

# 2023 Budget Notes

## Toronto Atmospheric Fund

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### Description

Toronto Atmospheric Fund (TAF) is a regional climate agency constituted as a non-share capital corporation via the Toronto Atmospheric Fund Act. TAF invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation, with no draw on the City's tax-base. We lead, support and collaborate with stakeholders in the private, public and non-profit sectors who have opportunities for reducing urban carbon emissions. We invest the endowments provided by City of Toronto (1991), Province of Ontario (2017) and Government of Canada (2020) in alignment with our mandate, and with the proceeds we provide grants to non-profit organizations, incubate and implement innovative programs and advocate for policies and programs, with particular focus achieving environmental, social and economic benefits that improve health, create local jobs, boost urban resiliency and contribute to a fair society. Based on TAF's model and track record, six similar agencies have been endowed by the Government of Canada under the banner of Low Carbon Cities Canada (LC3).

### Why We Do It

TAF was established to operate arms-length from the City of Toronto with a mandate that is aligned to achieving mutual objectives, more specifically with the City's TransformTO and forthcoming Net-Zero Strategy and the declaration of a climate emergency. TAF's actions are focused on **advancing low-carbon solutions for the key sources of urban carbon emissions: buildings, both existing and new construction, transportation, industrial, waste and electricity**. The expansion of TAF's mandate to the GTHA recognizes that strategic regional action is needed in order for local, provincial and national climate action efforts to succeed. Our investment strategy aims to generate both financial and mandate-related impact, and to demonstrate and mobilize much more than our capital for local low-carbon solutions. With the support and good governance of the Council-appointed Board (8 citizens, 3 Councillors), TAF provides unique, data-driven, strategic support, investment and ally ship to private, public and non-profit stakeholders contributing to achieving Toronto's net-zero by 2040 goal. This target isn't simply another milestone -- it's a vision for a climate-smart urban region that functions within its environmental means and is a leader among climate-friendly urban centres around the world.

*The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.*

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## What Service We Provide

### Grants

**Who We Serve:** Eligible non-profit organizations, citizen groups and community organizations, charities, academia, research institutions and municipalities in the GTHA.

**What We Deliver:** We fund high impact climate efforts to create low-carbon, equitable cities and communities in the Greater Toronto and Hamilton Area including grants for capacity-building and to projects related to deep retrofits of existing buildings, net-zero new construction, electrifying transportation, and other urban climate action priorities.

**How Much Resources (gross 2023 operating budget):** \$1.6 million

### Impact Investing (Revenue Generating)

**Who We Serve:** Businesses and enterprise with low-carbon projects and activities, non-profit and for-profit institutional co-investors, the wider financial sector as interest grows in Environmental, Social and Governance (ESG).

**What We Deliver:** Prudent investment in marketable securities and in projects and companies that are aligned with TAF's mandate, generate risk-adjusted return, and mobilize financial capital for urban low-carbon solutions through financial innovation, aggregation and/or syndication. Thought-leadership and development of innovative financial structures and instruments to address barriers to capital flow into urban low-carbon solutions.

**How Much Resources (gross 2023 operating budget):** \$1.0 million

### Strategic Program Implementation

**Who We Serve:** Government (Municipal, Provincial, and Federal), businesses and industry, not for profits, and other institutions promoting and delivering greenhouse gas (GHG) reduction.

**What We Deliver:** Programs, policy advocacy and engagement that demonstrate, de-risk, remove barriers and help scale solutions for existing buildings, new construction, electrification of transportation, and clean energy which will reduce carbon and deliver other (co)benefits like improved health, community resilience, reducing inequity, job creation, and economic value.

**How Much Resources (gross 2023 operating budget):** \$5.4 million

### Operations and Governance

**Who We Serve:** City Council, Province of Ontario and Government of Canada (via Federation of Canadian Municipalities (FCM)), TAF Board of Directors and its Committees, and other key stakeholders including industry partners, non-profits, academia, citizens in the GTHA.

