

National Theatre School of Canada
Financial Statements
July 31, 2020

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Independent Auditor's Report

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To the Board of Directors of
National Theatre School of Canada

Opinion

We have audited the financial statements of National Theatre School of Canada (hereafter "the Organization"), which comprise the statement of financial position as at July 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Montréal
November 13, 2020

¹ CPA auditor, CA public accountancy permit no. A117472

National Theatre School of Canada Operations

Year ended July 31, 2020

	General Administration		Restricted Funds (Schedule A)		Endowment Fund (Schedule B)		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Grants (Note 5)	5,926,572	5,167,048	2,500	1,566,115			5,929,072	6,733,163
Private donations (Note 6)	753,904	1,220,380	57,073	55,652	63,633	1,118,038	874,610	2,394,070
Self-generated revenue (Note 7)	1,515,753	2,497,175					1,515,753	2,497,175
Community foundations (Note 8)	131,401	167,665	132,690	53,569			264,091	221,234
Net investment income (Note 9)	46,615	60,698	(412,573)	(294,786)			(365,958)	(234,088)
	8,374,245	9,112,966	(220,310)	1,380,550	63,633	1,118,038	8,217,568	11,611,554
Expenses								
Teaching staff								
Salaries, employee benefits and fees	3,140,172	3,207,533					3,140,172	3,207,533
Allowances	168,528	216,109					168,528	216,109
Buildings								
Salaries and employee benefits	65,800	72,608					65,800	72,608
Operating expenses	414,307	415,769					414,307	415,769
Teaching equipment	62,996	38,929					62,996	38,929
Public performances	143,838	242,725					143,838	242,725
Stores								
Salaries and employee benefits	58,563	53,940					58,563	53,940
Supplies	29,138	70,252					29,138	70,252
Library								
Salaries and employee benefits	208,695	213,803					208,695	213,803
Books and supplies	35,153	41,522					35,153	41,522
Training initiatives	202,220	178,746					202,220	178,746
Auditions and communications								
Salaries and employee benefits	453,985	521,023					453,985	521,023
Audition tours	9,881	25,626					9,881	25,626
Communications	262,897	265,961					262,897	265,961
Monument-National (Note 10)	1,373,338	1,714,629					1,373,338	1,714,629
Administration								
Salaries and employee benefits	1,075,640	847,388					1,075,640	847,388
Professional fees	217,074	305,679					217,074	305,679
Supplies	71,952	65,820					71,952	65,820
Information technology	72,173	68,852					72,173	68,852
Reception and meeting expenses	22,314	32,550					22,314	32,550
Other	51,771	218,019					51,771	218,019
Cafeteria								
Salaries and employee benefits	47,213						47,213	
Cafeteria fees	41,538						41,538	
Partnerships and community initiatives								
Partnerships	2,000	2,000					2,000	2,000
Community initiatives	48,056						48,056	
Amortization of tangible capital assets			775,531	792,187			775,531	792,187
Bursaries and funds allocated			591,405	627,126			591,405	627,126
Pension plan expense (Notes 22)	261,000	270,000					261,000	270,000
	8,540,242	9,089,483	1,366,936	1,419,313	-	-	9,907,178	10,508,796
Excess (deficiency) of revenues over expenses	(165,997)	23,483	(1,587,246)	(38,763)	63,633	1,118,038	(1,689,610)	1,102,758

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

National Theatre School of Canada

Changes in Fund Balances

Year ended July 31, 2020

	General Administration Fund			Restricted Funds (Schedule A)		Endowment Fund (Schedule B)		Total		
	2020	2019		2020	2019	2020	2019	2020	2019	
	Unrestricted	Internally restricted (Note 21)	Total	Total	Total	Total	Total	Total	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance, beginning of year		3,090,513	3,090,513	2,946,030	31,884,569	31,923,332	14,328,413	13,210,375	49,303,495	48,079,737
Excess (deficiency) of revenues over expenses	(165,997)		(165,997)	23,483	(1,587,246)	(38,763)	63,633	1,118,038	(1,689,610)	1,102,758
Remeasurements and other items (employee future benefits)	108,000		108,000	121,000					108,000	121,000
Contribution – Community foundations (Note 8)							(500,000)		(500,000)	
Interfund transfer	57,997	(57,997)								
Balance, end of year	–	3,032,516	3,032,516	3,090,513	30,297,323	31,884,569	13,892,046	14,328,413	47,221,885	49,303,495

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

National Theatre School of Canada

Cash Flows

Year ended July 31, 2020

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenues over expenses of the General Administration Fund and Restricted Funds	(1,753,243)	(15,280)
Non-cash items		
Remeasurements and other items (employee future benefits)	108,000	121,000
Employee future benefit asset	(108,000)	(141,000)
Amortization of tangible capital assets	775,531	792,187
Net change in fair value of investments	875,489	1,678,268
	<u>(102,223)</u>	<u>2,435,175</u>
Net change in working capital items (Note 11)	1,657,512	(317,400)
Cash flows from operating activities	<u>1,555,289</u>	<u>2,117,775</u>
INVESTING ACTIVITIES		
Disposal of investments	15,330,552	23,641,709
Investments	(15,714,566)	(24,101,097)
Contribution – Community foundations (Note 8)	(500,000)	
Acquisition of tangible capital assets	(263,393)	(2,782,735)
Cash flows from investing activities	<u>(1,147,407)</u>	<u>(3,242,123)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(57,005)	(98,531)
Private donations to the Endowment Fund	63,633	1,118,038
Long-term debt		309,590
Government grants receivable	(72,206)	(225,059)
Cash flows from financing activities	<u>(65,578)</u>	<u>1,104,038</u>
Net increase (decrease) in cash	342,304	(20,310)
Cash, beginning of year	125,259	145,569
Cash, end of year	<u>467,563</u>	<u>125,259</u>

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

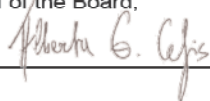
National Theatre School of Canada
Financial Position
July 31, 2020

