

---

Bringing  
Climate  
Change  
Solutions  
to the  
New City



climate  
change

TORONTO  
ATMOSPHERIC  
FUND

*your climate  
change council*

Toronto  
Atmospheric  
Fund  
1998  
Annual  
Report

---

---

## TAF Expands its Borders

In 1998, The Toronto Atmospheric Fund reached out to embrace a new goal in a new city. The Fund will help the amalgamated City of Toronto achieve a challenging target: reduce greenhouse gas emissions by 20 percent by 2005.

The Toronto Atmospheric Fund is an agency of the City of Toronto, created in 1992 to assist the City and the community in reaching its climate change goal. Operating with an endowment of \$23 million from the sale of City of Toronto property, TAF provides grants and innovative financing to support initiatives that reduce the energy and waste footprints of the city. It is managed by a Board of Directors made up of City councillors, City staff and citizens.

The new Toronto City Council reaffirmed TAF's mandate by a unanimous vote. Grants approved in 1998 reflected the city-wide mandate, as projects in Etobicoke, North York, East York, York and Scarborough received funds for the first time.

Some community groups, like Scarborough's 2000 Trees for the Year 2000, had their funding applications ready January 1, thankful for the opportunity to apply to the Fund since they now found themselves within TAF's granting boundaries.

In other parts of the city, few environmental groups were working on climate change, although there was a high level of interest in the issue. Groups such as Friends of the Don East, and Citizens Concerned About the Future of the Etobicoke Waterfront, got support from TAF that enabled them to move beyond a dedicated volunteer base, and begin grassroots projects.

Working in partnership with TAF, community groups like Greenest City and Green\$aver which had previously concentrated their work in the downtown area started working in all parts of the city. New links with schools, businesses, and organizations have been built, and climate change solutions are spreading across the new city.

The Toronto Atmospheric Fund is well positioned to develop relationships with organizations that can help the city meet its climate change commitment. And all indications are that the people of the new city welcome the opportunity to make exciting changes that will help stabilize climate change and improve the air for everyone.

---

## Toronto Atmospheric Fund's Goals

The Toronto Atmospheric Fund (TAF) is a funding agency of the City of Toronto. TAF aims to promote climate stabilization by assisting the City and the community to reduce greenhouse gas emissions by 20 percent by 2005. TAF provides grants and innovative financing to organizations that promote energy efficiency, renewable energy, sustainable transportation, improved urban planning, and greening the city.

### TAF'S GOALS ARE:

**1.**

To promote global climate stabilization through reduction of emissions of greenhouse gases and greenhouse gas precursors into the atmosphere.

**2.**

To promote public understanding of climate change and its implications for our urban environment.

**3.**

To promote reduction of greenhouse gas emissions through energy conservation and efficiency.

**4.**

To create and preserve urban green spaces that act as carbon sinks, absorbing carbon dioxide from the atmosphere.

**5.**

To provide support and funding for community projects related to these goals.

---

## Table of Contents

TAF expands its borders	1
Toronto Atmospheric Fund's Goals	2
Message from the Mayor	4
In Memory of Dan Leckie	5
TAF Reaches out to Youth in the New City	6
Bringing Climate Change Solutions to the New City	
Better Buildings Partnership	8
Solar Power Project	8
Fatal Light Awareness Program	9
No Energy to Waste	9
Backyard Tree Planting Project	10
Etobicoke's Waterfront	10
Toronto Renewable Energy Cooperative	11
Summary of Grants Approved - 1998	12
Summary of Loans Approved - 1998	15
TAF Works with the New City	16
Auditors' Report	17
Contact Information	24

---

## Message from Mayor Lastman

Dear Friends,

Solutions to climate change need the united efforts of governments, citizens, organizations and businesses.

In 1998, a year of record temperatures, the Toronto Atmospheric Fund expanded its greenhouse gas emissions reduction mandate to the entire new City of Toronto. The Fund successfully used its experience developing innovative climate change programs with groups throughout the community, to make the transition.

Great opportunities remain for the Toronto Atmospheric Fund to help Toronto meet its climate change commitment. The Fund works with a number of departments to lower the City of Toronto's own emissions, including converting landfill gas to electricity, and developing a network of bicycle lanes on rail and hydro corridors.

There are countless ways for the City of Toronto to show leadership by lowering emissions through innovative programs, with the Fund supporting these important efforts.

