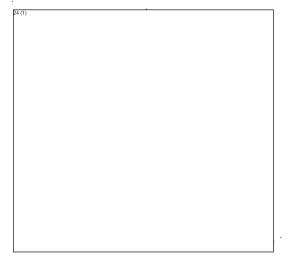
Financial Statements of

TORONTO INTERNATIONAL FILM FESTIVAL, INC.

And Independent Auditor's Report thereon

Year ended December 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Toronto International Film Festival, Inc.

Opinion

We have audited the financial statements of Toronto International Film Festival, Inc., (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

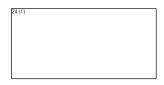
Basis for Opinion

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 auditor's report.

We are independent of the Entity 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.

24 (1)		



Page 2

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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.

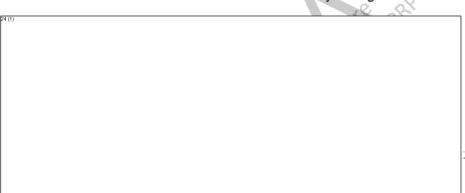
We also:

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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 Entity'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 Entity 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.
- 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.

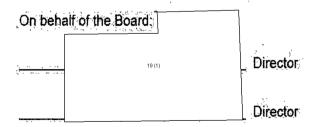


Statement of Financial Position

December 31, 2023, with comparative information for 2022

		2023		2022
Assets				7
ASSEIS				
Current assets:				
Cash	\$	2,615,750	\$	9,798,948
Accounts receivable	Ψ	4,811,950	Ψ	8,996,831
Inventory		313,467		64,707
Prepaid expenses		575,922		351,052
Tropica oxportage		8,317,089		19,211,538
				, , , , , , , , , , , , , , , , , , , ,
Investments restricted for endowments (note 2(a))		2,155,420		2,181,611
Capital assets (note 3)		84,972,458		86,059,053
	\$	95,444,967	\$	107,452,202
Liabilities and Fund Balances				
The ble				
Current liabilities:				
Accounts payable and accrued liabilities (note 5)	\$	4,476,673	\$	6,477,071
Deferred revenue	•	2,697,815		1,120,507
Current portion of long-term debt (note 4)		1,891,408		1,868,362
		9,065,896		9,465,940
12 100				
Long-term debt (note 4)		18,249,592		19,882,677
Other long-term liabilities (note 5)		378,592		506,646
		27,694,080		29,855,263
Fund balances:				
Operating Fund		4,448,389		11,032,296
Building Fund	•	61,144,805		64,380,759
Endowment Fund		2,157,693		2,183,884
*		67,750,887		77,596,939
Commitments (note 0)	,			
Commitments (note 9)				
	\$	95,444,967	¢	107,452,202
	Ψ	33,444,301	Ψ	101,702,202

See accompanying notes to financial statements.



Statement of Operations and Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

		Operating		Building	E	Endowment	2023		2022
		Fund		Fund		Fund	Total	-	Tota
Earned revenue:									
Ticket sales	\$	11,352,266	\$	· -	\$	_	\$ 11,352,266	\$	10,609,896
Rentals	•	1,824,894	•	_	•	· _	1,824,894	•	1,519,038
Membership		1,254,085		·			1,254,085		777,801
Retail and concessions		1,639,268				_ `	1,639,268		992,392
Service fees and commissions		1,079,124		· 		-	1,079,124		847,325
Investment (note 2(b))		490,101	•	6,498		57,828	554,427		553,028
		17,639,738		6,498		57,828	17,704,064		15,299,480
Contributed revenue:									
Sponsorships		12,100,572	-			_	12,100,572		13,446,991
Grants (note 6):						4			
Federal		1,331,337		_		_	1,331,337		11,788,329
Provincial		1,790,741		_			1,790,741		1,779,339
Municipal		1,215,185				_	1,215,185		1,199,235
Other		199,488		_		_	199,488		173,711
		4,536,751		e 50	2	-	4,536,751		14,940,614
Philanthropic donations		5,295,884		600		· -	5,296,484		4,878,732
		21,933,207	C	600		· · · · · · · · · · · · · · · · · · ·	21,933,807		33,266,337
		39,572,945	7	Ø 7,098		57,828	39,637,871		48,565,817
Expenses:			3						٠
Operational		45,399,450	O	14		19	45,399,483		39,350,609
Amortization		800,477	,	2,515,952			3,316,429		3,242,619
Interest		40,925		727,086		_	768,011		840,860
		46,240,852		3,243,052		19	49,483,923		43,434,088
Excess (deficiency) of revenue		0,		•					
over expenses		(6,667,907)		(3,235,954)		57,809	(9,846,052)		5,131,729
Fund balances, beginning of year		11,032,296		64,380,759		2,183,884	77,596,939		72,465,210
Interfund transfers (note 7)		84,000		· –		(84,000)	·		
Fund balances, end of year	\$	4,448,389	\$	61,144,805	\$	2,157,693	\$ 67,750,887	\$	77,596,939

