

A global leader

IN THEATRE TRAINING



WE ARE PROUD TO PRESENT THE CLASS OF 2019

— INTERPRÉTATION



Katherine Céré
(Montréal, QC)



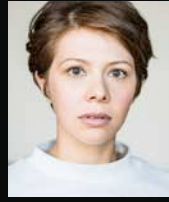
Samuel Décary
(Ste-Thérèse, QC)



Alice Dorval
(Montréal, QC)



Antoine Ferland
(Québec, QC)



**Rosalie Leblanc
Houle**
(Victoriaville, QC)



**Jean-Christophe
Leblanc**
(Québec, QC)



**Stephie
Mazunya**
(Ottawa, ON)



**Audrey
Perreault**
(Coteau-du-Lac, QC)



**Mattis Savard -
Verhoeven**
(Montréal, QC)

— PRODUCTION DESIGN AND TECHNICAL ARTS



Samuel Boucher
(Paris, France)



Claire Bourdin
(Toronto, ON)



Hannah Kirby
(Ottawa, ON)



**Pedro Melão
Ferreira**
(São Paulo, Brazil)



Gloria Mok
(Mississauga, ON)



**MacKenzie
Poole** (Pointe-
Claire, QC)



**Elizabeth
Richardson**
(Barrie, ON)

— PRODUCTION



Sophie Bergeron
(Brossard, QC)



**Florence
Blais-Thivierge**
(Longueuil, QC)



**Arthur
Champagne**
(Montréal, QC)



Renaud Dionne
(Val-David, QC)



Joëlle LeBlanc
(Alma, QC)



**Delphine
Rochefort-Boulanger**
(Lachine, QC)

— SCÉNOGRAPHIE / SET AND COSTUME DESIGN



Christos Darlasis
(Argos, Greece)



Jeanne Dupré
(St-Pie, QC)



Hannah Fisher
(Olds, AB)



Claudie Landry
(Shédiac, NB)



**Erika Parra
Bernal** (Palmira,
Colombia)



Marine Plasse
(Montpellier,
France)

— ACTING



Sophie Dubé
(Ottawa, ON)



Chloe Giddings
(Sherbrooke, QC)



Nathaniel Hanula-James
(Vancouver, BC)



Rochelle Laplante
(Edmonton, AB)



Jesse LaPointe
(Fredericton, NB)



Tara Sky
(Toronto, ON)



Benjamin Thomas
(Saskatoon, SK)



Evelyn Wiebe
(Waterloo, ON)



Kajsa Wood
(Edmonton, AB)

— ÉCRITURE
DRAMATIQUE

Hugo Fréjabise
(Albi, France)



Tamara Nguyen
(Nogent-sur-Marne, France)

— RÉSIDENCE / RESIDENCY



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(Montreal, QC)
Indigenous Artist
Residency



Eryn Griffith
(Victoria, BC)
Independent
Residency



Mel Hague
(Toronto, ON)
Artistic Leadership
Residency



Dillon Orr
(Windsor, ON)
Résidence
indépendante



Kim Senklip Harvey
(Vancouver, BC)
Artistic Leadership
Residency



Jake Archer
(Chilliwack, BC)



David Walker
(Edmonton, AB)

— PLAYWRITING



OUR MISSION

To serve the evolving needs of Canadian theatre, the National theatre school of Canada (NTS):

- Provides incomparable training in French and English to actors, directors, playwrights, designers and production specialists to prepare them to work in professional theatre;
- Delivers a broad range of community programs in order to make theatre more accessible to all Canadians.

OUR VISION

As a global leader in theatre training, NTS shares its expertise and resources with a broad and diverse community of Canadians to ensure that the performing arts continue to play an important role in society.



— **ALBERTA G. CEFIS**
Chair of the Board of Directors



« **NTS will focus on development, innovation and creation in order to follow our strategic vision to meet the needs of Canadian theatre.** »

I was excited to accept the position of Chair of the Board of Directors of the National Theatre School of Canada in the fall of 2018.

My predecessor, Bernard Amyot, left behind a School that is in excellent shape, with a strong leadership team in place to ensure the continued success of this great institution, which is unique in several respects, including its professional programs offered in both French and English. Thank you, Bernard!

I am especially proud when I see the energy devoted to implementing the School's transformation plan: a relevant and ambitious plan that will ensure the sustainability of NTS, while also strengthening its roots in all regions and spheres of Canadian society. Inspired by the rigour and excellence of our professional programs, the new community-based programs are already leading thousands of young Canadians to their first experiences in theatre.

This year, the Board of Directors is also gaining new members whose expertise will enrich the board: welcome to Maxime Gagné and Shawn Cohen. At the same time, we bid farewell to others, and thank them for their contributions over the past few years: Pierre-Luc Paiement, David J. Daniels, Joan Richardson, Myriane Le François, Nassib El-Husseini and Nathalie Goodwin. David, Joan and Myriane remain in the School family as Governors. The School is grateful to all members of the Board of Directors, as well as to its Governors, for their involvement, generosity and advice. I also thank outgoing Governors Guy Mignault and Paul Robillard for their contributions.

An institution is built of individual people, and our School must continue to be an example to society. The selection of students for training programs, and of high-profile professional artists to teach them, as well as the recruitment of staff and personnel of the various departments of the School, must always reflect the diversity of our vast country.

With this rich diversity, NTS will focus on development, innovation and creation in order to follow our strategic vision to meet the needs of Canadian theatre. The School will soon announce a new plan for its campus on rue Saint-Laurent, the Monument-National. The announcement will mark a milestone in the run-up to the School's 60th anniversary, which we will celebrate in the fall of 2020 with important new initiatives. We will introduce new and invigorated fundraising initiatives to support the growth of our expanded programs.

I am also pleased to report that the financial management of the School remains sound, as the results described in this report demonstrate.

I would like to thank those who enable us to accomplish our mission: Heritage Canada, the Quebec Ministry of Culture and Communications, and our other public partners. Thanks also to the many individual donors, foundations and companies that allow us to always exceed your expectations.

MESSAGE FROM THE CEO

— GIDEON ARTHURS

An exceptional year!

Since its founding in 1960, NTS has played a crucial role in developing the performing arts at home and around the world. This past year, NTS has strengthened its leadership in professional training across all the theatre trades, as well as in accessibility to its resources.

1. World leader in theatre training

Under the supervision of Alisa Palmer and Frédéric Dubois, artistic directors of the English and French sections respectively, and supported by 369 professional artists, the directors of the nine programs have guided 165 young artists through their training.

The students, led by seasoned professionals, have produced 15 shows, creating everything seen on stage and everything happening behind the scenes. All of this work is presented to the public with a “Pay what you think” policy, encouraging universal access to arts and culture.

In May 2019, 41 young professional artists graduated from the School, and they are already working across all the theatre professions, here and abroad:

- Two talented writers will enrich the English-Canada theatrical repertoire, and two the Francophone scene;
- Nine new professional actors from Acting and nine from *Interprétation* will showcase their talent on the grand stages across the country and overseas;
- Six new Production specialists and seven in Production Design and Technical Arts, will lead all manner of creations across the world,
- Six Set and Costume designers will dream up new worlds to amaze audiences.

