

Annal REPORT

2015-2016

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ANNUAL Sig REPORT

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Mission

International in scope, the École nationale de cirque (National Circus School) is a higher-education institution for the arts providing programs at the high school and post-secondary levels. It is dedicated to the education and training of professional circus artists, as well as to research and innovation in the circus arts and their pedagogy. Internationally renowned for its highest-quality training, the School opens its doors to more than 150 students from around the world.

Since its founding in 1981, the École nationale de cirque has played a crucial role in the development of circus arts in Canada and abroad. It has trained and educated more than 500 artists and hundreds of teachers. As a pioneer of the circus renaissance in Canada, 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 École nationale de cirque 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 DIRECTORS¹

École nationale de cirque (National Circus School) - ENC National Circus School Foundation (NCSF)

Chair - ENC Lili de Grandpré Senior Partner CENCEO

Chair - NCSF David McAusland Partner McCARTHY TETRAULT

Vice-Chair and Secretary ENC - NCSF Robert C. Nadeau President NADEAU CONSEIL INTERNATIONAL

Treasurer ENC - NCSF Gilles Lapointe Administrator

Members

Jocelyn L. Beaudoin President and CEO FOUNDATION ON ANTIVIRALS

Claude Bédard Vice-President BURGUNDY ASSET MANAGEMENT LTD.

Sylvie Bovet MARC BOURGIE FOUNDATION

Isabelle Garneau Parents' Representative

1 As of October 5th, 2016

David J. Forest Advisor in group insurance and group annuity plans DAVID FOREST FINANCIAL SERVICES

Sébastien Guénette Legal Director, Ligitation and Compliance JTI – MACDONALD CORP.

Robert Hoppenheim Founder HOPPENHEIM & CO.

Catherine Laurin Investment Advisor ANDERSON LAURIN INVESTMENT MANAGEMENT BMO NESBITT BURNS

Carol O'Sullivan Designer

Bernard Petiot Vice-President, Casting and Performance CIRQUE DU SOLEIL

Sarah Poole Employee's Representative

Outgoing Members Catherine Aubin Pierre Carrier Marc Lalonde **Executive Comitee**

Lili de Grandpré, Co-Chair David McAusland, Co-Chair Gilles Lapointe Robert C. Nadeau

Bursary Committee Sylvie Bovet, President Lili de Grandpré Hélène Dufresne

Finance Committee Gilles Lapointe, President Robert C. Nadeau, VP Investment Claude Bédard Catherine Laurin

Nomination Committee Robert C. Nadeau, President Lili de Grandpré Catherine Laurin David McAusland

Services Committee

Lili de Grandpré, President Sylvie Bovet Isabelle Garneau Sébastien Guénette Bernard Petiot Sarah Poole

Executive Team¹

Éric Langlois Executive Director

Daniela Arendasova Director of Studies

Howard Richard Director of Creation

1 As of October 5th, 2016.

Martine Veillette Administrative Director

Christophe Rousseau Director of Communications Patrice Aubertin Director of Research and Teacher Training Program, SSHRC Industrial Research Chair for Colleges in Circus Arts

GOVERNMENTS and Granting Agency

The École nationale de cirque 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 and the Canada Cultural Investment Fund.

The School is also accredited to receive subsidies by Quebec's ministère de l'Éducation et de l'Enseignement supérieur du Québec.

In the area of research, the School has received grants from the Social Sciences and Humanities Research Council of Canada as well as the Natural Sciences and Engineering Research Council of Canada and further assistance from Quebec's ministère de l'Éducation et de l'Enseignement supérieur and Fonds de recherche Société et culture du Québec. culture et Communications Québec * *

Canadian

Heritage

Patrimoine canadien

Canadä

Conseil de recherches en sciences humaines du Canada

Québec 🏜

Social Sciences and Humanities Research Council of Canada



Fonds de recherche Société et culture



ASSOCIATED Organizations

The École nationale de cirque is a member of the following organizations :

- Tohu and 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



Report of the School and Foundation Chairs

The year 2016 concluded on a high note with the Annual Shows presented by students of the higher education program. Working with the School's creators and teachers, they offered us two performances with powerful and distinct aesthetic approaches, and we once more shared in their approaches, taking the art to a completely new level.

In addition to financial results, this annual report bears witness to our institution's remarkable contribution to not only the circus arts but society as a whole. We are proud to present in this account all of the past year's achievements and successes along with the challenges that lie ahead.

Highpoints of the past year include the appointment of our new executive director, Éric Langlois. The board of directors has good reason for its faith in this new direction: an experienced and knowledgeable leader, resolutely focused on sound management, Éric has demonstrated mastery in both the education and circus sectors over many years as a member of the School's executive team. The members of the board of directors join us in wishing him every success and providing all necessary support in taking on the many challenges that await the School and the Foundation.

One of the first major issues under Éric's aegis is reflection on and orientation of the strategic planning that will determine our direction over the next five years. Developing it, and the action plans that will result from it, promise exciting initiatives to come regarding public and private funding.

We are grateful to the School's many public partners, donors to the Foundation, and circus arts organizations and companies, Cirque du Soleil in particular. They recognize how important it is to have a robust major institution such as ours in the community. We also must mention the support of companies and foundations from other sectors, all of which fully grasp the value of the School's artistic and social contributions, as well as the vital support of an increasing number of individuals, whether circus amateurs or professionals, graduates or employees. Thanks to their generosity, the Foundation of the École nationale de cirque was able to award \$75,400 in bursaries to 33 students in need and contribute to the School more than \$450,000 to benefit the circus arts' next generation. This is accomplished through fundraising efforts and endowment investments. It is the governments of Quebec and Canada that ensure the School remains sustainable. We therefore would like to thank the provincial ministries of Culture et des Communications and Éducation et de l'Enseignement supérieur, and the federal Department of Canadian Heritage, which support the postsecondary programs for artists and teachers, the high school program and artistic development initiatives as a whole. This year, we are particularly gratified and pleased by the support provided by Canadian Heritage, which granted us a 10% indexation of our grant of up to \$1,100,000 per year for the next three years. This gesture reflects the Department's recognition of our mission's relevance and, above all, an appreciation of our contributions as a leading highereducation institution. We also received support from the Social Sciences and Humanities Research Council, Natural Sciences and Engineering Research Council of Canada, Fonds de Recherche du Québec - Société et culture and the Quebec ministry of Éducation et de l'Enseignement supérieur, the latter of which made possible the School's numerous research and innovation initiatives.

We would like to thank all board members for actively taking on various roles, notably Catherine Aubin, the outgoing parents' representative for high school students, and Pierre Carrier, who has represented the interests of teachers on the board for over 23 years and whose commitment and dedication we salute.

As every year, in accordance with the Quebec Act respecting the ministère du Conseil exécutif, we certify that the boards of directors of the School and the Foundation have not identified any real or apparent conflict of interest situation in which one of their members may have been placed during the 2015-2016 fiscal year.

