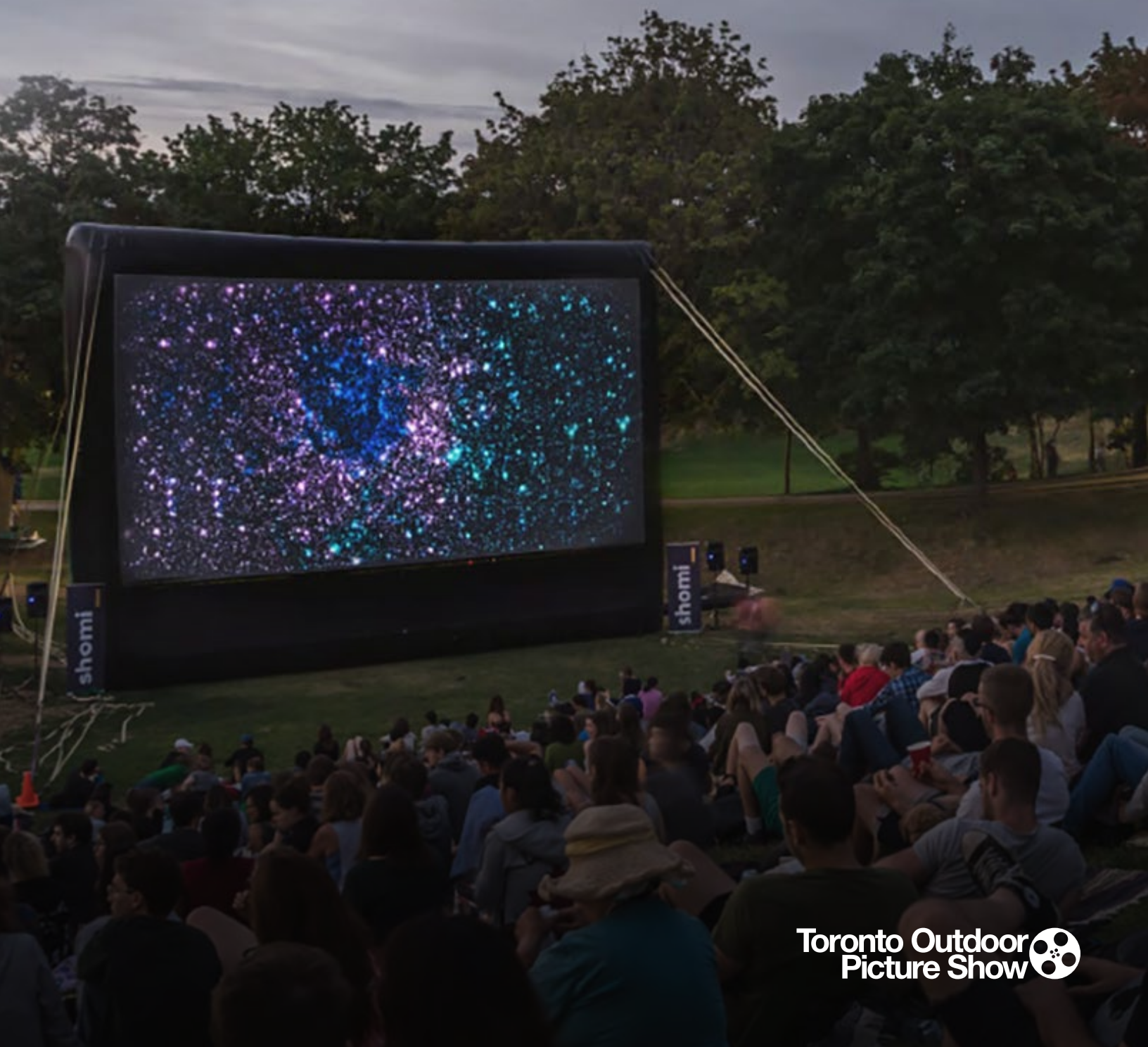


TORONTO OUTDOOR PICTURE SHOW COMMUNITY BONDS PLAN

"There's something magical about hundreds of people sitting silently on a hill in Christie Pits, on blankets and inflatable furniture, watching a movie in the dark."