				2020	2019
	General Administration Fund	Restricted Funds (Schedule A)	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash	467,563			467,563	125,259
Trade and other receivables (Note 12)	84,504	43,631		128,135	175,557
Prepaid expenses	28,265			28,265	27,624
Advance to the General Administration Fund, without interest		77	2,161		
Advance to Restricted Funds, without interest	62,193				
Current portion of government grants receivable (Note 13)	169,461	59,396		228,857	97,255
	811,986	103,104	2,161	852,820	425,695
Long-term					
Government grants receivable (Note 13)		1,511,140		1,511,140	1,570,536
Investments (Note 14)	4,989,590	9,522,652	13,889,885	28,402,127	28,893,602
Tangible capital assets (Note 15)		20,793,156		20,793,156	21,361,798
Defined benefit asset (Note 22)	948,000			948,000	840,000
	6,749,576	31,930,052	13,892,046	52,507,243	53,091,631
LIABILITIES					
Current					
Trade payables and other operating liabilities (Note 17)	632,295			632,295	759,259
Refundable deposits	14,036			14,036	14,861
Government grants received in advance (Note 18)	1,582,754			1,582,754	105,442
Advance from the General Administration Fund, without interest		62,193			
Advance from Restricted Funds, without interest	77				
Advance from the Endowment Fund, without interest	2,161				
Deferred contributions and revenues (Note 19)	1,485,737			1,485,737	1,281,033
Current portion of long-term debt		59,396		59,396	57,005
	3,717,060	121,589	-	3,774,218	2,217,600
Long-term					
Long-term debt (Note 20)		1,511,140		1,511,140	1,570,536
	3,717,060	1,632,729	-	5,285,358	3,788,136
FUND BALANCES					
Invested in tangible capital assets		20,744,431		20,744,431	20,996,485
Externally restricted		8,975,920	12,347,903	21,323,823	23,000,382
Internally restricted (Note 21) (Schedule B)	3,032,516	576,972	1,544,143	5,153,631	5,306,628
	3,032,516	30,297,323	13,892,046	47,221,885	49,303,495
	6,749,576	31,930,052	13,892,046	52,507,243	53,091,631

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

On behalf of the Board,

Director



Director



National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization, incorporated under Part III of the Companies Act (Quebec), offers professional training in English and French in theatre arts: acting, directing, playwriting, set and costume design, and technical production. The Organization is a registered charity under the Income Tax Act.

2 - ACCOUNTING CHANGE

On August 1, 2019, the Organization applied Section 4433, Tangible Capital Assets Held by Not-for-profit Organizations, of Part III of the *CPA Canada Handbook – Accounting*. This section replaces Section 4431 of the same name. In accordance with this new section, not-for-profit organizations are now required to comply with the guidance in Sections 3061, Property, Plant and Equipment, and 3110, Asset Retirement Obligations, and with the reporting requirements of Section 3063, Impairment of Long-lived Assets, of Part II of the *CPA Canada Handbook – Accounting*, except for the guidance in Section 4433.

Application of Section 3061 by not-for-profit organizations now requires that they consider the guidance on componentization of the cost of an item of property, plant and equipment made up of significant separable component parts. For its part, Section 4433 presents new tangible capital assets impairment standards.

In accordance with the transitional provisions, this new section, applicable to years beginning on or after January 1, 2019, has been applied prospectively.

Application of this new section did not have any impact on the Organization's financial statements.

3 - IMPACTS RESULTING FROM THE COVID-19 PANDEMIC

In March 2020, the decree of a COVID-19 state of pandemic and the numerous measures put in place by the federal, provincial and municipal governments to protect the public had impacts on the Organization's operations. Among others, these measures resulted in the complete closure of the Monument-National as of March 25, 2020, due to directives issued by the Quebec government. This crisis is likely to cause significant changes to the assets or liabilities in the coming year or have a significant impact on future operations.

Among the measures designed to alleviate the repercussions of this crisis, the Organization is eligible for a grant under the Canada Emergency Wage Subsidy program and has applied for an \$833,062 subsidy for the March 15, 2020 to July 31, 2020 period and a \$173,175 subsidy for the August 1, 2020 to August 29, 2020 period.

The Organization also qualified for a grant from Canadian Heritage under the Emergency Support Fund for Cultural, Heritage and Sport Organizations. During the year, the Organization received a contribution of \$1,125,000 related to this grant. The grant was deferred to the next fiscal year (Note 18).

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

3 - IMPACTS RESULTING FROM THE COVID-19 PANDEMIC (Continued)

At the date of completion of the financial statements, management was not able to assess how quickly the Organization's activities will return to normal or the financial impact of these events at this time.

4 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for common shares and mutual funds which are measured at fair value and bonds, money market securities and Treasury bills which the Organization has elected to measure at fair value by designating that fair value measurement shall apply.

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting

Assets, liabilities, revenues and expenses relating to the Organization's general activities and to providing financial assistance through emergency loans to students of the Organization who need short-term financial support are reported in the General Administration Fund.

Assets, liabilities, revenues and expenses relating to capital assets are reported in the Capital Asset Fund.

Assets, liabilities, revenues and expenses relating to providing financial assistance through bursaries to students who are facing financial difficulties, which could jeopardize the completion of their training at the Organization, are reported in the Bursary Fund. This financial assistance is complementary to government assistance programs.

Assets, liabilities, revenues and expenses relating to invited playwrights in residence at the Organization, in order to promote the development of new English-language plays, are reported in the Playwriting Chair Fund.

Assets, liabilities, revenues and expenses relating to supporting activities of research, production and training in the area of directing are reported in the Directing Chair Fund.

Assets, liabilities, revenues and expenses relating to enriching the teaching and voice coaching for the students through the recruitment of specialists who will provide vocal technique and diction master classes and intensive workshops are reported in the Philippe-Casgrain Fund.

Assets, liabilities, revenues and expenses relating to invited specialists, partnerships or purchases and rentals required for an increasingly advanced integration of new stage technologies for training students in show production are reported in the Creation and Technology Fund.