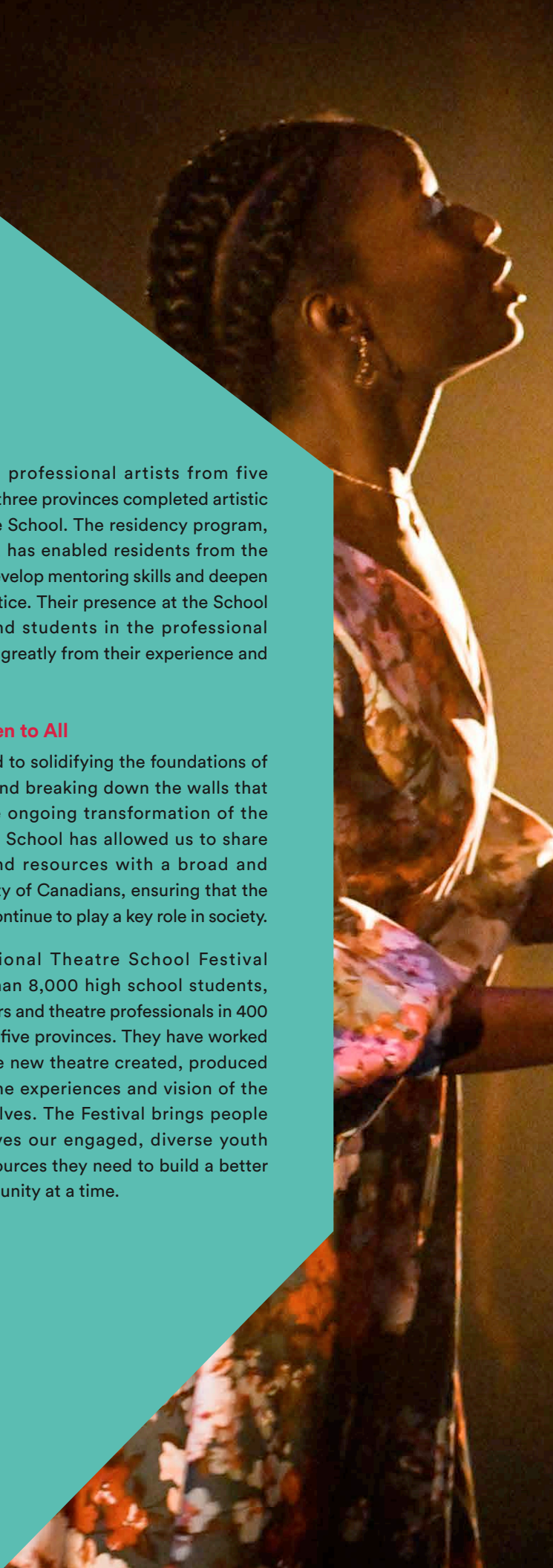
These 41 graduates come from 6 Canadian provinces, and 33 cities across five countries.

In addition, five professional artists from five different cities in three provinces completed artistic residencies at the School. The residency program, launched in 2017, has enabled residents from the class of 2019 to develop mentoring skills and deepen their artistic practice. Their presence at the School is a privilege, and students in the professional programs benefit greatly from their experience and expertise.

2. A School Open to All

NTS is committed to solidifying the foundations of the community and breaking down the walls that separate us. The ongoing transformation of the National Theatre School has allowed us to share our expertise and resources with a broad and diverse community of Canadians, ensuring that the performing arts continue to play a key role in society.

This year’s National Theatre School Festival involved more than 8,000 high school students, educators, mentors and theatre professionals in 400 communities and five provinces. They have worked tirelessly to share new theatre created, produced and shaped by the experiences and vision of the students themselves. The Festival brings people together and gives our engaged, diverse youth the tools and resources they need to build a better future, one community at a time.





« The ongoing transformation of the National Theatre School has allowed us to share our expertise and resources with a broad and diverse community of Canadians, ensuring that the performing arts continue to play a key role in society. »

Also this year, the School has launched an innovative program of public workshops for all. More than 400 young people and adults fuelled their passion for theatre during one of the three sessions. This program has enabled the School to learn and to assess its training through these workshops for Montreal amateurs, which will also serve as a basis for designing workshops for the thousands of NTS Festival participants across the country.

3. Transformation Continues

In order to support this ambitious transformation plan, the School has also undertaken an extensive overhaul of its operational structure. The changes have been significant for all NTS departments.

In October 2018, the students returned to the annex of the Saint-Denis pavilion and discovered the newly renovated facilities and rehearsal rooms. The \$4.5 million project to refurbish the main pavilion is expected to be completed next year, with a final phase of work that will improve accessibility to our facilities.

Our reflection on the future of the Monument-National continued and resulted in a transformation of its operational model. The development plan for this historic building will be unveiled in 2020. In the meantime, we celebrated its 125th anniversary with “Monumental Encounters,” a series of web interviews with celebrities whose destiny

intertwined with that of the Monument-National. For “Journées de la culture” all the NTS students together took on the challenge of creating and performing a new collective work, in French and English, inspired by the history of the Monument-National, with a 24-hour creation!

In 2019, we saw the departure of two directors and friends, Sandra O'Connor (Monument-National) and Julie Duclos (Finance). We thank Sandra and Julie for their contribution and dedication to the School. At the same time, we are delighted to welcome Mikaelle Monfort as the new Director of Finance.

In closing, I would like to welcome Alberta G. Cefis as Chair of the Board of Directors of the National Theatre School of Canada as well as the entire Board. Throughout the year, their dynamism and drive has been inspiring.

I would also like to thank my colleagues, my teammates, my partners in everyday life, who are committed and up to the challenge of transforming NTS. Your passion and commitment is equalled only by that of our students.

MESSAGES FROM THE ARTISTIC DIRECTORS



— ALISA PALMER

Art director of the English section

The 2018/19 school year offered rich opportunities for the English Section to step outside NTS' walls, allowing me to experience how artists are formed in other parts of the world while at the same time sharing NTS' unique approaches, challenges and accomplishments with international colleagues and peers.

In October 2018, the English Section was invited to participate in *Encounters*, the 12th Annual International Conference of theatre schools hosted by L'Escuela Nacional del Arte Teatral in Mexico City, Mexico's foremost theatre conservatory. This is the first time a Canadian school has been invited to this remarkable conference. The gathering involved art schools from across Latin America, Spain, Italy and France, as well as Cal Arts from the States, the only other school besides NTS from North America. We presented a week-long movement workshop lead by our Head of Movement, Rebecca Harper, assisted by recent grad Shauna Thompson (Acting 2017). Frédéric Dubois and I participated in a round table discussion with Cal Arts, sharing our approaches to arts training. It was eye opening to see our work being shared with students, teachers and artists from around the world, and it was a powerful reminder of NTS' unique identity as a co lingual conservatory, one which trains the whole artist via artist-to-artist exchange. ENAT of Mexico and Cal Arts in particular share NTS' values of inclusivity, transferability of skills, and artistic independence, and from this connection we're building a collaborative project that will create bonds between our three schools and our different cultures.

In March of 2019 Gideon, Frédéric and I travelled to Paris to attend another international, and interlingual project taking place at the Conservatoire de Paris. Two of the English section's Playwriting students as well as students from our own French Section joined students from Germany, Scotland and France in the

exploration of a multilingual theatre methodology. Gideon and I continued on to London where we met with representatives from the leading UK theatre schools, including Guildhall, East 15, Central and RADA, with whom we share a particular connection over the approach to theatre training. Everywhere we went I was reminded of how impressive our resources are at NTS; our clean, bright and numerous studios, our creative and independently minded teachers and program directors; and the jewel in our crown, the Monument National which makes us unique, not only in Canada but certainly in the countries we visited this year. Although many of these older schools have long histories and substantial reputations, few have the wealth of time, space and independence that NTS enjoys. Our dialogue continues with RADA with the hope of developing artists exchanges and continuing our dialogue. It's time for NTS' amazing teachers and program directors to also move outside our walls and share our strengths with a wider community.

Closer to home, we welcomed Matjash Mrozewski as Associate Director of the Directing Program and Residencies. This is a new role created in response to NTS' rapid growth as we serve a broader range of Canadian artists. An accomplished director and choreographer, Matjash dove in with gusto and the results have been impressive. From two residents in 2017/18 we have had as many as nine resident artists in our section during the 2018/19 school year. With Matjash's first school cycle under his belt, we now have a full and well-equipped team working full tilt. Another busy year lies ahead of us and I look forward to what this next school year will bring.

