

**CONSOLIDATED FINANCIAL STATEMENTS OF  
TORONTO ATMOSPHERIC FUND  
YEAR ENDED DECEMBER 31, 2008**

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Consolidated statement of financial position</b>	<b>2</b>
<b>Consolidated statement of funds</b>	<b>3</b>
<b>Consolidated statement of operations</b>	<b>4</b>
<b>Consolidated statement of cash flows</b>	<b>5</b>
<b>Notes to consolidated financial statements</b>	<b>6-13</b>

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of  
Toronto Atmospheric Fund  
and the City of Toronto**

We have audited the accompanying consolidated financial statements of Toronto Atmospheric Fund which comprise the statement of financial position as at December 31, 2008 and the statements of funds, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. We are also required to comply with applicable ethical requirements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, the auditors express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate for our audit opinion.

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2008 and the results of its operations and changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

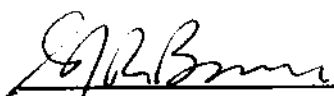
*Akler, Browning, Frimet  
& Landzberg LLP*

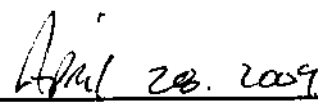
**AKLER, BROWNING, FRIMET & LANDZBERG LLP**  
**CHARTERED ACCOUNTANTS,**  
**LICENSED PUBLIC ACCOUNTANTS**  
**MARCH 15, 2009**

**TORONTO ATMOSPHERIC FUND**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2008**

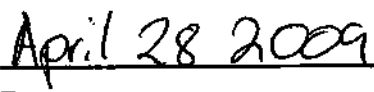
	<u>2008</u> \$	<u>2007</u> \$
<b>ASSETS</b>		
Cash	114,557	-
Accounts receivable	146,222	48,438
External funding receivable	226,640	-
Loans receivable (note 3)	2,494,587	1,318,071
Capital assets (note 4)	-	642
Portlands Energy Centre funds (note 6 (h))	370,670	404,282
Deferred expenses (note 2(f))	9,759	7,009
Investments held in trust by the City of Toronto (note 5)	<u>18,479,778</u>	<u>24,183,136</u>
	<u>21,842,213</u>	<u>25,961,578</u>
<b>LIABILITIES</b>		
Bank loan payable	-	154,387
Accounts payable and accrued liabilities (note 11)	214,032	106,590
Grants payable (note 9)	702,953	982,542
Funds held in trust Dan Leckie Fund (note 2(h))	28,373	28,373
Deferred revenue	687,691	404,282
Refundable deposits	30,000	30,000
Special Projects payable	<u>99,488</u>	<u>178,655</u>
	<u>1,762,537</u>	<u>1,884,829</u>
<b>FUND BALANCES</b>		
Operating Fund	18,772,707	22,520,552
Grants Fund (note 2 (i))	1,306,969	1,142,633
Stabilization Fund (note 2(j))	<u>-</u>	<u>413,564</u>
	<u>20,079,676</u>	<u>24,076,749</u>
	<u>21,842,213</u>	<u>25,961,578</u>

SIGNED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Date

**TORONTO ATMOSPHERIC FUND**  
**CONSOLIDATED STATEMENT OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008			2007
	Operating Fund \$	Grants Fund note 2(i) \$	Stabilization Fund \$	Total \$
<b>FUND BALANCE, BEGINNING OF YEAR</b>	22,520,552	1,142,633	413,564	24,076,749
<b>Excess of revenues over expenditures</b>	(3,997,073)	-	-	(3,997,073)
<b>Interfund transfers:</b>				
Funding carried forward to next year	(64,336)	64,336	-	-
<b>Grants rescinded</b>	(100,000)	100,000	-	-
<b>From Stabilization Fund (note 2(j))</b>	413,564	-	(413,564)	-
<b>FUND BALANCE, END OF YEAR</b>	<u>18,772,707</u>	<u>1,306,969</u>	<u>-</u>	<u>20,079,676</u>
				<u>24,076,749</u>