City Council voted unanimously to maintain the Toronto Atmospheric Fund, an extremely valuable resource for now and the future. Council also adopted the 20 per cent emissions reduction target for the new city, recognizing the built-in opportunities to save money, stimulate the economy, and improve the air we breathe.

Cordially,

Mel Lastman  
Mayor

---

## In Memoriam

**Dan Leckie, 1949-1998**

**Toronto Atmospheric Fund President, 1995-1997**



Dan Leckie was the Toronto Atmospheric Fund's champion and enthusiastic president from 1995 to 1997. Dan led the Toronto Atmospheric Fund through an incredibly important time in its development. He and Executive Director Lois Corbett worked together to build TAF into an organization that funded innovative projects and shaped climate change policy and action in Toronto and beyond.

Dan was the catalyst for numerous innovative Toronto Atmospheric Fund initiatives. These included promoting energy efficiency upgrades in sectors that market forces missed - low-income homes, cooperative housing, small businesses and non-profit organizations through the Better Buildings Partnership. He helped establish community groups that went on to develop climate change solutions, such as Greenest City and its multi-cultural outreach, and the Toronto Renewable Energy Cooperative and its wind turbine.

Dan served as a Toronto Hydro Commissioner where he brought environmental concerns to the forefront by linking Hydro with the Toronto Atmospheric Fund. He was also instrumental in the creation of the Healthy City Program, the Safe City Program, the Food Policy Council, the Toronto Bay Initiative, the Better Buildings Partnership, the Task Force to Bring Back the Don and important affordable housing developments.

Dan was keenly motivated to work for environmental change worldwide. He pursued that task with enthusiasm in the last months of his life as a policy expert on the crisis of global climate change with the International Council on Local Environmental Initiatives. He made presentations at the United Nations summit at Kyoto, Japan and travelled to the Philippines and Britain to develop energy efficiency programmes and solar energy projects.

When Toronto City Council voted on the future of the Toronto Atmospheric Fund in September, 1998, "it was as though Dan reached down and lifted up those hands," says Councillor Jack Layton, a close friend of Dan's. The vote to keep TAF intact was unanimous.

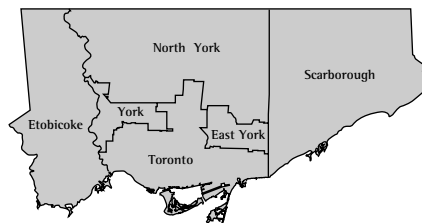
Dan is greatly missed by those involved with the Toronto Atmospheric Fund, and his legacy lives on in many ways.

Although details are still on the drawing board, TAF will announce the establishment of an annual Dan Leckie Awards program in 1999.

## TAF Reaches out to Youth in the New City

### COOL SCHOOLS PROGRAM

In 1993, the Toronto Atmospheric Fund established the Cool Schools program to make young people more aware of climate change. After all, they will face the largest brunt of climate change in the future. Cool Schools aims to involve students in solutions. The program provides small grants to elementary and secondary schools across Toronto. These grants can make a big difference as budgets are cut and programs that enrich student life diminish.



Since it began, the Cool Schools Program has provided grants to over 50 schools across the city. Here's what just two of the schools have done.

The Toronto Heschel School in North York began a garden that teachers use extensively in the entire school's curriculum. In the classroom, students also learned from two new units on climate change. The school organized a car pool system which will virtually eliminate parents driving with one or two children to or from school. This outstanding climate change effort has won the Heschel School an Environment Award of Merit from the North York Environmental Leadership Awards Committee.

At Silverthorne Collegiate in Etobicoke, students took an empty lawn and transformed it into a vibrant garden. Students in Communications Technology, Geography, Family Studies, Biology and Environmental Studies have used the garden and its climate change connection as an integral part of their curriculum.



*Mayor Mel Lastman and Councillor Howard Moscoe help the Toronto Heschel School in North York celebrate their Environment Award of Merit.*

## COOL SCHOOLS CHALLENGE

With a grant from TAF, Youth Challenge International (YCI) offered the Cool Schools Challenge. The contest encouraged Toronto high schools students to take on activities that will reduce greenhouse gas emissions. The Challenge included maximizing energy and water conservation, implementing transportation alternatives, and developing waste management programs and school ground naturalization plans.

