on-campus construction of new student residences that will house up to twenty-three out-of-town students and the addition of 625 square meters of large-volume training space to its current facilities. Construction gets underway in January 2009 and will end next summer.



As per its audited financial statements, the School once again balanced its budget. This year's surplus stems from a retroactive tax refund, a revenue windfall resulting from a change in the refund rate. The School has allocated this unexpected revenue toward the investment in its construction project.

In anticipation of our planning cycle coming to end in 2008, the School defined its four-year strategic plan through 2012, in support of applications for renewal of its multi-year financial support from Heritage Canada and the MCCCCF, as well as the National Circus School Foundation. Our shared vision for the School can be synthesized as follows.

The National Circus School aspires to be:

- *for young candidates in professional training, for teachers and trainers who specialize in circus arts and for production companies who recruit circus artists: the world's foremost institution in the professional training of circus artists.*
- *For circus artists, creators, educators and researchers: an international nexus for experimentation, research and growth; and a world-class centre for educational and technical resources.*

Our primary objectives are to:

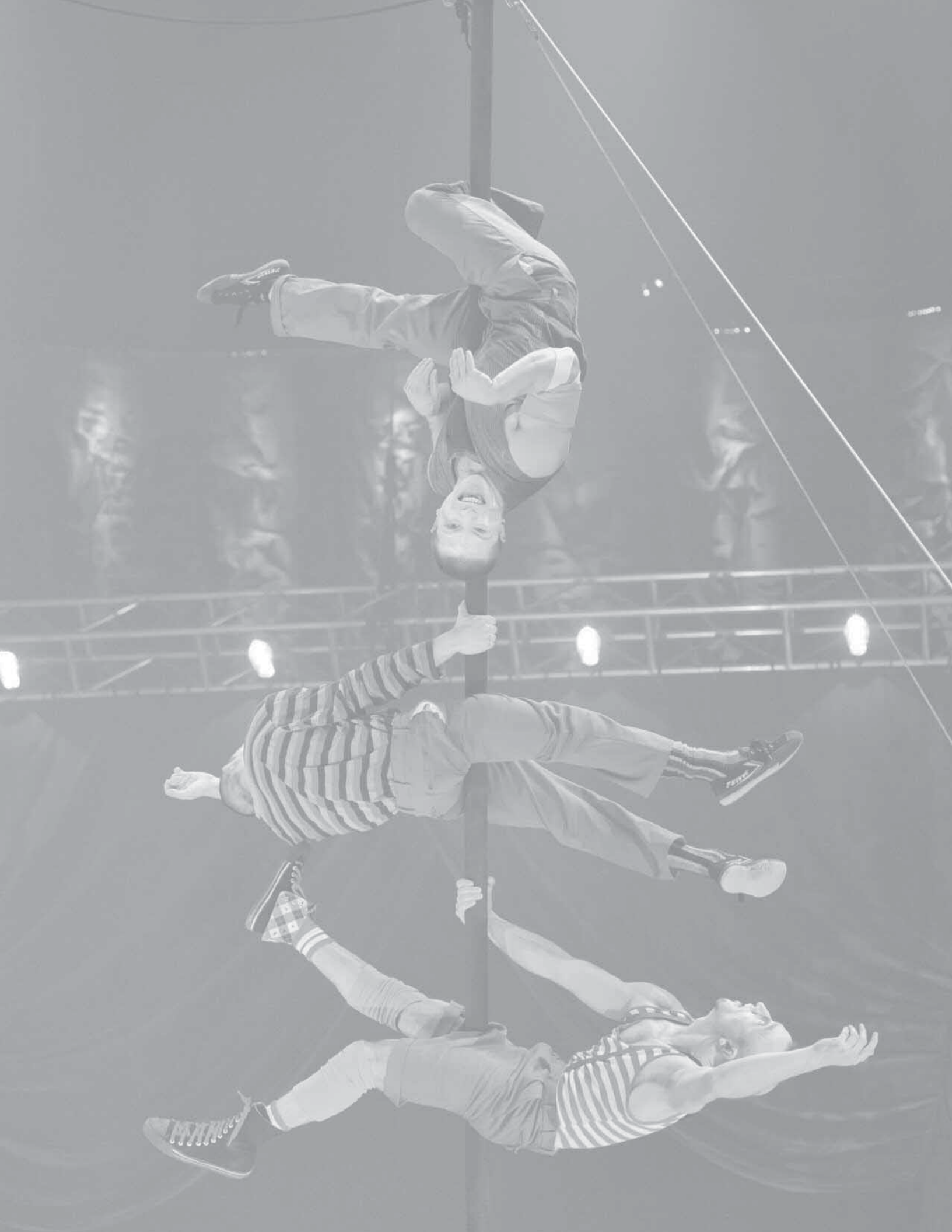
- further the ongoing improvement of training and programs;
- strengthen the artistic and physical training for our younger students;
- create and implement new resources designed to boost key human resources for the circus arts community. Namely, programs which will focus on developing circus show directors and creators of new circus works as well as first degree circus instructors, and mentorship programs to support emerging artist-entrepreneurs;
- provide continued enhancement to student services;
- develop the School's human resources.

The School, which has posted a successful track record this past year, as it has in preceding ones, can look to the future with confidence. This is because it can rely on transparent governance and a diversified team of educational, artistic, administrative and technical personnel, wholeheartedly committed to excellence for the benefit of students and the circus arts community.

In addition, we would not have scaled these heights without the support of our public partners as well as that of our numerous donors and volunteers whom we thank most sincerely.



