



**WATERFRONT**Toronto

# Finance, Audit & Risk Management Committee Meeting

## Agenda and Meeting Book

THURSDAY, FEBRUARY 22, 2024 FROM 9:00 AM TO 11:30 AM

MICROSOFT TEAMS



## Finance, Audit & Risk Management Committee Meeting

Agenda - Thursday, February 22, 2024

### Public Session Agenda

9:00 a.m.	1. Land Acknowledgement	Information	K. Sullivan
9:05 a.m.	2. Motion to Approve Meeting Agenda	Approval	K. Sullivan
9:05 a.m.	3. Declaration of Conflicts of Interest	Declaration	K. Sullivan
9:10 a.m.	4. Consent Agenda		
	a) Highlights of Key Messages - 5	Information	All
	b) 2024 FARM Committee Workplan and Annual Mandate Review	Approval	L. Taylor/ I. Ness
	Coversheet - 7		
	2024 FARM Committee Workplan - 8		
	FARM Mandate - October 7, 2021 - 13		
	c) DRAFT Minutes of the Open Session November 23, 2023 FARM Committee Meeting - 21	Approval	All
	d) Q3 2023/24 Macro Dashboard (Corporate & Project Reporting):	Information	L. Taylor
	Coversheet - 27		
	Macro Dashboard - 28		
	i. Finance & Administration:		
	a) 2023/24 Corporate Plan Performance Dashboard Q3 - 29	Information	L. Taylor
	b) Enterprise Risk Management (ERM)	Information	L. Taylor / M. Santos
	ERM Dashboard - 31		
	c) Audit Dashboard - 32	Information	L. Taylor / M. Santos
	d) Liquidity Dashboard - 35	Information	L. Taylor
	e) Q3 Interim Financial Statements December 31, 2023	Information	L. Taylor/S. Chandane
	Coversheet - 36		
	FS and Notes - 37		
	ii. Capital Projects:		
	a) Port Lands Program Summary Dashboard		
	Executive Summary - 51		

	Program Summary Dashboard - 52		
	i. Flood Protection Dashboard	Information	D. Kusturin
	Executive Summary - 55		
	PLFP Dashboard - 57		
	ii. Parks Finishes Dashboard	Information	D. Kusturin
	Executive Summary - 66		
	Parks Finishes Dashboard - 67		
	iii. Lake Shore Boulevard East (LSBE) Dashboard	Information	D. Kusturin
	Executive Summary - 69		
	LSBE Dashboard - 70		
	b) Quayside Infrastructure Dashboard	Information	D. Kusturin
	Executive Summary - 73		
	Quayside Infrastructure Dashboard - 74		
	e) Quarterly Procurement Report - 77	Information	M. Boboc
	f) Regulatory and Operational Compliance Report - 78	Information	L. Taylor/ D. Kusturin/ I. Ness
	g) Environmental Social Governance (ESG) Update - 82	Information	L. Taylor
9:35 a.m.	5. Port Lands Flood Protection (PLFP) Update		
	a) PLFP Program Update	Information	D. Kusturin
	Presentation - 84		
	b) Report of the Independent Capital Monitor	Information	BTY Consulting Group Inc.
	Coversheet - 112		
	CPMAS Quarterly Report #22 - 113		
9:45 a.m.	6. Quayside Infrastructure and Public Realm Update - 60% Design	Information	K. Greene/ P. Mallozzi
	Coversheet - 136	Information	
	Presentation - 138		
9:55 a.m.	7. 2023/24 External Audit Plan	Approval	BDO Canada LLP
	Coversheet - 147		
	TWRC 2024 Planning Letter to the FARM Committee - 148		
10:05 a.m.	8. Internal Audit Update	Approval	V. Bila MNP LLP
	Coversheet - 196		
	a) Internal Audit Plan Status Update - 197		
	b) Accessibility Audit Summary - 201		
10:15 a.m.	9. Motion to go into Closed Session	Approval	All

#### Closed Session Agenda

The Committee will discuss items 10 (a), (b), (c), (d) & (e), 11, 12, 13 and 14 being consideration of the draft minutes of the Closed Session of the November 23, 2023 FARM meeting, Annual Review – Risk Appetite Statement, Financial System Update, Risk Governance & Internal Audit Contract Update, Yonge Slip Activation Proposal, Cyber Security Updates, Quayside Revenue Allocation Update, Fundraising Strategy Update, and Tri-Government Engagement Update respectively, in a Closed Session as

permitted by By-Law No.2 of the Corporation. The exception relied upon for the discussion for item 10(a) is provided in the minutes of the Open Session November 23, 2023 FARM Committee meeting under item 4(c) of this agenda, for items 10(b), 10(d) & 11 is Section 6.1.1(a), for item 10(c) is Section 6.1.1(k), for item 10(e) is Section 6.1.1(l), for items 12, 13 & 14 is Section 6.1.1(k) of By-Law No. 2. The Committee will continue in Open Session at the end of the Closed Session to vote on any resolutions pertaining to the Closed Session.

Closed Session - 229

11:15 a.m.	15. Motion to go into Open Session	Approval	All
	Public Session Agenda		
	Open Session - 230		
11:15 a.m.	16. Resolution(s) Arising from the Closed Session	Approval	All
	Form - 231		
11:20 a.m.	17. Motion to Terminate the Meeting	Approval	All
11:20 a.m.	18. Directors Only Session	Discussion	K. Sullivan
FYI	Next Meeting: Thursday, May 30, 2024	Information	All
	Upcoming Board & Committee Meeting Schedule - 232		



## Finance, Audit and Risk Management Committee – February 22, 2024

### Item 4 (a) Meeting Materials - Highlights of Key Messages

Agenda Item	Key Message
<b>4 b</b> FARM Committee Workplan & Mandate Review <b>For Approval</b>	2024 Finance, Audit and Risk Management (FARM) Committee Workplan outlines the key items of the FARM Committee mandate and how these are addressed for review and approval at each of the quarterly Committee meetings, as well as annual review of FARM Committee mandate.
<b>4 d</b> Macro Dashboard (FI)	Macro dashboard provides the Q3 2023/24 status summary of three core areas of FARM Committee mandate, namely Corporate Plan Performance, Finance and Administration (including enterprise risk, audit and liquidity) and capital projects (including Quayside Infrastructure – new this quarter), all of which are supported by individual dashboards under Items 4 c) i-ii.
<b>4 d i a)</b> 2023/24 Corporate Plan Performance (FI)	As of this report WT is on track to achieve the following for fiscal 2023/24: <ul style="list-style-type: none"> <li>• 69% (Q2: 70%) of annual capital investment plan (\$285M of \$414M)</li> <li>• 68% (Q2: 80%) of annual revenues (\$240M of \$352M)</li> <li>• 60% (Q2: 70%) of key deliverables (18 out of 30)</li> <li>• 95% (Q2: 95%) of performance measure KPI targets (18 out of 19)</li> </ul>
<b>4 d i b)</b> Enterprise Risk Management (ERM) (FI)	WTs enterprise risk portfolio remains consistent with last quarter with one residual high-risk area (Project Delivery: Non-Port Lands projects) due to project funding gaps arising from unprecedented escalation. The remaining enterprise risk portfolio is stable with other top risk areas under management being financial sustainability, recruitment & retention of employees, climate, cyber security, PLFP project delivery, government, and reputational risk.
<b>4 d i c)</b> Audit Environment (FI)	Accessibility internal audit completed this quarter (refer item 8). Office of the Auditor General of Ontario (OAG) issued its 2023 report in December 2023 which confirmed that WT has fully implemented (100%) all recommendations (both OAG and Standing Committee on Public Accounts) and also identified WT as one of the organizations who are better at implementing recommendations.
<b>4 d i d)</b> Liquidity / Cash Flow Forecast (FI)	Positive cash and short-term investment balance > \$50M with no requirement to drawdown line of credit forecast until mid-2025. \$90 million line of credit in place.
<b>4 d i e)</b> Dec 31, 2023 Unaudited Financial Statements (FI)	The financial activities for the nine months ended December 31, 2023 were down 21% from the same period last year for investment levels (\$198.9M compared to \$251.9M), largely due to acquisition of Parliament Slip in prior year together with higher PLFP investment levels. Revenues were consistent with last year (\$130.8M compared to \$130.9M).
<b>4 e)</b> Quarterly Procurement Report (FI)	No exceptions to the Procurement Policy to report and no construction contracts over \$5 million awarded this quarter.
<b>4 f)</b> Regulatory and Operational Compliance Report (FI)	All required actions by the Corporation for regulatory compliance obligations have been performed as of December 31, 2023.
<b>4 g)</b> ESG Update (FI)	Quarterly report on Environmental, Social & Governance (ESG) and Waterfront Toronto's current initiatives in these areas.
<b>5a)</b> PLFP Update (FI)	Visual Progress Report from Chief Project Officer regarding the PLFP project.
<b>5b)</b> PLFP Independent Capital Monitor Report (FI)	Report #22 of the Independent Capital Monitor (BTY) notes: 1) the overall PFLPEI project Estimate at Completion is forecasted to be within the approved budget of \$1.354Bn; 2) substantial completion and project completion are forecast December 31, 2024, and June 30, 2025, respectively; and 3) there has been no change to project scope.

**Finance, Audit and Risk Management Committee – February 22, 2024  
Item 4 (a) Meeting Materials - Highlights of Key Messages**

<b>6) Quayside Program Update – 60% Design Estimate at Completion (FI)</b>	Management will provide an update regarding the 60% design stage gate estimate at completion for the Quayside municipal infrastructure and public realm program.
<b>7) 2023/24 External Audit Plan <b>For Approval</b></b>	Planning Report from WT's external auditors, BDO LLP, regarding the audit of the Corporation's year end March 31, 2024 financial statements. Audit materiality of \$4.5 million, consistent with prior year.
<b>8) Internal Audit Plan Update (FI) and <b>For Approval</b></b>	MNP LLP will provide an update on the status of the Corporation's Internal Audit Plan, including the results of the recently completed Accessibility Audit. Management requests approval regarding supplementary internal audit fees.
<b>10 b) Risk Appetite Statement (FI)</b>	Management is proposing no material change to the Corporation's risk appetite statement as previously adopted by the FARM Committee and Board.
<b>10 c) Financial System Update (FI)</b>	Update report from management regarding planned improvements to the Corporation's financial enterprise resource planning (ERP) system.
<b>10 d) Risk Governance &amp; Internal Audit Update</b>	Update report from management regarding WT's planned scope and procurement approach regarding future Risk Governance & Internal Audit service requirements.
<b>11 a) Cybersecurity Risk Profile (FI)</b>	Update of the Corporation's cybersecurity program, current risk profile and mitigation strategies.
<b>11 b) Cybersecurity Follow up Items (FI) and <b>For Approval</b></b>	Management will provide an update regarding certain cybersecurity areas of interest identified at the last Board of Directors meeting.
<b>12) Quayside Revenue Allocation Update (FI)</b>	Management will provide an update regarding the allocation of Quayside land revenues to strategic priorities.
<b>13) Fundraising Strategy Update (FI)</b>	Management will provide an update regarding progress of the Corporation's Fundraising strategy which is focused on the PlayPark (formerly called Destination Playground).
<b>14) Business Case and Tri-Government Engagement (FI)</b>	Management will provide an update on progress regarding next phase of waterfront revitalization.

**Finance, Audit & Risk Management Committee – February 22, 2024**  
**Item 4 b – 2024 FARM Committee Workplan and Annual**  
**Mandate Review**  
**Lisa Taylor/ Ian Ness**

<b>Purpose</b>	For Committee Approval
<b>Areas of note/ Key issues</b>	<p>The 2024 Finance, Audit and Risk Management (FARM) Committee Workplan (attached) outlines the key items of the FARM Committee mandate and how these are addressed for review and approval at each of the following quarterly FARM Committee meetings:</p> <ul style="list-style-type: none"> <li>• February 22, 2024</li> <li>• May 30, 2024</li> <li>• September 19, 2024, and</li> <li>• November 21, 2024.</li> </ul> <p>The core responsibilities of the FARM Committee mandate include financial reporting, internal controls, external and internal auditor appointments, government audits, financial planning, enterprise risk management, project risk management, fundraising, Environmental, Social and Governance (ESG) and other duties and obligations.</p> <p>In line with good governance, the mandate of the FARM Committee is to be reviewed annually. As such, also attached is the current mandate for review by the Committee.</p>
<b>Resolution/ Next Steps</b>	<p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Finance, Audit and Risk Management Committee approves the 2024 FARM Committee Workplan.</p> <p>The next review of the FARM Committee mandate and annual workplan is anticipated to take place in February 2025.</p>

**WATERFRONT TORONTO**  
**Finance, Audit and Risk Management Committee Workplan - 2024**

**Duties and Responsibilities**

The Finance, Audit and Risk Management Committee (the “Committee”), will review and make recommendations to the Board of Directors (the “Board”) with respect to, or approve as indicated, the following matters, consistent with the Committee mandate:

<b>Quarterly Meeting Schedule:</b>	<b>Feb 22/2024</b>	<b>May 30/2024</b>	<b>Sep 19/2024</b>	<b>Nov 21/2024</b>	<b>As required</b>
<b>(a) General Responsibilities.</b> The Committee will:					
<b>(i)</b> Approve an Annual Committee Workplan	2024 Workplan				
<b>(ii)</b> Review and assess mandate annually	X				
<b>(iii)</b> Review and report to the Board of Directors periodically on compliance by the Corporation with the matters provided for in this Mandate, including without limitation, matters relating to Environmental, Social and Governance (ESG) considerations.	X ESG dashboard	X ESG dashboard	X ESG dashboard	X ESG Dashboard	X
<b>(b) Financial Reporting.</b> The Committee will:					
<b>(i)</b> Review with management the <b>Corporation’s annual and quarterly financial statements</b> of the Corporation;	Q3 Interim Financial Statements Dec 31, 2023	Year-End Financial Statements Mar 31, 2024	Q1 Interim Financial Statements June 30, 2024	Q2 Interim Financial Statements Sept 30, 2024	
<b>(ii)</b> Review <b>reports from the external auditors</b> concerning the annual financial statements and any other matters, and management’s response to such reports, if appropriate;		2023/24 External Audit Results Report			
<b>(iii)</b> Recommend to the Board the <b>approval of the audited annual financial statements</b> ;	Receive	<b>Approval</b>	Receive	Receive	
<b>(iv)</b> Review reports on any litigation, claim or other contingency that could have a material effect on the financial statements of the Corporation;					X
<b>(v)</b> Review any <b>public disclosures</b> containing audited or unaudited financial information; and		2023/24 Integrated Annual Report			
<b>(vi)</b> Review with the external auditors and the Board of Directors <b>any material issues</b> that arise with respect to the quality or integrity of the Corporation’s financial statements and the Corporation’s compliance with the legal and regulatory requirements related thereto.		X			X

**WATERFRONT TORONTO**  
**Finance, Audit and Risk Management Committee Workplan – 2024**

	Feb 22/2024	May 30/2024	Sep 19/2024	Nov 21/2024	As required
<b>(c) Internal Controls</b> The Committee will periodically review, with assistance from the external auditor or internal auditor of the Corporation if requested by the Committee, the adequacy of financial internal controls and provide reports or recommendations to the Board of Directors on such adequacy.		X			X
<b>(d) External Auditors.</b> The Committee will:					X
<b>(i) Recommend external auditors for appointment</b> by the Board of Directors, including their compensation for all services; such external auditors shall report directly to the Committee and be independent of the Corporation;					
<b>(ii) Review the performance of the external auditors</b> at least annually and meet with the external auditor on such basis as the Committee may determine;		X			
<b>(iii) If appropriate, recommend the removal of external auditors and their replacement;</b>					X
<b>(iv) Pre-approve all services (audit and non-audit services) to be provided to the Corporation by the external auditors; and</b>					X
<b>(v) Review and approve the scope of the external audit plans</b> at least annually.	2023/24 External Audit Plan				
<b>(e) Internal Auditor.</b> The Committee may:					
<b>(i) Approve the appointment of internal auditors, including their compensation; if so appointed, such internal auditors shall report directly to the Committee and be independent of the Corporation;</b>		X			X
<b>(ii) Review and approve the overall scope of the internal audit plan and ensure the coordination of the internal auditors with the external auditors;</b>					X
<b>(iii) Review reports issued by internal auditors and management's response to the reports, meet with the internal auditors as the Committee may determine, and monitor actions taken in respect of the reports; and</b>	X (as applicable)	X (as applicable)	X (as applicable)	X (as applicable)	X
<b>(iv) Review the performance of the internal auditors at least annually.</b>					X

**WATERFRONT TORONTO**  
**Finance, Audit and Risk Management Committee Workplan – 2024**

	<b>Feb 22/2024</b>	<b>May 30/2024</b>	<b>Sep 19/2024</b>	<b>Nov 21/2024</b>	<b>As required</b>
<b>(f) Government Audits.</b> The Committee will:					
(i) Review the reports issued by a government auditor and management's response to these reports, and monitor actions taken in respect of the reports;					X
(ii) Meet, if necessary, with government auditors after the completion of their audits, or have the Committee Chair do so, and provide a report on such report and meeting to the Committee; and					X
(iii) Ensure the coordination of government auditors' involvement with the work of the external and internal auditors of the Corporation.					X
<b>(g) Financial Planning</b> The Committee will regularly review significant matters involving the financial status of the Corporation and make recommendations to the Board of Directors with respect to various material financial matters affecting the Corporation, such as:					
(i) The financial aspects of annual and longer-term budgets and any significant variances thereon;	2023/24 Corporate Plan Performance Report (Q3)	2023/24 Integrated Annual Report <b>Approval</b>	2024/25 Corporate Plan Performance Report (Q1)	2024/25 Corporate Plan Performance Report (Q2)	
(ii) The annual corporate plan and five-year strategic plan, periodic forecasts, long term financial plans and revisions thereto; and key performance indicators adopted by, or applicable to, the Corporation;				Annual Business Plan / 5-Year Strategic Plan <b>Approval</b>	
(iii) Consideration of capital approval requests that require approval of the Board of Directors;					X
(iv) The adequacy of financial resources and cash flow of the Corporation; and	Liquidity Forecast	Liquidity Forecast	Liquidity Forecast	Liquidity Forecast	X
(v) Review reports from management on various financial measures and reports requested by the Board of Directors.					X

**WATERFRONT TORONTO**  
**Finance, Audit and Risk Management Committee Workplan – 2024**

	<b>Feb 22/2024</b>	<b>May 30/2024</b>	<b>Sep 19/2024</b>	<b>Nov 21/2024</b>	<b>As required</b>
<p>(h) <b>Enterprise Risk Management.</b> The Committee will:</p> <p>(i) Provide oversight of the enterprise risk management program of the Corporation, which shall include cybersecurity risk management, including overseeing the identification, measurement, monitoring and controlling of enterprise risks and ensuring that implementation and function of appropriate risk management systems are consistent with the determined risk appetite of the Corporation; and</p> <p>(ii) Without limiting the generality of the foregoing, review and consider annually the insurance coverage to be procured and maintained, approve insurance policies recommended by management to appropriately and effectively protect the interests of the Corporation and its Directors.</p>	<p>Enterprise Risk Dashboard</p> <p>Cyber Security Risk Profile</p> <p>Risk Appetite Statement</p> <p>Regulatory &amp; Operational Compliance and Procurement Reports</p>	<p>Enterprise Risk Dashboard</p> <p>Annual Cyber Penetration Testing Results</p> <p>Regulatory &amp; Operational Compliance and Procurement Reports</p> <p>Insurance Program Review</p>	<p>Enterprise Risk Dashboard</p> <p>Cyber Security Risk Profile</p> <p>Regulatory &amp; Operational Compliance and Procurement Reports</p>	<p>Enterprise Risk Dashboard</p> <p>Regulatory &amp; Operational Compliance and Procurement Reports</p>	
<p>(i) <b>Project Risk Management</b></p> <p>The Committee will review and make recommendations to the Board of Directors, in accordance with the policies and procedures approved by the Board of Directors in respect of:</p> <p>(i) projects (including capital projects) of the Corporation and whether the Committee should monitor the projects; and</p> <p>(ii) requests to approve the budget, scope, or schedule of projects (including capital projects) and material changes to the same.</p> <p>The Committee will consider the following criteria when determining whether it should monitor any projects:</p> <ul style="list-style-type: none"> <li>• a budget in excess of \$50 million;</li> <li>• high complexity and potential for numerous unknown risks.</li> <li>• compressed timeline or work schedule;</li> <li>• self-insurance;</li> <li>• multiple stakeholders; and</li> <li>• high public profile or visibility.</li> </ul> <p>The Committee will coordinate its activities with similar ones being undertaken by the Investment and Real Estate Committee.</p>	<p>Independent Project Capital Monitor Report – Port Lands Flood Protection</p> <p>Q3 2023/24 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q4 2023/24 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q1 2024/25 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q2 2024/25 Project Reporting</p>	X

**WATERFRONT TORONTO**  
**Finance, Audit and Risk Management Committee Workplan – 2024**

	Feb 22/2024	May 30/2024	Sep 19/2024	Nov 21/2024	As required
(j) <b>Fundraising.</b> The committee will:					
(i) Review and make recommendations to the Board of Directors, in coordination, as appropriate, with the Human Resources, Governance and Stakeholder Relations Committee of the Board, regarding fundraising (including strategy) of the Corporation, in accordance with the policies and procedures approved by the Board of Directors. Fundraising by the Corporation may include donations, sponsorship, and government grants; and					X
(ii) Monitor the implementation by the Corporation of the approved fundraising strategies, including in respect of project status, expenditures, deliverables, and risks.	X Fundraising Dashboard	X Fundraising Dashboard	X Fundraising Dashboard	X Fundraising Dashboard	
(k) <b>Procurement.</b> The Committee will receive for information any amendments made to the Procurement Policy of the Corporation and all audit reports pertaining to procurement practices and procedures of the Corporation.					X
(l) <b>Other Duties and Obligations.</b> The committee will undertake such other duties and obligations, and have such other powers, as may be assigned to it by the Board of Directors from time to time.					X



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**FINANCE, AUDIT, AND RISK MANAGEMENT COMMITTEE MANDATE**

**OF**

**TORONTO WATERFRONT REVITALIZATION CORPORATION**

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## TORONTO WATERFRONT REVITALIZATION CORPORATION

### Finance, Audit, and Risk Management Committee Mandate

**Effective Date: October 7, 2021**

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#### **Purpose**

The Finance, Audit and Risk Management Committee (the "**Committee**") is a committee of the board of directors (the "**Board of Directors**") of the Toronto Waterfront Revitalization Corporation (the "**Corporation**"). The primary function of the Committee is to assist the Corporation in fulfilling its oversight responsibilities by evaluating and making recommendations to the Board of Directors with respect to:

- (i) Financial Planning;
- (ii) Financial reporting;
- (iii) Internal controls;
- (iv) External auditor, including performance, qualifications, independence, and their audit of the financial statements of the Corporation;
- (v) Internal audit function;
- (vi) Government audit recommendations;
- (vii) Enterprise risk management;
- (viii) Project risk Management;
- (ix) Fundraising; and
- (x) Procurement.

The management of the Corporation is responsible for preparing the financial statements, and the external auditor of the Corporation are responsible for auditing those financial statements.

#### **Authority of the Committee**

1. The Board of Directors authorizes the Committee to:
  - (a) Perform its responsibilities under this Mandate;

- (b) Provide strategic review and advice in respect of, and monitor compliance by the Corporation with, the matters described in this Mandate;
  - (c) Oversee the Corporation's risk management policies relevant to this Mandate and ensure that those policies are implemented appropriately;
  - (d) Require the Chief Executive Officer of the Corporation (the "**Chief Executive Officer**"), the Chief Financial Officer of the Corporation (the "**Chief Financial Officer**"), and other senior officers of the Corporation, and invite any others it deems to have relevant experience and expertise, to attend, or participate in, any meeting of the Committee (each, a "**Meeting**") from time to time;
  - (e) Communicate expectations and the nature, timing and extent of the Committee's informational needs to management of the Corporation; and
  - (f) Oversee any specific risk-related task assigned to the Committee by the Board of Directors.
2. The Committee may access all records and information of the Corporation that it considers necessary or desirable for the performance of its duties. The Committee may gather information relevant to any matters within its scope of responsibility and retain, at the expense of the Corporation, independent advisors to assist the Committee in performing its duties. Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the accuracy of information provided by persons from within or from outside the Corporation provided that the member acts in good faith and exercises their judgement reasonably in the circumstances.

### **Composition and Procedures of the Committee**

- 3. The Committee will be appointed by the Board of Directors and will be composed of no fewer than three Directors (each, a "**Member**"). The Committee will be chaired by a member of the Board of Directors (each, a "**Director**") appointed by the Board of Directors (the "**Chair of the Committee**"). The Corporate Secretary of the Corporation (the "**Corporate Secretary**") will be the secretary of the Committee and may appoint a nominee to act as recording secretary for a Meeting.
- 4. At least one Member should be a member in good standing of a recognized professional accounting body.
- 5. Each Member will be financially literate, meaning that he or she is able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the financial statements of the Corporation. Where appropriate, Members should enhance their familiarity with financial, audit, accounting, risk management and other areas relevant to their responsibilities by maintaining an awareness and understanding of trends and best practices in these areas. The Corporation and its internal and external auditors will support Members in these efforts.
- 6. Each Member will serve at the pleasure of the Board of Directors and will cease to be a Member (i) when determined by the Board of Directors, (ii) upon removal by the Board of Directors, (iii) upon termination of the Member's tenure as a Director for any reason whatsoever, or (iv) as required the by-laws or policies of the Corporation or by law.

7. The Board of Directors may fill vacancies in the Committee from time to time, and for the period of time that a vacancy exists the remaining Members may exercise all powers of the Committee, provided that a quorum of Members is in attendance at a Meeting at which those powers are exercised.

### **Meetings of the Committee**

8. The Chair of the Committee, the Corporate Secretary or any two Members may call Meetings. The external auditor of the Corporation may call Meetings and may participate in each Meeting unless the Chair of the Committee determines otherwise.
9. Notice of a Meeting, including the date, time, and place of the Meeting, must be provided to each Member at least two days before the date of the Meeting, unless any of these requirements is waived by all Members. The agenda of the Meeting and supporting materials (if any) must be given to each Member prior to the Meeting to allow each Member to properly review and consider the agenda and materials.
10. The Chair of the Committee, in consultation with the Members, and, as he or she considers appropriate, with any of the other Directors, the Chief Executive Officer, the Corporate Secretary and other senior officers, is responsible for establishing the agenda of each Meeting.
11. The powers and authority of the Committee may be exercised at a Meeting only if a quorum is present.
12. A quorum for a Meeting is two Members.
13. Members may attend any Meeting in person or by telephone, video or other digital means.
14. A Director, who is not a Member, may attend, but not vote at, a Meeting. The Chief Executive Officer and the Chief Financial Officer will be invited to all Meetings (other than closed Meetings), but may not vote at Meetings.
15. If the Chair of the Committee is unable to attend a Meeting, the other Members in the attendance at the Meeting may appoint a Member to chair the Meeting.
16. The Chair of the Committee or the substitute chair (as applicable) may vote on any matter at a Meeting, but will not have a second or casting vote.
17. The Corporate Secretary or his or her nominee (if applicable) will prepare and maintain minutes of each Meeting. Minutes will be available to each Member and to any other Director upon request.

### **Duties and Responsibilities of the Committee**

The Committee will evaluate and make recommendations to the Board of Directors with respect to, or approve as indicated, the following matters:

#### **(a) General Responsibilities**

The Committee will:

- (i) Create and maintain a Committee work plan for the year, and monitor its performance;

- (ii) Review and assess this Mandate at least annually, and refer its assessment and any proposed revisions to the Human Resources, Governance and Stakeholder Relations Committee;
- (iii) Review and report to the Board of Directors periodically on compliance by the Corporation with the matters provided for in this Mandate and make recommendations, if any, in connection therewith as may be necessary or appropriate;
- (iv) Report and make recommendations periodically to the Board of Directors and any other applicable Committee of the Board on the matters covered by this Mandate, including without limitation, matters relating to Environmental, Social and Governance considerations; and
- (v) Perform any other activities consistent with this Mandate, the by-laws of the Corporation, and applicable law, as the Committee or the Board of Directors deems necessary or appropriate.

**(b) Financial Reporting**

The Committee will:

- (i) Review with management the annual and quarterly financial statements of the Corporation;
- (ii) Review reports from the external auditor of the Corporation concerning the annual financial statements and any other matters, and management's response to such reports, if appropriate;
- (iii) Recommend to the Board of Directors the approval of the audited annual financial statements of the Corporation;
- (iv) Review reports on any litigation, claim or other contingency that could have a material effect on the financial statements of the Corporation;
- (v) Review any public disclosures containing audited or unaudited financial information of the Corporation; and
- (vi) Review with the external auditor and the Board of Directors any material issues that arise with respect to the quality or integrity of the financial statements of the Corporation and its compliance with the legal and regulatory requirements related thereto.

**(c) Internal Controls**

The Committee will periodically review, with assistance from the external auditor or internal auditor of the Corporation if requested by the Committee, the adequacy of financial internal controls and provide reports or recommendations to the Board of Directors on such adequacy.

**(d) External Auditor**

The Committee will:

- (i) Recommend external auditor for appointment by the Board of Directors, including their compensation; such external auditor will report directly to the Committee and be independent of the Corporation;
- (ii) Review the performance of the external auditor at least annually and meet with the external auditor on such basis as the Committee may determine;
- (iii) If appropriate, recommend the removal and replacement of the external auditor;
- (iv) Pre-approve all services (audit and non-audit) to be provided to the Corporation by the external auditor; and
- (v) Review and approve the scope of the external audit plans at least annually.

**(e) Internal Auditor**

The Committee may:

- (i) Approve the appointment of internal auditor, including their compensation; if so appointed, such internal auditor will report directly to the Committee and be independent of the Corporation;
- (ii) Review and approve the scope of the internal audit plan and ensure the coordination of the internal auditor with the external auditor;
- (iii) Review reports issued by internal auditor and management's response to the reports, meet with the internal auditor as the Committee may determine, and monitor actions taken in respect of the reports; and
- (iv) Review the performance of the internal auditor at least annually.

**(f) Government Audits**

The Committee will:

- (i) Review the reports issued by a government auditor or government appointed auditor ( "government auditors") and management's response to the reports, and monitor actions taken in respect of the reports;
- (ii) Meet, if necessary, with government auditors after the completion of their audit, or have the Chair of the Committee do so, and provide a report on such report and meeting to the Committee; and
- (iii) Ensure the coordination of government auditors' involvement with the work of the external and internal auditor of the Corporation.

**(g) Finance**

The Committee will regularly review significant matters involving the financial status of the Corporation and make recommendations to the Board of Directors with respect to material financial matters affecting the Corporation, such as:

- (i) The financial aspects of annual and longer-term budgets, and any significant variances therein;
- (ii) The annual corporate plan and five-year strategic plan, periodic forecasts, long-term financial plans and revisions thereto, and key performance indicators adopted by, or applicable to, the Corporation;
- (iii) The adequacy of financial resources and cash flow of the Corporation; and
- (iv) Review reports from management on various financial measures and reports requested by the Board of Directors.

**(h) Enterprise Risk Management**

The Committee will:

- (i) Provide oversight of the enterprise risk management program of the Corporation, which shall include cybersecurity risk management, including overseeing the identification, measurement, monitoring and controlling of enterprise risks and attempting to ensure that implementation and function of appropriate risk management systems are consistent with the determined risk appetite of the Corporation; and
- (ii) Without limiting the generality of the foregoing, review and consider annually the insurance coverage to be procured and maintained and recommend for approval by the Board insurance policies to appropriately and effectively protect the interests of the Corporation and its Directors.

**(i) Project Risk Management**

The Committee will receive reporting from the Chief Project Officer and review and make recommendations to the Board of Directors, in accordance with the policies and procedures approved by the Board of Directors in respect of:

- (i) projects (including capital projects) of the Corporation and whether the Committee should monitor the projects; and
- (ii) requests to approve the budget, scope, or schedule of projects (including capital projects) and material changes to the same.

The Committee will consider the following criteria when determining whether it should monitor any projects:

- (iii) a budget in excess of \$50 million;
- (iv) high complexity and potential for numerous unknown risks;
- (v) compressed timeline or work schedule;
- (vi) self-insurance;
- (vii) multiple stakeholders; and

(viii) high public profile or visibility.

**(j) Fundraising**

The Committee will:

- (i) Review and make recommendations to the Board of Directors regarding fundraising (including strategy) of the Corporation, in accordance with the policies and procedures approved by the Board of Directors. Fundraising by the Corporation may include donations, sponsorship, and government grants; and
- (ii) Monitor the implementation by the Corporation of the approved fundraising strategies, including in respect of project status, expenditures, deliverables, and risks.

**(k) Procurement**

The Committee will receive for information (i) any amendments to the Procurement Policy of the Corporation made from time to time and (ii) all reports from the Internal Auditor of the Corporation and all Government Audits, relating to the procurement practices and procedures of the Corporation.

**(l) Other Duties and Obligations**

The Committee will undertake such other duties and obligations, and have such other powers, as may be assigned to it by the Board of Directors from time to time.

**Responsibilities of the Chair of the Committee**

The Chair of the Committee is responsible for the management and effective performance of the Committee and to provide leadership to the Committee in fulfilling this Mandate. The responsibilities of the Chair of the Committee include:

- (i) Working with the Chair of the Board of Directors, the Chief Executive Officer and the Corporate Secretary to establish the frequency of Meetings and the agendas for Meetings;
- (ii) Providing leadership to the Committee and presiding over Meetings;
- (iii) Facilitating the flow of information to and from the Committee and fostering an environment in which the Members may ask questions and express their views;
- (iv) Reporting to the Board of Directors with respect to significant activities of the Committee and recommendations made by the Committee; and
- (v) Leadership in taking such other steps as may be reasonably required to ensure that the Committee carries out this Mandate.



**MINUTES of the Open Session of the  
Finance Audit and Risk Management Committee Meeting of the  
Toronto Waterfront Revitalization Corporation  
Via Microsoft Teams Teleconference  
Thursday, November 23, 2023 at 9:00 a.m.**

**PRESENT:** Kevin Sullivan (Chair)  
Drew Fagan  
Laurie Payne  
Jeanhy Shim

**REGRETS:** None

**ATTENDANCE: WATERFRONT TORONTO**  
George Zegarac - Chief Executive Officer  
Ian Ness - General Counsel  
Meg Davis - Chief Development Office  
Lisa Taylor - Chief Financial Officer  
Kevin Greene - Chief Operating Officer  
Julius Gombos - SVP, Project Delivery  
Pina Mallozzi - SVP, Design  
Cameron MacKay - VP, Communications & Public Engagement  
Cheryl Roddick - Philanthropic Advisor  
Marciana Boboc - Director, Procurement  
Ed Chalupka - Director, Government Relations  
Sampada Chandane - Director, Financial Management  
Alma Pjetra Director - Director, Program & Cost Management  
Mary Anne Santos - Director, Financial Planning  
Don Forbes - Project Director, Soil Remediation and Earthworks  
Dave VanAuken - Interim Director, Information Technology  
Ella Liu - Senior Analyst, Corporate and ESG Reporting  
Vicky Ma - Senior Analyst, Risk Management and Data Analytics  
Natasha Tolkunow - Senior Project Manager, Project Delivery  
Parmit Chhasiya - Program Reporting Analyst  
Charmaine Miller - Executive Assistant to the CEO & Board Admin

Also, in attendance for part or all of the meeting were:

- Jack Winberg, Director, Waterfront Toronto Board
- Anamika Srivastava, Jasmine Haghighi, Iswariya Tirunagaru , Infrastructure Canada
- Cory MacDonald, Bill Raymond, Ezaz Uddin, Ontario Ministry of Infrastructure
- Jay Paleja, Project Manager, Waterfront Secretariat, City of Toronto
- Louis Castillo, BTY Consulting
- Veronica Bila, Seyed Hejazi, MNP LLP

Ian Ness acted as secretary of the meeting. The Chair welcomed everyone to the meeting of the Finance Audit and Risk Management (FARM) Committee (the “Committee”) of the Toronto Waterfront Revitalization Corporation (“Waterfront Toronto” or the “Corporation”).

With notice of the meeting having been sent to all members of the Committee in accordance with the Corporation’s By-laws and a quorum being present, the Chair called the meeting to order at 9:02 a.m. and declared the meeting was duly constituted for the transaction of business.

## **1. Land Acknowledgement**

Kevin Sullivan acknowledged Indigenous Peoples’ presence and connections to lands under revitalization by Waterfront Toronto.

## **2. Meeting Agenda**

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan, and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

## **3. Declaration of Conflicts of Interest**

There were no conflicts declared.

## **4. Consent Agenda:**

**a) Highlights of the Key Messages were taken as read.**

**b) Draft Minutes of Open Session September 21, 2023 FARM Committee Meeting**

**ON MOTION** duly made by Laurie Payne, seconded by Drew Fagan, and carried, it was **RESOLVED** that the Minutes of the September 21, 2023 FARM Committee meeting be approved as presented.

**c) Q2 2023/24 Macro Dashboard including Corporate & Project Reporting Dashboards:**

The FARM Committee took most of the remaining consent agenda items as read (namely macro and reporting dashboards related to audit, liquidity, capital project, procurement, regulatory compliance, and environmental social governance, together with the September 30, 2023 interim financial statements), and sought highlights and clarifications from management in certain areas.

For the enterprise risk dashboard it was noted that one risk area remains assessed as high residual risk this quarter, namely Project Delivery – Non-Port Lands projects (due to the impact of unprecedented escalation on Quayside infrastructure and public realm and Bayside water’s edge promenade, for which management is mitigating through phasing and/or revenue reallocation approaches).

It was noted that two previous high risks had been assessed downwards this quarter: Financial Self-Sustainability (due to progress being made on the Next Phase Waterfront Revitalization business case with governments), and PLFP Project Delivery (due to securing sufficient additional funding to complete the project); and that one risk was assessed upwards this quarter: Recruitment & Retention of Employees (due to slightly increased turnover this year to be mitigated via increased communications to staff regarding WT's next phase waterfront revitalization vision).

The Corporation's five-year cash flow forecast indicates a strong cash position for at least the next 12 months, with a need to draw down on the line of credit facility starting in early 2025 to support the Quayside municipal infrastructure and public realm, and Bayside water's edge promenade projects (to be repaid with land sale revenues).

## **5. Port Lands Flood Protection (PLFP) Update**

### **a) PLFP Project Update**

A visual progress report for the PLFP project was provided to the Committee which was taken as read.

### **b) Q3 2022/2023 Construction Cost Forecast and Risk Update and Quantification**

The Q3 2022/23 Construction Cost Forecast & Risk Update and Quantification for the PLFP project which indicates a 95% probability of completing the project on budget, was taken as read.

### **c) Report of the Independent Capital Monitor**

BTY Consulting LLP (BTY) presented their **21st report** as Independent Capital Monitor for the PLFP project and noted that:

- The budget remains at \$1.354 million comprising:
  - a) Port Lands Flood Protection: \$1,272.9M, and
  - b) Parks Finishes: \$81.1M
- The remaining contingency of \$33.3 million (2.52% of the total project budget) is a moderate amount to be closely monitored to ensure it will suffice to offset cost risks to the end of the project.
- A revised schedule baseline was issued by EllisDon in September 2023 indicating substantial completion and project completion dates remain as December 31, 2024 and June 30, 2025, respectively.
- No material scope changes have been made to the project this quarter.
- The risk management process implemented by WT is robust and in line with industry best practices.

There was discussion between the FARM Committee and BTY regarding the sufficiency of the remaining contingency. BTY described the remaining contingency of \$33.3 million at this stage of the project as good/ healthy, particularly given the project is almost 100% procured.

## 6. Capital Approvals

The FARM Committee reviewed and recommended for approval by the Board, the following four capital approvals:

### a) Waterfront East LRT 60% Design

**ON MOTION** duly made by Jeanhy Shim, seconded by Drew Fagan and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends that the Board of Directors approve:

the capital expenditure of \$34.2 million for the Waterfront East LRT 60% design, subject to execution of an agreement with the City of Toronto to provide the necessary funding.

### b) Bayside Phase 2 including Water's Edge Promenade

**ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors an additional capital expenditure of \$11.6 Million for a total capital expenditure of \$56.3 Million to complete the construction of Bayside Phase II, using Waterfront Toronto secured funding (Waterfront Toronto Land / Other Revenues) for the additional expenditure.

### c) Quayside Infrastructure and Public Realm 100% Design

**ON MOTION** duly made by Laurie Payne, seconded by Jeanhy Shim, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors an additional capital expenditure of \$20.9 million for a total capital expenditure of \$35.1 million to complete the 100% design of the Quayside Infrastructure and Public Realm Project, and proceeding with capital expenditure using Waterfront Toronto secured funding (Quayside land/other revenues) on an interim basis until the Delivery Agreement with the City of Toronto is executed.

### d) Broadview Eastern Flood Protection 100% Design

**ON MOTION** duly made by Drew Fagan, seconded by Jeanhy Shim, and carried, it was **RESOLVED** that the Finance, Audit and Risk Management Committee recommends for approval by the Board of Directors additional capital expenditures of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issued For Tender level of design and to award the Old

Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto.

## **7. Internal Audit Update**

Veronica Bila, Assurance Partner MNP LLP provided an update on the status of the Corporation's internal audit plan, highlighting that the cybersecurity audit is now complete, and that the Accessibility audit (to ensure compliance with AODA requirements) is now underway with results to be reported on at the next FARM Committee meeting in February 2024.

## **8. Motion to go into Closed Session**

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Laurie Payne, seconded by Jeanhy Shim and carried, the Committee **RESOLVED** to go into Closed Session to discuss items 9, 10, 11 and 12 of the agenda. The exception relied upon for the discussion for item 9 is provided in the minutes of the Open Session September 21, 2023 FARM Committee meeting under item 4(b) of this agenda, for item 10 is Section 6.1.1(k), for item 11 is Section 6.1.1(k) & for item 12 is Section 6.1.1(a) of By-Law No. 2. The Committee will continue in Open Session at the end of the Closed Session to vote on any resolutions pertaining to the Closed Session. The meeting continued in closed session.

## **9. Consent Agenda**

**Draft Minutes of the Closed Session – September 21, 2023 FARM Committee Meeting**

## **10. Annual Business Plan 2024/25**

## **11. Fundraising Strategy Update**

## **12. Cyber Security Internal Audit Report**

## **13. Business Case and Tri-Government Engagement – Next Phase of Waterfront Revitalization**

## **14. Motion to go into Open Session**

**ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne and carried, the committee **RESOLVED** to go into Open Session.

