

Attachment 1 - TAF 2017 Budget \$ in 000's

| | a | b | c = a + b | | | |
|---------------------|--|------------------------------------|-------------------------------------|---|------------------------|----------|
| | Toronto Fund - Original Endowment \$28M NAV | Ontario Fund - New Endowment \$17M | TAF 2017 Budget for approval | 2016 - current year budget, in progress | 2015 - audited results | |
| | <i>Portfolio Yield =></i> | | 5% | 6% | 15.1% | |
| REVENUES | | | | | | |
| A1 | Investment Portfolio - Marketable Securities | \$ 1,333 | \$ 757 | \$ 2,090 | \$ 1,320 | \$ 4,083 |
| A2 | Investment Portfolio - Direct Investments | \$ 238 | \$ 93 | \$ 331 | \$ 420 | \$ 236 |
| A3 | External Funding - grants & sponsorships | \$ 350 | \$ 50 | \$ 400 | \$ 550 | \$ 207 |
| A4 | Total Revenues | \$ 1,921 | \$ 900 | \$ 2,821 | \$ 2,290 | \$ 4,526 |
| EXPENDITURES | | | | | | |
| B1 | Program Delivery | \$ 1,233 | \$ 581 | \$ 1,814 | \$ 1,425 | \$ 1,163 |
| B2 | Grants - net of rescissions | \$ 500 | \$ 306 | \$ 806 | \$ 500 | \$ 405 |
| B3 | Interest | \$ 65 | \$ 15 | \$ 80 | \$ - | \$ - |
| B4 | Total Programs and Grants | \$ 1,798 | \$ 902 | \$ 2,700 | \$ 1,925 | \$ 1,568 |
| C1 | Corporate 19.9% | \$ 508 | \$ 232 | \$ 740 | \$ 484 | \$ 395 |
| C2 | Amortization/Depreciation | \$ 193 | \$ 75 | \$ 268 | \$ 202 | \$ 178 |
| C3 | Total Expenditures | \$ 2,500 | \$ 1,210 | \$ 3,710 | \$ 2,610 | \$ 2,142 |
| D1 | <i>Stabilization Fund transfers:</i> | | | | | |
| D2 | <i>Non-cash portion due to depreciation</i> | \$ 193 | \$ 75 | \$ 268 | | |
| D3 | <i>Cash portion due to deficit - IF NEEDED</i> | \$ 385 | \$ 235 | \$ 620 | \$ 316 | |
| D4 | | | | \$ 888 | | |
| D5 | Operating Surplus (Deficit) | | | \$ - | \$ - | \$ 2,384 |

Notes - referencing budget lines above:

- A1 - Includes realized + unrealized portfolio gains.
- A2 - Revenues from contracts + green condo loans interest
- A3 - Grants to TAF from external funders

Program Expenditures

- B1 - Includes internally and externally funded program costs + 70% of core staff salaries + 100% contractor staff costs.
- B2 - Grant rescissions are based on periodic reviews of outstanding grants and their status in meeting TAF's grant conditions.
- B3 - Primarily interest on Federation of Canadian Municipalities loan for retrofitting seven TCHC buildings.

Corporate Expenditures

- C1 - Within 20% of Total Operating Budget as considered best practice.
Includes: Communications, Governance, Development, Administration and 30% of core staff salaries
- C2 - TAF owns a growing pool of installed energy efficiency equipment.

Operating Surplus (Deficit) and Stabilization Fund

- D1 - As of 2015 year end, Stabilization Fund was \$7.1M after being capped at 25% of NAV.
- D2 - Reflects non-cash depreciation charge which is equal to line C2 = depreciation amount.
- D3 - Potential operating deficit, primarily due to lower portfolio yield assumption, can be covered from the Stabilization Fund.
- D4 - Sum of D2 + D3 = maximum amount (if needed) to balance the budget using the Stabilization Fund.
- D5 - Net of total revenues and expenditures combined.