Marc Lalonde



PROGRAMS in Summary

Preparation for Advanced Training

The first level of professional training, this extra-curricular program is aimed at students 9 years of age or older. It is a preparatory program for advanced training in the circus arts that allows students to continue their primary or secondary 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'Éducation, du Loisir et du Sport. Intended for Canadian students who have completed their high school studies, the program combines specialized training in the circus and performing arts with a general college education.

Diploma of National Circus School Studies

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.

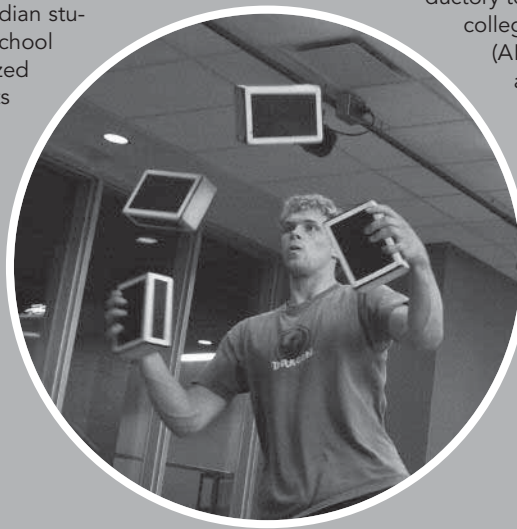
Creation and Exploration Workshop for Graduates

As a complement to its higher education programs, the School offers graduates a chance to participate in a professional immersion session. 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.

Instructor and Trainer in Circus Arts

Attestation of Collegial Studies AEC

The National Circus School offers two specialized programs: Instructor in Circus Arts 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 college diploma: Attestation of Collegial Studies (AEC - Attestation d'études collégiales) accredited by Quebec's ministère de l'Éducation, du Loisir et du Sport.



Applicants and Admissions 2001 to 2008

	2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009	
	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.	Appl.	Admis.
Preparation for Advanced Training - PFS	26	7	27	10	34	12	61	10	48	7	54	9	18	7	14	7
Circus and High School Studies - CES		1		6		3		4		8		7	35	11	46	11
Diploma of Collegial Studies, Higher Education - DEC DEE	79	20	128	25	113	24	121	26	129	25	157	28	137	30	139	29
Creation and Exploration Workshop for Graduates													8	5	10	7
Attestation of Collegial Studies, Instructor - AEC NRC.08							13	13	9	9	13	13	6	6	13	9
Attestation of Collegial Studies, Trainer - AEC NRC.09							6	6	6	6	6	6	11	10	13	10
Total	105		155		147		201		192		232		215		235	



Class of 2008 - Higher Education in Circus Arts



**ANTOINE AUGER AND
GENEVIÈVE MORIN**, Hand-to-Hand



HAMPUS JANSSON, Aerial Straps



AURÉLIE FLÉCHAIS, Swinging Trapeze



UUE-HANNA JANSSON, Swinging Trapeze



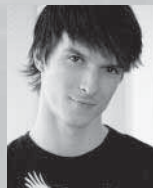
LEILANI LEMUELA FRANCO, Contortion



OLGA KOSOVA, Aerial Net



DANICA GAGNON-PLAMONDON,
Swinging Trapeze



FRÉDÉRIC LEMIEUX-CORMIER,
German Wheel



NATALIE GOOD, Tight Wire



FLORENT LESTAGE, Juggling



JENNY AND SARA HAGLUND, Contortion



PHILIP ROSENBERG, Balancing



NAËL JAMMAL, Balancing



MARIA TARENTIEVA, Aerial Hoop



Class of 2007

Instructors and Trainers in Circus Arts

Attestation of Collegial Studies

Instructors

Joey Albert
Mario Lapalme
Natacha Loiselle
Julie Marseille

Trainers

Claude Berthiaume
Liliane Bourgouin
Philippe Coquoin
Stéphanie Daoust
Eliane Domanski
Adrian Ricardo Martinez
Paul Perreault
Carl Provost

STUDENT Enrolment by Program 2001 to 2008

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Preparation for Advanced Training - PFS	14	14	16	16	16	18	22	15
Circus and High School Studies - CES	8	10	10	10	16	18	24	25
Diploma of Collegial Studies, Higher Education - DEC DEE	54	60	62	61	60	62	69	80
Creation and Exploration Workshop for Graduates				10		7	5	7
Attestation of Collegial Studies, Instructor - AEC NRC.08				13	9	5	6	9
Attestation of Collegial Studies, Trainer - AEC NRC.09				6	6	8	10	10
Total	76	84	88	116	107	118	136	146

Financial statements of

**ÉCOLE NATIONALE
DE CIRQUE**

June 30, 2008

ÉCOLE NATIONALE DE CIRQUE

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Auditors' Report

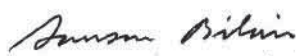
To the Members of the Board of Directors of
École nationale de cirque

We have audited the balance sheet of École nationale de cirque as at June 30, 2008 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended. These financial statements have been prepared to comply with the agreements between the Institution, the Department of Canadian Heritage and the Ministère de la Culture et des Communications du Québec, and to satisfy the needs of its financial institution and of the Fondation de l'École nationale de cirque. These financial statements are the responsibility of the management of the Institution. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institution as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in Note 3 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles but in accordance with the accounting rules described in the *Manuel de normalisation de la comptabilité des établissements d'enseignement privés du Québec*, are solely for the information and use of the Directors, the Department of Canadian Heritage, the Ministère de la Culture et des Communications du Québec, the financial institution and the Fondation de l'École nationale de cirque. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.