Assets, liabilities, revenues and expenses relating to the cultural and theatre outings offered to the students, namely, visits to the Stratford Shakespeare Festival and the Shaw Festival, are reported in the Suzanne-Grossmann Fund.

Assets, liabilities, revenues and expenses relating to supporting pilot programs and partnership opportunities to create the Artistic Residency program and the Engagement program are reported in the Community Engagement and Student Programs Fund.

The Endowment Fund presents resources received as endowments.

Revenue recognition

Contributions

The Organization follows the restricted fund method of accounting for contributions.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions restricted for operating activities are recognized as revenue of the General Administration Fund, using the deferral method, in the year in which the related expenses are incurred. Restricted contributions for which the Organization does not have a related restricted fund are recognized in the General Administration Fund using the deferral method. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Administration Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received as endowments are recognized as revenue of the Endowment Fund.

Moreover, the Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Self-generated revenue

Self-generated revenue is recognized when there is an agreement between the parties, the amount of the transaction is determinable, collection is reasonably assured and the services have been rendered. The liability related to the portion of self-generated revenue that is invoiced but unearned is recognized as deferred revenues.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Net investment income includes interest income, dividends, income from the interest in net income of mutual funds and changes in fair value.

Interest income is recognized on a time apportionment basis. Dividend income is recognized when it is received. Income from the interest in net income of mutual funds is recognized upon distribution. Changes in fair value are recognized when they occur.

With respect to investments measured at fair value, the Organization has elected to include in changes in fair value interest income (including amortization of bond investment premiums and discounts), interest in net income of mutual funds and dividends.

Net investment income that is not subject to externally imposed restrictions is recognized in the statement of operations under Net investment income of the General Administration Fund.

Investment income from Endowment Fund resources is presented in the Bursary Fund, Playwriting Chair Fund, Directing Chair Fund, Philippe-Casgrain Fund, Creation and Technology Fund, Suzanne-Grossmann Fund or Community Engagement and Student Programs Fund according to the nature of the donor designation. Investment income from fund resources is recognized in the related funds.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment income from community foundations that is externally restricted is presented in the Bursary Fund, Playwriting Chair Fund, Directing Chair Fund, Philippe-Casgrain Fund, Creation and Technology Fund, Suzanne-Grossmann Fund or Community Engagement and Student Programs Fund according to the nature of the donor designation.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date.

Amortization

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

	<u>Rates</u>
Buildings	2%
Furniture, equipment and automotive equipment	25%
Computer equipment	50%

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Employee future benefits

The Organization accrues its obligations under the defined benefit pension plan as the employees render the services necessary to earn the pension benefits. More specifically, the Organization recognizes its obligations under the defined benefit plan in the statement of financial position, net of the fair value of plan assets.

The Organization determines the defined benefit obligations using the most recent actuarial valuation prepared for funding purposes, which is extrapolated to the Organization's year-end. The total defined benefit plan cost includes current service cost and finance cost and is recognized in operations under Pension plan expense.

Remeasurements and other items, which include actuarial gains and losses relating to obligations, the difference between the actual return on plan assets and interest income deducted from the finance cost as well as past service cost, are recognized separately in the statement of changes in fund balances. Remeasurements and other items are not reclassified to the statement of operations in a subsequent year.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

4 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

The Organization uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the statement of financial position date. Revenue and expenses are translated at the exchange rate in effect on the date they are recognized. The related exchange gains and losses are accounted for in operations for the year.

5 - GRANTS

	<u>2020</u>	<u>2019</u>
	\$	\$
General Administration Fund		
Canadian Heritage	4,500,000	4,500,000
Ministère de la Culture et des Communications du Québec	507,837	458,136
Ministry of Heritage, Sport, Tourism and Culture Industries (Ontario)		50,000
Conseil des arts de Montréal	20,000	20,000
Ministère des Affaires municipales et de l'Habitation du Québec		130,000
Canada Emergency Wage Subsidy	858,064	
Emploi-Québec	34,213	6,126
Other	6,458	2,786
	<u>5,926,572</u>	<u>5,167,048</u>
Capital Asset Fund		
Canadian Heritage		1,142,075
Ministère de la Culture et des Communications du Québec		309,590
Ville de Montréal	2,500	114,450
	<u>2,500</u>	<u>1,566,115</u>
	<u>5,929,072</u>	<u>6,733,163</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

6 - PRIVATE DONATIONS NOT DIRECTED TO ENDOWMENT

	<u>2020</u>	<u>2019</u>
	\$	\$
General Administration Fund		
Foundations	231,366	468,837
Companies	296,236	450,285
Individuals	201,802	231,227
Public organizations and other	24,500	70,031
	<u>753,904</u>	<u>1,220,380</u>
Bursary Fund		
Individuals	44,073	41,752
Public organizations and other	13,000	13,000
Foundations		900
	<u>57,073</u>	<u>55,652</u>
	<u>810,977</u>	<u>1,276,032</u>

7 - SELF-GENERATED REVENUE

	<u>2020</u>	<u>2019</u>
	\$	\$
Monument-National (Note 10)	452,947	1,426,192
Student fees	899,045	950,869
Audition fees	54,435	55,500
Cafeteria	49,633	
Library subscriptions	24,386	30,429
Rentals	14,405	11,238
Other	20,902	22,947
	<u>1,515,753</u>	<u>2,497,175</u>

8 - COMMUNITY FOUNDATIONS

As at July 31, 2020, various community foundations were managing endowment funds which benefit the Organization. These funds, which include donations, are provided directly to a community foundation in the name of the Organization or come from donations that the Organization has transferred to the community foundation with the agreement of the donors. Investments in endowments held in community foundations allow for the possibility of realizing the matching of endowment funding through government sources.

During the year, the Organization contributed an amount of \$500,000 from its Bursary Fund to the Fondation du Grand Montréal to create an endowment fund. The Ministry of Canadian Heritage invested a matching grant of \$330,058, which it donated directly to the Fondation du Grand Montréal in March 2020.

