REPORT FOR INFORMATION

TAF

Draft Financial Results for the Second Quarter ended June 30, 2017

Date: September 14, 2017
To: Toronto Atmospheric Fund Board of Directors
From: Director of Finance

SUMMARY

The unaudited financial results for year-to-date operations to the end of the second quarter are compared to the approved 2017 budget pro-rated for 6 months. Overall, TAF's first six months are very favourable driven by strong "paper gains" in its publicly-traded securities portfolio while the operating expenses were tracking the operating budget.

FINANCIAL IMPACT

None.

COMMENTS

The favourable variance in Total Revenues (line A4) was driven by strong "paper gains" in TAF's publicly-traded securities portfolio. In particular, the Generation and Greenchip Funds returned 7.9% and 6.0% respectively during the second quarter (line A1) to rank both funds in the top quartile of performance of their peer group.

TAF is gradually deploying the $17M received from the Province in late 2016 while following guidelines prescribed by TAF's SIOP and the Investment Committee. At the end of Q2, the Ontario portion of the endowment was 74% in fixed income and 26% in global equities.

TAF's Direct Investments (line A2) continued to deliver growing returns against a conservative budget. For instance, the ESPA-financed retrofit of seven buildings was completed in the first half of the year and is making regular payments from the savings achieved. The current favourable variance in this line may shrink during the second half of the year as ESPA transactions are sold third parties as envisioned by the budget.

A healthy $596K of deferred external revenues was brought into fiscal 2017 from last year of which $308K (line A3) was recognized by the end of Q2. TAF has attracted a considerable amount of new funding (grants and loans) which is covered in the CEO report.

Program Expenses ($1,418K in line B3) are tracking the budget.

Corporate Expenses ($193K in line C3) show a favourable variance for the first half of the year, mainly due to deferred expenditures related to premises and IT while some $6K of budgeted corporate costs were covered by external programs.

CONTACT

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SIGNATURE

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ATTACHMENTS

Consolidated Unaudited Summary of Revenues and Expenditures for 6 months ending June 30, 2017