The meeting continued in Open Session.

**15. Resolution(s) Arising from the Closed Session**

**Item 9 Draft Minutes of the Closed Session – September 21, 2023 FARM Committee Meeting**

**ON MOTION** duly made by Laurie Payne and seconded by Jeanhy Shim and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on September 21, 2023 be approved as tabled.

**Item 10 Annual Business Plan 2024/25**

**WHEREAS** the Rolling Five-Year Strategic Plan (2023/24-2027/28) was approved by the Board in December 2022 and remains valid; and the TWRC Act requires the Board to approve an Annual Business Plan for the fiscal year beginning April 1, 2024 on or before December 31, 2023 and such Board approval is to be upon the recommendation of the FARM Committee; and

**WHEREAS** the Annual Business Plan for fiscal year 2024/2025 outlines capital spending of \$489.3 million (inclusive of corporate operating costs of \$20.7 million before amortization and \$21.6 million after amortization), estimated funding of approximately \$379.7 million (excluding unspent funding from prior years), and use of up to \$6 million of the capital reserve towards funding the Corporation's 2024/25 corporate operating costs; and

**WHEREAS** the expenditures contemplated in the Annual Business Plan are subject to the Corporation's Delegations of Authority and Capital Approvals process;

**ON MOTION** duly made by Laurie Payne and seconded by Drew Fagan and carried, it was **RESOLVED** that the FARM Committee recommends that the Board approve the Annual Business Plan, substantially as presented.

**16. Termination of the Meeting**

There being no further business, **ON MOTION** duly made by Jeanhy Shim, seconded by Laurie Payne and carried, it was **RESOLVED** that the meeting be terminated at 11:10 a.m. local time.

**17. Directors Only Discussion**

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Committee Chair

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Secretary

<b>Purpose</b>	For Committee Information.
<b>Areas of note/ Key issues</b>	<p>The following three areas are reported on in the attached Macro dashboard which is supported by several attached streamlined reports:</p> <ol style="list-style-type: none"> <li>1. <u>2023/24 Corporate Plan Performance</u> (<b>caution</b> areas noted (forecast between 50-69% of plan) for key deliverables, capital investment plan, and revenues, largely driven by additional time required for design/construction processes and deferral of expenditures/revenues to FY 2024/25).</li> <li>2. <u>Finance &amp; Administration</u>: <ul style="list-style-type: none"> <li>○ <i>Enterprise Risk Management</i>: <b>caution</b> due to continued one high residual risk in WT's risk portfolio: Project Delivery: Non-Port Lands projects due to escalation resulting in increased budget and funding risk (same as last quarter).</li> <li>○ <i>Internal audit</i> (no concerns; Accessibility audit completed).</li> <li>○ <i>Liquidity/ Cash Flow Management</i> (no concerns)</li> <li>○ <i>Financial reporting compliance</i> (no concerns, in line with plan)</li> </ul> </li> <li>3. <u>Capital Projects</u> (<b>caution</b> due to budget and funding risks for <i>Quayside Infrastructure and Public Realm</i> project. No other concerns noted.)</li> </ol>
<b>Resolution or Next Steps</b>	The next macro level dashboard will be provided at the next FARM Committee meeting in May 2024.

## 2023/24 Corporate Plan Performance



As of Q3 2023/24 WT is on track to achieve the following for 2023/24:

- 69% (Q2: 70%) of annual capital investment plan\* (\$285M of \$414M)
- 68% (Q2: 80%) of annual revenues\* (\$240M of \$352M)
- 60% (Q2: 70%) of key deliverables (18 out of 30)
- 95% (Q1: 95%) of performance measure KPI targets (18 out of 19)

\*Plan excludes unsecured revenues and associated expenditures.

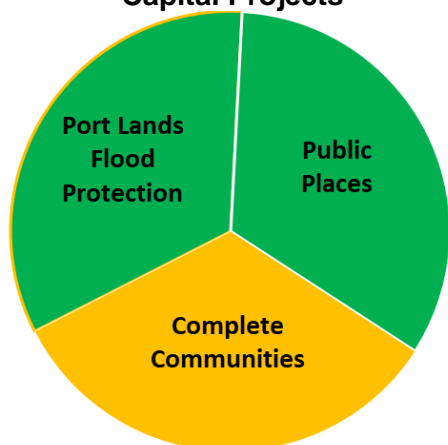
Caution areas relate to 12 of 30 key deliverables, which may not or will not be met this year mainly due to delays in construction/ design or redirection of funding. Capital investment is anticipated to be lower than Plan by 31% mainly due to Port Lands expenditures shifting to 2024/25. Revenue is anticipated to be lower than Plan by 32% mainly due to deferral of government funding to align with expenditures.

## Finance & Administration



- Positive cash & ST investment balance > \$50M with \$90M line of credit facility in place and available.
- ERM: **Caution** due to continued one high residual risk in risk portfolio (Project Delivery: Non-Port Lands projects) (same as last quarter).
- Internal Audit: No concerns. Accessibility audit completed, refer Item 8 for summary of audit results and Item 10(d) on risk governance & internal audit contract update.
- Government Audit: No concerns. 100% implementation of remaining two action items from the 2018 Ontario Auditor General value for money audit pursuant to report released in Dec/ 23.

## Capital Projects



- Currently tracking to deliver all projects in the capital portfolio in accordance with contractual budget/ schedule obligations, except **caution** for the *Quayside Infrastructure and Public Realm* (under Complete Communities) due to budget and funding risk arising from unprecedented escalation. Management is currently working through solutions to resolve (Item 6).
- Port Lands Flood Protection project remains on track re: revised budget (\$1.354B) and schedule for substantial completion in Dec 2024 and June 2025, pursuant to Board approval in June 2023.

**Legend:** ● No concerns: greater than or equal to 70% of plan ● Caution: some areas of plan may not be met (between 50% and 69% of plan) ● Concern: some aspects (<50%) of plan will be not met.

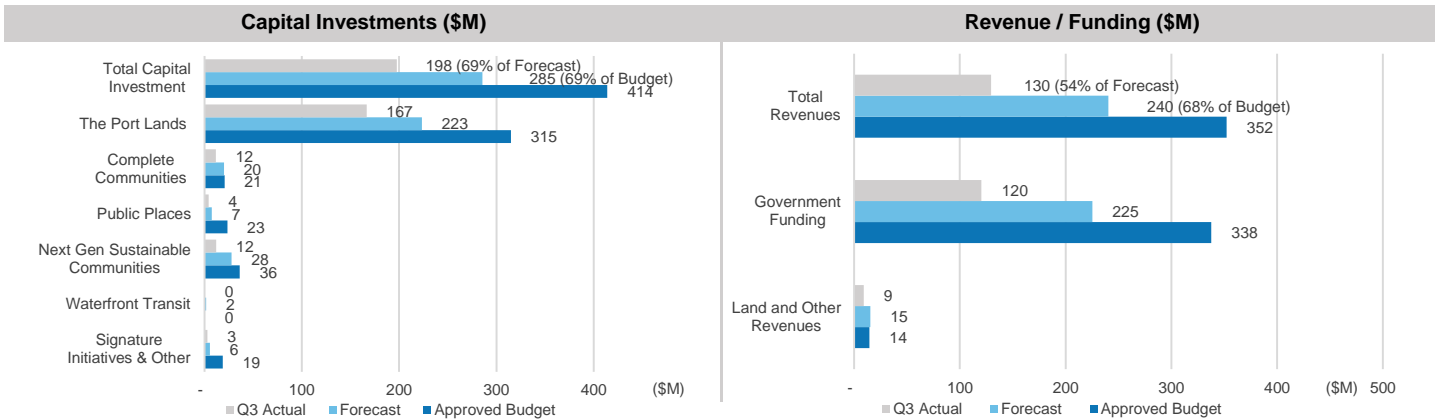


## Corporate Plan Performance Dashboard as of December 31, 2023 (Q3 2023/24)

Issued as of: February 22, 2024

### Overall 2023/24 Corporate Plan Status: ● Capital Investment Plan ● Revenues ● Key Deliverables ● KPIs/ Targets

● No material concerns, in line with plan; forecast performance greater than or equal to 70% of plan; ● Caution - some areas of plan may not be met; forecast performance between 50% - 69% of plan; ● Concern - some areas of plan will not be met; forecast performance less than 50% of plan



Overall 2023/24 investment is forecast at \$285M (\$311M at Q2), \$129M (31%) lower than Plan\* mainly due to:

- Decrease in overall Port Lands Flood Protection expenditures due to delays in construction, pushing some planned activities and expenditures to FY 2024/25 (refer to page 2 re: deferred deliverables);
- Decrease in Public Places expenditures due to a delay in design and construction of Rees Street Park;
- Lower than planned Quayside infrastructure implementation expenditures due to a longer tendering process than anticipated for the Parliament Slip lakefill project.

\*Investment Plan amount of \$414M excludes expenditures of \$28M related to unsecured revenues.

Overall 2023/24 revenues are anticipated to be \$240M (\$316M at Q2), \$112M (32%) lower than Plan\*\* mainly due to deferral of some City and Federal funding for the Port Lands Flood Protection and Lake Shore Bridge projects. Deferral of City funding is to align with expenditures and overall working capital levels, while deferral of Federal funding is due to a 10% funding holdback clause per the contribution agreement (deferring funding from FY 2023/24 to 2024/25 and 2025/26).

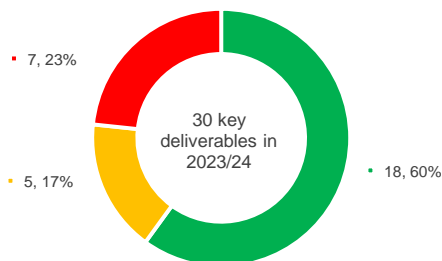
Note: gap between forecast expenditures and forecast revenues of \$45M relates to a timing difference being funded from revenues realized in prior years.

\*\*Revenue Plan amount of \$352M excludes unsecured revenues of \$43M.

### 2023/24 Key Deliverables

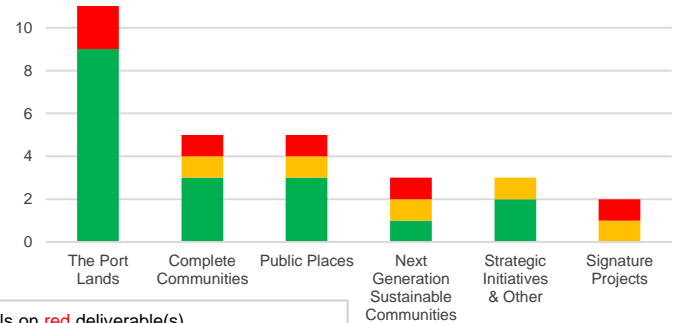
● Achieved/ forecasted to be achieved by March 31, 2024; ● May not be achieved by March 31, 2024; ● Will not be achieved by March 31, 2024

#### Overall Status of Key Deliverables:

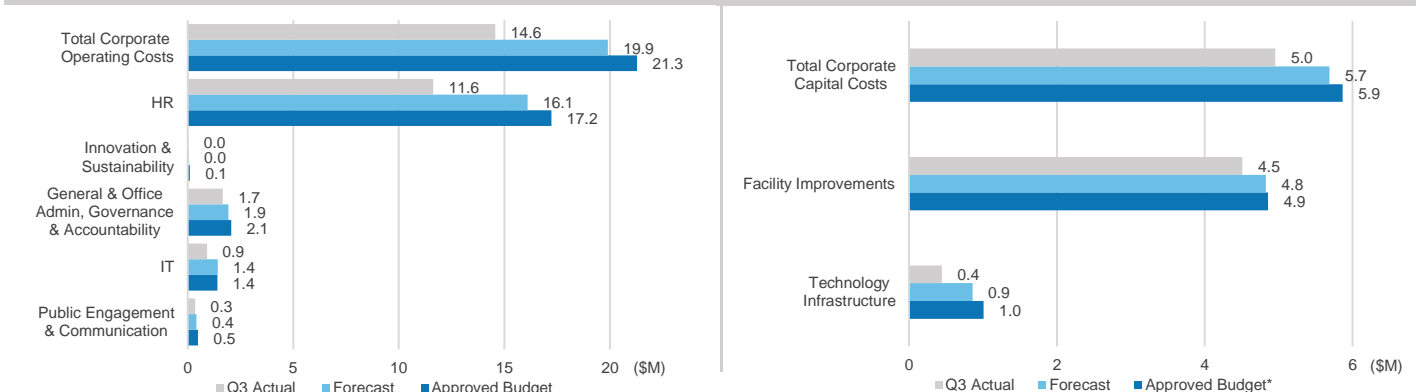


See Appendix A for details on red deliverable(s)

#### Key Deliverables by Priority Initiative:



### 2023/24 Corporate Operating and Capital Costs (excl. Amortization) \$M

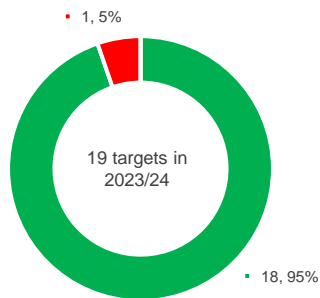


Corporate operating costs are forecast to be lower than approved budget by approx. \$1.4M (6.6%). The major contributor to the anticipated savings is Human Resources due to delays in hiring or not hiring for certain budgeted positions. Corporate capital investments are forecast to be slightly lower than the approved budget (adjusted in September 2023 as per IREC Committee reporting) by \$0.2M due to slightly lower facility improvement costs due to savings from value engineering, and technology infrastructure due to timing of project implementation.

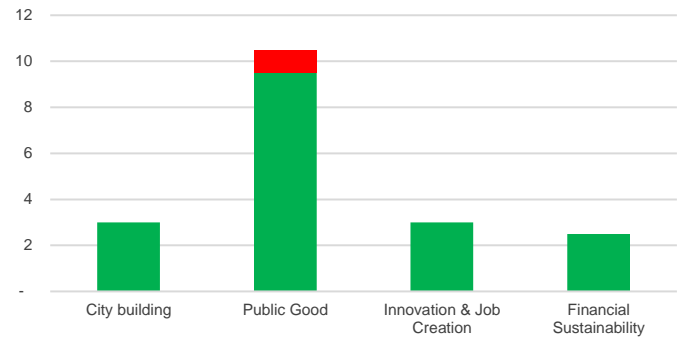
## 2023/24 Key Performance Indicators (KPIs)/ Targets

● No material concerns, in line with plan; ● Caution - some areas of plan may not be met; ● Concern - some areas of plan will not be met

### Overall Status of KPIs:



### KPIs by Strategic Priority:



Out of 19 KPIs with targets this year, 18 (95%) are on track to achieve their targets. One KPI (5%) is anticipated to not be met this year:

- Project completion time compared to original schedule (<= 6 months): Completion of Love Park and the In-Water Pipes projects were delayed by over six months compared to the original schedules, mainly due to supply chain challenges and productivity losses from weather conditions. Love Park was substantially complete in June 2023 and the In-Water Pipes project was substantially complete in October 2023.

## Appendix A

### Details of Deferred Deliverables for 2023/24:

Reason	Priority	Deferred Deliverable	Comments
External Influence	Port Lands	Complete demolition of existing Cherry Street Bridge.	Delayed due to a deferral in the opening of new Cherry Street. Demolition of the existing Cherry Street Bridge is now expected to complete in May 2024.
		Commence operation of stormwater treatment facility.	Operation of the Interim Stormwater Treatment Facility has been pushed due to delays in the completion of electrical and mechanical works. Commissioning is now scheduled for July 2024.
		Commence operation of Interim Sanitary Pumping Station.	Operation of the Interim Sanitary Treatment Facility has been pushed due to delays in the completion of electrical and mechanical works. Commissioning is now scheduled for August 2024.
	Complete Communities	Commence Block 13 construction in West Don Lands. (Q3 NEW)	Delayed due to economic uncertainties (escalating construction costs, rising interest rates, external market factors).
	Public Places	Complete design and commence construction of Rees Street Park.	Delayed due to additional design iterations to respond to feedback received from the Waterfront Design Review Panel. Construction is now anticipated to commence in 2026.
Budget Mitigation	Next Generation Sustainable Communities	Complete 60% design for Parliament Slip activation.	This project has been placed on hold due to the redirection of capital funding. Completed 10% of redesign in December 2023.
	Signature Projects	Complete 60% detailed design for Destination Playground.	60% design is on hold pending outcomes of fundraising planning/research (anticipated to commence in 2025). Completed 30% design in July 2023.

# Enterprise Risk Management Dashboard– Q3 2023/24

- Overall WT's risk portfolio remains **stable**.
- One continued **red** (high) residual risk this quarter (same last quarter) related to **Project Delivery: Non-Port Lands Projects** (includes Quayside municipal infrastructure & public realm) – due to unprecedented levels of escalation and project funding gaps.
- Mitigation strategies to address WT's top risk areas (and all 20 identified risks) are outlined in the attached confidential Enterprise Risk Register and Heat Map (Appendices 1 & 2).

Impact	Likelihood	Total Risk Score (Impact x Likelihood)	
1 - Immaterial	1 - Extremely remote chance of occurring (<10%)		
2 - Low	2 - Remote chance of occurring (10%-19%)		
3 - Medium	3 - Possible (20%-49%)		
4 - Critical	4 - Likely to happen (50%-99%)		
5 - Catastrophic	5 - Will occur (100%)		
		Low (1 - 6)	
		Medium (>6 - 14.9)	
		High (15 - 25)	

Top Risk Areas	Q3 2023/24 (Current)		Q2 2023/24 (Previous)	
	Inherent Risk Score	Residual Risk Score	Inherent Risk Score	Residual Risk Score
1. Project Delivery: Non-Port Lands Projects	15	15	15	15
2. Financial Self-Sustainability	16	12	16	12
3. Recruitment & Retention of Employees	16	12	16	12
4. Enterprise Resource Planning System Risk	16	12	16	12
5. Climate Risk	16	12	16	12
6. Cyber Security	16	12	16	12
7. Port Lands Project Delivery	12	12	12	12
8. Government Risk	12	12	12	12

# Overall Audit Dashboard – Q3 2023/24



Audit	2022/23 (Previous Year)	2023/24 (Current Year)	2024/25 (Next Year)
Internal Audits – Refer Item 6	ERP System Implementation Lessons Learned Review <i>(Completed Q3)</i>	Cyber Security Audit <i>(Completed Oct. 2023)</i>	Robotic Process Automation <i>(TBD)</i>
	Procurement Workflow <i>(Completed Q1 23/24)</i>	Accessibility <i>(Completed Dec. 2023)</i>	
	Independent Capital Monitor (Port Lands), <i>Quarterly</i>	Independent Capital Monitor (Port Lands), <i>Quarterly</i>	Independent Capital Monitor (Port Lands), <i>Quarterly</i>
External Audits	March 31 2023 Financial Statements <i>(Completed)</i>	March 31 2024 Financial Statements <i>(Underway)</i>	March 31 2025 Financial Statements
Government Audits	PLFP Contribution Agreement Compliance - <i>(Completed Q3 – report issued Aug/23)</i>		<i>To be confirmed - PLFP Outcomes and/or Reconciliation/ Financial audit</i>
	Federal TWRI Program Evaluation <i>(Completed Q1 – no recommendations)</i>		
	OAGO Value-for-Money and Standing Committee on Public Accounts Follow-Up Audits <i>(Completed Q3)</i>	OAGO Value-for-Money Follow-Up <i>(Completed – report issued Dec, 2023)</i> <i>100% implementation (refer to attached)</i>	
Total	<b>7 audits</b>	<b>5 audits</b>	<b>4 audits</b>

Waterfront Toronto has been subject to a total of 86 audits since inception (2002) to Dec. 31, 2023 (35 internal; 21 external and 30 government), average of 4.1 p.a.

Recent updates in **blue**.

# Appendix: Recommendation Status of 2018 OAGO Value for Money Follow-Up Audit



The following six recommendations (containing 22 action items) were directed towards Waterfront Toronto, all of which have now been fully implemented effective March 2023, i.e. **100% implementation rate**.

Rec. #	Recommendation Area	# of Actions Recommended	Fully Implemented	Being Implemented	WT Notes
2	Project budget, schedule and scope management	3	3	-	Fully implemented effective Dec 2020
3	Project information systems, procedures and reporting	7	7	-	Fully implemented effective Dec 2020
4	Oversight of organizations receiving funding from WT	7	7	-	Fully implemented effective Dec 2020
5	Development and implementation of a financial sustainability plan	1	1*	-	Fully implemented effective March 2023. WT developed a fundraising action plan in Dec 2019 and has implemented key elements as of March 2023 including securing a \$25M gift for the Lassonde art trail on Villiers Island.
7	Best practices and lessons learned	1	1	-	Fully implemented effective Dec 2020
9	Port Lands Flood Protection Project budget management	3	3*	-	Fully implemented effective March 2023. WT has reduced the impact of construction risks and the ultimate project cost by at least \$234M in value engineering, cost optimizations and cost avoidance/mitigation undertaken throughout the five-year life of the project to date, as presented to WT Board and IGSC in Dec 2022.
<b>Total</b>		<b>22</b>	<b>22</b>	<b>0</b>	
<b>%</b>		<b>100%</b>	<b>100%</b>	<b>-</b>	

\*Remaining action items are fully implemented pursuant to OAGO follow up audit report released in December 2023 (refer next slide).

# Extracts from Dec 2023 OAGO Report

Figure 7b: Organizations with 11-30 Recommended Actions

Organization	Full Implementation Rate (%)	In the Process of Being Implemented Rate (%)
Waterfront Toronto	100	0
Child and Youth Mental Health Centres (4) <sup>1</sup>	93	7
Condominium Management Regulatory Authority of Ontario	86	14
Infrastructure Ontario	77	23
Independent Electricity System Operator	76	18
Ontario Land Tribunal	69	8
Tribunals Ontario	67	0
Ministry of Tourism, Culture and Sport	53	47
Ministry of Municipal Affairs and Housing	52	15
Ministry of Colleges and Universities	48	16
Legal Aid Ontario	48	38
Ministry for Seniors and Accessibility	47	53
Ministry of Finance	28	44
Ministry of Long-Term Care	27	18
Ontario Power Generation <sup>2</sup>	11	89

Implementation rate of 75% or more  
Implementation rate between 50% and 74%

Implementation rate between 25% and 49%  
Implementation rate of less than 25%

## 4.2 Some Organizations Better at Implementing Committee Recommendations

Figure 11 shows that of the 45 organizations that we followed up on this year that were the subject of the Committee's reports tabled between April 2017 and April 2022, 21 had fully implemented 75% or more of the Committee's recommended actions.

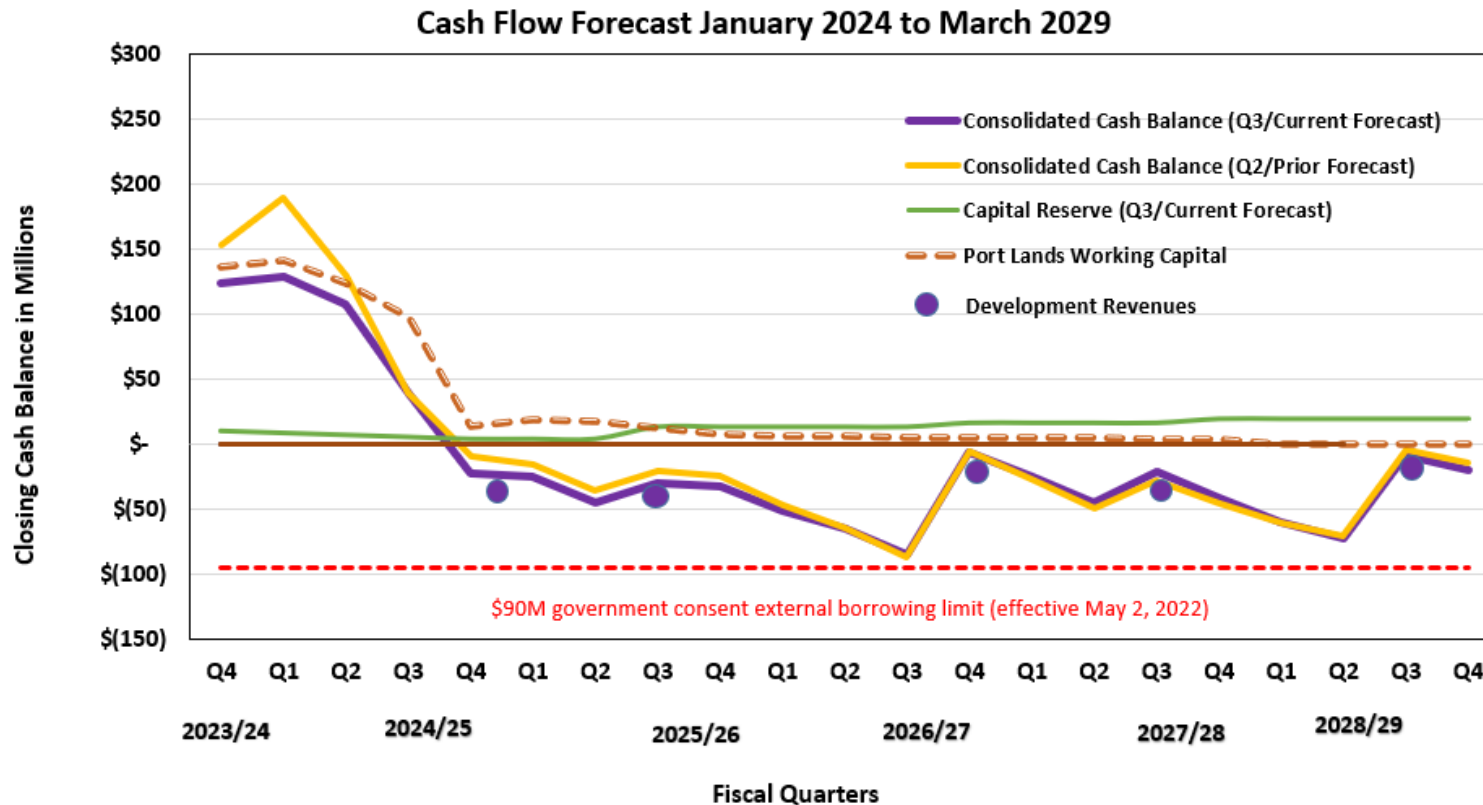
The following eight of these organizations had fully implemented all of the Committee's recommended actions: the Independent Electricity System Operator, the Ontario Energy Board, the Secretary of the Cabinet, Waterfront Toronto, the Rouge Valley Health System, McMaster University, the University of Toronto, and the University of Waterloo.

Figure 11: Percentage of Full Implementation of Recommended Actions Issued by the Standing Committee on Public Accounts between April 2017 and April 2022, as of March 31, 2023

Prepared by the Office of the Auditor General of Ontario

Organization	# of Recommended Actions (A)	# of Recommended Actions Fully Implemented (B)	Full Implementation Rate (B/A) (%)
Independent Electricity System Operator	7	7	100
Ontario Energy Board	1	1	100
Secretary of the Cabinet	1	1	100
Universities (3)*	12	12	100
Waterfront Toronto	6	6	100
Ministry of Transportation	22	21	95
Metrolinx	54	46	85
Electrical Safety Authority	23	19	83
Ministry of the Solicitor General	16	13	81
Hospitals (16)*	254	199	78
Infrastructure Ontario	31	23	74
Ontario Health	26	19	73
Ministry of Public and Business Service Delivery	9	6	67
Ministry of Long-Term Care	25	16	64
Treasury Board Secretariat	18	11	61
Ministry of Agriculture, Food and Rural Affairs	13	7	54
Ministry of Labour, Immigration, Training and Skills Development	60	32	53
Ministry of the Environment, Conservation and Parks	35	18	51
Retirement Homes Regulatory Authority	49	21	43
Ministry of Health	217	87	40
Ministry of Children, Community and Social Services	80	25	31
Ministry of Infrastructure	10	3	30

# Liquidity / Cash Flow Forecast (December 2023)



Consistent with Nov 2023 FARM reporting, **Line of Credit drawdown** is anticipated as early as **March 2025** and is **forecast for up to 6 years** (until Q2 2030/31, to be repaid from land/other revenues) mainly for Quayside infrastructure & public realm works (subject to future capital approvals and construction schedules), Bayside Phase 2 infrastructure cost escalation, and affordable housing capital contribution. Peak forecast borrowing of up to ~\$85M in Q3 2026/27, average of \$34M. WT is actively working to mitigate (reduce) the above forecast borrowing requirements as budgets and construction schedules are confirmed.



WATERFRONToronto

**Finance, Audit and Risk Management Committee – February 22, 2024**  
**Item 4 (d) (i) (e)– December 31, 2023, Interim Financial Statements**  
**Sampada Chandane**

<b>Purpose</b>	<p>Submitted for receipt.</p> <p>The purpose of the unaudited interim financial statements is to provide information about the results of the operations, financial position, and cash flows of the Corporation.</p>
<b>Areas of note/ Key issues</b>	<p>With respect to <b>financial activities</b> for the nine months ended December 31, 2023, the Corporation has:</p> <ul style="list-style-type: none"> <li>• <b>Spent approx. \$198.6 million</b> (down 21% from \$251.9 million for same period last year due to acquisition of Parliament Slip in FY 2023 combined with lower expenditures for the Port Lands project caused by construction delays) of which <u>\$181.5 million was capitalized</u> as Assets Under Development, primarily for the Port Lands Flood Protection project (\$162.3 million), <u>\$16 million was expensed</u> primarily for Broadview and Eastern Flood Protection design work (\$4.6 million), Villiers Island planning (\$2.4 million), Port Lands utilities and other (\$3.7 million), Signature projects (\$1.1 million), Legacy Art project (\$0.9 million) and interim property related expenses (\$1.1 million).</li> <li>• <b>Recognized revenues of \$130.8 million</b> (down slightly from \$130.9 million for the same period last year) which is primarily made up of government contributions for Port Lands Flood Protection project including Lakeshore Bridge (\$105.6 million), Broadview and Eastern Flood Protection project (\$6.6 million), cost sharing revenues for Port Lands and Lakeshore bridge project (\$3.6 million), Love Park (\$2.8 million), EBF Infrastructure revenue (\$1.9 million), and parking and interest revenues (\$8 million).</li> <li>• <b>Slightly lower cash and short-term investments balance of \$97.7 million</b> (down from \$119.4 million as of March 31, 2023) due to utilization of working capital for Port Lands Flood Protection.</li> <li>• <b>Reported a higher net operating income</b> (\$7.1M vs. \$4.0M) as a result of higher interest income due to higher interest rates.</li> </ul> <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> <li>• Unrestricted net assets (Note 13) is in a net surplus position of \$57 million (decreased from \$65.7 million as of March 31, 2023) as a result of realization of certain Quayside land sale revenues in March 2023.</li> </ul>
<b>Key Takeaways/ Next Steps</b>	<p>The Finance, Audit and Risk Management Committee acknowledges receipt of the unaudited interim financial statements for submission to the Board of Directors on March 25, 2024.</p>



Interim Financial Statements of

**Toronto Waterfront Revitalization Corporation**  
(c.o.b. as Waterfront Toronto)

December 31, 2023

# Toronto Waterfront Revitalization Corporation

December 31, 2023

Interim Financial Statements

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# Toronto Waterfront Revitalization Corporation

## Statement of financial position

as at December 31, 2023

	December 31, 2023	March 31, 2023
	\$	\$
<b>Assets</b>		
Current assets		
Cash	47,723,395	39,393,345
Short-term investments (Note 4)	50,000,000	80,000,000
Receivables (Note 3)	41,541,032	81,229,725
Deposits and prepaid expenses and other assets (Note 5)	4,355,244	4,965,705
	143,619,671	205,588,775
Restricted cash (Note 6)	71,809,006	62,666,290
Assets under development (Note 7)	1,553,031,818	1,371,767,037
Capital assets (Note 8)	70,414,662	66,450,028
Term receivables (Note 20)	23,267,792	41,700,210
	1,862,142,949	1,748,172,340
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	107,952,084	107,188,187
Deferred contributions (Note 11)	75,726,055	135,210,520
Other liabilities and settlements (Note 12)	653,380	924,180
	184,331,519	243,322,887
Other liabilities and settlements (Note 12)	218,656	207,273
Environmental and contaminated sites liability (Note 17)	2,218,637	2,218,637
	186,768,812	245,748,797
Net assets (Note 13)	1,675,374,137	1,502,423,543
	1,862,142,949	1,748,172,340

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Statement of financial activities

Nine months ended December 31, 2023

	Nine months ended December 31, 2023	Nine months ended December 31, 2022
	\$	\$
<b>Restricted Revenues:</b>		
City of Toronto	101,671,955	34,373,021
Government of Canada	16,583,333	81,365,475
Other restricted contributions	4,345,120	8,639,120
	122,600,408	124,377,616
Less: Government contributions for assets under development	(167,909,949)	(202,343,597)
Decrease in deferred contributions for continuing operations related to future periods	59,484,465	81,383,672
	14,174,924	3,417,691
<b>Expenses (Note 14)</b>		
Complete Communities	7,607,574	5,755,112
The Port Lands	3,755,705	-
Strategic Initiatives	1,820,083	1,433,340
Public Places	1,587,163	1,296,206
Signature Projects	1,143,426	1,319,192
Eastern Waterfront Transit	297,752	2,256,897
	16,211,703	12,060,747
Deficiency of revenue over expenses before other items	(2,036,779)	(8,643,056)
Net other operating income (Note 18)	7,071,926	4,033,300
<b>Excess (deficiency) of revenues over expenses</b>	<b>5,035,147</b>	<b>(4,609,756)</b>

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Statement of remeasurement gains and losses

Nine months ended December 31, 2023

	Nine months ended December 31, 2023	Nine months ended December 31, 2022
	\$	\$
Accumulated remeasurement loss, beginning of the year	(73,692)	(194,125)
Unrealized (loss) gain attributable to foreign currency transactions	5,498	4,452
Unrealized gain attributable to forward exchange contracts	-	144,866
<b>Net remeasurement gain for the period</b>	<b>5,498</b>	<b>149,318</b>
<b>Accumulated remeasurement loss, end of the period</b>	<b>(68,194)</b>	<b>(44,807)</b>

## Statement of changes in net assets

Nine months ended December 31, 2023

	Nine months ended December 31, 2023	Nine months ended December 31, 2022
	\$	\$
Net assets, beginning of the year	1,502,423,543	1,254,062,342
Add: Excess (deficiency) of revenues over expenses	5,035,147	(4,609,756)
Add: Net remeasurement gain	5,498	149,318
Add: Government contributions for assets under development	167,909,949	202,343,597
Less: Transfer of assets to Government	-	(49,508,030)
Less: Transfer of land to Government	-	(940,769)
<b>Net assets, end of the period</b>	<b>1,675,374,137</b>	<b>1,401,496,701</b>

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Statement of cash flows

Nine months ended December 31, 2023

	Nine months ended December 31, 2023	Nine months ended December 31, 2022
	\$	\$
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	5,035,147	(4,609,756)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Amortization of capital assets	951,435	804,976
Unrealized gain attributable to foreign currency transactions	5,498	4,452
Unrealized gain attributable to forward exchange contracts	-	144,866
Changes in non-cash working capital balances:		
Net decrease in deferred contributions	(59,484,465)	(81,383,672)
Current assets (Receivables, Deposits and prepaid expenses)	58,731,573	75,208,402
Current liabilities (Payables, Other liabilities and settlements)	504,480	31,411,822
<b>Net cash received from operating activities</b>	<b>5,743,668</b>	<b>21,581,090</b>
<b>Cash flows from capital activities</b>		
Cash received from government contribution for assets under development	167,909,949	202,343,597
Cash used to acquire assets under development	(181,264,782)	(218,176,239)
Cash used to acquire capital assets	(4,916,069)	(19,234,508)
<b>Net cash paid for capital activities</b>	<b>(18,270,902)</b>	<b>(35,067,150)</b>
<b>Cash flows from investing activity</b>		
Invested in restricted cash and investments	(9,142,716)	(12,729,552)
Cash received from (invested) in short-term investments	30,000,000	(50,000,000)
<b>Net cash received from (invested) in investment activity</b>	<b>20,857,284</b>	<b>(62,729,552)</b>
Increase (decrease) in cash	8,330,050	(76,215,612)
Cash, beginning of the period	39,393,345	90,435,454
<b>Cash, end of the period</b>	<b>47,723,395</b>	<b>14,219,842</b>

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 1. Interim financial statements

The unaudited interim financial statements of the Toronto Waterfront Revitalization Corporation (the "Corporation" or "TWRC") have been prepared by management in accordance with Canadian generally accepted accounting principles applicable to interim financial statements and follow the same accounting policies and methods in their applications as the most recent annual financial statements. All disclosure required for annual financial statements has not been included in these financial statements. These financial statements should therefore be read in conjunction with the March 31, 2023 audited financial statements.

### 2. Description of Corporation

The Toronto Waterfront Revitalization Corporation was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder.

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects are to:

- (a) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner;
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area;
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

### 3. Receivables

	December 31, 2023	March 31, 2023
	\$	\$
Developer receivable - due Dec 1, 2024	18,432,418	-
City of Toronto	14,516,606	9,580,841
Accrued interest and other receivables	5,434,070	4,456,144
HST receivable	3,157,938	8,393,578
Government of Canada	-	33,782,495
Province of Ontario	-	25,016,667
	41,541,032	81,229,725

### 4. Short-term investments

Short term investments represent an investment of \$50,000,000 (March 31, 2023 - \$80,000,000) in a short term non-redeemable Guaranteed Investment Certificate with a Canadian commercial bank bearing an interest rate of 5.9% per annum maturing in March 2024.

### 5. Deposits and prepaid expenses

	December 31, 2023	March 31, 2023
	\$	\$
Prepaid expenses	2,174,045	2,784,506
Construction deposits	2,181,199	2,181,199
	4,355,244	4,965,705

The Corporation has provided the City of Toronto (the "City") with certain construction deposits to guarantee satisfactory performance, completion of work, and related obligations required for construction of municipal infrastructure by the Corporation. The construction deposits will be released to Waterfront Toronto at the expiration of certain performance and guarantee periods. The construction deposits paid to the City of \$2,181,199 (March 31, 2023 - \$2,181,199) are non-interest bearing.

Prepaid expenses relate primarily to insurance and IT licenses.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 6. Restricted cash

The Corporation has received deposits subject to restrictions that prevent their use for operating purposes, as outlined below:

	December 31, 2023	March 31, 2023
	\$	\$
Holdbacks payable	60,239,895	51,334,071
Developer contribution - East Bayfront public art	9,618,747	9,459,789
Developer Deposit - East Bayfront child care facility	1,669,700	1,602,982
Other	280,664	269,448
	<b>71,809,006</b>	<b>62,666,290</b>

In addition to the above, \$15,478,000 included under Cash in the statement of financial position has been designated as Capital Reserve to cover program level contingencies and to support continued operations. The account is funded primarily from sale of land and other unrestricted revenue sources. Of the closing balance, an amount of \$5,000,000 has been allocated towards the East Bayfront In-Water Pipe project.

### 7. Assets under development

The following table details assets under development by category:

	December 31, 2023	March 31, 2023
	\$	\$
Roads, Bridges, Services, Structures	772,776,705	681,295,974
Flood Protection Features	621,815,745	564,314,339
Parks and Public Realm	98,840,767	71,113,527
Land under development	59,598,601	55,043,197
	<b>1,553,031,818</b>	<b>1,371,767,037</b>

The following table details assets under development by Priority Initiatives:

	The Port Lands	Complete Communities	Quayside	Public Places	Total
	\$	\$	\$	\$	\$
Opening balance, April 1, 2023	1,007,052,312	311,023,635	31,822,919	21,868,170	1,371,767,036
Capital additions	157,974,209	5,109,143	6,288,262	2,800,894	172,172,508
Direct project management - Note 14	3,482,823	739,121	2,793,071	313,407	7,328,422
General and support expenses - Note 14	840,733	165,281	677,497	80,341	1,763,852
<b>Closing balance, December 31, 2023</b>	<b>1,169,350,077</b>	<b>317,037,180</b>	<b>41,581,749</b>	<b>25,062,812</b>	<b>1,553,031,818</b>

During the period, no assets were formally transferred to the City of Toronto.

### 8. Capital assets

	December 31, 2023		March 31, 2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	65,033,472	-	65,033,472	-
Computer hardware and software	5,027,478	4,205,033	4,622,232	3,658,559
Leasehold improvements	5,787,118	1,765,058	1,778,993	1,387,743
Furniture and fixtures	1,042,070	505,385	539,371	477,738
Office equipment	145,563	145,563	145,563	145,563
	77,035,701	6,621,039	72,119,631	5,669,603
<b>Cost less accumulated amortization</b>		<b>70,414,662</b>		<b>66,450,028</b>

Land is recorded at cost in accordance with the significant accounting policy 2(h).

The Corporation owns land containing environmental contamination. As of December 31, 2023, the Corporation has a provision of \$2,218,637 (March 31, 2023 - \$2,218,637) for remediation cost of contaminated site (Note 17) .



# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 9. Credit facility

The Corporation has a revolving credit facility of \$90 million with a Canadian commercial bank. The facility bears interest at the Canadian Prime Lending Rate less 1.0%. The Corporation's interest rate was 6.20% at December 31, 2023 (March 31, 2023 - 5.70%). The facility is secured by a first lien interest over real property owned by the Corporation in the City of Toronto and a General Security Agreement creating a first priority interest over property of the Corporation not obtained through a contribution agreement, including accounts receivable relating to real properties. At December 31, 2023 the available borrowing limit is \$90 million.

Under the current financing agreement, the Corporation is subject to a financial covenant. The revolving credit facility stipulates that the Corporation must ensure that the most recent appraised value of the property which secures the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at December 31, 2023, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

### 10. Accounts payable and accrued liabilities

	December 31, 2023	March 31, 2023
	\$	\$
Holdbacks payable	60,356,294	52,774,124
Accrued liabilities	37,199,092	37,615,832
Accounts payable	10,396,698	16,798,231
	<b>107,952,084</b>	<b>107,188,187</b>

### 11. Deferred contributions

Deferred contributions represent project specific contributions from Governments which have not been applied to eligible costs at December 31, 2023, as well as contributions received for the acquisition of capital assets which have yet to be amortized.