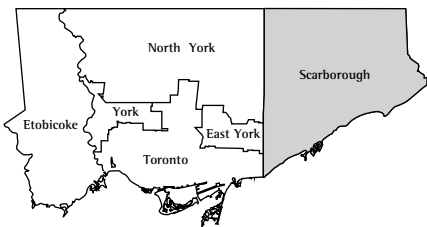
Working directly with schools across the city, YCI uses interactive workshops to generate stimulating ideas for projects. It will help find a guest speaker, organize a field trip, or simply outline the technical steps needed to launch an activity or project.

## 2000 TREES IN SCARBOROUGH

TAF is now a proud sponsor of an established program in Scarborough schools called 2000 Trees for the Year 2000.

This year, students, parents and teachers from 48 Scarborough schools planted 458 trees on school grounds. Younger students worked with older students, teachers or parents to plant the trees. They learned how trees reduce climate change by absorbing carbon dioxide and how trees lower energy requirements for nearby buildings by providing shade and wind breaks. Students learned the role trees play in moderating climate by absorbing heat from the sun and in protecting them from exposure to the harmful effects of the sun's radiation.

A wide variety of native trees have been planted, including: red oak, sugar maple, white ash, white spruce and black cherry. 2000 Trees is a collaborative, volunteer-run project involving students, teachers, administrators, parents, community groups and City staff.



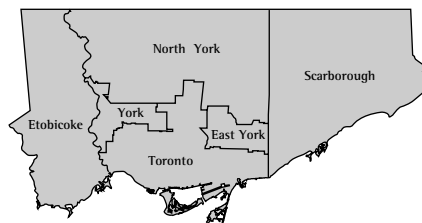
## Bringing Climate Change Solutions to the New City

### BETTER BUILDINGS PARTNERSHIP

The Better Buildings Partnership's (BBP) towering success in 1998 resulted in 10 times more revenue than expected. Higher than expected energy savings prompted Enbridge Consumers Gas to chip in \$739,000 to the BBP, instead of an expected \$68,000.

The utility's participation in the program is a result of the Toronto Atmospheric's Fund \$2 million financial guarantee.

With TAF's security, close to \$15 million in loans is available for energy efficiency upgrades. Countless building owners, who otherwise would not have access to financing, can reduce their energy use through the BBP.



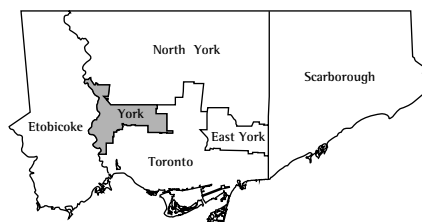
Enbridge Consumers Gas provides a cheque for \$739,000 to the Better Buildings Partnerships that will leverage close to \$4 million in loans for energy efficiency improvements.

### SOLAR POWER PROJECT

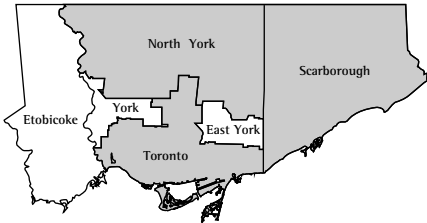
TAF takes solar power to the streets and parks of Toronto in partnership with the Energy Action Council. TAF's support enabled the Energy Action Council to hire and train students to design and build a fleet of bicycle-drawn mobile solar power systems, and upgrade an existing larger solar-powered trailer.

These generator units can be rented by the public to provide reliable, quiet and renewable electrical energy for community events, festivals, parades and concerts. The solar power project, based in the former City of York, has provided clean energy to thousands of people.

The solar trailers are equipped with easy instruction manuals prepared by students and come with information about energy conservation and renewable energy.



## FATAL LIGHT AWARENESS PROGRAM (FLAP)



Simply turning off lights at night provides three major benefits: air quality and climate changing emissions are lowered; building owners' energy bills are cut; and the lives of migrating birds are spared.

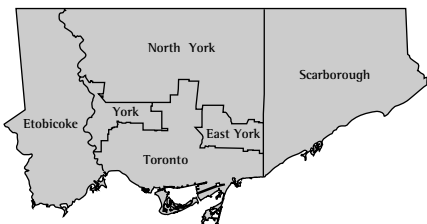
This year, TAF funded FLAP's program that works with building managers to turn off lights at night. Lights shining from tall structures are an irresistible draw to night-migrating birds which hit the buildings, dying on impact or falling stunned to the ground.

