

2026 Program Summary

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

Toronto Atmospheric Fund 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. Toronto Atmospheric Fund'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 allyship to private, public and non-profit stakeholders contributing to achieving Toronto's net-zero by 2040 goal. This target is not simply another milestone, it is 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.

For further information about TAF, please visit: <https://taf.ca>.

What Service We Provide

Grants

Who We Serve: Eligible non-profit organizations, citizen groups and community organizations, charities, academia, research institutions, industry associations, and municipalities in the Greater Toronto and Hamilton Area (GTHA).

What We Deliver: We support initiatives with potential to reduce carbon emissions from buildings, transportation, electricity generation and industry including capacity-building, policy development and advocacy, practical implementation (e.g. retrofit, net-zero new construction, Electric Vehicle charging, solar energy), and other urban climate action solutions.

Resources (gross 2026 operating budget): \$2.7 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.

What We Deliver: Prudent investment in marketable securities and projects/companies 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.

Resources (gross 2026 operating budget): \$1.7 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.

Resources (gross 2026 operating budget): \$6.0 Million

Operations and Governance

Who We Serve: City Council, Province of Ontario and Government of Canada, TAF Board and Committees, other key stakeholders (e.g. industry partners, non-profits, academia, citizens in the GTHA).

What We Deliver: High standard of accountability and compliance with all governance requirements and mission-focused Key Performance Indicators, efficient and effective operations, a diverse, collaborative and mission-focused culture.

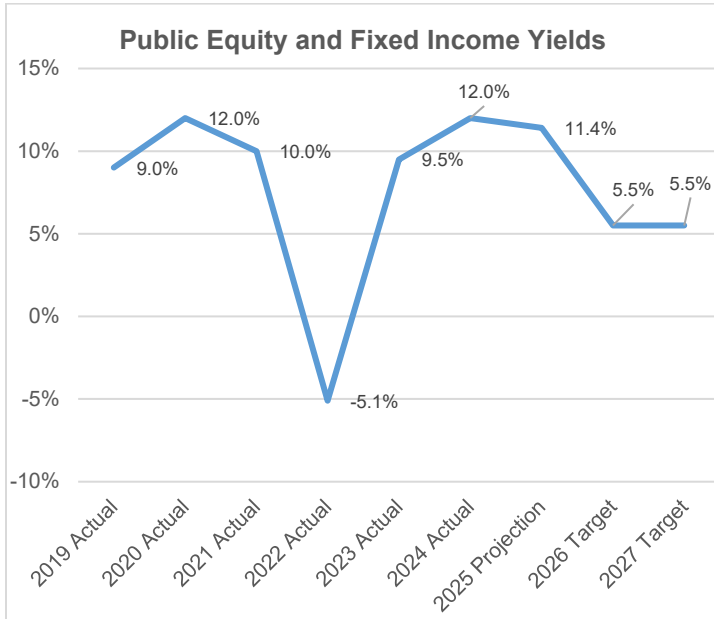
Resources (gross 2026 operating budget): \$1.3 Million

Budget at a Glance

2026 OPERATING BUDGET			
In \$ Millions	2026	2027	2028
Revenues	\$11.7	\$12.1	\$12.3
Gross Expenditures	\$11.7	\$12.1	\$12.3
Net Expenditures	\$0.0	\$0.0	\$0.0
Approved Positions	42	42	42

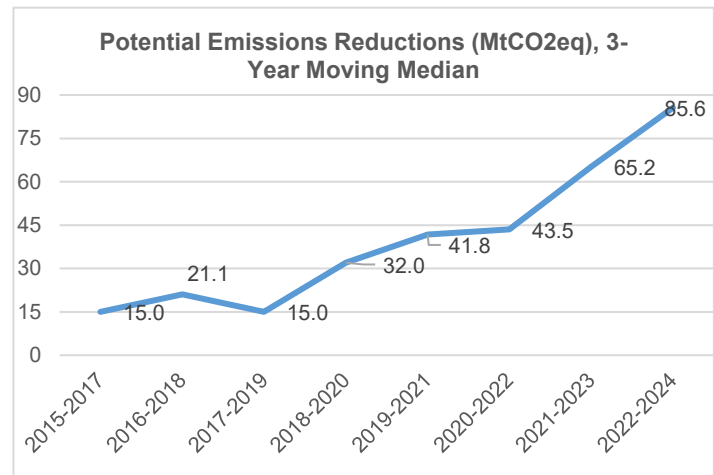
2026-2035 10-YEAR CAPITAL PLAN			
In \$ Millions	2026	2027-2035	Total
Toronto Atmospheric Fund has no capital budget.			