**TORONTO ATMOSPHERIC FUND**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>REVENUES</b>		
Investment income, net (note 2(c))	(2,803,757)	(359,074)
Community loan interest	79,616	75,184
Advisory and application fees	12,675	31,925
External funding	833,402	-
Internal project funding	230,000	-
Deferred funding	(687,691)	-
Grants and contributions	-	(31,568)
Sundry	5,358	-
	<u>(2,330,397)</u>	<u>(283,533)</u>
<b>EXPENDITURES</b>		
Salaries and employee benefits	530,306	335,326
Office and general	58,506	39,622
Legal services	32,360	18,637
Audit services	11,160	11,399
Communications and printing	52,101	7,635
Clerk services	10,023	9,060
Contract services (note 12)	194,489	2,023
Insurance	3,183	3,183
Telecommunications	6,292	5,623
Amortization	642	1,283
Grants approved, net of rescinded grants (note 9)	517,614	1,369,179
Special projects (note 10)	250,000	296,177
	<u>1,666,676</u>	<u>2,099,147</u>
<b>EXCESS OF (INVESTMENT LOSSES &amp; EXPENDITURES OVER REVENUES)</b>	<u>(3,997,073)</u>	<u>(2,382,680)</u>

**TORONTO ATMOSPHERIC FUND**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u> \$	<u>2007</u> \$
<b>Cash Provided by (Used for):</b>		
<b>OPERATING ACTIVITIES</b>		
Net (decrease) in Operating fund	(3,747,845)	(2,638,679)
Items not involving cash:		
Board allocation to Grants fund	-	1,300,000
Deferred funding	283,409	-
Grants approved, net of rescinded	517,614	1,369,179
Special projects	250,000	296,177
Amortization	642	1,283
Loss on foreign exchange	-	774
Contribution from Grants fund	-	(649,646)
Funding carried forward to next year	64,336	19,209
Grants rescinded transferred to Grants Fund	100,000	-
Contribution to (from) Stabilization fund	<u>(413,564)</u>	<u>(413,564)</u>
	(2,945,408)	(715,267)
Net change in non-cash working capital items:		
Accounts receivable	(97,784)	59,150
External funding receivable	(226,640)	-
Portlands Energy Centre funds	33,612	-
Loans receivable	(1,176,516)	83,083
Accounts payable and accrued liabilities (note 11)	107,442	25,075
Deferred expenses	(2,750)	6,855
Refundable deposits	-	30,000
Grants paid, net of grants recovered	(797,203)	(980,449)
Special projects paid	<u>(329,167)</u>	<u>(297,100)</u>
Net cash flows from operating activities	<u>(5,434,414)</u>	<u>(1,788,653)</u>
<b>INVESTMENT ACTIVITIES</b>		
Bank loan payable	(154,387)	(544,938)
Funds on deposit with the City of Toronto:		
Reinvestment of investment gains	-	-
Investment loss	2,803,358	316,805
Withdrawals	2,900,000	2,000,000
Investment in Hymotion	-	19,226
Dan Leckie fund:		
Program expenditures	(1,561)	(4,135)
Income attributed	<u>1,561</u>	<u>1,695</u>
Net cash flows from investing activities	<u>5,548,971</u>	<u>1,788,653</u>
Net change in cash position for year	114,557	-
Cash position, beginning of year	<u>-</u>	<u>-</u>
<b>CASH POSITION, END OF YEAR</b>	<u><u>114,557</u></u>	<u><u>0</u></u>

Cash position is comprised entirely of balances held with a Canadian chartered bank.

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**1. NATURE OF OPERATIONS**

The Toronto Atmospheric Fund ("TAF") was incorporated under the laws of the Province of Ontario, by the Toronto Atmospheric Fund Act, 1992 (the "TAF Act"), on December 10, 1992 as a Corporation without share capital. The objectives of TAF include promotion of global climate stabilization and promotion of public understanding of global warming and its implications. TAF functions as a not for profit organization.