— Toronto civic activist Desmond Cole, Twitter, 2018





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INTRODUCTION TO TOPS' COMMUNITY BONDS PROJECT

Toronto Outdoor Picture Show (TOPS) is the only not-for-profit organization dedicated entirely to sharing **high quality, diverse and engaging outdoor cinema with communities across Toronto**. In 2018, TOPS presented free film programming to 12,000 attendees, and looks forward to reaching more residents in the years to come.

But we need your help. To better serve our community, **TOPS needs to invest in the purchase of its own Audio-Visual Equipment:** a best-in-class 40' outdoor movie screen, a high quality film projector, and all the pieces that will give our audiences and featured filmmakers the best film-watching experience they can have in their neighbourhood parks.

WHO WE ARE

Toronto Outdoor Picture Show's mission is to cultivate an appreciation of cinema and a sense of community in neighbourhoods across the city. It does so through the presentation of accessible and inspiring outdoor cinema, sharing with those communities a wide range of filmmaking practices, from experimental to mainstream, in a thoughtfully curated way. By creating memorable cultural experiences in urban public spaces, our screenings help to increase the value of our parks and encourage community members to feel a sense of ownership of their neighbourhoods.

TOPS began in 2011 with its signature project, **Christie Pits Film Festival** (CPFF), which was founded by cultural programmer and local resident Emily Reid. CPFF is a summer-long festival of free outdoor film screenings held in the natural amphitheatre of Toronto's Christie Pits Park. It is now Toronto's largest public outdoor film festival, and was recently voted by NOW Magazine Readers as one of the city's Best Neighbourhood Festivals. For many local residents, CPFF is the epitome of magical summer evenings: lying in the grass with your friends, family, and neighbours, dwarfed by a beautiful film on a majestic screen under the stars.

Do you wish that all your long-term financial investments were ethical investments? That you could invest in your community while contributing to your savings?

Welcome to Toronto Outdoor Picture Show's Community Bonds Project.

Your purchase of community bonds will allow you to invest in your community's cultural well being, with your investment and 3.5-5% interest returned to you within two to five years. Read ahead and learn how you can benefit from your local, ethical investment, and take a look at the successful case study for community bond investment demonstrated by Toronto's **Centre of Social Innovation** (CSI), which allowed them to purchase real estate.

With a demonstrated success model for community programming over its first four years at Christie Pits Park, the grassroots organization was incorporated as a not-for-profit in January 2015 and named Toronto Outdoor Picture Show, with plans to grow its reach beyond its home park. With the support of increased public and private funding, TOPS has since **expanded its programming activities** to other areas of the city - from North York to Fort York, Toronto's east side to Etobicoke - and has reached an **audience of 48,000+ people** over its 8-summer history, with consistent annual growth. In 2018, TOPS presented 18 film screenings in four parks across Toronto, headlined by a record-breaking season at Christie Pits Film Festival. As of early 2019, TOPS has begun the process of charitable registration.



OUR COMMITMENT TO OUR COMMUNITIES

“That was the happiest night we’ve ever spent in Parkway Forest Park. Thank you @theholygasp & @TOpictureshow #Love ”

— Toronto City Councillor Shelley Carroll, Twitter, 2017

TOPS events have gained a reputation throughout the years as being welcoming and inclusive places for all audiences. By being free of charge and having no gated access, the festival welcomes anyone who wishes to attend. TOPS programming is presented in accessible public spaces with on-screen captioning, ensuring that the films can be enjoyed by attendees using mobility devices and Deaf / hard of hearing audiences.

In its most recent seasons, with the support of increased funding, TOPS was able to expand the scope of its programming and offer a summer-long season with a greater variety of programming for the communities that it serves.

TOPS makes it a priority across all its series to highlight diversity and gender parity both on screen and behind the camera. We also prioritize the inclusion of emerging “new generation” voices in cinema – from Canada and internationally. Ensuring that our audiences see themselves reflected onscreen is one of the ways in which we make our programming accessible and welcoming to a diverse audience.