How Well We Are Doing – Behind the Numbers



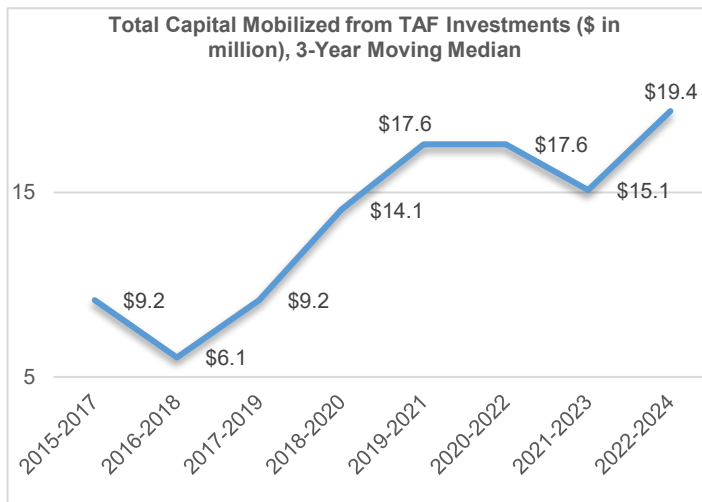
Portfolio Performance

- Investment returns are conservatively budgeted at 5.5%; the 3-year average has been 5.5% and 5-year average 8.0%.
- Asset mix re-balancing undertaken in 2025 moved the portfolio towards the target by increasing Direct Investments and Alternatives to reduce volatility, provide risk-adjusted return, and achieve mandate-related impact.
- In addition to investment returns, significant external revenues (contributions) secured from various sources for specific programs.
- TAF maintains a Stabilization Fund for each endowment to mitigate the impact of variability of investment earnings from year to year.
- To protect asset value, endowment-funded spending is maintained within the Board-approved Payout Ratio of 5-6.0% of the Net Asset Value (NAV) on a 4-year rolling average.



Emission Reduction Potential and Capital Mobilization

- Toronto Atmospheric Fund’s budget and investment returns are measured in mandate-aligned impact reporting.
- Total greenhouse gas emissions reductions achieved in 2024 are 85.6 MtCO2eq.
- Total capital mobilized in 2024 estimated at \$19.4 million, an increase of \$4.3 million from 2023. The increase is resulting from selecting larger impact investments, rising funder and investor confidence in TAF’s work, more and more functional partnerships/collaborations, and maturing climate finance ecosystem.



Program Delivery

- Toronto Atmospheric Fund’s focus within emissions reductions programs is ensuring they achieve goals and are positioned for scale up. Toronto Atmospheric Fund’s program budget includes endowment-funded revenue as well as additional external funding which we raise and secure for projects in the GTHA.
- Impact Investing – Invested in 21 projects/companies, with \$5.9 million advanced and \$10.5 million committed, approaching the target of allocating 30% of Net Asset Value to this asset class. In addition, nearly \$20.0 million has been mobilized for these investees.

How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Grants	At least 20% of endowment proceeds disbursed to grantees and special funds fully subscribed	100%	100%	100%	100%	100%
Impact Investing	Steady progress towards Direct Investment target allocation of 30%	100%	100% (3 new)	100% (3 new)	100% (3 new)	100% (3 new)
Impact Investing	Compliance with Council-adopted Statement of Investment Objectives and Principles	100%	100%	100%	100%	100%
Strategic Programs	All programs demonstrate high potential (GHG reduction, community benefits, equity and scalability)	90%	100%	90%	100%	100%
Operations and Governance	Board and Committees fully constituted and supported to undertake their fiduciary roles	100%	100%	100%	100%	100%
Key Service Level Measures						
Grants	Grants Applications across GTHA	11	N/A	16	N/A	N/A
Operations and Governance	Board Meetings	4	4	4	4	4
Impact Investing	New Investments approved	5	4	3	4	4
Strategic Program	External Funding attracted for priority projects (\$ Millions)	5.0	5.6	5.6	6.0	6.4