With support from TAF, FLAP reached a greater number of office tower managers and owners in Toronto's core as well as North York and Scarborough, convincing them of the triple benefits of turning off their lights.



*In one year, the Bank of Montreal's First Canadian Place achieved a 24 percent night time light reduction. With TAF's help, FLAP started working with building managers in North York and Scarborough in 1998.*

## NO ENERGY TO WASTE



The message of Greenest City's No Energy to Waste Campaign is clear: "We have the power to close the door on climate change!"

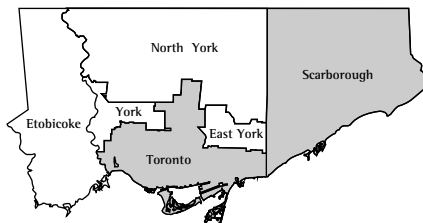
No Energy to Waste (NEW) works in partnership with TAF and the City of Toronto's Energy Efficiency Office to involve the neighbourhood retail sector in reducing in-store energy use. It all begins with closing the front door when the air conditioner or heating system is running. Other energy management measures, like changing to high efficiency lighting and upgrading heating and cooling equipment, further reduce utility bills. Retailers have the power to save energy, save money and help fight climate change.

## BACKYARD TREE PLANTING PROJECT

TAF helps homeowners save money on their energy bills through the Backyard Tree Planting Project. This project reduces CO<sub>2</sub> in the atmosphere, improves our urban forest and improves our quality of life.

Toronto's trees make it a beautiful city to live in. Quality of life is enhanced in many areas by an extensive canopy of green. The City works hard to ensure that our street trees are maintained. But 80 per cent of the land in Toronto is privately owned and homeowners must also become actively involved in regenerating our precious urban forest. With TAF support, LEAF (Local Enhancement and Appreciation of Forests) planted over 1,000 native trees in Toronto backyards.

Through strategic placement for shade and windbreak, the trees planted will significantly reduce household energy demands and create a reduction of more than 43,000 tonnes of CO<sub>2</sub>. The trees will also improve air quality by trapping other harmful pollutants. Homeowners contribute to the cost of the program, nurture their tree to maturity and learn other ways to reduce global climate change. Although the trees are rooted in private property, the benefits are enjoyed by the community as a whole.

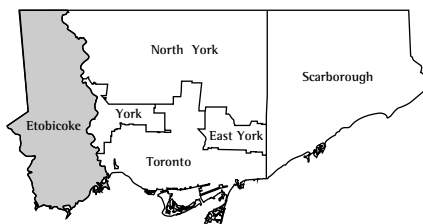


*When this little tree grows to maturity, it will provide shade and a windbreak, saving a Scarborough homeowner up to 4 percent on air conditioning bills and up to 10 per cent on heating, and 35.3 tonnes of CO<sub>2</sub>. It will also sequester 11.7 tonnes of CO<sub>2</sub> in its lifetime.*

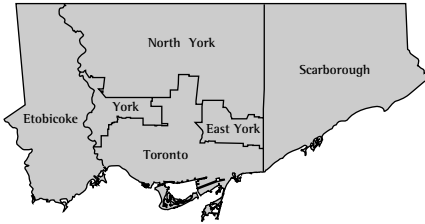
## ETOBICOKE'S WATERFRONT

Partnerships between TAF and communities in Etobicoke are coming to life, thanks to the work of Citizens Concerned about the Future of the Etobicoke Waterfront (CCFEW).

The group's volunteers planted 650 trees at five sites in South Etobicoke, with TAF support. The project reduces greenhouse gases and air pollution through savings in air conditioning and reduced maintenance for the nearby buildings.



## TORONTO RENEWABLE ENERGY COOPERATIVE



TAF helped kick-off an exciting community-based venture that will bring green, renewable energy to the people of Toronto.

The Toronto Renewable Energy Cooperative (TREC) will bring a 660-kW wind turbine to Toronto's waterfront. The cooperative was developed with support from the Toronto Atmospheric Fund, and TAF approved a loan of over \$800,000 to TREC to purchase a wind turbine.

The turbine will generate about 1,400,000 kilowatt-hours of electricity per year, or enough power for 250 to 300 homes. Its environmental benefits are clear. Each year the turbine will displace 1,000 to 1,400 tonnes of CO<sub>2</sub> and several hundred tonnes of SO<sub>x</sub> and NO<sub>x</sub>, the main activants in urban smog and ground level ozone.