— FRÉDÉRIC DUBOIS

Art director of the French section



Opening yourself to the world and to different practices: that's what we invite our students to do. To have relevance as an artist, you have to be able to step out of yourself, know how to observe, and most importantly, know how to listen.

All our core and extra activities have allowed and will allow us to insert ourselves into issues that are bigger than the art of theatre, while adding new and different ideas to our everyday life. This kind of flow broadens horizons and makes NTS a unique school, one that is connected to the world. Taking part in professional theatre practice is another way to open yourself to the most current ways of doing theatre. Facing real life puts your view in perspective and gives a dose of humility to anyone who hopes one day to be in the spotlight.

In this sense, 2018-19 has seen several major productions that have transformed, strengthened and pushed the French section forward, both in terms of the basic professional training as well as the extra activities that shape the NTS experience.

The transition from 4 to 3 years in the *Interprétation* program is still in progress, and it has repercussions on all the other areas. Eventually, once the new system is fully in place, the new structure will allow much more flexibility in programming our schedules. This year we welcomed the second cohort who will complete the program in 3 years. The School is therefore operating with both systems for one more year, but the changeover is feeling more and more real. Of course, we have sped up the work process, combined some courses, and revised the learning curve in technical courses in particular.

The trip to Paris last March included students in *Mise en scène*, *Écriture dramatique*, *Scénographie* and *Production* as well as – what a treat – Playwriting! Indeed, the project is now open to more students.

Throughout the trip, exploring ways of creating was at the heart of the matter, and this gave rise to a 30-minute performance dealing with contemporary yet universally shared themes: borders, the environment, communication.

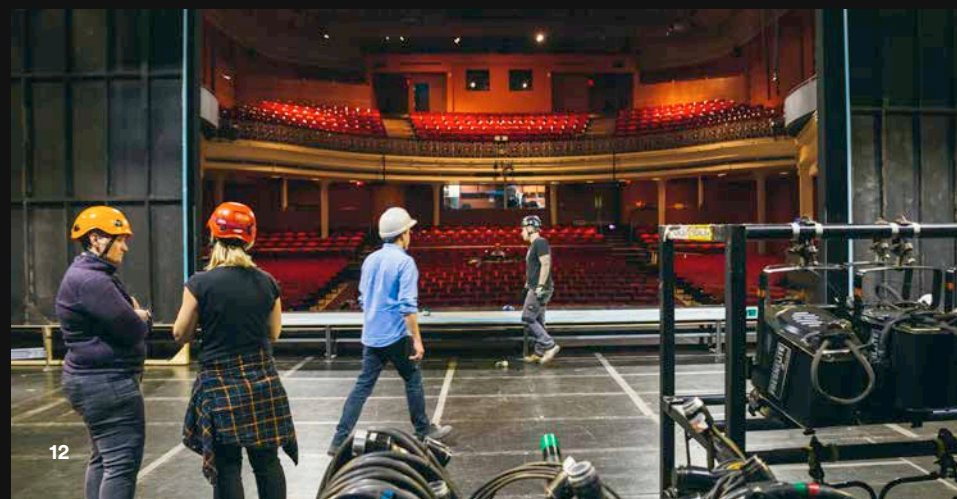
Our desire to extend our reach is stronger than ever, and several new bridges have been built to continue in this direction with Mexico and California.

Here at home, we have also forged tangible links with the professional community. Doing actual real work with our peers makes sense and is highly relevant to our teaching. The FTA, UBU, Prospero, Théâtre d'aujourd'hui, la Serre, and the Université de Montréal, among others, have opened their doors to allow exceptional collaborations and made our School a central player in the theatre scene.

Finally, opening up to the world goes both ways: we have established an artistic collaboration with Xavier Huard, 2013 NTS graduate and co-artistic director of the company Menuentakuan, to help us on a path to better reflect the Indigenous presence within our walls.

After all, the independent, Indigenous and artistic leadership residencies can challenge the very foundations of our work and bring a great breath of fresh air.

We can say, without a doubt, that we are in harmony with our world and this relationship allows us to take root, but with flexibility and generosity.





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“It’s time for NTS’ amazing teachers and program directors to also move outside our walls and share our strengths with a wider community.”

— ALISA PALMER



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« Since its founding in 1960, NTS has played a crucial role in developing the performing arts at home and around the world. »

– GIDEON ARTHURS



BOARD OF DIRECTORS AND GOVERNORS

**FISCAL
YEAR
2018-2019**

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Under the distinguished patronage of Her Excellency the Right Honourable Julie Payette, C.C., C.M.M., C.O.M., C.Q., C.D. Governor General of Canada

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NEW BOARD MEMBERS AS OF NOVEMBER 9, 2019

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Institutional Director
Schroders

Maxime Gagné, QC
Partner
St. Lawrence Law
Firm LLP

**We are pleased to welcome
our new Board members
during the Annual General
Meeting on November 9, 2019.**

NOTE FROM THE DEVELOPMENT AND ALUMNI RELATIONS OFFICE

Our past year of great changes is forming a chrysalis. The metamorphosis continues with the promise of NTS taking new wings in time for our 60th anniversary next year. We are proud of what we have done to secure new donors, honour our alumni and their achievements, build our network of artists and arts enthusiasts and respond to the challenges of our time. NTS-trained artists are leaders in the arts. They create theatre that promotes deep thought, conscious empathy and clever vision. It is a true honour to serve the needs of our artistic community through the philanthropy represented on the following pages. Our NTS theatre family is growing and we are pleased to see so many of you playing your part!

What follows in this executive summary is a celebration of our top philanthropists, sponsors and partners. To see the full list of supporters, please visit our website: theatretraining.ca

Fundraising efforts require all members of our grand theatre family to assist us as we expand our endeavours across Canada and beyond. We are currently refining our methods and recruiting leaders and champions to uplift us in pursuit of our worthy cause. We remain profoundly grateful to all our donors, sponsors and government grant givers for recognizing the value of our artists and the work they do.



Director of Development and Alumni

Should you desire further information on how to donate funds or engage with the Alumni Network, please feel free to contact Jean S. Stutsman at 514-842-7954 ext. 141 or jeanstutsman@ent-nts.ca.

TOP PHILANTHROPIC DONORS & SPONSORS IN FISCAL YEAR 2018-19

\$500,000 AND UP

PURPOSE

Estate of the Late Alan Bleviss (Acting 1966) NTS Voice Program

\$100,000 - \$499,999

McConnell Foundation Monumental Transformations

RBC Emerging Artists Project NTS Professional Programs

Slaight Family Foundation The Future is Now

TD Bank Group NTS Festival

\$50,000 - \$99,999

BMO Financial Group Artistic Leadership Residency

CIBC Revealing Talent

Hydro-Québec Studio Hydro-Québec at the Monument-National

\$25,000 - \$49,999

Birks Family Foundation Artistic Leadership Residency

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James de Beaujeu Domville and Family Area of Greatest Need

George Cedric Metcalf Charitable Foundation Artistic Leadership Residency

Thank you!