The City of Toronto (the "City") appoints the Board of Directors of TAF and, under amendments made in 1996 to the Municipal Act, has additional powers over the activities of TAF.

TAF is currently governed by the Toronto Atmospheric Fund Act, 2005, amending the TAF Act to change TAF's objects, investment powers and other relevant provisions of the TAF Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

The significant accounting policies of TAF are summarized below:

**(a) Basis of presentation**

These consolidated financial statements include the accounts of the Toronto Atmospheric Fund and its wholly owned subsidiary, CAIT Ventures Inc. ("CAIT"). These accounts are prepared on an accrual basis, in accordance with Canadian generally accepted accounting principles.

**(b) Financial Instruments**

Investments are recorded at fair market value. The cost of other financial instruments approximates fair value due to their short term nature.

**(c) Investment income**

Investment income consists of interest, dividends, realized gains (losses) on disposition of investments and changes in unrealized gains (losses) on investments. Investment income is recorded net of management fees.

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(d) Grants**

Grants are included in current liabilities and expenditures on approval of the project by the Board of Directors.

Payment of the first instalment of a grant for a project meeting the objectives of TAF is generally made after approval of the Board of Directors and on execution of an agreement. Subsequent payments of grant instalments are generally made after acceptance and approval of reports detailing progress and results of work on the project and are subject to other conditions.

**(e) Revenue recognition**

Contributions related to expenses of future periods or specific expenditures are deferred and recognized as the related expenditures are incurred.

**(f) Expenses deferred**

Legal expenses related to financing negotiations which are payable by the borrower are deferred and expensed when reimbursement is received.

**(g) Capital assets**

Computer equipment and software are amortized on the straight line method over four years with half year rates applying in the year of acquisition.

**(h) Dan Leckie fund**

The Clean Air Partnership ("CAP") has engaged TAF as its agent to invest this fund for CAP's account. CAP transferred the fund balance of \$31,044 at the beginning of 2006 (consisting of fund principal of \$28,373 and accumulated income of \$2,671). The purpose of the fund is to support and recognize emissions reductions opportunities in Toronto. Investment income earned on resources of the fund is recognized as income of the fund. Accordingly, TAF attributes investment income to the fund at the average rate of return for the portfolio. As there was a decline in the portfolio market value over the year, TAF attributed income using the same average rate of return used for 2007, which was 5.5%, amounting to \$1,561 (2007 - TAF used the five year average rate of return of 5.5% \$1,695).

A summary of fund operations for the year is as follows:

Opening balance	\$ 28,373
Interest income	<u>1,561</u>
	29,934
Expenditures	<u>(1,561)</u>
Closing balance	<u>\$ 28,373</u>



**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**(i) Grants fund**

The purpose of this internally restricted fund, established by the Board in 2006, is to carry forward any grants funding that was not spent in the year.

**(j) Stabilization fund**

Established in 2003, the purpose of this fund is to enable TAF to reduce fluctuation in its spending from investment income through different market environments.

The Board authorized withdrawing the balance of the fund of \$413,564 to offset the portfolio losses (in 2007, \$413,564 was withdrawn from the fund).

**3. LOANS RECEIVABLE**

	<u>2008</u>	<u>2007</u>
<b>Exhibition Place (note 3(a))</b>	<b>\$ 885,286</b>	<b>\$ 962,898</b>
<b>Toronto Artscape Inc. (note 3(b))</b>	<b>184,301</b>	<b>205,173</b>
<b>Toronto Artscape Inc. Wychwood Barns (note 3(c))</b>	<b>700,000</b>	<b>-</b>
<b>Toronto Standard Condominium Corporation No. 1959 (note 3(d))</b>	<b>500,000</b>	<b>-</b>
<b>TREC convertible loan (note 3(e))</b>	<b>150,000</b>	<b>150,000</b>
<b>Enwise Capital Corporation advances (note 3(f))</b>	<b>75,000</b>	<b>-</b>
	<b><u>\$2,494,587</u></b>	<b><u>\$ 1,318,071</u></b>