Individuals and companies can join the cooperative for as little as \$500, and will save about \$50 a year on their electricity bills.



*A wind turbine located on Toronto's waterfront, purchased with a TAF loan, will be a visible example that local action can improve air quality and stabilize our climate.*

## Summary of Grants Approved – 1998

### ENERGY EFFICIENCY

Project Name	Group Name	Amount/ Date Approved	Brief Description
Better Homes 2000 <b>City-wide</b>	Green\$aver	\$100,000 January 1998	Expand home energy conservation service
Shaw House Reconstruction <b>Toronto</b>	Toronto Islands Residential Community Trust	\$28,000 January 1998	Design a showcase energy efficiency retrofit
Local Enhancement and Appreciation of Forests (LEAF) <b>Scarborough &amp; Toronto</b>	Phoenix Community Works Foundation	\$65,084 January 1998	Urban forest enhancement and household energy savings through strategic backyard shade tree planting
Bird-Friendly Building Program <b>North York, Scarborough &amp; Toronto</b>	Fatal Light Awareness Program	\$5,000 June 1998	Encourage office building managers to turn their lights off at night to save energy and reduce migratory bird collisions

### TRANSPORTATION

1998 Clean Air Campaign <b>City-wide</b>	The Pollution Probe Foundation	\$30,000 February 1998	Workplace challenge to use alternative modes of transportation for one week in June
Moving the Economy Conference - Transit Streams <b>City-wide</b>	Transportation Options and Urban Development Services	\$20,000 March 1998	Transit workshops for international transportation and economy conference held in Toronto, July 9-12 1998
Moving the Economy Conference Proceedings - publication and distribution <b>City-wide</b>	Transportation Options and Urban Development Services	\$7,800 October 1998	Recommendations on sustainable transportation, CO <sub>2</sub> reduction and job creation arising from the Moving the Economy Conference

## RENEWABLE ENERGY

Project Name	Group Name	Amount/ Date Approved	Brief Description
Toronto Solar Pioneers <b>City-wide</b>	Greenpeace, Climate and Energy	\$26,675 January 1998	Promote solar rooftop systems
Energy Action Council of Toronto <b>York</b>	Solar Power Trailer Project	\$15,000 July 1998	Build bicycle-drawn solar trailers to provide renewable power at community events

## COMMUNITY ACTION

1998 Climate Protection Projects <b>City-wide</b>	Greenest City, FoodShare Metro Toronto	\$110,456 January 1998	Three projects: 1) energy conservation in neighbourhood retail sector; 2) encourage walking to school; 3) community gardening and tree planting initiatives
Building on Success - The Little Rouge Valley Restoration <b>Scarborough</b>	Save the Rouge Valley System Inc.	\$40,000 March 1998	Plant 2,300 trees at community events in Rouge River Valley
1998 Your Local Beat Interactive Neighbourhood Walking Tours <b>North York &amp; Toronto</b>	The Multi-Racial Network For Environmental Justice	\$20,000 March 1998	Guided walking tours promote action on climate change and CO <sub>2</sub> reduction
Building Stronger Community Based Environmental Action and Education in <b>East Toronto</b>	Friends of the Don-East	\$15,000 July 1998	Start climate change projects in East York
Projects Greening the Etobicoke Waterfront <b>Etobicoke</b>	Citizens Concerned about the Future of the Etobicoke Waterfront	\$32,431 October 1998	Community tree plantings and climate change education in five locations along the waterfront

## MUNICIPAL ACTION

Project Name	Group Name	Amount/ Date Approved	Brief Description
Pilot Carbon Credit Trading Project for Toronto <b>City-wide</b>	Local Environmental Initiatives (Toronto) Inc.	\$10,000 January 1998	Strategy to develop a pilot greenhouse gas credit trading project for Toronto
Tree Planting - Greenwood Racetrack Lands <b>Toronto</b>	Toronto Parks & Recreation	\$15,000 June 1998	Plant indigenous trees in new parkland in East Toronto

## SCHOOLS

2000 Trees for the Year 2000 <b>Scarborough</b>	Environmental Action Committee, Toronto District School Board	\$4,223 January 1998	Plant trees in Scarborough school yards and teach about climate change
Cool Schools Program <b>City-wide</b>	20 Toronto schools	\$41,066.24 May 1998	Climate change education and mitigation at school involving climate change curriculum; alternative transportation to school; school ground naturalization
Greening High Schools <b>City-wide</b>	Youth Challenge International Foundation	\$15,000 July 1998	Contest among high schools across the city to carry out activities that reduce greenhouse gas emissions