Our dedication to increased access to films with under-told narratives, by under-heard voices, is steadfast - all the while ensuring that the programming is also unpretentious but challenging, welcoming and broadly appealing.

“Seeing movies in parks is hella tight. Do The Right Thing is one of the greatest films ever made. Seeing it outside when it’s 40 degrees out is the best way to see it. Thank you for very excellent programming @topictureshow. Everybody, go see movies in the park this summer. #TOPS18”

— Audience member,
Fort York National Historic Site, 2018



OUR FILM PROGRAMMING

Toronto Outdoor Picture Show curates annual open-air film series, free to the Toronto public. Each summer, **the programme centres on an annual theme**, such as [*Cinematic Cities*](#), [*Eyes on the Prize*](#) and [*Great Villains*](#).

TOPS brings high quality, diverse and accessible film programming to Toronto residents, and very successfully bridges the gap between **popular films, critically-acclaimed classics, and independent films by emerging voices**. TOPS' programming fosters local filmmaking talent by programming Canadian short films alongside beloved feature films. Local filmmakers are always invited to introduce their films to our audience, enriching the experience for artists and attendees alike.

As part of its thoughtfully-curated programming, TOPS is well known for unique marquee projects. Over the past four years, TOPS has commissioned and presented four original live-score film events: two productions of F.W. Murnau's [*Nosferatu with an original score*](#) by musical ensemble Del Bel, and two productions of Harold Lloyd's [*The Freshman*](#) with an original score by The Holy Gasp. TOPS looks forward to a very exciting project in summer 2020 to celebrate Christie Pits Film Festival's 10th anniversary season: that summer, TOPS will commission a series of new, original short films by independent Canadian filmmakers.

"It's a tremendous thing for a short film to be viewed by a public audience of 1000 people. That simply doesn't happen. Opportunities like that don't exist for short filmmakers. We were very pleased and grateful our little film got such a platform."

— Marni Van Dyk, writer & producer,
I Am Not A Weird Person, 2018



Our audiences at Christie Pits Film Festival often overflow the viewing area in that park's natural amphitheatre. TOPS will purchase a best-in-class, 40' screen similar to the rented one pictured here.

THE COMMUNITY BONDS PROJECT





WHERE WE ARE NOW & WHERE WE WANT TO GO

TOPS has reached a crucial stage in its history where it **makes good economic and organizational sense to purchase its own high quality audio-visual equipment** for the following reasons:

- **To increase our organizational stability and autonomy**
- **To better control the quality and impact of our audio-visual presentation**
- **To make a cost-efficient production expense, with long-term benefits**
- **To maintain our commitment to serving Toronto communities with free/PWYC public programming**
- **To ensure there isn't a corporate monopoly on A/V rental services in Toronto, for TOPS' benefit as well as that of other non-profits in need of occasional services**

Though it is our core mandate to offer quality outdoor cinema curation and presentation, our ability to continue to bring meaningful programming to numerous communities across the city is limited by cost-prohibitive A/V equipment rental from third-party companies. Simply put, rising A/V costs are challenging TOPS' ability to fulfill its mandate to its fullest potential.

For the past eight years, we have rented full A/V equipment services from various suppliers, who provided satisfactory quality for increasingly high prices. With strong indicators that rental prices will continue to rise, we've determined that the surest marker of organizational stability for TOPS would be the procurement, care and presentation of our own audio-visual equipment. In preparation for this undertaking, TOPS hired a Technical Manager who was trained by a third-party A/V company throughout the 2018 season, created technical and operational materials, and helped develop strategic plans that are currently underway.

Furthermore, as we continue to grow the number of programming evenings we offer each year, it is becoming increasingly difficult to secure rental availability. Owning this infrastructure will allow us the flexibility to gradually increase our offerings in more parks and test screenings in other communities. We will also pledge to support some local arts organizations who want to present occasional outdoor screenings to their audiences, by offering low non-profit partner pricing for A/V presentation services.

