





ANNUAL 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 and educators, as well as to research and innovation in the circus arts. Internationally renowned for highest-quality training, the School opens its doors to more than 170 students from around the world.

Since its founding in 1981, the National Circus School has played a crucial role in the development of circus arts in Canada and 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)

Sébastien Guénette, President

Legal Director - Litigation and Business administration JTI - MACDONALD CORP.

Catherine Laurin, Vice President

Portfolio Manager BMO NESBITT BURNS

Suzanne Bertrand, Treasurer

Chief Financial Officer RODEO FX

Sylvie Bovet, Secretary

. Vice-President FRANSYLVAL INC.

Members

Claude Bédard

Vice President BURGUNDY ASSET MANAGEMENT LDT.

Oana Frumosu

Vice President and Director - Credit Division TD BANK

Isabelle Garneau

High School Students Parents Representative COLLÈGE BOIS-DE-BOULOGNE

- 1 As of October 5th, 2017
- 2 Guest members

Christian Jolivet

Senior Vice President, Corporate Affairs Chief Legal Officer and Secretary COGECO

Éric Langlois

Executive Director ÉCOLE NATIONALE DE CIRQUE

Kristian Manchester

Executive Creative Director SID LEE

Lidia Minicucci

Architect

MINICUCCI ARCHITECT

Carol O'Sullivan

Designer

Sarah Poole

Teacher, Employees Representative ÉCOLE NATIONALE DE CIRQUE

Karl Tabbakh

Associate McCARTHY TÉTRAULT

James Tanabe

Senior Director - Business strategy CIRQUE DU SOLEIL

Executive Comitee

Suzanne Bertrand Sylvie Bovet Sébastien Guénette Catherine Laurin Éric Langlois

Bursary Committee

Sylvie Bovet Hélène Dufresne² Sébastien Guénette Éric Langlois Charles Vilaisak²

Finance Committee

Suzanne Bertrand Claude Bédard Oana Frumosu Eric Langlois Catherine Laurin

Investment committee

Suzanne Bertrand Oana Frumosu Eric Langlois Catherine Laurin

Outgoing Members

Lili de Grandpré David McAusland Robert C. Nadeau Gilles Lapointe Jocelyn L. Beaudoin David J. Forest Robert Hoppenheim **Bernard Petiot**

Executive Team¹

Éric Langlois

Executive Director

Daniela Arendasova

Director of Studies

Howard Richard

Director of Creation

1 As of October 5th, 2017.

Martine Veillette

Administrative Director

Christophe Rousseau

Director of Marketing and Development

Patrice Aubertin

Director - Center for Research, Innovation and Transfer in Circus Arts (CRITAC) SSHRC Industrial Research Chairholder for Colleges in circus arts



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

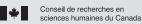
The School is also accredited to receive subsidies by Quebec's Ministère de l'Éducation et de l'Enseignement supérieur.

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 recherché Société et culture.

Culture et Communications Ouébec 🕶 🕶



Canad'ä



Social Sciences and Humanities Research Council of Canada



Fonds de recherche Société et culture Québec



ASSOCIATED Organizations

The National Circus School 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 Québec's Ministère of Culture et des Communications and Ministère de l'Éducation, 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 higher- education 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.

Lili de Grandpré

Chair, Board of Directors National Circus School

David McAusland

Chair, Board of Directors

National Circus School Foundation



Executive Director's Report

Once again, 2017 saw an exceptional graduating class! The 23 circus artists leaving diploma in hand form the largest such cohort among the world's leading contemporary circus schools.

The graduates impressed us with their undeniable level of quality. This was evidenced during the two Annual Shows presented by these young artists in Tohu's circular hall last June to the delight of more than 17,000 spectators. An educational exercise par excellence, these shows greatly contribute towards maintaining the School's reputation. This in turn allows it to consistently attract exceptional talent and to maintain the highest levels of both selection criteria and educational success. It is therefore not surprising and most fortunate that our young professionals integrate so successfully into an increasingly competitive international job market within the first few months of leaving.

Upstream of college-level professional training, a structured and closely integrated training continuum that embraces the Preparatory, Circus and High School Studies and upgrade programs has once again demonstrated its relevance and effectiveness.

During the 2016-2017 school year, 22 participants who completed the Preparatory Program, including five who attained the enrolment age for the Circus and High School Studies (CES) program, were recruited. This represents an unprecedented 50% of all new admissions to the CES program for the coming year. Concurrently, the eight high school students graduating in 2017 registered for the Entrance Examination and all were accepted to the college program. The case is thus made that the training continuum provided from preparatory to college level has played its role supremely!

Additionally, the constant progression of our high school students' level of preparedness is notable. This elevated level manifests in a higher admission rate to the higher-education programs, but also is unequivocally evident during the students' performances during the end-of-year shows. They serve as remarkable illustrations of these young people's artistic and technical mastery. Such success is due to the perseverance and talent of the students but could never be realized without the exceptional contribution of teachers and creators.

In the summer of 2016, the School for the twelfth consecutive year held an intensive summer camp for preparatory-level participants. A total of 137 young people took part in these camps. It should be noted that applications for admission were up by more than 25% compared to previous years, probably due to not only the reputation of both the School and its camps but also the effectiveness of social media

campaigns. Registrations for the 2017 summer camps show 130 participants, 81% of which were new registrations. Each year, the candidates best prepared for the Entrance Examination have undergone the experience of these intensive camps.