## Summary of Loans Approved – 1998

Group Name	Project Name	Amount/ Date Approved	Brief Description
Co-op Housing GreenHouse Renewal Fund <b>City-wide</b>	Coop Housing Federation of Toronto	\$3 million guarantee December 1997	Finance mechanism to help housing co-ops implement energy efficiency upgrades
Green\$aver Business Plan <b>City-wide</b>	Green\$aver	\$80,000 loan May 1998	Business development plan to make non-profit group self-sustaining
Window Retrofit in City Hall - Phase I <b>Toronto</b>	City of Toronto	\$294,229 loan September 1998	Replace windows in City Hall, second floor
Car-sharing Implementation and Expansion Plan <b>City-wide</b>	AutoShare Car Sharing Network Inc.	\$20,000 loan October 1998	Assist in the development of new car-sharing business as an alternative to individual car ownership
Windpower Project <b>City-wide</b>	Toronto Renewable Energy Cooperative (TREC)	\$810,000 line of credit December 1998	Purchase a 660-kilowatt wind turbine to be owned and paid for by members of the cooperative

## **TAF Works with the New City**

The Toronto Atmospheric Fund helped Toronto become the North American leader of cities implementing solutions to climate change.

Since its inception, TAF has served as a source of financing for the City to pursue innovative initiatives in energy efficiency and related projects.

In 1998, TAF devoted 47 per cent of its revenue to support City initiatives. Reducing greenhouse gas emissions has many benefits, such as improving air quality, reducing operating costs, and increasing municipal productivity.

TAF has provided policy and program support to a number of municipal activities that influence emissions levels, including:

- Efficient operation of municipal buildings, parks, and street lights. The City's energy and water bills exceed \$80 million a year, and a TAF study showed these bills could be reduced by as much as 40 per cent. In 1998, TAF loaned the City \$300,000 to replace City Hall's second floor windows.
- Key partner in the City's Better Buildings Partnership.
- Environmental planning, such as the work done by the Environmental Task Force.
- Harnessing landfill gas (methane - a potent greenhouse gas) for electricity and industrial heat (cogeneration). This provides multiple benefits, and is an excellent way to lower emissions.
- Management of its fleets of garbage trucks, police and emergency forces, snow ploughs and lawn mowers. Green Fleets, a program funded by TAF, has helped the City improve its fleet's environmental performance, from putting cops on bikes to developing energy efficient waste collection routes.
- A partnership between the Co-operative Housing Federation of Toronto and TAF will result in energy efficiency upgrades and improve the overall financial performance of the co-ops. Since the province has transferred responsibility for financing co-ops to the City, these upgrades will reduce the City's exposure to future operating losses.
- Land use policies, which affect the character of neighbourhoods. In 1998, TAF provided \$15,000 for tree planting on the Greenwood Racetrack development.

## **Auditors' Report**

Toronto Atmospheric Fund and The City of Toronto

We have audited the balance sheet of the Toronto Atmospheric Fund as at December 31, 1998 and the statements of income and fund equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall financial statement presentations.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 1998 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

In accordance with the Toronto Atmospheric Fund Act, we report further that the purposes for which income has been used and expenses incurred are described in the statement of income and fund equity of the Fund.

TORONTO, March 11, 1999 CHARTERED ACCOUNTANTS

## Balance Sheet

AS AT DECEMBER 31, 1998

	1998	1997
ASSETS		
Cash	\$28,366	\$4,738
Loans Receivable (Note 3)		
Urban Environment Centre	80,000	0
Auto Share - Car Sharing Network Inc.	20,000	0
The City of Toronto	294,229	0
Sundry receivables	32,766	23,750
Funds on deposit with the City of Toronto (Note 4)	17,287,167	16,691,931
Debenture ( Note 5 )	7,619,634	9,149,997
	<u>\$25,362,162</u>	<u>\$25,870,416</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$115,685	\$105,844
Grants payable	199,701	540,092
Funds held in trust ( Note 6 )	50,000	0
Payment received in advance	0	122,579
	<u>365,386</u>	<u>768,515</u>
Commitments and contingencies (Note 7)		
Fund equity	<u>24,996,776</u>	<u>25,101,901</u>
	<u>\$25,362,162</u>	<u>\$25,870,416</u>