**What We Deliver:** A high standard of accountability and compliance with all governance requirements and against our mission-focused KPIs, efficient and effective operations, and a diverse, learning, collaborative and mission-focused culture.

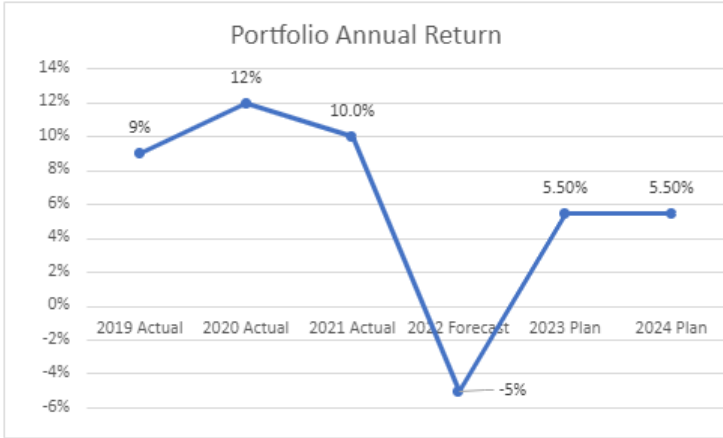
**How Much Resources (gross 2023 operating budget):** \$1.4 million

## Budget at a Glance

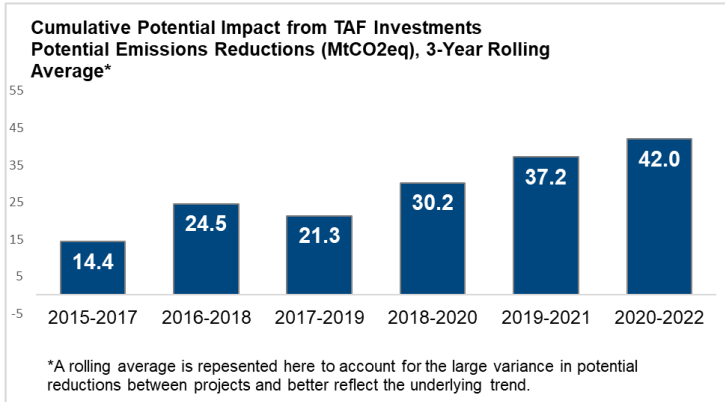
| 2023 OPERATING BUDGET                  |       |        |        |
|--|-------|--------|--------|
| \$Million                              | 2023  | 2024   | 2025   |
| Revenues                               | \$9.4 | \$10.0 | \$10.2 |
| Gross Expenditures                     | \$9.4 | \$10.0 | \$10.2 |
| Net Expenditures                       | \$0.0 | \$0.0  | \$0.0  |
| Approved Positions                     | 33.0  | 33.0   | 33.0   |
| See Approved position notes in Table 1 |       |        |        |

| 2023 - 2032 10-YEAR CAPITAL PLAN                |      |           |       |
|---|------|-----------|-------|
| \$Million                                       | 2023 | 2024-2032 | Total |
| Toronto Atmospheric Fund has no capital budget. |      |           |       |

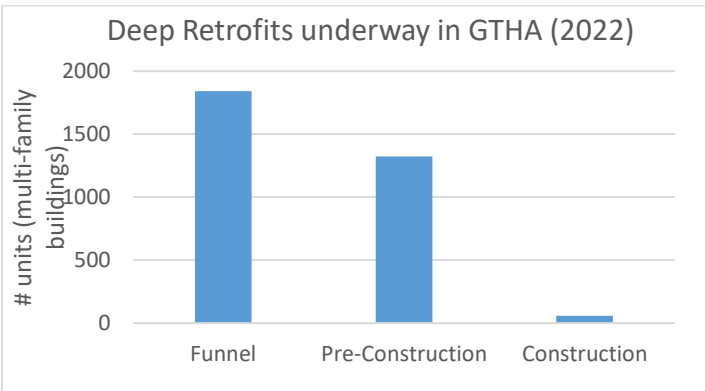
## How Well We Are Doing – Behind the Numbers