\$10,000 - \$24,999

Alberta G. Cefis	Monumental Transformations & Gascon-Thomas
Cole Foundation	Indigenous Leadership Residency
David Daniels & Kate Alexander Daniels	Film Lab
Ira Gluskin & Maxine Granovsky Gluskin	Monumental Transformations
IATSE, IATSE 11, IATSE 12	NTS Festival
INNOGEC	Monumental Transformations
Norman & Margaret Jewison Charitable Foundation	Monumental Transformations
J. Edward Johnson & Sharon Vance	Monumental Transformations and Bursaries
Kingfisher Foundation	Indigenous Artists
McLean Foundation	NTS Festival

\$5,000 - \$9,999

Bernard Amyot, Ad. E.	Monumental Transformations and Prizes
Famille Burrowes	Monumental Transformations
The Porteous/Donald Family and Friends	In Honour of Timothy Porteous
Joan Richardson	Monumental Transformations & Production Program

\$1,000 - \$4,999

Gideon Arthurs & Erin Shields	Monumental Transformations
Gordon Bricker	In Honour of Monica Esteves
Kathryn & Brian Brownlie	Monumental Transformations & Bursaries
Caisse Desjardins de la Culture	Indigenous Leadership Residency
Fern Densem	Direct Bursaries
Hay Foundation	Area of Greatest Need
Nona Macdonald Heaslip	Monumental Transformations
Nancy Morrison	In Memory of Bruno Gerussi
IODE Canada	Direct Bursaries
Colin Jackson & Arlene Strom	Monumental Transformations & Bursaries
Luc Plamondon	Direct & Endowed Bursaries
Vanessa Porteous	In Honour of Timothy Porteous
Susan Raymer	Area of Greatest Need
Jean Stutsman	Monumental Transformations
Rosemary Thompson & Pierre Boulet	Monumental Transformations

LESS THAN \$1,000

Louis Allen (Set & Costume Design 1983)

Mary & Herb Auerbach
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René Richard Cyr (Interprétation 1980)

The Drexler Family
Simon Dupéré

Lucien Forget (Interprétation 1968)

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Hugh Jones (Production Design

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Josée Mayo

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Monty Schnieder (Production Design and Technical Arts 1975)

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Nalini Stewart & Family
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Le Groupe de la Veillée

Dr. Robert Walter (Acting 1977) and Dr. Jill Calder

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PHOTO CREDITS:

Cover page : Jean-Christophe Leblanc (Interprétation 2019, Québec), Audrey Perreault (Interprétation 2019, Coteau-du-Lac) and Samuel Décarý (Interprétation 2019, Ste-Thérèse) in *L'EcoleDesFemmes* by Molière, directed by Olivier Choinière. With students from I4, P3, P2, P1, S1, S2, S3 - April 2019. Credit: Maxime Côté.

01: Class of 2019 from Interprétation, Acting, Scénographie, Production, Production Design and Technical Arts, Écriture dramatique, Playwriting, Mise en scène, Directing, and the residents: Artistic Leadership resident, Independent resident, and Indigenous Artist in Residence. Photo taken on the stage of the Ludger-Duvernay Hall at the Monument-National campus. Credit: Lisa Graves.

02: From left to right: Chloe Giddings (Acting 2019, Sherbrooke), Sophie Dubé (Acting 2019, Ottawa), Rochelle Laplante (Acting 2019, Edmonton), Evelyn Wiebe (Acting 2019, Waterloo), Tara Sky (Acting 2019, Toronto, First Nations, Ojibwe and Haisla), Jesse LaPointe (Acting 2019, Fredericton), Nathaniel Hanula-James (Acting 2019, Vancouver), and Nan Chen (Acting 2019, Toronto) in the collective creation of the English graduating class, *we came from dust*, directed by Maiko Yamamoto. With students from A3, P3, P2, P1, S3, S2, S1 - October 2018. Credit: Maxime Côté.

03: Marie-Madeleine Sarr (Interprétation, 2020, Montréal) in *Bovary* by Tiago Rodrigues, directed by Catherine Vidal. With students from I3, P3, P2, P1, S2 - October 2018. Credit: Maxime Côté.

04: Meegwun Fairbrother (actor, Ojibwe and Scottish heritage, from the Grassy Narrows First Nation) in *Sonny's Way* by Jimmy Blais (Indigenous Artist in Residence, 2019), adapted from *Sonny's Blues* by James Baldwin - May 2019. Credit: Laurence Plouffe.

05: Erin Loretta Mackey (Acting 2020, North River), Magda Uculmana-Falcon (Acting 2, Toronto) and Erika Prevost (Acting 2020, Dollard-des-Ormeaux) in a choir presentation by the Acting 2 and 3 students, directed by Douglas Price, musical director of the English section at NTS - December 2018.

06: Mayumi Ide-Bergeron (Set and Costume Design 2, Montreal) in the period costume course given to Set and Costume Design 1 students - January 2018.

07: Erin Shields, actor, author and NTS instructor, with Sarah Currie (Playwriting 2, Whitby, ON) in the Foundation & Writing Project class - March 2019.

08: Caroline Bélisle (Écriture dramatique 2020, Moncton) reading an excerpt from the student collective creation *Pas d'tes affaires* to an audience of students in the Bleviss Family Library - March 2019.

09: Students from the Acting 3 program in the performance of *Serious Money* by Caryl Churchill, directed by Lezlie Wade. With students from A3, PT3, PT2, PT1, SCD3, SCD2, SCD1 - October 2018. Credit: Maxime Côté.

10: Creative collection *Odaya* by Indigenous artists Émilie Monnet, Kim Picard, Nahka Bertrand, Anik Stoui and Dayna Danger during their presentation as part of the *Nuit Rouge*, presented at the Monument-National and starring the NTS Indigenous Artists in Residence - March 2019. Credit: Adrian Morillo.

11: Exhibit *More is More* put on by the Set and Costume Design 2 students - April 2018.

12: Students from the Production Design and Technical Arts program during Tech Week in the Ludger-Duvernay Hall of the Monument-National. In rehearsal for *7 Stories* by Morris Panych, directed by Philip Akin. With students from A3, SCD3, SCD1, PT3, PT2, PT1 - December 2018. Credit: Adrian Morillo.

13: NTS students during *24H Creation Project* at the Monument-National.

14: Students Kenzie Delo (Acting 2018) and Robert Gerow (Acting 2018) in *The Rover* by Aphra Behn, directed by Tadeusz Bradecki. With students from A3, PT3, PT1, SCD3, SCD2, SCD1 - December 2017. Credit: Maxime Côté.

15: Participants in the Theatre 1 workshop, given in Fall 2018 at NTS. Credit: Adrian Morillo.

16: Antoine Nicolas (Interprétation, 2018) in *Maudite Guerre*, a collective creation by the graduating students in Interprétation, Set and Costume Design, and Production, directed by Simon Lacroix. With students from I4, S3, S2, S1, P3, P2, P1, PT3 - February 2019. Credit: Maxime Côté.

17: Tamara Nguyen (Écriture dramatique 2018) in *Cabaret Nadal*, a collective creation by students in Écriture dramatique 2 and 3 (text, acting, and direction). With the students from ÉD2, ÉD3, P2 - October 2018. Credit: Adrian Morillo.

18: Students from Production Design and Technical Arts 2 during the Bootcamp course given at the Hydro-Québec space of the Monument-National.

19: The Acting 3 students in *Nothing But Flowers*, by David Gagnon Walker (Playwriting 2019), directed by Rose Plotek, presented as part of New Words Festival. With students from A3, PT3, PT1, PT2, SCD3, SCD1, P3 - April 2019. Credit: Maxime Côté.

20: Students from the Production Design and Technical Arts program during tech week in the Ludger-Duvernay Hall of the Monument-National. In rehearsal for *7 Stories* by Morris Panych, directed by Philip Akin. With students from A3, SCD3, SCD1, PT3, PT2, PT1 - December 2018. Credit: Adrian Morillo.

21: Students from the Production Design and Technical Arts program rehearsing in the Ludger-Duvernay Hall of the Monument-National. In rehearsal for *7 Stories* by Morris Panych, directed by Philip Akin. With students from A3, SCD3, SCD1, PT3, PT2, PT1 - December 2018. Credit: Maxime Côté.

Back cover: Sophie Dubé (Acting 2019, Ottawa), in the collective creation of the English section graduating class, *we came from dust*, directed by Maiko Yamamoto. With students from A3, P3, P2, P1, S3, S2, S1 - octobre 2018. Credit: Maxime Côté.