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Lili de Grandpré Chair, Board of Directors École nationale de cirque

David McAusland Chair, Board of Directors National Circus School Foundation



Executive Director's Report

The École nationale de cirque has seen 16 years of exceptional development thanks to the unwavering dedication and passion of Marc Lalonde, who helmed the institution until last October. It was with both great enthusiasm and humility that I assumed the role of "ringmaster" at the École nationale de cirque, a world-renowned teaching, research and creation institution that has trained and inspired generations of circus artists and educators for close to 35 years now. I have the immense pleasure of setting the course with an experienced team that includes a dedicated and highly competent support staff. The exceptional level of our graduates testifies to the committed work of the School's teaching staff whose skills, both individual and collective, are remarkable.

The year 2015-2016 proved yet another successful one, thanks to the outstanding contributions made by our teams and within our programs. At the college level, 96 students from 20 countries entered the program. Twenty-eight went on to complete it and receive a diploma, thus forming the largest cohort among the world's circus schools. These students participated in the creation of the Annual Shows, *Demain* and *Colibri*, presented on 25 occasions last June before a faithful and enthusiastic audience of nearly 15,000 spectators. As I write this, 96% of graduates have been hired as circus artists, two-thirds of this number by Quebec companies, a sign of the quality of our graduates, certainly, but also of the artistic vitality of our great circus companies.

The School exerts a strong attraction among emerging artists. It awards diplomas to an exceptional number of artists who make up a very large share in the labour market. Even so, the relatively weak representation of young Quebecers and Canadians (20%) qualifying for the School's Entrance Examination is cause for concern. Despite recruitment efforts made in recent years, Canadian candidates are often inadequately prepared to meet the standards set by our institution. We struggle to select a significant number of candidates. The ENC decried this problem in a paper submitted in summer 2016 to the Government of Quebec as it revamps its cultural policy, an undertaking to which it must devote considerable attention over the next few years. In the meantime, the School will continue internal efforts to develop its candidate base, even if these efforts are not the panacea for the advancement of this country's next generation of circus professionals.

The vitality of the School's Circus and High School Studies program, offered to young people ages 12 to 17, helps to perpetuate a recruitment pool that is more essential than ever. In the 2015-2016 school year, these young people came to us from three Canadian provinces and the same number of continents (North America, South America and Europe). In June 2016, seven students received high school diplomas, five of whom subsequently enrolled in the School's higher education program. A highpoint of the school year: the creation of the Petites pièces à la verticale show, directed by Anthony Venisse (2001 graduate). The work was performed on seven occasions and seen by more than 1,400 spectators, including 400 young people from the local borough's primary schools. A stepping stone leading to the Circus and High School Studies program, the extracurricular Preparatory Program, which offers training sessions 13 hours per week, welcomed 20 circus enthusiasts between the ages of 9 and 13 this year. Working diligently on evenings and weekends, these young circus hopefuls presented their own end-of-year show in May 2016.

Each year, the School undertakes a wide variety of recruitment activities, of which the most important approach is undoubtedly the National Pre-Selection Tour. It offers nearly 300 young people from 14 cities across the country, from Halifax to Vancouver, the opportunity to have their potential evaluated by teachers from the School. Among these aspirants, several will go on to submit applications to the official Entrance Examination.

The School's recreational activities and intensive summer camps are also essential assets when it comes to recruiting future candidates, especially for the preparatory and secondary programs. Aimed at young people between the ages of 4 and 17, the enrollment rate for recreational activities increased by 170% over two years to reach 1,002 registrations per year. The intensive summer camps attracted 140 participants, the maximum capacity. The School has recruited some of them for the high school and college programs.

The teacher training programs for assistant instructors, instructors and trainers in the circus arts culminate in an Attestation of College Studies recognized by the Québec ministère de l'Éducation et de l'Enseignement supérieur (Ministry of Education and Higher Education). They contribute greatly to the development and offering of quality and safety-conscious circus arts recreation and training programs, both here and abroad. In 2015-2016, the ENC trained 27 circus arts professionals, a large majority of whom have found a job since leaving. As of July 1, 2016, the online French and English versions of the Instructor of Circus Arts teacher training program have been recognized by the Quebec ministère de l'Éducation et de l'Enseignement supérieur. As a result, access to training that ensures a basic level of competence for circus arts educators around the world is greatly facilitated.

Year after year, the influence of our international institution continues to increase and impress. This year's highpoints include the fact that in the summer of 2015, 15 students participated in the opening ceremony of the Pan American Games in Toronto orchestrated by Cirque du Soleil. In January 2016, Daniela Arendasova, ENC Director of Studies, presided over the jury at the thirty-seventh edition of the Festival Mondial du Cirque de Demain in Paris, the most prestigious circus festival in the world dedicated to emerging circus artists. She has also been elected board member of the European Federation of Professional Circus Schools (FEDEC).

As both circus entrepreneurs and devotees, our graduates continually generate creativity and dynamism. This is evidenced by the creation of two new circus companies this year: Cirque Machine and Cirque Les Improbables. In addition, the young company Cirque Le Roux began an international tour with its critically acclaimed show *The Elephant in the Room*. The 7 fingers, a company co-founded by five School graduates, received the Grand Prix from the Conseil des arts de Montréal in March 2016. Finally, we must acknowledge the full magnitude of our alumni's success at major international festivals, as shown in the chart next page.

The ENC library, in addition to the many cultural outreach activities carried out over the past year, attracted more than 500 participants to various conferences and overall a total of 19,350 visits. As well, the library team provided assistance to 40 external researchers from undergraduate and graduate



programs across Canada and abroad, and 10 artists/ pedagogues from the School also received their support. New acquisitions were catalogued and we were honoured to have two major gifts bestowed upon the School: the private archival collection of Quebec circus artist Léo DuPerré and a collection of documents on the new magic donated by our long-time partner, Cirque du Soleil.

The services of our multidisciplinary sports therapy team were utilized 55 hours per week over the past year, with the number of consultations equivalent to 1,825 hours, an average of nearly 15 hours per full-time student enrolled in secondary or college-level programs.

The School's financial assistance office handled 62 student applications through the financial assistance programs of Quebec and other Canadian provinces, and the bursary programs of the National Circus School Foundation. As a result, 14 Canadian students in the college program received public financial assistance, while three Quebec graduates recommended by the School received a grant from the Fondation Marc Bourgie. As for the ENC Foundation, it awarded 33 scholarships in amounts of between \$500 and \$7,000 to students in the secondary (6) and college (27) programs, for a total of \$75,400, a 7.2% decrease over the previous year due to less demand.

The 2015-2016 school year saw the ENC's research activities furthered by the Centre de recherche, d'innovation et de transfert en arts du cirque (CRITAC) and through the work of the Research Chair. Among the many ongoing industrial research and social innovation projects, the following stood out: developing an online decision-making tool for the implementation of circus activities in schools; the implication of the School's academic, creation and teaching staffs to the "Poétique du cirque contemporain, dramaturgies et grammaires d'une écriture en movement" project led by Concordia University; six conferences; a chapter in the book Cirque Global: Quebec's Expanding Circus Boundaries published by McGill-Queen's University Press; and a scientific article published in the Journal of Sport Psychology in Action. Finally, CRITAC is collaborating in the implementation of a web-based tool for social value analysis of investments (SROI), led by the Centre de liaison sur l'intervention et la prévention psychosociale (CLIPP).