	December 31, 2023	March 31, 2023
	\$	\$
Expenditures of future periods		
Balance, beginning of year	135,210,520	200,666,459
(Utilization of) additional contributions	(46,260,977)	(54,258,281)
Less: amounts recognized as revenue	(13,223,488)	(11,197,658)
Balance, end of period	<b>75,726,055</b>	<b>135,210,520</b>
Capital contributions		
Balance, beginning of year	-	-
Add: contributions for acquisition of capital assets and assets under development	168,861,384	266,656,444
Less: direct contribution to net assets	(167,909,949)	(265,468,282)
Less: amount amortized to revenue	(951,435)	(1,188,162)
Balance, end of period	<b>75,726,055</b>	<b>135,210,520</b>

### 12. Other liabilities and settlements

Other liabilities and settlements largely represent developer and other deposits.

	December 31, 2023	March 31, 2023
	\$	\$
Deposits - other	653,380	924,180
Developer deposit - Bayside project agreement	218,656	207,273
Total other liabilities	872,036	1,131,453
Less: current portion	(653,380)	(924,180)
	<b>218,656</b>	<b>207,273</b>

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 13. Net assets

a) Net assets recorded on the Statement of Financial Position are comprised of the following:

	December 31, 2023	March 31, 2023
	\$	\$
Invested in non-amortisable capital assets	65,033,472	65,033,472
Invested in assets under development	1,553,031,818	1,371,767,037
Unrestricted surplus (Note 13b)	57,377,041	65,696,726
Accumulated re-measurement loss	(68,194)	(73,692)
	<b>1,675,374,137</b>	<b>1,502,423,543</b>

b) Unrestricted surplus

	December 31, 2023	March 31, 2023
	\$	\$
Unrestricted surplus (deficit), opening balance	65,696,726	(47,076,057)
Excess of revenues over expenses	5,035,147	81,346,481
Transfer from invested in capital assets	-	55,113,125
Transfer from invested in assets under development	-	16,033,288
Investment in assets under development	(13,354,832)	(19,444,891)
Investment in land	-	(20,275,220)
Unrestricted surplus, closing balance	<b>57,377,041</b>	<b>65,696,726</b>

# Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2023

## 14. Expenses by Priority Initiative and Function

	Complete Communities	The Port Lands	Strategic Initiatives	Public Places	Signature Projects	Eastern Waterfront Transit	Quayside	Total December 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	4,273,169	3,747,321	576,717	493,348	434,176	3,683	-	9,528,414
Salaries, fees and benefits	3,072,516	3,140,024	901,259	1,078,266	514,103	213,157	2,515,655	11,434,980
Less salaries, fees and benefits related to assets under development (Note 7)	(739,121)	(3,482,823)	-	(313,407)	-	-	(2,793,071)	(7,328,422)
	6,606,564	3,404,522	1,477,976	1,258,207	948,279	216,840	(277,416)	13,634,972
<i>General and support expenses:</i>								
General and office administration	572,831	585,416	168,028	201,028	95,848	39,740	469,011	2,131,902
Amortization	255,645	261,262	74,988	89,716	42,775	17,736	209,312	951,435
Information technology	244,779	250,157	71,801	85,903	40,957	16,982	200,416	910,995
Communications and public engagement	93,036	95,080	27,290	32,650	15,567	6,454	76,174	346,251
	1,166,291	1,191,916	342,107	409,297	195,147	80,912	954,913	4,340,583
Less general & support costs allocated to assets under development (Note 7)	(165,281)	(840,733)	-	(80,341)	-	-	(677,497)	(1,763,852)
	<b>7,607,574</b>	<b>3,755,705</b>	<b>1,820,083</b>	<b>1,587,163</b>	<b>1,143,426</b>	<b>297,752</b>	<b>-</b>	<b>16,211,703</b>

All salaries, fees and benefits have been charged to projects based on timesheet information. General and support expenses for the period ending December 31, 2023 have been allocated to priority initiatives using an overhead burden rate of 0.38 (2022 - 0.37) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$11,434,980 for the period ending December 31, 2023 (2022 - \$10,607,509).

# Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2023

## 14. Expenses by Priority Initiative and Function (Cont.)

	Complete Communities	The Port Lands	Strategic Initiatives	Public Places	Signature Projects	Eastern Waterfront Transit	Quayside	Total December 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	4,136,324	-	85,029	968,226	326,895	1,805,682	-	7,322,157
Project management - salaries, fees and benefits	1,898,513	3,697,083	987,448	557,197	726,718	330,451	2,410,099	10,607,509
Less project management - salaries, fees and benefits related to assets under development (Note 6)	(816,385)	(4,201,841)	-	(362,499)	-	-	(2,741,246)	(8,121,971)
	5,218,452	(504,758)	1,072,477	1,162,924	1,053,613	2,136,133	(331,147)	9,807,695
<i>General and support expenses:</i>								
General and office administration	338,879	659,919	176,257	99,458	129,717	58,985	430,196	1,893,410
Amortization	158,136	307,948	82,249	46,412	60,532	27,525	200,749	883,551
Information technology	137,530	267,820	71,532	40,364	52,644	23,938	174,589	768,416
Communications, marketing and government relations	59,266	115,413	30,825	17,394	22,686	10,316	75,237	331,137
	693,811	1,351,100	360,863	203,628	265,579	120,764	880,771	3,876,514
Less general & support costs allocated to assets under development (Note 6)	(157,151)	(846,341)	-	(70,346)	-	-	(549,624)	(1,623,462)
	<b>5,755,112</b>	<b>-</b>	<b>1,433,340</b>	<b>1,296,206</b>	<b>1,319,192</b>	<b>2,256,897</b>	<b>-</b>	<b>12,060,747</b>

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 15. Commitments

On December 15, 2022, the Corporation executed a lease for office space effective April 1, 2024 for a ten year term. The Corporation has a one time option to terminate this lease should the Corporation's mandate not be extended past the current May 2028 legislative term. The Corporation has lease commitments of \$11,953,278 until March 31, 2034.

### 16. Risk disclosures

#### (i) Credit risk:

Credit risk arises from cash, restricted cash and investments held with banks and credit exposure to governments and other debtors, including accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Corporation assesses the credit quality of funding partners and debtors, taking into account their financial position, past experience and other factors.

#### (ii) Liquidity risk:

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective in managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation manages exposure to liquidity risk by closely monitoring supplier and other liabilities; by focusing on debtor collection; and by requesting government funding in advance.

(iii) Currency risk: The Corporation has cash denominated in U.S. dollars and is exposed to currency risk. Included in the statement of financial position is \$229,714 (March 31, 2023 - \$141,884) of cash and \$11,296 (March 31, 2023 - \$556,126) of payables which has been translated from its U.S. denominated amount.

### 17. Environmental and contaminated sites liability

The Corporation assesses all of its owned properties on an ongoing basis to determine if contamination, as defined under the standard and regulatory requirements, is present on any of its lands. As of March 2023, the Corporation had made a provision for liability of contaminated sites of \$2,218,637 representing one Waterfront Toronto owned property zoned for parkland and not intended for development. As of December 31, 2023, there has been no change to management's estimates of the liabilities and remediation costs incurred.

### 18. Net other operating income

	December 31, 2023	December 31, 2022
	\$	\$
Parking and other income	1,333,535	3,336,309
Less: operating expenses	(1,133,872)	(2,518,359)
	199,663	817,950
Interest	6,750,630	3,036,993
Realized (loss) gain on foreign currency transactions	(12,421)	30,392
Other Income	134,054	147,965
Net other operating income	7,071,926	4,033,300

### 19. Related Party Transactions

By virtue of the TWRC Act, the Governments of Canada and Ontario, the City of Toronto and Waterfront Toronto are related parties. The Corporation receives funding and renders services to these entities in the normal course of carrying out its business. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 20. Term receivables

As of December 31, 2023, the Corporation has land sale related Term receivables of \$23,267,792 (March 31, 2023 - \$41,700,210). The Term receivables are payable to the Corporation over a four-year period to March 31, 2027.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

December 31, 2023

### 21. Contingent Liabilities

- (a) Under the terms and conditions of the Contribution Agreements, the Corporation provides an indemnity to the City, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against all claims, losses, damages, costs, expenses, actions and other proceedings related to any injury to or death of a person or damage to or loss of property, infringement of rights or any other loss or damages whatsoever arising directly or indirectly from any willful or negligent act, omission or delay on the part of the Corporation, the Corporation's directors, officers, employees, contractors, agents or Third Party Contractors, in carrying out a project or as a result of the project, except to the extent that the injury, loss or damage has been caused by the City, Province of Ontario and/or Government of Canada or their respective officers, employees or agents.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above.

The Corporation requires most third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims, liabilities and demands with respect to any injury to persons (including death), damage to, loss or destruction of property or infringement of rights caused by or arising directly from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
  - (ii) any omission or any willful or negligent act of the third party contractor or its officers, employees or agents in relation to the applicable project.
- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:
- (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
  - (ii) any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.

Management attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors and officers insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients' policies and procedures, as well as intense oversight where appropriate.

- (c) The Corporation has entered into a number of Development Agreements with third party builders with respect to lands located in the West Don Lands and East Bayfront. Under these agreements, the Corporation has provided the builders certain milestone representations based on specific Waterfront Toronto development obligations. The representations primarily relate to schedule delays. The maximum potential future liability related to these representations is \$7.5 million under one development agreement with one builder and although under the other development agreements the amounts are not determinable, they are limited to the amount up to the respective builder's carrying costs and/or out of pocket expenses incurred on the development. No amount for these representations has been accrued in these financial statements. Management attempts to limit the Corporation's potential exposure under these guarantees through appropriate schedule, cost and scope management practices.
- (d) The Corporation received a claim from a development partner for the recovery of additional costs related to environmental risk management. An amount based on management's assessment of the liability has been accrued in the financial statements. Resolution of the claim is expected by June 30, 2024.

### 22. Comparatives

Certain comparative amounts have been reclassified to conform with the current year's method of presentation.

### 23. Impact of Climate Risk

The impact of physical climate-related events (severe weather events and other natural conditions) and the transition to a lower carbon economy were considered in preparing the financial statements. The Corporation assesses governance, strategy, risk management, and metrics and targets associated with climate risk. The items subject to material impact arising from climate risk are the valuation of assets under development, impairment of capital assets, and accrued liabilities. As of financial statement date, there has been no material impact on financial position and/or results of operations.

**Finance, Audit and Risk Management Committee– February 22, 2024**  
**Item 04)d)ii)a) – Port Lands Program Summary**  
**Dashboard Report**  
**David Kusturin**

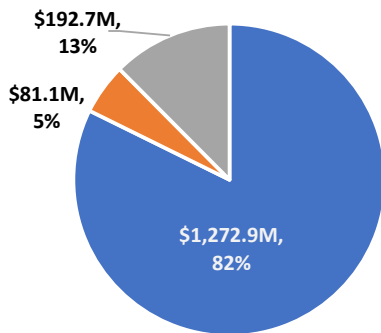
<b>Purpose</b>	<p>For Committee Information</p> <p>The Port Lands Program Summary Dashboard is provided to report on the progress of Port Lands Program (PLFP, Park Finishes and LSBE) budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<b>Areas of note/ Key issues</b>	<p>The PLFP budget remains unchanged to \$1,272.9 million as per the amendment to the PLFP Contribution Agreement executed in June 2023. The Park Finishes approved budget is \$81.1 million and the Delivery Agreement between Waterfront Toronto and City of Toronto, and the Transfer Payment Agreement between Waterfront Toronto and the Province of Ontario have been executed. LSBE is currently forecasted to be \$2M below the approved budget for a total EAC of \$190.8M. Discussions are underway with the City of Toronto to confirm additional funding for that project.</p> <p>All programs are expected to finish on schedule. PLFP Program is forecasted to be completed in December 2024. Flood Protection is projected to be achieved by December 2024. LSBE will be completed in October 2025.</p> <p>The following represents the financial status of the program as of December 2023:</p> <ul style="list-style-type: none"> <li>• Total approved budget for Port Lands program is \$1.55 billion.</li> <li>• Costs incurred to date equal \$1.08 billion.</li> <li>• \$51.5 million of the project contingency is unallocated and is available for future risks and unknowns.</li> </ul>
<b>Resolution or Next Steps</b>	<p>The next Port Lands Program Summary Dashboard will be for Q4 2023/2024 and will be provided at the next FARM meeting.</p>

# Port Lands Program Summary - as of December 2023

Issued: February 6, 2024

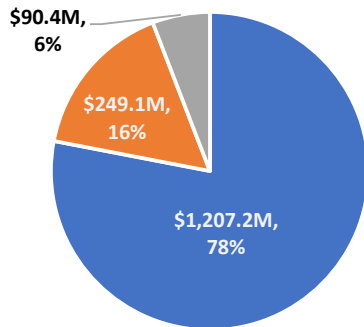
## PROGRAM BUDGET ALLOCATION

**Budget by Program**



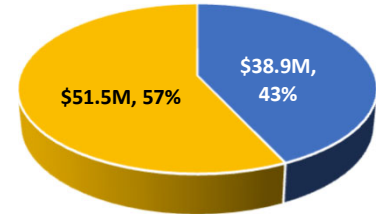
- Port Lands Flood Protection
- Parks Finishes and Public Realm
- Lake Shore Boulevard East

**Program Budget by Cost Category**



- Hard Cost
- Soft Cost
- Contingency

**Contingency Allocation at Month-End**



- Total Contingency Used
- Total Contingency Unused

## PROGRAM FINANCIAL SUMMARY

Project Name	Original Budget (\$M)	Approved Changes (\$M)	Approved Budget (\$M)	Total Commitments (\$M)	Anticipated Commitments (\$M)	Estimate At Completion (\$M)	Variance to Approved Budget (\$M)	Costs Incurred to Date (\$M)	% Complete to Date	Status
<span>Forecast to complete within budget</span> <span>Forecast to complete within 10% of budget</span> <span>Forecast to complete more than 10% overbudget</span>										
Port Lands Flood Protection	\$ 1,185.00	\$ 87.90	\$ 1,272.90	\$ 1,193.92	\$ 78.98	\$ 1,272.90	\$ 0.00	\$ 990.21	78%	●
Parks Finishes and Public Realm	\$ 0.00	\$ 81.10	\$ 81.10	\$ 64.80	\$ 16.30	\$ 81.10	\$ 0.00	\$ 4.56	6%	●
Lake Shore Boulevard East	\$ 163.25	\$ 29.50	\$ 192.75	\$ 142.17	\$ 48.58	\$ 190.75	\$ 1.99	\$ 84.32	44%	●
Cumulative	\$ 1,348.25	\$ 198.50	\$ 1,546.75	\$ 1,400.89	\$ 143.86	\$ 1,544.75	\$ 1.99	\$ 1,079.10	70%	●

## PROGRAM SCHEDULE SUMMARY

SCHEDULE SUMMARY (CONSTRUCTION COMPLETION)								
Projects	Baseline		Forecast		Actual		Delay (months) from Baseline Finish date	Status
	Start	Finish	Start	Finish	Start	Finish		
On schedule 1-6 months behind baseline schedule 6+ months behind baseline schedule								
Port Lands Flood Protection Substantial Completion	13-Sep-18	31-Dec-24	13-Sep-18	31-Dec-24	13-Sep-18		0	
Port Lands Flood Protection Total Completion	13-Sep-18	30-Jun-25	13-Sep-18	30-Jun-25	13-Sep-18		0	
Parks Finishes and Public Realm Substantial Completion	1-Jul-23	31-Dec-24	1-Jul-23	31-Dec-24	1-Jul-23		0	
Parks Finishes and Public Realm Total Completion	1-Jul-23	30-Jun-25	1-Jul-23	30-Jun-25	1-Jul-23		0	
Lake Shore Boulevard East Substantial Completion	1-Jun-21	18-Sep-25	1-Jun-21	1-Oct-25	1-Jun-21		0	
Lake Shore Boulevard East Total Completion	1-Jun-21	18-Sep-25	1-Jun-21	1-Oct-25	1-Jun-21		0	
Cumulative	15-Mar-21	27-May-25	15-Mar-21	31-May-25	15-Mar-21		0	

## PROGRAM BUDGET STATUS

**Budget Status - by Segment**



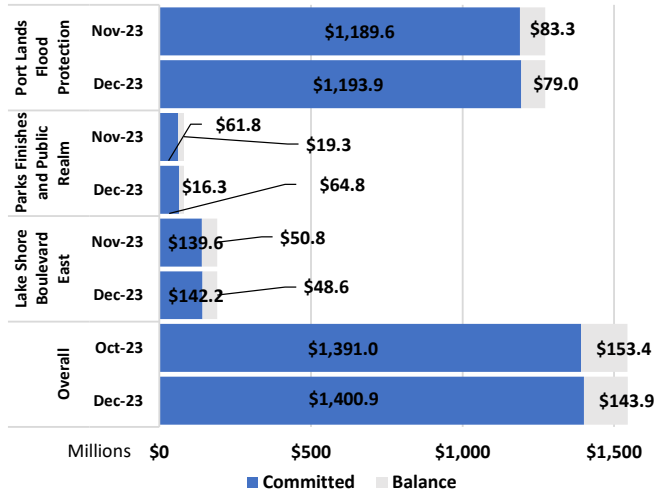
- Forecast to complete within approved budget
- Forecast to complete within 10% of approved budget
- Forecast to complete more than 10% over approved budget



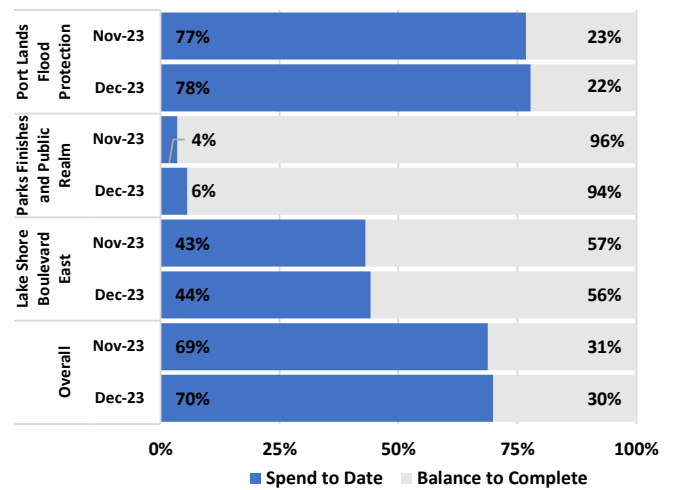
# Port Lands Program Summary - as of December 2023

Issued: February 6, 2024

## Commitments and Balance to Complete (\$M) (Based on Month-End EAC)

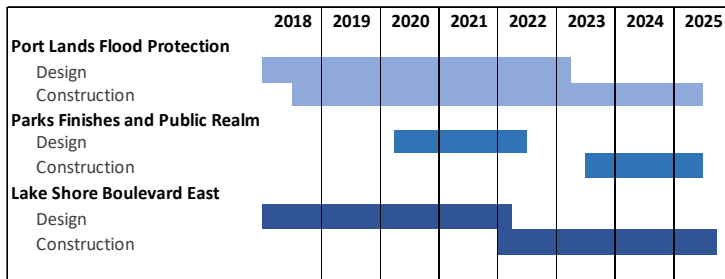


## Program Progress - by Segment (Based on Month-End EAC)



## PROGRAM SCHEDULE STATUS

### Program Timeline - By Segment



### Schedule Status - by Segment



## SITE PHOTOS



Figure 1  
Commissioners Street Bike Lane



Figure 2  
River Park North - Foundation Playground Equipment



**Figure 3**  
River Park North



**Figure 4**  
Southwest Wetland Carp Gate



**Figure 5**  
River Park North –Snowy Owl Foundation



**Figure 6**  
LSBE- Eastbound Structure Bridge Deck Paved

<b>Purpose</b>	<p>For Committee Information</p> <p>The Port Lands Flood Protection (PLFP) Dashboard is provided to report on the progress and achievement of project budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<b>Areas of note/ Key issues</b>	<p>Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) Program and is forecasting completion in December 2024. The PLFP Contribution Agreement Amendment was executed in June 2023, increasing the budget to \$1,272.9M. Given the approved additional funding, the project is now forecasting to be completed on budget. Schedule and budget continue to be closely monitored. The Estimate at Completion (EAC) in the Financial Summary is based on trade packages and change order adjustments to the September 2022 EAC, aligned with the new program budget.</p> <p>The following represents the financial status of the projects as of December 31, 2023:</p> <ul style="list-style-type: none"> <li>• The overall program budget remains unchanged to \$1,272.9 million as per the amendment to the PLFP Contribution Agreement.</li> <li>• Current commitments are equal to \$1,193.9 million.</li> <li>• Costs incurred to date equal \$990.2 million.</li> <li>• \$25.8 million of project contingency is unallocated and is available for future risks and unknowns.</li> </ul> <p>The key accomplishments for Q3 2023-2024 include:</p> <ul style="list-style-type: none"> <li>• Completed and presented Semi-Annual Cost and Risk Update for the end of Q2, September 30, 2023, with presentations as follows: <ul style="list-style-type: none"> <li>○ ESC November 14, 2023</li> <li>○ FARM November 23, 2023</li> </ul> </li> <li>• Progressed new Cherry Street, north of Commissioners to Lake Shore Boulevard in preparation for hand over to City scheduled for mid-January 2024</li> <li>• Progressed road works on Commissioners Street in preparation for opening as an interim construction detour scheduled for mid-January 2024</li> <li>• Completed civil construction of Enbridge gas main crossing of future river valley on Villiers Street</li> <li>• Completed installation of expansion joints, paving, waterproofing, light poles, balustrades, traffic barriers, power cabinets and all finishes on Cherry North vehicular and LRT bridges in preparation for opening and hand over to the City mid-January</li> <li>• Completed light poles, balustrades, traffic barriers, power cabinet and remaining finishes on Commissioners Street bridge in preparation for opening to traffic mid-January</li> <li>• Progressed placement of armor stone and shoreline aggregates and removal of sheet piles in Canoe Cove</li> <li>• Initiated dry excavation of north plug, between Villiers and Keating Channel</li> <li>• Partial and final flooding of Wetland #3</li> <li>• Completed dredging and dock wall works in the SDMA, east zone – stage 1</li> </ul>

<b>Resolution Next Steps</b>	<b>or</b> The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q4 2023/2024 will be presented at the next FARM meeting.
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# PLFP Monthly Program Dashboard - As of December 2023

Issued: February 1, 2024

## PROGRAM SUMMARY

Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) Program, which is forecasted to be completed in December 2024. The PLFP Contribution Agreement Amendment was executed in June 2023, increasing the budget to \$1,272.9M. \$25.8M in contingency remains unallocated (at December 2023). Given the approved additional funding, the project is now forecasting to be completed on budget.

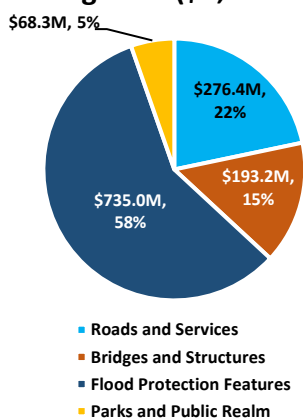
## STATUS SUMMARY



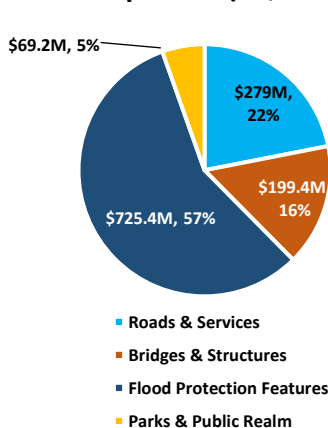
Schedule and budget continue to be closely monitored. The overall program budget has remained unchanged at \$1,272.9M as per the amendment to the PLFP Contribution Agreement. The Estimate at Completion (EAC) in the Financial Summary is based on trade package and change order adjustments to the September 2022 EAC, aligned with the new program budget. The project team will proceed to procure all remaining project tender packages.

## PROGRAM BUDGET ALLOCATION (Based on the PLFP Amended CA Budget)

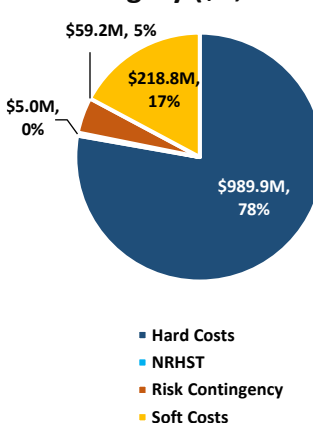
Program Budget by Segment (\$1,272.9M)



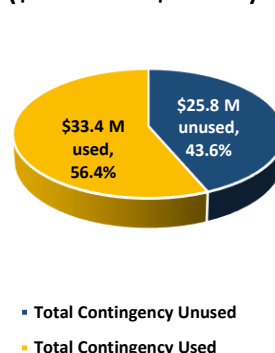
Current Estimate at Completion (\$1,272.9)



Program Budget by Category (\$1,272.9M)



Contingency Allocation at Month-End (\$33.4 M of \$59.2M)



## FINANCIAL SUMMARY

Project Name	Due-Diligence Budget (\$M)	Approved Changes (\$M)	*Approved Budget (\$M)	Total Commitments (\$M)	Anticipated Commitments (\$M)	**Estimate At Completion (\$M)	Variance to Approved Budget (\$M)	***Costs Incurred to Date (\$M)	% Complete to Date	Status
■ Forecast to complete within budget ■ Forecast to complete within 10% of budget ■ Forecast to complete more than 10% overbudget										
<strong>Roads &amp; Services</strong>	<strong>\$ 168.00</strong>	<strong>\$ 108.40</strong>	<strong>\$ 276.40</strong>	<strong>\$ 267.05</strong>	<strong>\$ 11.95</strong>	<strong>\$ 279.00</strong>	<strong>-\$ 2.60</strong>	<strong>\$ 215.28</strong>	<strong>77%</strong>	<strong>●</strong>
Commissioners St. West to New Cherry St.	18.00	15.40	33.40	35.65	-1.55	34.10	-0.70	24.99	73%	●
Commissioners St. East to Saulters St.	7.00	1.41	8.41	9.46	0.26	9.71	-1.30	6.89	71%	●
Cherry Street Re-alignment	22.00	16.71	38.71	33.31	5.39	38.71	0.00	26.82	69%	●
Don Roadway North	7.00	11.03	18.03	17.86	0.27	18.13	-0.10	10.05	55%	●
Hydro One Integration	12.00	-5.64	6.36	6.19	0.67	6.86	-0.50	5.92	86%	●
Site Wide Municipal Infrastructure	102.00	69.49	171.49	164.58	6.91	171.49	0.00	140.60	82%	●
<strong>Bridges &amp; Structures</strong>	<strong>\$ 163.00</strong>	<strong>\$ 30.24</strong>	<strong>\$ 193.24</strong>	<strong>\$ 189.04</strong>	<strong>\$ 10.31</strong>	<strong>\$ 199.35</strong>	<strong>-\$ 6.11</strong>	<strong>\$ 155.64</strong>	<strong>78%</strong>	<strong>●</strong>
Cherry Keating-Cherry Street Bridge North	55.00	-16.61	38.39	36.60	1.79	38.39	0.00	33.55	87%	●
Cherry Polson-Cherry Street Bridge South	42.00	2.07	44.07	41.04	3.03	44.07	0.00	38.10	86%	●
Commissioners Street Bridge/Don Roadway	43.00	10.97	53.97	54.30	0.68	54.97	-1.00	50.88	93%	●
Lake Shore Road & Rail Bridge Modifications	19.00	34.30	53.30	54.74	3.67	58.41	-5.11	31.94	55%	●
Old Cherry St. Bridge Demolition	4.00	-0.50	3.50	2.36	1.14	3.50	0.00	1.16	33%	●
<strong>Flood Protection Features</strong>	<strong>\$ 762.00</strong>	<strong>-\$ 27.04</strong>	<strong>\$ 734.96</strong>	<strong>\$ 652.54</strong>	<strong>\$ 72.82</strong>	<strong>\$ 725.35</strong>	<strong>\$ 9.61</strong>	<strong>\$ 551.58</strong>	<strong>76%</strong>	<strong>●</strong>
River Valley System & Don Greenway	486.00	67.56	553.56	507.68	35.06	542.73	10.83	434.42	80%	●
Keating Channel Modifications	35.00	-23.86	11.14	9.57	2.07	11.64	-0.50	8.04	69%	●
Polson Slip North Side Naturalization	60.00	-25.97	34.03	30.99	3.04	34.03	0.00	27.49	81%	●
Don Roadway Valley Wall Feature	27.00	-6.62	20.38	15.64	4.74	20.38	0.00	12.09	59%	●
Eastern Avenue Flood Protection	5.00	-3.12	1.88	1.52	0.39	1.91	-0.03	1.22	64%	●
East Harbour Flood Protection	5.00	-4.96	0.04	0.06	-0.02	0.04	0.00	0.06	157%	●
Flow Control Weirs	38.00	-28.66	9.34	7.80	1.54	9.34	0.00	6.52	70%	●
Sediment and Debris Management Area	78.00	16.22	94.22	69.08	24.82	93.91	0.31	54.52	58%	●
Villiers Island Grading	28.00	-17.63	10.37	10.19	1.19	11.37	-1.00	7.22	63%	●
<strong>Parks &amp; Public Realm</strong>	<strong>\$ 92.00</strong>	<strong>-\$ 23.70</strong>	<strong>\$ 68.30</strong>	<strong>\$ 85.29</strong>	<strong>-\$ 16.09</strong>	<strong>\$ 69.20</strong>	<strong>-\$ 0.90</strong>	<strong>\$ 67.72</strong>	<strong>98%</strong>	<strong>●</strong>
River Park North	23.00	6.02	29.02	37.51	-7.60	29.92	-0.90	29.29	98%	●
River Park South	27.00	-20.81	6.19	11.51	-5.32	6.19	0.00	11.47	185%	●
Promontory Park South	42.00	-8.91	33.09	36.27	-3.17	33.09	0.00	26.97	81%	●
<strong>Cumulative</strong>	<strong>\$ 1,185.00</strong>	<strong>\$ 87.90</strong>	<strong>\$ 1,272.90</strong>	<strong>\$ 1,193.92</strong>	<strong>\$ 78.98</strong>	<strong>\$ 1,272.90</strong>	<strong>\$ 0.00</strong>	<strong>\$ 990.21</strong>	<strong>78%</strong>	<strong>●</strong>

\*Approved Budget reflects the PLFP CA Amendment Budget.

\*\*Estimate at Completion reflects WT EAC at Month's End.

\*\*\*Actual costs do not include accrued costs.

Note: Some commitments/cost as of December 31st related to Park Finishes are included under PLFP base parks. WT is in process of reallocating them, and the numbers will be adjusted accordingly in the next report.



# PLFP Monthly Program Dashboard - As of December 2023

Issued: February 1, 2024

## PROGRAM BUDGET STATUS

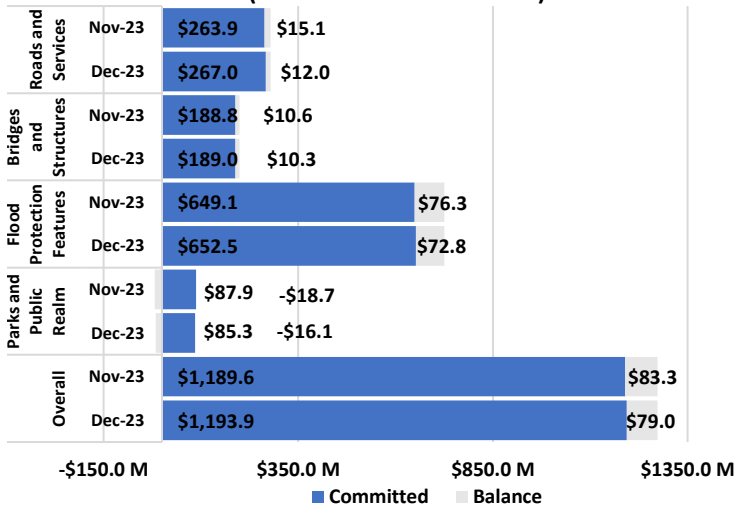
### Budget Status - by Segment

				3	3		
1	1						
3	3	2	2	6	6	1	1
2	2	3	3			2	2
Nov-23	Dec-23	Nov-23	Dec-23	Nov-23	Dec-23	Nov-23	Dec-23
Roads and Services		Bridges and Structures		Flood Protection Features		Parks and Public Realm	

■	- Forecast to complete within approved budget
■	- Forecast to complete within 10% of approved budget
■	- Forecast to complete more than 10% over approved budget

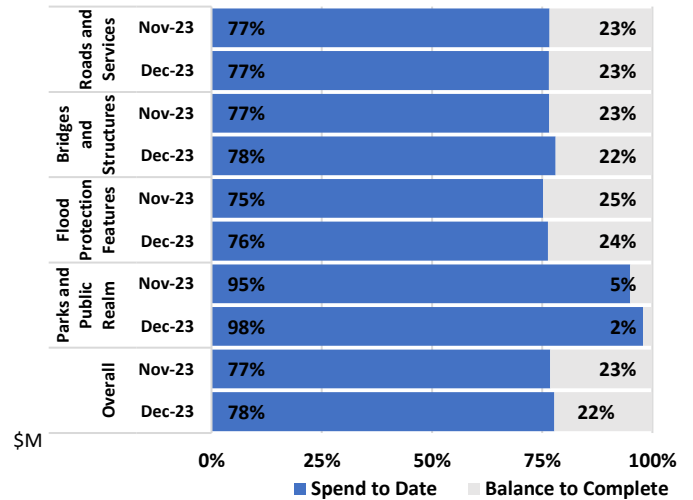
### Commitments and Balance to Complete (\$M)

(Based on Month-End EAC)



### Program Progress - by Segment

(Based on Month-End EAC)



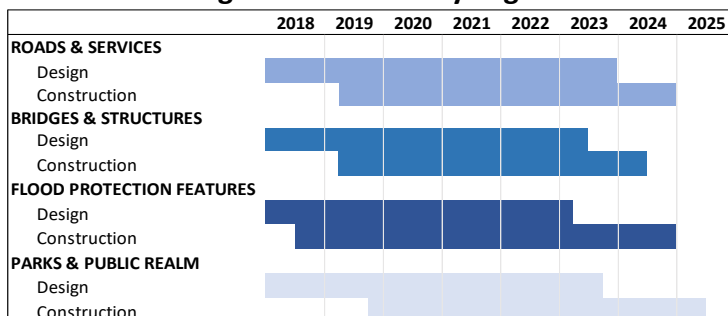
## KEY BUDGET RISKS & IMPACTS

### Top Risks Impacting Project Cost



## PROGRAM SCHEDULE STATUS

### Program Timeline - By Segment



### Key Communications Milestones

Cherry Street & Lake Shore Blvd Intersection	Dec-23
New Cherry Street Opening	Jan-24
Commissioners Street Opening	Jan-24
Cherry Street Bridge North Project Completion	Jan-24
Cherry Street Bridge South Project Completion	Jan-24

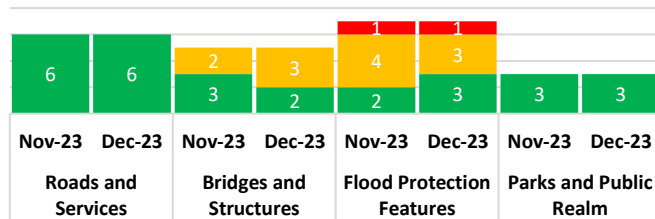
# PLFP Monthly Program Dashboard - As of December 2023

Issued: February 1, 2024

## SCHEDULE SUMMARY (CONSTRUCTION COMPLETION)

Projects	Baseline*		Forecast**		Actual		Delay (months) from Baseline Finish date	Status
	Start	Finish	Start	Finish	Start	Finish		
■ On schedule    ■ 1-6 months behind baseline schedule    ■ 6+ months behind baseline schedule								
Roads & Services	27-May-19	13-Dec-24		13-Dec-24	27-May-19	4-Dec-20	0	●
Commissioners St. West to New Cherry St.	16-Sep-19	13-Dec-24		13-Dec-24	16-Sep-19		0	●
Commissioners St. East to Saulter St.	31-Jan-20	8-Oct-24		15-Oct-24	31-Jan-20		0	●
Cherry St. Re-alignment	27-May-19	14-Nov-24		15-Nov-24	27-May-19		0	●
Don Roadway North	1-Mar-21	19-Nov-24		29-Oct-24	1-Mar-21		0	●
Hydro One Integration	15-Jun-20	4-Dec-20			15-Jun-20	4-Dec-20	0	●
Site Wide Municipal Infrastructure	12-Nov-19	8-Jul-24		2-Aug-24	12-Nov-19		0	●
Bridges & Structures	6-May-19	23-Apr-25	17-May-24	23-Apr-25	6-May-19		0	●
Cherry Keating-Cherry St. Bridge North	6-May-19	13-Sep-23		12-Jan-24	6-May-19		3	●
Cherry Polson-Cherry St. Bridge South	31-Jan-20	18-Dec-23		19-Jan-24	31-Jan-20		1	●
Commissioners St. Bridge/Don Roadway	15-Oct-19	18-Aug-23		8-Dec-23	15-Oct-19		3	●
Lake Shore Road & Rail Bridge Modifications	1-Jun-21	23-Apr-25		23-Apr-25	1-Jun-21		0	●
Old Cherry St. Bridge Demolition	10-May-24	9-Jul-24	17-May-24	15-Jul-24			0	●
Flood Protection Features	13-Sep-18	16-May-25		16-May-25	13-Sep-18		0	●
River Valley System & Don Greenway	13-Sep-18	22-Jan-25		17-Apr-25	13-Sep-18		2	●
Keating Channel Modifications	3-Apr-23	5-Sep-23		27-Oct-23	17-Mar-23		1	●
Polson Slip Naturalization	14-Apr-20	17-Aug-23		8-Apr-24	14-Apr-20		7	●
Don Roadway Valley Wall Feature	17-Dec-21	5-Jun-24		5-Jun-24	17-Dec-21		0	●
Flow Control Weirs	22-Jun-23	8-Aug-24		13-Aug-24	20-Nov-23		0	●
Sediment and Debris Management Area	27-Jan-20	16-May-25		16-May-25	27-Jan-20		0	●
Villiers Island Grading	2-Mar-20	16-Aug-24		27-Nov-24	2-Mar-20		3	●
Parks & Public Realm	28-Oct-19	30-Jun-25		30-Jun-25	28-Oct-19		0	●
River Park North	29-Jun-20	24-Dec-24		24-Dec-24	29-Jun-20		0	●
River Park South	27-Jul-20	24-Dec-24		24-Dec-24	27-Jul-20		0	●
Promontory Park South	28-Oct-19	30-Jun-25		30-Jun-25	28-Oct-19		0	●
Substantial Performance of PLFP / Achievement of Flood Protection		31-Dec-24		31-Dec-24			0	●
Substantial Performance of Parks		30-Jun-25		30-Jun-25			0	●
PLFP Close-Out		30-Jun-25		30-Jun-25			0	●
Cumulative	13-Sep-18	30-Jun-25	17-May-24	30-Jun-25	13-Sep-18	4-Dec-20	0	●

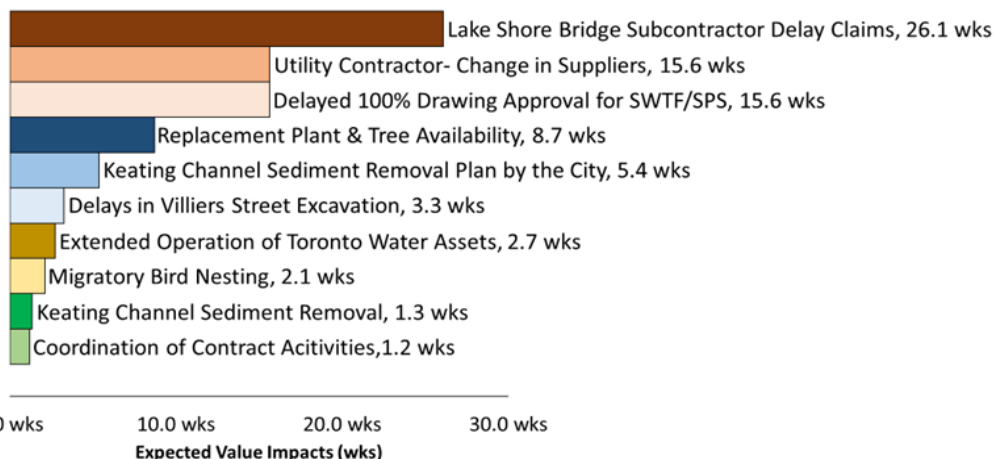
## Schedule Status - by Segment



- - On Schedule/0-1 months behind schedule
- - 1-6 months behind schedule
- - 6+ months behind schedule

## KEY SCHEDULE RISKS & IMPACTS

### Top Risks Impacting Project Schedule



# PLFP Monthly Program Dashboard - As of December 2023

Issued: February 1, 2024

## PROGRAM PROGRESS - KEY TASKS

Key Tasks To be Completed in Next 6 Months	Dec Completion	Jan Completion	Feb to Apr Completion	May to Jul Completion
<div> <span>■ On schedule</span> <span>■ 1-6 months behind baseline schedule</span> <span>■ 6+ months behind baseline schedule</span> </div>				
<b>Design Phase Status</b>				
Sanitary Pumping Station (SPS)	✓			
Storm Water Treatment Facility (SWTF)	✓			
Enbridge Design	✓			
Cadillac Fairview Utility Design	✓			
Toronto Hydro Main Feeder Line - Lake Shore Bridge	✓			
Lake Shore Bridge Modification Design - Pedestrian Lighting	✓			
<b>Contracts to be Secured</b>				
Lighting Controls (Parks)	✓			
Lighting and Traffic Signal - Sitewide	✓			
Wet Utilities - Sitewide (All Contracts)			✓	
SDMA Grading & Finishes			✓	
<b>Permits/Design Approvals to be Secured</b>				
Don Roadway Valley Wall Feature Permit Package Prior to Construction	✓			
Cherry Street Re-alignment - Road Permits	✓			
Old Cherry Street Bridge Demolition - City Release for Construction, HMA for Bridge Demolition	✓			
Sitewide Municipal Infrastructure - Road Permits		✓		
River Valley Permit Package Prior to Construction			✓	
Flow Control Curtain Permit Package				✓
<b>Construction Completion</b>				
New Cherry Street Intersection with Lake Shore Blvd Opening	✓			
Commissioners Street Bridge Project Completion	✓			
Villiers Cul-De-Sac Completion	✓			
North Plug Don Roadway Dockwall	✓			
Cherry Street Bridge North Project Completion		✓		
Cherry Street Bridge South Project Completion		✓		
Villiers Street Gas Main Completion		✓		
Canoe Cove		✓	✓	
Soil Treatment Plant (EW 1.2)				✓
Primary Irrigation Distribution System Completion				✓
Secondary Irrigation Distribution System Completion				✓