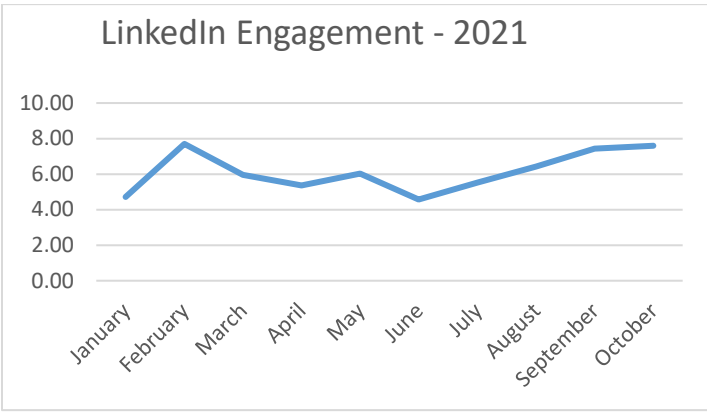
- For 2023-2024 TAF has conservatively budgeted a 5.5% portfolio yield consistent with the budgeted portfolio yields
- The projected yield for the Marketable securities portfolio for 2022 is -5% due to underperforming public equities market.
- The 2019 to 2021 three-year average market yield is 10% as a result of strong public equities markets.
- Direct Investments are being increased to reduce the portfolio’s volatility, provide risk-adjusted return, and achieve mandate-related impact.
- TAF attracts external revenues (donations) for specific projects from various sources; an ambitious target has been set for 2023
- TAF maintains a Stabilization Fund – one for each endowment -- to mitigate the impact of variability of investment earnings from year to year on operating expenses.
- To protect the asset value, TAF’s total operating budget is maintained within the Payout Ratio established by the Board of between 5-6% of the Net Asset Value, on a 4-year rolling average.



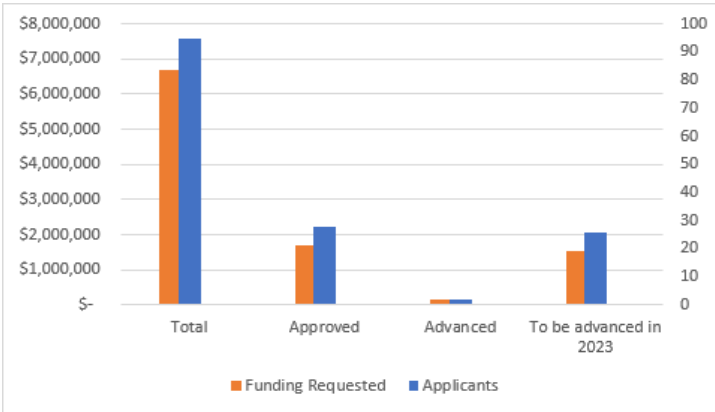
- Emission reduction potential (2022 estimate): 25.8 MT CO2e\*. To address year-to-year variation, a 3-year rolling average presented, which also indicates growing impact
- Based on GHG potential reduction of internal projects, impact investments and grants.
- For instance, almost half the reduction from grants relates to the adoption of Heat pumps (Efficiency Canada’s grant) across the GTHA.  
\*Includes conditionally approved grants



- TAF supports delivery of deep retrofits in multi-family buildings in the GTHA to achieve carbon reductions, operational savings, and improved housing for residents.
- TAF's Retrofit Accelerator is scaling with funding from several foundations and CMHC. Approximately \$80 million in retrofit work at over 18 building sites across GTHA is in the Retrofit Accelerator funnel.
- The most ambitious retrofit projects yet kicked-off at a TCHC building, aiming for >80% carbon reduction.
- Strategic market development initiatives aim to reduce the cost of retrofits including bulk purchasing strategies (eg: for heat pumps), prefabricated penalization and design of community-scale energy systems (e.g.: for St. James Town)