Together the training programs constitute an impressive whole. And it is important to underline the success of our recreational activities and their exceptional contribution to Preparatory Program recruitment. The six different recreation courses attracted the equivalent of more than 1,219 registrations per year, up 22% over the previous year. This success is attributable on the one hand to course quality, which encourages a strong retention rate. On the other hand, it was helped by the introduction of the Acros-cirque plus course, with intensive and age-appropriate practice for five, seven or nine hours per week. We must salute the excellence of the teaching team, whose efforts contributed towards recruiting 56% of the new students in the program.

The Teacher Training programs leading to an Attestation of Collegial Studies (AEC) with ministerial endorsement, saw the highest growth rate. During the reference period and for all educational programs, 44 participants were enrolled, an increase of 63% over the previous year. The growth in registrations is mainly due to an increase of more than 50% in international recruits. This was largely attributed to the online version of the Instructor of Circus Arts program, a hybrid comprising 15 weeks of remote learning and one week of in-person intensive instruction. Building on this success, the School intends to continue rolling out the program by proposing that the in-person component be provided by national and international partners. In parallel with these efforts, it is necessary to both support the development of quality circus training in schools and augment the preparatory stream. The team thus is designing a training offer that responds to the specific needs of the physical education teachers who provide school-based training. We are aiming for a roll-out of this new offer during 2018.

The 2016-2017 school year marked the end of a first five-year cycle for the School's Center for Circus Arts Research, Innovation and Knowledge Transfer (CRITAC). It also saw its future secured thanks to a tangible stamp of approval from the Natural Sciences and Engineering Research Council of Canada (NSERC), which renewed financial support for a second five-year term. Strongly rooted in this country's circus and research communities, today CRITAC can call upon the support of more than 40 industrial and institutional partners. They include companies like The 7 Fingers, Cirque du Soleil, Cirque Éloize, Machine de cirque and Cirque Alfonse, and 13 associate researchers and 15 universities.

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.

One of the many research projects undertaken over 2016-2017 focused on optimizing the training of circus artists, a three-year investigation then in its final year. Thanks to comprehensive data collected during that time, a wealth of information on students' physical and psychological condition will facilitate the study of such key issues as workload, injury prevalence among the disciplines, impact of preparation activities, and maintaining physical fitness. These research optimization-related initiatives led to two publications published during the year: "The making of expert performers

at Cirque du Soleil and the National Circus School: A performance enhancement outlook," published in the Journal of Sport Psychology in Action, and "The Introduction of Decision Training into an Elite Circus Arts Training Program," McGill-Queen's University Press. The final research report is expected during the 2017-2018 school year and will contribute to the development of an intervention plan aimed at the teaching and training of artists.

In addition, it was thanks to the support of CRITAC that teachers, students and researchers were granted access to fresh opportunities for research and creation. In the second of its three years of existence, the research project entitled Dramaturgie du corps, de l'objet et de l'interdisciplinarité dans le cirque québécois contemporain (Dramaturgy of the Body, Object and Interdisciplinarity in the Contemporary Quebec Circus) involved two artistic directors, and three teachers and 15 students of circus disciplines in research focusing on the artist's intended movements during the creation of a number. Concurrently, three teachers and 18 students will spend three weeks exploring circus apparatus in the context of the creation of a work for an artists' collective. The program is replete with initiatives that allow the School to reconnect with a long tradition of acrobatic and



dramaturgical research and creation.

Due in particular to the National Circus School Foundation's support, our student services have remained relevant and impactful:

- Relating to health, our partnership with the Kiné-Concept Institute of sports massage was renewed for a fifth consecutive year. More than 325 students received treatment, with an average of 26 treatments per student provided by the team of sports therapists at our clinic each year. As part of this team, a psychotherapist who joined mid-year also provided more than 55 hours of psychosocial support.
- The library is recognized as an international resource centre serving the School and a growing community of artists, creators and researchers. It welcomed 355 external visitors during the reference year, with a total of 16,677 visits and 1,884 consultations, an increase of 31%.
- The student residence housed 84 young people from across Canada and abroad at different times during the year. This service increases quality of life for minors enrolled in the School's various programs by providing comfortable and safe accommodations, and affordable and healthy food services.
- In addition to regular training, secondary and college-level students were able to take part in 43 creative, research or

professional insertion internships and in international exchange programs.

The 2016-2017 school year saw the retirement of two long-time employees to whom we are most grateful. Yves Dagenais, a clown artist, teaching pioneer, author and researcher, taught at the School for 18 years. Christian Dompierre, a great humanist and devoted aide to the student community, acted as registrar for nearly 10 years. In addition, that same year marked the 30-year career milestone at the School for Julie Lachance and Johanne Larose. The School was only five years old when they signed on, so these two long-time collaborators were part of our institution's genesis, serving as both its memory and incarnation. Julie, who began her career as a dance teacher and pedagogical director, now serves as an artistic advisor for students in the advanced programs and has worked on countless Annual Shows. Johanne is both mother to all School enrollees and the worker ant of the registrar department. We hope that the School will be able to enjoy the wealth of their contributions and of their profound dedication to student success and passion for the circus arts for many years to come.