Approved on behalf of the Board:

Director

Director

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

## Statement of Income and Fund Equity

FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	1997
REVENUE		
Interest income ( Note 4 )	\$788,898	\$627,227
Sundry revenue	5,270	0
	<u>794,168</u>	<u>627,227</u>
EXPENDITURES		
Administration charges	31,561	10,504
Audit	4,786	4,420
Consultants	144,654	177,872
Costs of feasibility study	0	37,214
Grants	596,745	958,387
Green Fleets Forum	0	2,196
Deep Lake Water Cooling Project	7,577	14,498
Insurance	4,600	4,600
Legal	32,733	29,745
Office and sundry	9,399	31,719
Communication	12,244	17,996
Promotion	750	29,530
Salaries and employee benefits	54,244	43,072
	<u>899,293</u>	<u>1,361,753</u>
EXCESS OF EXPENDITURE OVER INCOME	(105,125)	(734,526)
FUND EQUITY - BEGINNING OF YEAR	<u>25,101,901</u>	<u>25,836,427</u>
FUND EQUITY - END OF YEAR	<u>\$24,996,776</u>	<u>\$25,101,901</u>

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

## Statement of Changes in Financial Position

FOR THE YEAR ENDED DECEMBER 31, 1998

	1998	1997
Cash provided by (used in):		
Operations:		
Excess of expenditure over income	(\$105,125)	(\$734,526)
Sundry receivables	(9,016)	(4,384)
Loans receivable	(394,229)	0
Accounts payable and accrued charges	9,841	35,640
Funds held in trust	50,000	0
Grants payable	(340,391)	(103,784)
Payment received in advance	(122,579)	122,579
	<u>(911,499)</u>	<u>(684,475)</u>
Investment activities:		
Debenture	1,530,363	1,404,623
Funds on deposit with the City of Toronto	<u>(595,236)</u>	<u>(721,115)</u>
	<u>935,127</u>	<u>683,508</u>
Increase ( decrease ) in cash	23,628	(967)
Cash at beginning of year	<u>4,738</u>	<u>5,705</u>
Cash at end of year	<u>\$28,366</u>	<u>\$4,738</u>

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

## Notes to Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 1998

### 1. THE FUND

The Toronto Atmospheric Fund (TAF) was incorporated under the laws of the Province of Ontario, the Toronto Atmospheric Fund Act, 1992 (the 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 held its inaugural meeting of its Board of Directors on March 10, 1993 and commenced active operations on that date.

The Act provided for a maximum contribution to TAF by the City of \$23 million, which contribution has been made.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with 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) Grants

Grants are included in current liabilities and expenditure 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.

#### (b) Interest income

Interest income is recorded when earned.

### 3. LOANS RECEIVABLE

TAF approved and advanced a loan in the amount of \$80,000 to Urban Environment Centre (UEC), for the purpose of enabling GreenSaver to carry out its Business Plan. UEC will pay TAF interest at the rate of 9% per annum, payable on the first of each month until the loan is fully paid on December 31, 2000. Further, TAF has guaranteed a \$30,000 loan payable by GreenSaver to Metro Credit Union.

TAF approved and advanced a loan in the amount of \$20,000 to Auto Share - Car

Sharing Network Inc., to assist with the start-up and initial expansion funding for their Implementation and Expansion Plan. The loan is to be repaid in 72 consecutive monthly instalments of \$330.78, at an interest rate of 6% per annum, and is to be fully paid by December 21, 2004.

TAF approved and advanced an interim loan of \$294,229 to the City for the purpose of retrofitting and replacing all of the existing windows on the second floor of Toronto City Hall with new high performance energy-efficient windows. The terms of the repayment are to be negotiated and settled by the City and TAF.

#### 4. FUNDS ON DEPOSIT

In accordance with the Act, monies that are not immediately required are given to the treasurer of the City for custody. These monies are invested in securities authorized under the Trustee Act and income earned accrues to TAF.

#### 5. DEBENTURE

The debenture is from the former Municipality of Metropolitan Toronto for a maximum term of eight years to December 1, 2002, bears interest at 8.76% and is repayable in blended monthly payments of \$188,186.

The debenture allowed the former Municipality of Metropolitan Toronto to advance a similar amount under the same terms and conditions to the City. Following a request from the City, TAF agreed to waive the 1998 interest of \$727,874 on the debenture, effected by crediting the amount of \$727,874 to the City. In 1996 and 1997, TAF waived interest of \$969,021 and \$853,613, respectively.