- TAF provides a credible voice and perspective on urban climate solutions and priorities for the GTHA. Primary channels include e-news, socials, webinars, speaking engagements, published research and media.
- E-news performance remains strong, with above industry open-rates (33%). LinkedIn performance has improved adding average 90 followers/month and 6% engagement



- TAF launched Electric Vehicle (EV) Station Fund, capitalized with a \$2 million contribution from Natural Resources Canada, to support installation of approximately 300 EV charging stations throughout GTHA
- It was immediately 7X oversubscribed, with most applications from multi-unit residential buildings
- The full amount will be deployed by end-2023. Discussions underway to re-capitalize

## How Well We Are Doing

| Service                       | Measure                                       | 2020 Actual | 2021 Actual | 2022 Target | 2022 Projection | Status | 2023 Target | 2024 Target |
|-------------------------------|---|-------------|-------------|-------------|-----------------|--------|-------------|-------------|
| <b>Outcome Measures</b>       |   |             |             |             |                 |        |             |             |
| Grants                        | Total value of grants allocated (\$ millions) | 1.2         | 1.2         | 1.6         | 1.57            | ●      | 1.7         | 1.7         |
| Impact Investing              | Total value of equity/loan investments        | 9,051       | 8,039       | 15,000      | 10,157          | ●      | 13,000      | 13,000      |
| Strategic Programs            | Carbon reductions potential (Mt Co2e)         | 11.27       | 41.80       | N/A         | 143.18          | ●      | N/A         | N/A         |
| <b>Service Level Measures</b> |   |             |             |             |                 |        |             |             |
| Grants                        | Grants applications across GTHA               | 18          | 36          | N/A         | 22              | ●      | N/A         | N/A         |
| Governance                    | Board Meetings                                | 4           | 4           | 4           | 5               | ●      | 4           | 4           |

**2022 Projection to 2022 Target Comparison**  
 ● 80% - 100%    ● 64 - 79%    ● 63% and Under

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- TAF Retrofit Accelerator, a 'concierge service' for multi-unit residential buildings in the GTHA is scaling up retrofit volume and deeper carbon reductions. This will help with implementation of the City's Existing Buildings strategy (part of the Net Zero plan), and achieve affordable housing, climate resilience, job creation and other community-level priorities. TAF successfully advocated for a new \$233 million federal fund that will support retrofit accelerators, advised on the development of several capital funds for retrofits, and has been consulted widely by public and private organizations who are increasingly interested in financing retrofits as part of their decarbonization strategies.
- Green Development Standards have been adopted or updated in 7 cities across the GHTA including Toronto (TGS version 4) Whitby, Pickering, Ajax, Halton Hills, Brampton, Markham, and Vaughan. TAF's advocacy and technical advice, support for research and implementation, and convening of industry and other stakeholders have been key to this outcome, and activity is underway to ensure that municipal authority ensures efficient, affordable new construction is not undermined. We are actively engaged on the impacts of Bill 23 and the Ontario Government has signaled support for Green Development Standards and their efficiency gains moving forward.
- TAF's \$2 million EV Station Fund (capitalized by Natural Resources Canada) was launched to provide incentives for installation of approximately 300 EV charging stations and was quickly oversubscribed. Public engagement helped accelerate the City's commitment to increasing on-street EV charging, and TAF is supporting TO Parking Authority's advance and ambitious EV charging rollout.
- With increasing public and corporate interest in climate, including impacts and solutions, and opportunities for engagement, TAF adapted our messaging and increased our reach and influence through outreach to key journalists and media outlets, and via social media, blogs, and e-newsletters.
- The annual Carbon Emissions Inventory for the Greater Toronto and Hamilton Area documents the sources, volumes, and trends; the latest information is for 2021. It shows emissions rose 4.5% since the previous year when they need to be declining at approximately 8% per year to achieve climate targets. The inventory received significant media coverage and is used by governments and others to focus programs and investments.
- TAF's key governance documents -- the TAF/City Relationship Framework, Statement of Investment Objectives and Principles and two By-Laws – were updated and will facilitate streamlined program implementation throughout the GTHA, prudent investment, good governance, and robust accountability.