A few weeks following the end of the 2016-2017 school year, Lili de Grandpré and David McAusland, chairs of the Boards of Directors of the National Circus School and Foundation respectively, announced that they would be passing the torch

Award-Winning National Circus School Alumni

Boris Fodella (2014), Zackary Arnaud (2014), Charlie Mach (2015) et Baptiste Clerc (2015)

Gold Medal, President de la République Award, Ville de Paris Award, Lido de Paris Award and Cirque du Soleil Award – Performance and Innovative artistic vision

37e Festival Mondial du Cirque de Demain, Paris, France – (Chinese Pole/Korean Board)

Korri Singh Aulakh (2015)

Silver Medal, 37e Festival Mondial du Cirque de Demain, Paris, France – (Swinging Trapeze)

Masha Terentieva (2008)

Bronze Medal, Telmondis Award and Club du Cirque Award, 37e Festival Mondial du Cirque de Demain, Paris, France – (Aerial Acrobatics)

Jérémy Vitupier & Antonin Wicky (2015)

Bronze Medal, Young Talent Award, Young Stage F, Bâle, Switzerland – (Clown Duet)



to the next generation of volunteer administrators. We salute the generosity, rigour and enthusiasm with which they both presided over the School and Foundation throughout their tenure. Their enlightened and unwavering governance has enabled our institution to continue its educational mission without faltering. They leave the legacy of an institution enjoying a brilliant reputation, strong and flourishing.

The School closed the books on its fiscal year by once again presenting balanced results, despite the stagnation of subsidies from the Quebec government and the School's reinvestment in teacher salaries. This equilibrium was maintained thanks to the increase in our own-source revenue and donations from the Foundation. In doing so, the proportion of revenues from both autonomous and private sources has remained stable at over 32 % of operating revenues.

The Foundation has bestowed more than \$540,000 on the School, contributing approximately \$373,000 to its overall operations, \$14,000 towards capital expenditures, and more than \$68,000 in scholarships. As well, thanks to increased investment income, the Foundation has been able to adequately support the School and help supplement student income from fiscal year revenues and maintain financial equilibrium.

I take this opportunity to congratulate the entire teaching staff and the creators, researchers and health team, plus the team that provides administrative, technical and production support and my close associates, all of whom are deeply committed to student success and circus community service.

My concluding remarks are directed towards all who, like Lili de Grandpré and David McAusland, have built our institution. Included must be our graduates and teachers who shine like beacons and inspire so many young people to strive for the highest level of excellence in the circus arts. Through all their efforts, the discipline continues to develop, a perpetual evolution that makes the School such an extraordinary institution!

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.

STUDENT Enrolment by Program

Professional studies	15-16	16-17	17-18
Preparatory Program	19	18	24
Circus and High School Studies - CES	30	25	22
Diploma of Higher Education - DEC-DEE	96	87	87
Creation and Exploration Workshop for Graduates	0	0	0
Teacher Training Programs - AEC Attestation of Collegial Studies	27	44	55
Total	172	174	188

Initiation Activities

Summer Camps	140	137	129
Recreational Program - Number of registration/Session	1002	1219	N/D
Total	1314	1530	N/D

Applications and Admissions 2016-2017

	2017-2018		Average of 5 years	
	Арр.	Admis	Арр.	Admis
Preparatory - Circus and High School Studies - CES	203	19	229	17
Diploma of Higher Education - DEC-DEE	247	40	242	41
Teacher Training Programs - AEC	55	55	38	35
Total	505	114	536	93

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 2017-2018 programs:

Aerial Angel, Australie
Atlantic Cirque, Nova-Scotia, Canada
Association Méga-Gym, Quebec, Canada
Circus Smirkus, VT, United States
Circus West, British-Colombia, Canada
Club de gymnastique Laval Excellence, Quebec, Canada
Club de gymnastique Les Réflexes, Quebec, Canada
École Horizon Soleil, Quebec, Canada
École nationale de cirque de Châtellerault, France
Halifax Circus School, Nova-Scotia, Canada

Monica's Gym, Manitoba, Canada San Francisco Circus Center, CA, United States Toronto School of Circus Arts, Ontario, Canada Vancouver Circus School, British-Colombia, Canada Zacada Circus School, Ontario, Canada