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

			4	
		2023		2022
Cash (used in) provided by:				
Operations:				
Excess of revenue over expenses	\$	(9,846,052)	\$	5,131,729
Charges to operations not affecting cash:	•	(5,515,552)	•	0,107,120
Amortization		3,316,429		3,242,619
Amortization of deferred capital contributions		(121,401)		(178,305)
Amortization of deferred financing fees		68,866		68,864
Post-employment recovery		(6,653)		(43,130)
Change in unrealized gain on investments		(0,000)		(10,100)
restricted for endowments		(48,319)		(80,495)
Reinvested investment earnings		(9,509)		(6,939)
Interest accrued on long-term debt		189,459		218,119
Change in non-cash operating working capital		3,288,161		(3,332,445)
Change in her cach operating working scotter		(3,169,019)		5,020,017
		(0,100,010)		0,020,017
Financing:				
Principal repayments on long-term debt		(1,650,245)		(1,553,928)
Payment of interest accrued on long-term debt		(218,119)		(245,797)
Taylines of more accorded to the contract		(1,868,364)		(1,799,725)
		(1,000,001)		(.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Investments:				
Additions to capital assets		(2,229,834)		(1,190,549)
Proceeds from redemption of investments		(=,===,== .)		(.,,
restricted for endowments		84,019		100,021
		(2,145,815)		(1,090,528)
		(2,7,10,010)		(1,000,020)
Increase (decrease) in cash		(7,183,198)	•	2,129,764
inordado (dedicado) in cabii		(1,100,100)		2,120,704
Cash, beginning of year		9,798,948		7,669,184
oddi, bogilining of your		0,100,010		,,000,101
Cash, end of year	\$	2,615,750	\$	9,798,948
Supplemental cash flow information:			-	
Interest paid on long-term debt	\$	721,948	\$	775,950
	•		-	•

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2023

Toronto International Film Festival, Inc. (the "Organization") is incorporated without share capital under the laws of Ontario. Its principal activities, which operate under the trade name TIFF, include the Toronto International Film Festival, TIFF Bell Lightbox programming 365 days per year (Film Programmes, Exhibitions, Public Learning Programmes, Film Reference Library, etc.), TIFF Kids International Film Festival and Film Circuit (a national film exhibition programme).

The Organization is designated as a not-for-profit charitable organization by the Canada Revenue Agency and, accordingly, is exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Fund accounting:

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

The Operating Fund accounts for the Organization's program delivery and administration activities.

The Building Fund reports assets, liabilities, revenue and expenses related to the Organization's building expansion campaign.

The Endowment Fund reports resources contributed for endowment.

(b) Translation of foreign currencies:

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Revenue and expenses have been translated using exchange rates prevailing on the transaction dates. Gains and losses arising from these translation policies are included in the statement of operations and changes in fund balances.

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Revenue recognition:

Ticket sales, rentals, service fees and commissions and sponsorships are recognized as revenue when the specific event occurs and the amount of revenue to be received can be reasonably estimated and collection is reasonably assured. Amounts received during the year for events to be held in the future are recorded as deferred revenue, to be recognized as revenue when the event takes place and the related benefits are delivered.

Membership revenue is recognized as revenue in the year to which the membership applies and the amount of revenue to be received can be reasonably estimated and collection is reasonably assured. Any memberships purchased in advance are recorded as deferred revenue until they become effective.