Deloitte & Touche S.E.N.C.R.L.

Chartered Accountants

September 4, 2008
September 22, 2008 for Note 9

ÉCOLE NATIONALE DE CIRQUE

Statement of revenue and expenses

year ended June 30, 2008

	2008	2007
	\$	\$
Revenue		
Grants and contributions - Schedule	2,952,813	2,701,172
Tuition fees	632,042	468,977
Contract for training services	24,093	27,525
Rental of premises and equipment	326,432	371,208
Shows and festivals	219,483	189,327
Interest	14,746	13,467
Donations from Fondation de l'École nationale de cirque - Schedule	340,850	370,000
Other	209,788	42,763
	4,720,247	4,184,439
Expenses		
Salaries and fees	2,869,669	2,639,461
Fringe benefits	318,882	279,059
Travel, communications and information	271,228	235,330
Professional fees	314,095	278,214
Contract services	197,187	182,745
Maintenance of equipment and building	36,909	40,791
Supplies and purchases	334,353	379,958
Capital assets purchased with revenues	141,080	42,202
Rental equipment	22,948	39,409
Insurance and permits	39,955	46,027
Bad debts	729	-
Financial expenses	15,789	15,646
Students financial assistance	54,350	-
	4,617,174	4,178,842
Excess of revenue over expenses	103,073	5,597

ÉCOLE NATIONALE DE CIRQUE

Statement of changes in net assets

year ended June 30, 2008

	2008					2007
	Invested in capital assets	Internally restricted - special reserve (Note 9)	Internally restricted - construction project (Note 9)	Unrestricted	Total	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year						
As previously reported	16,826,510	150,000	-	115,594	17,092,104	21,695,150
Restatement of previous year						
Decrease of the building cost as per municipal assessment	-	-	-	-	-	(4,670,903)
As restated	16,826,510	150,000	-	115,594	17,092,104	17,024,247
Excess of revenue over expenses	-	-		103,073	103,073	5,597
Internally imposed restriction	-	-	215,594	(215,594)	-	-
Purchase of capital assets	141,080	-	-	-	141,080	42,202
Increase of the building cost as per municipal assessment	-	-	-	-	-	53,000
Amortization of capital assets	(36,646)	-	-	-	(36,646)	(32,942)
Balance, end of year	16,930,944	150,000	215,594	3,073	17,299,611	17,092,104

ÉCOLE NATIONALE DE CIRQUE

Balance sheet

as at June 30, 2008

	2008	2007
	\$	\$
Assets		
Current assets		
Cash	179,917	-
Term deposit, bearing interest at 2.4%	55,703	-
Accounts receivable (Note 4)	544,429	548,806
Grants receivable (Note 5)	76,373	60,000
Prepaid expenses	62,475	63,946
	918,877	672,752
Capital assets (Note 6)	16,930,944	16,826,510
	17,849,841	17,499,262

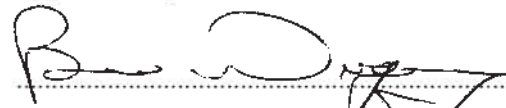
Liabilities

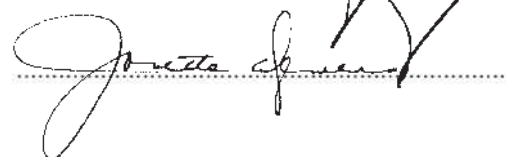
Current liabilities		
Bank overdraft	-	17,281
Accounts payable and accrued liabilities	458,496	277,759
Deferred revenue	91,734	112,118
	550,230	407,158

Net assets

Invested in capital assets	16,930,944	16,826,510
Internally restricted		
Special reserve (Note 9)	150,000	150,000
Construction project	215,594	-
Unrestricted	3,073	115,694
	17,299,611	17,092,104
	17,849,841	17,499,262

Approved by the Board

.....Director

.....Director

ÉCOLE NATIONALE DE CIRQUE

Statement of cash flows

year ended June 30, 2008

	2008	2007
	\$	\$
Operating activities		
Excess of revenue over expenses	103,073	5,597
Changes in non-cash operating working capital items	149,828	144,350
	252,901	149,949
Financing activities		
Decrease in bank loan	-	(402,061)
Donations - Fondation de l'École nationale de cirque allocated to the construction project	-	53,000
	-	(349,061)
Investing activities		
Purchase of a term deposit	(1,100,703)	-
Proceeds on disposal of a term deposit	1,045,000	174,125
	(55,703)	174,125
Increase (decrease) in cash and cash equivalents	197,198	(24,989)
Cash and cash equivalent (deficiency), beginning of year	(17,281)	7,708
Cash and cash equivalent (deficiency), end of year	179,917	(17,281)

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

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. Changes in accounting policies

Financial instruments

Effective July 1, 2007, the Institution adopted the recommendations contained in Section 3855 of the Canadian Institute of Chartered Accountants ("CICA") Handbook, Financial Instruments - Recognition and Measurement. This Section describes the standards for recognizing and measuring financial instruments in the balance sheet and the standards for reporting gains and losses in the financial statements. Under the new standard, financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments classified as financial assets or liabilities held for trading, financial assets available-for-sale and derivative financial instruments, whether a part of a hedging relationship or not, have to be measured at fair value on the balance sheet at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

The classification of financial instruments and the accounting for transactions costs are described in Note 3.