The Organization recognized \$264,091 (\$221,234 in 2019) as investment income from these endowment funds managed by the community foundations to benefit the Organization.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

8 - COMMUNITY FOUNDATIONS (Continued)

These funds transferred by the Organization are held at community foundations in perpetuity. The assets belong to the community foundations and the fund capital is kept permanently and increased in accordance with each community foundation's investment policies. Income from the endowment funds of these foundations will be paid to the Organization at least once a year. Should the Organization discontinue its operations, ownership of the funds will remain with the community foundation, which will use the funds to benefit other charitable organizations with similar objectives.

These funds have not been presented in the Organization's financial statements because the funds belong to the community foundations. The Organization is only entitled to the investment income that is accounted for annually in the statement of operations.

The fair value of investments held by the community foundations as at December 31 is as follows:

	<u>2019-12-31</u>	<u>2018-12-31</u>
	\$	\$
Fondation du Grand Montréal	4,581,758	3,738,284
Edmonton Community Foundation	1,557,948	1,465,871
Toronto Foundation	1,027,840	981,370
Vancouver Foundation	548,591	511,699
Fondation Québec Philanthrope	218,313	207,426
Community Foundation of Newfoundland and Labrador	204,823	204,823
Winnipeg Foundation	146,081	132,541
South Saskatchewan Community Foundation	106,808	99,091
	<u>8,392,162</u>	<u>7,341,105</u>

Deferred contributions related to community foundations (included in deferred contributions – Note 19):

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance, beginning of year	242,331	213,637
Amounts received during the year	300,748	249,928
Amount recognized as revenue for the year	(264,091)	(221,234)
Balance, end of year	<u>278,988</u>	<u>242,331</u>

9 - NET INVESTMENT INCOME

	<u>2020</u>	<u>2019</u>
	\$	\$
General Administration Fund		
Investments measured at fair value		
Changes in fair value from unrestricted resources	33,160	55,362
Changes in fair value from internally restricted resources	14,490	6,252
Transaction costs	(1,035)	(916)
	<u>46,615</u>	<u>60,698</u>

National Theatre School of Canada
Notes to Financial Statements
 July 31, 2020

9 - NET INVESTMENT INCOME (Continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
Capital Asset Fund		
Investments measured at fair value		
Changes in fair value from restricted resources (a)	(29,527)	(53,254)
Transaction costs	<u>(15,303)</u>	<u>(15,672)</u>
	<u>(44,830)</u>	<u>(68,926)</u>
Bursary Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for bursary purposes (a)	(205,174)	(91,752)
Transaction costs	<u>(61,207)</u>	<u>(57,256)</u>
	<u>(266,381)</u>	<u>(149,008)</u>
Playwriting Chair Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for playwriting purposes (a)	(4,526)	(2,772)
Transaction costs	<u>(1,653)</u>	<u>(1,524)</u>
	<u>(6,179)</u>	<u>(4,296)</u>
Directing Chair Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for directing purposes (a)	(32,292)	(19,147)
Transaction costs	<u>(11,698)</u>	<u>(10,687)</u>
	<u>(43,990)</u>	<u>(29,834)</u>
Philippe-Casgrain Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for teaching and voice coaching purposes (a)	(1,603)	(5,756)
Transaction costs	<u>(685)</u>	<u>(635)</u>
	<u>(2,288)</u>	<u>(6,391)</u>
Creation and Technology Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for technology purposes (a)	(26,528)	(17,492)
Transaction costs	<u>(9,821)</u>	<u>(9,152)</u>
	<u>(36,349)</u>	<u>(26,644)</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

9 - NET INVESTMENT INCOME (Continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
Suzanne-Grossmann Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for theatre and cultural outing purposes (a)	(3,047)	(2,250)
Transaction costs	(1,309)	(1,218)
	<u>(4,356)</u>	<u>(3,468)</u>
Community Engagement and Student Programs Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for community engagement programs (a)	(6,043)	(4,033)
Transaction costs	(2,157)	(2,186)
	<u>(8,200)</u>	<u>(6,219)</u>
	<u><u>(365,958)</u></u>	<u><u>(234,088)</u></u>

(a) Investment income on a portion of \$23,412,537 is externally restricted for different purposes. Investment income on the remaining \$4,989,590 is unrestricted. The total amount of investment loss from resources held for endowment purposes and restricted to specific funds is \$308,740 for the year ended July 31, 2020 (\$196,456 for the year ended July 31, 2019).

10 - MONUMENT-NATIONAL

	<u>2020</u>	<u>2019</u>
	\$	\$
Revenues		
Rental of theater rooms and sales of goods and services	373,447	1,362,192
Sponsorships	79,500	64,000
	<u>452,947</u>	<u>1,426,192</u>
Expenses		
Buildings		
Salaries	114,731	129,738
Operating expenses	414,135	442,501
Operations		
Salaries	546,097	524,528
Administration	81,718	118,120
Front of the house	48,532	130,727
Services to the producers	168,125	369,015
	<u>1,373,338</u>	<u>1,714,629</u>
Deficiency of revenues over expenses before amortization (a)	<u><u>(920,391)</u></u>	<u><u>(288,437)</u></u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

10 - MONUMENT-NATIONAL (Continued)

- (a) The deficiency of revenues over expenses for the year ended July 31, 2020 results mainly from the closure of the Monument-National due to the world health crisis. To a lesser extent, the deficiency of revenues over expenses before amortization represents the cost for the use of the Monument-National for training purposes. The expenses of the Monument-National are included in the General Administration Fund expenses.