Award-Winning National Circus School Alumni 2015-2016

Annie Laplante (2011)

Gold Medal with Andreï Kalesnikau - 37th Festival Mondial du Cirque de Demain, Paris, France (Russian Cradle)

Hugues Sarra-Bournet (2002)

Silver Medal d'argent and Public Award with « Moi et les autres » trio 37^e Festival Mondial du Cirque de Demain, Paris, France (Russian Bar)

Jérémy Vitupier (2015) and Antonin Wicky (2015)

Bronze Medal and Fratellini's Award - 37th Festival Mondial du Cirque de Demain, Paris, France (Clown duet)

Julien Sillau (2009)

Club cirque Award with Émilie Sillau - 37th Festival Mondial du Cirque de Demain, Paris, France (Chinese Pole duet)

Charlotte O'Sullivan (2014) and Nicolas Jelmoni (2014)

Silver Junior, Special Award of the Conseil national and Public Award - Festival International du cirque de Monte-Carlo (Hand to hand)

Morgane Tisserand (2014) and Pierre Antoine Chastang (2014)

Silver Medal, Nikulin Circus Festival, Moscow, Russia (Trapeze duet)

Anouk Blais et Guillaume Mesmin (2014) Gold Medal, Young Stage Festival, Bâle, Switzerland (Trapeze duet)

Boris Fodella (2014), Zackary Arnaud (2014), Charlie Mach (2015) and Baptiste Clerc (2015) Bronze Medal, Young Stage Festival, Bâle, Switzerland (Chinese Pole/ Korean Board)

Jason Lukas Brügger (2015)

Special Prize : Young Star - Circus Natale, Young Stage Festival, Bâle, Switzerland (Aerial Straps)

The School's 2015-2016 fiscal year resulted in a minor deficit of approximately \$4,200. It should be noted there is a marked decrease in subsidy revenues from the Quebec ministère de l'Éducation et de l'Enseignement supérieur. This decrease is explained by the lower number of Quebec students and a reduction in the ministry's budget envelope, affected by a freeze for more than three years. The decline in revenues from Annual Show ticket sales, a general trend across the board for live performances, has led to a rise in tuition revenues congruent with an increase in recreational program activities. In so doing, the proportion of own income has remained stable at around 34% of revenues.

Also noteworthy is the renewal for a three-year period of the multi-year operating funding agreement concluded in the spring with the federal Department of Canadian Heritage, with an indexation of 11%. We are honoured by this move, which we welcome as recognition of the contribution our institution has made to the development and promotion of Canadian artistic excellence.

As for the School's Foundation, the weakness of the surplus shown in the audited results compared to previous years is mainly due to unrealized losses on investments recorded in the current year. While this change in non-definitive value is inherent with market fluctuations, it demonstrates volatility in returns and requires a conservative use of surplus investments. Despite declining revenues, the Foundation will have contributed over \$539,000 to the School, devoting \$340,000 towards its operations and \$75,000 in student bursaries.

Finally, I cannot ignore the invaluable contributions of our volunteers who sit on the board of directors and various committees: we are enriched by their expertise, creativity and support. Special thanks go to the chair of the School's board of directors, Lili de Grandpré, who has with such care and goodwill supported the School's executive committee during the interim period that occurred during the process of recruiting a new executive director.

Éric Langlois Executive Director

PROGRAMS

• 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 - CES

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 College Studies in Circus Arts (DEC) program.

• Diploma of College Studies in Circus Arts - DEC

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 College Studies in Circus Arts or DEC, from ministère de l'Éducation et de l'Enseignement supérieur du Québec. 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.

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

The 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. Programs lead to an Attestation of College Studies (AEC) accredited by Quebec's MEES.



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STUDENT Enrolment by Program

Professional studies	14-15	15-16	16-17
Preparatory Program	19	19	19
Circus and High School Studies - CES	28	30	25
Diploma of Higher Education - DEC-DEE	99	96	87
Creation and Exploration Workshop for Graduates	7	-	-
Teacher Training Programs - AEC and E-learning	30	41	45
Total	183	186	176

Initiation Activities

Summer Camps	128	140	137
Recreational Program - Number of registration/Session	603	1002	N/D
Total	914	1328	N/D

Applications and Admissions 2016-2017

	2016-2017		Average of 5 years	
	Арр.	Admis	App.	Admis
Preparatory - Circus and High School Studies - CES	209	14	256	17
Diploma of Higher Education - DEC-DEE	243	39	241	43
Teacher Training Programs - AEC	50	45	31	27
Total	502	98	536	87

The National Circus School would like to thank the circus schools as well as Canadian sports organizations from which emanated many of the new students admitted in the CES, DEC, DEE 2016-2017 programs:

Club de gymnastique les Réflexes, Quebec, Canada Vancouver Circus School, British-Colombia, Canada Halifax Circus, Nova Scotia, Canada Studio in Essence, Nova Scotia, Canada Circus Smirkus, VT, United States École Horizon-Soleil, Quebec, Canada Art Corps, Quebec, Canada Circus Center, CA, United States Flying Fruit Fly Circus, Australia Atelier de cirque de Courtisols, France École nationale de Châtellerault, France

CLASS OF 2016 Higher Education of Circus Artists



Kyle Cragle, Balancing



Maria Del Mar Reyes Saez, Balancing



Antonia Dolhaine, Tissu



Mélanie Dupuis et Alexander Taylor, Trapeze duet



Micah Ellinger et Sylvain Ramseier, Hand to hand



Timothy Fyffe et Seppe Van Looveren, Hand to hand



Keaton Hentoff-Killian, Tight wire



Louis-Philippe Jodoin, Juggling



Johan Juslin, Juggling



Vincent Jutras, Hoopskate and Korean Board



Nathan Knowles, Balancing



Jérémi Lévesque, Chinese hoop and Korean Board



Vladimir Lissouba, Hand to hand



Sopha Nem, Hand to hand



Noah Nielsen, Diabolo



Natasha Patterson, Juggling



Nicolas Provot, Ladder



Nikolas Pulka, Aerial straps



Shena Tschofen, Cyr wheel



Hugo Ragelty, Juggling



Jérôme Simard, Dance trapeze



Oliver Smith Wellnitz, Dance trapeze



Tight wire











Dina Sok, cerceaux Chinese hoop and

CLASS OF 2016 Teacher training programs Attestation of Collegial Studies

ASSISTANT INSTRUCTOR Attestation of Collegial Studies

Louise Lévesque

INSTRUCTORS

Attestation of Collegial Studies

Geneviève Allard Mathieu B. Girard Emmanuelle Balmori Daniel Cormier Tawni Edwards Ryan Gray Kristin Langille Catherine Mills Jennifer Nicholls Jj Ross Ariana Shaw Mylène St-Jacques Thomas Vaccaro