Future accounting changes

Manuel de normalisation

Starting July 1, 2008, the institutions under the Ministère de l'Éducation, du Loisir et du Sport will need to comply with the Canadian generally accepted accounting principles and will no longer apply the accounting rules specific to the Manuel de normalisation de la comptabilité scolaire or la comptabilité des établissements d'enseignement privés.

Financial instruments

In December 2006, the CICA issued Section 3862, Financial Instruments - Disclosures and Section 3863, Financial Instruments - Presentation. These two Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007. Accordingly, the Institution will adopt the new standards for its fiscal year beginning July 1, 2008. Section 3862 on financial instruments disclosures, requires the disclosure of information about: a) the significance of financial instruments for the entity's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 on the presentation of financial instruments is unchanged from the presentation requirements included in Section 3861.

The Institution is currently evaluating the impact of the adoption of these new Sections on its financial statements.

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

3. Basis of accounting

The financial statements have been prepared in accordance with generally accepted accounting principles for institutions as described in the *Manuel de normalisation de la comptabilité des établissements d'enseignement privés du Québec*.

The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles with respect to capital assets and principal repayments of long-term debt to which they are related:

- i) The land and buildings are recorded at the standardized municipal evaluation amount. The buildings are not amortized.
- ii) Capital assets, recorded at cost, are recorded as expenses. These assets are presented on the balance sheet at cost. Amortization is calculated using the declining balance method at an annual rate of 20%. This rate is a composite index that accounts for disposals, obsolescence, breakage, loss or theft that may affect these assets.
- iii) Amortization of capital assets is recognized in net assets invested in capital assets.

Financial instruments

Initially, financial instruments are carried 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 transferred directly to expenses. Classification takes into consideration the following components:

Cash and term deposit

Cash and term deposit are 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

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

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.

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.

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

3. Basis of accounting (continued)

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.

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.

4. Accounts receivable

	2008	2007
	\$	\$
Donation receivable - Fondation de l'École nationale de cirque	286,500	323,000
Accounts receivable - Fondation de l'École nationale de cirque	466	1,034
Accounts receivable	205,687	178,441
Taxes	51,776	46,331
	544,429	548,806

5. Grants receivable

	2008	2007
	\$	\$
Balance, beginning of year	60,000	64,000
Revenue of the year (Schedule)	2,952,813	2,701,172
Collections	(2,936,440)	(2,705,172)
Balance, end of year	76,373	60,000

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

6. Capital assets

	2008			2007
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Building	16,570,000	-	16,570,000	16,570,000
Office furniture	70,274	39,456	30,818	20,957
Training equipment	549,015	397,563	151,452	123,440
Equipment for shows	6,710	6,609	101	126
Computer equipment	254,912	212,686	42,226	46,662
Leasehold improvements	5,305	2,105	3,200	4,000
Audiovisual equipment	127,832	115,544	12,288	12,786
Apparatus and tools	52,508	26,458	26,050	10,549
Integrated equipment	41,504	5,413	36,091	37,990
	17,678,060	805,834	16,872,226	16,826,510
Work in progress *	58,718	-	58,718	-
	17,736,778	805,834	16,930,944	16,826,510

* A construction project is presently under way to build residences and a studio for a total amount of 4.8 millions. This project is expected to be completed over the next few years. This project will be funded by the Ministère de la Culture et des Communications du Québec, Canadian Heritage, la Fondation de l'École Nationale de cirque and by surpluses realized by the Institution.

7. Deferred grants

	2008	2007
	\$	\$
Balance, beginning of year	-	22,405
Revenue of the year	-	22,405
Balance, end of year	-	-

Grants are related to the support of professional training and to the development of a cultural labour force. They are also related to the improvement in training and production standards and to the development of new training and development programs.

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

8. Commitments

The Institution entered into capital lease agreements for office equipments. Future lease payments total \$12,219 and include the following amounts payable over the next years:

	\$
2009	5,949
2010	5,136
2011	1,134

9. Restrictions on net assets

On September 11, 2000, the Board of Directors decided to create a restricted fund. This reserve cannot be allocated to the budget of the Institution without a resolution adopted by the Board of Directors. The purposes of the Restricted Fund are:

- 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 in the Restricted Fund. Any amount exceeding \$300,000 will be transferred to the Unrestricted net assets account.

On November 21, 2005, the Board of Directors transferred for perpetuity \$150,000 of its restricted funds to the Endowment Fund for the maintenance of assets of the Fondation de l'École nationale de cirque. In return, the Fondation de l'École nationale de cirque committed to remit to the Institution investment income earned from its investment.

Subsequent events

On September 2008, \$100,000 from the 2007-2008 surplus and \$115,594 from the unrestricted net asset balance as of June 30, 2007 were set aside by resolution of the executive committee for the construction project.

ÉCOLE NATIONALE DE CIRQUE

Notes to the financial statements

year ended June 30, 2008

10. Related parties transactions

During the year, the Institution received an amount of \$66,500 (Nil in 2007) to cover the salary expenses incurred during the fund raising activities of the Foundation.