Andrei Anissimov and Emma Rogers, Hand to hand



Marlon Archer and Jenay Espinosa, Hand to hand



Tuedon Ariri, Aerial Straps



Vanessa Aviles, Tissu



Una Bennett, Rope



Julius Bitterling and César Mispelon, Hand to hand



Maxime Blanckaert and Nathan Briscoe, Russian Cradle



Éliza Gélinas-Lance, Aerial hoop



Virginie Gerbeau, Trapeze duet



Roxane Gilliand, Swinging Trapeze



Quentin Gréco and Evan Tomlinson Weintraub, Chinese hoops



Rosita Hendry, Rope



Florian Jeannot, Balancing



Louis Joyal and Samuel Renaud, Russian Cradle



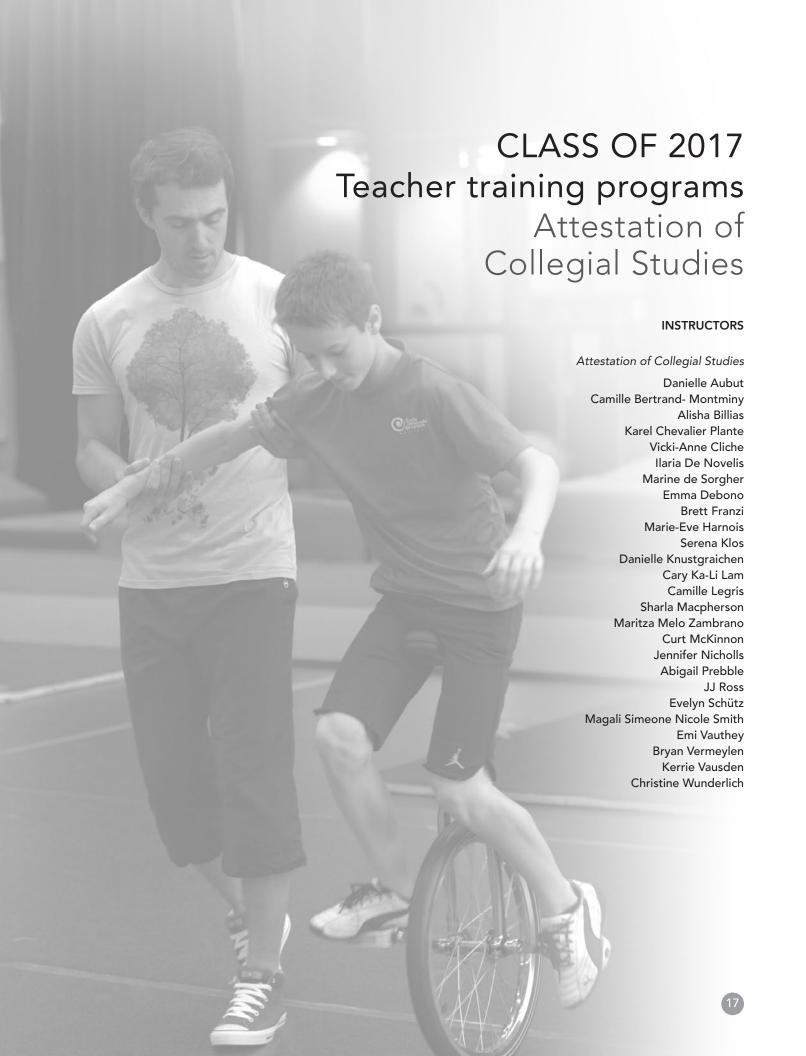
Cory Marsh, Cyr Wheel



Angela McIlroy-Wagar, Aerial hoop



Célia Milesi, Aerial Straps





Financial statements of École nationale de cirque

June 30, 2017

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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.

October 5, 2016

itte UP

¹ CPA auditor, CA, public accountancy permit no A116671

	Schedule	2017	2016
		\$	\$
Devenue			
Revenue Grants and contributions	Α	4,079,892	4,103,957
Tuition fees	A	1,116,173	1,103,470
Contract for training services		18,880	3,565
Rental of premises and equipment		345,757	337,422
Shows and festivals		212,008	163,036
Donations from Fondation de l'École nationale		,	,
de cirque	В	540,129	539,206
Hosting services		171,620	173,558
Amortization of deferred capital assets grants		495,843	494,813
Amortization of deferred capital assets donations		42,820	42,820
Other		26,507	18,846
		7,049,629	6,980,693
F			
Expenses Salaries and fees		4,232,264	4,099,410
Fringe benefits		573,853	563,100
Professional fees		331,158	446,820
Supplies and purchases		446,209	439,735
Travel, communications and information		283,024	257,584
Contract services		319,204	317,149
Rental equipment		76,356	73,063
Students financial assistance		68,050	75,400
Insurance and permits		35,673	34,352
Maintenance of equipment and building		23,910	25,474
Bad debts		6,485	3,756
Financial expenses		11,487	13,225
Amortization of capital assets		640,764	635,827
		7,048,437	6,984,895
Excess (deficiency) of revenue over expenses		1,192	(4,202)

	Invested in capital assets	Restricted	Unrestricted	2017	2016
	\$	\$	\$	\$	\$
Balance, beginning of year Excess (deficiency) of revenue	1,293,803	53,568	(603,820)	743,551	747,753
over expenses	_	_	1,192	1,192	(4,202)
Purchase of capital assets Amortization of	105,585	-	(105,585)	_	_
capital assets	(640,764)	-	640,764	_	_
Grants and donations related to capital assets Amortization of deferred capital assets grants and	(18,378)	-	18,378	-	_
donations	538,663	_	(538,663)	_	
Balance, end of year	1,278,909	53,568	(587,734)	744,743	743,551

	Notes	2017	2016
		\$	\$
Annaha			
Assets Current assets			
Cash		303,838	_
Term deposit, at a rate of 0.8%		505,744	518,199
Accounts receivable	4	1,016,534	730,955
Operating and project grants receivable	4	28,305	90,000
Current portion of grants and donations related to capital		20,303	30,000
assets receivable	6	97,628	1,947,665
Prepaid expenses		52,487	45,991
		2,004,536	3,332,810
Grants and donations related to capital assets receivable	6	1,758,637	_
Capital assets	7	20,273,914	20,809,093
		24,037,087	24,141,903
Liabilities			
Current liabilities			
Bank overdraft		_	25,586
Accounts payable and accrued liabilities	9	615,720	573,601
Deferred revenue		183,993	161,558
Operating grants payable	5	436,414	179,931
Deferred operating grants		1,204,947	994,721
Current portion of long-term debt	11	97,628	86,974
Current portion of long-term debt to be renewed in the			1 000 001
next fiscal year	11	2 520 702	1,860,691
		2,538,702	3,883,062
Deferred capital assets grants and donations	2 1 10	18,995,005	19,515,290
Long-term debt	3 and 10	1,758,637	19,515,290
Long term debt	11	23,292,344	23,398,352
		23,232,344	25,550,552
Net assets			
Invested in capital assets		1,278,909	1,293,803
Restricted		53,568	53,568
Unrestricted		(587,734)	(603,820)
		744,743	743,551
		24,037,087	24,141,903

On behalf of the Board , Directo , Directo

	Notes	2017	2016
		\$	\$
Operating activities			
Excess (deficiency) of revenue over expense Items not affecting cash		1,192	(4,202)
Amortization of deferred capital assets grants		(495,843)	(494,813)
Amortization of deferred capital assets donations		(42,820)	(42,820)
Amortization of capital assets		640,764	635,827
		103,293	93,992
Changes in non-cash-operating working capital items	12	300,883	(327,199)
		404,176	(233,207)
Financing activities			
Repayment of long-term debt		(91,400)	(86,406)
Cashed capital assets grants		91,400	91,406
Cashed deferred capital assets grants		18,378	299
		18,378	5,299
Investing activities			
Purchase of capital assets		(105,585)	(118,402)
Net increase (decrease) in cash and cash equivalents		316,969	(346,310)
Cash and cash equivalents, beginning of year		492,613	838,923
Cash and cash equivalents, end of year		809,582	492,613

See additional information presented in Note 12.