\*Based on November 2023 Schedule Update

## INDIGENOUS CONSULTATION

<b>Update</b>
- Indigenous art/design review process continues for PLFP Public Realm
- Design concepts for Indigenous Carvings on Lake Shore Blvd Bridge received and under review
- MCFN FLRs were invited to join TRCA fishing monitoring
- Two meeting held with Six Nations of the Grand River FN in November: one in their community and a second at PLFP site - part of broader relationship development
- Continued discussions with MCFN on Indigenous Design for Destination Play
<b>Next Steps</b>
- Finalize selection process for Indigenous art/design for PLFP Public Realm - anticipated January 2024
- Select designer for Indigenous Carvings on Lake Shore Blvd
- Continue Discussions with MCFN on Indigenous Design for Destination Play



## SITE PHOTOS



**Figure 1**  
Commissioners Street- Boulevard Work



**Figure 2**  
River Park North - Foundation Playground Equipment



**Figure 3**  
Cherry Street Bridge North Bridge - Road Work



**Figure 4**  
Villiers Street - Enbridge Work



**Figure 5**  
River Valley - Armour Stone Placement



**Figure 6**  
River Park North - Outfall Installation

**PLFP CONTINGENCY DRAWDOWN SUMMARY AS OF DECEMBER 2023**

Change in Total Program Contingency	Hard Draw	Soft Draw	Draw	Balance	Date
<b>Opening Balance (As Per New Budget with Additional Funding)</b>				<b>59.2 M</b>	
Less: September 2022	0.2 M	0.0 M	0.2 M	58.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: October 2022	-0.1 M	0.0 M	-0.1 M	59.0 M	Each TPBR/CO/SCO Approved by WT Executives
Less: November 2022	0.5 M	0.0 M	0.5 M	58.6 M	Each TPBR/CO/SCO Approved by WT Executives
Less: December 2022	2.8 M	0.0 M	2.8 M	55.8 M	Each TPBR/CO/SCO Approved by WT Executives
Less: January 2023	0.0 M	0.1 M	0.1 M	55.7 M	Each TPBR/CO/SCO Approved by WT Executives
Less: February 2023	4.5 M	0.0 M	4.5 M	51.2 M	Each TPBR/CO/SCO Approved by WT Executives
Less: March 2023	3.5 M	0.1 M	3.6 M	47.6 M	Each TPBR/CO/SCO Approved by WT Executives
Less: April 2023	0.1 M	0.0 M	0.1 M	47.5 M	Each TPBR/CO/SCO Approved by WT Executives
Less: May 2023	5.5 M	0.0 M	5.5 M	42.0 M	Each TPBR/CO/SCO Approved by WT Executives
Less: June 2023	3.9 M	0.2 M	4.1 M	37.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: July 2023	0.0 M	2.0 M	2.0 M	35.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: August 2023	0.7 M	1.4 M	2.0 M	33.9 M	Each TPBR/CO/SCO Approved by WT Executives
Less: September 2023	2.4 M	0.0 M	2.4 M	31.5 M	Each TPBR/CO/SCO Approved by WT Executives
Less: October 2023	0.3 M	0.9 M	1.2 M	30.3 M	Each TPBR/CO/SCO Approved by WT Executives
Less: November 2023	0.8 M	0.2 M	1.0 M	29.3 M	Each TPBR/CO/SCO Approved by WT Executives
Less: December 2023	3.5 M	0.0 M	3.5 M	25.8 M	Each TPBR/CO/SCO Approved by WT Executives
<b>Unallocated Contingency Balance</b>	<b>28.5 M</b>	<b>4.8 M</b>	<b>33.4 M</b>	<b>25.8 M</b>	

PLFP Contingency Tracker			
Oct-23	Sep 2022 EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN
Cost reconciliation between projects			895,511.00
CO1085-TP167-GSMP Excess Soil Disposal	2,457,525.00	2,457,525.00	
CO1090-TP99-Frac Tanks for Cofferdam Construction	-	13,610.99	13,610.99
CO1097-TP167-Removal of Bell Support Beams in EW-6.1 Crossing the River Valley	-	26,290.76	26,290.76
CO1103-TP106-Transfer Plates for OGS and Outlet Gate	-	120,565.65	120,565.65
CO1117-TP167-WP8 Hand Picking Debris	21,258.68	21,258.68	-
CO1118-TP147-U-fill for Wet Utility Removal	67,199.83	67,199.83	-
Additional GC based on Oct. 25, 2023 EAC	16,182,412.00	16,182,412.00	-
SCO#02-PFP: Offer to Connect for Various Traffic Signals at New Cherry- 3 Additional Power Connection	-	107,854.63	107,854.63
1894.RP- HKMB HUB INTERNATIONAL		8,372.68	8,372.68
2842.R02- FRONTIER DESIGN INC	48,030.00	48,030.00	
PFP: GFL Claim on the River System works for the Port Lands Project (PR-0226)	-	(18,317.00)	(18,317.00)
<b>Total</b>	<b>18,776,426</b>	<b>19,034,803</b>	<b>1,153,889</b>

PLFP Contingency Tracker			
Nov-23	Sep 2022 EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN
CO1129-TP168-UCC Credit Change Order to PLFP	-	(11,983,043.70)	(11,983,043.70)
CO1130-TP169-TDG Credit Change Order to PLFP	-	(3,268,012.98)	(3,268,012.98)
CO1111-TP147-CO-649 and CO-664 Reconciliation	-	(1,060,633.83)	(1,060,633.83)
CO1128-TP82-Levee Core Clay Stone Removal	-	5,366.39	5,366.39
SC002: PFP: Design and Supply of Playing Equipment- Revised design for animal sculptures	-	80,037.00	80,037.00
CO#149-TP16-LSBE – Temp DW Dredging Analysis – Aecon	-	1,446.50	1,446.50
CO810-TP76-Commissioners St Excavation around Utilities	-	15,049.42	15,049.42
CO1003-TP168-Park Bench Type 1 Premium Colour_	-	5,309.84	5,309.84
CO1083-TP33-Plant Supply Scope Transfer	-	55,347.27	55,347.27
CO1101-TP124-Reconciliation of CO 722	-	(4,439.40)	(4,439.40)
CO1102-TP177-Roping of Cable Chambers on LSBE	-	36,070.13	36,070.13
CO1112-TP175-HONI Tower Guiderail	28,480.87	28,480.87	-
CO1113-TP116-Cherry MGT Paving Sequencing	12,364.74	12,364.74	-
CO1116-TP179-Retaining Wall at SWTF and OGS	-	8,984.50	8,984.50
CO1108-TP187-Carp Gate A B Temporary Access RCM	3,303.13	3,303.13	-
CO1120-TP153-Signal Timing Adjustments at Old Cherry Commissioners	-	13,030.72	13,030.72
CO1121-TP168-Caledonia Sidewalk Cherry LSBE Reconciliation	4,718.45	4,718.45	-
CO1122-TP76-Various CCI Dewatering Extensions due to Added Work	-	43,646.47	43,646.47
CO1127-TP30-Carp Gate A Winter Works	-	72,629.11	72,629.11
CO1132-TP149-Villiers St Rigid Inclusion Night Work	140,369.28	140,369.28	-
CO1134-TP116-Premium to Supply Corten Steel for Metal Strip Inlays	17,130.77	17,130.77	-
CO1135-TP188-Cherry St MH Cover Adjustment	3,349.84	3,349.84	-
CO1137-TP76-Connection to ISPS	-	7,140.93	7,140.93
CO1138-TP76-Fut Munitions JUT and 200mm Drain Pipes	-	35,711.35	35,711.35
CO1139-TP76-MH Invert Investigations	-	5,649.87	5,649.87
CO1140-TP147-Villiers and Don Roadway Enbridge Support Work	253,376.65	253,376.65	-
CO1104-TP22- Extended Site Overhead & Escalation Due to Bridge Delivery Resequencing – Belor	264,250.00	333,681.67	69,431.67
CO1106-TP22-CSNCOMM - QuadGuard Pads	-	34,550.33	34,550.33
CO1114-TP167- Decommissioning of Lined Cell at 170 Villiers	8,667.40	8,677.97	10.57
CO1124-TP146- CSN/CSS/COMM – Traffic Barrier Rail Addition – Powell	-	41,291.99	41,291.99
CO1125-TP168- Old Cherry Street Bridge – Concrete Refacing – UCC	274,126.61	274,126.61	-
2111 - WSP CANADA GROUP LIMITED	-	121,465.84	121,465.84
PFP: Road and Bridge Opening Design of Event Related Materials for late Nov/early Dec (PR-0799)	10,450.00	10,450.00	-
1894.RP- HKMB HUB INTERNATIONAL	-	54,251.36	54,251.36
CORRECTION TO TPBR168-Park Construction Hard Landscape (UCC Group Inc) CM#2021-72a	529,350.00	5,763,773.29	5,234,423.29
CORRECTION TO TPBR168-Park Construction Hard Landscape (UCC Group Inc) CM#2021-72a	529,350.00	4,390,202.26	3,860,852.26
CORRECTION TO TPBR168-Park Construction Hard Landscape (UCC Group Inc) CM#2021-72a	-	3,192,162.92	3,192,162.92
CORRECTION TO TPBR169-Park Construction Soft Landscape (The Downsvie Group-TDG) CM#2021-72b	1,301,245.42	3,177,000.00	1,875,754.58
CORRECTION TO TPBR169-Park Construction Soft Landscape (The Downsvie Group-TDG) CM#2021-72b	1,452,279.65	1,588,500.00	136,220.35
CORRECTION TO TPBR169-Park Construction Soft Landscape (The Downsvie Group-TDG) CM#2021-72b	1,685,553.63	1,588,500.00	(97,053.63)
CORRECTION TO Reconcile Park Finishes Transfer (Roman Building Materials Ltd)	1,830.00	129,029.00	127,199.00
CORRECTION TO Adjustments to Reconcile Park Finishes Transfer (Roman Building Materials Ltd)	1,318.00	200,280.00	198,962.00
CORRECTIONS TO Adjustments to Reconcile Park Finishes Transfer (Roman Building Materials Ltd)	-	106,564.51	106,564.51
CORRECTION TO Adjustments to Reconcile Park Finishes Transfer (Hermann's)	52,935.00	-	(52,935.00)
CORRECTION TO Adjustments to Reconcile Park Finishes Transfer (Hermann's)	52,935.00	-	(52,935.00)
CORRECTION TO Adjustments to Reconcile Park Finishes Transfer (Hermann's)	52,935.00	-	(52,935.00)
CORRECTION TO Adjustments to Reconcile Park Finishes Transfer (GIP)	535,885.80	2,679,429.02	2,143,543.22
<b>Total</b>	<b>7,216,205</b>	<b>8,226,320</b>	<b>1,010,115</b>




PLFP Contingency Tracker			
Dec-23	Sep 2022 EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN
SCOW03-PLFP: Insurance Brokerage Services-3rd Excess Premium Cost for Errors and Omissions Liability extension is required (until December 31, 2024)	-	19,925.00	19,925.00
PF: External Legal Counsel Services - PLFP Design Claim (PR-0814)	13,777.19	20,000.00	6,222.81
CO#01-Event Related Materials for late Nov/early Dec- Print and install the new banners Puncture	1,370.00	1,370.00	-
TPBR201-Supply of Precast Curbs for Commissioners St. East Bike Lane Connection (Brooklin Concrete Products) (CM 2023-24)	12,996.58	12,996.58	-
TPBR202-Paint Touch-ups on Commissioners Bridge & Cherry North Bridge (Minges Sandblasting & Painting) (CM 2023-25)	-	20,633.65	20,633.65
CO1166-TP118-Permanent THESL Power for Temporary Pumps	-	15,492.45	15,492.45
CO1167-TP60-Wetland Bridge, Carp Gate Railing	-	31,587.42	31,587.42
CO1168-TP149-DR Storm Line RIs between MH-611-MH612	18,180.72	188,357.40	170,176.68
CO1169-TP147-MT35 Concrete Blocks Relocation	-	41,992.50	41,992.50
CO1170-TP119- SWTF Anchor Installation OGS Transfer Plate Installation	-	32,233.93	32,233.93
CO1171-TP76-Don Roadway Reconciliation and Cost Escalation	-	545,069.02	545,069.02
CO1172-TP200- Don Roadway Storm Conveyance	-	181,539.75	181,539.75
CO1173-TP76- MH110 to MH111 Subgrade Issues Standby	-	21,323.35	21,323.35
CO1174-TP76- CD 32 Saulters St Conc Base Removal	-	24,205.29	24,205.29
CO1175-TP119-Restocking Gate Valves	-	(32,437.87)	(32,437.87)
CO1176-TP82-West Plug and Polson Dewatering Reconciliation and Commissioners Stormwater Management	-	17,327.25	17,327.25
CO1177-TP165-Raising Elev of Bell Duct Bank on Commissioners St East	-	12,741.56	12,741.56
CO1179-TP186-Supply of Signage for Old Cherry St and Commissioners East	9,174.87	9,174.87	-
CO1180-TP147-Villiers and Don Roadway Working Pad for RI Installations	-	46,264.68	46,264.68
CO1182-TP82-Erosion at Armour Stone Profile B	-	73,008.47	73,008.47
CO1183-TP177-Additional Class F Pole at Don and Commissioners	-	11,180.95	11,180.95
CO1185-TP143- Dewatering Extension for SWTF Shaft Oct-Dec 2023	-	230,786.80	230,786.80
CO1186-TP82-Scope Transfer Soil Profiles West of Path 5	-	88,840.54	88,840.54
CO1187-TP102- Scope Transfer West of Path 5	-	(116,377.17)	(116,377.17)
CO1188-TP125- Habitat Furnishings in Wetland 1 Scope Transfer	-	14,797.97	14,797.97
CO1189-TP126- Habitat Furnishings in Wetland 1 Scope Transfer	-	(15,965.99)	(15,965.99)
CO1192-TP76-Obstruction on Sanitary Line Installation on Commissioners St	-	21,520.31	21,520.31
CO1195-TP82-Crushing Scrap Armour Stone to Viable Chinking Stone	-	3,532.49	3,532.49
CO#143-TP16- Parapet Wall Extension/Revisions – GIP- Aecon	-	11,266.15	11,266.15
CO#157-TP16-Balustrade Storage & Installation Re-sequencing – Aecon	-	23,269.18	23,269.18
PF: Relocation of Communication Infrastructure along Villiers Street.	-	75,184.20	75,184.20
CO1065-TP145- Disposal of SDMA Dredge and Excavated Material	2,897,749.65	2,897,749.65	-
CO1081-TP130- Rework of Island E Planting Soil (Reconciliation)	9,473.13	22,909.64	13,436.51
CO1109-TP167- Keating Channel Revetment Additional Quantities	-	163,913.78	163,913.78
CO1126-TP130- PPS Outfall	-	19,438.23	19,438.23
CO1147-TP22- CSN - Rebar Reconciliation	-	146,862.77	146,862.77
CO1178-TP130- Canoe Cove Scramble	99,675.10	99,675.10	-
TPBR196-Temporary Line Marking -Old Cherry St., Polson St. (Paint It All Inc) (CM 2023-19)	-	4,447.80	4,447.80
TPBR197-SPS SWTF Concrete Pads (Talvan Construction Inc.) (CM 2023-20)	83,164.95	83,164.95	-
TPBR198-Scaffolding at the SWTF shaft (Don Fry Scaffold) (CM 2023-21)	-	84,955.10	84,955.10
TPBR199-WM Commissioning HDD on Commissioners St. (UJA Water Inc.) (CM 2023-22)	-	31,770.00	31,770.00
TPBR200-Temporary Sanitary Bypass (Atlas Dewatering Corp.) (CM 2023-23)	-	379,212.03	379,212.03
CO1129-TP168-UCC Credit Change Order to PLFP	-	(11,983,043.70)	(11,983,043.70)
CO1130-TP169-TDG Credit Change Order to PLFP	-	(3,268,012.98)	(3,268,012.98)
CO1131-TP125-Drowned-Tree-57	-	3,241.41	3,241.41
CO1133-TP177-Detour Area Lighting and Signals Maintenance Extension	-	101,403.87	101,403.87
CO1136-TP39-Additional CC and Fine Grading at Cherry Commissioners	42,893.06	35,216.02	(7,677.04)
CO1141-TP155-Partial Reconciliation Commissioners and Don Roadway	-	86,723.68	86,723.68
CO1142-TP153-Partial Reconciliation New Cherry	-	26,566.64	26,566.64
CO1143-TP76-CO 867 Reconciliation for WM HDD Commissioning	-	(67,111.17)	(67,111.17)
CO1144-TP76-Obstructions along Commissioners Sanitary Line	-	23,019.23	23,019.23
CO1145-TP186-Advanced Closure for Installation of RIs on Villiers	-	67,980.96	67,980.96
CO1146-TP147-Villiers Enbridge RIs and Don Roadway Storm RIs Wet Cut	-	59,783.92	59,783.92
CO1148-TP167-RVPS Wetland Bridge Approach Slab Subgrade	6,734.15	6,734.15	-
CO1151-TP124-Additional Future Polson St Quantities	-	64,349.31	64,349.31
CO1152-TP124-Additional Costs for Install of FRE on Cherry N Bridge	44,377.25	44,377.25	-
CO1154-TP155-Signal Modifications for Commissioners Street Interim Opening	52,850.00	232,507.23	179,657.23
CO1155-TP76-East Commissioners Conflicts	-	7,097.60	7,097.60
CO1156-TP124-Missing Units for Polson St Electrical and Reconciliation	-	176,116.56	176,116.56
CO1157-TP124- PLP Additional Dewatering 2022	-	187,253.88	187,253.88
CO1158-TP124-PLP Dewatering Effort from Jan 1 2023 to April 6 2023	-	46,615.40	46,615.40
CO1162-TP139-OGS Inlet Benching Box Out Removal and SWTF Vent	-	54,303.60	54,303.60
CO1163-TP139-Temp Signs & Barrels for Comm St Interim Opening	24,221.16	24,221.16	-
CO1164-TP157-OGS Gate Stem Installations and Escalations	-	37,769.74	37,769.74
CO1165-TP143-LWF at MH111-MH110 Reconciliation	52,470.00	55,460.79	2,990.79
CO1129-TP168-UCC Credit Change Order to PLFP	-	11,983,043.70	11,983,043.70
CO1130-TP169-TDG Credit Change Order to PLFP	-	3,268,012.98	3,268,012.98
CO#146-TP16- Keating Channel Dock Wall Control Joints- Aecon	-	3,530.13	3,530.13
CO#163-TP16- Existing Gas Main Removal – GIP- Aecon	-	28,717.40	28,717.40
<b>Total</b>	<b>3,369,108</b>	<b>6,870,819</b>	<b>3,501,711</b>

<b>Purpose</b>	<p>For Committee Information</p> <p>The Park Finishes Dashboard is provided to report on the progress and achievement of project budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<b>Areas of note/ Key issues</b>	<p>The Delivery Agreement between Waterfront Toronto and City of Toronto, and the Transfer Payment Agreement between Waterfront Toronto and the Province of Ontario have been executed for the Parks Finishes project. The project team has been transferring subsequent trade packages for the scope of work from PLFP to this project as per a new CCDC5B contract with the Construction Manager.</p> <p>The following represents the financial status of the projects as of December 2023:</p> <ul style="list-style-type: none"> <li>• The anticipated total project cost is \$81.1 million.</li> <li>• Current commitments equal \$64.8 million.</li> <li>• \$2.7 million of the project contingency is unallocated and is available for future risks and unknowns.</li> </ul> <p>The key accomplishments for Q3 2023-2024 include:</p> <ul style="list-style-type: none"> <li>• Advanced and awarded Indigenous Design Features contracts</li> <li>• Completed 60% design of Fire Hall 30 renovations for review and comment</li> <li>• River Park North <ul style="list-style-type: none"> <li>○ Advanced earthworks including removal surcharge, placement of cap standard fill and fine grading (except old Cherry right of way)</li> <li>○ Completed installation of wet utilities</li> <li>○ Prepare for installation of play equipment, including layout, grading, formwork and soil/sand placement</li> </ul> </li> <li>• River Park South <ul style="list-style-type: none"> <li>○ Completed most earthworks including removal of surcharge, placement of cap standard fill and fine grading throughout the park</li> <li>○ Planting soil and plant installation continued and is now paused for winter</li> </ul> </li> <li>• Promontory Park South <ul style="list-style-type: none"> <li>○ Continue earthworks including surcharge removal, rough grading, fine grading and cap standard fill placement</li> <li>○ Commenced construction of wet utilities including dewatering operations</li> <li>○ Completed MT35 dock wall Stage 2 reinforcement</li> </ul> </li> </ul>
<b>Resolution or Next Steps</b>	<p>The next Park Finishes Dashboard will be for Q4 2023/2024 and will be provided at the next FARM meeting.</p>

## PROJECT NAME: PFP06-04 PARKS FINISHES

PROJECT DIRECTOR: SHANNON BAKER

PROJECT STATUS SUMMARY				
Budget Status				
Approved Budget	Total Commitments	Anticipated Commitments	Estimate at Completion	
\$ 81,100,000	\$ 64,801,896	\$ 16,298,104	\$ 81,100,000	
Remaining Contingency	Contingency Utilization	Cost to Date	Variance to Budget	
\$ 2,724,297	29%	\$ 4,560,864	\$ 0	
Schedule Status				
Percent Complete	Project Start	Construction Start	Substantial Performance	Warranty Complete
6%	01-Jul-23	01-Jul-23	30-Jun-25	30-Jun-27
Project Progress Summary				
River Park North Nature Playground layout, grading, footings and foundations are underway. Fire Hall 30 public washroom and renovation 60% design submission received and is under review. Finalizing contracts for Indigenous Design Features. Initiated River Park South stone feature installation. Landscaping crews have downsized for winter months.				

BUDGET AND COST SUMMARY							
Description	Approved Budget	Total Commitments*	Anticipated Commitments	Estimate at Completion**	Cost Incurred to Date*	Variance to Budget	% Complete
Hard Cost	\$ 73,741,827	\$ 61,267,547	\$ 13,573,807	\$ 74,841,354	\$ 4,203,651	\$ (1,099,527)	6%
Soft Cost	\$ 3,496,268	\$ 3,534,349	\$ -	\$ 3,534,349	\$ 357,213	\$ (38,081)	10%
Contingency	\$ 3,861,905	\$ -	\$ 2,724,297	\$ 2,724,297	\$ -	\$ 1,137,608	0%
<b>Total</b>	<b>\$ 81,100,000</b>	<b>\$ 64,801,896</b>	<b>\$ 16,298,104</b>	<b>\$ 81,100,000</b>	<b>\$ 4,560,864</b>	<b>\$ -</b>	<b>6%</b>

\* Reflect December 2023 WT PMO Month-End Financial Report. NRHST is not applicable to this project.

SCHEDULE SUMMARY						
Milestone	Baseline*		Forecast**		Actual	
	Start	Finish	Start	Finish	Start	Finish
Project Start	01-Jul-23	n/a		n/a	18-Sep-17	n/a
Engineering & Design (completed under PLFP)	n/a	n/a			n/a	n/a
Construction	01-Jul-23	30-Jun-25		30-Jun-25	01-Jul-23	
River Park North	01-Jul-23	24-Dec-24		24-Dec-24	01-Jul-23	
River Park South	01-Jul-23	24-Dec-24		24-Dec-24	01-Jul-23	
Promontory Park South	01-Jul-23	30-Jun-25		30-Jun-25	01-Jul-23	
Warranty Complete	n/a	30-Jun-27	n/a	30-Jun-27		

\* Baseline Schedule: Based on March 2023 Baseline Schedule. \*\* Forecast Schedule: Based on November 2023 schedule update.

PROGRESS OF WORK AND KEY DELIVERABLES	
Work Accomplished this Period	Work Planned for Next Period
1. Preparing Climate Lens Assessment.	1. Complete the Climate Lens Assessment in Jan-24.
2. Procurement: Advanced the Indigenous Design Feature contracts. Executed change order for Park Lighting Controls.	2. Procurement: Award the Indigenous Design Feature contracts and host kick-off meetings.
3. River Park North: Layout and Grading for Nature Play features ongoing, and footings and foundation installation commenced. Excavation for light poles and final grading survey ongoing. Initiated structural soil placement.	3. River Park North: Advance footing and foundation installation of play equipment. Prepare for first play equipment pieces to be installed in late-winter 2024.
4. River Park South: Planting soil and plant installation now paused for winter. Installation of stone features commenced. Electrical installation paused. Bike Bridge shop drawings review ongoing.	4. River Park South: Continue stone feature installation. Prepare for park path paving in winter months. Bike Bridge coordination and design advancement.

PROJECT NAME: PFP06-04 PARKS FINISHES

5. Fire Hall 30: 60% design received and reviewed with stakeholders.	5. Fire Hall 30: 60% cost estimate expected in January, followed by IFT/90% in early February.
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KEY PROJECT RISKS		
High-Level Summary:		
<ul style="list-style-type: none"> <li>No major risks.</li> </ul>		
Risk Register ID	Risk Description	Mitigation Strategy
1. CNS 40.06	(Risk) Acceleration of Parks Work: There will be cost implications if schedule activities need to be accelerated for the parks to meet the June 2025 deadline. Cost impact assumes contractor overtime premiums.	Accept.
2. CNS 70.91	(Risk) Contractor Coordination in the Parks: Two separate contractors working concurrently in the parks could result in additional coordination between soft and hard landscaping packages, leading to additional cost implications.	Accept.

\*Top 5 risks only

KEY ISSUES AND DECISIONS	
Key Issues	
1. None.	
Key Decisions	
1. None.	
Due Date	

\*Top 3 only

PHOTOS & ILLUSTRATIONS	
	
River Park South: Stone Feature A Installation	River Park North: Badlands Water Feature Foundations

GENERAL COMMENTS
1. No additional comments.

Legend			
Indicator	Budget Impact	Schedule Impact	Risk & Issues Impact
●	Forecast to complete more than 10% over approved budget	Forecast to complete more than 6 months behind schedule	High likelihood of risks occurring and/or issues flagged will impact schedule/budget
●	Forecast to complete within 10% of approved budget	Forecast to complete 1- 6 months behind schedule	Medium likelihood of risks occurring and/or likely issues flagged are likely to impact schedule/budget
●	Forecast to complete within approved budget	Forecast to complete on schedule or before	Low likelihood of risks occurring and/or issues flagged are expected to be resolved without impact to schedule/budget

Definitions	
<b>Anticipated Commitments (ACM):</b> Unreleased Trade Packages + Unapproved Change Orders + Potential Claims = ACM	
<b>Cost Incurred to Date (CID):</b> What you have paid to date for the work that has been done/completed = CID	
<b>Estimate at Completion (EAC):</b> Given the current performance, what is the expected overall project cost when the project is completed = EAC= TCM + ACM	
<b>Percent Complete:</b> Actual project progress based on Approved Budget and Cost Incurred to Date = CID / EAC	
<b>Project Contingency:</b> Total Contingency allocated for a given project (includes both soft and hard contingency).	
<b>Program Contingency:</b> Allocated Management Reserve for a given project.	
<b>Substantial Performance:</b> Substantial completion date of the project.	
<b>Total Commitments (TCM):</b> Includes: Approved Contracts + Approved Change Orders + Approved Change Directives + Approved Non-Contract Costs = TCM	
<b>Variance to Budget:</b> Difference between the Approved Budget and what you are expecting it to cost at the end = EAC – Approved Budget	
<b>Warranty Complete:</b> Warranty end date, calculated as two years from date of substantial performance.	



<b>Purpose</b>	<p>For Committee Information</p> <p>The Lake Shore Boulevard East – Bridge and Public Realm (LSBE) Dashboard is provided to report on the progress and achievement of project budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<b>Areas of note/ Key issues</b>	<p>The Lake Shore Boulevard East, Bridge and Public Realm Project is proceeding in accordance with the Delivery Agreement executed on June 14, 2021, between Waterfront Toronto and the City of Toronto. Management is working with City staff to negotiate an amendment to the Delivery Agreement to implement the additional funding required for the current approved budget. Project is forecast to be complete within the approved budget and will be completed in October 2025 in accordance with the revised schedule.</p> <p>The following represents the financial status of the projects as of December 2023:</p> <ul style="list-style-type: none"> <li>• The anticipated total project cost is \$190.8 million, \$2 million below the approved budget.</li> <li>• Current commitments are equal to \$142.2 million.</li> <li>• Costs incurred to date equal \$84.3 million.</li> <li>• \$23 million of the project contingency is unallocated and is available for future risks and unknowns.</li> </ul> <p>The key accomplishments for Q3 2023/24 include:</p> <ul style="list-style-type: none"> <li>• Completed installation and commissioning of Enbridge NPS 20 gas main</li> <li>• Completed waterproofing, paving, parapet walls, and expansion joints for the eastbound Lake Shore bridge and opened to vehicular traffic</li> <li>• Completed road works on south side of Lake Shore Boulevard and switch traffic to commence construction on north side</li> <li>• Closed existing west bound Lake Shore Bridge to traffic</li> <li>• Completed substructure for Lake Shore utility bridge</li> <li>• Completed break and tie electrical work for THESL feeder on east side of Lake Shore Bridge</li> </ul>
<b>Resolution or Next Steps</b>	<p>The next Lake Shore Blvd East – Bridge and Public Realm Dashboard will be for Q4 2023/2024 and will be provided at the next FARM meeting.</p>

## PROJECT NAME: PFP08-01 LAKE SHORE BOULEVARD EAST BRIDGE &amp; PUBLIC REALM

PROJECT DIRECTOR: JOHN MCKEE

PROJECT STATUS SUMMARY				
Budget Status				
Approved Budget	Total Commitments	Anticipated Commitments	Estimate at Completion	
\$ 192,745,000	\$ 142,170,104	\$ 48,582,646	\$ 190,752,750	
Remaining Contingency	Contingency Utilization	Cost to Date	Variance to Budget	
\$ 23,007,000	54%	\$ 84,321,012	\$ 1,992,250	
Schedule Status				
Percent Complete	Project Start	Construction Start	Substantial Performance	Warranty Complete
44%	29-Apr-20	01-Jun-21	1-Oct-25	1-Oct-27
Project Progress Summary				
Project is forecast to be completed within the approved budget and will be completed in October 2025 in accordance with the revised schedule. Demolition of Gardiner Logan Ramps completed. Construction of the eastbound bridge and road has been completed and were opened for traffic in December 2023. Watermain and storm sewer installation and clean cap work at Boulevard is ongoing.				

BUDGET AND COST SUMMARY									
Description	Due-Diligence Budget	Approved Changes	Approved Budget	Total Commitments*	Anticipated Commitments	Estimate at Completion*	Cost Incurred to Date*	Variance to Budget	% Complete
Hard Cost	\$ 110,300,000	\$ 28,920,000	\$ 139,220,000	\$ 123,112,604	\$ 23,771,610	\$ 146,884,214	\$ 69,481,126	\$ (7,664,214)	47%
Soft Cost	\$ 22,358,000	\$ 3,520,000	\$ 25,878,000	\$ 19,057,500	\$ 1,804,036	\$ 20,861,536	\$ 14,839,886	\$ 5,016,464	71%
Contingency	\$ 27,760,000	\$ (390,000)	\$ 27,370,000		\$ 23,007,000	\$ 23,007,000		\$ 4,363,000	0%
NRHST	\$ 2,827,000	\$ (2,550,000)	\$ 277,000	\$ -	\$ -			\$ 277,000	100%
Total	\$ 163,245,000	\$ 29,500,000	\$ 192,745,000	\$ 142,170,104	\$ 48,582,646	\$ 190,752,750	\$ 84,321,012	\$ 1,992,250	44%

\*Reflect December 2023 WT PMO Month-End Financial Report. NRHST included in Hard / Soft Cost.

SCHEDULE SUMMARY						
Milestone	Baseline		Forecast		Actual	
	Start	Finish	Start	Finish	Start	Finish
Project Start	16-Apr-18	12-Jan-24			29-Apr-20	n/a
Engineering & Design	16-Apr-18	15-Jun-22		15-Jun-22	29-Apr-20	
IFC (Completion Date)	n/a	15-Jun-22		15-Jun-22	n/a	
Construction	01-June-21	18-Sep-25		01-Oct-25	01-Mar-22	
Gardiner Ramps Demolition	01-Jun-21	04-Oct-21			01-Jun-21	04-Oct-21
Bridgework: Eastbound & Westbound Lanes	01-Mar-22	15-Apr-25		23-Apr-25	01-Mar-22	
Roadwork: Stage 1 (South Side) incl: Pre-Stage Traffic Detour	04-Feb-22	10-May-24		30-Sep-24	04-Feb-22	
Roadwork: Stage 2 (North Side) incl: Don Roadway NW Intersection	16-May-23	18-Sep-25	18-Dec-23	01-Oct-25		
Roadwork: Stage 3 (Centre Median)	30-Apr-25	1-Oct-25	30-Apr-25	19-Sep-25		
Warranty Complete	n/a	1-Oct-27	n/a	01-Oct-27		

\* Baseline Schedule: Based on March 2023 Baseline Schedule. \*\* Forecast Schedule: Based on November 2023 draft schedule update.

PROGRESS OF WORK AND KEY DELIVERABLES	
Work Accomplished this Period	Work Planned for Next Period
1. Continued coordination with private utilities through Toronto Public Utilities Coordinating Committee (TPUCC) process.	1. Coordination ongoing with private utilities through TPUCC process.
2. Coordinated with City team to close last set of comments. Pedestrian Lighting design package is pending.	2. Continue coordination with City team to close the last set of comments.
3. Road construction at LSBE (south side) completed, traffic flipped to the LSBE EB Lanes.	3. Road construction at LSBE (north side) to start (existing asphalt removal, clean cap).
4. Eastbound structure was opened to traffic and the westbound structure was closed.	4. Existing rail bridge to be removed.
5. Temporary pavement markings completed on bridge deck.	5. Relocation of electrical cables underneath the westbound bridge to be completed.

## PROJECT NAME: PFP08-01 LAKE SHORE BOULEVARD EAST BRIDGE &amp; PUBLIC REALM

6. Remaining portion of south parapet wall was poured.	6. Commenced removal of existing westbound structure.
7. Eastbound structure was opened to traffic and the westbound structure was closed.	7.
8. Westbound structure bridge deck asphalt removed.	8.

## KEY PROJECT RISKS

Risk Register ID	Risk Description	Mitigation Strategy
1. UTL_ALT 20.01	(Risk) Unknown Utilities – Lake Shore Blvd (LSB) East: Base cost for utilities include wet utilities of \$5M, and dry utilities of \$10M. Risk that additional funds might be required for the relocation of unknown utilities along LSB.	Mitigate; Team intends to mitigate through ongoing subsurface utility engineering investigations.
2. PSP 30.02	(Risk) New changes resulting from the revised City Release for Construction (RFC) design, which would increase project cost and delays to the project.	Mitigate; Ongoing discussions with City Staff to resolve concerns and mitigate impacts as they arise.
3. CNS 900.11	Risk of operational impacts in the Keating Channel due to the lack of maintenance dredging, which may result in delay and idling claims.	Mitigate; Investigate opportunities to dredge the Keating Channel at an earlier date.

\*Top 5 risks only

## KEY ISSUES AND DECISIONS

## Key Issues

- Pursuant to previous notifications issued to the City late summer and fall 2022, team is working with the City through the budget issues and have prepared (September 2023) a package to provide a basis for the additional funding and schedule requirements to complete the project as scoped.
- A License Agreement is required between the City and Toronto Hydro, in order to complete the Feeder Relocation at the LSBE Bridge, which is required to complete the Bridge construction and achieve Flood protection.


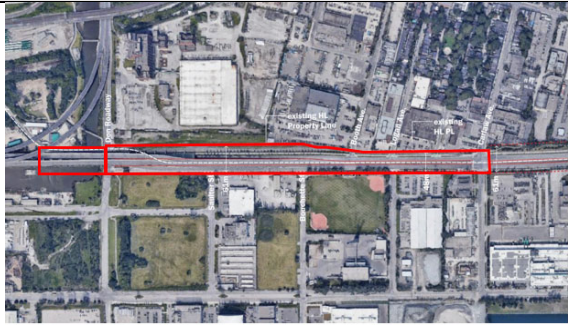


## Key Decisions

## Due Date

- The additional project funding commitment is required by March 2024, and the additional funding is required to be available by December 2024
- The License Agreement is required to be in place by late February 2024.

\*Top 3 only

## PHOTOS &amp; ILLUSTRATIONS

	
Location Map	Project Overview
	
Storm Sewer Installation between Don Roadway and Saulter (East Side of the HONI Line)	Eastbound Structure Bridge Deck Paved

	
Watermain installation between Saulter and Logan	Hydro Ductbank Installed Over Utility Corridor

GENERAL COMMENTS
1. No additional comments.

Legend			
Indicator	Budget Impact	Schedule Impact	Risk & Issues Impact
●	Forecast to complete more than 10% over approved budget	Forecast to complete more than 6 months behind schedule	High likelihood of risks occurring and/or issues flagged will impact schedule/budget
●	Forecast to complete within 10% of approved budget	Forecast to complete 1- 6 months behind schedule	Medium likelihood of risks occurring and/or likely issues flagged are likely to impact schedule/budget
●	Forecast to complete within approved budget	Forecast to complete on schedule or before	Low likelihood of risks occurring and/or issues flagged are expected to be resolved without impact to schedule/budget

Definitions

**Anticipated Commitments (ACM):** Unreleased Trade Packages + Unapproved Change Orders + Potential Claims = ACM

**Cost Incurred to Date (CID):** What you have paid to date for the work that has been done/completed = CID

**Estimate at Completion (EAC):** Given the current performance, what is the expected overall project cost when the project is completed = EAC= TCM + ACM

**Percent Complete:** Actual project progress based on Approved Budget and Cost Incurred to Date = CID / EAC

**Project Contingency:** Total Contingency allocated for a given project (includes both soft and hard contingency).

**Program Contingency:** Allocated Management Reserve for a given project.

**Substantial Performance:** Substantial completion date of the project.

**Total Commitments (TCM):** Includes: Approved Contracts + Approved Change Orders + Approved Change Directives + Approved Non-Contract Costs = TCM

**Variance to Budget:** Difference between the Approved Budget and what you are expecting it to cost at the end = EAC – Approved Budget

**Warranty Complete:** Warranty end date, calculated as two years from date of substantial performance.

<b>Purpose</b>	<p>For Committee Information</p> <p>Quayside Infrastructure Dashboard is provided to report on the progress of Quayside Infrastructure Public Realm Program budgets and schedules against the corporation's Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<b>Areas of note/ Key issues</b>	<p>Quayside infrastructure will enable the development and the public realm will deliver an integrated open space armature for the precinct. Both tasks are to be led by Waterfront Toronto and are commitments in the agreement with Quayside Impact Limited Partnership (QILP). Capital Approval was granted by the Board of Directors on June 24, 2021, for a total of \$14.2 Million in order to complete up to 60% Design for the Quayside and Infrastructure project. 60% Design for the Quayside Infrastructure and Public Realm has been completed in December 2023. Board of Directors approved an additional capital expenditure of \$20.9 million to complete the 100% design on December 7, 2023. As per the preliminary schedule (November 2023), all programs are expected to finish by December 2028. It is anticipated that some projects will be deferred to better align with the QILP development schedule, and cost allocations will be managed accordingly to minimize overall escalation impact to the Quayside program.</p> <p>The following represents the financial status of the program as of December 2023:</p> <ul style="list-style-type: none"> <li>• Total Capital Approvals to date is \$69.5M.</li> <li>• Total cost for land acquisition is \$16.4M.</li> <li>• Costs incurred to date equal \$27M.</li> </ul> <p>The key accomplishments as of December 2023 include:</p> <ul style="list-style-type: none"> <li>• Contract Award and Mobilization of Lakefill Construction</li> <li>• 60% Design submission to City of Toronto for remaining scopes</li> </ul>
<b>Resolution or Next Steps</b>	<p>The next Quayside Infrastructure Dashboard will be for Q4 2023/2024 and will be provided at the next FARM meeting.</p>



# Quayside Infrastructure and Public Realm Dashboard - as of December 2023

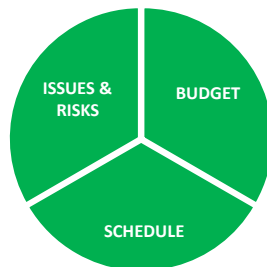
Issued: February 7, 2024

## PROGRAM SUMMARY

Quayside is intended to be developed as a mixed-use community. Waterfront Toronto will deliver the infrastructure, parks and public realm components while the Development Partner will be responsible for the delivery of the development blocks, subject to the terms of the project agreement between Waterfront Toronto and the Development Partner and the statutory City approvals process.

The delivery of the project components is complimentary to the adjacent Plan of Subdivision application submitted with respect to these lands. The delivery agreement acts as a funding and approval mechanism for this work, as described in further detail below.

### STATUS SUMMARY

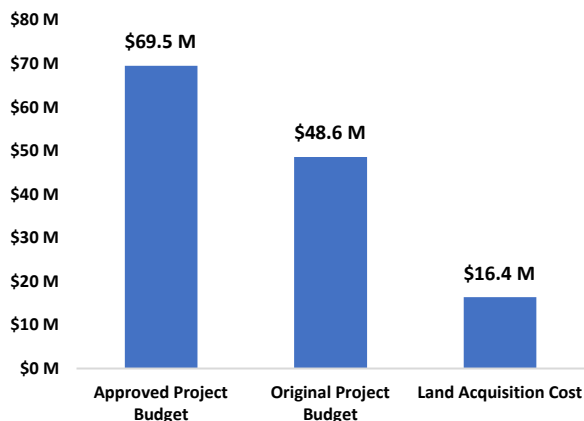


Project components include, where indicated on plans:

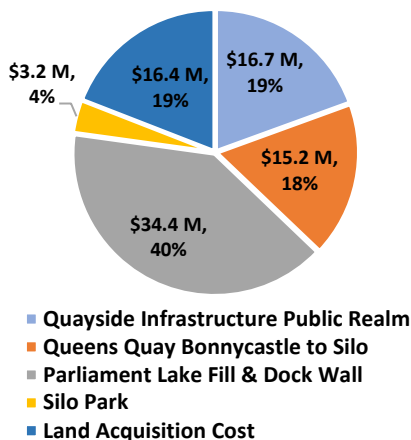
- Environmental soil remediation where applicable under the City's Conveyance Policy; Upgraded or relocated underground infrastructure including watermain, sewers and appurtenances;
- Road, sidewalk, and curb realignments, cycling infrastructure, resurfacing, reconstruction where required;
- Public realm elements including pedestrian pavers, site furnishings, trees and plantings, landscape features, irrigation systems, soil systems, where applicable and approved by the City;
- Street and pedestrian lighting upgrades where required;
- Traffic signage and signalization where required; and,
- Any temporary works required to enable the permanent infrastructure noted above.