TRAINERS

Attestation of Collegial Studies

Natalia Adamiecka Carlos de Barros Sugawara Sara Deull Tiago Do Carmo Maciel Lorie Doyon Rosemary Fillion Madelaine Higgins Beatriz Pantojo Mengue Ana Paula Perche Sugawara Caroline Villeneuve



Financial statements of École nationale de cirque

June 30, 2016

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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, which comprise the balance sheet as at June 30, 2016, 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 accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

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 et de l'Enseignement supérieur, on a prescribed form, for the year ended June 30, 2016.

itte LIP

October 5, 2016

École nationale de cirque

Statement of revenue and expenses Year ended June 30, 2016

	2016	2015
	\$	\$
Revenue		
Grants and contributions (Schedule A)	4,103,957	4,258,883
Tuition fees	1,103,470	982,756
Contract for training services	3,565	1,464
Rental of premises and equipment	337,422	333,363
Shows and festivals	163,036	265,448
Donations from Fondation de l'École nationale		
de cirque (Schedule B)	539,206	495,657
Hosting services	173,558	177,467
Amortization of deferred capital assets grants	494,813	494,757
Amortization of deferred capital assets donations	42,820	42,820
Other	18,846	22,214
	6,980,693	7,074,829
Expenses		
Salaries and fees	4,099,411	4,134,192
Fringe benefits	563,100	589,449
Professional fees	446,397	406,074
Supplies and purchases	439,775	472,759
Travel, communications and information	257,584	290,890
Contract services	317,149	304,396
Rental equipment	72,993	81,199
Students financial assistance	75,400	81,800
Insurance and permits	34,352	39,414
Maintenance of equipment and building	25,926	25,204
Bad debts	3,756	_
Financial expenses	13,225	22,058
Amortization of capital assets	635,827	626,846
	6,984,895	7,074,281
(Insufficiency) excess of revenue over expenses	(4,202)	548

The accompanying notes are an integral part of the financial statements.

École nationale de cirque

Statements of changes in net assets Year ended June 30, 2016

	Invested in capital assets	Restricted (Note 13)	Unrestricted	Total
	\$	\$	\$	\$
Balance, on June 30, 2015	1,273,894	53, <mark>568</mark>	(579,709)	747,753
Insufficiency of revenue over expenses	-	-	(4,202)	(4,202)
Purchase of capital assets Amortization of capital assets	118,402 (635,827)	_	(118,402) 635,827	_
Grants and donations related to capital assets Amortization of deferred	(299)	-	299	-
capital assets grants and donations	537,633	_	(537,633)	_
Balance, on June 30, 2016	1,293,803	53,568	(603,820)	743,551

The accompanying notes are an integral part of the financial statements.

As at June 30, 2016

	Notes	2016	2015
		\$	\$
Assets			
Current assets		100000000000000000000000000000000000000	
Term deposit, at a rate of 0.8%		518,199	853,840
Accounts receivable	3	730,955	874,539
Operating grants receivable Current portion of grants and donations related to current	4	90,000	_
capital assets receivable	5	1,947,665	91,583
Prepaid expenses		45,991	42,312
		3,332,810	1,862,274
Grants and donations related to capital assets receivable	5	-	1,947,488
Capital assets	6	20,809,093	21,326,518
		24,141,903	25,136,280
Liabilities			
Current liabilities			44.047
Bank overdraft		25,586	14,917
Accounts payable and accrued liabilities Deferred revenue	8	573,601 161,558	704,751 167,707
Deferred operating grants		1,174,652	1,414,457
Current portion of deferred capital assets grants		1/1/4/001	1,111,107
and donations	9	541,774	546,901
Current portion of long-term debt	10	86,974	86,583
Current portion of long-term debt to be renewed in the			
next fiscal year	10	1,860,691	
		4,424,836	2,935,316
Deferred capital assets grants and donations	9	18,973,516	19,505,723
Long-term debt	10	_	1,947,488
-		23,398,352	24,388,527
Commitments	12		
Net assets			
Invested in capital assets		1,293,803	1,273,894
Restricted	13	53,568	53,568
Unrestricted		(603,820)	(579,709)
		743,551	747,753
		24,141,903	25,136,280

The accompanying notes are an integral part of the financial statements.

On behalf of the Board De Gra Director Cuadean , Director

École nationale de cirque

Statement of cash flows Year ended June 30, 2016

	Notes	2016	2015
		\$	\$
Operating activities			
(Insufficiency) excess of revenue over expense		(4,202)	548
Items not affecting cash			0.000
Amortization of capital assets		635,827	626,846
Amortization of deferred capital assets grants		(494,813)	(494,757)
Amortization of deferred capital assets donations		(42,820)	(42,820)
		93,992	89,817
Changes in non-cash-operating working capital items	11	(327,199)	194,895
		(233,207)	284,712
Financing activities			
Repayment of long-term debt		(86,406)	(83,066)
Cashed capital assets grants		91,406	83,300
Increase in deferred capital assets grants		299	104,357
		5,299	104,591
Investing activities			
Purchase of capital assets		(118,402)	(216,562)
(Decrease) increase in cash and cash equivalents		(346,310)	172,741
Cash and cash equivalents, beginning of year		838,923	666,182
Cash and cash equivalents, end of year		492,613	838,923

The accompanying notes are an integral part of the financial statements.

See additional information presented in Note 11.

1. Description of the Institution

École nationale de cirque (the "Institution"), a non-for-profit organization, was 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 financial statements have been prepared in accordance with accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

The school policy is to present cash and cash equivalents, bank balances and treasury deposit.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Institution becomes a party to the contractual provisions of a financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments that are measured at fair value at the balance sheet date. The fair value of investments is based on the latest closing price and the fair value quote received from the bank counterparty is used as a proxy for the fair value of derivative financial instruments. Interest earned on short-term investments, unrealized gains and losses and realized gains and losses on sale of short-term investments are included in revenue in the statement of revenue and expenses.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in revenue and expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Institution recognizes in revenue and expenses an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to revenue and expenses in the period the reversal occurs.

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.

2. Accounting policies (continued)

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 to 5 years
Interior layout	30 years
Exterior layout	10 years
Audiovisual equipment	5 years
Apparatus and tools	5 years
Medical services equipment	5 years
Integrated equipment	25 years
Scene equipment	5 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.

Use of estimates

The preparation of financial statements in conformity with accounting standards for not-forprofit organizations 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. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables and the useful lives of long-lived assets. Actual results could differ from these estimates.