11. Financial instruments

Fair value

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

12. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

ÉCOLE NATIONALE DE CIRQUE**Schedule****Grants and contributions**

year ended June 30, 2008

	2008	2007
	\$	\$
Operating grants		
Ministère de l'Éducation, du Loisir et du Sport du Québec	1,322,603	1,100,267
Ministère de la Culture, des Communications et de la Condition féminine du Québec	1,013,000	973,000
Ministère du Patrimoine canadien	600,000	600,000
Emploi-Québec	10,845	1,500
	2,946,448	2,674,767
Support for the development of organizations at the international level		
Ministère de la Culture, des Communications et de la Condition féminine du Québec	5,000	22,405
Ministère des Relations internationales du Québec	1,365	4,000
	6,365	26,405
	2,952,813	2,701,172

Donations from Fondation de l'École nationale de cirque

year ended June 30, 2008

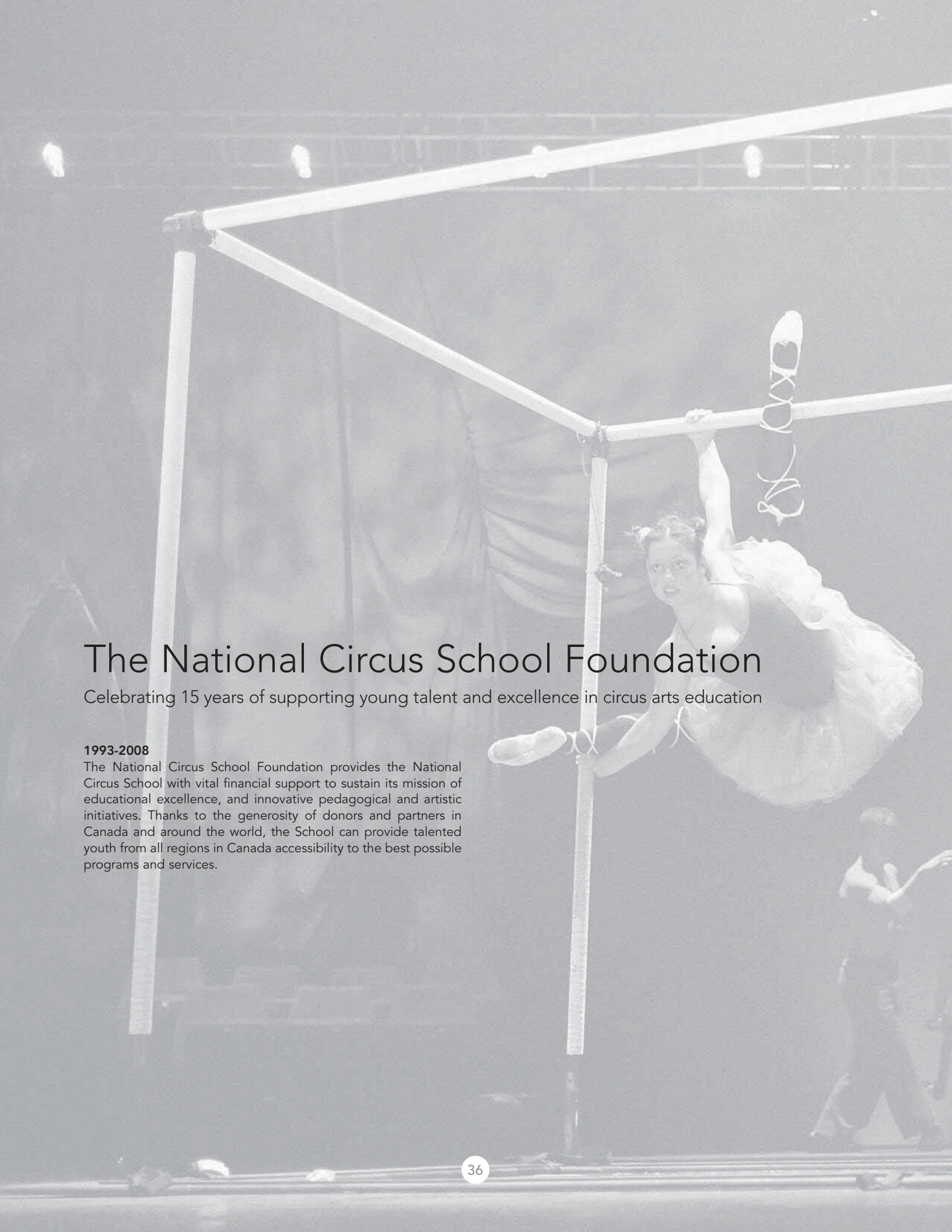
	2008	2007
	\$	\$
Operations (excluding a \$53,000 donation received in 2007 which was internally restricted for the construction project)	220,000	370,000
Students scholarships	54,350	-
Fund raising activities (Note 10)	66,500	-
	340,850	370,000







NATIONAL CIRCUS SCHOOL FOUNDATION ANNUAL REPORT



The National Circus School Foundation

Celebrating 15 years of supporting young talent and excellence in circus arts education

1993-2008

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 Report from the Chair of the Board

2008 marks the 15th anniversary of the National Circus School Foundation and since 1993, the Foundation has worked to increase awareness for the National Circus School and provide vital financial support for its development. This past year marks a new chapter in the history in the Foundation. More than ever, we are determined to raise our sights to ensure the School remains an international center of excellence in circus arts education and to give students unsurpassed tools and support to realize their full potential. On behalf of the Board of Directors of the National Circus School Foundation, it is a pleasure to report on the Foundation's achievements in 2007-2008.

The excellent show of support and generosity of our donors and partners to our \$5 million 2002-2006 fundraising campaign continues to reverberate today. Meanwhile, our flagship event, the Annual Show and Benefit Evening held in June, raised \$204,000 in net proceeds. Additional funds were raised through the Cirque du Soleil's Annual Golf Tournament, which as always was a great event and occasion to interact with the Cirque's network of corporate friends and supporters.