1. Description of the Institution

École nationale de cirque (the "Institution"), a non-for-profit organization, was incorporated under Part III of the *Companies Act* (Québec) 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 Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

The Institution's 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. 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

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit 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. Balance sheet reclassification

The current portion of deferred capital assets grants and donation of prior year has been reclassified to long-term liability to conform with the current year's presentation. An amount of \$ 571,774 has been reclassified in the long-term liabilities for the year ended June 30, 2016.

4. Accounts receivable

Donation receivable – Fondation de l'École nationale de cirque Accounts receivable – Fondation de l'École nationale de cirque Accounts receivable – other Sales taxes

2017	2016
\$	\$
810,877	513,992
_	1,958
180,909	185,142
24,748	29,863
1,016,534	730,955

5. Operating grants payable

Balance, beginning of year Revenue Collections Balance, end of year

Schedule	2017	2016
	\$	\$
	170.001	
	179,931	_
Α	(1,754,818)	(1,771,532)
	2,011,301	1,951,463
	436,414	179,931

6. Grants and donations related to capital assets receivable

Grant from ministère de la Culture et des Communications du Québec Current portion

Note	2017	2016
	\$	\$
11	1,856,265	1,947,665
	97,628	1,947,665
	1,758,637	_

7. **Capital assets**

Land
Building
Office furniture
Training equipment
Computer equipment
Interior layout
Exterior layout
Audiovisual equipment
Apparatus and tools
Medical services
equipment
Integrated equipment
Scene equipment

		2017	2016
Cost	Accumulated amortization	Net book value	Net book value
\$	\$	\$	\$
			4.5.050
16,069	-	16,069	16,069
26,124,547	6,380,716	19,743,831	20,265,046
241,372	219,726	21,646	29,972
499,159	275,350	223,809	208,746
155,324	124,568	30,756	47,293
31,467	4,670	26,797	27,846
21,169	10,567	10,602	12,962
54,098	36,093	18,005	13,726
153,194	95,627	57,567	63,098
20,615	10,065	10,550	1,525
161,062	48,880	112,182	118,122
12,639	10,539	2,100	4,688
27,490,715	7,216,801	20,273,914	20,809,093

8. 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% (3.95% as at June 30, 2017), guaranteed by a first-ranking hypothec on the building and the universality of present and future receivables, renewable annually. As at June 30, 2017, the bank loan was unused.

9. Accounts payable and accrued liabilities

Accounts payable – Fondation de l'École nationale de cirque Accounts payable Salaries and employee benefits Government remittances payable

2017	2016
\$	\$
21,825	35,034
159,652	132,281
226,548	195,008
207,695	211,278
615,720	573,601

10. Deferred capital assets grants and donations

			2017	2016
	Grants	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Grant from the ministère de la Culture et des Communications du Québec	19,652,045	5,106,171	14,545,874	14,944,230
Grant from the ministère du Patrimoine canadien Capitalized interest Donations from the	1,899,564 1,524,028	369,391 411,492	1,530,173 1,112,536	1,575,231 1,143,017
Fondation de l'École nationale de cirque Grant from the Conseil de	2,208,000	482,470	1,725,530	1,768,350
recherche en sciences humaines du Canada Grant from the Conseil de	29,116	7,923	21,193	8,410
recherches en sciences naturelles et en génie du Canada Grant from the ministère de l'Éducation et	64,775	35,813	28,962	41,470
de l'Enseignement supérieur Bid revenue	29,142 12,150	9,397 2,667	19,745 9,483	23,516 9,522
Others	1,772	263	1,509	1,544
,	25,420,592	6,425,587	18,995,005	19,515,290

11. Long-term debt

	2017	2016
	\$	\$
Term loan, 3.86%, payable by semi-annual instalments of \$84,165, principal and interest, renewable in November 2021, secured by a first-ranking hypothec on the building and the universality of present and future receivables (1)	1 856,265	1,947,665
Current portion of long-term debt to be renewed in the next fiscal year	_	1,860,691
Current portion of long-term debt	97,628	86,974
	1,758,637	

Under the terms of the loan agreement, the grant receivable from the ministère de la Culture et des Communications du Québec (Note 6) will be used to reduce the principal repayments. Interests are also funded by the Ministère.

\$

Principal payments required on the long-term debt over the next years are as follows:

2018	97,628
2019	101,433
2020	105,386
2021	109,493
2022	1,442,325

12. Additional information relating to the statement of cash flows

Changes in non-cash operating-working capital items

	2017	2016
	\$	\$
Accounts receivable	(285,579)	143,584
Operating and projects grants receivable	61,695	(90,000)
Prepaid expenses	(6,496)	(3,679)
Accounts payable and accrued liabilities	42,119	(131,150)
Deferred revenue	22,435	(6,149)
Operating grants payable	256,483	179,931
Deferred operating grants	210,226	(419,736)
	300,883	(327,199)
Cash and cash equivalents		
•		
Cash (bank overdraft)	303,838	(25,586)
Term deposit	505,744	518,199
	809,582	492,613

École nationale de cirque

Notes to the financial statements June 30, 2017

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, 2017, the most significant financial liabilities are 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.