Retail and concessions revenue are recorded at the time of sale.

The Organization applies annually for government grants to assist in the funding of its program delivery. Grants are recognized as revenue in the year to which the grants apply. Amounts received in advance of the programs are recorded as deferred revenue and recognized in the year in which the related programs are executed.

Philanthropic donations are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchases of Operating Fund capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Investment income, which is recorded on the accrual basis, includes interest, dividends and the change in unrealized gain. Investment revenue earned on resources of the Endowment Fund is reported in the year earned within the Endowment Fund.

Other externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Financial instruments:

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

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

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

(e) Inventory:

Inventory is recorded at the lower of cost and net realizable value.

(f) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution except the Organization maintains a library of donated films and film-related material recognized at a nominal value of \$1. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Long-lived assets, including capital assets, are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the Organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long-lived assets are less than their net carrying amounts.

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Building Information technology Audiovisual equipment Furniture and equipment		40 years 5 years 10 years 10 years
---	--	---

(g) Gifts in kind:

The Organization receives contributions of goods and materials, as well as a significant amount of time from a substantial number of volunteers each year. The value of these contributions is not recognized or disclosed in these financial statements due to the difficulty of determining the fair value of the contributions.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Investments:

- (a) Investments restricted for endowments comprise mutual fund units, invested primarily in Canadian and foreign equities, which are valued at \$2,149,848 (2022 \$2,176,019), and cash of \$5,572 (2022 \$5,592).
- (b) Investment revenue:

•		2023			2022	
	Operating Fund	Building Fund	Endowment Fund	Operating Fund	Building Fund	Endowment Fund
Interest Dividends and realized	\$ 490,101	\$ 6,498	\$	\$ 465,378	\$ 216	\$ -
gains Change in unrealized	-	130	9,509		-	6,939
gain on investments	<u>.</u>	000	48,319	_	_	80,495
	\$ 490,101	\$ 6,498	\$ 57,828	\$ 465,378	\$ 216	\$ 87,434

3. Capital assets:

	17	•	 2023	 2022
	Cost	amortization	Net book value	 Net book value
Land	\$ 13,200,000	\$ _	\$ 13,200,000	\$ 13,200,000
Building	100,638,074	33,489,250	67,148,824	69,664,776
Information technology	7,337,613	6,954,097	383,516	382,522
Audiovisual equipment Furniture and equipment	12,090,056 7,877,963	10,240,917 5,486,984	1,849,139 2,390,979	1,572,705 1,239,050
	\$ 141,143,706	\$ 56,171,248	\$ 84,972,458	\$ 86,059,053

The Organization currently maintains a library of donated films and film-related material recognized at a nominal value of \$1. The collection has been kept current and is added to regularly. Part of this collection is owned by the Province of Ontario. The rest of the collection, which consists of acquired special collections, is owned by the Organization. The collection is reviewed regularly, and the Organization will periodically deaccession damaged and superfluous items contained in the collection. There were no disposals or write downs during the year. The insured value of these collections is \$22,745,796 (2022 - \$22,706,621).

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Credit facilities:

$\frac{24(1)}{24(1)}$ bearing interest at prime plus 1.30%, secured covering all assets of the Organization. At December 3 drawn against this line of credit.	d by a general se	curity agreement
	. 2023	2022
Term loan, original balance of \$18,857,151, repayable monthly at \$105,433 including interest at a fixed rate of 3.09%, maturing November 2039 Debentures, original balance of \$11,000,000, repayable \$960,518 principal including interest annually on January	\$ 15,890,848 v 15	\$ 16,652,214
at a fixed rate of 3.58% per annum, maturing January 2028 Term loan	4,326,979	5,104,747

original balance of \$1,000,000,

repayable \$9,259 principal plus interest monthly at a

Less deferred financing fees, net of accumulated

fixed rate of 4%, maturing May 2031

Accrued interest

amortization of \$286,937 (2022 - \$218,071)	1,090,360	1,159,226
	20,141,000	21,751,039
Less current portion, including accrued interest	1,891,408	1,868,362
	\$ 18,249,592	\$ 19,882,677

824,074

189,459

21,231,360

935,185

218,119 22,910,265

The debentures and term loans are secured by a general security agreement covering all of the assets of the Organization.