EXPERIENCES, CHALLENGES AND PRIORITIES**Our Experience and Success**

- Toronto Atmospheric Fund (TAF) has a unique position as a climate agency serving the Greater Toronto and Hamilton Area (GTHA). Stakeholders regard TAF as a trusted, well-governed, evidence-based authority on the region's carbon emissions and climate solutions. TAF's e-news subscribers grew by 18% from 2024, reaching 5,210 total readers and the average 6% click rate and 43% open rate, demonstrating strong and growing engagement with key stakeholders through blogs, issue-specific micro-sites, events and webinars. TAF's LinkedIn follower growth is up 15% from 2024 and 59% from 2023, now sitting at 9,218 followers, and posts this year had 250,000 impressions with an average engagement rate of 6.3%. Total visitors to TAF's website grew by 18% from 2024, reaching more than 35,000, and total page views increased by 44% from 2024, reaching more than 150,000. These results are considered excellent for the non-profit sector.
- TAF's annual operating budget is funded through proceeds from the investment of endowments provided by the City of Toronto, the Province of Ontario, and the Government of Canada, with earnings forecast in excess of \$9 million in 2025, as well as program funding from governments, utilities, and foundations which totalled over \$3.6 million this year.
- TAF continues to be a leader in impact investing. This year, three new Direct Investments were made in companies offering shared electric mobility, fast Elective Vehicle (EV) charging paired with storage, energy retrofits of multi-unit residential buildings, and off-site home construction which will yield both financial returns and emission reduction impact.
- TAF's 2025 Carbon Emissions Inventory for the GTHA shows that emissions continue to increase, therefore even steeper reductions will be needed to achieve Toronto's 2030 and 2040 climate targets and the significant and continued re-carbonization of the electricity grid will undermine the benefit of electrification of buildings and transportation unless reversed. The Inventory received record coverage and is increasingly used by decision-makers to guide policies and programs that can make a difference.
- Dozens of multi-family buildings, including apartments, condos, and social housing, are using TAF's Retrofit Accelerator 'concierge service' to plan, secure financing and implement retrofits, in some cases using social contractors, and a new program was launched to install EV charging in multi-family buildings. Both have generous funding from the Government of Canada.
- A decision-support tool for municipalities to evaluate energy proposals was developed and disseminated in collaboration with Association of Municipalities of Ontario.
- TAF worked collaboratively with City staff to engage stakeholder in development of the Building Emissions Performance Standard, which will continue in 2026.
- Grants - supporting 10 organizations with funding totalling \$1.3 million.
- Home Solar Accelerator - designed and launching in the first quarter of 2026 to support homeowners in planning and procuring rooftop solar power.
- EV-Ready Multi-Unit Residential Bs - supporting approximately 12 multi-unit buildings install EV charging in their parking garages, using an innovative, scalable financing model.
- Public Charging Network - being designed through engagement of key stakeholders and complementing the City's public charging plan on City assets.
- Canadian Industrialized Construction Coalition – founding member to set the stage for growth of this modern housing construction approach to reduce time and cost and improve building performance.
- Building Emissions Performance Standard – technical advice and stakeholder outreach and engagement supporting development of a City by-law.
- Toronto Green Standard/Green Development Standards – advancing adoption and continuous improvement for new constructions.

Key Challenges and Risks

- Volatility in public markets, driven by geopolitical factors pose a significant risk to TAF's primary source of revenue. To mitigate, TAF will maintain a well-diversified investment portfolio across asset classes, sectors, and fund managers, while continuing to rely on the expertise and advice of its investment committees. TAF also has developed and continues to steward a strong network of funding partners which can further help to diversify income sources.
- External factors including political and economic shifts also directly impact conditions within which TAF works to advance its mandate. To mitigate these risks, TAF collaborates with a range of stakeholders to advance economic development, public health, social equity, resilience and other co-benefits of climate action.
- TAF maintains a risk register that supports -assessing and addressing financial, operational, programmatic, IT security and other risks, which is used quarterly.