### Key Challenges and Risks

- Achieving investment returns. Market turmoil due to a combination of supply chain challenges, inflation and rising interest rates significantly affected depressed performance of the marketable securities portion of TAF's endowments, and this is not expected to abate which will significantly affect projected revenue into 2023. While the direct investments in the portfolio have generally performed well and increasing energy prices can actually improve performance of retrofit investments, the above factors also pose risks to enterprise investments. Increasing the allocation to Direct Investments, adding an Alternatives (Infrastructure) manager, minimizing redemption of Equities through cashflow management, strategic use of the Line of Credit, and alignment of expenses with external revenues are the key mitigation strategies.
- Ability to accelerate the pace and scale of action. The data indicates we are not achieving carbon emissions reductions in line with local or global targets and TAF is not able to help 'bend the curve'. TAF's clear focus on achieving emissions reductions, our GHG measurement & evaluation expertise, and commitment to knowledge transfer, financial mobilization, and capacity-building, will continue to help identify, incubate and scale-up strategic climate action in the GTHA.
- Ensuring relevance amid other pressing challenges including inflation. Public awareness, political will, industry readiness and investor interest in climate action has increased significantly, both locally and globally but, while promising, this comes amid a range of challenges including social inequities, natural disasters, and significant social, economic, and industrial shifts which strains attention and funding available for climate action. To mitigate this, TAF will design and deliver programming in an integrated, multi-solving manner to maximize relevance and the opportunity for co-benefits.
- Inability to attract and retain top-notch, mission-focused talent. This is key to achieving TAF's mandate which is increasingly challenging in the context of pandemic recovery and inflation. TAF will continue to invest in HR activities including updating the compensation structure, supporting staff engagement and development, and offering a hybrid workplace.

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## Priority Actions

- Programs will be focused on four priorities:
    - accelerating deep retrofits of existing buildings via TAF's Retrofit Accelerator, with a goal of supporting the planning and implementation of retrofits for at least 5,000 additional units.
    - achieving net-zero new construction goals through the adoption of Green Development Standards and increasing sector capacity for implementation throughout the GTHA.
    - facilitating EV uptake through supporting equitable and easy access to charging infrastructure and removal of barriers; and
    - advancing policies and programs for a clean, modern, affordable electric grid, with a focus on local, distributed resources including efficiency, solar and storage.
  - In addition to TAF's core KPIs – GHG reduction potential and financial capital mobilized for low-carbon solutions – all grants, investments, policies, and programs will be evaluated for their commitment to addressing community benefits, improving equity, and for scale-up potential. Co-benefits to climate action include but are not limited to affordable housing, job creation, social inclusion, health and safety, community resilience, and local economic development. Rigorous quantification of carbon reduction and associated co-benefits will ensure a multi-solving approach to climate action. TAF's capacity for innovation and continuous improvement will be supported through agile work processes, knowledge transfer, regular and developmental project evaluation, and professional development.
  - The investment portfolio will be rebalanced to optimize risk/return, including defensive diversification and options to manage cash flow needs to ensure no disruption to business in the case of downside volatility. A refreshed strategy for Direct Investment will focus the four program priorities, and infrastructure Alternatives will be added to the portfolio; both these strategies will help mitigate the expectation of challenging market conditions.
  - Updates to HR policies and compensation, support for professional development and leadership skills, and continued commitment to an equitable and inclusive workplace will support attraction and retention of the top-notch team which is essential to TAF's success.
  - Regular knowledge transfer and exchange about successful climate action in cities across Canada, co-funding strategic grants, advancing retrofit market development across Canada, originating, and participating in low-carbon investments and advancing critical urban climate policy will leverage the value of the six new Low Carbon Cities (LC3) which are networked through FCM.
  - Implementation of the governance updates will be advanced including adoption of key policies and procedures, and new Board and Committee members will be recruited to support excellent advice and governance.
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## TABLED RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for Toronto Atmospheric Fund of \$9.4 million gross, \$9.4 million revenue and \$0 net for the following services:

**Service:**

|                             | <b>Gross<br/>Expenditures<br/>(\$000s)</b> | <b>Revenue<br/>(\$000s)</b> | <b>Net<br/>Expenditures<br/>(\$000s)</b> |
|-----------------------------|--|-----------------------------|--|
| Toronto Atmospheric Fund    | 9,400.0                                    | 9,400.0                     | 0.0                                      |
| <b>Total Program Budget</b> | <b>9,400.0</b>                             | <b>9,400.0</b>              | <b>0.0</b>                               |

- The above includes a 2023 budgeted staff complement for Toronto Atmospheric Fund of 33.0 positions entirely comprised of operating positions.



# **2023 OPERATING BUDGET**

## 2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

| (In \$000s)                                    | 2021 Actual      | 2022 Budget    | 2022 Projection* | 2023 Base Budget | 2023 New / Enhanced | 2023 Budget    | Change v. 2022 Projection |                 |
|--|------------------|----------------|------------------|------------------|---------------------|----------------|---------------------------|-----------------|
| By Service                                     | \$               | \$             | \$               | \$               | \$                  | \$             | \$                        | %               |
| <b>Revenues</b>                                |                  |                |                  |                  |                     |                |                           |                 |
| Investment Income and External Funding         | 9,521.0          | 8,975.0        | (1,500.0)        | 9,400.0          |                     | 9,400.0        | 10,900.0                  | (726.7%)        |
| <b>Total Revenues</b>                          | <b>9,521.0</b>   | <b>8,975.0</b> | <b>(1,500.0)</b> | <b>9,400.0</b>   |                     | <b>9,400.0</b> | <b>10,900.0</b>           | <b>(726.7%)</b> |
| <b>Expenditures</b>                            |                  |                |                  |                  |                     |                |                           |                 |
| Program Delivery Expenses                      | 3,631.0          | 5,275.0        | 2,910.0          | 5,300.0          |                     | 5,300.0        | 2,390.0                   | 82.1%           |
| Administrative Expenses                        | 190.0            | 820.0          | 550.0            | 800.0            |                     | 800.0          | 250.0                     | 45.5%           |
| Salaries and Benefits                          | 1,910.0          | 2,880.0        | 2,420.0          | 3,300.0          |                     | 3,300.0        | 880.0                     | 36.4%           |
| <b>Total Gross Expenditures</b>                | <b>5,731.0</b>   | <b>8,975.0</b> | <b>5,880.0</b>   | <b>9,400.0</b>   |                     | <b>9,400.0</b> | <b>3,520.0</b>            | <b>59.9%</b>    |
| <b>Net Expenditures (including COVID-19)</b>   | <b>(3,790.0)</b> | <b>0.0</b>     | <b>7,380.0</b>   |                  |                     |                | <b>(7,380.0)</b>          | <b>(100.0%)</b> |
| <b>Required COVID-19 Support</b>               |                  |                |                  |                  |                     |                |                           | <b>N/A</b>      |
| <b>Net Budget (excluding COVID-19 support)</b> | <b>(3,790.0)</b> | <b>0.0</b>     | <b>7,380.0</b>   |                  |                     |                | <b>(7,380.0)</b>          | <b>(100.0%)</b> |
| <b>Approved Positions**</b>                    | <b>15.0</b>      | <b>16.0</b>    | <b>N/A</b>       | <b>33.0</b>      |                     | <b>33.0</b>    | <b>N/A</b>                | <b>N/A</b>      |