3. Accounts receivable

	2016	2015
	\$	\$
Donation receivable – Fondation de l'École nationale de cirque	513,992	500,657
Accounts receivable – Fondation de l'École nationale de cirque	1,958	108,508
Accounts receivable – other	185,142	230,392
Sales taxes	29,863	34,982
	730,955	874,539

4. Operating grants receivable

	2016	2015
	\$	\$
Balance, beginning of year	_	90,000
Revenue for the year (Schedule A)	3,706,532	3,836,770
Collections	(3,616,532)	(3,926,770)
Balance, end of year	90,000	—

5. Grants and donations related to capital assets receivable

	2016	2015
	\$	\$
Grant from ministère de la Culture et	1 0 4 7 6 6 5	2 024 071
des Communications du Québec (Note 10) Donations from Fondation de l'École nationale de cirque	1,947,665 —	2,034,071 5,000
	1,947,665	2,039,071
Comment an adding	1 0 4 7 6 6 5	04 500
Current portion	1,947,665	91,583
	_	1,947,488

6. Capital assets

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
l d	10.000			16.050
Land	16,069	-	16,069	16,069
Building	26,124,547	5,859,501	20,265,046	20,786,261
Office furniture	234,868	204,896	29,972	10,610
Training equipment	443,786	235,040	208,746	185,040
Computer equipment	148,080	100,787	47,293	66,243
Interior layout	31,467	3,621	27,846	28,895
Exterior layout	21,169	8,207	12,962	15,323
Audiovisual equipment	43,600	29,874	13,726	12,813
Apparatus and tools	138,133	75,035	63,098	74,516
Medical services				
equipment	9,710	8,185	1,525	2,314
Integrated equipment	161,062	42,940	118,122	121,100
Scene equipment	12,639	7,951	4,688	7,334
	27,385,130	6,576,037	20,809,093	21,326,518

7. Bank loan

The Institution has a credit agreement for an authorized amount of \$350,000, bearing interest at prime rate of "Caisse centrale Desjardins" plus 1.25%, guaranteed by a first-ranking hypothec on the building and the universality of present and future receivables, renewable annually. As at June 30, 2016, the bank loan was unused.

8. Accounts payable and accrued liabilities

	2016	2015
	\$	\$
Accounts payable – Fondation de l'École nationale de cirque	35,034	75,570
Accounts payable	132,281	240,949
Salaries and employee benefits	195,008	224,840
Government remittances payable	211,278	163,392
	573,601	704,751

9. Deferred capital assets grants and donations

			2016	2015
	Grants	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Grant from the ministère de la Culture et				
des Communications				
du Québec	19,652,045	4,707,815	14,944,230	15,342,586
Grant from ministère du				
Patrimoine canadien	1,899,564	324,333	1,575,231	1,620,289
Capitalized interest	1,524,028	381,011	1,143,017	1,173,498
Donations from the				
Fondation de l'École nationale de cirque	2,208,000	439,650	1,768,350	1,811,170
Grant from Conseil de	2,208,000	439,030	1,700,350	1,011,170
recherche en sciences				
humaines du Canada	12,671	4,261	8,410	11,251
Grant from Conseil de				
recherches en sciences				
naturelles et en génie du Canada	62 842	21 272	41 470	FE 410
Grant from ministère de	62,842	21,372	41,470	55,419
l'Éducation et				
de l'Enseignement				
supérieur	29,142	5,626	23,516	27,272
Bid revenue	12,150	2,628	9,522	9,560
Other	1,772	228	1,544	1,579
	25,402,214	5,886,924	19,515,290	20,052,624
Current portion	_		541,774	546,901
	25,402,214	5,886,924	18,973,516	19,505,723

10. Long-term debt

	2016	2015
	\$	\$
Term loan, 4.34%, payable by semi-annually instalments 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⁾	1,947,665	2,034,071
Renewable portion ⁽²⁾	1,860,691	_
Current portion	86,974	86,583
	_	1,947,488

- ⁽¹⁾ Under the terms of the loan agreement, the grant receivable from the ministère de la Culture et des Communications du Québec (Note 5) will be used to reduce the principal repayments. Interests are also funded by the ministère.
- ⁽²⁾ By the date of financial statement completion, the term loan was not renewed and the creditor has not waived in writing the right to demand repayment of the debt for a period of more than one year.

Consequently, in accordance with accounting standards in effect, the debt is presented as a current liability even if it is a matter of certainty that the creditor will proceed to the renewal.

11. Additional information relating to the statement of cash flows

Changes in non-cash operating-working capital items

	2016	2015
	\$	\$
Accounts receivable	143,584	(217,160)
Operating grants receivable	(90,000)	90,000
Prepaid expenses	(3,679)	8,376
Accounts payable and accrued liabilities	(131,150)	26,293
Deferred revenue	(6,149)	2,938
Deferred operating grants	(239,805)	284,448
	(327,199)	194,895
Cash and cash equivalents		
Bank overdraft	(25,586)	(14,917)
Term deposit	518,199	853,840
	492,613	838,923

12. Commitments

The Institution entered into operating leases for office equipment. Future lease payments total \$3,819 and include the following amounts payable over the forthcoming years:

\$

2017	3,070
2018	599
2019	150

13. Related party transactions

The Fondation de l'École nationale du cirque has a certain influence on the Institution since the Fondation's directors sit on both boards.

Related party transactions are presented separately in the financial statements.

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.

14. Financial instruments

Because of its assets and liabilities, the Institution is exposed to the following risks related to the use of financial instruments:

Liquidity risk

The Institution's objective is to have sufficient liquidity to meet its liabilities when due. The Institution monitors its cash balances and cash flows generated from operations to meet its requirements. As at June 30, 2016, the most significant financial liabilities are bank overdraft, accounts payable and accrued liabilities and the long-term debt.

Interest rate risk

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

15. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

École nationale de cirque

Schedule A – Grants and contributions Year ended June 30, 2016

	2016	2015
	\$	\$
Operating grants		
Ministère de l'Éducation et de l'Enseignement supérieur	1,771,532	1,901,770
Ministère de la Culture et des Communications du Québec	1,035,000	1,035,000
Ministère du Patrimoine canadien	900,000	900,000
	3,706,532	3,836,770
	· · ·	
Projects		
Conseil de recherche en sciences humaines du Canada	149,324	185,103
Conseil de recherche en sciences naturelles et en génie		
du Canada	_	1,925
Fonds de recherche du Québec – société et culture	11,825	_
Ministère de l'Éducation et de l'Enseignement supérieur	28,778	101,797
Ministère des Relations internationales et de		
la Francophonie du Québec	4,000	4,000
Agropur – Division Natrel	62,000	62,000
Université de Montréal	141,498	56,228
Other private contribution	_	11,060
	397,425	422,113
	4,103,957	4,258,883

Schedule B – Donations from Fondation de l'École nationale de cirque Year ended June 30, 2016

	2016	2015
	\$	\$
Operations	340,000	334,000
Students scholarships	75,400	80,800
Fundraising activities	85,273	80,857
Goods and services	38,533	-
	539,206	495,657



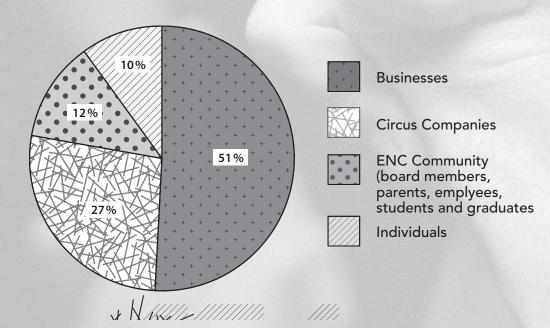
NATIONAL CIRCUS SCHOOL FOUNDATION FOUNDATION REPORT



The National Circus School Foundation (NCSF) provides the enc with vital financial support needed to maintain its mission of educational excellence and to further innovative pedagogical and artistic initiatives. Thanks to the generosity of donors and partners in Canada and around the world the École nationale de cirque offers talented young people the best possible programs and services.