Credit risk

The Institution provides credit to its customers in the ordinary course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts. Valuations are performed on a regular basis and provisions for contingent credit losses are maintened.

15. Comparative figures

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

École nationale de cirque

Schedules A – Grants and contributions

Year ended June 30, 2017

	2017	2016
	\$	\$
Operating Ministère de l'Éducation et de l'Enseignement		
supérieur	1,754,818	1,771,532
Ministère de la Culture et des Communications du Québec	1,035,000	1,035,000
Ministère du Patrimoine canadien	1,000,000	900,000
	3,789,818	3,706,532
Projects Conseil de recherche en sciences humaines du		
Canada	188,886	149,324
Fonds de recherche du Québec – société et culture Ministère de l'Éducation et de l'Enseignement	16,175	11,825
supérieur	8,303	28,778
Ministère des Relations internationales et de la Francophonie du Québec	_	4,000
Agropur – Division Natrel	_	62,000
Université de Montréal	38,510	141,498
Emploi Québec	7,600	_
Campus Notre-Dame-de-Foy	30,600	
	290,074	397,425
	4,079,892	4,103,957

Schedule B – Donations from Fondation de l'École nationale de cirque Year ended June 30, 2017

	2017	2016
	\$	\$
Operations	372,950	340,000
Students scholarships	68,050	75,400
Fundraising activities	84,799	85,273
Goods and services	14,330	38,533
	540,129	539,206





NATIONAL CIRCUS SCHOOL FOUNDATION

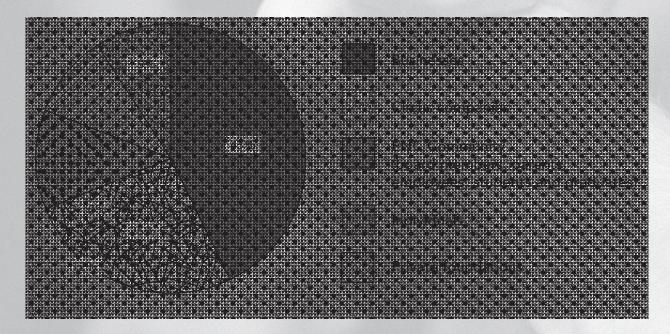
FOUNDATION REPORT



The École nationale de cirque (ÉNC) Foundation provides the ÉNC 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 ÉNC offers talented young people the best possible programs and services.

2016-2017 Fundraising Revenue Sources

Revenue from private fundraising in 2016-2017 totalled \$325,000 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 ÉNC and its students. Further information can be found on page 2 of the audited financial statements of the ÉNC Foundation included in this report.

2016-2017 Fundraising DONORS

Each year, our donors show their support for the ÉNC Foundation by participating in various fundraising campaigns and activities. The generosity of many individuals, companies, foundations and volunteers enables the Foundation to support the ÉNC 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 \$25,000 - \$49 999 RBC Foundation

PATRONS CIRCLE \$10,000 - \$24,999

Dessercom Solotech

PARTNERS CIRCLE \$5,000 - \$9,999

Bell Canada
Borden Ladner Gervais
David Forest Financial Services
Lili de Grandpré
Distinctive Appliances
KPMG
McCarthy Tétrault
National Bank of Canada
Briand & Carol O'Sullivan
Power Corporation of Canada
Rio Tinto

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

Anonymous (2)
National Bank Private Banking 1849
Bombardier
Cascades Canada
Cirque Éloize
Cogeco Communications inc.
Deloitte Canada
Léonne DuPerré
EMM Williams Productions
Employees of the National Circus
School
Employees of Cirque du Soleil
Endo family

Farris, Vaughan, Wills & Murphy Fondation Daniel Lamarre Fondation Marc Bourgie Gildan

Patricia et Rhodri Harries

Irving Mitchell Kalichman Catherine Laurin Le Cabinet de relations publiques NATIONAL

Le Groupe Maurice Lune Rouge Innovation Inc. David L. McAusland Micro Logic Newmark Knight Frank Devencore Norton Rose Fulbright OneDrop Outbox Technology RailTerm

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

Sid Lee

Anonymous

Patrice Aubertin Julie et Claude Bédard Roger Berthelot Sylvie Bovet Jeannette et William Buholzer Caisse d'économie Solidaire Desjardins CGI Chernos Flaherty Svonkin Cisco Systems Gestion d'actifs Burgundy Groupe M Bacal Sébastien Guénette Hewitt Équipement Roger Hobden Éric Langlois Lavery Avocats Les Productions Feeling Robert C. Nadeau W. Niels Ortved Ovivo Howard Richard Christophe Rousseau S.P.I.N. inc. James Tanabe

SUPPORTERS CIRCLE \$500 - \$999

Action Sport Physio Centre-Ville Aird & Berlis Amalgame Coaching Amyot Gélinas Aon Parizeau Daniela Arendasova BCF Bruno Bougie Claude Bourgie Bovet Caisse Desjardins du Centre-est de la métropole Canadian Wood Products Germain Carrière Curtis Dawe Suzanne de Grandpré Bruno Duguay EBI Montréal Inc. Oana Frumosu Peter Guay Mary Hagerman