LEGEND

A3 Third-year Acting graduating students, SCD3 Third-year Set and Costume Design graduating students, PT3 Third-year Production Design and Technical Arts graduating students, PT2 Second-year Production Design and Technical Arts students, PT1 First-year Production Design and Technical Arts students, PW3 Third-year Playwriting graduating students. I4: Fourth-year Interprétation graduating students, I3: Third-year Interprétation graduating students; P3: Third-year Production Design graduating students; P2: Second-year Production Design students; P1: First-year Production Design students; S3: Third-year Set and Costume Design graduating students; S2: Second-year Set and Costume Design students; S1: First-year Set and Costume Design students; ÉD3: Third-year Écriture



National Theatre School of Canada
Financial Statements
July 31, 2019

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Independent Auditor's Report

To the Board of Directors of
National Theatre School of Canada

An affiliate of
**Raymond Chabot
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Montréal, Quebec
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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, 2019, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2019, 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.

Raymond Chabot Grant Thornton LLP¹

Montréal
November 9, 2019

¹ CPA auditor, CA public accountancy permit no. A117472

**National Theatre School of Canada
Operations**

Year ended July 31, 2019

	General Administration											Restricted		Endowment (Note 20)				
	2019		2018		2019											2018	2019	2018
	General Fund	Loan Fund	Total	Total	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	Total	Total		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Revenues																		
Grants (Note 4)	5 167 048		5 167 048	5 049 940	1 566 115								1 566 115	487 119				
Private donations (Note 5)	1 220 380		1 220 380	666 849		55 652							55 652	57 415	1 118 038	275 351		
Self-generated revenue (Note 6)	2 497 175		2 497 175	2 449 748														
Community foundations (Note 7)	167 665		167 665	143 265		53 569							53 569	52 931				
Net investment income (Note 8)	55 362	5 336	60 698	57 295	(68 926)	(149 008)	(4 296)	(29 834)	(6 391)	(26 644)	(3 468)	(6 219)	(294 786)	1 668 732				
	9 107 630	5 336	9 112 966	8 367 097	1 497 189	(39 787)	(4 296)	(29 834)	(6 391)	(26 644)	(3 468)	(6 219)	1 380 550	2 266 197	1 118 038	275 351		
Expenses																		
Teaching staff																		
Salaries, employee benefits and fees	3 207 533		3 207 533	2 955 770														
Allowances	216 109		216 109	195 305														
Buildings																		
Salaries and employee benefits	72 608		72 608	71 790														
Operating expenses	415 769		415 769	370 465														
Teaching equipment	38 929		38 929	38 538														
Public performances	242 725		242 725	248 629														
Stores																		
Salaries and employee benefits	53 940		53 940	53 617														
Supplies	70 252		70 252	57 138														
Library																		
Salaries and employee benefits	213 803		213 803	208 055														
Books and supplies	41 522		41 522	39 285														
Training initiatives	178 746		178 746	114 978														
Auditions and communications																		
Salaries and employee benefits	521 023		521 023	446 859														
Audition tours	25 626		25 626	31 836														
Communications	265 961		265 961	168 393														
Monument-National (Note 9)	1 714 629		1 714 629	1 642 376														
Administration																		
Salaries and employee benefits	847 388		847 388	792 159														
Other	471 395		471 395	318 811														
Other	221 525		221 525	224 441														
Amortization of tangible capital assets					792 187								792 187	721 542				
Bursaries and funds allocated						479 508	8 222	34 739		75 795	9 335	19 527	627 126	624 243				
Pension plan expense (Notes 21 and 22)	270 000		270 000	295 000														
	9 089 483	—	9 089 483	8 273 445	792 187	479 508	8 222	34 739	—	75 795	9 335	19 527	1 419 313	1 345 785	—	—		
Excess (deficiency) of revenues over expenses	18 147	5 336	23 483	93 652	705 002	(519 295)	(12 518)	(64 573)	(6 391)	(102 439)	(12 803)	(25 746)	(38 763)	920 412	1 118 038	275 351		

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

National Theatre School of Canada
Changes in Fund Balances

Year ended July 31, 2019

	General Administration												Restricted	Endowment (Note 20)						
	2019		2018														2019	2018	2019	2018
	General Fund		Loan Fund	Total	Total	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	Total	Total			
Unrestricted	Restricted (Note 21)																			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
Balance, beginning of year																				
Fund balance, as previously reported		2 537 260	241 770	2 779 030	1 854 378	24 166 641	5 155 377	222 504	1 654 720	50 814	551 901	73 946	47 429	31 923 332	31 002 920	13 210 375	12 935 024			
Accounting change (Note 2)		167 000		167 000	432 000															
Fund balance, as restated	–	2 704 260	241 770	2 946 030	2 286 378	24 166 641	5 155 377	222 504	1 654 720	50 814	551 901	73 946	47 429	31 923 332	31 002 920	13 210 375	12 935 024			
Excess (deficiency) of revenues over expenses	18 147		5 336	23 483	93 652	705 002	(519 295)	(12 518)	(64 573)	(6 391)	(102 439)	(12 803)	(25 746)	(38 763)	920 412	1 118 038	275 351			
Remeasurements and other items (employee future benefits)	121 000			121 000	566 000															
Interfund transfer	(139 147)	139 147																		
Balance, end of year	–	2 843 407	247 106	3 090 513	2 946 030	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	14 328 413	13 210 375			

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

National Theatre School of Canada

Cash Flows

Year ended July 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses of the General Administration and Restricted Funds	(15 280)	1 014 064
Non-cash items		
Remeasurements and other items (employee future benefits)	121 000	566 000
Employee future benefit asset	(141 000)	(606 000)
Amortization of tangible capital assets	792 187	721 542
Net change in fair value of investments	1 678 268	(1 120 158)
Net change in working capital items (Note 10)	(317 400)	128 770
Cash flows from operating activities	<u>2 117 775</u>	<u>704 218</u>
INVESTING ACTIVITIES		
Disposal of investments	23 641 709	20 906 545
Investments	(24 101 097)	(21 275 334)
Acquisition of tangible capital assets	(2 782 735)	(882 929)
Cash flows from investing activities	<u>(3 242 123)</u>	<u>(1 251 718)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(98 531)	(96 329)
Private donations to Endowment Fund	1 118 038	275 351
Bank loan	309 590	
Government grants receivable	(225 059)	264 151
Cash flows from financing activities	<u>1 104 038</u>	<u>443 173</u>
Net decrease in cash	<u>(20 310)</u>	<u>(104 327)</u>
Cash, beginning of year	145 569	249 896
Cash, end of year	<u>125 259</u>	<u>145 569</u>

