



**Finance, Audit & Risk Management Committee – March 3, 2015**  
**New Accounting Standard – PSAB Section 3260**  
**Liability for Contaminated Sites**  
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**Objective**

To review and assess the impact of PSAB section 3260 Liability for Contaminated Sites on Waterfront Toronto’s financial statements. The standard was effective April 1, 2014.

**Background**

- Section 3260 Liability for Contaminated Sites sets out the recognition, presentation and disclosure requirements for liability associated with remediation of a contaminated site.
- A liability for remediation of contaminated sites must be recognized when, at the financial reporting date, ALL of the following criteria are satisfied:
  - An environmental standard exists;
  - Contamination exceeds the environmental standard;
  - The government or government organization is directly responsible or accepts responsibility;
  - It is expected that future economic benefits will be given up; and
  - A reasonable estimate of the amount can be made.

**Analysis and Conclusion**

A review of the all of the properties that Waterfront Toronto owns, has beneficial ownership and/or is currently developing, was conducted and the results of the analysis and the resultant conclusions are summarized in the table below:

<b>Description of Lands</b>	<b>Analysis and Conclusion:</b>
West Don Lands	WT neither owns these lands nor has any beneficial ownership in the lands and as such has no obligation to remediate these lands <b><u>Conclusion:</u></b> WT to do nothing
Lands in which WT has beneficial ownership (261QQE, 125QQE, 175QQE, 155QQE)	Lands are City owned and WT only has a beneficial ownership in these lands. The remediation obligation will be passed on to the developer if these lands are developed or the City will assume the obligation to remediate these lands. <b><u>Conclusion:</u></b> WT to do nothing
WT owned lands (7 Queens Quay East, 333 Lakeshore, 54 Commissioners, 130 Commissioners, 259 Lakeshore East, 291 Lakeshore East, 2 Small Street, 200 Queens Quay East)	If these lands are developed by WT, in most cases the approach is going to be containment (not remediation) or the remediation obligation will be passed on to the developer. If these lands are not developed by WT, due to insufficient funding for instance, then the lands will be either sold “as is where is” or handed over to the City who will assume the remediation obligation. <b><u>Conclusion:</u></b> WT to do nothing