11 - INFORMATION INCLUDED IN CASH FLOWS

The net change in working capital items is detailed as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Trade and other receivables	47,422	5,243
Prepaid expenses	(641)	(12,407)
Trade payables and other operating liabilities	(70,460)	(39,345)
Refundable deposits	(825)	2,124
Government grants received in advance	1,477,312	(236,885)
Deferred contributions and revenues	204,704	(36,130)
	<u>1,657,512</u>	<u>(317,400)</u>

12 - TRADE AND OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
General Administration Fund		
Accounts receivable of the Monument-National	5,724	64,049
Sales taxes receivable	45,703	53,857
Other	33,077	14,038
	<u>84,504</u>	<u>131,944</u>
Accrued interest		
Capital Asset Fund	6,165	6,794
Bursary Fund	25,937	25,520
Playwriting Chair Fund	699	679
Directing Chair Fund	4,940	4,807
Philippe-Casgrain Fund	289	284
Creation and Technology Fund	4,100	4,014
Suzanne-Grossmann Fund	550	545
Community Engagement and Student Programs Fund	951	970
	<u>128,135</u>	<u>175,557</u>

National Theatre School of Canada
Notes to Financial Statements
 July 31, 2020

13 - GOVERNMENT GRANTS RECEIVABLE

	<u>Current portion</u>	<u>2020</u>	<u>2019</u>
	\$	\$	\$
General Administration Fund			
Ministry of Heritage, Sport, Tourism and Culture Industries (Ontario)	16,250	16,250	16,250
Canada Emergency Wage Subsidy	146,753	146,753	
Emploi-Québec	6,458	6,458	
Ministère des Affaires municipales et de l'Habitation du Québec			24,000
	<u>169,461</u>	<u>169,461</u>	<u>40,250</u>
Capital Asset Fund			
Ministère de la Culture et des Communications du Québec (a)	59,396	1,570,536	1,627,541
	<u>228,857</u>	<u>1,739,997</u>	<u>1,667,791</u>
Current portion	<u>228,857</u>	<u>228,857</u>	<u>97,255</u>
	<u>–</u>	<u>1,511,140</u>	<u>1,570,536</u>

(a) These grants receivable are related to the long-term debt described in Note 20.

National Theatre School of Canada
Notes to Financial Statements

July 31, 2020

14 - INVESTMENTS

	Restricted Funds and Endowment Fund									2020	2019
	General Administration Fund	Capital Asset Fund	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe-Casgrain Fund	Creation and Technology Fund	Suzanne-Grossmann Fund	Community Engagement and Student Programs Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash	701,016	12,805	53,685	1,476	10,362	611	8,572	1,162	2,084	791,773	32,752
Treasury bills	7,967	101,196	424,284	11,664	81,890	4,829	67,748	9,186	16,468	725,232	2,005,936
Money market securities	4,029,514	-	-	-	-	-	-	-	-	4,029,514	3,346,847
Bonds											
Federal	4,962	63,025	264,243	7,264	51,001	3,008	42,193	5,721	10,256	451,673	271,523
Other federal entities	2,976	37,797	158,472	4,356	30,586	1,804	25,304	3,431	6,151	270,877	363,744
Provincial	43,134	547,864	2,297,025	63,145	443,340	26,145	366,781	49,732	89,154	3,926,320	4,011,144
Other provincial entities	4,787	60,795	254,895	7,007	49,196	2,901	40,701	5,519	9,893	435,694	342,565
Municipal	2,591	32,910	137,983	3,793	26,632	1,571	22,033	2,987	5,355	235,855	238,338
Other municipal entities	1,218	15,472	64,870	1,783	12,520	738	10,358	1,404	2,518	110,881	259,035
Corporate	14,095	179,028	750,609	20,634	144,872	8,543	119,855	16,251	29,133	1,283,020	1,124,907
	73,763	936,891	3,928,097	107,982	758,147	44,710	627,225	85,045	152,460	6,714,320	6,611,256
Common shares											
Canadian public companies	50,788	645,067	2,704,569	74,349	521,999	30,783	431,856	58,556	104,972	4,622,939	5,274,720
American public companies	58,034	737,101	3,090,434	84,956	596,474	35,176	493,470	66,910	119,949	5,282,504	4,629,903
Foreign public companies	25,931	329,354	1,380,878	37,960	266,518	15,717	220,494	29,897	53,596	2,360,345	2,944,692
	134,753	1,711,522	7,175,881	197,265	1,384,991	81,676	1,145,820	155,363	278,517	12,265,788	12,849,315
Other investments											
Bond funds	31,246	396,859	1,663,907	45,741	321,145	18,939	265,687	36,025	64,581	2,844,130	1,409,101
Equity funds	11,331	143,913	603,385	16,587	116,457	6,868	96,346	13,064	23,419	1,031,370	2,638,395
	42,577	540,772	2,267,292	62,328	437,602	25,807	362,033	49,089	88,000	3,875,500	4,047,496
	4,989,590	3,303,186	13,849,239	380,715	2,672,992	157,633	2,211,398	299,845	537,529	28,402,127	28,893,602
General Administration Fund	4,989,590									4,989,590	3,585,734
Restricted Funds		3,303,186	4,059,241	202,666	1,505,991	41,832	346,300	54,909	8,527	9,522,652	10,982,830
Endowment Fund			9,789,998	178,049	1,167,001	115,801	1,865,098	244,936	529,002	13,889,885	14,325,038
	4,989,590	3,303,186	13,849,239	380,715	2,672,992	157,633	2,211,398	299,845	537,529	28,402,127	28,893,602

National Theatre School of Canada
Notes to Financial Statements
July 31, 2020

14 - INVESTMENTS (Continued)

Shares

Allocation by industry segment

	2020		2019	
	\$	%	\$	%
Finance	2,971,114	24.22	3,150,038	24.52
Energy	1,130,838	9.22	1,819,473	14.16
Industry	1,257,638	10.25	1,465,795	11.41
Telecommunications	1,967,997	16.05	1,981,468	15.42
Consumer discretionary	1,398,183	11.40	1,474,981	11.48
Materials	956,994	7.80	1,014,428	7.90
Information technology	1,080,919	8.81	780,026	6.07
Health	708,760	5.78	570,074	4.44
Consumer goods	461,544	3.76	295,272	2.30
Community service	265,568	2.17	251,770	1.96
Real estate	66,233	0.54	45,990	0.36
	12,265,788	100.00	12,849,315	100.00