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

National Theatre School of Canada Financial Position

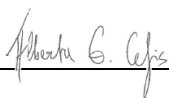
July 31, 2019

											2019	2018
	General Administration					Restricted Community Engagement and Student Programs Fund						
	General Fund	Loan Fund	Capital Asset Fund	Bursary Fund	Playwriting Chair Fund	Directing Chair Fund	Philippe-Casgrain Fund	Creation and Technology Fund	Suzanne-Grossmann Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current												
Cash	125 259										125 259	145 569
Trade and other receivables (Note 11)	131 530	414	6 794	25 520	679	4 807	284	4 014	545	970	175 557	180 800
Prepaid expenses	27 624										27 624	15 217
Advance to General Fund, without interest		7 805								3 375		
Advance to Capital Asset Fund, without interest	372 107											
Advance to Bursary Fund, without interest	43 616											
Advance to Playwriting Chair Fund, without interest	7 656											
Advance to Directing Chair Fund, without interest	30 969											
Advance to Philippe-Casgrain Fund, without interest	4 656											
Advance to Creation and Technology Fund, without interest	22 215											
Advance to Suzanne-Grossmann Fund, without interest	9 443											
Advance to Community Engagement and Student Programs Fund, without interest	13 010											
Current portion of government grants receivable (Note 12)	40 250		57 005								97 255	124 781
	828 335	8 219	63 799	25 520	679	4 807	284	4 014	545	970	425 695	466 367
Long-term												
Government grants receivable (Note 12)			1 570 536								1 570 536	1 317 951
Investments (Note 13)	3 346 847	238 887	3 875 158	4 654 178	216 963	1 616 309	48 795	467 663	70 041	33 723	28 893 602	30 112 482
Tangible capital assets (Note 14)			21 361 798								21 361 798	19 201 163
Defined benefit asset (Note 22)	840 000										840 000	699 000
	5 015 182	247 106	26 871 291	4 679 698	217 642	1 621 116	49 079	471 677	70 586	34 693	53 091 631	51 796 963
LIABILITIES												
Current												
Trade payables and other operating liabilities (Note 16)	759 259										759 259	628 517
Refundable deposits	14 861										14 861	12 737
Government grants received in advance (Note 17)	105 442										105 442	342 327
Advance from General Fund, without interest			372 107	43 616	7 656	30 969	4 656	22 215	9 443	13 010		
Advance from Loan Fund, without interest	7 805											
Advance from Endowment Fund, without interest	3 375											
Contributions and deferred revenues (Note 18)	1 281 033										1 281 033	1 317 163
Current portion of long-term debt			57 005								57 005	98 531
	2 171 775	—	429 112	43 616	7 656	30 969	4 656	22 215	9 443	13 010	2 217 600	2 399 275
Long-term												
Long-term debt (Note 19)			1 570 536								1 570 536	1 317 951
Defined benefit liability (Note 22)												
	2 171 775	—	1 999 648	43 616	7 656	30 969	4 656	22 215	9 443	13 010	3 788 136	3 717 226
FUND BALANCES												
Invested in tangible capital assets			20 996 485								20 996 485	19 223 485
Externally restricted			3 875 158	3 964 110	209 986	1 590 147	44 423	449 462	61 143	21 683	23 000 382	23 585 077
Internally restricted (Notes 20 and 21)	2 843 407	247 106	671 972	671 972							1 544 143	5 271 175
	2 843 407	247 106	24 871 643	4 636 082	209 986	1 590 147	44 423	449 462	61 143	21 683	14 328 413	49 303 495
	5 015 182	247 106	26 871 291	4 679 698	217 642	1 621 116	49 079	471 677	70 586	34 693	53 091 631	51 796 963

The accompanying notes 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, 2019

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

During the year, management decided to change the method for determining the defined benefit obligation by basing it on the actuarial valuation for funding purposes rather than the actuarial valuation for accounting purposes. The accounting change has been applied retroactively.

The impacts of the change are illustrated below:

	2018		
	Balance, as previously reported \$	Adjustment \$	Balance, as restated \$
Financial position			
Asset			
Defined benefit asset	532 000	167 000	699 000
Fund balance			
General Administration Fund	2 779 030	167 000	2 946 030
Operations			
Pension plan expense	352 000	(57 000)	295 000
Changes in fund balances			
General Administration Fund balance, beginning of year	1 854 378	432 000	2 286 378
Excess of revenues over expenses	36 652	57 000	93 652
Remeasurements and other items	888 000	(322 000)	566 000
General Administration Fund balance, end of year	2 779 030	167 000	2 946 030

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. 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.

Fund accounting

Assets, liabilities, revenues and expenses relating to the Organization's general activities are reported in the General Fund.

Assets, liabilities, revenues and expenses relating to provide financial assistance through emergency loans to students of the Organization who need short-term financial support are reported in the Loan Fund. These loans are without interest and payable in 90 days.

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

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, revenues and expenses relating to provide 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 the 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 support 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 enrich 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 support 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.

Contributions restricted for operating activities are recognized as revenue of the General 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 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 Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions received as endowments are recognized as revenue in 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 acquired. 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 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.

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.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the Organization recognizes that a tangible capital asset no longer has any long-term service potential, the excess of the net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

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, including the actuarial gains and losses related to the obligations, the difference between the actual return on plan assets and interest income reduced by the financial cost and the cost of past services, are recorded separately in the statement of changes in fund balances. Remeasurements and other items are not reclassified in the statement of operations at a subsequent year.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

3 - 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.

4 - GRANTS

	2019 \$	2018 \$
General Fund		
Canadian Heritage	4 500 000	4 500 000
Ministère de la Culture et des Communications du Québec	458 136	440 000
Ministry of Heritage, Sport, Tourism and Culture (Ontario)	50 000	50 000
Conseil des arts de Montréal	20 000	20 000
Ministère des Affaires municipales et de l'Habitation du Québec	130 000	35 000
Emploi-Québec	6 126	4 940
Other	2 786	
	<u>5 167 048</u>	<u>5 049 940</u>
Capital Asset Fund		
Canadian Heritage	1 142 075	350 000
Ministère de la Culture et des Communications du Québec	309 590	
Ville de Montréal	114 450	137 119
	<u>1 566 115</u>	<u>487 119</u>
	<u>6 733 163</u>	<u>5 537 059</u>

5 - PRIVATE DONATIONS NOT AFFECTED TO ENDOWMENT

	2019 \$	2018 \$
General Fund		
Foundations	468 837	246 822
Companies	450 285	202 410
Individuals	231 227	153 994
Public organizations and other	70 031	63 623
	<u>1 220 380</u>	<u>666 849</u>
Bursary Fund		
Individuals	41 752	39 965
Public organizations and other	13 000	13 000
Foundations	900	4 450
	<u>55 652</u>	<u>57 415</u>
	<u>1 276 032</u>	<u>724 264</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

6 - SELF-GENERATED REVENUE

	2019	2018
	\$	\$
Monument-National (Note 9)	1 426 192	1 432 704
Student fees	950 869	871 519
Audition fees	55 500	59 955
Library subscriptions	30 429	36 841
Rentals	11 238	19 727
Other	22 947	29 002
	<u>2 497 175</u>	<u>2 449 748</u>

7 - COMMUNITY FOUNDATIONS

As at July 31, 2019, 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.

The Organization recognized \$197 940 (\$196,196 in 2018) as investment income from these endowment funds managed by the community foundations to benefit the Organization.

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 Fund of these foundations will be paid to the Organization at least once a year. Should the Organization discontinue its operations, ownership of the fund will remain with the community foundation, which will use the fund 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.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

7 - COMMUNITY FOUNDATIONS (Continued)

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

	2018-12-31	2017-12-31
	\$	\$
Fondation du Grand Montréal	3 738 284	3 944 016
Edmonton Community Foundation	1 465 871	1 543 399
Toronto Foundation	981 370	1 036 513
Vancouver Foundation	511 699	539 161
Fondation Québec Philanthrope	207 426	227 351
Community Foundation of Newfoundland and Labrador	204 823	206 381
Winnipeg Foundation	132 541	150 455
South Saskatchewan Community Foundation	99 091	102 868
	<u>7 341 105</u>	<u>7 750 144</u>

Deferred contributions related to community foundations (included in deferred contributions – Note 18):

	2019	2018
	\$	\$
Balance, beginning of year	213 637	178 756
Amounts received during the year	226 634	231 077
Amount recognized as revenue	<u>(197 940)</u>	<u>(196 196)</u>
Balance, end of year	<u>242 331</u>	<u>213 637</u>

8 - NET INVESTMENT INCOME

	2019	2018
	\$	\$
General Fund		
Investments measured at fair value		
Changes in fair value from unrestricted resources	<u>55 362</u>	<u>42 045</u>
Loan Fund		
Investments measured at fair value		
Changes in fair value from internally restricted resources	6 252	16 409
Transaction costs	<u>(916)</u>	<u>(1 159)</u>
	<u>5 336</u>	<u>15 250</u>
Capital Asset Fund		
Investments measured at fair value		
Changes in fair value from restricted resources (a)	(53 254)	358 941
Transaction costs	<u>(15 672)</u>	<u>(25 537)</u>
	<u>(68 926)</u>	<u>333 404</u>

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Notes to Financial Statements

July 31, 2019

8 - NET INVESTMENT INCOME (Continued)