**Approved Positions Notes:** In past years TAF has only listed permanent "core" employees not including contract employee for time- limited projects. Consistent with the Employment Standards Act TAF will now identify all employees since the salaries and benefit line covers all employees. In 2017 and 2020 with the receipt of the Ontario and Canada endowment funding respectively, the number of both core and contract staff were increased. In addition, increased external revenue funding for specific projects has also contributed to hiring to support the project implementation.

### KEY COST DRIVERS – FUNDING PRIORITIES

**Total 2023 Budget** expenditures of \$9.400 million gross reflect an increase of \$3.520 million in spending above 2022 projected year-end actuals, predominantly arising from:

- Additional grants and program allocations based on additional proceeds from investment of federal endowment funding that was received and external funding of new projects; and
- Financial Market Factors. Market performance is the key driver of TAF revenues; with fixed income and public equities revenues being heavily influenced by the performance of the stock and bond markets. With the markets currently underperforming TAF will continue efforts to diversify investment dollars to less market-volatile direct investments aligned with TAF's mandate.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Toronto Atmospheric Fund's 2023 Operating Budget do not have any significant equity impacts.

**2023 OPERATING BUDGET KEY DRIVERS**

The 2023 Operating Budget for Toronto Atmospheric Fund of \$9.400 million gross is \$3.520 million or 59.9% higher than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

**Table 2: 2023 Operating Budget by Revenue / Expenditure Category**

| Category<br>(In \$000s)         | 2020<br>Actual   | 2021<br>Actual   | 2022<br>Budget | 2022<br>Projection* | 2023<br>Budget | 2023 Change from 2022<br>Projection |                 |
|---------------------------------|------------------|------------------|----------------|---------------------|----------------|-------------------------------------|-----------------|
|                                 | \$               | \$               | \$             | \$                  | \$             | \$                                  | %               |
| Provincial Subsidies            |                  |                  |                |                     |                |                                     |                 |
| Sundry and Other Revenues       | 11,751.5         | 9,521.0          | 8,975.0        | (1,500.0)           | 9,400.0        | 10,900.0                            | (726.7%)        |
| <b>Total Revenues</b>           | <b>11,751.5</b>  | <b>9,521.0</b>   | <b>8,975.0</b> | <b>(1,500.0)</b>    | <b>9,400.0</b> | <b>10,900.0</b>                     | <b>(726.7%)</b> |
| Salaries and Benefits           | 1,857.9          | 1,910.0          | 2,880.0        | 2,420.0             | 3,300.0        | 880.0                               | 36.4%           |
| Program Delivery Expense        | 3,311.0          | 3,631.0          | 5,275.0        | 2,910.0             | 5,300.0        | 2,390.0                             | 82.1%           |
| Administrative Expenses         | 276.2            | 190.0            | 820.0          | 550.0               | 800.0          | 250.0                               | 45.5%           |
| <b>Total Gross Expenditures</b> | <b>5,445.1</b>   | <b>5,731.0</b>   | <b>8,975.0</b> | <b>5,880.0</b>      | <b>9,400.0</b> | <b>3,520.0</b>                      | <b>59.9%</b>    |
| <b>Net Expenditures</b>         | <b>(6,306.4)</b> | <b>(3,790.0)</b> |                | <b>7,380.0</b>      |                | <b>(7,380.0)</b>                    | <b>(100.0%)</b> |

\*Projection based on 9 Month Variance

**Key Base Drivers:**

TAF is revenue driven not operating expense driven with revenue being the primary driver of operating expenses.