#### 6. FUNDS HELD IN TRUST

TAF and the City's Healthy City Office (HCO) entered into an agreement in 1997 regarding the initial seed money of \$50,000 the Clean Air Action Fund, which supports the City's ongoing anti-smog initiatives. TAF holds the funds in trust and makes disbursements, at the request of the HCO and the Anti-Smog Working Group. As at December 31, 1998, TAF held \$50,000 on behalf of the HCO, and no disbursements have been made.

#### 7. COMMITMENTS AND CONTINGENCIES

TAF has established a policy that the value of fund equity be maintained at \$23 million in 1992 dollars and that an amount be provided in the annual operating budget, if necessary, to adjust fund equity for the increase in the Consumer Price Index from December 10, 1992. In addition, the annual expenditure budget is not to exceed the current year's projected revenue plus any excess carried forward. In 1998, \$105,125 of excess of income over expenditure in 1995 was applied to the 1998 operating budget, with \$121,588 available for future years.

TAF entered into an agreement with the Co-operative Housing Federation of Toronto Inc. (CHFT), to make available security of up to \$3,000,000 for the purpose of creating a loan facility to provide loans to members of CHFT for energy savings and CO<sub>2</sub> emission reductions projects. Under the agreement, TAF's obligation will be conditional upon entering into a satisfactory agreement with a Lender and obtaining any necessary TAF Board and City Council approvals. As at December 31, 1998, the agreement with the lender has not been finalized, and no advance has been made.

TAF approved a security facility to a maximum amount of \$2,000,000, to jointly

establish an Energy and Water Efficiency Loan Recourse Fund between the Consumers Gas Company Limited, the City of Toronto and TAF. The purpose of the Recourse Fund is to provide loans to institutional, commercial, industrial and multi-residential sector building owners under an expanded Consumer Gas' Merchandise Finance Plan, to finance energy and water retrofit and other building improvement measures. The agreement was finalized subsequent to the year end. As at December 31, 1998, no funds have been advanced.

TAF approved a line of credit of \$800,000 to the Toronto Renewable Energy Co-operative for the purpose of purchasing a 660-kilowatt wind turbine that will be owned and paid for by members of the resulting co-operative. As at December 31, 1998, the agreement had not been finalized, and no funds have been advanced.

Any defaults on the agreement, security facility and line of credit noted above will become expenditures of TAF.

#### 8. TORONTO ATMOSPHERIC FUND FOUNDATION

The Act provided also for the incorporation of the Toronto Atmospheric Fund Foundation.

The Board of Directors of the Toronto Atmospheric Fund Foundation is appointed by TAF.

The Foundation was registered with Revenue Canada as a "public foundation" under the Income Tax Act (Canada), effective May 31, 1996.

The Foundation currently has no assets or liabilities. TAF has included in its expenditure insurance premiums made on behalf of the Foundation.

#### 9. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of suppliers or other third parties will be fully resolved.

## Contact Information

For more information about TAF, contact:

The Toronto Atmospheric Fund  
City Hall  
100 Queen St. West  
Toronto, ON, M5H 2N2

Phone: (416) 392-0271  
e-mail: [taf@city.toronto.on.ca](mailto:taf@city.toronto.on.ca)  
Visit our website: [www.city.toronto.on.ca/taf](http://www.city.toronto.on.ca/taf)

## Board of Directors and Staff

President: Jack Layton, Councillor  
Secretary: Dr. Sheela Basrur, Medical Officer of Health (1998)  
Monir Taha, Director, Healthy Environments,  
Public Health Division (1999)  
Treasurer: Alan Shultz, Director, Accounting Services  
Members: Elizabeth Brown, Councillor  
Paul Bubelis, Citizen  
Rob Davis, Councillor (1999)  
Barry Gutteridge, Commissioner of Works and Emergency Services  
Dr. Harry McAdie, Citizen  
David Shiner, Councillor (1998)  
Deborah Sword, Citizen  
Shirley Thompson, Citizen  
  
Staff: Lois Corbett, Executive Director (1998)  
Philip Jessup, Executive Director (1999)  
Jennifer Morrow, Executive Assistant  
Stephanie Thorson, Communications Director  
  
Legal Counsel: Farano Green  
Auditors: Smith Nixon

Computer donated by: Sprint Canada