Allocation by geographic sector

	2020		2019	
	\$	%	\$	%
Canada	4,720,859	38.49	5,274,720	41.05
United States	4,259,032	34.72	3,852,437	29.98
United Kingdom	690,536	5.63	471,471	3.67
France	343,332	2.80	703,439	5.48
Other	2,252,029	18.36	2,547,248	19.82
	12,265,788	100.00	12,849,315	100.00

15 - TANGIBLE CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Capital Asset Fund				
Land	2,968,676		2,968,676	2,968,676
School buildings	12,388,626	3,764,723	8,623,903	8,844,839
Construction in progress	69,054		69,054	
Monument-National building	19,344,384	10,423,926	8,920,458	9,277,577
Furniture and equipment	3,011,677	2,848,366	163,311	198,456
Automotive equipment	22,595	22,595		
Computer equipment	838,603	790,849	47,754	72,250
	38,643,615	17,850,459	20,793,156	21,361,798

National Theatre School of Canada
Notes to Financial Statements
 July 31, 2020

15 - TANGIBLE CAPITAL ASSETS (Continued)

As at July 31, 2020, trade payables and other operating liabilities include \$190,749 for the acquisition of tangible capital assets (\$247,253 as at July 31, 2019).

16 - BANK LOAN

The bank loan, for an authorized amount of \$300,000 (\$300,000 as at July 31, 2019), is unsecured, bears interest at prime rate plus 1.5% (3.95%) (prime rate plus 1.5% as at July 31, 2019 (5.45%)) and is renegotiable in January 2021. The bank loan is unused as at July 31, 2020 and 2019.

17 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2020</u>	<u>2019</u>
	\$	\$
General Fund		
Trade payables	310,485	273,986
Holdback	4,968	190,179
Box-office payable	75,777	61,210
Vacations payable	89,111	72,699
Salaries payable	62,640	99,915
Benefits payable	76,992	51,355
Other	12,322	9,915
	<u>632,295</u>	<u>759,259</u>

Government remittances total \$48,003 as at July 31, 2020 (\$52,804 as at July 31, 2019).

18 - GOVERNMENT GRANTS RECEIVED IN ADVANCE

Government grants received in advance represent unapplied funding which, as a result of external restrictions, are intended to cover the General Administration Fund's operating expenses for the coming year.

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance, beginning of year	105,442	342,327
Amounts recognized as revenue for the year	(105,442)	(342,327)
Amounts received relating to the following year		
Canadian Heritage	1,230,442	105,442
Ministère de la Culture et des Communications du Québec	235,203	
Other	117,109	
Balance, end of year	<u>1,582,754</u>	<u>105,442</u>

National Theatre School of Canada
Notes to Financial Statements
 July 31, 2020

19 - DEFERRED CONTRIBUTIONS AND REVENUES

Deferred contributions and revenues are unexpended resources to be used to cover operating expenses in the coming year. Changes in the balance of these deferred contributions and revenues are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Deferred contributions		
Balance, beginning of year	1,266,938	1,301,864
Amounts received during the year	1,514,205	1,777,501
Amount recognized as revenue for the year	<u>(1,295,406)</u>	<u>(1,812,427)</u>
Balance, end of year	<u>1,485,737</u>	<u>1,266,938</u>
Deferred revenues		
Tuition fees		
Balance, beginning of year	14,095	15,299
Amounts received during the year		14,095
Amount recognized as revenue for the year	<u>(14,095)</u>	<u>(15,299)</u>
Balance, end of year	<u>–</u>	<u>14,095</u>
Total deferred contributions and revenues	<u>1,485,737</u>	<u>1,281,033</u>

20 - LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>
	\$	\$
Capital Asset Fund		
Ministère de la Culture et des Communications du Québec "Aide aux immobilisations" program (a)	1,260,946	1,317,951
Ministère de la Culture et des Communications du Québec "Aide aux immobilisations" program (b)	<u>309,590</u>	<u>309,590</u>
	<u>1,570,536</u>	<u>1,627,541</u>
Current portion	<u>59,396</u>	<u>57,005</u>
	<u>1,511,140</u>	<u>1,570,536</u>

- (a) A grant from the Ministère de la Culture et des Communications du Québec was obtained during the year ended July 31, 2016 under the "Aide aux immobilisations" program relating to the financing of a portion of the costs to increase the population's access to the property, services and activities in the cultural field through the implementation of quality cultural equipment that complies with current professionalism criteria. This grant is by way of an undertaking of payment of capital and interest of a term loan of an original amount of \$1,500,000. This loan, contracted by the Organization, is secured by a comfort letter signed by the Ministère de la Culture et des Communications du Québec and a mortgage of \$3,140,000 on a building having a net book value of \$8,692,957, bears interest at a rate of 4.15% and is repayable in biannual instalments of \$55,557 (capital and interest) from March 2016 to September 2025 and a final payment of \$902,000. As at July 31, 2020, the balance of this term loan and the grant by way of undertaking of payment totals \$1,260,944 (\$1,317,951 as at July 31, 2019).

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

20 - LONG-TERM DEBT (Continued)

- (b) A grant from the Ministère de la Culture et des Communications du Québec was obtained during the year under the Capital Assistance Program in relation to the financing of a portion of the costs for the maintenance of real estate assets and the renovation of the annex of the Organization's building. This grant is by way of an undertaking of repayment of principal and interest of a term loan of an authorized amount of \$1,850,000. Instalments are made according to the completion of work. This loan, contracted by the Organization, is secured by a mortgage of \$3,140,000 on a building having a net book value of \$8,692,957, bears interest at prime rate (2.45%) (3.95% as at July 31, 2019) and will be repayable on a 120-month period with a 240-month amortization period from the date of the last instalment.

The instalments on long-term debt for the next five years are \$59,396 in 2021, \$61,886 in 2022, \$64,481 in 2023, \$67,184 in 2024 and \$70,001 in 2025. These instalments are covered by subsidies from the Ministère de la Culture et des Communications du Québec.