With eight years' experience in outdoor public programming, we are well equipped to undertake this newest challenge, seeing it as an opportunity to increase our autonomy and our ability to better reach communities across Toronto.

HOW WE'LL GET THERE WITH COMMUNITY BONDS

The purchase of the proposed capital investment this year is budgeted at \$110,000. As our valued supporters, sponsors, community members and friends, **we are looking to you to help fund this investment by pledging to purchase a community bond.**

TOPS is grateful to the Government of Ontario for a recently awarded Capital Investment Grant in the amount of \$60,000 from Ontario Trillium Fund. To finance the remaining \$50,000, **TOPS is now selling community bond investments to members of the community and supporters at large.** All bonds are priced at \$1000, with guaranteed returns within two to five years. Investors may purchase multiple bonds: 2-year bonds or 5-year bonds, or both.

Two classes of bonds are available for purchase until April 30, 2019:

- **2-year bonds (with 3.5% interest compounded annually) will be repaid on or before the date of maturity (by April 30, 2021).**
- **5-year bonds (with 5% interest compounded annually) will be repaid on or before the date of maturity (by April 30, 2024).**

By comparison, our interest rates are higher than typical TFSAs (Tax-Free Savings Accounts) and GICs (Guaranteed Investment Certificates), most of which offer between 2.4% and 3.3% return.

COMMUNITY BOND INVESTMENTS	5-YEAR BONDS	2-YEAR BONDS
CLASS	CLASS A	CLASS B
Bond size (multiple bonds can be purchased)	\$1000	\$1000
Rate of return, compounded annually	5%	3.50%
Maturity Date	April 30, 2024	April 30, 2021
Payment by maturity*	\$1,276.28	\$1,071.23
Bonds available for sale (total bond amount available in brackets)	30 bonds available (\$30,000)	20 bonds available (\$20,000)
Maturity Term	5 years	2 years

*TOPS may repay investments at any time of its choosing, before or by the date of maturity. Interest will be paid to the investor annually.



WHAT EXACTLY IS A COMMUNITY BOND?

A Community Bond is an interest-bearing loan that is accessible to unaccredited investors and can only be issued by non-profit organizations. You may not know that non-profit organizations (even healthy ones with progressive budget experience, like TOPS!) cannot borrow unsecured funds from financial institutions. Community Bonds are an excellent way for nonprofits to leverage the support of their communities, and in turn provide their local investors with fair returns on their low-risk investments. See other successful community-bond funded projects [here](#).

Who can buy community bonds, and how easy is it to purchase? Any person or business residing in Canada can purchase community bonds. The process is very simple:

1. Complete the [Bond Purchase Agreement](#) and return it to us.
2. If your savings are currently held in investments managed by a third party, speak to your broker to liquidate the amount of your bond purchase. (You will want to have cash in the bank so that you can purchase your bond(s) from TOPS.)
3. Make payment for your chosen number of bonds by either cheque or etransfer by April 30, 2019. Payment information is detailed on the Purchase Agreement (from step 1).

TIMELINES FOR INVESTMENT RETURN WITH INTEREST

All bonds will be repaid on or before the date of maturity of the bond class selected (2-year bonds, or 5-year bonds). TOPS reserves the right to repay its investors at any time of its choosing before or by the date of maturity. Interest will be compounded annually, and be paid to each investor annually until the time that the bond is repaid in full.

What happens if you would like to sell your bonds before the date of maturity? Your commitment to TOPS remains until the date of maturity. You may sell your bond(s) to another investor during the investment period. A transactional fee will apply.

What if we don't hit our target, or exceed our target? We have a number of contingency plans in place to ensure that the project can proceed this year:

- The project is 55% funded before the start of community bonds sales, and already-confirmed funding ensures that the project will move forward. Should we not reach 100% of our fundraising target, the capital purchase will be scaled to a smaller budget this year, as needed (eg, a mid-range projector would be purchased instead of a high-end projector; or speakers could be rented for this summer until a larger investment is more feasible down the road).
- We have applied to the Department of Canadian Heritage for funding that will support this investment, and the implementation of our new infrastructure. Should we successfully obtain both the Canadian Heritage grant and the community bonds investment, we will be in a position to very comfortably make the complete capital purchase, to implement that investment, and to continue to foster ongoing initiatives that benefit the organization's growth and our local community.