2015-2016 Fundraising Revenue Sources

Revenue from private fundraising in 2015-2016 totalled \$302,000 and was derived from the following sources:



In addition to annual contributions from donors, the Foundation relies on the performance of various endowment funds in its efforts to assist the ENC and its students. Further information can be found on page 2 of the audited financial statements of the National Circus School Foundation included in this report.

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2015-2016 Fundraising DONORS

Each year, our donors show their support for the National Circus School Foundation by participating in various fundraising campaigns and activities. The generosity of many individuals, companies, foundations and volunteers enables the Foundation to support the ENC in its mission of educational and artistic excellence so that talented youth can realize their full potential.

We sincerely thank all our donors. They make it possible for the dreams of tomorrow's circus artists to come true.

MAJOR DONOR / \$75,000 AND MORE Cirque du Soleil Canada

BENEFACTOR CIRCLE / \$ 10,000 - \$ 24,000 Cisco Systems Desjardins Group

Solotech

PATRONS CIRCLE / \$ 5,000 - \$ 9,999

Bombardier Borden Ladner Gervais Lili de Grandpré Léonne DuPerré École nationale de cirque employees KPMG Brian & Carol O'Sullivan Alain Pacherie – Cirque Phénix Power Corporation of Canada Rio Tinto

AMBASSADORS CIRCLE / \$ 2,000 - \$ 4,999

Agropur Agropur- Division Natrel Anonymous (2) Aon Parizeau Hélène Blackburn & Bruno Duguay Caisse d'économie solidaire Desjardins Cascades Canada **CIBC** Capital markets Cogeco David Forest Financial Services Deeth Williams Wall **EMM Williams Productions** Farris, Vaughan, Wills & Murphy Fondation Marc Bourgie Gildan Patricia & Rhodri Harries Hewitt Equipment Limited Irving Mitchell Kalichman Marc Lalonde Catherine Laurin David L. McAusland McCarthy Tétrault Newmark Knight Frank Devencore Norton Rose Fulbright Outbox Technology RailTerm ROBIC Wortzmans

RING MASTER CIRCLE / \$ 1,000 - \$ 1,999

Anonymous Applied Improvisation Network Daniela Arendasova Patrice Aubertin Claude Bédard Roger Berthelot Sylvie Bovet Pierre Bovet Bray Larouche et Associés Jeannette & William Buholzer Germain Carrière CGI Chernos Flaherty Svonkin Curtis Dawe Deschênes & Perreault Construction Nicole Désilets & Pierre Langlois École nationale de cirque Alumni **Feeling Productions**

Fondation Daniel Lamarre Sébastien Guénette JTI-Macdonald Corp. Éric Langlois Lavery lawyers Robert C. Nadeau OCTG Howard Richard Christophe Rousseau S.P.I.N. inc. Vincent Lafleur Traiteur

SUPPORTERS CIRCLE / \$ 500 - \$ 999

Action Sport Physio Centre-Ville Amyot Gélinas Anonymous (10) Élise Brosseau & Daniel Jolicoeur Bruno Bougie Caisse Desjardins du Centre-est de la métropole Canadian Wood Products Bertin Castonguay Cirque Éloize Couvre-Planchers Labrosse Suzanne de Grandpré EBI Montréal Inc. Fondation Deloitte GDI Services (Québec) SEC Groupe Lune Rouge Inc. Peter Guay Roger Hobden Hupharma Inc Peter E. Johnson KCMN Velan Foundation Dean Kriellaars Jacques L. Charuest Marie Langlois Suzanne Langevin & Guy Lapierre Lapointe Magne et associés Anthony Layton John LeBoutillier Patricia Lemaire Les 7 doigts de la main W. Niels Ortved Bernard Petiot Placements Montrusco Bolton Inc. **RBC** Foundation Sid Lee inc. Telesystem Vézina assurances inc. Alexandre Watson Richard Wilson Tessie Yanez

FRIENDS CIRCLE / \$ 100 - \$ 499

Welby Altidor Anonymous Anna-Karyna Barlati BCF David Bernbaum Alain Blais Christine Bouchard Éric Bouchard Jacques Boucher Michel Brais Brenton Kean André B. Charron & Johanne Pelletier Charron Mercedes Chenard Johanne Claveau Gonzalo Coloma Rospigliosi

Daniel Cyr Hugo Desmarais Hélène Dufresne Gouvernement du Québec Russell Hiscock Naël Jammal Éric Lapierre Gilles Lapointe Michel Laprise Stéphane Lavoie Louis Garneau Sports Josette Marcil Maurice Courrier Sarah & John McGarr Brian McIlroy Joseph Pinzon Wendy Reid Constance Rinaldo Samuel Roy Nathalie Sabourin Anton Schlemm Ian Shrier Adriana Suarez Jeffrey & Annette Taylor Martin & Carmen Tschofen Walter Van Looveren Anthony Venisse January Wolodarsky

VOLONTEERS CIRCLE / \$ 20 - \$ 99

Zachari Alapi Mélanie Allaire Anonymous (4) Maude Arseneault Susan Biddlecomb Jessica Bolduc Irina Bozyan Yury Bozyan Marie-France Bruyère Mikaël Bruyère-L'Abbé Ana Castel Marilou Cousineau EBay Élena Fomina Victor Fomine Raphaël Fréchette Alisan Funk Nicolas Germaine Mariline Gilbert Juan Mateo Gonzalez Barrera Luc Joyal Sylvain Lafortune Pascale Lalonde Johanne Larose Ginette Lessard Location Jean Légaré Ltée Monique Marcil Richard & Sylvie Marsh Charlotte O'Sullivan Mirela Radu Graham Soul Laurence Tremblay-Vu Itzel Adriana Viruega Martinez Angela Ward Betsy Weill