This year's performance as a result of these activities is extremely encouraging, and the Foundation is proud to post revenues of close to \$1 million, an increase of 29%. Additionally, Foundation assets continue to grow, and at our recent Annual General Meeting, it was announced that the Foundation's endowment funds currently stand at nearly \$2.1 million.

Investment revenue generated at nearly \$70,000 from the endowment funds went to fund bursaries and maintenance of School facilities. These funds, which are invested at the Fondation du Grand Montréal, are monitored by the Foundation's Investment Committee. The Committee, chaired by Mr. Luc Martin, recently recommended a policy for the disbursement of its investment revenue which the Board has adopted. As the Foundation is committed to upholding the highest standards of practice and prudent management of its resources, the objective of the new policy is to preserve capital as per donors' wishes.

Generosity that resonates

In 2007-2008, the Foundation contributed \$220,000 for important initiatives and on-going projects to ensure a leading-edge environment and first-class programs for the next generation of professional circus artists. Some of these projects include, among others: artistic and programming enhancements; professional training for instructors; as well as student support and services (cultural activities, healthcare and physiotherapy services, and student exchanges). All of this, without forgetting the public and artistic exercises, such as the Annual Show, a top-notch showcase of the exceptional talents of the School's graduates.



Furthermore, revenue from the bursary endowment enabled the Foundation to increase student financial aid and top the number of bursaries dispersed to students in need by 25 per cent over the preceding year. In 2008, the Foundation granted 30 bursaries totalling \$54,350.

As we reflect on our year, none of these achievements would be possible without the confidence and support of those who share the School's vision for circus arts. My fellow board members join me in thanking you, our donors, partners and friends whose passionate support has been essential to the School's growth.

We are also grateful to the governments of Canada and Quebec for sustaining our development efforts through incentives to building endowment funds. The Foundation is privileged to benefit from matching contributions from Heritage Canada's Canadian Arts and Heritage Sustainability Program and from the Conseil des arts et des lettres du Québec Placements Culture program.

Building a Strong Foundation for the Future

A new era of remarkable development has now begun. The Foundation is committed to raising \$1 million towards the construction of student residences and a new multi-purpose studio. This expansion project will make the School's programs more readily accessible to students from outside Montreal and provide an integrated educational environment.

The School also recently unveiled its ambitious vision of the future that will continue to place it in a class apart. What has emerged is both exciting and inventive and will surely capture the imagination of the community. At the same time, the Foundation Board has adopted its own strategic plan in order to increase our capacity to help underwrite the School's bold vision in the next few years.

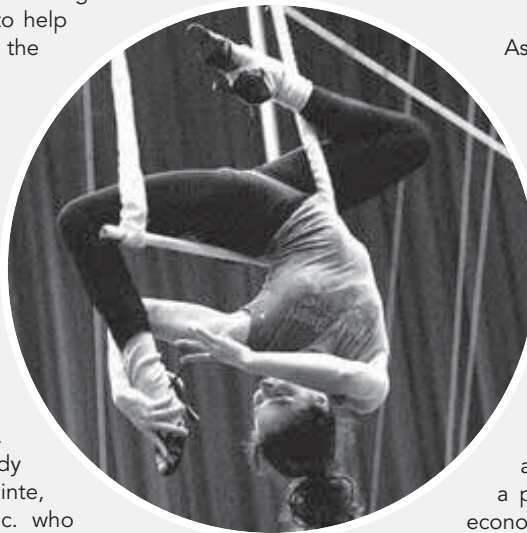
As the National Circus School moves forward in an increasingly challenging funding environment, its success depends on a strong Foundation and the sustained support of you – our cherished donors and partners in the community.

People – our greatest asset and inspiration

I wish to take this opportunity to warmly welcome newly elected members to the Board of Directors: Mr. Claude Bédard, Vice President, Burgundy Asset Management and Mr. Gilles Lapointe, Vice-President, Feeling Productions Inc. who both accepted to join us. Both bring excellent credentials and enthusiasm that will surely be invaluable as we head into this next phase of growth. I would remiss if I did not thank departing members Mr. David Gilmour and Mr. Patrice Drouin for their crucial role in the Foundation's accomplishments over the past years.

I also wish to express my profound gratitude to fellow board members, volunteers and School personnel whose passionate commitment and daily contribution to making the renowned School a vibrant and stimulating hub of circus arts study is a constant source of pride and inspiration.

Lastly, our deep appreciation to former Foundation Director Suzanne Durand, who at the close of the major campaign, moved on to pursue other challenges. Our successes today would not be possible without her professionalism and dedication to all our efforts.



As we look to the future, we warmly welcome Maria Piccioni, full of enthusiasm, as the incoming Director of the Foundation.

For the members of the Foundation, we feel privileged to be part of the School's transformation into one of the world's most highly regarded institutions in circus arts and one of Canada's flagship schools in performing arts. Your generosity has made this transformation possible and we sincerely thank you. We are appreciative that in our 15th year, you continue to inspire the lives of so many, and that the School, a national gem, plays a pivotal role to enriching the cultural and economic fabric of our community. With a bright future ahead, we hope to count on your continued support to help raise the National Circus School and its young aspiring artists to exciting new heights in the next years.

David McAusland

Foundation BURSARY Program

Supporting the Next Generation of Circus Artists

The generosity of donors to 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. The Foundation Bursary Program ensures a bright future for talented young artists no matter what their financial situation.