**(a) Exhibition Place:**

TAF approved a loan of \$1 million to Exhibition Place for the District Energy and Trigenation project. In 2005 a term sheet was executed, the funds were advanced to TAF's solicitor in 2006 and the agreement was executed January 3, 2007. The loan is to be repaid in semi-annual instalments of \$62,402 blending principal and interest at a rate of 6.06% per annum, compounded semi-annually. The first instalment was paid in July, 2007 and the final payment is due in January 2017.

**(b) Toronto Artscape Inc.:**

TAF approved and advanced a loan in the amount of \$280,000 to Toronto Artscape Inc. in 2003. The loan is to be repaid in monthly instalments of \$2,927 blending principal and interest at a rate of 7.39% per annum, compounded semi-annually. The first instalment was paid in September, 2004 and the final payment is due in August 2015.

**(c) Toronto Artscape Inc. Wychwood Barns:**

TAF approved and advanced a bridge loan in the amount of \$700,000 to Toronto Artscape Inc. for the Wychwood Barns project in 2008. The loan principal has open repayment terms; until the principal is fully repaid, interest only is payable monthly at the rate of 5.36%. The principal was advanced on October 15, 2008. Toronto Artscape Inc. repaid \$100,000 of principal in January of 2009 and the remaining principal is expected to be repaid during 2009.

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**3. LOANS RECEIVABLE - continued**

- (d) Nuvo Green Condo Loan:  
TAF advanced a loan of \$ 500,000 to Toronto Standard Condominium Corporation No. 1959 (created by Tridel Builders Inc. for the Nuvo condominiums at 25 Viking Lane, Toronto) in 2008. The loan is to be repaid in monthly instalments of \$7,319 blending principal and interest at a rate of 6.14% per annum, compounded semi-annually. The first instalment is due January 1, 2009 and the final payment is due in December 2015. This loan is part of the commitment to Tridel Builders Inc. of a total of \$950,000; refer to note 6 (c).
- (e) Lakewind Power Generation wind farm:  
TAF approved and entered into an agreement to provide financing of up to \$300,000 to the Toronto Renewable Energy Co-operative ("TREC") for the purpose of establishing the Lakewind Power Generation Project, a wind farm to be located on the shore of Lake Huron. During 2004 TAF advanced \$50,000 to TREC and a further \$100,000 in 2006 with no interest payable. The original agreement provided for the loan being forgivable if the project did not proceed by December 31, 2008. A Loan Amending Agreement was entered into on December 1, 2008 to extend the term for funding the loan. The loan may be terminated by TAF at any time after January 11, 2011. If the project proceeds, the entire loan amount is to be converted into equity in the Windshare co-operative corporation (established to operate the project). If the project cannot proceed, TAF, at its discretion, will forgive the loan. The agreement acknowledges that TAF is entitled to receive repayment of its loan only by way of share participation, and to the extent the loan funds have not been spent, by return of those funds to TAF without interest.
- (f) Enwise Capital Corporation:  
TAF entered into an agreement in 2008 with Enwise Capital Corporation ("Enwise") to administer the loans to be made to residential homeowners participating in the Toronto Solar Neighbourhoods Initiative (see note 6 (g)). An initial advance of \$75,000 was paid to Enwise in respect of loans to be distributed. No interest is payable on the advance. As at December 31, 2008 no loans had been executed and no funds had been distributed by Enwise.

**4. CAPITAL ASSETS**

	<u>2008</u>		<u>2007</u>
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	<u>\$ 32,553</u>	<u>\$ 32,553</u>	<u>\$ -</u>
			<u>\$ 642</u>

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**5. INVESTMENTS HELD IN TRUST**

In accordance with the TAF Act, monies that are not immediately required are given to the Treasurer of the City for custody. Investments consist of funds held by investment managers jointly selected by TAF and the City. These monies are invested in securities authorized under the current Sections 27 to 31 of the Trustee Act and income earned accrues to TAF.

