

Unaudited Financial Reports for Q2 & Q3 2023

Date: November 7, 2023
To: Board of Directors of the Toronto Atmospheric Fund
From: Director of Finance

SUMMARY

The unaudited financial results for six months ended June 30, 2023 (Q2) and for the nine months ended September 30, 2023 (Q3) are provided in Attachments 1 and 2.

FINANCIAL IMPACT

None to the City.

COMMENTS

For the quarter ending June 30, 2023 (Q2) TAF's publicly traded investments showed modestly upward values with quarterly net realized/unrealized losses (excluding management fees) totalling \$362K (\$4.7M in Q1). Market conditions reversed by the end of September (Q3) and the value of the portfolio dropped \$2.6M for the quarter due to unrealized losses which were partially countered by FX unrealized gains.

Direct Investment revenue in Q2 and Q3 performed well delivering \$1.1M by Q3, tracking close to budget and providing stable and high-impact revenue. The Q2 and Q3 external revenues were over budget at \$2.4M, mainly due to foundation grants and the Natural Resources Canada (NRCAN) funding for the EV Station Fund.

Q2 and Q3 Program Expenses were under budget by \$739K but this is considered a temporary timing difference as retrofit project activity has started to increase and will continue into Q4 and beyond. Grants payments were at \$715K, which is under budget by \$475K but will get on track following the Q4 intake; the aim is to have new approvals contracted and a portion of the grants recognized before year end. Corporate Expenses were \$628K (under budget \$422K) at the end of September due to delays in finalizing several projects, and lower than budgeted IT and legals.

The net Q2 results were that revenue exceeded expenses by \$4M due to public equity and fixed income portfolio gains and program and expenses being below budget. In Q3 the portfolio losses lowered net earnings to \$467K, despite program and corporate expense underspending.

The Q3 unaudited Net Asset Value stood at \$89M (\$88.7M for the year ending December 31, 2022); this is comprised of \$34.6M, \$17.8M, \$36.8M for Toronto, Ontario and Canada endowments respectively.

Procurement during the quarters was as follows:

Goods or services procured	Process Followed	Selected Provider	Contract value
Consultant to undertake new procurement policy development	Invitational request for proposals	Sense & Nous	up to \$64,900 plus any applicable taxes

CONTACT

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SIGNATURE

Robert Wotten
Director of Finance

ATTACHMENTS

1. Quarterly Financial Statement of Revenues and Expenditures (Unaudited) for six months ended June 30, 2023 (Q2)
2. Quarterly Financial Statement of Revenues and Expenditures (Unaudited) for the nine months ended September 30, 2023 (Q3)