"...Thank you so much for your generosity. It has given me the chance to immerse myself in my art, to search the farthest limits of my creativity and my confidence as an artist has grown to levels I never imagined. Your assistance has changed my life..."

-Bursary recipient

Bursary Program Disbursements

	2006	2007	2008
Collegial Programs, Higher Education, DEC-DEE	12	15	16
Preparatory and Circus Arts-High School Studies, CES	4	9	14
Total Bursaries	16	24	30
Total	\$34,400	\$45,000	\$54,350

2002-2006 Fundraising Campaign DONORS

\$5,000,000 • Thank you!

The National Circus School Foundation, administrators and staff of the National Circus School warmly salute the donors and partners of the School's \$5 million Campaign 2002-2006.

\$1,250,000

Cirque du Soleil

\$750,000

Fondation Dufresne et Gauthier

\$400,000 - \$749,999

Canadian Heritage

\$300,000 - \$399,999

Alcan

\$200,000 - \$299,999

Gouvernement du Québec – Programme Placements Culture
Samson Bélair/Deloitte & Touche

\$100,000 - \$199,999

Pascal Jacob
Power Corporation of Canada
Productions du Dragon

\$75,000 - \$99,999

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National Bank of Canada
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Cirque Éloize
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Foundation Annual SHOW and 2008 Benefit Evening

THANK YOU!

The Foundation gratefully acknowledges the many donors and sponsors who made this year's Annual Show and Benefit Evening possible.

\$5,000 AND MORE DONORS*

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Cirque du Soleil
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Financial Statements of the

**NATIONAL CIRCUS SCHOOL
FOUNDATION**

Year ended June 30, 2008

NATIONAL CIRCUS SCHOOL FOUNDATION

Financial Statements

Year ended June 30, 2008

Financial Statements

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NATIONAL CIRCUS SCHOOL FOUNDATION

Balance Sheet

June 30, 2008, with comparative figures for 2007

	Asset Maintenance Funds	Bursaries Funds	Unrestricted Endowment Funds	Adminis- tration Funds	Total	
					2008	2007
Assets						
Current assets:						
Cash	\$ -	\$ -	\$ -	\$ 155,107	\$ 155,107	\$ 234,489
Term deposit of 2.54% to 3.9% (2007 - 3.25%)	-	-	-	725,922	725,922	213,807
Amount receivable from Bursaries Funds	-	-	-	58,552	58,552	37,000
Amount receivable from Asset Maintenance Funds	-	-	-	31,536	31,536	23,538
Receivables	-	-	-	66,483	66,483	42,907
Prepaid	-	-	-	639	639	-
	-	-	-	1,038,239	1,038,239	551,741
Investments (note 3)	274,409	1,124,496	636,031	61,264	2,096,200	1,709,252
	\$ 274,409	\$ 1,124,496	\$ 636,031	\$ 1,099,503	\$ 3,134,439	\$ 2,260,993

Liabilities and Net Assets

Current liabilities:						
Contribution payable to National Circus School	\$ -	\$ -	\$ -	\$ 286,500	\$ 286,500	\$ 323,000
Payable to Administration Fund	31,536	58,552	-	-	90,088	60,538
Accounts payable	-	-	-	6,668	6,668	2,974
	31,536	58,552	-	293,168	383,256	386,512
Deferred contributions (loss) related to expenses of future periods	(14,724)	(6,849)	-	-	(21,573)	70,411
Net assets	257,597	1,072,793	636,031	806,335	2,772,756	1,804,070
	\$ 274,409	\$ 1,124,496	\$ 636,031	\$ 1,099,503	\$ 3,134,439	\$ 2,260,993

See accompanying notes to financial statements.

Approved by the Board:

 Director

 Director

NATIONAL CIRCUS SCHOOL FOUNDATION

Statement of Operations

Year ended June 30, 2008, with comparative figures for 2007

	Asset Maintenance Funds	Bursaries Funds	Unrestricted Endowment Funds	Adminis- tration Funds	Total	
					2008	2007
Revenues:						
Fundraising campaign	\$ —	\$ —	\$ —	\$ 544,952	\$ 544,952	\$ 323,600
Annual fundraising	—	—	—	2,025	2,025	4,000
Benefit event:						
Tickets - with receipts (80%)	—	—	—	158,400	158,400	182,400
Tickets - without receipts (20%)	—	—	—	39,600	39,600	45,600
Contributions with receipts	—	—	—	32,235	32,235	28,939
	—	—	—	230,235	230,235	256,939
Bursaries Fund	—	21,552	—	—	21,552	37,000
Asset Maintenance Fund	7,998	—	—	—	7,998	23,538
Golf tournament	—	—	—	75,619	75,619	67,917
Other revenues	—	—	—	8,100	8,100	501
Realized investment revenues	—	—	40,129	20,948	61,077	19,620
	7,998	21,552	40,129	881,879	951,558	733,115
Expenses:						
Funding:						
Fundraising campaign	—	—	—	631	631	8,197
Benefit event	—	—	—	28,117	28,117	35,508
Golf tournament	—	—	—	3,142	3,142	455
Operating expenses:						
Salary and employee benefits	—	—	—	1,916	1,916	68,431
Professional fees	—	—	—	6,000	6,000	6,150
Office expenses	—	—	—	5,210	5,210	5,151
Books and periodicals	—	—	—	—	—	342
Public relations expenditures	—	—	—	1,721	1,721	576
Bank charges	—	—	—	1,403	1,403	380
Bad debts	—	—	—	2,000	2,000	21,000
	—	—	—	50,140	50,140	146,190
Excess of revenues over expenses before contributions and bursaries	7,998	21,552	40,129	831,739	901,418	586,925
Contribution to the National Circus School	7,998	—	—	212,002	220,000	423,000
Contribution for fund development	—	—	—	66,500	66,500	—
Student bursaries - ENC	—	21,552	—	32,798	54,350	45,000
Excess of revenues over expenses	\$ —	\$ —	\$ 40,129	\$ 520,439	\$ 560,568	\$ 118,925

See accompanying notes to financial statements.