	<u>2019</u>	<u>2018</u>
	\$	\$
Bursary Fund		
Investments measured at fair value		
Changes in fair value		
Earned on resources held for endowment and restricted for bursary purposes (a)	(91 752)	969 521
Transaction costs	(57 256)	(68 907)
	<u>(149 008)</u>	<u>900 614</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)	(2 772)	27 991
Transaction costs	(1 524)	(1 974)
	<u>(4 296)</u>	<u>26 017</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)	(19 147)	195 173
Transaction costs	(10 687)	(13 760)
	<u>(29 834)</u>	<u>181 413</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)	(5 756)	11 784
Transaction costs	(635)	(831)
	<u>(6 391)</u>	<u>10 953</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)	(17 492)	169 582
Transaction costs	(9 152)	(11 968)
	<u>(26 644)</u>	<u>157 614</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)	(2 250)	22 687
Transaction costs	(1 218)	(1 599)
	<u>(3 468)</u>	<u>21 088</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

8 - NET INVESTMENT INCOME (Continued)

	2019	2018
	\$	\$
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)	(4 033)	39 805
Transaction costs	(2 186)	(2 176)
	(6 219)	37 629
	(234 088)	1 726 027

- (a) Investment income on \$25,307,868 is externally restricted for different purposes. Investment income on the remaining \$3,585,734 is unrestricted. The total amount of investment income from resources held for endowment purposes and restricted to specific funds is \$196,456 for the year ended July 31, 2019 (\$1,795,484 for the year ended July 31, 2018).

9 - MONUMENT-NATIONAL

	2019	2018
	\$	\$
Revenues		
Rental of theatres and sales of goods and services	1 362 192	1 368 504
Sponsorships	64 000	64 200
	1 426 192	1 432 704
Expenses		
Buildings		
Salaries	129 738	114 908
Operating expenses	442 501	406 090
Operations		
Salaries	524 528	507 646
Administration	118 120	165 215
Front house	130 727	98 923
Services to the producers	369 015	349 594
	1 714 629	1 642 376
Deficiency of revenues over expenses before amortization (a)	(288 437)	(209 672)

- (a) This 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 Fund expenses.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

10 - INFORMATION INCLUDED IN CASH FLOWS

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

	2019	2018
	\$	\$
Trade and other receivables	5 243	105 456
Prepaid expenses	(12 407)	1 564
Trade payables and other operating liabilities	(39 345)	(195 963)
Refundable deposits	2 124	(2 312)
Government grants received in advance	(236 885)	63 577
Contributions and deferred revenues	(36 130)	156 448
	<u>(317 400)</u>	<u>128 770</u>

11 - TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
General Fund		
Accounts receivable of the Monument-National (a)	64 049	81 912
Accrued interest		3 878
Student loans, without interest		1 186
Other	67 481	32 592
	<u>131 530</u>	<u>119 568</u>
Accrued interest		
Loan Fund	414	564
Capital Asset Fund	6 794	11 553
Bursary Fund	25 520	33 341
Playwriting Chair Fund	679	948
Directing Chair Fund	4 807	6 581
Philippe-Casgrain Fund	284	398
Creation and Technology Fund	4 014	5 724
Suzanne-Grossmann Fund	545	764
Community Engagement and Student Programs Fund	970	1 359
	<u>175 557</u>	<u>180 800</u>

(a) Amounts owing from one customer represent 69% of the Monument-National accounts receivable (58% as at July 31, 2018).

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

12 - GOVERNMENT GRANTS RECEIVABLE

	<u>Current portion</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$
General Fund			
Ministry of Heritage, Sport, Tourism and Culture (Ontario)	16 250	16 250	16 250
Ministère des Affaires municipales et de l'Habitation du Québec	24 000	24 000	10 000
	<u>40 250</u>	<u>40 250</u>	<u>26 250</u>
Capital Asset Fund			
Ministère de la Culture et des Communications du Québec (a)	57 005	1 627 541	1 416 482
	<u>97 255</u>	<u>1 667 791</u>	<u>1 442 732</u>
Current portion	97 255	97 255	124 781
	<u>–</u>	<u>1 570 536</u>	<u>1 317 951</u>

(a) The grants receivable are related to the long-term debt described in Note 19.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

13 - INVESTMENTS

											2019	2018
	General Administration					Restricted and endowed						
	General Fund	Loan 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	—	306	4 968	19 076	506	3 568	211	2 991	404	722	32 752	(20 132)
Treasury bills	—	18 757	304 278	1 168 328	31 017	218 546	12 924	183 169	24 732	44 185	2 005 936	2 267 296
Money market securities	3 346 847	—	—	—	—	—	—	—	—	—	3 346 847	3 912 691
Bonds												
Federal institutions		2 539	41 187	158 145	4 198	29 582	1 749	24 794	3 348	5 981	271 523	892 369
Other federal institutions		3 401	55 176	211 857	5 624	39 630	2 344	33 215	4 485	8 012	363 744	
Provincial		37 508	608 446	2 336 232	62 022	437 013	25 843	366 271	49 455	88 354	4 011 144	5 325 061
Other provincial institutions		3 203	51 963	199 522	5 297	37 322	2 207	31 281	4 224	7 546	342 565	1 855 532
Municipal		2 229	36 153	138 816	3 685	25 967	1 536	21 763	2 939	5 250	238 338	295 552
Other municipal institutions		2 422	39 293	150 871	4 005	28 222	1 669	23 653	3 194	5 706	259 035	430 387
Corporate		10 519	170 636	655 185	17 394	122 558	7 248	102 719	13 869	24 779	1 124 907	1 119 044
	—	61 821	1 002 854	3 850 628	102 225	720 294	42 596	603 696	81 514	145 628	6 611 256	9 917 945
Common shares												
Canadian public companies		49 324	800 116	3 072 183	81 560	574 679	33 984	481 653	65 034	116 187	5 274 720	5 438 669
American public companies		43 294	702 305	2 696 619	71 589	504 426	29 830	422 772	57 084	101 984	4 629 903	3 730 873
Foreign public companies		27 536	446 677	1 715 092	45 532	320 823	18 972	268 891	36 306	64 863	2 944 692	3 480 136
	—	120 154	1 949 098	7 483 894	198 681	1 399 928	82 786	1 173 316	158 424	283 034	12 849 315	12 649 678
Other investments												
Bond funds		13 176	213 745	820 710	21 788	153 521	9 079	128 670	17 373	31 039	1 409 101	
Equity funds		24 673	400 215	1 536 694	40 796	287 452	16 999	240 921	32 530	58 115	2 638 395	1 385 004
	—	37 849	613 960	2 357 404	62 584	440 973	26 078	369 591	49 903	89 154	4 047 496	1 385 004
	3 346 847	238 887	3 875 158	14 879 330	395 013	2 783 309	164 595	2 332 763	314 977	562 723	28 893 602	30 112 482
General and Loan Funds	3 346 847	238 887									3 585 734	4 153 956
Restricted funds			3 875 158	4 654 178	216 963	1 616 309	48 795	467 663	70 041	33 723	10 982 830	12 759 337
Endowment Fund				10 225 152	178 050	1 167 000	115 800	1 865 100	244 936	529 000	14 325 038	13 199 189
	3 346 847	238 887	3 875 158	14 879 330	395 013	2 783 309	164 595	2 332 763	314 977	562 723	28 893 602	30 112 482

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

13 - INVESTMENTS (Continued)

Shares

Allocation by industry segment

	2019		2018	
	\$	%	\$	%
Finances	3 150 038	24,52	2 631 100	20,80
Energy	1 819 473	14,16	2 183 230	17,26
Industries	1 465 795	11,41	1 476 621	11,67
Telecommunications	1 981 468	15,42	1 336 478	10,57
Consumer discretionary	1 474 981	11,48	1 322 382	10,45
Materials	1 014 428	7,90	1 279 271	10,11
Information technology	780 026	6,07	957 127	7,57
Health	570 074	4,44	927 504	7,33
Consumer goods	295 272	2,30	308 161	2,44
Community service	251 770	1,96	180 068	1,42
Real estate	45 990	0,36	47 736	0,38
	<u>12 849 315</u>	<u>100,00</u>	<u>12 649 678</u>	<u>100,00</u>