## PROGRAM EAC ALLOCATION

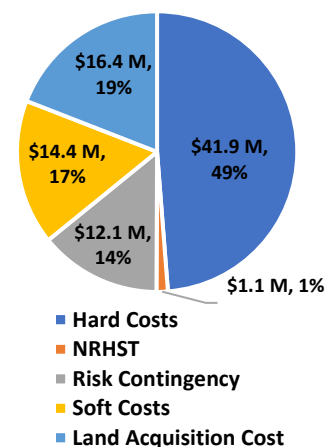
### Current Financial Status



### Current EAC



### Program EAC by Category



## FINANCIAL SUMMARY

Project Name	Original Budget (\$M) *	Approved Budget Changes (\$M) **	Approved Budget (\$M)	Current Estimate At Completion (\$M)	Total Commitments (\$M)***	Anticipated Commitments (\$M)	Costs Incurred to Date (\$M)***	% Complete to Date
<b>Quayside Infrastructure Public Realm</b>	<b>\$ 14.20</b>	<b>\$ 2.50</b>	<b>\$ 16.70</b>	<b>\$ 16.70</b>	<b>\$ 9.77</b>	<b>\$ 6.93</b>	<b>\$ 2.55</b>	<b>15%</b>
-Parliament Street	1.41	0.25	1.66	1.66	0.97	0.69	0.25	15%
-Parliament Plaza	1.75	0.31	2.05	2.05	1.20	0.85	0.31	15%
-Waters Edge Promenade	5.44	0.96	6.40	6.40	3.74	2.65	0.98	15%
-Street A	0.90	0.16	1.06	1.06	0.62	0.44	0.16	15%
-Street D	1.42	0.25	1.67	1.67	0.98	0.69	0.25	15%
-Small Street	1.28	0.22	1.50	1.50	0.88	0.62	0.23	15%
-South Lakeshore Frontage	1.27	0.22	1.49	1.49	0.87	0.62	0.23	15%
-Bonnycastle	0.74	0.13	0.87	0.87	0.51	0.36	0.13	15%
<b>Queens Quay Bonnycastle to Silo</b>	<b>\$ 0.00</b>	<b>\$ 15.20</b>	<b>\$ 15.20</b>	<b>\$ 15.20</b>	<b>\$ 8.90</b>	<b>\$ 6.30</b>	<b>\$ 2.32</b>	<b>15%</b>
<b>Parliament Lake Fill &amp; Dock Wall</b>	<b>\$ 34.40</b>	<b>\$ 0.00</b>	<b>\$ 34.40</b>	<b>\$ 34.40</b>	<b>\$ 20.13</b>	<b>\$ 14.27</b>	<b>\$ 5.25</b>	<b>15%</b>
<b>Silo Park</b>	<b>\$ 0.00</b>	<b>\$ 3.20</b>	<b>\$ 3.20</b>	<b>\$ 3.20</b>	<b>\$ 1.87</b>	<b>\$ 1.33</b>	<b>\$ 0.49</b>	<b>15%</b>
<b>Cumulative Project Cost</b>	<b>\$ 48.60</b>	<b>\$ 20.90</b>	<b>\$ 69.50</b>	<b>\$ 69.50</b>	<b>\$ 40.67</b>	<b>\$ 28.83</b>	<b>\$ 10.60</b>	<b>15%</b>
<b>Land Acquisition Cost</b>	<b>\$ 16.40</b>	<b>\$ 0.00</b>	<b>\$ 16.40</b>	<b>\$ 16.40</b>	<b>\$ 16.40</b>	<b>\$ 0.00</b>	<b>\$ 16.40</b>	<b>100%</b>
<b>Total Cost</b>	<b>\$ 65.00</b>	<b>\$ 20.90</b>	<b>\$ 85.90</b>	<b>\$ 85.90</b>	<b>\$ 57.07</b>	<b>\$ 28.83</b>	<b>\$ 27.00</b>	<b>31%</b>

\* Original Capital Approval obtained from the Board of Directors on June 24, 2021

\*\* Supplementary Capital Approval obtained from the Board of Directors on December 7, 2023

\*\*\* The team is in process of allocating cost and commitments for the projects.

# Quayside Infrastructure and Public Realm Dashboard - as of December 2023

Issued: February 7, 2024

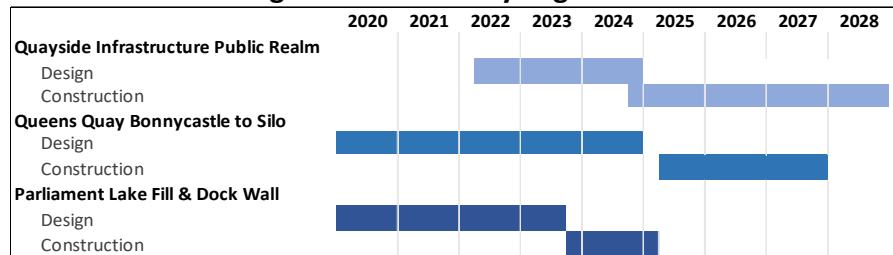
## PROGRAM SCHEDULE

### SCHEDULE SUMMARY (CONSTRUCTION COMPLETION)

Projects	Baseline*		Forecast*		Actual	
	Start	Finish	Start	Finish	Start	Finish
<b>Quayside Infrastructure Public Realm</b>	<b>Oct-24</b>	<b>Dec-28</b>	<b>Oct-24</b>	<b>Dec-28</b>		
-Parliament Street	Mar-25	Dec-26	Mar-25	Dec-26		
-Parliament Plaza	Sep-25	Jun-27	Sep-25	Jun-27		
-Waters Edge Promenade	Oct-24	Sep-26	Oct-24	Sep-26		
-Street A	Oct-24	Jun-25	Oct-24	Jun-25		
-Street D	Oct-24	Jun-25	Oct-24	Jun-25		
-Small Street	Oct-24	Oct-25	Oct-24	Oct-25		
-South Lakeshore Frontage	Jan-26	Jun-27	Jan-26	Jun-27		
-Bonnycastle	Oct-24	Jun-25	Oct-24	Jun-25		
<b>Queens Quay Bonnycastle to Silo</b>	<b>Apr-25</b>	<b>Dec-27</b>	<b>Apr-25</b>	<b>Dec-27</b>		
<b>Parliament Lake Fill &amp; Dock Wall</b>	<b>Sep-23</b>	<b>Jan-25</b>	<b>Sep-23</b>	<b>Jan-25</b>	<b>Jan-24</b>	
<b>Silo Park</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>		
<b>Substantial Performance</b>	-	<b>Dec-28</b>	-	<b>Dec-28</b>		
<b>Quayside Infrastructure and Public Realm Close-Out</b>	-	<b>Dec-28</b>	-	<b>Dec-28</b>		
<b>Cumulative</b>	<b>Sep-23</b>	<b>Dec-28</b>	<b>Sep-23</b>	<b>Dec-28</b>		

\*The schedule is based on the preliminary schedule (Nov 2023) with an adjustment made to reflect the Queens Quay East interim delivery scope. Other projects have potential to be deferred to align with the QILP progress schedule, which is to be confirmed.

### Program Timeline - By Segment



### Key Communications Milestones

1. Eastern Waterfront Open House	May-23
2. QIPR 30% SAC Update	May-23
3. Lakefill Construction Notice #1 & ongoing as needed	July-23
4. Streets & WEP 60% SAC Update	October-23
6. Streets & WEP Public Forum	November-23
7. Lakefill Construction Notice #2 & ongoing as needed	January-24
8. 2024 Open House	Spring-24
9. Streets & WEP Full Design SAC Update	Summer-24
10. Parliament Slip Activation SAC Update	January-24
11. Parliament Slip DRP-Issues ID (redo)	February-24
12. Accessibility Advisory Committee	January-24
8. Construction Liasion Committee	Fall-24

## PROGRAM PROGRESS - KEY TASKS

Key Tasks	Completed till December 2023	January to March 2024 Completion	April to June 2024 Completion	July to September 2024 Completion
<div> <span>■ On schedule</span> <span>■ 1-6 months behind baseline schedule</span> <span>■ 6+ months behind baseline schedule</span> </div>				
<b>Design Phase Status</b>				
<b>Quayside Infrastructure Public Realm</b>				
1- 60% Design Submission	✓			
2- 90% Design Submission			✓ (May-2024)	
3- 100% Drawing Submission				✓ (Sept-2024)
<b>Queens Quay Bonnycastle to Silo</b>				
1- 60% Design Submission	✓			
2- 90% Design Submission			✓ (May-2024)	
3- 100% Drawing Submission				✓ (Sept-2024)
<b>Parliament Lake Fill &amp; Dock Wall</b>				
1- 60% Design Submission	✓			
2- 90% Design Submission	✓			
3- 100% Drawing Submission	✓			
<b>Contracts to be Secured</b>				
1 - Scope for QQE Lakefill - Consultant Construction Oversight	✓			
2 - Coordination Agreement with THES to review drawings		✓ (March-2024)		

2

# Quayside Infrastructure and Public Realm Dashboard - as of December 2023

Issued: February 7, 2024

Key Tasks	Completed till December 2023	January to March 2024 Completion	April to June 2024 Completion	July to September 2024 Completion
<div> <div>On schedule</div> <div>1-6 months behind baseline schedule</div> <div>6+ months behind baseline schedule</div> </div>				
<b>Permits/Design Approvals to be Secured</b>				
1 - Lakefill - DFO Permit	✓			
2 - Lakefill - Transport Canada Permit	✓			
3 - Lakefill City of Toronto ECS Permit for Construction	✓			
4 - QIPR Delivery Agreement		✓ (March-2024)		
<b>Capital Approval</b>				
1 - Lakefill Capital Approval ( 100% design and construction)	✓			
2 - QIPR 100% Design Capital Approval	✓			
3 - QIPR Construction Capital Approval 1			✓ (May-2024)	

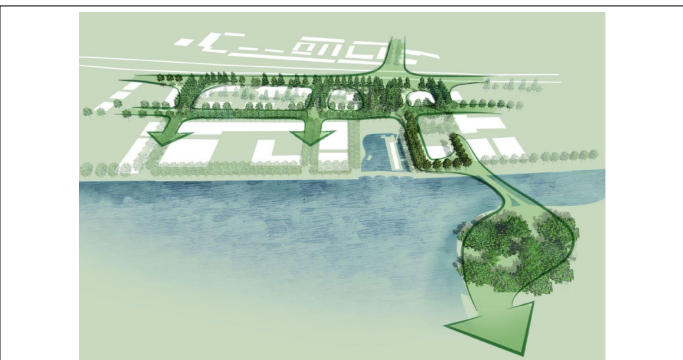
## PHOTOS



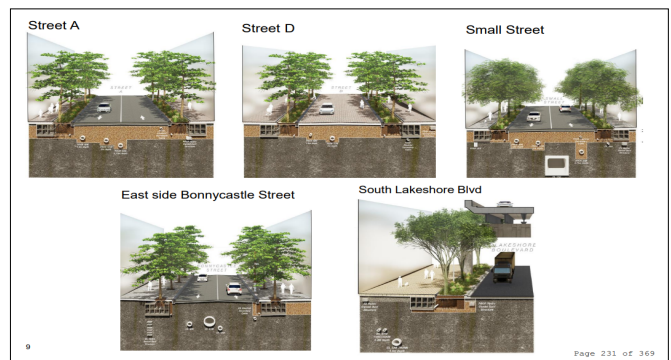
**Figure 1**  
Project site



**Figure 2**  
Scope Area Quayside Public Realm and Infrastructure Design



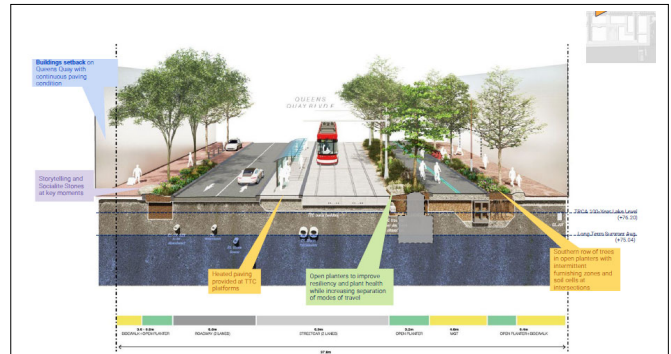
**Figure 3**  
Healing Forest Concept



**Figure 4**  
Scope – Road Design Overview



**Figure 5**  
Water's Edge Promenade



**Figure 6**  
Queens Quay Bonnycastle to Silo Streets



1. S. 11 of the Procurement Policies requires reporting to the FARM committee of (a) Non-competitive procurements with an amount of \$25,000 or more; (b) contracts awarded in excess of \$5 million; and (c) other information as may be applicable or appropriate from time to time.

Since the last Quarterly Procurement Report, there were the following items for the quarter ending December 31, 2023:

- a) Non-competitive procurements with an amount of \$25,000 or more
  - None
- b) Contracts awarded in excess of \$5 million:
  - None
- c) Other Information:
  - None

# Regulatory & Operational Compliance Report

(for the period from October 1, 2023 to December 31, 2023)

Finance, Audit and Risk Management Committee Meeting

February 22, 2024

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
<b>Wages, Taxes, Source Deductions and Employment-Related</b>					
Harmonized Sales Tax Filing <i>Directors may be jointly and severally liable with the Corporation for unremitted HST</i>		Monthly; last day of month following month's end	Ongoing: up to date	Yes	Director, Financial Management Accounting
<b>Additional comments:</b>	HST Return filed February 2, 2024, for period Dec 1 2023 Dec 31, 2023				
Corporate Income Tax Return <i>Directors may be liable for failure to file corporate income tax returns and up to 50% of unpaid taxes</i>	Canada Revenue Agency	Annually; June 30 of each year	Ongoing: up to date	Yes	Director, Financial Management Accounting
<b>Additional comments:</b>	March 31, 2023 CIT filed date Nov 28, 2023 [nil tax liability]				
CPP, EI & Income Tax remittances <i>Directors may be liable for unremitted source deductions</i>	Canada Revenue Agency	Within 3 days of any pay date	Ongoing: up to date	Yes	VP, Human Resources and Administration
<b>Additional comments:</b>	ADP makes the remittances on behalf of Waterfront Toronto				
Workplace Safety and Insurance Board premium remittances <i>Directors may be liable for fines of up to \$25,000 for non-compliance by the Corporation under the WSIA</i>	Minister of Labour	Monthly; 30 <sup>th</sup> of each month	Ongoing: up to date	Yes	VP, Human Resources and Administration
<b>Additional comments:</b>	Administered in-house				
Employee Health Tax Filing <i>Directors may be liable for failure to make payments under the Act</i>	Minister of Finance	Monthly; 15 <sup>th</sup> of every month	Ongoing: up to date	Yes	VP, Human Resources and Administration
<b>Additional comments:</b>	Administered in-house				
Employee Wages and Accrued Vacation Pay <i>Directors may be liable for up to 6 months of unpaid wages accrued vacation pay</i>	Employment Standards Act	Semi-monthly	Ongoing: up to date	Yes	VP, Human Resources and Administration
<b>Additional comments:</b>	ADP administers payments; vacation pay accrual recorded in financial statements				

Other Filings – Operational					
Annual business plan to be adopted at least 90 days before the beginning of each fiscal year with updated 5-year plan <i>This is a key governance requirement of the TWRC Act</i>	TWRCA	Annually	Up to date	Yes	Chief Financial Officer
<b>Additional comments:</b>	2024/25 Annual Business Plan adopted by Board of Directors Dec 7, 2023; existing rolling five-year strategic plan (2023/24 – 2027/28) remains valid.				
Audited Financial Statements and Annual Report to governments within 90 days of the end of each fiscal year <i>This is a key governance requirement of the TWRC Act</i>	TWRCA and Ontario Business Corporations Act	Annually; financial year end is March 31	Audited financial statements and annual report presented to Board by June 30 of each year	Yes	Chief Financial Officer
<b>Additional comments:</b>	March 31, 2023 audited financial statements approved by the Board June 12, 2023 with signed copies (English and French) provided to governments on/before June 30, 2023.				
Property Management <i>In the operation of the properties it owns or manages, the Corporation is responsible for various obligations</i>	Landowner's liability (Fire Code Act, Ontario Building Code, Occupier's Liability Act) /Landlord obligations under lease	Inspections are completed according to regulatory requirements and properties are maintained according to a regular maintenance schedule	Ongoing: up to date	Yes	Chief Financial Officer
<b>Additional comments:</b>	Of the six properties owned by the Corporation, one (7 Queens Quay East) is professionally managed by a third-party parking operator (Target Park) and the rest have been turned over for construction as follows: <ul style="list-style-type: none"> <li>• 54 Commissioners St. - Port Lands Flood Protection project (PLFP) Construction Manager for the purpose of material and equipment storage;</li> <li>• 130 Commissioners St. has been demolished and care and control of the property taken over by PLFP through the Construction Manager for construction activities;</li> <li>• 333 Lakeshore Blvd East, 11 Parliament St. and Parliament Slip water lot are under the care and control of the Quayside municipal infrastructure Construction Manager for construction activities, namely lakefill construction.</li> </ul>				

**Lisa Taylor, Chief Financial Officer**


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Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
<b>Other</b>					
Employee Health and Safety – workplace incidents or injuries <i>Under OHSA, directors may be held responsible for non-compliance and liable for fines of up to \$100,000 and imprisonment for up to 1 year</i>	Occupational Health and Safety Act (“OHSA”)	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer
<b>Additional comments:</b>	Port Lands Flood Protection Project <ul style="list-style-type: none"> <li>No MOL lost time reportable events during reporting period</li> </ul> Lake Shore Boulevard East Project <ul style="list-style-type: none"> <li>No MOL lost time reportable events during reporting period</li> </ul> Complete Communities <ul style="list-style-type: none"> <li>No MOL lost time reportable events during reporting period</li> </ul>				
Environmental Liability – spills, claims or administrative orders <i>Under the EPA, directors may be held responsible for non-compliance and liable for fines of up to \$4,000,000 and imprisonment for up to 5 years</i>	Environmental Protection Act (“EPA”)	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer
<b>Additional comments:</b>	Port Lands Flood Protection Project <ul style="list-style-type: none"> <li>There were no spills reportable to either MECP or the City of Toronto during the reporting period.</li> </ul> Lake Shore Boulevard East Project <ul style="list-style-type: none"> <li>There were no spills reportable to either MECP or the City of Toronto during the reporting period.</li> </ul> Complete Communities <ul style="list-style-type: none"> <li>On December 18, 2023 a spill of water treatment polymer was identified by WT staff within an outdoor storage area at the Cherry Street Stormwater Facility. Both the Ontario Ministry of the Environment, Conservation and Parks Spills Action Centre (file number 1-4HZNXO) and the City of Toronto (file number 04129466) were notified. The spill was cleaned up by WT’s property manager immediately thereafter and the file was closed by MECP on January 12, 2024. The polymer storage area was moved inside the stormwater treatment facility to prevent a recurrence.</li> </ul>				

**David Kusturin, Chief Project Officer**

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Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
<b>Other</b>					
<b>Claims</b> <i>In its projects and other operations, the Corporation is exposed to claims in the usual course of business</i>	None	Report to FARM	Ongoing: up to date	Yes	General Counsel
<b>Additional comments:</b>	<p>Claims arising from personal injury (slip and fall cases) which have proceeded to formal litigation against the Corporation are being defended by insurers under project insurance or the Corporation's corporate insurance program. The Corporation is not aware of any facts which would lead us to believe that the liability, if any, of the Corporation in respect of such claims would exceed the insurance coverage available.</p> <p>The Corporation has been made aware of one claim for a material amount less than \$5 million. Based on initial review and investigation, the Corporation does not believe the potential liability of the Corporation under this claim is in excess of \$1 million. This potential liability has been noted in the Corporation's financial statements as a Contingent Liability. The Corporation has also been named as defendant in a claim brought by a subcontractor on the Port Lands Flood Protection Project. The Corporation disagrees that it is liable for amounts claimed by the subcontractor, has filed a defence and has also commenced a counter claim in respect of property damage caused by the actions of the sub-contractor. The Corporation believes it has valid and strong defences to the claims brought against it, but the matter is at a preliminary stage only.</p>				
<b>Privacy Breach</b> <i>Breaches of personal information arising from the operations of the Corporation will be reported to the Board</i>	Canadian Privacy Principles	Report to FARM	Ongoing: up to date	Yes	General Counsel/Privacy Officer
<b>Additional comments:</b>	No breaches have been reported.				




**Ian Ness, General Counsel**

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**Finance, Audit and Risk Management (FARM) Committee Meeting**  
**February 22, 2024**  
**Item 4g) Environmental, Social, and Governance (ESG) Update**  
**Lisa Taylor**

In accordance with the TWRC Act, WT's mandate is to enhance the economic, social, and cultural value of the designated waterfront area in a fiscally and environmentally responsible manner. ESG is embedded in Board committee mandates, strategic plans, and annual reports (aligned with leading international frameworks – Global Reporting Index, UN Sustainable Development Goals). This update is to provide advancements in specific areas of ESG in the past quarter (note: not exhaustive).

Topic	Q3 2023/24 Update	Oversight
<b>Governance</b>	<b>Regular ESG Updates to Board</b> <ul style="list-style-type: none"> <li>Quarterly “ESG Update” standing agenda item for Board and Committees effective June 2022.</li> <li>WT's first annual Climate Action Plan presented to Board in 2023</li> </ul>	Board
	<b>Internal ESG Awareness</b> <ul style="list-style-type: none"> <li>ESG awareness session conducted with senior management team June 2023, focusing on the role of governance, reporting and industry best practices in ESG.</li> <li>Presented ESG awareness and Climate Action Plan (CAP) session to all-staff Townhall October 2023, focusing on cross-functional collaboration and internal capacity-building.</li> </ul>	Board
<b>Environment</b>  SDGs supported: <div>           </div>	<b>Climate Action Plan (CAP)</b> Following recommendations from the 2022 Task Force on Climate-related Financial Disclosures (TCFD) assessment by PwC, including adoption of TCFD in WT's Integrated Annual Report starting 2022, continue to implement 5-year strategy for CAP, focused on: <ol style="list-style-type: none"> <li>Governance: regular updates to senior management and the Board</li> <li>Strategy: developing an organizational strategic approach to low-carbon procurement</li> <li>Risk management: continuing to assess and manage responses to identified climate risks</li> <li>Metrics and targets: exploring a net-zero target and action plan</li> </ol>	Board
	<b>Public Art</b> <ul style="list-style-type: none"> <li>Public art program continues to raise awareness of ESG topics where applicable. Upcoming launch of temporary floating public art at Harbour Square Park Basin: “Upcycle” will be created with discarded water bottles and illustrate the differences between upcycling and recycling.</li> </ul>	Board
<b>Social</b>  SDGs supported: <div>  </div>	<b>Diversity, Equity &amp; Inclusion (DE&amp;I) Strategy</b> <ul style="list-style-type: none"> <li>Implementation of DE&amp;I Strategy recommendations from MNP remain underway.</li> <li>DE&amp;I affirmation statement, WT purpose statement and organizational values in support of a people-first DE&amp;I strategy adopted 2023 and published in the 2022/23 Integrated Annual Report.</li> <li>Following the staff needs assessment surrounding training for DE&amp;I, provided the first DE&amp;I Fundamentals training to all staff September 2023, with additional training to come.</li> </ul>	HRGSR

  	<b>Accessibility Strategy</b> <ul style="list-style-type: none"> <li>Released Waterfront Accessibility Design Guidelines v1.0 in December 2023, following a public comment period. The Guidelines build on the AODA and Toronto Accessibility Design Guidelines to guide public realm design and enhance the accessibility of waterfront areas.</li> <li>Formed a new Waterfront Accessibility Advisory Committee to support implementation of the Guidelines.</li> <li>Completed an Accessibility internal audit to assess WT's compliance with AODA and IASR (Integrated Accessibility Standards Regulation).</li> </ul>	Board
	<b>Ongoing Engagement with Indigenous Treaty Holders and Indigenous Communities</b> <ul style="list-style-type: none"> <li>Continued engagement with the Mississaugas of the Credit First Nation (MCFN), Indigenous advisors, and other Indigenous communities (including the Six Nations of the Grand River) to share knowledge, build relationships and inform project plans and delivery approaches, including for Quayside, the Waterfront East LRT Project, the Keating Channel Pedestrian Bridge, and Port Lands Flood Protection.</li> <li>Engagement with the Six Nations of the Grand River on various projects including WT's Marine Strategy &amp; Water Transportation Study Update in December 2023 to explore potential opportunities for input and involvement as plans progress.</li> <li>Planning for an in-person engagement with MCFN in March 2024 to share information and gather feedback on WT projects (PlayPark and Quayside Public Realm).</li> </ul>	Board

February 22, 2024

# Port Lands Flood Protection Program Update

Presentation to the Finance, Audit and Risk Management Committee

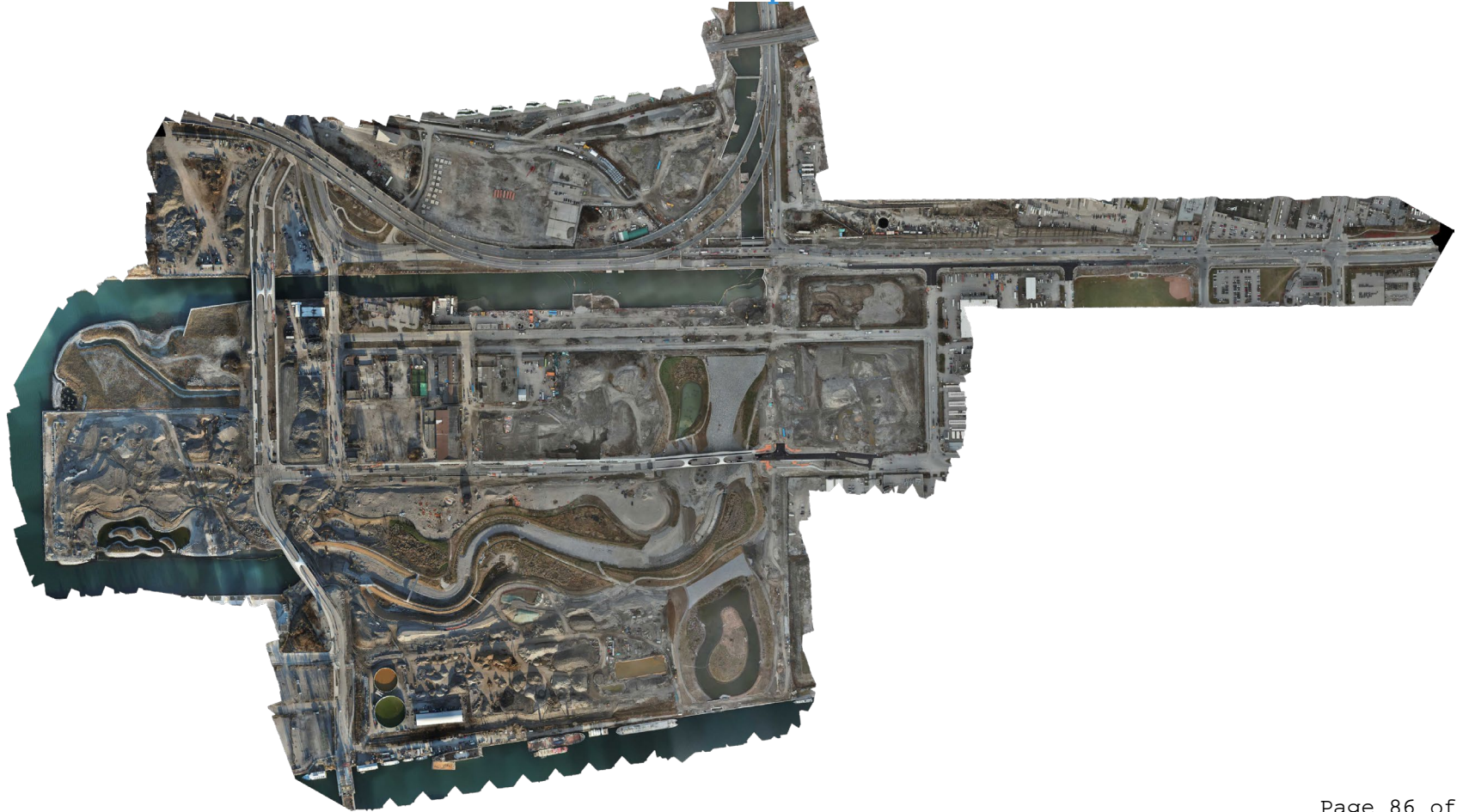


*All text information and images are confidential and cannot be shared.*



# Progress on Site

## Port Lands Flood Protection: Construction Update



## Port Lands Flood Protection: River Valley





## Port Lands Flood Protection: Commissioners Street Bike Lane (Dec 8)



## Port Lands Flood Protection: Commissioners Street (Dec 8)





## Port Lands Flood Protection: Commissioners Street Sidewalk (Dec 8)



## Port Lands Flood Protection: River Park North





## Port Lands Flood Protection: Planters on Cherry Street (November)





## Port Lands Flood Protection: West Plug & FES Lift



## Port Lands Flood Protection: Commissioners Street Bridge (Dec)



to: Brian Tao



## Port Lands Flood Protection: Commissioners Street Bridge (Dec)



Photo: Brian Tao

## Port Lands Flood Protection: Commissioners Street Bridge (January)



Photo: James Gray



## Port Lands Flood Protection: Cherry Street North Bridge (Dec)



Photo: Brian Tao

## Port Lands Flood Protection: Cherry Street (Dec)



o: Brian Tao



## Port Lands Flood Protection: Martin Goodman Trail (Dec)



to: Brian Tao

## Port Lands Flood Protection: Southwest Wetland Carp Gate





## Port Lands Flood Protection: Final Riverbed Inspection





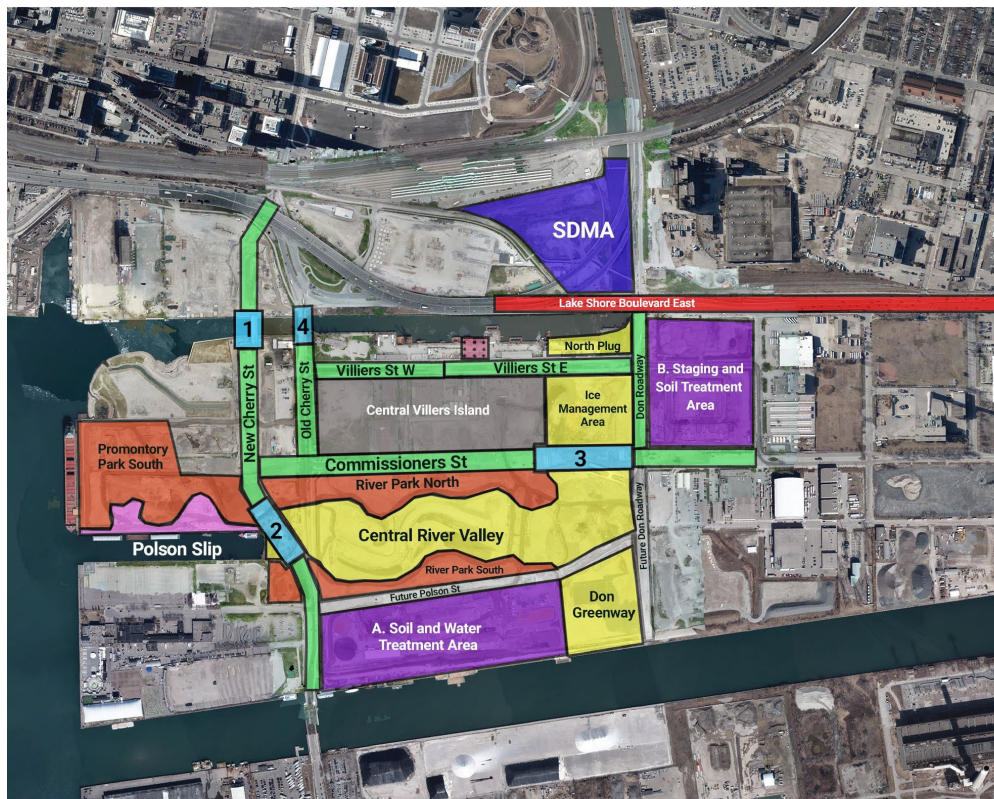


**WATERFRONT**Toronto

# **A ‘Canoe-Eye-View’ of the Dry River Bed**



# Port Lands Flood Protection: Winter Construction Schedule



January – March 2024

- Roads**
  - New Cherry St between Lake Shore Boulevard and Commissioners Street: Open to vehicles, cyclists & pedestrians, street furniture installation and landscaping
  - Commissioners St: Open to vehicles, cyclists & pedestrians, street furniture installation and landscaping
  - Villiers St W: Close roadway east of Munition Street, create cul-de-sac just east of Munition Street
  - Villiers St E: Remove roadway, excavation, utilities work
  - Don Roadway & Future Don Roadway: Ground improvements, dockwall installation
- Bridges**
  - 1 Cherry St North Bridge: Open to vehicles, cyclists & pedestrians
  - 2 Cherry St South Bridge: Bench installation, lighting & electrical adjustments
  - 3 Commissioners St Bridge: Open to vehicles, cyclists and pedestrians, install benches
  - 4 Old Cherry Street Bridge: Demolition and removal
- Parks**
  - Promontory Park South: Surcharging, park infrastructure and services, stone feature placement
  - River Park North: Fine grading, playground installation, paths & features construction, park infrastructure and servicing
  - River Park South: Surcharging, fine grading, stone feature construction, bike bridge foundations installation
- River Valley**
  - Central River Valley & Ice Management Area: Inundate river
  - North Plug: Excavation
  - Don Greenway: Maintenance and preparation for south plug removal, carp gate construction
- Polson Slip Naturalization**
  - Canoe Cove islands and stone finishes
- Staging and Treatment Areas**
  - A: Water treatment and soil stockpiling and staging
  - B: Soil stockpiling and staging
- Sediment & Debris Management Area (SDMA)**
  - Dockwall works and wet utility installation
- Central Villiers Island**
  - Fill placement, temporary soil stockpiling and construction staging
- Utility Connection**
  - Electrical and mechanical works for the Interim Sanitary Pumping Station (ISPS) and Stormwater Treatment Facility (SWTF)
- Lake Shore Boulevard East Project**
  - Bridge pre-construction and site preparation
  - North half of bridge removal, bridge foundation and substructure works
  - Road reconstruction

# Work Accomplished This Period: Q3 2023-2024 – October 1 to December 31, 2023



## Overall Program Update

<b>General</b>	<ul style="list-style-type: none"> <li>• Executed Transfer Payment Agreement for the PLFP Parks Finishes between WT and the Province</li> <li>• Completed and presented Semi-Annual Cost and Risk Update for the end of Q2, September 30, 2023, with presentations as follows: <ul style="list-style-type: none"> <li>• ESC November 14, 2023</li> <li>• FARM November 23, 2023</li> <li>• Board of Directors December 7, 2023</li> </ul> </li> <li>• Prepared monthly updates and assess progress of cost, schedule, and risk against the Q2 2022/23 (September 30, 2022) budget</li> <li>• Prepared quarterly presentations for Board and FARM meetings</li> </ul>
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## Construction Procurement\*:

<b>Awarded*:</b>	99.2 %	\$ 1025.4 M
<b>In Progress:</b>	0.5 %	\$ 5.2 M
<b>Not Started:</b>	0.3 %	\$ 3.8 M

# Work Planned Next Period: Q4 2023-2024 – January 1 to March 31, 2023



## Overall Program Update

<b>General</b>	<ul style="list-style-type: none"><li>• Prepare monthly updates and assess progress of cost, schedule, and risk against the Q2 2022/23 (September 30, 2022) budget</li><li>• Begin preparation of semi-annual cost and risk update for the end of Q4, March 31, 2024</li><li>• Prepare quarterly presentations for Board and FARM meetings</li></ul>
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## Construction Procurement\*:

<b>Awarded:</b>	99.5 %	\$ 1,083.2 M
<b>In Progress:</b>	0.2 %	\$ 2.0 M
<b>Not Started:</b>	0.3 %	\$ 3.8 M

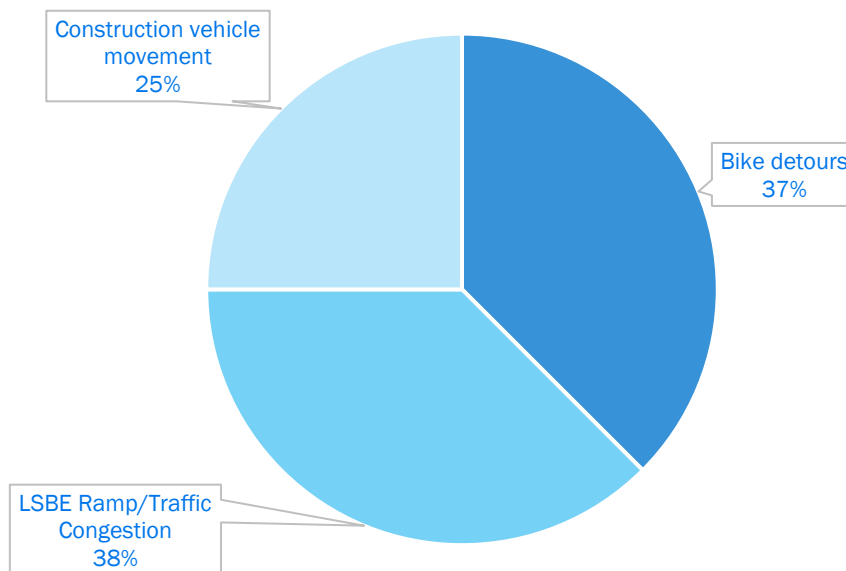
\* Note: Includes Construction Procurements only

# Complaints Tracking – PLFP

## Report Period: October - December 2023

- 8 complaints total
- 3 complaints about congestion related to the removal of the Gardiner Ramp
- 3 complaints about the bike detours

Complaints (8 total, LSBE + PLFP)



# Engagement with Indigenous Communities



## Updates October to December 2023:

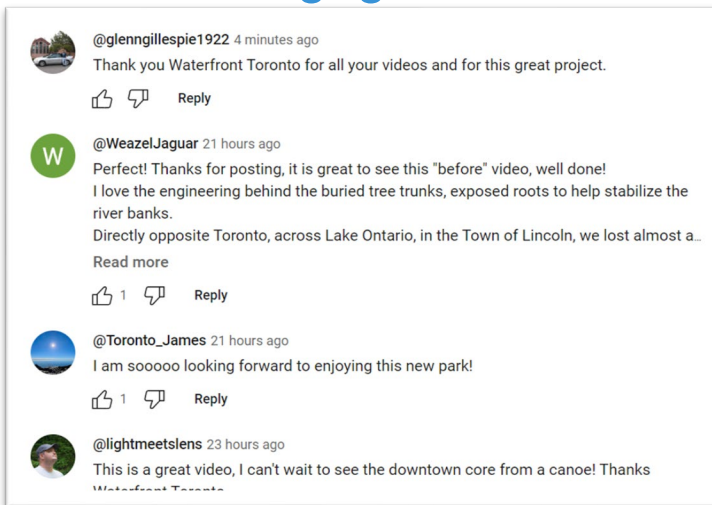
- Indigenous art/design review process continues for PLFP Public Realm
- Design concepts for Indigenous Carvings on Lake Shore Blvd Bridge received and under review
- MCFN FLRs were invited to join TRCA fisheries monitoring
- Two meetings held with Six Nations of the Grand River FN in November: one in their community and a second at PLFP site – part of broader relationship development
- Continued Discussions with MCFN on Indigenous Design for Destination Play

## Next Steps

- Finalize selection process for Indigenous art/design for PLFP Public Realm – anticipated January 2024
- Select designer for Indigenous Carvings on Lake Shore Blvd Bridge – anticipated January 2024
- Continue discussions with MCFN on Indigenous Design for the Destination Playground



# Communications and Public Engagement



5 on-site media interviews  
in 2023

71,499 views and  
engagements on YouTube  
content in Q3

Estimated readership  
of media stories in Q3:  
14,867,831

WINTER 2023/24

SPRING 2024

SUMMER 2024

MILESTONES

- Flooding the Don Greenway
- Road/bridge opening
- River inundation

- Planting resumes (in parks)
- West plug excavation

- Remove north plug
- Flood protection achieved

ENGAGEMENT

- Promotional videos: Don Greenway flooding, canoe eye view
- News release, digital campaign re: openings
- Media outreach + digital campaign re: inundation

- Viewing platform "office hours"
- Doors Open
- "Rocky Radar" tracks planting
- Community event centred on river

- Viewing platform "office hours"
- Events centred on plug removal and completed river system (TBD)
- Inaugural paddle (TBD)

# Communications and Public Engagement: Looking Ahead at Project Milestones

Milestone	Approximate Date
Inundate main river valley	Early 2024
Remove South Plug	Early 2024
Remove West Plug	Spring 2024
Excavation Complete	Spring 2024
Play Equipment Installation Complete	Spring 2024
Remove North Plug	Winter 2024
Flood Protection Achieved	Winter 2024
River Park North & South Complete	Winter 2024/25
Open Parks to the public	Spring/Summer 2025

# Thank you.

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**Finance Audit and Risk Management Committee February 22, 2024**  
**Item 5.b– Report of the Independent Capital Project Monitoring**  
**BTY Consulting Group Inc.**

<b>Purpose</b>	<b>For information:</b> to support Committee oversight of the Port Lands Flood Protection (PLFP) Capital Project on technical matters related to the budget, scope, and schedule.
<b>Areas of note/ Key issues</b>	<p>The Independent Capital Project Monitoring &amp; Assurance Services Consultants' Quarterly Report #22 (Q3/2023/24), key findings:</p> <ul style="list-style-type: none"> <li>• Budget: <ul style="list-style-type: none"> <li>○ No changes to the overall Project Budget of \$1.354Bn represents the total projection inclusive of the full scope for Parks Finishes and Public Realm. This is broken down as follows: <ul style="list-style-type: none"> <li>• Port Lands Flood Protection: \$1,272.9M</li> <li>• Parks Finishes: \$81.1M</li> </ul> </li> <li>○ The current contingency allocation seems reasonable (\$28.5M including \$25,.8M for general Port Lands Flood Protection and \$2.7M for Park Finishes), however, it's advisable to maintain close monitoring to ensure it adequately offsets any potential cost overruns until the project's completion.</li> </ul> </li> <li>• Schedule: <ul style="list-style-type: none"> <li>○ An updated schedule was not issued by EllisDon in the period ending December 2023. We based our review on the Schedule Updated issued by EllisDon in November 2023 (Update No. 71) critical dates are scheduled to be achieved as follows: <ul style="list-style-type: none"> <li>• PLFPEI Substantial Performance (Seasonal Dependent Work) PLFPEI-MLS-1055 on December 31, 2024</li> <li>• PLFPEI Close-Out PLFPEI-MLS-1059 on June 30, 2025</li> </ul> </li> <li>○ The schedule update for November 2023 indicates there has been no significant slippage in the month on any critical activities or elements in the schedule.</li> </ul> </li> <li>• Scope: We understand that the overall project scope is maintained, the movements in the overall budget only represent the origin of the funding sources and do not alter or change the previously reported scope of works.</li> <li>• Risk: Based on the December 2023 Dashboard, the WT CPMO indicates that the project is now forecasted to be completed on budget.</li> <li>• The WT CPMO's approach and work performed at this moment counts as the best possible effort to assess risk and cost impacts to the project given the current circumstances and the uncertainty reflected in the construction industry.</li> </ul>
<b>Resolution or Next Steps</b>	BTY will provide our Independent Capital Project Monitor and Assurance Services Report #23 at the May 2024 FARM Committee meeting.