21 - INTERNAL RESTRICTIONS

Pursuant to resolutions of the Board of Directors, an amount of \$2,771,956 of the balance of unrestricted funds in the General Administration Fund was internally restricted to the repayment of the actuarial deficit of the defined benefit pension plan and to support the Organization in its action plan. An amount of \$260,560 was also restricted to provide financial assistance through emergency loans to students of the Organization who need short-term financial support.

22 - EMPLOYEE FUTURE BENEFITS

The Organization offers a defined benefit pension plan to its employees. The retirement benefits are based on the number of years of service as well as the employees' average salary over their last three years of service. The most recent actuarial valuation of the pension plan for funding purposes was done on January 1, 2018 and extrapolated for accounting purposes as at July 31, 2020.

The funded status of the pension plan is as follows:

	2020	2019
	\$	\$
Fair value of plan assets	11,008,000	10,706,000
Defined benefit obligations	10,060,000	9,866,000
Funded status – surplus and defined benefit asset	<u>948,000</u>	<u>840,000</u>

The change in the defined benefit asset is as follows:

	2020	2019
	\$	\$
Defined benefit asset, beginning of year	840,000	699,000
Pension plan expense	(261,000)	(270,000)
Funding contributions	261,000	290,000
Remeasurements and other items	108,000	121,000
Defined benefit asset, end of year	<u>948,000</u>	<u>840,000</u>

National Theatre School of Canada
Notes to Financial Statements
 July 31, 2020

22 - EMPLOYEE FUTURE BENEFITS (Continued)

The significant assumptions used for the extrapolation as at July 31, 2020 are as follows:

	<u>2020</u>	<u>2019</u>
	%	%
Discount rate	4.75	4.75
Rate of compensation increase	2.50	2.50

23 - FINANCIAL RISKS

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position, other than investments in common shares of public companies and mutual fund units. The Organization has determined that the financial assets with more credit risk exposure are government grants receivable and trade and other receivables (excluding sales taxes receivable) since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization. Additionally, some mutual funds also indirectly expose the Organization to credit risk.

Market risk

The Organization's financial instruments expose it to market risk, in particular, to currency risk, interest rate risk and other price risk, resulting from both its investing and financing activities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates. The Organization is exposed to currency risk as a result of investments, amounts receivable on disposal of investments, interest and dividends receivable, cash and amounts payable on acquisition of investments denominated in foreign currencies. Fluctuations of the Canadian dollar compared to these currencies could have a positive or negative impact on the fair value of these assets and liabilities. The long-term assets denominated in foreign currencies are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
U.S. dollars	6,461,859	5,749,812
Euros	1,069,853	1,328,845
Pounds sterling	368,572	223,970
Yens	233,648	517,790
Swiss francs	228,465	160,966
Danish kroner	125,014	118,750
	<u>8,487,411</u>	<u>8,100,133</u>

Mutual fund units are also exposed, although indirectly, to currency risk as they can include currency investments.

National Theatre School of Canada
Notes to Financial Statements
July 31, 2020

23 - FINANCIAL RISKS (Continued)

Interest rate risk

The Organization is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

Bond investments, money market securities, Treasury bills and a long-term debt bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

The bank loan and a long-term debt bear interest at a variable rate and the Organization is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

Additionally, some mutual funds also indirectly expose the Organization to interest rate risk.

Other price risk

The Organization is exposed to other price risk due to investments in common shares of public companies and mutual funds since changes in market prices could result in changes in fair value or cash flows of these instruments.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

24 - COMMITMENTS

The Organization is committed under construction contracts to pay \$2,029,283 in 2021 for construction work related to the School building. These contracts will be financed in part by a \$1,540,410 grant for the Ministère de la Culture et des Communications du Québec under the "Aide aux immobilisations" program and by a \$472,500 grant from Canadian Heritage under the "Canada Cultural Spaces Fund".

The Organization entered into long-term lease agreements expiring until January 2024 which call for lease payments of \$177,695 for the rental of equipment and a storage space and maintenance services. Minimum lease payments for the next years are \$122,186 in 2021, \$31,430 in 2022, \$16,467 in 2023 and \$7,612 in 2024.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2020

25 - COMPARATIVE FIGURES

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

The main reclassifications as at July 31, 2019 and for the year then ended are the reclassification in the General Administration Fund of the items Other for an amount of \$221,525 and Administration – Other for an amount of \$253,376 to the following items :

	<u>\$</u>
Administration	
Professional fees	305,679
Supplies	65,820
Information technology	68,852
Reception and meeting expenses	32,550
Partnerships	2,000

National Theatre School of Canada Schedules

Year ended July 31, 2020

SCHEDULE A

								2020	2019	
	Capital Asset Fund	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe- Casgrain Fund	Creation and Technology Fund	Suzanne- Grossmann Fund	Community Engagement and Student Programs Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RESTRICTED FUNDS – OPERATIONS										
Revenues										
Grants	2,500								2,500	1,566,115
Private donations		57,073							57,073	55,652
Community foundations		132,690							132,690	53,569
Net investment income	(44,830)	(266,381)	(6,179)	(43,990)	(2,288)	(36,349)	(4,356)	(8,200)	(412,573)	(294,786)
	<u>(42,330)</u>	<u>(76,618)</u>	<u>(6,179)</u>	<u>(43,990)</u>	<u>(2,288)</u>	<u>(36,349)</u>	<u>(4,356)</u>	<u>(8,200)</u>	<u>(220,310)</u>	<u>1,380,550</u>
Expenses										
Amortization of tangible capital assets	775,531								775,531	792,107
Bursaries and funds allocated		481,334	407	36,080		67,934	1,300	4,350	591,405	627,126
	<u>775,531</u>	<u>481,334</u>	<u>407</u>	<u>36,080</u>	<u>–</u>	<u>67,934</u>	<u>1,300</u>	<u>4,350</u>	<u>1,366,936</u>	<u>1,419,313</u>
Deficiency of revenues over expenses	<u>(817,861)</u>	<u>(557,952)</u>	<u>(6,586)</u>	<u>(80,070)</u>	<u>(2,288)</u>	<u>(104,283)</u>	<u>(5,656)</u>	<u>(12,550)</u>	<u>(1,587,246)</u>	<u>(38,763)</u>
RESTRICTED FUNDS – CHANGES IN FUND BALANCES										
Balance, beginning of year	24,871,643	4,636,082	209,986	1,590,147	44,423	449,462	61,143	21,683	31,884,569	31,923,332
Deficiency of revenues over expenses	(817,861)	(557,952)	(6,586)	(80,070)	(2,288)	(104,283)	(5,656)	(12,550)	(1,587,246)	(38,763)
Balance, end of year	<u>24,053,782</u>	<u>4,078,130</u>	<u>203,400</u>	<u>1,510,077</u>	<u>42,135</u>	<u>345,179</u>	<u>55,487</u>	<u>9,133</u>	<u>30,297,323</u>	<u>31,884,569</u>