Allocation by geographic sector

	2019		2018	
	\$	%	\$	%
Canada	5 274 720	41,05	5 438 668	43,00
United States	3 852 437	29,98	3 730 875	29,49
United Kingdom	471 471	3,67	290 076	2,29
France	703 439	5,48	809 240	6,40
Other	2 547 248	19,82	2 380 819	18,82
	<u>12 849 315</u>	<u>100,00</u>	<u>12 649 678</u>	<u>100,00</u>

14 - TANGIBLE CAPITAL ASSETS

	2019		2018	
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Capital Asset Fund				
Land	2 968 676		2 968 676	2 968 676
School buildings	12 361 790	3 516 951	8 844 839	5 835 258
Construction in progress				508 603
Monument-National building	19 314 616	10 037 039	9 277 577	9 607 279
Furniture and equipment	2 974 468	2 776 012	198 456	195 113
Automotive equipment	22 595	22 595		
Computer equipment	794 581	722 331	72 250	86 234
	<u>38 436 726</u>	<u>17 074 928</u>	<u>21 361 798</u>	<u>19 201 163</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

14 - TANGIBLE CAPITAL ASSETS (Continued)

As at July 31, 2019, trade payables and other operating liabilities include \$247,253 for the acquisition of tangible capital assets (\$77,166 as at July 31, 2018).

15 - BANK LOAN

The bank loan, for an authorized amount of \$300,000 (\$300,000 as at July 31, 2018), is unsecured, bears interest at prime rate plus 1.5% (5.45%) (prime rate plus 1.5% as at July 31, 2018 (5.2%)) and is renegotiable in January 2020. The bank loan is unused as at July 31, 2019 and 2018.

16 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	2019	2018
	\$	\$
General Fund		
Trade payables	273 986	204 885
Holdback	190 179	
Box-office payable	61 210	157 971
Vacations payable	72 699	87 087
Salaries payable	99 915	85 971
Benefits payable	51 355	79 522
Other	9 915	13 081
	<u>759 259</u>	<u>628 517</u>

Government remittances total \$52,804 as at July 31, 2019 (\$55,537 as at July 31, 2018).

17 - GOVERNMENT GRANTS RECEIVED IN ADVANCE

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

	2019	2018
	\$	\$
Balance, beginning of year	342 327	278 750
Amounts recognized as revenue	(342 327)	(278 750)
Amounts received relating to the following year		
Ministère de la Culture et des Communications du Québec		226 391
Canadian Heritage	105 442	115 936
Balance, end of year	<u>105 442</u>	<u>342 327</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

18 - CONTRIBUTIONS AND DEFERRED REVENUES

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Deferred revenues		
Tuition fees		
Balance, beginning of year	15 299	16 150
Amounts received during the year	14 095	15 299
Amounts recognized as revenue	<u>(15 299)</u>	<u>(16 150)</u>
Balance, end of year	<u>14 095</u>	<u>15 299</u>
Deferred contributions		
Balance, beginning of year	1 301 864	1 144 565
Amounts received during the year	1 777 501	1 179 149
Amount recognized as revenue	<u>(1 812 427)</u>	<u>(1 021 850)</u>
Balance, end of year	<u>1 266 938</u>	<u>1 301 864</u>
Total deferred revenues and contributions	<u>1 281 033</u>	<u>1 317 163</u>

19 - LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
	\$	\$
Capital Asset Fund		
Ministère de la Culture et des Communications du Québec		
"Aide aux immobilisations" program		43 820
Ministère de la Culture et des Communications du Québec		
"Aide aux immobilisations" program (a)	1 317 951	1 372 662
Ministère de la Culture et des Communications du Québec		
"Aide aux immobilisations" program (b)	<u>309 590</u>	
	<u>1 627 541</u>	1 416 482
Current portion of long-term debt	<u>57 005</u>	98 531
	<u>1 570 536</u>	<u>1 317 951</u>

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

19 - LONG-TERM DEBT (Continued)

- (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 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 \$2,975,000 on a building having a net book value of \$8,844,839, 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, 2019, the balance of this term loan and the grant by way of undertaking of payment totals \$1,317,951 (\$1,372,662 as at July 31, 2018).
- (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 renovation of the annex of the Organization's building. This grant is by way of undertaking of repayment of principal and interest of a term loan of an authorized amount of \$1,500,000. Instalments are made according to the completion of work. This loan contracted by the Organization is secured by a mortgage of \$2,975,000 on a building having a net book value of \$8,844,839, bears interest at the prime rate (3.95%) 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 \$57,005 in 2020, \$59,396 in 2021, \$61,886 in 2022, \$64,481 in 2023 and \$67,184 in 2024. These instalments are covered by subsidies from the Ministère de la Culture et des Communications du Québec.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

20 - ENDOWMENT FUND

								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	8 984 384	178 051	867 000	115 800	1 865 099	244 936	529 000	12 784 270
Internally restricted								
Balance, beginning and end of year	1 244 143		300 000					1 544 143
Total	10 228 527	178 051	1 167 000	115 800	1 865 099	244 936	529 000	14 328 413
								2018
	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	7 591 895	178 051	867 000	114 900	1 865 099	244 936	529 000	11 390 881
Donations	274 951			400				275 351
Balance, end of year	7 866 846	178 051	867 000	115 300	1 865 099	244 936	529 000	11 666 232
Internally restricted								
Balance, beginning and end of year	1 244 143		300 000					1 544 143
Total	9 110 989	178 051	1 167 000	115 300	1 865 099	244 936	529 000	13 210 375

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Notes to Financial Statements

July 31, 2019

21 - INTERNAL RESTRICTION

Pursuant to resolutions of the Board of Directors, an amount of \$2,843,407 of the balance of unrestricted funds in the General Fund was internally restricted. This amount is restricted to the repayment of the actuarial deficit of the defined benefit pension plan and to support the Organization in its action plan.

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 employee's average salary over their last three years. 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, 2019.

The funded status of the pension plan is as follows:

	2019	2018
	\$	\$
Fair value of plan assets	10 706 000	10 151 000
Defined benefit obligations	9 866 000	9 452 000
Funded status – defined benefit asset	840 000	699 000

The change in defined benefit asset is as follows:

	2019	2018
	\$	\$
Defined benefit asset, beginning of year	699 000	93 000
Pension plan expense	(270 000)	(295 000)
Funding contributions	290 000	335 000
Remeasurements and other items	121 000	566 000
Defined benefit asset, end of year	840 000	699 000

The significant assumptions used for the extrapolation as at July 31, 2019 are as follows:

	2019	2018
	%	%
Discount rate	4,75	4,75
Rate of compensation increase	2,50	2,50

National Theatre School of Canada

Notes to Financial Statements

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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 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 assets denominated in foreign currencies are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
U.S. dollar	5 749 812	4 331 744
Euro	1 328 845	1 724 491
Yen	517 790	622 549
Pound sterling	223 970	247 859
Danish krone		114 023
Australian dollar		43 059
Swiss franc	160 966	41 496
Norwegian krone	118 750	
	<u>8 100 133</u>	<u>7 125 221</u>

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

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.

National Theatre School of Canada

Notes to Financial Statements

July 31, 2019

23 - FINANCIAL RISKS (Continued)

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 fund 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 entered into long-term lease agreements expiring until January 2024 which call for lease payments of \$239,107 for the rental of equipment and a storage space and maintenance services. Minimum lease payments for the next five years are \$125,313 in 2020, \$66,987 in 2021, \$22,728 in 2022, \$16,467 in 2023 and \$7,612 in 2024.