**Salaries & Benefits:**

An increase in expenditures includes one additional permanent position based on endowment capacity and additional contract positions supported by external revenues if that is raised

**Program Delivery Expense:**

An increase in expenditures is the result of increased externally funding revenue for retro fit projects and EV station projects.

**Administrative Expenses:**

Administrative expenses are budgeted to increase to a similar level budgeted in 2022 due to continued IT spending, governance, and legal & Audit spending.

**Other Revenue Changes:**

Portfolio revenues are budgeted at a conservative 5.5% yield due to the variability public equities market and external revenue inflows year over year. The 2022 revenue projected reflects the actual performance of the public equities in the first 3 quarters of the year

## 2024 &amp; 2025 OUTLOOKS

Table 3: 2024 and 2025 Outlooks

| (\$000s)                               | 2023<br>Budget | 2024<br>Incremental<br>Outlook | 2025<br>Incremental<br>Outlook |
|--|----------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                        |                |                                |                                |
| Investment Income and External Funding |                | 104.0                          | 190.0                          |
| Realized Gains                         |                | 450.0                          | 9.0                            |
|  |                |                                |                                |
|  |                |                                |                                |
| <b>Total Revenues</b>                  | <b>9,400.0</b> | <b>554.0</b>                   | <b>199.0</b>                   |
| <b>Gross Expenditures</b>              |                |                                |                                |
| Salaries and Benefits                  |                | (122.0)                        | 63.0                           |
| Program Delivery Expenses              |                | 678.0                          | 120.0                          |
| Administrative Expenses                |                | (2.0)                          | 16.0                           |
|  |                |                                |                                |
|  |                |                                |                                |
| <b>Total Gross Expenditures</b>        | <b>9,400.0</b> | <b>554.0</b>                   | <b>199.0</b>                   |
| <b>Net Expenditures</b>                |                |                                |                                |
| <b>Approved Positions</b>              | <b>33.0</b>    | <b>0.0</b>                     | <b>0.0</b>                     |

See Approved position note in Table 1 Operating budget by service

## Key drivers

The 2024 Outlook with total gross expenditures of \$9.954 million reflects an anticipated \$0.554 million or 5.9% increase in gross expenditures above the 2023 Operating Budget; The 2025 Outlook expects a further increase of \$0.199 million or 2.0% above 2024 gross expenditures.

# APPENDICES

## **Appendix 1**

**COVID-19 Impact and Recovery**

**N/A**

## **Appendix 2**

**2023 Affordability Measures**

**N/A**

## **Appendix 3**

**Summary of 2023 Service Changes**

**N/A**

## **Appendix 4**

**Summary of 2023 New / Enhanced Service Priorities Included in Budget**

**N/A**

## **Appendix 5**

**Summary of 2023 New / Enhanced Service Priorities Not Included in Budget**

**N/A**

## **Appendix 6**

**2023 Capital Budget;  
2024 - 2032 Capital Plan Including Carry Forward Funding**

**N/A**

## **Appendix 6a**

**2023 Cash Flow and Future Year Commitments Including Carry Forward Funding**

**N/A**

## **Appendix 6b**

**2024 - 2032 Capital Plan**

**N/A**

## **Appendix 7**

**Reporting on Major Capital Projects: Status Update**

**N/A**

## **Appendix 8**

**Capacity to Spend Review**

**N/A**

## **Appendix 9**

**Summary of Capital Needs Constraints**

**N/A**

## **Appendix 10**

**Inflows and Outflows to/from Reserves and Reserve Funds**

**N/A**

## Appendix 11

### Glossary

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Capacity to Spend:** Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget:** A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

**Capital Needs Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Efficiencies:** Reductions in the cost of delivering a service without a reduction in service level.

**New / Enhanced Service Priorities:** New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Operating Impact of Completed Capital Projects:** The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

**Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

**State of Good Repair (SOGR):** The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

**Tax Supported Budget:** Budget funded by property taxes.

**User Fees:** Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).