Under the terms of the agreement, the Organization is required to comply with certain financial covenants. As at December 31, 2023, the Organization is in compliance with the financial covenants.

Notes to Financial Statements (continued)

Year ended December 31, 2023

4. Credit facilities (continued):

The principal repayments on the amounts outstanding under the debentures and term loans are due as follows:

2024 2025 2026 2027 2028 Thereafter			\$ 1,701,949 1,755,401 1,810,655 1,867,775 1,926,823 11,979,298
		•	\$ 21,041,901

5. Other long-term liabilities:

Other long-term liabilities include the following:

- (a) In prior years, the Organization had entered into post-employment agreements with certain former employees. At December 31, 2023, no amounts are owing in connection with these agreements (2022 - \$6,653 in long-term liabilities and \$423,921 in accounts payable and accrued liabilities).
- (b) The Organization has received restricted grants for the purchase of operating capital assets. The balance of unamortized deferred capital contributions as at December 31, 2023 is \$378,592 (2022 - \$499,993). During the year, the Organization amortized \$121,401 (2022 - \$178,305) as revenue in the statement of operations and changes in fund balances.

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Grants:

Grant contributions in the Operating Fund are as follows:

	2023	2022
ederal:		
Tourism and Hospitality Recovery Program	\$ -	\$ 1,795,241
Major Festivals and Events Support Initiative		7,836,314
Telefilm Canada	880,000	1,680,400
Department of Canadian Heritage	11,766	11,766
Canada Council	244,600	204,600
Federal Economic Development Agency for		
Southern Ontario	69,971	66,875
Canada Media Fund	100,000	100,000
Employment and Social Development Canada	25,000	73,133
	1,331,337	11,788,329
(9,10)	,,	,,
rovincial:		
Ontario Media Development Corporation	•	
(operating as Ontario Creates)	1,321,500	1,282,000
Ontario Arts Council	344,241	282,241
Ministry of Heritage, Sport, Tourism and	, 011,211	202,211
Culture Industries	125,000	158,455
Ministry of Energy, Northern Development	120,000	
and Mines	_	56,643
alla Milites	1,790,741	1,779,339
	1,730,741	1,779,559
funicipal:	•	
	1,215,185	1 100 225
City of Toronto	1,215,165	1,199,235
Maria		• •
Other:	100 400	46.636
Government	126,488	46,636
Non-government	73,000	127,075
r	199,488	173,711
	\$ 4,536,751	\$ 14,940,614

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Interfund transfer:

During the year, in accordance with the Endowment Management Policy, \$84,000 (2022 - \$200,000) was transferred from the Endowment Fund to the Operating Fund. In 2022, the Board of Directors approved a transfer from the Operating Fund to the Building Fund for the purpose of satisfying long-term debt payments for 2022 and 2023 in the amount of \$4,451,092.

8. Endowment Fund held by Ontario Arts Foundation:

The market value of the funds held by the Ontario Arts Foundation for the Organization at December 31, 2023 is \$7,204,159 (2022 - \$6,474,605). No donations were transferred in the current year.

Interest earned in 2023 was \$330,592 (2022 - \$353,996) and is included in Operating Fund interest on the statement of operations and changes in fund balances.

9. Commitments:

The Organization rents a portion of its premises under an operating lease, has leased equipment and has entered into long-term software and service licence agreements. Approximate future minimum payments under these agreements are as follows:

2024	•	\$	726,000
2025	·		854,000
2026	,		575,000
2027			500,000
2028			500,000
-2029			125,000
		. \$	3,280,000

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Financial risks:

The Organization's activities expose it to a variety of financial risks: liquidity risk, credit risk and interest rate risk. The Organization's overall management program and business practices seek to minimize any potential adverse effect of those risks on the Organization's results of operations. Risk management is carried out by the senior management team under policies approved by the Board of Directors.

There is no change to the risk exposure from 2022.

(a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Organization monitors the credit risk of customers.

(c) Interest rate risk:

As the Organization's long-term debt is locked in fixed rates with lenders, it is not exposed to significant interest rate risk.