Independent Capital Project Monitoring & Assurance Services Consultant

# WT Port Lands Flood Protection Project

REPORT NO. 22.0 (PERIOD ENDING  
DECEMBER 31, 2023)

FEBRUARY 13, 2024

Prepared for:

***Waterfront Toronto (FARM) Committee***

127 John Street, Toronto, ON, M5V 2E2  
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Prepared By	Reviewed By	Date
Luis Castillo	Marie Foley	February 13, 2024

# 1.0 Independent CPMAS Consultants' Project Dashboard

## 1.1 DASHBOARD

Site Visit	Details	Comments																												
Date of Visit	January 15, 2024	Our next inspection will be on or after March 2024.																												
WT PLFP Project	Details	Independent CPMAS Consultant Comments & Risk																												
Objective		Our Quarterly Report No.22 provides an assurance review for Q3 2023/24 (period October 1, 2023 to December 31, 2023), based on our discussions with the FARM Committee, as follows: Budget, Schedule, Risk Management, and Scope.																												
Project Artefacts		Please refer to Section 2.6 in Appendix 1 of this Report for the list of Project Artefacts received by BTY during this period.																												
Risk Coding		BTY observations of the Project Artefacts are colour-coded to reflect our opinion on any associated risk, as follows: Green - None, Amber - Medium, Red - High																												
Budget	Approved Budget	<div><div>i. The WT CPMO has indicated that the overall Project Budget of \$1.354Bn represents the total projection inclusive of the full scope for Parks Finishes and Public Realm. This is broken down as follows:<div><div>a. Port Lands Flood Protection: \$1,272.9M</div><div>b. Parks Finishes: \$81.1M</div></div></div><div>ii. The approved Project Budget based on the Second Amending Agreement to the Port Lands Flood Protection signed by the Federal Government, the Province, and the City and executed in June 2023, is \$1.272.9M.</div><div>iii. Works related to Parks Finishes and Public Realm were modified, a reduced scope is included in the Approved Budget, however, scope and budget for the before-mentioned portion of the works remain in the overall budget.</div></div>																												
	Cost Optimization	No Cost Optimisation items were included in the current report, please note that most of the initiatives were captured in the current Budget.																												
	Contingency	<div><div>i. The current contingency carried in the budget is \$28.5M (including \$25,.8M for general Port Lands Flood Protection and \$2.7M for Park Finishes), this reflects a reduction of \$4.8M during the last quarter.</div><div>ii. The current contingency can be analyzed as follows:<table><tr><th></th><th>HC Budget</th><th>Cost incurred to date</th><th>Remaining budget</th><th>Contingency</th><th>Remaining without contingency</th><th>%of remaining</th></tr><tr><td>PLFP</td><td>\$1,272.90</td><td>\$990.21</td><td>\$282.69</td><td>\$25.80</td><td>\$256.89</td><td>10.04%</td></tr><tr><td>Park Finishes</td><td>\$81.10</td><td>\$4.56</td><td>\$76.54</td><td>\$2.72</td><td>\$73.82</td><td>3.68%</td></tr><tr><td>Overall</td><td>\$1,354.00</td><td>\$994.77</td><td>\$359.23</td><td>\$28.52</td><td>\$330.71</td><td>8.62%</td></tr></table></div><div>While the current allocation seems reasonable, it's advisable to maintain close monitoring to ensure it adequately offsets any potential cost overruns until the project's completion.</div></div>		HC Budget	Cost incurred to date	Remaining budget	Contingency	Remaining without contingency	%of remaining	PLFP	\$1,272.90	\$990.21	\$282.69	\$25.80	\$256.89	10.04%	Park Finishes	\$81.10	\$4.56	\$76.54	\$2.72	\$73.82	3.68%	Overall	\$1,354.00	\$994.77	\$359.23	\$28.52	\$330.71	8.62%
		HC Budget	Cost incurred to date	Remaining budget	Contingency	Remaining without contingency	%of remaining																							
	PLFP	\$1,272.90	\$990.21	\$282.69	\$25.80	\$256.89	10.04%																							
Park Finishes	\$81.10	\$4.56	\$76.54	\$2.72	\$73.82	3.68%																								
Overall	\$1,354.00	\$994.77	\$359.23	\$28.52	\$330.71	8.62%																								
Total Commitments incl. Procurement & Change Orders	The current commitments as presented in the December 2023 PLFP Dashboard total \$1,194M. This represents an increase of \$16.9M compared to Q2 2023/24. Based on the current Budget, the commitments represent 93.8% of the Approved Budget of \$1,272.9M. Change Orders: As of the end of the last quarter, one thousand one hundred and ninety-five (1,195) COs had been issued totaling \$146.2M (based on ED PO list).																													
Risk	Budget Risk Impact: Based on the December 2023 PLFP Dashboard, of the twenty-two (22) sub-projects nine (9) are identified by WT CPMO to have a medium impact to budget, one																													

		(1) is identified to have a high impact, and the remaining twelve (12 ) sub-projects are low risk. Refer to the 'Risks' section.
		Based on the December 2023 Dashboard, the WT CPMO indicates that the project is now forecasted to be completed on budget.
Schedule	Risk	Different Top Schedule Risks and Opportunities are presented in the Risk Analysis issued in the current period. Please refer to section 6.2.2 for future details regarding the "Top 10 Schedule Risks and Opportunities".
	Substantial Completion	An updated schedule was not issued by EllisDon in the period ending December 2023. We based our review on the Schedule Updated issued by EllisDon in November 2023 (Update No. 71) critical dates are scheduled to be achieved as follows: <ul style="list-style-type: none"> <li>i. PLFPEI Substantial Performance (Seasonal Dependent Work) PLFPEI-MLS-1055 on December 31, 2024</li> <li>ii. PLFPEI Close-Out PLFPEI-MLS-1059 on June 30, 2025</li> </ul> The schedule update for November 2023 indicates there has been no significant slippage in the month on any critical activities or elements in the schedule.
	Critical Path	Overall, there are no significant issues of concern at this juncture; the project seems to be progressing reasonably smoothly. Nonetheless, it is worth noting that the report continues to highlight the same risks that have been identified for some time now..
	Project Charters	During the current period, there have been no new Project Charters issued.
Risk	Overall Risk Status	The Project Dashboard for the month of December 2023 indicates a 'green' risk level, which means a low likelihood of risks occurring that may impact the schedule/budget. Please refer to section 6.0 for comments on the top Risks.
<ul style="list-style-type: none"> <li>• <b>Exclusions:</b> BTY has not undertaken a review of the Project Artefacts for Project ID PFP08-01 Lake Shore Boulevard East Bridge &amp; Public Realm ("LSBE Modifications"). Whilst this is referenced and/or included in some of the PLFP Project Artefacts, these works are outside of the scope of the PLFP Project. BTY will continue to monitor these works in terms of any impact on the Port Lands Flood Protection Project only.</li> <li>• <b>Best Practice Review:</b> The general technical aspects presently known have been assessed against the experience of large-scale complex infrastructure projects. The processes are found to be robust and in accordance with standard industry practices.</li> <li>• <b>Schedule:</b> Please refer to section 4.0 for further details.</li> </ul>		

## 1.2 PLFP PROJECT SUMMARY: QTR-ON-QTR COMPARISON OF BUDGET-SCHEDULE-RISK

The following table indicates WT CPMO's assessment/comment of the risk status for budget-schedule-risk management based upon the likelihood of impact to the overall project budget/schedule against the original current baseline schedule.



Project	ID	WT CPMO Status Summary (September 2023)			WT CPMO Status Summary (December 2023)			BTY Comment
		Budget	Schedule	Risks	Budget	Schedule	Risks	
PFP03-01 Commissioners Str W to New Cherry St.	15A							
PFP03-02 Commissioners Str E to Saulters St.	15C							Trade packages and CO's above EAC but offset by contingency
PFP03-03 Cherry Street Re-Alignment	14A							
PFP03-05 Don Roadway North	7A							
PFP03-06 Hydro One Integration	18							
PFP03-07 Site Wide Municipal Infrastructure	5							
PFP04-01 Cherry Street North Bridge	14B							
PFP04-02 Cherry Street South Bridge	14C							
PFP04-03 Commissioner Street Bridge	15B							
PFP04-04 Lakeshore Road & Rail Bridge Mods.	13							
PFP04-05 Old Cherry St Bridge Demo	14D							
PFP05-03 River Valley System	3							
PFP05-04 Don Greenway & Spillway	4							
PFP05-05 Keating Channel Modifications	16							
PFP05-06 Polson Slip Naturalisation	2							Coordination with Canoe Cove Islands, however, does not represent a major impact on the overall schedule
PFP05-07 Don Roadway Valley Wall Feature	8							
PFP05-08 Eastern Avenue Flood Protection	12							
PFP05-10 Flow Control Weirs	11							
PFP05-11 Sediment & Debris Management Area	10							
PFP05-12 Villiers Island Grading	19							
PFP06-01 River Valley Park North	20							
PFP06-02 River Valley Park South	21							
PFP06-03 Promontory Park South	17B							
WT CPMO Overall Project								
BTY Summary (based on WT CPMO 'Risk Criteria')								
Budget		Schedule		Risk Management				
+10% over Approved Budget		Over 6-months behind		High likelihood &/or impact to budget /schedule				
Up to 10% over Approved Budget		Up to 6-months behind		Medium likelihood &/or impact to budget / schedule				
Within Approved Budget		On Schedule		Low likelihood &/or resolution without impact to budget/schedule				

### 1.2.1 INDEPENDENT CPMAS CONSULTANT OPINION ON THE QUARTERLY STATUS

Based on the Project Artefacts received in Q3 2023/2024, we opine:

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- 1. Budget:** A 'low risk' status for the overall Budget is shown in the December 2023 Monthly Program Dashboard. However, close monitoring is needed since one activity is now showing a high risk and nine a medium risk of exceeding the budget. Please refer to section 3.0 of this report for additional commentary. According to the CPMO the project is forecasted to be completed on budget.
- 2. Schedule:** The schedule risk is shown as 'low risk' in the December 2023 Monthly Program Dashboard. It is our understanding that the WTCPMO is anticipating the Substantial Performance to be achieved on December 31, 2024. The anticipated date to achieve Substantial Performance of Flood Protection is showing December 31, 2024. We want to point out that close monitoring is needed since this quarter one activity shows high risk and six activities are showing medium risk for delays. Please refer to Section 4 for additional commentary.
- 3. Risk:** WT has assigned a 'low risk' in the December 2023 Monthly Program Dashboard. Please refer to section 6.0 for more details.

## 2.0 Introduction & Methodology

### 2.1 INSTRUCTIONS RECEIVED

BTY Consultancy Group Inc. ("BTY" or "Independent CPMAS Consultant") has been retained to perform Independent Capital Project Monitoring and Assurance Services on the Port Lands Flood Protection ("PLFP") project in support of the governance and oversight function of Waterfront Toronto ("WT") Board of Directors and its Finance, Audit and Risk Management ("FARM") Committee.

As per the terms of our engagement and the direction received from the FARM Committee on May 23, 2019, BTY is required to independently monitor, analyze and advise upon:

- The completeness and relevance of the monthly updated Project Artefacts.
- The robustness of the processes in place to manage budget/costs, schedule, scope, and risks.
- Verification of the status of the Project, in terms of the budget, schedule, scope, and risks through the construction delivery phase, on a sampling basis of at least 20% of the sub-projects of the PLFP Project compared to the available project reporting by WT CPMO and the Construction Manager ("CM" or "EllisDon"); and
- Attend the FARM Committee and provide any technical advisory related to the development and construction activities required by the Committee.

Please refer to our finalized Project Execution Plan dated August 16, 2019.

### 2.2 REPORT RELIANCE

This report has been prepared in accordance with the scope of work contained in the Professional Services Agreement (# 2150) between Toronto Waterfront Revitalization Corporation and BTY Consultancy Group Inc., dated August 27, 2018 and is subject to the terms of that Agreement. BTY, its Directors, staff, or agents do not make any representation or warranty as to the factual accuracy of the information provided to us by Waterfront Toronto, third-party consultants, or agents, upon which this report is based. BTY will not be liable for the result of any information not received which, if produced, could have materially changed the opinions or conclusions stated in this report.

Any advice, opinions, or recommendations within this document should be read and relied upon only in the context of this report in its entirety. The contents of this report do not provide legal, insurance, or tax advice or opinion.

Opinions in this report are not an advocate for any party and if called upon to give oral or written testimony, it will be given on the same assumption.

## 2.3 REPORTING QUALIFICATIONS

This report has been prepared based on information provided to us by WT Capital Program Management Office (“WT CPMO”) up to the date of issue of this report. BTY does not accept accountability for the Project Artefacts (information) that has not been provided to us or is not available at the time of preparing this report.

BTY has reviewed the Project Artefacts provided to us by WT CPMO. We note that this Independent CPMAS Quarterly Report presents a snapshot of a time review of the project fundamentals in a ‘live’ project environment. This means that the ‘Project Artefacts’ provided may be draft, inconsistent, and/or subject to change due to the timing of the reporting cycle.

BTY has not undertaken an independent evaluation of the viability of the PLFP Project budget-schedule-risk.

## 2.4 PROJECT DESCRIPTION

The Port Lands Flood Protection and Enabling Infrastructure Project (“the Project” or “PLFP Project”) is a comprehensive plan for flood protecting southeastern portions of downtown Toronto including parts of the Port Lands, South Riverdale, Leslieville, south of Eastern Avenue and the First Gulf/Unilever development site, which are at risk of flooding under a provincially defined Regulatory Storm event. As a result, these areas are within a provincially designated Special Policy Area and are effectively undevelopable and economically under-utilized until the flood risk is removed.

The PLFP Project comprises of 23\* sub-projects, these projects fall into four (4) categories of work:

- i. Roads and Services,
- ii. Bridges and Structures,
- iii. Flood Protection, and
- iv. Parks/Public Realm.

\* We note that sub-projects 3 and 4 are combined, and subsequently, our report refers to 22 sub-projects throughout rather than 23. This is consistent with WT CPMO’s approach and does not reflect a change to the scope of the PLFP Project.

Each sub-project of the PLFP Project is described within Project Charters v.5 approved by the Executive Committee for the PLFP Project on April 29, 2019, and /or Project Charters v.6 approved in July 2019 as well as Project Charters provided for the period of September 2023 (refer to the Table in Appendix 4, Section 5.2 of this report).

## 2.5 METHODOLOGY & APPROACH

BTY, as independent monitor, engaged with the WT CPMO Office, the WT Chief Project Officer, and EllisDon in order to prepare this report.

In addition, we have reviewed and substantiated the data reported by WT CPMO Office and the Construction Manager related to budget/costs, schedule, scope, and risk management in the Project Artefacts listed in Section 2.6 of Appendix 1 to this report.

Our independent findings and recommendations related to the Project Artefacts are discussed within the Executive Summary, with further details in the appendices to this report.

## 2.6 PROJECT ARTEFACTS RECEIVED

The following Project Artefacts for the reporting period ending December 31, 2023 (Q3 2023/24) were received from the WT CPMO and reviewed and analyzed by the Independent CPMAS Consultant team, as follows:

- a. Project Monthly Status Reports;
  - i. Combined Project Status Report - October 2023;
  - ii. Combined Project Status Report - November 2023;
  - iii. Combined Project Status Report – December 2023;
  - iv. Ellis Don Monthly Report of October 2023;
  - v. Ellis Don Monthly Report of November 2023;
- b. Project Dashboards;
  - i. Parks Finishes Dashboard – October 2023
  - ii. Parks Finishes Dashboard – November 2023
  - iii. Parks Finishes Dashboard – December 2023
  - iv. PLFP Dashboard – October 2023
  - v. PLFP Dashboard – November 2023
  - vi. PLFP Dashboard – December 2023
  - vii. Lake Shore Blvd E Bridge & Public Realm - October 2023
  - viii. Lake Shore Blvd E Bridge & Public Realm - November 2023
  - ix. Lake Shore Blvd E Bridge & Public Realm - December 2023
- c. Budget documents including:
  - i. EAC Summary – December 2023
  - ii. EAC Summary Parks – December 2023
- d. Procurement documents including:
  - i. Ellisdon PO 2044 CO list – December 2023;
  - ii. Ellisdon’s contract procurement log - December 2023;
  - iii. PLFP\_WT\_Procurement log – December 2023;
  - iv. PO 2044A Lines details – December 2023;
- e. Program Schedule including:
  - i. Overall Schedule Update #70 – October 2023;
  - ii. Overall Schedule Update #71 – November 2023;
- f. Risk Register including:
  - i. Risk Register – October 2023;
  - ii. Risk Register – November 2023;
  - iii. Risk Register – December 2023;
  - iv.
- g. Updated Project Charters:
  - i. Nothing this period
- h. Other Documents:
  - i. Risk Issues Update ESC – February 9, 2024

The Project Artefacts are provided by WT CPMO and reflect the activities underway during any given reporting period. BTY are not responsible for any additional information that may be available but not provided by WT CPMO and/or the PLFP Project team via WT CPMO. This includes information that had it been received, would have materially changed the opinions contained in this report.

## 2.7 EXCLUSIONS

The following are excluded from our review and reporting, except should any become a monitored risk with the potential to impact schedule, budget or scope:

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8

- Regulatory approvals including permits, licences and approvals.
- Public and Stakeholder Communications.
- Indigenous Consultation.
- Health & Safety.
- Environmental matters.
- Site Conditions.
- Design review and compliance.
- Status of construction period payments.
- Disputes, claims or liens.
- Changes in Law.
- Warranties.
- Maintenance plans.

## 2.8 NEXT STEPS

We expect our next report to be a monitoring report of the technical aspects of the PLFP Project being executed based on the Project Artefacts for the period January 1, 2024 to March 31, 2024. Our next report is due in May 30 2024, the actual date is to be confirmed.

## 2.9 FURTHER INFORMATION

Should the reader have any queries regarding the content of this report, please contact either of the following:

Marie Foley, MRICS, PQS, LEED™ AP

**Director**

**BTY Group**

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Luis Castillo, B. Eng., CEC

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## 3.0 Budget / Cost Management

### 3.1 INTRODUCTION AND APPROACH

Our role is to provide a review of the cost management process implemented by the project team and provide opinion on whether the process is being performed in line with expected professional industry standards and best practices.

During Q3 2023/24 (period October 1, 2023 to December 31, 2023), we undertook a general review of the Project Artefacts related to budget and financial summaries, to confirm the budget reporting. In addition to the PLFP Monthly Program Dashboard and Monthly Status Reports for each sub-project, BTY received additional project artefacts to support the cost estimates, contingency, committed costs (procurement and change orders) and the current EAC forecast.

The goal of our review is to monitor the reporting prepared by WT CPMO to confirm that it is prepared in accordance with good industry practices and that a sample was checked for accuracy.

### 3.2 APPROVED BUDGET

#### 3.2.1 APPROVED BUDGET

In June 2023, the WT CPMO secured funds as indicated in the Second Amending Agreement to the Port Lands Flood Protection signed by the Federal Government, the Province, and the City to complete the Project. Section 1.2 of the mentioned document indicates that the Total Project Costs for the PLFP Project shall not exceed \$1,272.9M. This is the new Approved Budget.

Please note that Works related to Parks Finishes and Public Realm were modified, a revised scope is included in the Approved Budget.

Furthermore, an Overall Project Budget of \$1.354Bn Budget representing the total projection inclusive of the full scope for Parks Finishes and Public Realm indicates the full completion of the works. This is broken down as follows:

- a. Port Lands Flood Protection: \$1,272.9M
- b. Parks Finishes: \$81.1M

### 3.3 BUDGET / COST MANAGEMENT PROCESS

#### 3.3.1 COST ESTIMATE FINALISATION PROCESS

As indicated by the WT CPMO, the current Estimate at Completion (EAC) is based on trade package and change order adjustments to the September 2022 EAC, furthermore, updates to align with the new program budget have been made. Please note that we have been informed that the project team will proceed to procure all remaining project tender packages as reflected in the semi-annual cost risk forecast and risk update and quantification for Q3 2023/24.

In our opinion, the methodology used to update the EAC is reasonable given the current circumstances and the previous costs overruns identified in the project.

### 3.4 EAC - RISK ANALYSIS

Please refer to section 6.0 for additional comments.

#### 3.4.1 UPDATED EAC FORECAST

The following table provides an overview of the budget movement including the current EAC (December 2023) reflected in the quarterly Project Artefacts, as follows:

Budget	Escalated Hard Costs	Escalated Soft Costs	Contingency	NRHST	Total
Original Approved Budget	\$911.9 M	\$201.7 M	\$51.5 M	\$19.8 M	\$1,185 Bn
Current EAC at September 30, 2023 <small>*Inclusive of full scope for Park Finishes and Public Realm</small>	\$1,092.3 M	\$223.4 M	\$33.3 M	\$5.0 M	\$1,354 Bn
Current EAC at December 31, 2023 <small>*Inclusive of full scope for Park Finishes and Public Realm</small>	\$1,096.0 M	\$224.5 M	\$28.5 M	\$5.0 M	\$1,354 Bn
Difference QTR-on-QTR	\$3.7 M	\$1.1 M	-\$4.8M	\$0.0 M	\$0 M

#### 3.4.2 UPDATED EAC FORECAST - RISK ANALYSIS

Please refer to section 6.0 of this report.

### 3.5 COMMITMENTS

#### 3.5.1 TOTAL COMMITMENTS

For the current reporting period, we have limited our comments to the following information based on the December 2023 Monthly Program Dashboard and the \$1,272.9M budget with a revised scope for Park Finishes & Public Realm.

Total Commitments are \$1,193.92M, which can be divided as follows:

- i. Roads and Services: \$267.05M
- ii. Bridges and Structures: \$189.04M
- iii. Flood Protection Features: \$652.54M
- iv. Parks and Public Realm: \$85.29M

We note that the commitments for Parks and Public Realm decreased from the last quarter. This is logic since commitments were reallocated for Park Finishes.

This represents an increase of \$16.9M compared to Q2 2023/24. Please note that these figures are provided by the WT CPMO and are based on the current scope of work and the approved Budget.



### 3.5.2 PROCUREMENT

Trade packages are tendered for the Project as a whole; however, the Budget is monitored against the individual projects. This means that the tender award value is apportioned across the relevant sub-projects of the PLFP based on the discretion and judgment of WT CPMO [and Ellis Don]. Whilst BTY has not completed a detailed review of the WT CPMO reported 'Total Commitments' for the PLFP Project, we observe that the reporting generally aligns with the WT CPMO reported 'Procurement' (tenders awarded).

A Procurement Log, inclusive of the contract award has been provided. WT CPMO provided a Procurement Log where Commitments are allocated across the individual sub-projects of the PLFP works.

### 3.5.3 CHANGE ORDERS

As of the end of the last quarter, one thousand one hundred and ninety-five (1,195) COs had been issued totaling \$146.2M (based on ED PO list).

We received and reviewed the 'Ellisdon PO 2044 CO list\_Dec31 2023' document, which details the executed CO's to date issued against the Contract #2044 (we understand this reference is for the Port Lands Flood Protection project in its entirety).

## 3.6 CONTINGENCY

### 3.6.1 CONTINGENCY PROCESS

The current contingency carried in the budget is \$28.5M.

Please note that the contingency has been reduced by \$4.8M during the last quarter.

### 3.6.2 CONTINGENCY STATUS

The total, unused Contingency is \$28.5M, it is broken down as follows:

- Contingency excluding Park Finishes: \$25.8M
- Contingency for Park Finishes: \$2.7M

### 3.6.3 OPINION ON CONTINGENCY

The current contingency can be analyzed as follows:

	HC Budget	Cost incurred to date	Remaining budget	Contingency	Remaining without contingency	% of remaining
PLFP	\$1,272.90	\$990.21	\$282.69	\$25.80	\$256.89	10.04%
Park Finishes	\$81.10	\$4.56	\$76.54	\$2.72	\$73.82	3.68%
Overall	\$1,354.00	\$994.77	\$359.23	\$28.52	\$330.71	8.62%

While the current allocation seems reasonable, it's advisable to maintain close monitoring to ensure it adequately offsets any potential cost overruns until the project's completion.

## 4.0 Schedule Management

### 4.1 SCHEDULE

#### 4.1.1 CURRENT SCHEDULE: #71

A copy of the Schedule update for December 2024 was not provided, however, we will base our analysis on November 2023 (#71) which was received from EllisDon. The data date for the schedule update is indicated as November 30, 2023.

The PLFP schedule remains relatively consistent from October to November 2023, with a persistent 1.8-week delay overall toward the LSBE Substantial Performance Completion date. However, it's important to highlight that this delay is primarily attributed to the implementation of a winter working shutdown calendar, prohibiting work until the onset of April, specifically April 2025 in this instance. Consequently, in a scenario where winter conditions are mild in 2024/2025, there's potential for critical work to commence two weeks earlier, thereby alleviating any resultant delay.

### 4.2 COMPLETION DATES (MILESTONES)

As in previous baseline schedules, the activities relating to the PLFP Project and the Lake Shore Bridge East Modifications ("LSBE Modifications") are combined in the latest baseline schedule BL4.3.

The completion milestones for the PLFP Project and the Lake Shore Bridge East Modifications are identified in the revised baseline schedule and updated schedule for November 2023 as follows:

Description	Current Update (September 2023)	WT Risk Status
PLFPEI Substantial Performance (Seasonal Dependent Work)	December 31, 2024	
PLFPEI Close-Out	June 30, 2025	
LSBE Substantial Performance Completion	October 1, 2025	

*\*Please note that the overall Project Completion including the works for the Lake Shore Bridge Modifications should be read as October 1, 2025.*

### 4.3 CRITICAL PATH OBSERVATIONS

Overall, there are no significant issues of concern at this juncture; the project seems to be progressing reasonably smoothly.

Nonetheless, it is worth noting that the report continues to highlight the same risks that have been identified for some time now.

### 4.4 CURRENT PROGRESS

Current progress, as expected is in accordance with the current baseline schedule. We visited the site on January 15, 2024.

127 John Street, Toronto, ON, M5V 2E2 | 416-596-9339

*This Report has been prepared at the request of Waterfront Toronto (FARM) Committee and is the exclusive property of BTY, which is the owner of the intellectual property rights relating to this Report. The Report must be treated as confidential and proprietary information of BTY and it may not be disclosed, reproduced or permitted to be disclosed to any party without the prior consent of BTY.*

#### 4.5 CONCLUSION

At present, our analysis reveals no areas of concern. It's important to note that our assessment is founded on the November 2023 Works Schedule. We anticipate offering a more thorough evaluation once we have received the Works Schedule for the upcoming quarter, enabling us to provide a more comprehensive opinion..

## 5.0 Scope Management

### 5.1 INTRODUCTION AND METHODOLOGY

During the current reporting period, BTY undertook a review of the Project Artefacts in relation to scope management. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager.

### 5.2 PROJECT CHARTERS

Revisions to the Project Charters were not provided for the current period. The existing status of the Project Charters is noted to be as follows:

Project Charter	Revision 5 Executed Date	Revision 6 Executed Date
PFP03-01 Commissioners St West to New Cherry St	May 6, 2019	July 2019
PFP03-02 Commissioners St East to Saulters St	May 6, 2019	July 2019
PFP03-03 Cherry St Re-Alignment	May 6, 2019	-
PFP03-05 Don Roadway North	May 6, 2019	-
PFP03-06 Hydro One Integration	May 6, 2019	-
PFP03-07 Site Wide Municipal Infrastructure	May 6, 2019	-
PFP04-01 Cherry St North Bridge	May 6, 2019	-
PFP04-02 Cherry St South Bridge	May 6, 2019	-
PFP04-03 Commissioners St Bridge	May 6, 2019	-
PFP04-04 Lakeshore Road and Rail Bridge Modification	May 6, 2019	-
PFP04-05 Old Cherry St Bridge Demolition	May 6, 2019	-
PFP05-03/04 River Valley System & Don Greenway and Spillway	May 6, 2019	-
PFP05-05 Keating Channel Modifications	May 6, 2019	-
PFP05-06 Polson Slip Naturalization	May 6, 2019	-
PFP05-07 Don Roadway Valley Wall Feature	May 6, 2019	-
PFP05-08 Eastern Avenue Flood Protection	May 6, 2019	-
PFP05-09 East Harbour Flood Protection	May 6, 2019	July 2019
PFP05-10 Flow Control Weirs	May 6, 2019	-
PFP05-11 Sediment and Debris Management	May 6, 2019	-
PFP05-12 Villiers Island Grading	May 6, 2019	-
PFP06-01 River Park North	May 6, 2019	September 2023
PFP06-02 River Park South	May 6, 2019	September 2023
PFP06-03 Promontory Park South	May 6, 2019	September 2023
PFP06-04 Promontory Park South, River Park North and River Park South		September 2023

### 5.3 COST OPTIMISATION – SCOPE IMPACT

As per previous Stage Gates, design and cost optimizations were evaluated by the design team. Measures were approved by the Executive Steering Committee via the Second Amending Agreement to the Port Lands Flood Protection and Enabling Infrastructure Project Tri-Government Agreement executed in September 2023.

As communicated by the WT CPMO, revisions have been made to the scope of Park Finishes and Public Realm, resulting in a minimum scope included in the current budget (\$1,272.9M). While comprehensive details regarding the descoping have not been provided to us, our understanding is that the reduced works consist of tasks that are proceeding as planned but under a different budget allocation. These tasks are still encompassed within the overall project budget of \$1.354 billion.

### 5.4 CONCLUSION: INDEPENDENT CPMAS CONSULTANT FINDINGS – SCOPE ANALYSIS

We acknowledge that the overall project scope remains unchanged. The shifts observed in the overall budget merely reflect adjustments in funding sources and do not impact or modify the previously reported scope of work.

## 6.0 Risk Management

### 6.1 INTRODUCTION AND METHODOLOGY

For the current quarterly reporting period to December 31, 2023, BTY carried out a review of the Project Artefacts for risk management including the updated Risk Register. The objective of our review was to understand what has been analyzed for risk by WT CPMO and the Construction Manager, and that the process of risk management is undertaken in accordance with best practices.

To the best of our understanding, the process undertaken by the WT CPMO adheres to industry best practices.

### 6.2 RISK MANAGEMENT PROCESS

#### 6.2.1 RISK REGISTER

The primary process for risk management is based on the establishment of a Risk Register: All risks are listed within the risk register, and the probability of the risk occurring is agreed upon, and based on the probability of its occurrence the expected budget/schedule impact is assessed. We understand that if a risk has occurred or is forecast to have a 100% probability of occurrence it is transferred to the budget and/or schedule.

The risk register is actively managed each month for new risks and/or updated assessments of risk impacts (cost/schedule) and probability. Further, risks that have been mitigated, inactive, or retired are identifiable.

#### 6.2.2 RISK REPORTING: INCORPORATION OF RISK REGISTER IN BUDGET

The Risk Register ('RR') is actively managed and updated monthly, and the WT CPMO monthly project status reports and dashboard reflect the updated RR 'top risks'.

The WT CPMO provided an Interim Semi-Annual Cost Risk Forecast & Risk Update and Quantification at the end of December 2023.

### 6.2.3 IDENTIFICATION OF 'TOP RISKS' IN OTHER PROJECT ARTEFACTS (OVERALL)

The 'top risks' are 10 budget and 10 schedule risks, which were identified by WT CPMO in the PLFP Project Dashboard for the period ending December 31, 2023. We understand that the identification of a 'top risk' is based on the likelihood of the risk occurring and the largest impact.

This means that some of the risks with larger indicative costs and/or schedule impact, should the risk occur, may not feature in the 'top risks' if the probability of its occurrence is low. This approach is normal practice, and we note that the WT CPMO continually monitors all risks included within the Risk Register until each risk is realized, mitigated, and/or retired. The following 'Top Risks' are identified in the Project Artefacts:

Risk ID	Key Risks / Opportunities by Category	Risk Impact Assessment by WT CPMO	
		Budget	Schedule
Roads & Services			
	Utility Contractor – Change in Suppliers		+15.6Wks
	Delay in Villiers Street Excavation		+3.3Wks
Bridges & Structures			
	Dock Wall Construction Under the Existing Cherry St. Bridge	\$1.6M	
	Lake Shore Bridge Subcontractor Delay Claims	\$2.5M	+26.1Wks
Parks & Public Realm & Marine Structures			
	Extend Operations of Toronto Water Assets		+2.7Wks
	Keating Channel Sediment Removal Plan by the City		+5.4Wks
	Keating Channel Sediment Removal		+1.3Wks
CNS 50.47	Recoverable Keating Channel Dredging Costs	-\$3.1M	
ENV 60.01	Migratory Bird Nesting		+2.1Wks
	Replacement Plant & Tree Availability		+8.7Wks
Other			
	Delayed 100% Drawing Approval for SWTF/SPS		+15.6Wks
	Coordination of Contract Activities		+1.2Wks
	Increase of Soil Disposal Rate	\$1.5M	
CNS 900.37	NRHST Rebate - Municipal	\$2.8M	
CNS 70.73	Increased offsite disposal	\$2.6M	
	Construction Manager Fee Reconciliation	-\$2.7M	
	Subtrade Contract Reconciliation (Utility)	-\$1.0M	
	Subtrade Contract Reconciliation (Earthworks)	-\$0.3M	
	Subtrade Contract Reconciliation (Earthworks)	-\$0.3M	

### 6.3 OTHER ISSUES

For the current period, BTY is focusing its comments on the current budget and the risks associated with it. We understand that the WT CPMO is actively working to find the right alternatives to deliver the project not only in a timely matter but also with the smallest budget impact possible.

As manifested in previous reports, the global situation has a significant impact on the Canadian construction industry; we have observed notable industry trends that are affecting both, residential and infrastructure projects across the country. We notice that as inflation continues to rise and global supply chain issues remain unfixed, the risks associated with cost overruns and delays in delivering projects have significantly increased.

The WT CPMO's approach and work performed at this moment counts as the best possible effort to assess risk and cost impacts to the project given the current circumstances and the uncertainty reflected in the construction industry. Please note that there will always be a potential for cost increases beyond the risk analysis. The impact and mitigation strategies need to be closely monitored to avoid surprises.



INDEPENDENT CERTIFICATION

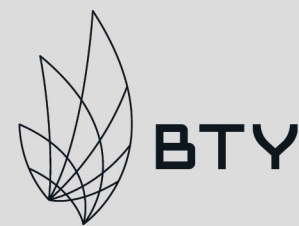
# WT Port Lands Flood Protection Project

## APPENDICES

Appendix 1: Photo Report (January 15, 2024 )

Appendix 2: BTY Independent Assurance Report No. 22

127 John Street, Toronto, ON, M5V 2E2  
T 416-596-9339



## APPENDIX 1

# Photo Report (January 15, 2024)

2 PAGES



**Villiers Road** – Utilities Shaft work in progress;



**River Channel** – Armour stone installed, filling gaps with smaller stones ongoing;



**South Plug** – Work in progress, island area flooded;



**Wetlands** – Trail and planting in progress;



**Commissioners St.** – road works nearing completion from Cherry St. to bridge;



**Cherry St. North** – Road works nearing completion;





**West Plug** – Carp gates, works in progress;



**River Valley.** – Planting, material retention, and habitat logs installation in progress;



**West Plug** – Carp gates, works in progress;



**West Plug** – Preparing riverbed for flooding;



**River bed** – Preparing for flooding;



**Wetlands** – Planting in progress;



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**BUILDING** INTELLIGENCE

**Finance, Audit & Risk Management Committee – February 23, 2024**  
**Item 6 – Quayside Infrastructure and Public Realm Update**  
**Kevin Greene/ Pina Mallozzi**

<b>Purpose</b>	For Information
<b>Areas of note /Key issues</b>	<p>Management is providing an update on the status of Cost Estimating and the Delivery Agreement with the City of Toronto for the Quayside Infrastructure and Public Realm Project.</p> <p><b>Background Information:</b></p> <p>At its October Board Meeting, Management provided the Board an update on the outcomes at the 30% Design Stage Gate for Quayside Infrastructure and Public Realm. At that time, it was reported that the 30% Cost Estimate exceeded the available project funding by \$86 million. Management recommended continuing with the delivery of the Quayside Infrastructure and Public Realm project in a phased manner, with Phase 1 prioritizing project components required to transact on Blocks 3b and 4 of the development, while alternative funding sources for Phase 2 of the public realm and infrastructure project are sought. All project components would be subject to value engineering, design optimization and future Board Capital Approvals.</p> <p>At this time Waterfront Toronto Management also updated on the status of the Delivery Agreement with the City of Toronto, which although delayed had no material outstanding Issues.</p> <p><b>Quayside Cost Estimating Update:</b></p> <p>In December, Waterfront Toronto completed 60% Design. Cost estimating and risk assessment processes are ongoing, however it is expected that the 60% Design Cost Estimate will be higher than the 30% Estimate and that the funding gap will increase. This can be attributed to design development and the impacts of phasing the project to prioritize critical works. The phasing and delivery strategy is currently being reviewed in detail to reduce overhead costs related to extending the duration of construction to align with the QILP development schedule.</p> <p>In anticipation of this overage Waterfront Toronto staff have prepared a long list of value engineering and other path-to-budget solutions to eliminate the overage. Staff continue to assess the feasibility of these solutions with City Staff and the developer.</p> <p>In addition, following discussions with City Staff, the transit enabling portions of the Queens Quay East Bonnycastle to Silo Streets project were transferred to the Waterfront East LRT (a placeholder value of \$57M to be finalized through 60% design and costing). This remains unfunded however funding is being sought as part of ongoing discussions on transit. If this funding is secured through the Waterfront East LRT it would reduce the \$86M gap to \$29M.</p> <p><b>Delivery Agreement with City of Toronto Update:</b></p> <p>In the spring of 2023, WT commenced Delivery Agreement discussions with the City of Toronto. At that time, one of the key issues to address was that both the City and WT knew that funding was not sufficient to complete all the projects contemplated by the Delivery Agreement. The agreement now contains a provision that acknowledges current funding is not sufficient and we will work with the city to address this matter-</p>