Priority Actions

- Multi-solving — enhance TAF's approach to ensure carbon and co-benefits are achieved in tandem; support and formalize efforts, including monitoring and reporting, to ensure inclusion of equity-seeking groups in TAF work, through formal and informal channels.
 - Programs and policies — design and advance of key policies and programs which will scale local climate solutions and achieve co-benefits including:
 - Emission performance standards for existing buildings – support development of a fair, robust by-law and availability of programs and funding to support compliance.
 - Strong energy and emission requirements for new construction (including off-site) -- advocacy for appropriate incentives and financing to support implementation, development of new supply chains, and streamlining of approvals.
 - Local economic development – co-develop a strategy to grow and attract companies providing retrofit/construction goods, services and capital.
 - EV charging -- requirements and supports for public charging and in multi-family buildings.
 - Home Solar Accelerator –support homeowners adopt rooftop solar and scale this local distributed energy resource.
 - Distributed energy resource – support policies, programs and implementation that affordably underpins decarbonization of home heating and transportation fueling.
 - Impact investing — make several high-impact direct investments including innovative financing approaches/structures for making multi-family buildings EV-ready and ensuring the vehicle-for-hire sector has EV charging options.
 - Good governance and accountability — support and engage our Board, Committees and stakeholders.
 - Operational excellence — support and ensure strong and efficient operations, project delivery, budget and financial management, human resources and technology infrastructure.
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2026 BUDGET

1. The 2026 Operating Budget for Toronto Atmospheric Fund of \$11.700 million gross, \$11.700 million revenue and \$0 million net for the following services:

	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Toronto Atmospheric Fund	11,700	11,700	0
Total Program Budget	11,700	11,700	0

- The 2026 staff complement for Toronto Atmospheric Fund of 42 positions comprised entirely of operating positions.

2026 OPERATING BUDGET

2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Toronto Atmospheric Fund	16,838	12,224	12,286	11,700		11,700	(524)	(4.3%)
Total Revenues	16,838	12,224	12,286	11,700		11,700	(524)	(4.3%)
Gross Expenditures								
Toronto Atmospheric Fund	14,481	12,224	10,011	11,700		11,700	(524)	(4.3%)
Total Gross Expenditures	14,481	12,224	10,011	11,700		11,700	(524)	(4.3%)
Net Expenditures	(2,357)		(2,275)					N/A
Approved Positions**	37.0	42.0	N/A	42.0		42.0		0.0%

*2025 Projection based on 9-Month Variance

**Year-over-year comparison based on approved positions

KEY DRIVERS

Total 2026 Budget expenditures of \$11.700 million gross reflect a decrease of \$0.524 million in spending compared to the 2025 Budget, predominantly arising from:

- Overall strategic non-labour program expenditures decreased from 2025, primarily due to lower external funding and the capitalization of certain non-labour expenses. These reductions were partially offset by increased contributions to grant spending for select retrofit-related external funding programs, as well as higher salaries and benefits expenditures resulting from cost-of-living adjustments and the hiring of higher-skilled technical staff required to support the retrofit program.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The 2026 Operational Budget supports the advancement of equity priorities through the design and implementation of the programs, grants, investments and policies we support. The 2026 budget includes more resources in these areas (through fundraising, allocation approaches, design and planning, etc.) towards equity-related priorities. For example, TAF is supporting a more diverse and inclusive stakeholder group, including equity-seeking groups specifically, in the City's stakeholder engagement and technical review for the development of Emissions Performance Standards.

Toronto Atmospheric Fund's staff-led Equity, Diversity and Inclusion Working Group in 2026 will also continue to support the organization with resources including learning opportunities, monitoring and reporting, staff engagement, and considerations and action items for TAF management. This also includes continued activity to support TAF's efforts in Indigenous reconciliation specifically.