Jennifer Hum Maryse Janelle JTI-Macdonald Corp. KCMN Velan Foundation Yasmine Khalil Dean Kriellaars Marie Langlois Suzanne Langevin and Guy Lapierre Lapointe Magne et associés Anthony Layton Le Vin dans les voiles John LeBoutillier Stéphane Lefebvre 7 Fingers Geoffrey Morrison Bernard Petiot Placements Montrusco Bolton Télésysteme Jonathan Tétrault Patrice Trottier Vézina assurances Richard Wilson Pierrette Wong Tessie Yanez

FRIENDS CIRCLE \$100 - \$499

Mélanie Allaire

Anonymous (7)

Augustine Ariri

Tuedon Ariri

Anna-Karyna Barlati Audrée Pénélope Bc David Bernbaum Jean-François Bouchard Christine Bouchard Pierre Bovet Yury Bozyan Brenton Kean Élise Brosseau Cinéma Beaubien Marilou Cousineau Julie Couture Kyle Craale Johanne De Champlain Marie-Thérèse Dugré Mélanie Dupuis Sylvie François Isabelle Garneau Daniel Gauthier Lvn Heward Russell Hiscock Il Paradiso fleuriste Nicolas Jelmoni Peter E. Johnson Rebecca Kennedy Carole Labelle Molson Éric Lacombe Patrice Lajeunesse

Éric Lapierre Gilles Lapointe Le Four à bois d'Orford Patricia Lemaire Louis Garneau Sports Frederico Boris Luliani Charlie Mach Frédéric Nadeau Sopha Nem Charlotte O'Sullivan Guillaume Paquin Roch Parent Natasha Patterson Gabriel Pinkstone Wendy Reid Constance Rinaldo Samuel Roy Réjean Sauvageau Anton Schlemm Pierre Senez Jérôme Simard Adriana Suarez Sun Life Financial Karl Tabbakh Alexander Taylor Samuel Tétrault TOHU Luc Tremblay Laurence Tremblay-Vu Marie Trottier Martin and Carmen Tschofen

VOLONTEERS CIRCLE \$20 - \$99

Maxime Turcotte

Stephanie Yared

January Wolodarsky

Betsy Weill

Anonymous (5) Susan Biddlecomb Sabine Canel Lucie Champoux Alex Chan Anik Couture Yves Dagenais Aubert Gallant Annie Germaine Cynthia Hamilton Sylvain Lafortune Pascale Lalonde Debra Landa Marie-France Bruyère et Martin L'Abbé Louise Marois Christine Naet Productions MED **Brigitte Scherrer** Véronique Thibeault

The Impact of Contributions

The ÉNC Foundation 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 ÉNC.

Including bursaries awarded to students, the Foundation gave the ÉNC more than \$455,000 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 nearly 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 nearly 80 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.

Allocation of Contributions to the École nationale de cirque YEARS 2016-2017



BURSARY Program

The ÉNC Foundation 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 2016-2017, more than one quarter of students enrolled in a full-time program benefited from the Foundation's financial assistance.

A total of \$68,050 was divided among 35 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 \$717,260 to 356 recipients.

I thank with all my heart the ÉNC 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

My education at the ÉNC taught me that the possibilities are endless if I work hard to achieve my goals. But I was not alone; both the ÉNC and the Foundation helped me realize my aspirations.

> Bridie Hooper, 2012 Graduate Rosebank, Australia Artist, Circa Contemporary Circus

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

⟨⟨ The Foundation's bursaries were a great help to me. Being able to devote myself 100% to my training and let my creative universe evolve without money worries made my four years training a resounding success! Thank you so much for your support. Few people have the chance to realize their wildest dreams in life I do.⟩⟩

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, student AEC 2016-2017 Ontario, Canada Financial Statements of the

NATIONAL CIRCUS SCHOOL FOUNDATION

Year ended June 30, 2017



KPMG LLP

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

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, 2017, 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, 2017 and June 30, 2016, 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, 2016.

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, 2017, 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.

October 4, 2017

KPMG LLP.

Montréal, Canada

Financial Statements

Year ended June 30, 2017

Financial Statements

Statement of Financial Position	1
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Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

Statement of Financial Position

June 30, 2017, with comparative information for 2016

						2017	2016
	Ма	Asset intenance Fund	Bursaries Fund	nrestricted indowment Fund	Adminis- tration Fund	Total	Total
Assets							
Current assets:							
Cash	\$	-	\$ -	\$ -	\$ 114,851	\$ 114,851	\$ 173,646
Amount receivable from the National Circus School		_	_	_	21,825	21,825	35,034
Amount receivable from						500.054	540 574
Bursaries Fund Amount receivable from		_	_	_	586,854	586,854	512,574
Asset Maintenance Fund		-	-	-	73,355	73,355	71,276
Amount receivable from Unrestricted Endowment							
Fund		-	-	-	49,155	49,155	39,740
Receivables Prepaid		_	_	_	36,766 248	36,766 248	21,623
Inventory		-	-	-	2,655	2,655	2,655
		_	-	-	885,709	885,709	856,548
Investments (note 2) Capital assets (note 3)		551,340 –	1,950,792	2,213,345	521,542 4,257	5,237,019 4,257	4,763,662 7,094
	\$	551,340	\$ 1,950,792	\$ 2,213,345	\$ 1,411,508	\$ 6,126,985	\$ 5,627,304
Liabilities and Net Assets							
Current liabilities:							
Contribution payable to the National Circus School	\$	_	\$ _	\$ _	\$ 810,882	\$ 810,882	\$ 515,950
Payable to Administration Fund		73,355	586.854	49,155	_	709,364	623,590
Accounts payable		· –	_	· –	1,706	1,706	762
Deferred revenue			_	_			75,000
		73,355	586,854	49,155	812,588	1,521,952	1,215,302
Net assets		477,985	1,363,938	2,164,190	598,920	4,605,033	4,412,002
	\$	551,340	\$ 1,950,792	\$ 2,213,345	\$ 1,411,508	\$ 6,126,985	\$ 5,627,304

See accompanying notes to financial statements.