National Theatre School of Canada Schedules

Year ended July 31, 2020

SCHEDULE A

								2020	2019	
	Capital Asset Fund	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe- Casgrain Fund	Creation and Technology Fund	Suzanne- Grossmann Fund	Community Engagement and Student Programs Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RESTRICTED FUNDS – FINANCIAL POSITION										
Assets										
Current										
Trade and other receivables	6,165	25,937	699	4,940	289	4,100	550	951	43,631	43,613
Advance to General Administration Fund, without interest			35		14		28		77	
Current portion of government grants receivable	59,396								59,396	57,005
	<u>65,561</u>	<u>25,937</u>	<u>734</u>	<u>4,940</u>	<u>303</u>	<u>4,100</u>	<u>578</u>	<u>951</u>	<u>103,104</u>	<u>100,610</u>
Long-term										
Government grants receivable	1,511,140								1,511,140	1,570,536
Investments	3,303,186	4,059,241	202,666	1,505,991	41,832	346,300	54,909	8,527	9,522,652	10,982,830
Tangible capital assets	20,793,156								20,793,156	21,361,798
	<u>25,673,043</u>	<u>4,085,178</u>	<u>203,400</u>	<u>1,510,931</u>	<u>42,135</u>	<u>350,400</u>	<u>55,487</u>	<u>9,478</u>	<u>31,930,052</u>	<u>34,015,782</u>
Liabilities										
Current										
Advance from General Administration Fund, without interest	48,725	7,048		854		5,221		345	62,193	503,672
Current portion of long-term debt	59,396								59,396	57,005
	<u>108,121</u>	<u>7,048</u>	<u>–</u>	<u>854</u>	<u>–</u>	<u>5,221</u>	<u>–</u>	<u>345</u>	<u>121,589</u>	<u>560,677</u>
Long-term										
Long-term debt	1,511,140								1,511,140	1,570,536
	<u>1,619,261</u>	<u>7,048</u>	<u>–</u>	<u>854</u>	<u>–</u>	<u>5,221</u>	<u>–</u>	<u>345</u>	<u>1,632,729</u>	<u>2,131,213</u>
Fund balances										
Invested in tangible capital assets	20,744,431								20,744,431	20,996,485
Externally restricted	3,309,351	3,501,158	203,400	1,510,077	42,135	345,179	55,487	9,133	8,975,920	10,216,112
Internally restricted		576,972							576,972	671,972
	<u>24,053,782</u>	<u>4,078,130</u>	<u>203,400</u>	<u>1,510,077</u>	<u>42,135</u>	<u>345,179</u>	<u>55,487</u>	<u>9,133</u>	<u>30,297,323</u>	<u>31,884,569</u>
	<u>25,673,043</u>	<u>4,085,178</u>	<u>203,400</u>	<u>1,510,931</u>	<u>42,135</u>	<u>350,400</u>	<u>55,487</u>	<u>9,478</u>	<u>31,930,052</u>	<u>34,015,782</u>

National Theatre School of Canada Schedules

Year ended July 31, 2020

SCHEDULE B

	2020							
	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe- Casgrain Fund	Creation and Technology Fund	Suzanne- Grossmann Fund	Community Engagement and Student Programs Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
ENDOWMENT FUND								
Externally restricted								
Balance, beginning of year	8,984,384	178,051	867,000	115,800	1,865,099	244,936	529,000	12,784,270
Donations	63,633							63,633
Contribution – Community foundations	(500,000)							(500,000)
Balance, end of year	<u>8,548,017</u>	<u>178,051</u>	<u>867,000</u>	<u>115,800</u>	<u>1,865,099</u>	<u>244,936</u>	<u>529,000</u>	<u>12,347,903</u>
Internally restricted								
Balance, beginning and end of year	<u>1,244,143</u>		<u>300,000</u>					<u>1,544,143</u>
Total	<u><u>9,792,160</u></u>	<u><u>178,051</u></u>	<u><u>1,167,000</u></u>	<u><u>115,800</u></u>	<u><u>1,865,099</u></u>	<u><u>244,936</u></u>	<u><u>529,000</u></u>	<u><u>13,892,046</u></u>
	2019							
	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe- Casgrain Fund	Creation and Technology Fund	Suzanne- Grossmann Fund	Community Engagement and Student Programs Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Externally restricted								
Balance, beginning of year	7,866,846	178,051	867,000	115,300	1,865,099	244,936	529,000	11,666,232
Donations	1,117,538			500				1,118,038
Balance, end of year	<u>8,984,384</u>	<u>178,051</u>	<u>867,000</u>	<u>115,800</u>	<u>1,865,099</u>	<u>244,936</u>	<u>529,000</u>	<u>12,784,270</u>
Internally restricted								
Balance, beginning and end of year	<u>1,244,143</u>		<u>300,000</u>					<u>1,544,143</u>
Total	<u><u>10,228,527</u></u>	<u><u>178,051</u></u>	<u><u>1,167,000</u></u>	<u><u>115,800</u></u>	<u><u>1,865,099</u></u>	<u><u>244,936</u></u>	<u><u>529,000</u></u>	<u><u>14,328,413</u></u>