2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Toronto Atmospheric Fund has no net change compared to the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

Table 2: 2026 Key Cost Drivers

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	12,286.0	10,011.0	(2,275.0)	N/A	N/A
2025 Budget	12,224.0	12,224.0		42.0	N/A
Key Cost Drivers:					
Strategic Programs					
Grants Expense		1,353.0	1,353.0		
Program Implementation Costs		(2,211.0)	(2,211.0)		351.0
Salaries and Benefits		289.0	289.0		
Amortization Costs		(34.0)	(34.0)		
Governance and Engagement					
Salaries and Benefits		51.0	51.0		
Corporate Expense		28.0	28.0		
Revenue Changes					
Marketable Securities	(386.0)		386.0		
Direct Investments	591.0		(591.0)		(351.0)
External Revenues	(729.0)		729.0		
Sub-Total - Key Cost Drivers	(524.0)	(524.0)			
Affordability Measures					
Total 2026 Base Budget	(524.0)	(524.0)		42.0	
2026 New/Enhanced					
2026 Budget	11,700.0	11,700.0		42.0	
Change from 2025 Budget (\$)	(524.0)	(524.0)			N/A
Change from 2025 Budget (%)	(4.3%)	(4.3%)	0.0%	0.0%	N/A

*Based on 9-Month Variance

**Year-over-year comparison based on approved positions

Key Base Drivers:**Salaries and Benefits:**

- An increase in expenditures due cost-of-living adjustments and the hiring of higher-skilled technical staff required to support the retrofit program.

Program Delivery Expense:

- Overall strategic non-labour program expenditure decreased from 2025 primarily to align with lower external funding, partially offset by increased contributions to grant spending for certain retrofit-related external funding programs.

Corporate Expenses:

- An increase in expenditures due to higher anticipated legal and governance costs.

Revenue Changes:

- TAF is primarily financed by investment revenues from its endowment funds including income from marketable securities, direct investment, as well as external grants and contributions.

2027 AND 2028 OUTLOOK**Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
Revenues			
Toronto Atmospheric Fund	11,700.0	351.0	241.0
Total Revenues		351.0	241.0
Gross Expenditures			
Toronto Atmospheric Fund	11,700.0	351.0	241.0
Total Gross Expenditures		351.0	241.0
Net Expenditures			
Approved Positions	42.0	0.0	0.0

Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$12.051 million reflect an anticipated \$0.351 million or 3.0% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$0.241 million or 2.0% above the 2027 gross expenditures.

These changes arise from the following:

- The increase in gross expenditures is reflective of an anticipated return on investments and increase in external revenues.

APPENDICES

Appendix 1

2026 Operating Budget by Category

Category (In \$000s)	2024	2025	2025	2026	2026 Change from 2025 Budget	
	Actual	Budget	Projection*	Budget	\$	%
	\$	\$	\$	\$	\$	%
Sundry and Other Revenues	16,838.0	12,224.0	12,286.0	11,700.0	(524.0)	(4.3%)
Total Revenues	16,838.0	12,224.0	12,286.0	11,700.0	(524.0)	(4.3%)
Salaries and Benefits	4,194.0	5,209.0	4,734.0	5,549.0	340.0	6.5%
Service and Rent	10,287.0	7,015.0	5,277.0	6,151.0	(864.0)	(12.3%)
Total Gross Expenditures	14,481.0	12,224.0	10,011.0	11,700.0	(524.0)	(4.3%)
Net Expenditures	(2,357.0)		(2,275.0)			-

*Projection based on 9 Month Variance

Appendix 2

Summary of 2026 Service Changes

N/A

Appendix 3

Summary of 2026 New/Enhanced Requests Included in Budget

N/A

Appendix 4a

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 4b

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 5

**2026 Capital Budget;
2027-2035 Capital Plan Including Carry Forward**

N/A

Appendix 5a

2026 Cash Flow and Future Year Commitments Including Carry Forward

N/A

Appendix 5b

2027-2035 Capital Plan Including Carry Forward

N/A

Appendix 6

Capacity to Deliver Review

N/A

Appendix 7

Summary of Capital Delivery Constraints

N/A

Appendix 8

Inflows and Outflows to/from Reserves and Reserve Funds

N/A

Appendix 9

Glossary

Approved Position: Permanent or temporary position that support the delivery of City services and service levels in annual budget.

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 Deliver Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency has 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 provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

Salary and Benefit Adjustments: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

Tax-Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).