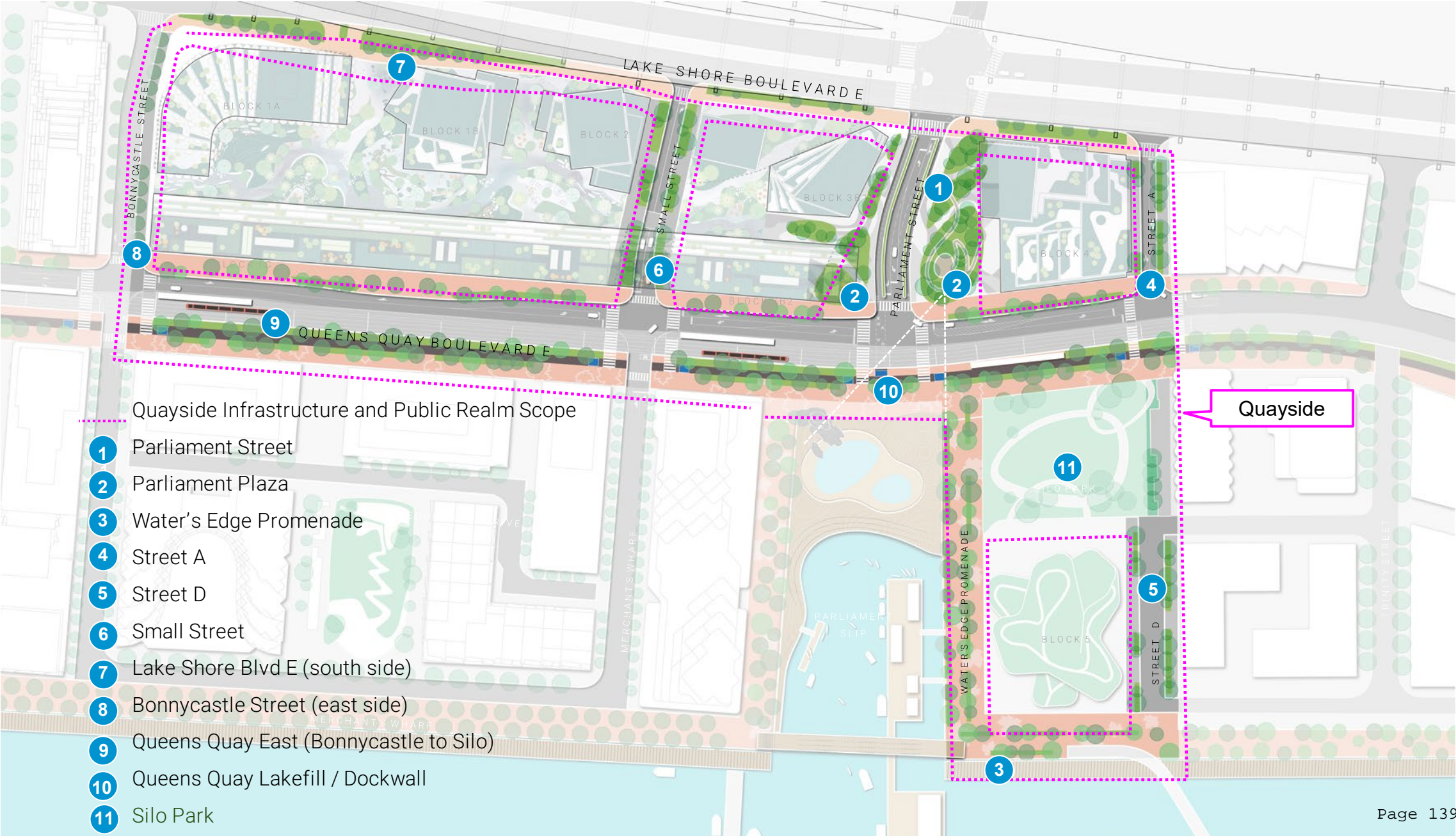
	<p>possibly through value engineering, scope changes or additional funding, but in no event are we required to perform work for which funding is not available.</p> <p>In early October 2023, we understood that the terms of the agreement with the City were essentially resolved, and we were not aware of any significant outstanding matters. It was at that time that we sought and obtained Board approval for the Quayside Lakefill capital expenditures. In January 2024, the City provided a revised draft agreement containing an additional clause requiring us to implement risk management measures that exceed Provincial requirements to address contaminants and are beyond what has been budgeted. Environmental risk management measures have not historically been contained in Delivery Agreements and are project specific discussions with outcomes that align to the specific requirements of a project. This new clause would not enable such an outcome.</p> <p>Discussions on these issues are ongoing and as a result the Delivery Agreement has not yet been executed.</p>
<b>Resolution/ Next Steps</b>	<p>WT will complete cost estimating and a full Risk Assessment. In parallel we will continue to review feasibility of the path-to-budget solutions and the details of the phased delivery approach.</p> <p>Negotiation of the Delivery Agreement has been escalated to WT and City executives to address the environmental obligations and allow for execution of the agreement prior to management requesting further Capital Approvals from the Finance, Audit and Risk Management Committee in May 2024.</p> <p>WT Management will report back to the Finance, Audit and Risk Management Committee and the Board of Directors at the May/June meetings with a detailed update and request for Capital Approval required to commence construction of the infrastructure.</p>

February 22, 2024

# Quayside Infrastructure and Public Realm Update

Finance Audit and Risk Management Committee

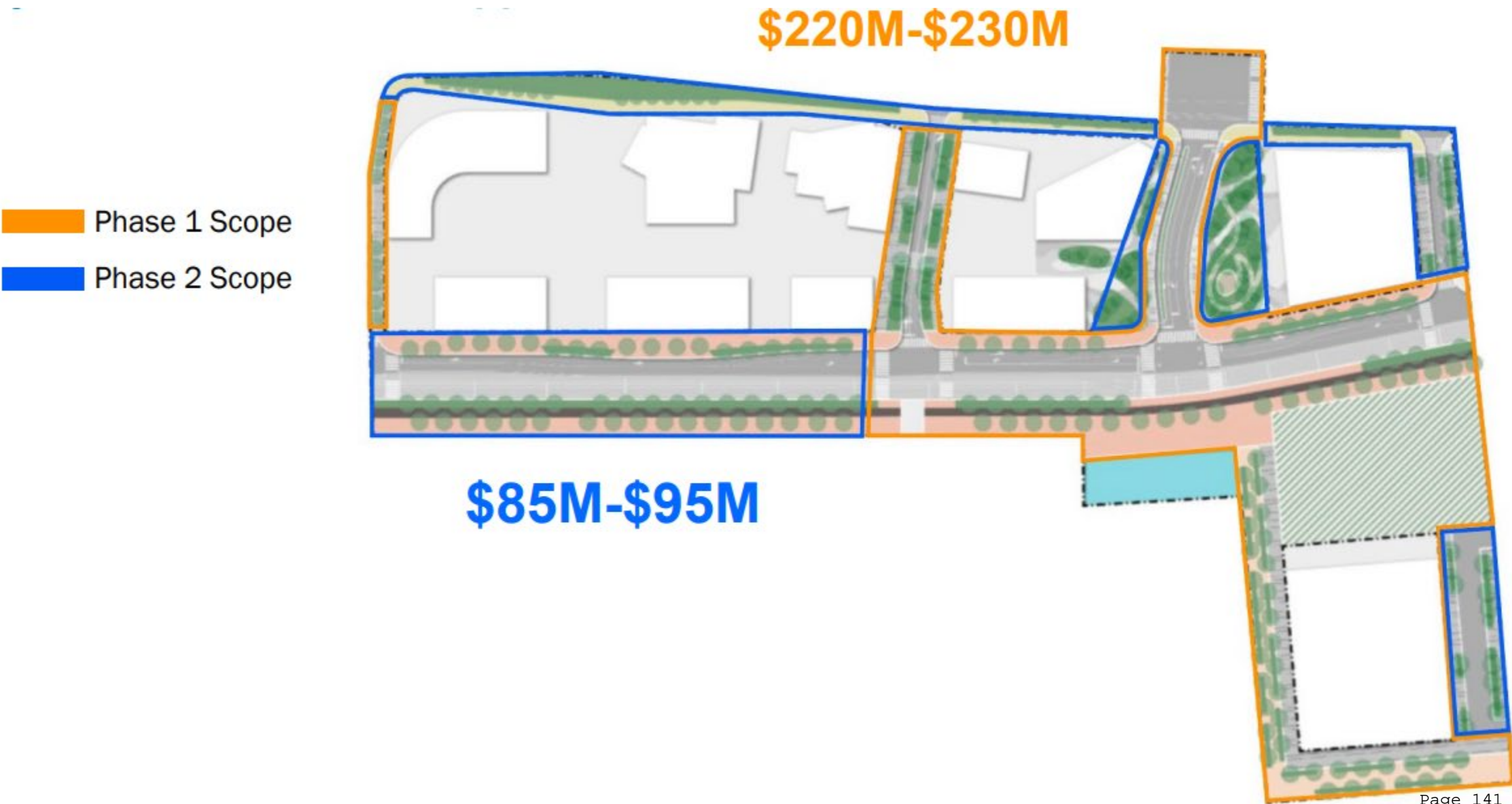
# Quayside Scope – Project Components



# Quayside Cost Estimating Background

- At its October Board Meeting, Management provided the Board an update on the outcomes at the 30% Design Stage Gate for Quayside Infrastructure and Public Realm.
- At that time, it was reported that the 30% Cost Estimate exceeded the available project funding by \$86 million.
- Management recommended continuing with the delivery of the Quayside **Infrastructure and Public Realm** project in a phased manner, with Phase 1 prioritizing project components required to transact on Blocks 3b and 4 of the development, while alternative funding sources for Phase 2 of the public realm and infrastructure project are sought. All project components would be subject to value engineering, design optimization and future Board Capital Approvals.

# Quayside Infrastructure and Public Realm Phased Approach



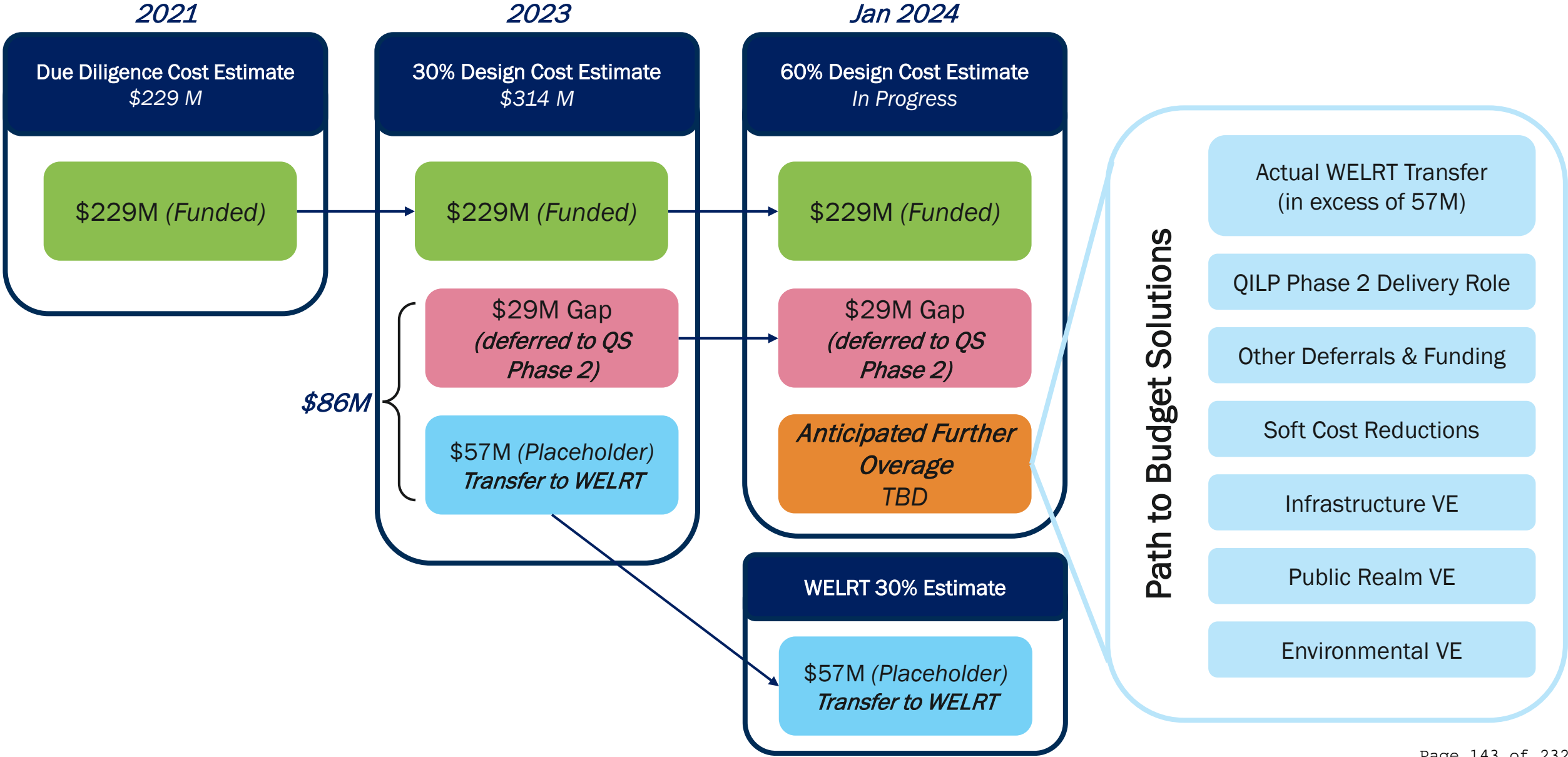


# Quayside Cost Estimating Update

- Following discussions with City Staff, the transit enabling portions of the Queens Quay East Bonnycastle to Silo project were transferred to the Waterfront East LRT (a placeholder value of \$57M to be finalized through 60% design and costing). This remains unfunded however funding is being sought as part of ongoing discussions on transit. If this funding is secured through the Waterfront East LRT it would reduce the \$86M gap to \$29M.
- In December, Waterfront Toronto completed 60% Design. Cost estimating and risk assessment processes are ongoing, however it is expected that the 60% Design Cost Estimate will be higher than the 30% Estimate and that the funding gap will increase. This can be attributed to design development and the impacts of phasing the project to prioritize critical works. The phasing and delivery strategy is currently being reviewed in detail to reduce overhead costs related to extending the duration of construction to align with the QILP development schedule.
- In anticipation of this overage Waterfront Toronto staff have prepared a long list of value engineering and other path-to-budget solutions to eliminate the overage. Staff continue to assess the feasibility of these solutions with City Staff and the developer.



# Quayside Cost Estimate Process Summary



# Quayside Delivery Agreement Update

- In the spring of 2023, WT commenced Delivery Agreement discussions with the City of Toronto. At that time, one of the key issues to address was that both the City and WT knew that funding was not sufficient to complete all the projects contemplated by the Delivery Agreement. The agreement now contains a provision that acknowledges current funding is not sufficient and we will work with the city to address this matter- possibly through value engineering, scope changes or additional funding, but in no event are we required to perform work for which funding is not available.
- In early October 2023, we understood that the terms of the agreement with the City were essentially resolved, and we were not aware of any significant outstanding matters. It was at that time that we sought and obtained Board approval for the Quayside Lakefill capital expenditures.
- In January 2024, the City provided a revised draft agreement containing an additional clause requiring us to implement risk management measures that exceed Provincial requirements to address contaminants and are beyond what has been budgeted. Environmental risk management measures have not historically been contained in Delivery Agreements and are project specific discussions with outcomes that align to the specific requirements of a project. This new clause would not enable such an outcome.
- Discussions on these issues are ongoing and as a result the Delivery Agreement has not yet been executed.

# Quayside Infrastructure and Public Realm Next Steps

- WT will complete cost estimating and a full Risk Assessment. In parallel we will continue to review feasibility of the path-to-budget solutions and the details of the phased delivery approach.
- Negotiation of the Delivery Agreement has been escalated to WT and City executives to address the environmental obligations and allow for execution of the agreement prior to management requesting further Capital Approvals from the Finance, Audit and Risk Management Committee in May 2024.
- WT Management will report back to the Finance, Audit and Risk Management Committee and the Board of Directors at the May/June meetings with a detailed update and request for Capital Approval required to commence construction of the infrastructure.

# Thank you.

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[www.waterfrontoronto.ca](http://www.waterfrontoronto.ca)

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<b>Purpose</b>	For Committee approval.
<b>Areas of note/ Key issues</b>	<p>The Planning Report from BDO Canada LLP (BDO) presents a plan for the audit of the Corporation's financial statements for the year ending March 31, 2024.</p> <p>This is BDO's third year of a five-year term as the Corporation's external auditors, resulting from a competitive procurement in 2021. [BDO were Waterfront Toronto's external auditors for a previous five-year term from 2016 to 2021.]</p> <p>The attached Planning Report covers:</p> <ul style="list-style-type: none"> <li>○ Audit Team (p. 4)</li> <li>○ Audit Timing (p. 5)</li> <li>○ Auditors Responsibilities (p. 6-8)</li> <li>○ Risk and Areas of Focus (p. 9-10)</li> <li>○ Materiality (p. 11)</li> <li>○ Audit Approach (p. 12-16)</li> <li>○ Recommended Resources (p. 17-19)</li> <li>○ Audit Engagement Letter (Appendix A)</li> <li>○ Public Sector Accounting Standards Update (Appendix B)</li> </ul> <ul style="list-style-type: none"> <li>• BDOs scope of work also includes ensuring that WT's financial statements are AODA compliant.</li> <li>• BDO completed its interim fieldwork in January 2024.</li> <li>• The audit plan is based on a materiality level of \$4.5 million, consistent with last year, and based on average expenditure levels over the last three years.</li> <li>• Audit independence is formally reported upon in May 2024.</li> </ul>
<b>Resolution / Next Steps</b>	<p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Finance, Audit and Risk Management Committee approves the External Audit Plan for the year ending March 31, 2024.</p> <p>The FARM Committee will review the results of the external audit at its next meeting on May 30, 2024.</p>

# Toronto Waterfront Revitalization Corporation

Audit planning communication to the Finance,  
Audit and Risk Management (FARM) Committee  
for the year ended March 31, 2024





# To the Finance, Audit and Risk Management (FARM) Committee of Toronto Waterfront Revitalization Corporation

We are pleased to provide you with this planning communication to highlight and explain key issues which we believe to be relevant to the audit of Toronto Waterfront Revitalization Corporation (the “Company”) financial statements for the year ended March 31, 2024.

The enclosed planning communication includes our approach to your audit, the significant risks we have identified and the terms of our engagement. At the year-end meeting, we will provide you with a copy of our draft audit opinion and discuss the nature, extent and results of our audit work. We will also communicate any significant internal control deficiencies identified during our audit and reconfirm our independence.

Our audit and therefore this communication will not necessarily identify all matters that may be of interest to the Finance, Audit and Risk Management (FARM) Committee in fulfilling its responsibilities. This communication has been prepared solely for the use of the Finance, Audit and Risk Management (FARM) Committee and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We look forward to completing our draft audit report opinion and discussing our conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP



# Table of Contents

- 1 Your dedicated BDO audit team
- 2 Audit timeline
- 3 Auditor's responsibilities
- 4 Significant risks and planned responses
- 5 Planned scope
- 6 How we audit financial statements
- 7 Our audit approach
- 8 BDO's digital audit suite
- 9 Recommended resources
- 10 Appendices

## Audit at a glance

4	<div>LEAD PARTNER ON YOUR AUDIT</div>	Rob Clause CPA, CA
5		E: rclause@bdo.ca
6		T: 905-272-6245
9		
11		
12		
14	<div>START DATE</div>	April 22, 2024
15		
17		
20	<div>END DATE</div>	May 3, 2024



## Your dedicated BDO audit team



**Rob Clause, CPA, CA**

T: 905-272-6245  
E: rclause@bdo.ca

Rob Clause has over 17 years of professional experience in auditing, accounting and advisory services. He has worked with a variety of clients and industries, which include both public sector and not-for-profit Corporations.

Rob Clause will be the Engagement Partner for your assurance services. He will assume ultimate responsibility for the provision of all services, monitoring and controlling costs to ensure you receive quality, effective and value-added service.



**Jeffrey Barratt, CPA, CA**

T: 905-272-7838  
E: jbarratt@bdo.ca

Jeffrey Barratt has over 20 years of professional experience in auditing, accounting and advisory services in both public sector and not-for-profit Corporations.

Jeffrey Barratt will be the Client Relationship Partner for your assurance services. He has been involved with Waterfront Toronto for approximately 10 years.



**Anthony Chiarelli, CPA**

T: (289) 337-0124  
E: achiarelli@bdo.ca

Anthony Chiarelli has over 5 years professional experience in auditing, accounting and advisory services. He has worked with a variety of clients and industries, which include both public sector and not-for-profit Corporations.

Anthony Chiarelli will be the Engagement Manager for your assurance services.



**Alicia Croskery, CPA, CA**

T: 705-207-5069  
E: acroskery@bdo.ca

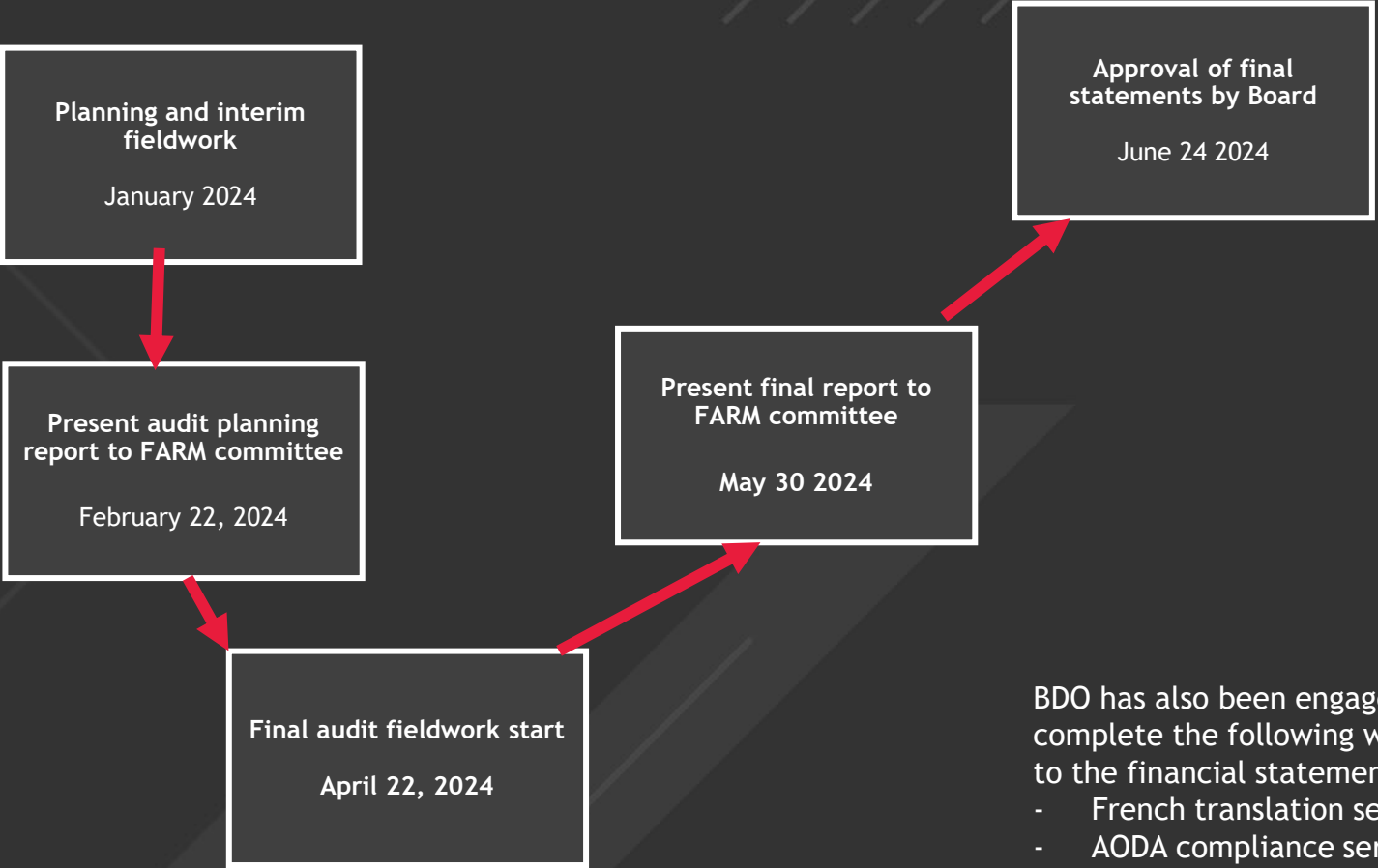
Alicia Croskery will be the Quality Assurance Partner and has over 18 years of professional experience in auditing, accounting and advisory services. She is the Regional Assurance and Accounting (A&A) Practice Leader

### Our independence

We have complied with relevant ethical requirements and are not aware of any relationships between Toronto Waterfront Revitalization Corporation and our Firm that may reasonably be thought to bear on our independence.



# Audit timeline



BDO has also been engaged to complete the following with respect to the financial statements:

- French translation services
- AODA compliance services

For the year ended March 31, 2024



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# Auditor's responsibilities: financial statements

We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter, is set out below:

## Year-End Audit Work

- ▶ Work with management towards the timely issuance of the financial statements, tax returns and consents for offering documents.
- ▶ Present significant findings to the Finance, Audit and Risk Management (FARM) Committee including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.



We are required to obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.

We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.



# Auditor's responsibilities: fraud

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- ▶ Identifying and assessing the risks of material misstatement due to fraud;
- ▶ Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- ▶ Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

## Behind the audit report



Learn how we audit your financial statements

[SEE OUR PROCESS](#)





## Auditor's responsibilities: fraud

Throughout our planning process, we performed risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the Company's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and made inquiries of management regarding:

- ▶ Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- ▶ Management's process for identifying and responding to the risks of fraud in the Company, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- ▶ Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in Toronto Waterfront Revitalization Corporation; and
- ▶ Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

We are not currently aware of any fraud affecting the Company. If you are aware of any instances of actual, suspected, or alleged fraud, please let us know.



# Significant risks and planned responses

We have identified the following significant risks that require special audit consideration. These risks were identified based on our knowledge of the Company, our past experience, and input from management and the Finance, Audit and Risk Management (FARM) Committee . Please review these significant risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Revenue Recognition	<p>Fraud risk due to improper revenue recognition.</p> <p>There is a standard risk in all audit files surrounding revenue recognition since it may be subject to manipulation in order to present more favourable financial statements.</p>	<ul style="list-style-type: none"><li>• Confirm all government contributions with the respective governments</li><li>• Assess the nature of non-government revenue to determine the level of specific testing to be completed</li></ul>
Management override of controls	<p>Management is in a unique position to perpetrate fraud because of management’s ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statement by overriding controls that otherwise appear to be operating effectively. This is a standard risk in all audit files.</p>	<ul style="list-style-type: none"><li>• Test the appropriateness of journal entries recorded as well as other adjustments made in the preparation of the financial statements.</li><li>• Obtain an understanding of the business rationale for significant transactions that we become aware of that are outside the normal course of operations for the Corporation.</li><li>• Review accounting estimates for biases.</li><li>• Perform unpredictability testing by completing an audit test that would be created differently each year.</li></ul>
Land sales	<p>There is a risk of inappropriate cost allocations for each respective land sale that occurs, if any.</p>	<ul style="list-style-type: none"><li>• Review the executed agreements for the land sales tested to ensure the correct revenue has been recorded.</li><li>• Understand the area / precinct of land being sold to ensure the correct cost is allocated, review managements calculations and the resulting gain/loss is recorded.</li></ul>



# Other areas of audit interest

In addition to the significant risks noted previously, we have also noted certain areas which are of interest to us or the FARM Committee and will be considered in the planning of our audit approach and procedures.

Financial statement areas	Risks noted	Audit approach
Accrued liabilities	Accrued liabilities relating to contractors for existing ongoing projects.	<ul style="list-style-type: none"><li>• Specific testing around the completeness of accruals. We will also obtain confirmations from various contractors/suppliers to ensure accruals are complete.</li></ul>
Assets under development	The Corporation capitalizes costs for assets under development.	<ul style="list-style-type: none"><li>• Specific testing around the revenue or costs capitalized and review of memorandums of understanding on a project by project basis.</li></ul>
Construction deposits	The Corporation has made lump sum payments at the start of some projects which will be repaid once certain levels of expansion have been reached.	<ul style="list-style-type: none"><li>• Confirm with the deposit holder that these deposits are collectible and that the expansion levels will be met.</li></ul>
Contribution agreements / Other Project Agreements	Contribution agreements and other project contracts may be complex in nature.	<ul style="list-style-type: none"><li>• Review of all contribution/project agreements and discuss with management as necessary.</li><li>• Review of Contribution Agreement compliance audit results</li><li>• Conclusion on appropriate accounting policies and financial statement disclosures.</li></ul>
Deferral of contributions and grants	Revenue deferred that relates to future periods. Contributions from the governments can only be applied towards payments of eligible costs in respect of project activities, as defined in the contribution agreements.	<ul style="list-style-type: none"><li>• Specific testing around the allocation of expenses and related revenues to recognize. Funding received for restricted projects should be deferred if no relating expenses have yet been incurred.</li></ul>
Climate Disclosures	Climate disclosures, the quickly evolving nature of the space and the recommendations of the Task Force on Climate Disclosures (TCFD) is a popular topic for Corporations to determine if applicable.	<ul style="list-style-type: none"><li>• Currently, there are no reporting requirements under PSAB. However, there is a BDO internal requirement for additional reviews outside the normal audit team.</li></ul>

## ☰ Materiality

We determined preliminary materiality to be \$4,500,000, based on 2% of total costs incurred averaged over the last 3 years.

Misstatements are considered to be material if they could reasonably be expected to influence the decisions of users based on the financial statements.

Our materiality calculation is based on the Company's preliminary results. If actual results change significantly, we will communicate those changes to the Finance, Audit and Risk Management (FARM) Committee as part of our year-end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Finance, Audit and Risk Management (FARM) Committee, other than those which we determine to be "clearly trivial."

We encourage management to correct any misstatements identified throughout the audit process.





# How we audit financial statements: Our audit process

## IDENTIFY AND ASSESS RISK

Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

## OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

## COMMUNICATION

Communicate our opinion and details of matters on which we are required to communicate





# How the firm’s system of quality management supports the consistent performance of quality audit engagements

The firm’s system of quality management complies with the requirements set out in Canadian Standard on Quality Management 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (CSQM 1) as issued by the Auditing and Assurance Standards Board (AASB).

In addition to the requirements set out in CSQM 1, we may have identified additional quality objectives and potential quality risks and have designed further policies and procedures to respond to these.

Taken together our system of quality management supports consistent performance of audit engagements by focusing on eight components that operate in an iterative and integrated manner. These include:

- 1 Firm risk assessment process
- 2 Governance and leadership
- 3 Relevant ethical requirements
- 4 Acceptance and continuance
- 5 Engagement performance
- 6 Resources
- 7 Information and communication
- 8 Monitoring and remediation process

## Standard for Audit Quality



### CSQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.



# Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



## Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)

# BDO’s digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients’ operations and people.



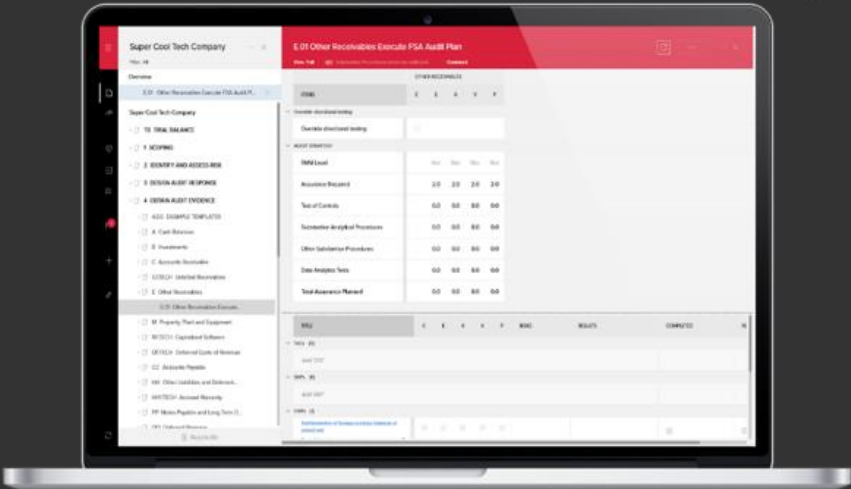
## APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

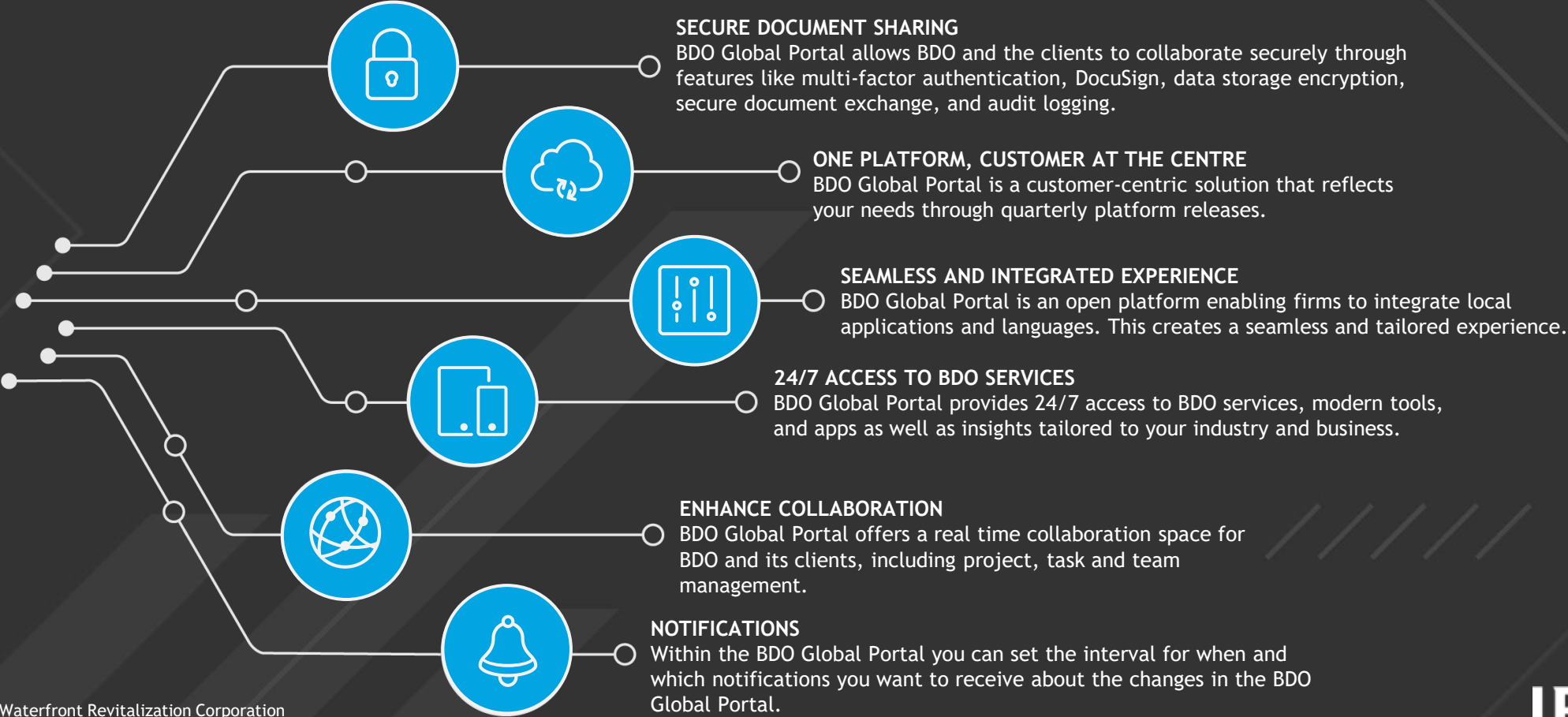
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





# BDO Global Portal

BDO Global Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.





# Recommended Resource

Staying in the know with knowledge and perspective

## Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

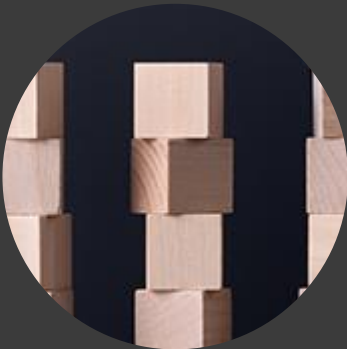
## Trending topics



As a community of advisors with the best interests of our clients in mind, we keep our ear to the ground to bring insights and perspectives related to key business trends to you.

[EXPLORE NOW](#)

## Public Sector Accounting Standards (PSAS) Update 2023/2024



This publication will walk through a practical approach to applying various changes to PSAS for fiscal 2023 and fiscal 2024 standards.

[READ ARTICLE](#)



# Spotlight on ESG



Transformative world events—an international health crisis, social movements, shareholder and investor values, global supply chains, energy transition, smart cities, and sustainable finance—are transforming Canadian business.

Standards and regulations are rapidly changing to reflect the goals of all of your stakeholders. Organizations, investors, and customers are embracing environmental, social, and governance (ESG) considerations as important measures of success. Non-financial and financial information is becoming more interconnected.

## ESG Insights



Sector insights at your convenience

EXPLORE NOW



# Spotlight on public sector



## Industry insights to shape your business

At BDO, we help governments create efficient ways of working to achieve better outcomes for their citizens and public servants. From technology-based solutions to program development, advisory and audit, our team can guide you through critical strategic decisions to ensure you deliver on your vision, goals, and accountability expectations.

### Public sector Insights



Resources to support your business

EXPLORE NOW



# Appendix A - Engagement Letter



Tel: (289) 881-1111  
Fax: (905) 845-8615  
www.bdo.ca

BDO Canada LLP  
360 Oakville Place Drive  
Suite 500  
Oakville, Ontario  
L6H 6K8

December 31, 2023

Toronto Waterfront Revitalization Corporation  
301-251 Queens Quay East  
Toronto, Ontario  
M5A 0X3

Dear Lisa Taylor,

We understand that you wish to engage us as the auditors of Toronto Waterfront Revitalization Corporation for its fiscal year ended March 31, 2024.

We are pleased to perform the engagement subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Jeffrey Barratt, CPA, CA will serve as the Client Relationship partner on the file and will be your primary Partner contact. Rob Clause, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

## Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian Public Sector Accounting Standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.



## Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

## Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
  - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that we may request for the purpose of the audit;
  - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
  - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
  - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

## Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

## Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and



in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

### **Additional Services**

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

### **Fee Estimation**

The estimated fee for this engagement is as follows:

- Audit & FS services as outlined in RFP#2021-19: \$68,000

For each future year we will issue a Summary of Services providing details of our Services and fees.

Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with Canadian Public Sector Accounting Standards and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place. Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.

We will also bill you for our out-of-pocket expenses, and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax.

Our fees will be invoiced and payable as follows:

- \$20,000 interim payment;
- \$40,000 prior to issuance of assurance report; and
- \$8,000 within 10 days after issuance of our final invoice along with any additional required final payments.

Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.



## Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. **The Standard Terms and Conditions include clauses that limit our professional liability.**

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

---

Signature

Date

---

Name (please print)

Position

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.

## ***Appendix 1 - Standard Terms and Conditions***

### **1 Overview and Interpretation**

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

**This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

**Services** - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

**We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

**You, your** - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms

**BDO Member Firm or Firms** - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

**Confidential Information** - all non-public proprietary or confidential information and Personal Information, including Client Documents

**Personal Information** - personal information that is or could be attributed to identifiable individuals

**Client Documents** - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

### **2 BDO Network and Sole Recourse**

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.



- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

### **3 Respective Responsibilities**

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

### **4 Working Papers and Deliverables**

- 4.1 **Ownership** - All reports (including assurance reports where applicable), written advice, working papers, and internal materials created or developed by us pursuant to this Agreement are owned by us, and we retain all property rights therein. All Client Documents continue to be your property, provided that we retain copies of such documents as necessary for our internal record keeping (including as required to comply with our professional obligations).
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.
- 4.5 **Consent to use the Report** - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.
- 4.6 **Consent requests** - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information

is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

## **5 Confidentiality**

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. You agree, however, that we may use such Confidential Information for predictive analytics to provide you with key performance indicators and other analysis and insights. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

## **6 Analytics**

- 6.1 You agree that we may use anonymized and aggregated usage metrics, metadata or other tag identifiers, and Confidential Information that will not include any personally identifiable information, related to your use of BDO products and/or services to develop, modify and improve tools, services and offerings and for data analytics and other insight generation. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however we will not use or disclose your name or any Confidential Information in a way that would permit you to be identified.

## **7 Privacy and Consent for Use of Personal Information**

- 7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.
- 7.2 You represent and warrant that:
- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
  - (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.

## **8 Independence**

- 8.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

## **9 Offers of Employment**

- 9.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

## **10 Professional and Regulatory Oversight and Legal Processes**

- 10.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 10.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.
- 10.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

## **11 Electronic Communications**

- 11.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

## **12 Limitation of Liability**

- 12.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability

based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

- 12.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 12.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
- (a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
  - (b) \$25,000.
- 12.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 12.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 12.6 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 12.7 For purposes of this Section, the term "BDO" shall include BDO Canada LLP and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.

### **13 Indemnity**

- 13.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.

### **14 Alternative Dispute Resolution**

- 14.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation,

validity, breach or termination, or the Services provided hereunder, through good faith negotiations.

- 14.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 14.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon, shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

## **15 Limitation Period**

- 15.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 15.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 15.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

## **16 Québec Personnel**

- 16.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as

grounds for excluding or limiting their own liability. Any limitation of liability clauses in this Agreement shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

## **17 Termination**

- 17.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 17.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

## **18 Governing Laws**

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of Ontario in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

## **19 Survival**

- 19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

## **20 Force Majeure**

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

## **21 Assignment**

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

## **22 Severability**

- 22.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.



# Appendix B - PSAB Update 2023/2024

# Assurance and Accounting

# Public Sector

# Accounting Standards

# (PSAS) Update 2023

## Introduction

It was another active year for the Public Sector Accounting Board (PSAB or the “Board”). The Board was hard at work advancing the progress of a number of projects such as its government not-for-profit strategy, as well as, issuing a revised conceptual framework and approving a new reporting model. This publication will provide a look at these projects, as well as, the impacts of new standards effective over the next few years including Section PS 3280, *Asset Retirement Obligations*, the Financial Instruments suite of standards, Section PS 3160, *Public Private Partnerships*, Section PS 3400, *Revenue*, and PSG-8, *Purchased Intangibles*. Use the table below to navigate to the sections of the publication most relevant for you.

NEW STANDARDS / AMENDMENTS EFFECTIVE FOR FISCAL YEARS BEGINNING ON OR AFTER:	
April 1, 2022	<ul style="list-style-type: none"> <li>• <a href="#">Asset Retirement Obligations</a></li> <li>• <a href="#">Financial Instruments Suite of Standards</a></li> </ul>
April 1, 2023	<ul style="list-style-type: none"> <li>• <a href="#">Revenue</a></li> <li>• <a href="#">Purchased Intangibles</a></li> <li>• <a href="#">Public Private Partnerships</a></li> </ul>
April 1, 2026	<ul style="list-style-type: none"> <li>• <a href="#">Revised Conceptual Framework</a></li> <li>• <a href="#">New Reporting Model</a></li> </ul>

THE FUTURE OF PSAS	
	<ul style="list-style-type: none"> <li>• <a href="#">Employment Benefits</a></li> <li>• <a href="#">2022-2023 Annual Improvements</a></li> <li>• <a href="#">Government Not-for-Profit Strategy</a></li> </ul>
PUBLIC SECTOR ACCOUNTING DISCUSSION GROUP	
	<ul style="list-style-type: none"> <li>• <a href="#">Summary of issues discussed at November 2022 and June 2023 meetings</a></li> </ul>

## Standards Effective April 1, 2022

Public sector entities must consider the impacts the following new and amended standards will have on their December 31, 2023 year ends. Refer to the publications provided in the table at the end of this section for more detailed information on these changes.

### Asset Retirement Obligations

In March 2018, the Board issued new Section PS 3280, *Asset Retirement Obligations*. Prior to this, the PSA Handbook did not include specific guidance on accounting for asset retirement obligations. In applying this standard in practice, it is very important that public sector entities take the time to perform a thorough analysis when deciding which asset retirement costs are in the scope of this standard. Once the proper scoping has been completed the remaining guidance in the standard should be used to ensure proper recognition, measurement, presentation and disclosure.

#### *Scope*

The standard only applies to legal obligations, including obligations created by promissory estoppel. This standard impacts tangible capital assets controlled by public sector entities, regardless of whether or not they are in productive use or not. Some examples of costs that would potentially fall within the scope of this standard include:

- Costs to remove asbestos and fuel tanks;
- Costs incurred to retire an x-ray or similar machine;
- Solid waste landfill closure and post closure liabilities; and
- Costs to remove customizations/ leasehold improvements from leased premises.