HOW WE WILL PAY YOU BACK

TOPS has seen progressive revenue growth since its inception, each year demonstrating financial growth between 25-60% over the previous year that supports its organizational and programming expansion each summer season. As TOPS continues to grow its capacity and impact, it acquires increased government grant, corporate sponsorship, and individual giving support year-to-year.

TORONTO OUTDOOR PICTURE SHOW STATEMENT OF EARNINGS						
REVENUE SOURCE	2015*	2016*	2017*	2018*	2019**+	2020**
GOVERNMENT FUNDING	\$9,000	\$33,275	\$34,718	\$53,954	\$144,000	\$67,000
CORPORATE REVENUE	\$30,526	\$45,450	\$66,511	\$86,818	\$104,000	\$174,000
INDIVIDUAL DONATIONS	\$15,784	\$13,829	\$15,751	\$24,129	\$25,000	\$30,000
TOTAL ANNUAL REVENUE	\$55,310	\$92,554	\$116,705	\$164,651	\$273,000	\$271,000
TOTAL ANNUAL EXPENSES	\$49,216	\$86,449	\$112,101	\$149,158	--	--
NET INCOME	\$6,094	\$6,105	\$4,604	\$15,493	--	--

*Actual annual revenue and expenses | **Projected revenue | +Projected programming revenue sources for 2019 do not include the capital investment sources detailed in this project plan.

In 2018, TOPS spent \$25,000 in A/V rentals, an amount that would grow again each year with increased costs and increased programming plans. This is a core budget item that TOPS has planned for, and it will easily be redistributed to repay our investors over the next five years.

For the duration of your investment, your bond(s) will be secured by a registered security interest in some of the property of TOPS (namely the projector(s), sound equipment and screen). (In common language, this means that through our trustee, bondholders will have security over some of TOPS' property, and should TOPS default on repayment of the bonds, the bondholders can sell the equipment to recover their investment.) That security interest is held by Brian Iler, partner of the law firm Iler Campbell LLP, as trustee for the benefit of all of the Bondholders. A copy of the Trustee Agreement is attached to the Bond Purchase Agreement. TOPS has not granted any other security interests in its personal property. However, as a result of TOPS' grant contract with Ontario Trillium Foundation, the equipment purchased with Trillium funds may have to be returned to Trillium if TOPS no longer needs the equipment, or if the organization dissolves. In that situation, the trustee would release secured equipment that must be returned to Trillium.

TOPS has contingency plans for the repayment of our community bonds, should any of our core revenue sources be jeopardized in the coming years.

1. TOPS can expand its operations to offer production services for hire, to supplement any budget short-falls.
2. Should TOPS cease operations within the next five years before it re-pays all its investors, its sizeable audio-visual assets would be sold to corporate competitors or interested community groups.

As an investor, you can look forward to an annual revenue report during each year of your investment which will keep you abreast of TOPS' organizational growth.

How will I receive my funds (the annual interest and the principal at the time of repayment)?

When you complete the Bond Purchase Agreement, you will inform us of your preferred payment method: cheque or e-transfer payment. You won't need to do anything further unless you decide to change your preferred payment method at a later date



READY TO INVEST?

- Bonds are for sale now until April 30, 2019 (subject to availability).
- If you're ready to make your commitment, **download and complete the [Bond Purchase Agreement](#)** and send it to us at TOpictureshow@gmail.com. Bond
- payment details will be found within the agreement. Download and read the supporting [Schedules A, B & C](#), for your reference (do not complete these forms).
- If you'd like to attend a face-to-face info session with members of the Board of Directors and legal team on April 8, 2019, [sign up here](#).
- Do you have any questions? [Email us!](#)