

## Unaudited Financial Reports for Q3 and Q4 2022

**Date:** January 31, 2023  
**To:** Board of Directors of the Toronto Atmospheric Fund  
**From:** Director of Finance

### SUMMARY

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The unaudited financial results for nine-month period ended September 30, 2022 (Q3) are provided in Attachment 1. The unaudited financial results for twelve-month period ended December 31, 2022 (Q4) are provided in Attachment 2.

### FINANCIAL IMPACT

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None to the City.

### COMMENTS

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For the period ending September 30, 2022 (Q3), TAF's publicly traded investments continued to reflect the depressed market conditions with quarterly net realized/unrealized losses (net of management fees) totalling \$600K; this was mainly due to public equities performance. While better performance than Q2, at September 30, 2022 the value of the portfolio was \$77.9M (before management fees) which is still significantly below the historical high of \$88.4M. In Q4, there was upswing with unrealized/realized gains of \$4.8M bringing their value to \$82.7M (before fees), or 93.5% of the historical high.

Direct Investment revenue in Q3 was slightly under budget (\$106K) as the timing of some investment advances were delayed, which narrowed by Q4 to \$16K.

In Q3 external revenues were above budget by \$307K as TAF received higher than expected contribution from a foundation. For Q4 TAF has decided to defer an unspent portion of the external revenue which is earmarked for work over two years; as a result the year to date (YTD) is \$656K below budget.

Q3 YTD Program Expenses were under budget by \$2.2M and this trend continued through Q4, mainly due to delays in initiating a TCHC retrofit. Grants payments are

slightly under budget for the year. Corporate Expenses were under budget for the year mainly due to staff vacancies and timing of several expenditures.

The net result for Q3 was that expenditures exceeded revenues by \$13.1M (\$12.1M in Q2) due to unrealized public equity and fixed income portfolio losses. In Q4 the upswing in public equities gains resulted in excess revenue over expenditures improving to \$11.5M.

The Q3 unaudited Net Asset Value at Q3 stood at \$86.5M (\$33.4M, \$17.1M, \$36M for Toronto, Ontario and Canada endowments respectively). The unaudited net asset value (NAV) at year-end Q4 improved to \$88.7M (\$34.6M, \$17.5M, and \$36.6M respectively).

Procurement during the quarters was as follows:

<b>Goods or services procured</b>	<b>Process Followed</b>	<b>Selected Provider</b>	<b>Contract value</b>
Development of a high-level program design for a cost-effective Conservation and Demand Management program to incentivize heat pump adoption.	Invitational Request for Proposals	Resource Innovations Inc	Up to \$57,820 plus applicable taxes.
Assessment of the benefits and barriers to project aggregation and bulk procurement of heat pumps at differing scales.	Invitational Request for Proposals	Dunsky Energy + Climate Advisors	Up to \$62,485 plus applicable taxes
Study and development of four building archetypes to underpin decarbonization strategy for TCHC building retrofits.	Non-competitive procurement. Reason(s): compatibility, other	WSP Canada Inc	Up to \$494,700 plus applicable taxes
Technical modeling and advisory services related to Ontario's electricity system.	Non-competitive procurement. Reason: absence of competition	Power Advisory LLC	Up to \$50,000 plus applicable taxes
Development and support implementation of communications strategy regarding Ontario's electricity system.	Non-competitive procurement. Reason(s): compatibility, work already completed	Argyle PR	Up to \$11,932 plus applicable taxes

## **CONTACT**

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## **SIGNATURE**

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Robert Wotten  
Director of Finance

## **ATTACHMENTS**

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1. Quarterly Financial Statement of Revenues and Expenditures (Unaudited) for the nine-month period ended September 30, 2022.
2. Quarterly Financial Statement of Revenues and Expenditures (Unaudited) for the twelve-month period ended December 31, 2022.