

## **Unaudited Financial Report for Q2 & Q3 2024**

**Date:** November 6, 2024  
**To:** Board of Directors of the Toronto Atmospheric Fund  
**From:** Director of Finance

### **SUMMARY**

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The unaudited financial results for two three-month periods ended June 30, 2024, and September 30, 2024 (Q2 & Q3) are provided in Attachments 1 and 2.

### **FINANCIAL IMPACT**

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None to the City.

### **COMMENTS**

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For Q2 and Q3, TAF's publicly traded investments showed positive values with quarterly net realized/unrealized gains before management fees) totalling \$508K and \$5.1M respectively. The Q2 gains were modest with two equity investments having unrealized losses that countered solid fixed income, and unrealized foreign currency gains. In Q3 all four public equity investments had unrealized gains for the quarter resulting in a 9% overall increase in value. Fixed income investments had a combination of realized/unrealized gains in Q3 amounting to a 3% increase in value over Q2.

Direct Investment revenue in Q2 and Q3 performed well and close to budget. External revenues were below budget (\$3.2M versus \$3.8M) with the shortfall attributable to a later-than-projected start to Retrofit Accelerator, retrofit projects and EV Station Fund installations, but all have moved into busier phases.

Program Expenses were under budget by \$1.5M, mainly correlated with timing of retrofit project implementation; the pace has increased in Q4. Grants payments were close to budget for Q3 and projects are presented for Board approval at this meeting. Corporate Expenses were significantly under-budget and this variance will not reverse fully before year end.

During Q3 TAF was notified that a Private Equity investment was ceasing operations as the underlying technology was not operating as planned and was not deemed to be economically viable, and therefore there was little chance of recovery. TAF had earned \$180K in prior years. The total write-down, including capital and accrued interest, amounts to \$1.1M.

With \$5.1M in unrealized gains from the public securities portfolio (before management fees), and under-budget spending in some areas, the net result for Q2 and Q3 is that revenue (realized and unrealized) exceeds expenses by \$2.4M and \$4.8M respectively. The Q3 unaudited Net Asset Value stood at \$98.7M (\$38.2M, \$19.3M, \$41.2M for Toronto, Ontario and Canada endowments respectively).

Additional oversight and management of cash flow has been implemented given an increasing number of projects (including retrofits, direct investments, EV charging rebates, shifts in the asset mix of the investment portfolio, etc.), the volume and timing of transactions and the amount of money involved.

The following procurement was completed during this reporting period:

Goods or services procured	Process followed	Selected Provider	Contract Value
Consultant to design a turnkey local solar and storage program	Invitational Request for Proposals	Dunsky Energy + Climate Advisors	Up to \$109,450 plus applicable taxes

## CONTACT

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Robert Wotten, Director of Finance, [rwotten@taf.ca](mailto:rwotten@taf.ca)

## 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 three months ended June 30, 2024.
2. Quarterly Financial Statement of Revenues and Expenditures (Unaudited) for three months ended September 30, 2024.