The Impact of Contributions

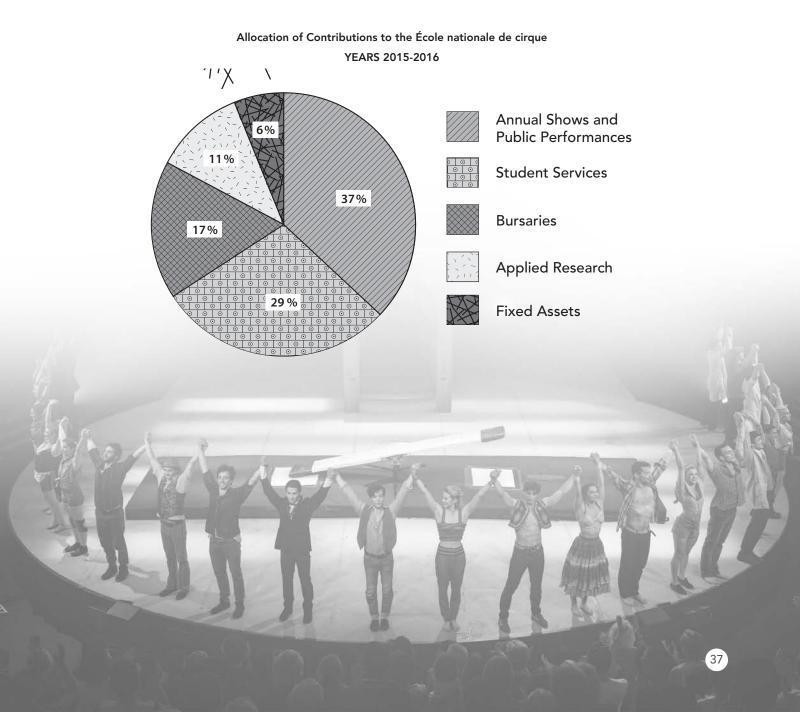
The National Circus School Foundation (NCSF) ensures that funds raised through donor contributions and revenue received from the endowment funds are allocated towards the designated purposes based on priorities established by the ENC.

Including bursaries awarded to students, the Foundation gave the ENC more than \$450,000 to ensure the realization of various projects and services.

The Foundation in particular made up a shortfall incurred by various public performances presented throughout the year, such as the Annual Shows, representing over 50 percent of the costs of production and promotion. These productions, accessible to family and school audiences, were attended by close to 17,000 spectators including more than 5,500 young people during school matinees.

This year, the Foundation subsidized 70 percent of the direct costs of student services, including library acquisitions, circus arts training equipment purchases, cultural outings and sports-therapy material. For health services alone, this contribution financed the equivalent of 1,600 physiotherapy treatments.

Finally, a designated donation of \$50,000 was allocated to applied research projects in creation and innovation.



BURSARY Program

The National Circus School Foundation (NCSF) advocates a principle of accessibility aimed at ensuring that no student admitted to an educational program should have to abandon his or her studies for financial reasons.

In 2015-2016, more than one quarter of students enrolled in a full-time program benefited from the Foundation's financial assistance. A total of \$75,400 was divided among 33 bursary recipients, each receiving grants of between \$500 and \$6,000, depending on the need.

Since the bursary fund was established in 2006, the Foundation has awarded a total of \$649,210 to 321 recipients.

The generous support of donors made it possible for me to attend this extraordinary school. Moving from Toronto to Montreal to start a circus education wasn't easy. With no support from my parents, I was on my own. Fortunately, I received scholarships through the Foundation's program, which meant I could focus on my studies without having to stress about money.

Calin J. Stevenson, 2012 Graduate Toronto, Canada - Artist, Dragone

I thank with all my heart the ENC Foundation's donors. Without your support, I simply would not have been able to pay my tuition. You made it possible for me to complete my three years of professional studies and become a circus artist.

> Jérôme Sordillon, 2013 Graduate Belleroche, France Artist, Cirque Éloize

K A total of \$75,400 was distributed among 33 bursary recipients >>

Andréanne Nadeau, 2010 Graduate Repentigny, Québec - Artist, Cirque du Soleil

Not having the support of my parents has made the prospect of post secondary education one that has always looked bleak for me. I wanted to express my most sincere and heartfelt thank you to those responsible for granting me the money I needed to be able to complete my studies at ENC. It has lifted my spirits immensely and let me look forward to only focusing on my classes and becoming the best formateur that I can be. So, with all my heart, THANK YOU. You have made this possible for me.

> William Riley, AEC student 2016-2017 Ontario, Canada

Financial Statements of the

NATIONAL CIRCUS SCHOOL FOUNDATION

Year ended June 30, 2016



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the National Circus School Foundation

We have audited the accompanying financial statements of the National Circus School Foundation, which comprise the statement of financial position as at June 30, 2016, the statements of operations, changes in net assets and cash flows 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 not-for-profit organizations, the 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 the National Circus School Foundation. Therefore, we were not able to determine, whether, as at and for the years ended June 30, 2016 and June 30, 2015, any adjustments might be necessary to contributions and excess of revenues over expenses reported in the statements of operations, excess of revenues over expenses reported in the statements of cash flows, 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, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the National Circus School Foundation as at June 30, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

October 5, 2016 Montréal, Canada

Financial Statements

Year ended June 30, 2016

Financial Statements

Statement of Financial Position	1
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Statement of Financial Position

June 30, 2016, with comparative information for 2015

										2016		2015
	Ма	Asset intenance Fund		Bursaries Fund	-	Inrestricted Indowment Fund		Adminis- tration Fund		Total		Tota
Assets												
Current assets:	¢		^		•		•	470.040	•	470.040	•	004.40
Cash Amount receivable from the	\$	-	\$	-	\$	-	\$	173,646	\$	173,646	\$	264,138
National Circus School		-		-		-		35,034		35,034		75,570
Amount receivable from Bursaries Fund Amount receivable from		-		-		-		512,574		512,574		433,145
Amount receivable from Asset Maintenance Fund Amount receivable from		-		-		-		71,276		71,276		70,004
Unrestricted Endowment Fund Receivables		-		-		-		39,740 21,623		39,740 21,623		33,984 33,351
Prepaid		-		-		-		· –		-		795
Inventory		-		-		-		2,655		2,655		2,655
		-		-		-		856,548		856,548		913,639
Investments (note 2) Capital assets (note 3)		506,181 _		1,815,500 –		2,008,875 –		433,106 7,094		4,763,662 7,094		4,958,687 -
	\$	506,181	\$	1,815,500	\$	2,008,875	\$	1,296,748	\$	5,627,304	\$	5,872,326
Liabilities and Net Assets												
Current liabilities: Contribution payable to the	•		•		•		•	545.050	•	545.050	•	
National Circus School Payable to Administration	\$	-	\$	-	\$	-	\$	515,950	\$	515,950	\$	614,164
Fund		71,276		512,574		39,740		_		623,590		537,133
Accounts payable Deferred revenue		_		-		_		762 75,000		762 75,000		4,587 75,000
		71,276		512,574		39,740		591,712		1,215,302		1,230,884
Net assets		434,905		1,302,926		1,969,135		705,036		4,412,002		4,641,442
	\$	506,181	\$	1,815,500	\$	2,008,875	\$	1,296,748	\$	5,627,304	\$	5,872,326