**6. COMMITMENTS AND CONTINGENCIES**

- (a) TAF has approved \$300,000 in contingent debt financing to TREC for the Lakewind Power Generation Project. Advances made as at December 31, 2008 total \$150,000 (refer to note 3(e)). The total committed not yet advanced amounts to \$150,000.
- (b) TAF has entered into an agreement to provide \$475,000 in debt financing to the condominium corporation(s) that will be created by Tridel Builders Inc. ("Tridel") for one or more projects to be designated by Tridel, to fund energy efficiency enhancements. No advances had been made as at December 31, 2008.
- (c) TAF has entered into an agreement to provide up to \$950,000 in debt financing to the condominium corporations that will be created by Tridel Builders Inc. ("Tridel") for a series of additional projects to be designated by Tridel, to fund energy efficiency enhancements. The final advance must be completed on or before December 15, 2010. During 2008 a loan of \$500,000 (see note 3(d)) was advanced for the Nuvo condominium project. The total committed not yet advanced amounts to \$450,000.
- (d) TAF has entered into an agreement to provide \$730,000 in debt financing to the condominium corporation that will be created by Monarch Developments ("Monarch") for a project to be designated by Monarch, to fund energy efficiency enhancements. No advance is anticipated prior to 2010.
- (e) The Board has approved \$540,000 in debt financing to the condominium corporation that will be created by Remington Group Inc. to fund energy efficiency enhancements. No agreement has been executed and no advances had been made as at December 31, 2008.
- (f) TAF has approved \$100,000 in debt financing to Toronto Hydro Energy Services Inc. to fund a wind study for a wind power project. No agreement has been executed and no advances had been made as at December 31, 2008.
- (g) TAF has approved \$345,000 in funding to deliver the Toronto Solar Neighbourhood Initiative program ("TSNI"). The TSNI is a program to encourage installation of solar thermal water heating by residents in Ward 30. The program offers financing and financial incentives for the installation of up to 150 units. The funding will be paid out of the funds received from the Portlands Energy Centre of \$400,000 (note 6 (h)). TAF has entered into an agreement with Enwise Capital Corporation to administer the loan program (see note 3(f)). No loans to residents have been made as of December 31, 2008.

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**6. COMMITMENTS AND CONTINGENCIES - continued**

- (h) TAF received advance funding from the Portlands Energy Centre ("PEC") to be used for the Toronto Neighbourhood Solar Initiative program. PEC advanced funds in the amount of \$400,000 in July of 2007. The funds have been invested in short term deposits. The program was commenced in 2008 and is anticipated to be completed in 2009. During 2008, \$50,000 of these funds have been drawn by TAF.
- (i) Any defaults on the agreements, security facilities and lines of credit noted above will be recorded as expenditures of TAF if and when a loss is anticipated and determinable.

**7. BOARD ALLOCATION TO GRANTS**

In 2005 the Board adopted a policy to allocate the amount of grants and special projects funding that was not spent during the years 2002 to 2004 from the Operating Fund to the Grants Fund in the amount of \$1,048,938, and to add this amount to the grants and special projects funding over the years 2005 through 2007. The additional funding amounts to \$349,646 for each of the three years.

In 2007, the Board approved an allocation to the Grants Fund of up to of \$1,300,000 over 18 to 24 months, with a maximum of \$ 750,000 for the second grants round in 2007. TAF allocated \$300,000 for a grant in respect of the Thackeray landfill generation project, and the balance of \$1,000,000 was carried forward in the Grants Fund.

In 2008, there were no allocations made to or from the Grants Fund.