Approved by the Board:

....

Statement of Operations

Year ended June 30, 2017, with comparative information for 2016

							2017	2016
	Asset Maintenance Fund	Bu	rsaries Fund		estricted owment Fund	Adminis- tration Fund	Total	Total
Revenues: Annual campaign	\$ -	\$	-	\$	-	\$ 142,281	\$ 142,281	\$ 167,368
Benefit event:						00 700	00 700	
Tickets - with receipts	_		-		_	66,700 26,475	66,700	57,775
Tickets - without receipt Contributions	_		_		_	48.309	26,475 48,309	16,125 48,985
Sponsorship	_		_		_	11,204	11,204	15,830
Auction	_		_		_	3,220	3,220	-
Other contributions	-		-		-	30,000	30,000	200
Realized investment	47.045		C4 C74		77.044	45.005	400 400	470 450
revenues	17,215		51,574		77,944	45,695	192,428	173,156
Change in unrealized gain on investments	27,944		83,718		126,526	43,616	281,804	(121,992)
on investments								
	45,159	1.	35,292	•	204,470	417,500	802,421	357,447
Expenses:								
Funding:								
Fundraising campaign	-		-		-	3,363	3,363	3,335
Benefit event	-		-		-	44,928	44,928	30,247
Operating expenses:						10 = 11	40 = 44	0.000
Professional fees	-		-		-	10,514	10,514	6,000
Office expenses	-		-		-	4,007	4,007	4,642
Public relations						2.752	2.752	472
expenditures	_		_		_	2,753 858	2,753 858	473
Bank charges Management fees	2,079		6,230		9,415	(17,724)	000	1,015
Amortization of	2,079		0,230		9,415	(17,724)		
capital assets	_		_		_	2,837	2,837	1,419
Bad debt	_		_		_	2,007	2,007	550
	2,079		6,230		9,415	51,536	69,260	47,681
	2,070				0,110	01,000	00,200	17,001
Excess of revenues over								
expenses before contributions								
and bursaries	43,080	1:	29,062		195,055	365,964	733,161	309,766
Contaile diam to the National								
Contribution to the National						207.000	207.000	240.000
Circus School	_		_		-	367,000	367,000	340,000
Contribution for fund								
development	-		-		-	84,799	84,799	85,273
Student bursaries - ENC	_		68,050		-	-	68,050	75,400
Contribution - Goods								
and services	_		_		_	14,331	14,331	38,533
Contribution - Healthcare	_		_		_	5,950	5,950	-
						3,330	5,550	
Excess of revenues over								
expenses (expenses over								
revenues)	\$ 43,080	\$	61,012	\$	195,055	\$ (106,116)	\$ 193,031	\$ (229,440)

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended June 30, 2017, with comparative information for 2016

						2017
	Ма	Asset intenance Fund	Bursaries Fund	Unrestricted Endowment Fund	Adminis- tration Fund	Total
Balance, beginning of year	\$	434,905	\$ 1,302,926	\$ 1,969,135	\$ 705,036	\$ 4,412,002
Excess of revenues over expenses (expenses over revenues)		43,080	61,012	195,055	(106,116)	193,031
Balance, end of year	\$	477,985	\$ 1,363,938	\$ 2,164,190	\$ 598,920	\$ 4,605,033
						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

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended June 30, 2017, with comparative information for 2016

	2017	2016
Cash flows from operating activities:		
Excess of revenues over expenses (expenses over revenues) Adjustments for:	\$ 193,031	\$ (229,440)
Change in unrealized gain on investments Amortization of capital assets	(281,804) 2,837	121,992 1,419
·	(85,936)	(106,029)
Net change in non-cash operating working capital:		
Amount receivable from the National Circus School	13,209	40,536
Receivables	(15,143)	11,728
Prepaid	(248)	795
Contribution payable to the National Circus School	294,932	(98,214)
Accounts payable Deferred revenue	944	(3,825)
Deterred revenue	(75,000)	
	218,694	(48,980)
	132,758	(155,009)
Cash flows (used in) from investing activities:		
Additions to investments	(191,553)	(171,967)
Cashing in of an investment	- '	245,000
Acquisition of capital assets	-	(8,513)
	(191,553)	64,520
Net decrease in cash	(58,795)	(90,489)
Cash, beginning of year	173,646	264,135
Cash, end of year	\$ 114,851	\$ 173,646

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended June 30, 2017

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, 2017

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 \$4,841,200 (2016 - \$4,385,792) held in investment funds of the Foundation of Greater Montréal and Épargne Placements Québec bond of \$395,819 (2016 - \$377,870).

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, 2017

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, 2017, the fair value of the fund was \$1,309,669 (2016 - \$1,245,003).

3. Capital assets:

			2017
	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 8,513	\$ 4,256	\$ 4,257
			2016
	Cost	Accumulated depreciation	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

Notes to Financial Statements, Continued

Year ended June 30, 2017

5. Contributions:

Among all the contributions collected during the year, contributions for which tax receipts were issued were totaling \$273,323 (2016 - \$223,314). A total of \$34,050 was received from other registered charities during the year.

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 \$5,237,019 (2016 - \$4,763,662) and are subject to market volatility risk.

(d) Credit risk:

As at June 30, 2017, 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, 2017, the Foundation complies with the requirements.