Approved by the Board: 6 ra de Director Cuadean Director

Statement of Operations

Year ended June 30, 2016, with comparative information for 2015

					2016	2015
	Asset Maintenance Fund	Bursaries Fund	Unrestricted Endowment Fund	Adminis- tration Fund	Total	Total
Revenues:						
Annual campaign	\$ -	\$ -	\$ -	\$ 167,368	\$ 167,368	\$ 128,125
Benefit event: Tickets - with receipts Tickets - without receipt Contributions Sponsorship	- - -	- - -	- - - -	57,775 16,125 48,985 15,830	57,775 16,125 48,985 15,830	75,900 22,375 66,359 10,450
Other contributions	-	-	-	200	200	-
Realized investment revenues	14,661	46,464	66,381	45,650	173,156	189,525
Change in unrealized gain on investments	(11,491)	(36,416)	(52,026)	(22,059)	(121,992)	54,333
	3,170	10,048	14,355	329,874	357,447	547,067
Expenses: Funding:						
Fundraising campaign Benefit event	-	-	-	3,335 30,247	3,335 30,247	4,008 33,192
Operating expenses: Professional fees Office expenses Public relations	- -	-	- -	6,000 4,642	6,000 4,642	6,000 5,705
expenditures Bank charges Management fees Amortization of	_ _ 1,272	_ 4,029	_ _ 5,756	473 1,015 (11,057)	473 1,015 –	114 1,940 –
capital assets Bad debt	-		- -	1,419 550	1,419 550	-
	1,272	4,029	5,756	36,624	47,681	50,959
Excess of revenues over expenses before contributions						
and bursaries	1,898	6,019	8,599	293,250	309,766	496,108
Contribution to the National Circus School	-	_	-	340,000	340,000	334,000
Contribution for fund development	_	_	_	85,273	85,273	80,857
Student bursaries - ENC	-	75,400	-	-	75,400	80,800
Contribution - Goods and services	-	-	-	38,533	38,533	-
Excess of (expenses over revenues) revenues over expenses	\$ 1,898	\$ (69,381)	\$ 8,599	\$ (170,556)	\$ (229,440)	\$ 451

Statement of Changes in Net Assets

Year ended June 30, 2016, with comparative information for 2015

						2016
	Ма	Asset intenance Fund	Bursaries Fund	Unrestricted Endowment Fund	Adminis- tration Fund	Total
Balance, beginning of year	\$	433,007	\$ 1,372,307	\$ 1,960,536	\$ 875,592	\$ 4,641,442
Excess of revenues over expenses (expenses over revenues)		1,898	(69,381)	8,599	(170,556)	(229,440)
Balance, end of year	\$	434,905	\$ 1,302,926	\$ 1,969,135	\$ 705,036	\$ 4,412,002

	Ма	Asset intenance Fund	Bursaries Fund	Unrestricted Endowment Fund	Adminis- tration Fund	Total
Balance, beginning of year	\$	412,704	\$ 1,384,975	\$ 1,868,612	\$ 974,700	\$ 4,640,991
Excess of revenues over expenses (expenses over revenues)		20,303	(12,668)	91,924	(99,108)	451
Balance, end of year	\$	433,007	\$ 1,372,307	\$ 1,960,536	\$ 875,592	\$ 4,641,442

2015

Statement of Cash Flows

Year ended June 30, 2016, with comparative information for 2015

	2016	2015
Cash flows from operating activities:		
Excess of (expenses over revenues) revenues		
over expenses Adjustments for:	\$ (229,440)	\$ 451
Change in unrealized gain on investments Amortization of capital assets	121,992 1,419	(54,333) _
	(106,029)	(53,882)
Net change in non-cash operating working capital:		
Amount receivable from the National Circus School	40,536	(13,554)
Receivables	11,728	7,173
Prepaid	795	185
Inventory	-	(2,655)
Contribution payable to the National Circus School	(98,214)	309,316
Accounts payable	(3,825)	(2,709)
Deferred revenue	-	70,000
	(48,980)	367,756
	(155,009)	313,874
Cash flows used in investing activities:		
Disposal of term deposits	-	123,524
Additions to investments	(171,967)	(188,583)
Cashing in of an investment	245,000	-
Acquisition of capital assets	(8,513)	_
	64,520	(65,059)
Net (decrease) increase in cash and cash equivalents	(90,489)	248,815
Cash, beginning of year	264,135	15,320
Cash, end of year	\$ 173,646	\$ 264,135

Notes to Financial Statements

Year ended June 30, 2016

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 directors of the National Circus School sit on both boards of directors.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Not-For-Profit Standards. The Foundation's significant accounting policies are as follows:

(a) Capital assets:

Capital assets are recorded at cost. Amortization is calculated using the straight-line method over a period of three years.

(b) 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.

(c) 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 for the year.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value.

Transactions costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Notes to Financial Statements, Continued

Year ended June 30, 2016

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Investments:

Investments consist primarily of \$4,385,792 (2015 - \$4,597,131) held in investment funds of the Foundation of Greater Montréal and Épargne Placements Québec bond of \$377,870 (2015 - \$361,556).

The Foundation has concluded an agreement with the Foundation of Greater Montréal ("FGM") as part of the program Mécénat Placements Culture managed by the Conseil des arts et des lettres du Québec ("CALQ") to create an endowment fund (the "fund") under which capital will be preserved by the FGM for a minimum period of ten years. The FGM will distribute at least once a year, in whole or in part, revenues of the fund, in accordance with the framework of the CALQ's program, as summarized below:

- (a) During the year 2008, the Foundation has paid an amount of \$250,000 to the fund. During that year, the CALQ has paid a matching grant of \$250,000 to the fund, distributed as follows:
 - An amount of \$187,500 to be kept for a minimum period of ten years. The FGM will distribute, at least once a year, in whole or in part, revenues of the fund.
 - An amount of \$62,500 to be kept for a minimum period of two years, including the return on capital, that cannot be cashed before the end of this period.

Notes to Financial Statements, Continued

Year ended June 30, 2016

2. Investments (continued):

- (b) During the year 2009, the Foundation has paid an amount of \$250,000 to the fund. During the year 2010, the CALQ has paid a matching grant of \$250,000 to the fund, distributed as follows:
 - An amount of \$187,500 to be kept for a minimum period of ten years. The FGM will distribute, at least once a year, in whole or in part, revenues of the fund.
 - An amount of \$62,500 to be kept for a minimum period of two years, including the return on capital, that cannot be cashed before the end of this period.

As at June 30, 2016, the fair value of the fund was \$1,245,003 (2015 - \$1,280,350).

3. Capital assets:

			2016
	Cost	umulated preciation	Net book value
Computer equipment	\$ 8,513	\$ 1,419	\$ 7,094

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.

The net assets received as endowments for each funds are as follows:

Asset Maintenance Fund	\$ 354,029
Bursaries Fund	1,222,793
Unrestricted Endowment Fund	1,222,115
	\$ 2,798,937

5. Contributions:

Among all the contributions collected during the year, contributions for which tax receipts were issued were totaling \$223,314 (2015 - \$250,419). No charity contribution has been received.

Notes to Financial Statements, Continued

Year ended June 30, 2016

6. Financial risks:

(a) Foreign exchange risk:

Through its investments funds in units of the Foundation of Greater Montréal, the Foundation is exposed to foreign exchange risk.

(b) Interest rate risk:

Some 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.

(c) Market volatility risk:

The Foundation's investments are presented at their fair value of \$4,763,662 (2015 - \$4,958,687) and are subject to market volatility risk.

(d) Credit risk:

As at June 30, 2016, the Foundation is not exposed to a significant risk in relation to credit.

7. 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, 2016, the Foundation complies with the requirements.

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