NATIONAL CIRCUS SCHOOL FOUNDATION

Statement of Changes in Net Assets

Year ended June 30, 2008, with comparative figures for 2007

	Asset Maintenance Funds	Bursaries Funds	Unrestricted Endowment Funds	Adminis- tration Funds	Total	
					2008	2007
Balance, beginning of year	\$ 257,597	\$ 922,793	\$ 397,913	\$ 225,767	\$ 1,804,070	\$ 1,289,847
Unrealized loss on investments, beginning of year	—	—	—	—	—	(1,024)
Excess of revenues over expenses	—	—	40,129	520,439	560,568	118,925
Contributions received as endowments	—	150,000	266,511	62,500	479,011	369,092
Unrealized (loss) gain on investments at year-end	—	—	(68,522)	(2,371)	(70,893)	27,230
Balance, end of year	\$ 257,597	\$ 1,072,793	\$ 636,031	\$ 806,335	\$ 2,772,756	\$ 1,804,070

See accompanying notes to financial statements.

NATIONAL CIRCUS SCHOOL FOUNDATION

Notes to Financial Statements

Year ended June 30, 2008

Description of the Foundation:

The National Circus School 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:

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.

Endowment Funds:

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 contributions (loss) related to expenses of future periods".

2. Changes in accounting policies - Financial instrument:

- (a) All financial instruments are classified into one of the following categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in the statement of operations in the period in which they arise. Available-for-sale financial instruments are measured at fair value or, when they are not quoted on an active market, at cost. Fair value variations of available-for-sale financial instruments are recorded in the deferred contributions (loss) related to expenses of future periods for the endowments and to net assets for the other investments.

NATIONAL CIRCUS SCHOOL FOUNDATION

Notes to Financial Statements, Continued

Year ended June 30, 2008

2. Changes in accounting policies - Financial instrument (continued):

(a) (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, term deposit, receivables, accounts payable and amounts payable as held-for-trading. Investments are classified as available-for-sale financial assets.

(b) In December 2006, the CICA released new *Handbook Section 3862, Financial Instruments - Disclosures* and *Section 3863, Financial Instruments - Presentation*, effective for annual and interim periods relating to fiscal years beginning on or after October 1, 2007.

Sections 3862 and 3863 will replace section 3861, *Financial Instruments - Disclosure and Presentation*, revising and enhancing its disclosure requirements while carrying forward its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Corporation will begin applying these sections as of July 1, 2008.

3. Investments:

Investments consist primarily of \$2,096,200 (2007 - \$1,709,252) held in investment funds of the Foundation of Greater Montréal. 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.

4. Deferred contributions related to expenses of future period:

	Asset Maintenance Funds	Bursaries Funds	2008	Total 2007
Balance, beginning of year	\$ 5,517	\$ 64,894	\$ 70,411	\$ 14,140
Unrealized loss on investment, beginning of year	—	—	—	(7,504)
Realized investment income	17,305	70,939	88,244	34,851
Allocation to statement of operations	(7,998)	(21,552)	(29,550)	(62,235)
Change in the fair value of investment during the year	(29,548)	(121,130)	(150,678)	91,159
Balance, end of year	\$ (14,724)	\$ (6,849)	\$ (21,573)	\$ 70,411

NATIONAL CIRCUS SCHOOL FOUNDATION

Notes to Financial Statements, Continued

Year ended June 30, 2008

5. Net asset 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.

The net assets received as endowments during the year include a \$79,011 contribution from Canadian Heritage under the Canadian Art and Heritage Sustainability Program. The Foundation was also granted an endowment of \$250,000 by the "Conseil des arts et des lettres du Québec" under the "Placement Culture" program, of which \$187,500 has been accounted for as an endowment.

6. Financial instruments

(a) 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.

(b) 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.

(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 \$2,096,200 at June 30, 2008 and are subject to market volatility risk.

(e) Credit risk:

As at June 30, 2008, the Foundation is not exposed to a significant risk in relation to credit.

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.

8. Comparative figures:

Certain prior year's figures have been reclassified to conform to the current year's presentation.







A new signature

THE POWER OF SUGGESTION

The circle stands for the ring, the big top and the planet. Clearly visible are the letters "C" for Circus and "E" for École (School).

DYNAMISM

Movement lies at the heart of all circus acts. A circular, even gyrating, dynamic can be found in nearly all circus disciplines.

WHIRLWIND AND CENTRIFUGAL FORCE

The whirlwind suggests the intermixing of disciplines and cultures, the rotation the young artists' actuation.

GESTURE

The fluidity of the line, the round shape are the fruit of a gesture made by a hand. It also suggests a brush stroke and the immediacy of acrobatic movement.

THE TEXT BLOCK

Rigorous despite the irreverence of the inverted "i," the text graphics evoke balance as well as enthusiasm. The flexible form couples with the curve of the symbol while accenting the dynamism.



Credits

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