**8. GRANTS FUND**

The grants fund balance consists of:

	<u>2008</u>	<u>2007</u>
<b>Board allocation from 2005 (see note 7)</b>	<b>\$ 1,048,938</b>	<b>\$ 1,048,938</b>
amount used in previous years	(1,048,938)	(699,292)
amount used in current year	-	(349,646)
<b>Board allocation from 2007 (see note 7)</b>	<b>1,300,000</b>	<b>1,300,000</b>
amount used in previous years	(300,000)	-
amount used in current year	-	(300,000)
<b>Grant funding carried forward</b>		
from previous years	142,633	123,424
from current year	<u>164,336</u>	<u>19,209</u>
	<u><b>\$ 1,306,969</b></u>	<u><b>\$ 1,142,633</b></u>

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**9. APPROVED GRANTS**

Grants approved by the TAF Board of Directors during the year and balances payable as at December 31, 2008 are as follows:

	<u>Approved</u>	<u>Payable</u>
<b>City mandated contributions to:</b>		
GTA Clean Air Council	\$ 50,000	\$5,000
2008 Smog Summit	50,000	5,000
Habitat for Humanity	14,950	1,495
Harbourfront Centre	10,000	10,000
Local Enhancement & Appreciation of Forests	27,000	-
Ontario Sustainable Energy Association	25,000	25,000
Pollution Probe	25,000	2,500
South Riverdale Community Health Centre	52,664	5,266
Toronto – Facilities & Real Estate	40,000	-
Toronto – Fleet Services	70,000	70,000
Toronto – Toronto Zoo	23,000	2,300
Toronto Community Housing Corporation	75,000	5,000
Toronto Renewable Energy Cooperative	30,000	30,000
University Health Network	100,000	10,000
YWCA	<u>25,000</u>	<u>25,000</u>
	617,614	196,561
<b>Grants rescinded</b>	(100,000)	-
<b>Other grants payable approved in prior years</b>	-	501,392
<b>Special Project – Clean Air Partnership</b>	<u>-</u>	<u>5,000</u>
	<u>\$ 517,614</u>	<u>\$ 702,953</u>

**TORONTO ATMOSPHERIC FUND**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**10. SPECIAL PROJECTS**

	<u>2008</u>	<u>2007</u>
Clean Air Partnership	\$ 50,000	\$ 75,000
Toronto Greenhouse Gas/Air Quality Inventory and Analysis	-	(53,090)
Hymotion PHEV Pilot	-	119,000
Advanced Lighting Tech Monitor	-	15,000
Solar City Program	50,000	30,000
Technology Pilot Monitoring	-	27,700
Green Homes Green Loans	-	82,567
LightSavers Program development	100,000	-
LightSavers Performance Protocol development	<u>50,000</u>	<u>-</u>
	<u>\$ 250,000</u>	<u>\$ 296,177</u>

**11. CLEAN AIR PARTNERSHIP**

In previous years, TAF appointed the majority of the directors of the Clean Air Partnership ("CAP"). Because TAF appoints only three of the eleven directors, the resources of CAP are no longer included in the notes. Amounts due to CAP are now included in the Accounts Payable. The 2007 figures have been restated to reflect this change (amounts due to CAP for shared expenses as at December 31 were: 2008 - \$23,161 and 2007 - \$6,296).

**12. CONTRACT SERVICES**

Contract services for 2008 include \$162,079 of program expenditures. The comparative amounts are set out in the following table.

	<u>2008</u>	<u>2007</u>
<b>Programs:</b>		
For LightSavers	\$ 100,799	\$ -
For SolarCity	49,745	-
For TowerWise	<u>11,535</u>	<u>-</u>
Total Programs	<u>162,079</u>	<u>-</u>
<b>Expenses:</b>		
Executive Director search	23,750	-
Bookkeeping services	7,260	1,954
Other	<u>1,400</u>	<u>69</u>
Total Expenses	<u>32,410</u>	<u>2,023</u>
Total Contract Services	<u>\$ 194,489</u>	<u>\$ 2,023</u>