To perform proper scoping for asset retirement obligations, management should ensure employees with the appropriate knowledge are involved to ensure all potential asset retirement obligations are identified.

#### *Recognition and Measurement*

Under the new standard, an asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset controlled by a public sector entity. Asset retirement obligations associated with tangible capital assets include post-retirement operation, maintenance, and monitoring costs. A liability for an asset retirement obligation would be recognized when **all** of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Recognition of asset retirement costs is accomplished by increasing the carrying amount of the related tangible capital asset, or a component thereof, and then expensing this amount in a rational and systematic manner. A present value technique may be the best method of estimating the liability. Depending on the nature of a re-measurement and whether the asset remains in productive use, subsequent re-measurement of the liability could result in either a change in the carrying amount of the related tangible capital asset or a component thereof, or an expense. Asset retirement costs associated with an asset that is not recognized on the public sector entity's financial statements and those associated with assets no longer in productive use would be expensed immediately.

### ***Landfills***

The new standard includes landfill related asset retirement obligations within its scope so that all asset retirement obligations are accounted for consistently within the public sector. Existing Section PS 3270, *Solid Waste Landfill Closure and Post-closure Liability*, has been withdrawn. This change will result in asset retirement obligations associated with landfills recognized earlier than they are under the current guidance.

### ***Amendments to Section PS 3260***

Changes have been made to Section PS 3260, *Liability for Contaminated Sites*, to clarify what will fall within the scope of this standard vs. the scope of the new asset retirement obligation standard. Additionally, under the new standard any expected recoveries associated with the asset retirement obligation would not be netted against the liability. In the past, Section PS 3260 has allowed recoveries to be netted against the liability. To improve consistency between the two standards, Section PS 3260 has been amended to no longer allow netting.

For more details on this new standard and its application please refer to our publication [Asset Retirement Obligations \(ARO\): A Practical Approach to Section PS 3280](#).

### **Financial Instruments, Foreign Currency, Financial Statement Presentation and Portfolio Investments**

Sections PS 3450, *Financial Instruments*, and PS 2601, *Foreign Currency Translation*, are applicable for fiscal years beginning on or after April 1, 2022, for public sector entities that did not previously apply the CPA Canada Handbook - Accounting prior to adopting the PSA Handbook (for example governments). At the same time public sector entities adopt these two Sections, they must also adopt Section PS 1201, *Financial Statement Presentation*, Section PS 3041, *Portfolio Investments*, and the effective interest method outlined in paragraph .25 of Section PS 3050, *Loans Receivable*. For more details on these standards, please refer to our publication [A Guide to Accounting for Financial Instruments in the Public Sector](#).

Over the past few years, the effective date of these Sections was delayed several times due to concerns raised by senior governments in some provinces on the implementation of Sections PS 2601 and PS 3450 related to recognition and measurement of derivatives, the lack of hedge accounting, and the accounting treatment for bond repurchases. The Board investigated various options to address these concerns and issued three further amendments to the above standards. The details of the amendments are described below, and these amendments would be effective in the same periods the above standards are first applied.

### ***Federal Government Narrow-Scope Amendments***

The Board issued amendments to Section PS 2601 to address the presentation of the exchange gain or loss component of a financial instruments change in fair value when that financial instrument is associated with the federal government's foreign reserves. Section PS 1201 was amended to clarify, that foreign exchange gains or losses from such instruments are not required to be presented in the statement of remeasurement gains and losses.

### ***Foreign Exchange Narrow-Scope Amendments***

The Board issued amendments to Section PS 2601 to allow all public sector entities to make an accounting policy election for financial assets and financial liabilities arising from a foreign currency transaction to, on initial recognition, recognize their exchange gains and losses, including the foreign exchange gain or loss component of changes in fair value, directly in the statement of operations.

Section PS 1201 has been amended as a result of the above, to clarify that the exchange gains and losses subject to the election would not be recognized in the statement of remeasurement gains and losses. Section PS 3450 has been amended to require disclosure of the carrying value of financial assets and liabilities to which the above election is applied in the notes to the financial statements.

### ***Presentation Narrow-Scope Amendments***

The Board issued amendments to Section PS 1201 clarify the presentation of derivatives. The amendments include:

- The remeasurement impact of derivatives and other categories of financial instruments may be presented as separate line items on the statement of changes in net debt;
- A new subtotal for the change in net debt excluding the impact of remeasurement gains and losses may be presented on the statement of change in net debt; and
- A footnote on the net debt indicator may be included in the statement of financial position to refer readers to the additional detail provided on the statement of changes in net debt.

The resources listed below provide additional information on the changes discussed in this section of the publication.

AMENDMENT / NEW STANDARD	RESOURCES
New Section PS 3280, <i>Asset Retirement Obligations</i>	<ul style="list-style-type: none"> <li>• <a href="#">Asset Retirement Obligations (ARO): A Practical Approach to Section PS 3280</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3280, <i>Asset Retirement Obligations</i></a></li> </ul>
New Sections PS 3450, <i>Financial Instruments</i> ; PS 2601, <i>Foreign Currency Translation</i> ; PS 3041, <i>Portfolio Investments</i> ; PS 1201, <i>Financial Statement Presentation</i> ; and amendments to Section PS 3050, <i>Loans Receivable</i> , on accounting for financial instruments	<ul style="list-style-type: none"> <li>• <a href="#">A Guide to Accounting for Financial Instruments in the Public Sector</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 1201, <i>Financial Statement Presentation</i></a></li> <li>• <a href="#">PSAB at a Glance: Section PS 2601, <i>Foreign Currency Translation</i></a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3041, <i>Portfolio Investments</i></a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3050, <i>Loans Receivable</i></a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3450, <i>Financial Instruments</i></a></li> </ul>

## Standards Effective April 1, 2023

Public sector entities must consider the impacts the following new and amended standards will have on their March 31, 2024 and December 31, 2024 year ends. Refer to the publications provided in the table at the end of this section for more detailed information on these changes.

### Revenue

In November 2018, the Board issued new Section PS 3400, *Revenue*. Prior to this, the PSA Handbook only contained guidance on specific revenue transactions such as, taxation, government transfers, etc. As a result, many public sector entities consulted other sources of GAAP when accounting for types of revenue for which the PSA Handbook did not provide specific guidance, which resulted in diversity in practice.

The new standard establishes overall guidance on how to account for and report revenue. The standard makes a distinction between transactions that include performance obligations (exchange transactions) and those that do not include a performance obligation (non-exchange transactions). A performance obligation is an enforceable promise to provide specific goods or services to a specific payor. Based on the definition, in order to identify a performance obligation a public sector entity must be able to identify a distinct good or service and a specific payor. Revenue from transactions with performance obligations is recognized when (or as) the public sector entity satisfies a performance obligation by providing the goods or services to a payor. Therefore, once a performance obligation is identified, an assessment is needed to determine whether revenue recognition occurs over a period of time or at a point in time.



***Transactions with Performance Obligations Satisfied at a Point in Time***

A performance obligation is satisfied, and revenue is recognized when control of the benefits for a good or service have been transferred to the payor. Some indicators that control has been transferred include, but are not limited to:

- When the payor is able to use or direct the use, sell, or exchange and obtain substantially all the remaining benefits from the good or service; or
- When the payor has hold of the good or service and can use it at their discretion.

If a performance obligation is not satisfied over a period of time (as described in the next section below), then it must be recognized at a point in time considering the above criteria. An example of a transaction where a performance obligation would be recognized at a point in time would be when a public sector entity sells a recycling bin, since after the initial sale transaction the payor controls the asset and there are no further performance obligations for the public sector entity to complete.

***Transactions with Performance Obligations Satisfied Over Time***

When control of the benefits associated with a good or service passes to the payor over time, then the entity recognizes revenue over a period of time if any of the following indicators are met:

- The payor simultaneously receives and consumes the benefit as the public sector entity fulfils the performance obligation;
- The public sector entity's performance creates or enhances an asset that the payor controls or uses as the asset is created or enhanced;
- The public sector entity's performance does not create an asset with an alternative use to the public sector entity, and the public sector entity has an enforceable right to payment for performance completed to date;
- The public sector entity is expected to continually maintain or support the transferred good or service under the terms of an arrangement; or
- The payor is granted access to a specific good or service under the terms of an arrangement.

A portion of the transaction price allocated to each performance obligation is recognized as revenue as the performance obligation is satisfied. An example of a transaction with performance obligations settled over time would be a college providing a certificate course consisting of weekly lectures over an eight-month period to a student who pays \$4,000 up front, since the college must perform multiple performance obligations over a period of time.

***Transactions with no Performance Obligations***

Some transactions entered into by a public sector entity do not have any performance obligations attached to them. When this is the case, revenue would be recognized when the public sector entity has authority to claim or retain an inflow of economic resources and a past event or transaction that gives rise to an asset has occurred. An example of a transaction without a performance obligation would be a municipality issuing a parking ticket or fine.

## Transition

Adoption of the standard will be accounted for as a change in accounting policy and may be applied retroactively with restatement of prior periods or prospectively.

## Purchased Intangibles

In November 2020, the Board issued new a new public sector guideline (PSG) on purchased intangibles. Prior to this, the PSA Handbook prohibited the recognition of purchased intangibles in the financial statements of public sector entities following PSAS without the PS 4200 series of standards. The main highlights of this new PSG-8 include:

- Defining purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through an arm's length exchange transaction between knowledgeable, willing parties who are under no compulsion to act.
- Purchased intangibles are recognized as assets when they meet the definition of an asset and the general recognition criteria in Section PS 1000, *Financial Statement Concepts*. Section PS 3210, *Assets*, provides guidance on applying the asset definition.
- PSG-8 does not provide specific in-depth guidance on how to account for purchased intangibles, but directs the reader to consider the following guidance in determining how to account for purchased intangibles:
  - The definition of an asset in Section PS 1000 and the additional guidance on the asset definition in Section PS 3210;
  - The recognition, measurement, and disclosure concepts in Section PS 1000; and
  - The GAAP Hierarchy in Section PS 1150, *Generally Accepted Accounting Principles*.
- Purchased intangibles are classified as non-financial assets.
- PSG-8 is applied retroactively or prospectively in accordance with Section PS 2120, *Accounting Changes*.

The Board also amended Sections PS 1000 and Section PS 1201 to allow for the recognition of purchased intangibles and removed the disclosure requirements for unrecognized purchased intangibles as a result of the issuance of PSG-8.

## Public Private Partnerships

An issue that was identified as a priority in PSAB's 2014 Project Priority Survey was accounting for public private partnerships. These types of arrangements are becoming more common across Canada as government entities look for new ways to finance capital projects, and authoritative guidance on how to account for them was needed. After obtaining feedback from stakeholders, in April 2021, the Board issued new Section PS 3160, *Public Private Partnerships*. The main features of the new standard include:

**Scope**

- This section applies to public private partnerships between a public sector entity and a private sector partner for infrastructure-project delivery with risk allocation that provides for public sector control of the asset at any point during the arrangement and in which the private sector partner satisfies all the obligations required.
- The private sector partner is obligated to:
  - design, build, acquire or better new or existing infrastructure;
  - finance the transaction past the point where the infrastructure is ready for use; and
  - operate and/or maintain the infrastructure.

**Examples of P3 arrangements in the scope of this section:**

- The public sector contracts with a private corporation to design, finance and construct a facility. Once completed, the ownership is transferred to the public sector. The public sector then leases the facility back to the private sector, which operates the facility.
- The public sector contracts with the private sector for the design, financing, construction and operation of a new project for a specified time (known as the concession period). During the concession period, the private sector owns and operates the facility, earning a return on its investment through a lease arrangement with the public sector or through user charges. At the end of the period, the public sector takes possession of the facility and has the option of running the facility itself, or giving another contract to the private sector partner.

**Recognition**

- Where infrastructure is acquired or bettered through a public private partnership, it is recognized as an asset of the public sector entity when the public sector entity controls:
  - The purpose and use of the infrastructure;
  - Access to the future economic benefits and exposure to risks of the infrastructure asset; and
  - Significant residual interest in the infrastructure, if any, at the end of the public private partnership's term.
- At the same time that the infrastructure asset is recognized, an offsetting liability is also recognized. The type of consideration provided to the private sector partner determines the type of liability that is recognized. This distinction will impact subsequent measurement of the liability.
  - Where the consideration is cash or another financial asset, the public sector entity recognizes a financial liability (financial liability model).
  - Where the consideration is the granting of rights (such as the right to charge end users), the public sector entity recognizes a performance obligation (user-pay model).

***Initial Measurement***

- An infrastructure asset is initially recognized at cost. Where the cost of acquiring or constructing the infrastructure is both determinable and verifiable such as from a procurement process or contractual agreement, these amounts would be used to initially measure cost.
- Where the cost information is not readily determinable or verifiable, the cost is then equal to the estimated fair value of the asset at the transaction date.
- The offsetting liability is initially measured at the same value as the infrastructure asset less any amounts already paid to the private sector partner.

***Subsequent Measurement***

- The infrastructure would be accounted for similar to other assets and would be amortized over its useful life in a rational and systematic manner.
- The subsequent measurement of the liability will depend on the model used for initial measurement.
  - Under the financial liability model, the financial liability would be subsequently measured at amortized cost using the effective interest method.
  - Under the user pay model the liability is subsequently reduced as revenue is recognized by the private sector partner based on the terms of the public private partnership arrangement.

***Transition***

- This Section may be applied retroactively or prospectively as follows:
  - Prospective application is used for an infrastructure asset and related liability where control of the infrastructure asset arose on or after April 1, 2023.
  - Retroactive application is used with or without prior period restatement, for an infrastructure asset and related liability where control of the asset arose prior to April 1, 2023 and the asset and related liability have not been previously recognized.
  - Retroactive application is also used with or without prior period restatement, for an infrastructure asset and related liability where control of the asset arose prior to April 1, 2023 and where the asset and related liability were previously recognized and now require adjustment upon applying this new Section.

The resources listed below provide additional information on the changes discussed in this section of the publication.

AMENDMENT / NEW STANDARD	RESOURCES
New Section PS 3400, <i>Revenue</i>	<ul style="list-style-type: none"> <li>• <a href="#">PSAB at a Glance: Section PS 3400, Revenue</a></li> </ul>
New Section PSG 8, <i>Purchased Intangibles</i>	<ul style="list-style-type: none"> <li>• <a href="#">PSAB at a Glance: PSG-8, Purchased Intangibles</a></li> </ul>
New Section PS 3160, <i>Public Private Partnerships</i>	<ul style="list-style-type: none"> <li>• <a href="#">P3 Accounting: 1 New Standard, 2 Sectors, and the Public-Private Repercussions</a></li> <li>• <a href="#">PSAB at a Glance: Section PS 3160, Public Private Partnerships</a></li> </ul>

## Standards Effective April 1, 2026

### Revised Conceptual Framework

In 2010, the Board decided to undertake a project to review and update the conceptual framework for the PSA Handbook to ensure it is still relevant and that it properly reflects and is grounded in the public sector environment. The conceptual framework guides the Board as it develops new standards or amends existing ones. In developing the revised conceptual framework, the Board sought feedback from stakeholders through three Consultation Papers, a Statement of Concepts and an Exposure Draft. The revised conceptual framework was approved by the Board in June 2022. It will replace the existing conceptual framework, which consists of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*. The revised conceptual framework includes the following 10 chapters:

- Introduction to the Conceptual Framework - this chapter defines the conceptual framework and outlines the needs and objectives.
- Characteristics of Public Sector Entities - This chapter builds upon and replaces Appendix A - *Unique Characteristics of Government* in existing Section PS 1100. Identifying the characteristics of public sector entities will result in concepts and standards appropriate to the public sector.
- Financial Reporting Objective - This chapter identifies the primary users as the public and its elected or appointed representatives. It also identifies the financial reporting objectives as the need to provide information for accountability purposes and the broad financial reporting accountabilities.
- Role of Financial Statements - This chapter creates a link between financial reporting and financial reporting in financial statements.
- Financial Statement Foundations - This chapter clearly identifies the foundations that currently underlie the existing conceptual framework.
- Financial Statement Objectives - This chapter builds upon and revise the objectives of existing Section PS 1100.

- Financial Statement Information - This chapter establishes the qualitative characteristics of financial information and considerations for including this information in the financial statements.
- Elements of Financial Statements - This chapter defines the four elements in the financial statements: assets, liabilities, revenues, and expenses.
- Recognition and Measurement in Financial Statements - This chapter covers the general recognition and measurement criteria. The concepts here remain unchanged from the existing conceptual framework.
- Presentation Concepts for Financial Statements - This chapter includes some presentation concepts from Section PS 1201, *Financial Statement Presentation*, as well as new presentation concepts to promote the preparation of understandable financial statements.

The revised conceptual framework will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework is to be applied prospectively.

### New Reporting Model

Related to PSAB's recent approval of the revised Conceptual Framework discussed above, the Board has also been working on the development of a new reporting model. The Board considered the relative merits of many reporting models, as well as, feedback from stakeholders and has approved the issuance of new Section PS 1202, *Financial Statement Presentation*, which will build upon existing Section PS 1201 of the same name, to better respond to the need for understandable financial statements. The new reporting model will consist of:

- A Statement of Financial Position - The net debt indicator will be relocated to its own statement (see below), and liabilities will be separated into financial and non-financial categories. The statement will also be restructured to present total assets, then total liabilities to arrive at the net assets or net liabilities indicator. A new third component "accumulated other" would also be added to net assets/liabilities.
- A Statement of Net Financial Assets (Net Financial Liabilities) - This new statement will display a revised calculation of net debt. A net financial asset position means there are financial assets available to provide services in the future and to settle future financial liabilities. A net financial liability position means there is a need for additional financial assets to aid in settling past financial liabilities, it reflects the entity's ability to finance activities, provide services or settler financial liabilities in the future. There will also be an option to present the net financial assets/liabilities indicator at the bottom of the statement of financial position.
- A Statement of Operations - There are no changes to this statement from what is currently required under existing Section PS 1201.
- A Statement of Changes in Net Assets (Net Liabilities) - This is a new statement that will show a reconciliation between the opening and closing balances of each component of net assets or net liabilities. This statement will allow the entity to be transparent about which revenues and expenses are recognized in surplus or deficit and those that are recognized directly in a component of net assets or net liabilities.



- A Statement of Cash Flow - Financing activities will be separated from other items on the cash flow statement. This will allow the statement to highlight net cash before financing activities to show whether all of an entity's other activity combined resulted in the need to raise cash through financing activities.
- Accompanying Notes and Schedules.

There will also be new budget requirements including presentation of budget figures using the same basis of accounting, accounting principles, scope of activities and classifications as the actual amounts. As well as, an acknowledgement on the face of the statements where an actual-to-budget comparison could not be completed.

The Board approved new Section PS 1202 in March 2023 and it is expected to be issued in the PSA Handbook in October 2023. The new standard, along with related consequential amendments, will be effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted if the entity adopts the revised Conceptual Framework at the same time. PSAB plans to issue plain-language and other non-authoritative guidance in the future to help stakeholders better understand the requirements of this new standard.

## The Future of PSAS

The PSAB also has a number of projects on the go which seek to improve public sector standards to better meet stakeholder needs both now and in the future. The following provides a brief overview of these projects.

### Exposure Draft – Employment Benefits

A project on employee benefits was identified as a top priority in PSAB's 2014 Project Priority Survey. The project is needed as new types of pension plans have been introduced and there have been changes in the related accounting concepts since existing Sections PS 3250, *Retirement Benefits*, and Section PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*, were issued many years ago.

The Board issued an Exposure Draft in July 2021 proposing to replace these two existing standards with new Section PS 3251, *Employee Benefits*. The principles in IPSAS 39, *Employee Benefits*, were used as the starting point in developing this guidance. This Exposure Draft is the first phase of PSAB's multi-phase approach to this project. The focus in this phase is on deferral provisions and discount rate guidance. In future phases, the Board will focus on developing guidance for accounting for non-traditional pension plans and other issues.

The main highlights of the Exposure Draft are as follows:

- Deferral Provisions
  - For actuarial gains and losses, the deferral and amortization approach would no longer be used.
  - Revaluations of the net defined benefit liability (asset) which, include actuarial gains and losses, are recognized immediately on the statement of

financial position within the net defined benefit liability (asset) and accumulated other component of net assets.

- These revaluations would not be reclassified to surplus or deficit in a subsequent period.
- Plan assets would be measured at market value.
- **Discount Rate**
  - The discount rate used would depend on the funding status of the plan.
  - For a fully funded plan where the projected balance of plan assets exceeds projected benefit payment obligations for all project periods, the discount rate used would be the expected market-based return on plan assets.
  - For an unfunded plan where the projected balance of plan assets does not exceed projected benefit payment obligations for any projected period, the discount rate used would be the provincial governments bond rate.
  - Lastly, for partially funded plans where the projected balance of plan assets exceeds projected benefit periods for fewer than all projected periods, the discount rate would be a single discount rate that reflects the fully funded rate for periods where the balance of plan assets is projected to be greater than or equal to projected benefit payments and the unfunded rate for all other periods.
- **Other Proposed Changes**
  - The net interest on the net defined benefit liability (asset) would be determined by multiplying the net defined benefit liability (asset) by the rate used to discount the post employment benefit obligation.
  - Minor modifications to the guidance for joint defined benefit plans including changing legal terminology to accounting terminology by replacing references to “sponsors” with “participating entities” and directing entities to use multi-employer plan guidance.
  - More detailed disclosure requirements.

The proposed standard would have an effective date of April 1, 2026, and would require retroactive transition. The Board is currently working through significant feedback it received on the above proposals and determining next steps.

### Exposure Draft – 2022-2023 Annual Improvements

The PSAB has adopted an annual improvement process to correct errors in the wording or provide clarifications to the PSA Handbook. In August 2022, the Board issued its 2022-2023 Annual Improvements Exposure Draft proposing the following changes:

- Replace the term “summary financial statements” with “financial statements” or “financial reports”.
- Clarify the Introduction to Public Sector Guidelines and remove outdated guidance related to local governments.

- Update the transitional provisions in Section PS 3160, *Public Private Partnerships*, to explicitly state that early adoption is permitted.
- Change some references to the term “power” to “ability” or “authority” as appropriate, given the use of the term “power” to reference sovereign or equivalent powers in Chapter 5 of the revised conceptual framework.
- Update Section PS 3050, *Loans Receivable*, to address grammatical errors in the decision tree.
- Update PSG 8, *Purchased Intangibles*, to clarify its application to inter-entity transactions.
- Update the designation and numbering of existing appendices in the PSA Handbook to align with categories established by IPSAS; and
- Update the terminology in many standards from “government” to “public sector entity” or “entity” as appropriate.

In December 2022, the PSAB approved the majority of the changes (all except for the last two changes listed above as based on feedback received from constituents it was determined these changes were beyond the scope of an annual improvement). The final Handbook amendments will be published in two phases:

- On April 1, 2023, the amendments to allow early adoption of Section PS 3160, *Public Private Partnerships*, and clarify the application of PSG-8, *Purchased Intangibles*, to inter-entity transactions were issued and became effective.
- The remainder of the amendments will be published in late 2023, with an effective date of the first day of the month published.

### Government Not-for-Profit Strategy

While developing its 2017-2021 Strategic Plan, the Board signaled its intent to assess the specific needs of government not-for-profit organization (GNFPO) stakeholders and to assess if there is a need for some public sector accounting standards to apply differently to this particular group. The Board issued Consultation Papers in 2019 and 2021 seeking stakeholder feedback on the trends and needs in the GNFPO sector and the potential options as it relates to the future of the PS 4200 series of standards. As a result of the feedback received on these Consultation Papers the Board decided that the best option going forward is to incorporate the PS 4200 series of standards into the PSA Handbook with potential customizations. This will involve the Board undertaking a series of standard-level projects to review the PS 4200 series to determine which standards will be included.

At its December 2022 meeting, the Board approved the first project which encompasses a review of Section PS 4230, *Capital Assets held by Not-for-Profit Organizations*, and Section PS 4240, *Collections held by Not-for-Profit Organizations*, to determine what amendments should be proposed to Section PS 3150, *Tangible Capital Assets*. The Board is currently developing an Exposure Draft on the proposed changes which is expected to be issued for comment in 2024.

We would encourage GNFPs to stay up to date on this project and watch for the capital assets Exposure Draft, which will be available on the [government not-for-profit - capital assets project page](#) of the FRAS Canada website, and provide their feedback on the Board's proposals.

## Public Sector Accounting Discussion Group

The Public Sector Accounting Discussion Group (PSADG) is a regular public forum at which issues arising on the application of the PSA Handbook can be discussed. The group meets two times a year and consists of members that include preparers, auditors, and users of government and government organization financial reports. The group's purpose is to assist the Board regarding issues arising on the application of the PSA Handbook and other areas of concern regarding public sector financial reporting, including emerging issues and issues on which the Board seeks advice. While the group does not issue any authoritative guidance or interpretations, as only the Board has the ability to do so, the group's meeting summaries provide meaningful insights on the application of the standards that can be used as a resource. These meeting summaries are available on the FRAS Canada website or by clicking [here](#). During the group's November 2022 and June 2023 meetings, the following topics were discussed:

- **Accounting for Carbon Credits** - Discussion on whether carbon credits meet the definition of an asset in PSAS, what type of asset and what recognition standards apply.
- **Presentation of Certain Items on the Statement of Cash Flows** - Discussion on how public sector entities should present cash flows related to public private partnership arrangements and asset retirement obligations, as well as, whether restricted cash should be included in cash and cash equivalents on the statement of cash flows.
- **Cloud Computing: Accounting for Implementation Costs** - Discussion on whether implementation costs incurred by a public sector entity related to a cloud computing arrangement that is a service arrangement should be capitalized or expensed under PSAS.
- **Cloud Computing: Accounting for Implementation Costs in the Context of a Government Partnership:** - Discussion on how individual partners should account under PSAS for the implementation costs they incur as a result of a cloud computing arrangement that is a service arrangement in the context of a government partnership.
- **Canadian Economic Overview and Potential Impacts to the Public Sector** - Discussion of recent economic trends and consideration of the potential impacts to the Canadian public sector. As well as, discussion of the impacts of rising inflation and the economic environment on financial reporting.

- **Auditors Reporting on Going Concern** - Discussion of the Canadian Auditing and Assurance Standards Board's Exposure Draft on Going Concern<sup>1</sup> and potential public sector implications and the interaction of the proposals with the new guidance on going concern that has recently been added to PSAS's revised Conceptual Framework.

We would encourage public sector entities to keep up to date on topics discussed at these meetings.

## Conclusion

As we head closer to the end of the year, now is the time to discuss with your BDO advisor how the changes made, and the proposed changes to the PSA Handbook will affect your organization. Reach out to us today.

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<sup>1</sup> The Canadian AASB Exposure Draft on Going Concern is based on the International Auditing and Assurance Standards Board's Exposure Draft "Proposed International Standards on Auditing 570 (Revised 202X) Going Concern and Proposed Conforming and Consequential Amendments to other ISAs". ISAs are adopted in Canada as Canadian Auditing Standards.

Purpose	For Committee Information and Approval.
Areas of note/ Key issues	<p>This internal audit update covers two items:</p> <p>A. Internal Audit Plan Status Update (six of seven audits completed)</p> <p>B. Accessibility Audit Results and Additional Work/Fees (for Committee approval) – completed December 2023, refer highlights below.</p> <p><u>A. Internal Audit Plan - Status Update</u></p> <ul style="list-style-type: none"> <li>MNP LLP (MNP) completed the accessibility audit in December 2023, which is the sixth of seven audits included in WT's four-year internal audit plan (2020/21 to 2023/24). Refer below for audit results.</li> <li>Refer to attached Appendix on the status of the audits per FARM Committee approved four-year internal audit plan (2020/21 to 2023/24).</li> </ul> <p><u>B. Accessibility Audit Results</u></p> <ul style="list-style-type: none"> <li>The audit objective was to assess WT's compliance with the <i>Accessibility for Ontarians with Disabilities Act, 2005</i> (AODA) and the standards defined in the <i>Integrated Accessibility Standards Regulation</i> (IASR) and provide recommendations regarding any gaps in compliance, to allow WT to remediate in advance of the January 1, 2025 AODA deadline.</li> <li>MNP focused on assessing compliance to the five applicable standards of the IASR: general accessibility requirements, information and communications, employment, design of public spaces, and customer service.</li> <li>The overall conclusion is that Waterfront Toronto demonstrated a high level of compliance with an overall score of 97% (94 out of 97 total areas covered by the above five standards). Of the three pending areas, one area was noted as <b>high</b>, namely the information and communications standard relating to website and web content remediation, which is a similar challenge faced by many organizations. The remaining two areas were deemed <b>low</b>.</li> <li>MNP also identified three strengths of WT during the audit: leadership and commitment towards accessibility, additional internal accessibility design guidelines (for design of public spaces), and creation of an Accessibility Advisory Committee (as implementation arm subsequent to the initial committee on the development of above internal guidelines).</li> <li>Management supports the audit recommendations, and an implementation plan is underway.</li> <li>Refer to attached MNP's summary presentation.</li> </ul> <p><i>Additional Work/ Fees Approval Request</i></p> <p>Consistent with WT's management response (refer pg 12 of audit report) in addressing the high audit observation on website and web content remediation on a timely basis, WT seeks provisional FARM Committee approval to further engage MNP (If required) at a cost of up to \$5,000 to complete an inventory of all non-compliant webpages and web content.</p> <p>The above fees will be drawn from the remaining budget for WT's internal audit plan.</p>
Resolution or Next Steps	<p>ON MOTION duly made by [●] and seconded by [●] and carried, be it RESOLVED that the Finance, Audit and Risk Management Committee provides approval to engage MNP LLP for website inventory analysis related to the accessibility audit with fees of up to \$5K, on an as required basis.</p> <p>The next internal audit update will be at the May 2024 FARM Committee meeting.</p>



# Waterfront Toronto

Internal Audit Plan Status Update

For FARM Committee – February 22, 2024



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# Four-Year Internal Audit Plan 2020/21 to 2023/24

(FARM-Approved February 26, 2020, Amended in May 26, 2022)



Latest updates in blue

A. Underway/Upcoming (1 of 7 audits, 14%)

Fiscal Year	Audit Name and Summary Audit Scope	Status
TBD	ERP Robotic Process Automation – A review to identify and assess opportunities to enhance the use of RPA across the organization, with a specific focus on the areas of Finance and Accounting and PMO.	Not Yet Started *

\*Note: Upon discussion with WT management, it was determined that the audit on ERP Robotic Process Automation is being deferred due to planned ERP system updates and also in order to lessen any ERP audit fatigue felt by staff due to completion of two other ERP-related reviews in 2022/23 (i.e., ERP System Implementation Lessons Learned Review and ERP Procurement Process). As such, other focus areas are presently being evaluated.

# Four-Year Internal Audit Plan 2020/21 to 2023/24

(FARM-Approved February 26, 2020, Amended in May 26, 2022)



Latest updates in blue

B. Completed (6 of 7 audits, 86%)

Fiscal Year	Audit Name and Summary Audit Scope	Completion Date	# of Recommendations <sup>2</sup>	Fully Implemented	Being Implemented
2023/24 – Q2	<b>Accessibility</b> – Assess WT’s compliance with the Accessibility for Ontarians with Disabilities Act (“AODA”) and the standards defined in the Integrated Accessibility Standards Regulation (“IASR”) to determine any gaps in compliance, the associated risks with non-compliance, and recommendations for improvement prior to the AODA compliance deadline of January 1, 2025.	<i>Dec 2023 (Presentation to FARM Committee in Feb. 2024)</i>	1	-	1
2023/24 – Q1	<b>Cyber Security Audit</b> – A targeted review of WT’s cybersecurity program, policies and standards, outstanding audit recommendation implementation, ability to respond to cyber threats, vulnerabilities, risk reporting, risk awareness and culture. This audit will also consider components of privacy and records management.	Oct. 2023	7	-	7
2022/23 – Q3	<b>ERP Procurement Process</b> – A review of current procurement practices focusing on approval workflows and thresholds in order to identify possible efficiencies and opportunities to streamline procurement processes.	May 2023	N/A <sup>1</sup>	N/A	N/A
2022/23 – Q2	<b>ERP System Implementation Lessons Learned Review<sup>1</sup></b> – In pursuit of continuous improvement, this lessons learned review will assess the recent ERP system implementation to better understand and determine: - what lessons can be learned to inform future projects; - implementation strengths; - implementation gaps; - root cause factors for implementation delays and additional expenditures; and - opportunities for improvement.	Nov. 202	N/A <sup>1</sup>	N/A	N/A
2020/21 – Q4	<b>Resource and Succession Planning</b> – Evaluation of WT’s resource capacity and succession planning frameworks and processes.	Feb. 2022	9	8	1
2020/21 – Q2	<b>Performance Measurement Framework</b> – An assessment of WT’s performance measurement framework and metrics.	Sept. 2020	5	5	-
		Total	22	13	9
		%	100%	59%	41%

Note 1. Completed reviews on ERP System Implementation Lessons Learned and ERP Procurement Process were continuous improvement focused (i.e., not audit-focused), and as such provided suggested improvement observations and opportunities.

Note 2. Includes high and medium recommendations consistent with best practices



Questions?  
Thank You



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CANADA 2019

# Waterfront Toronto

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## Accessibility Compliance Audit

### Presentation to the FARM Committee

February 22, 2024



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# Background

Waterfront Toronto ("WT") must comply with the Accessibility for Ontarians with Disabilities Act, 2005 ("AODA") and its standards as defined in the Integrated Accessibility Standards Regulation ("IASR").

WT undertook this review to identify gaps related to its compliance to the AODA and to obtain recommendations for remediation prior to submitting the required Accessibility Compliance Report at the end of 2023.

This presentation summarizes the findings of the audit.

MNP has prepared a fulsome report under separate cover.



# Audit Objective & Scope (1/2)

## Objective

To assess WT's compliance with the AODA and the standards defined in the IASR in order to identify gaps in compliance, the associated risks with non-compliance, and recommendations for improvement.

## Scope

The scope of the audit focused on assessing compliance to the following applicable standards of the IASR:

- General Accessibility Requirements
- Information and Communications
- Employment
- Design of Public Spaces
- Customer Service

# Audit Objective & Scope (2/2)

## Design of Public Spaces

The Design of Public Spaces Standard is specific in its scope and application, focusing on public areas. As WT often constructs projects that are intended to be used by the public, many of the requirements in the standard are applicable. During this audit, MNP reviewed the following elements of the Standard:

- Recreational Trails and Beach Access Routes
- Outdoor Public Use Eating Areas
- Outdoor Play Spaces
- Exterior Paths of Travel
- Accessible Parking; and
- Obtaining Services (specifically service counters and waiting areas).

Other accessibility elements, such as accessible bathrooms, elevators, and doorways fall within the scope of the [Ontario Building Code](#). MNP did not perform an assessment of accessibility elements that fall within the Ontario Building Code, as this was outside the scope of this audit.

To assess compliance to this Standard, MNP conducted interviews to understand how accessibility is incorporated into the planning and design of projects, how the implementation of accessibility elements are monitored during construction, and how they are validated upon project completion. MNP did not perform site assessments as part of this audit.

Refer to [Appendix A](#) for a detailed breakdown of each IASR element in scope and its associated Compliance Rating.

# Audit Approach

In accordance with MNP's internal audit methodology, the approach to this audit included the following three phases:

## 1. Planning

- Define objectives and scope.
- Confirm project duration and schedule.
- Assign team members and develop team structure.
- Describe deliverables.
- Create Planning Memo and distribute to stakeholders.



## 2. Execution

- Obtain existing policies, process descriptions and relevant documentation.
- Conduct interviews / discussions.
- Evaluate current state and identify compliance gaps.



## 3. Reporting

- Identify improvement opportunities.
- Prepare draft report with findings and recommendations.
- Validate and present findings and recommendations to management.
- Issue final report.

# Audit Observations - Strengths

Area	Observation
Leadership and Commitment	Members of the executive and senior leadership team show consistent commitment to accessibility and to meeting their compliance obligations to the IASR. WT’s culture, commitment and dedication strengthens accessibility. Because of this culture, many of WT’s accessibility practices and protocols go above and beyond the AODA and IASR compliance requirements.
Accessibility Design Guidelines (for Design of Public Spaces)	WT uses the City of Toronto’s Accessibility Design Guidelines when planning for public realm projects, but has also internally developed Accessibility Design Guidelines, which cover accessibility for areas that are not covered in the City of Toronto’s guidelines (e.g., for docks). The City of Toronto’s Accessibility Design Guidelines and WT’s Accessibility Design Guidelines go above and beyond the minimum requirements in the AODA and IASR.
Accessibility Advisory Committee	In addition to WT’s initial Advisory Committee on Accessibility created in 2022 to help develop the guidelines referred to above, WT has formed a new Accessibility Advisory Committee effective January 2024. The purpose of this Accessibility Advisory Committee is to provide WT project teams with objective feedback, guidance, and advice on public realm projects during implementation. The Accessibility Advisory Committee includes a variety of individuals, including individuals with lived experience, professional expertise, advocates and caregivers.

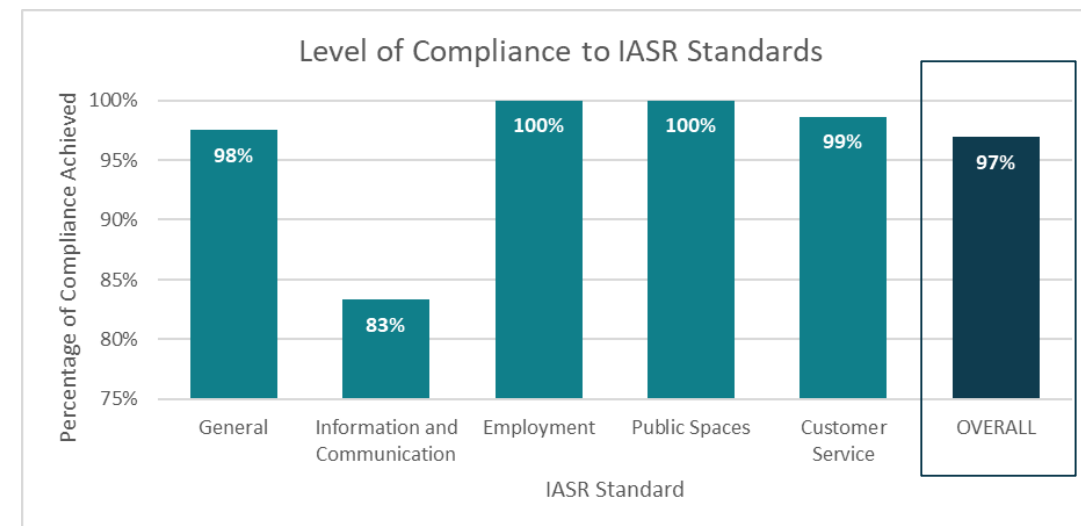
# Audit Observations – Summary

The following diagrams show the high-level results of the audit which indicates an overall 97% compliance rate (94 out of 97 areas). The most significant compliance area relates to the Information and Communications Standard (specifically the Website and Web Content requirement). Remediation should be prioritized to address this compliance issue.

It is important to note that many organizations face similar challenges in maintaining accessible websites and web content. Website and web content accessibility compliance is an ongoing activity that requires regular review and attention to ensure requirements are being met.

Standard	Number of Requirements	Number of Requirements with Compliance Issues
General	16	1 (related to AODA and Human Rights Code Training for organizations that provide services on behalf of WT – Observation #2)
Information and Communications	6	1 (related to Website & Web Content – Observation #1)
Employment	21	0
Public Spaces	28	0
Customer Service	26	1 (related to Customer Service Training for organizations that provide services on behalf of WT – Observation #2)
<b>TOTAL</b>	<b>97</b>	<b>3 (3%)</b>

**Table 1:** This table provides the total number of requirements in each IASR Standard, and the total number of requirements where compliance issues were identified. Further detail is found in [Appendix A: In Scope Areas and Compliance Ratings](#).



**Figure 1:** This diagram visualizes WT's level of compliance to each IASR Standard and overall to all IASR requirements as a percentage.

# Conclusion

## Observation Rating Scale

Rating	Non-Compliance Severity Rating Description
Low (L)	The observation is low in severity and requires low effort to bring the organization into compliance with the AODA and IASR.
Medium (M)	The observation is moderate in severity and requires moderate effort to bring the organization into compliance with the AODA and IASR (i.e., the observation should be addressed with focus on fully developing or updating the element to address compliance gaps).
High (H)	The observation is high in severity and requires significant effort to bring the organization into compliance with the AODA and IASR (i.e., the observation should be given immediate attention to reduce associated or imminent risks and to address compliance gaps).

Overall, 1 **High** and 1 **Low** priority observations were identified.



# Detailed Observations and Recommendations

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This section includes compliance gaps and recommendations that should be addressed to maintain AODA compliance.

# 1. Accessible Websites and Web Content (1/3)

*This finding is related to requirements in the Information and Communications Standard, Section 14. Accessible Websites and Web Content of the IASR.*

## Observation:

MNP performed testing on a sample of webpages and web documents to determine compliance with [WCAG Level 2 AA](#). MNP tested ten (10) webpages and ten (10) web documents on <https://www.waterfrontoronto.ca/> and <https://portlandsto.ca/>, both of which are owned and managed by WT.

Webpages: Webpages included various elements such as images, graphics, and videos. Through testing, MNP found that nine (9) of ten (10) webpages were found with accessibility issues. Refer to [Appendix B: List of Webpages and Web Documents Assessed](#) for the list of webpage URLs.

Web Content (Documents): Web documents included various elements such as images, graphics, tables, and lists. Through testing, MNP found that nine (9) of ten (10) web documents were found with accessibility issues. Refer to [Appendix B: List of Webpages and Web Documents Assessed](#) for the list of web document URLs.

Achieving and maintaining web accessibility is a common challenge for many organizations. It is a common misunderstanding that accessibility issues can be identified through a digital tool or automated checker alone. Some accessibility issues require human inspection to identify when something will cause a barrier to obtaining the information. That is, accessibility issues are both technical and non-technical in nature. MNP found that the issues found on the webpages and web content can be remediated by an individual with adequate training and knowledge of accessibility requirements to address both technical and non-technical issues.

Examples of the types of issues identified during the audit are provided on the next slide.

# 1. Accessible Websites and Web Content (2/3)

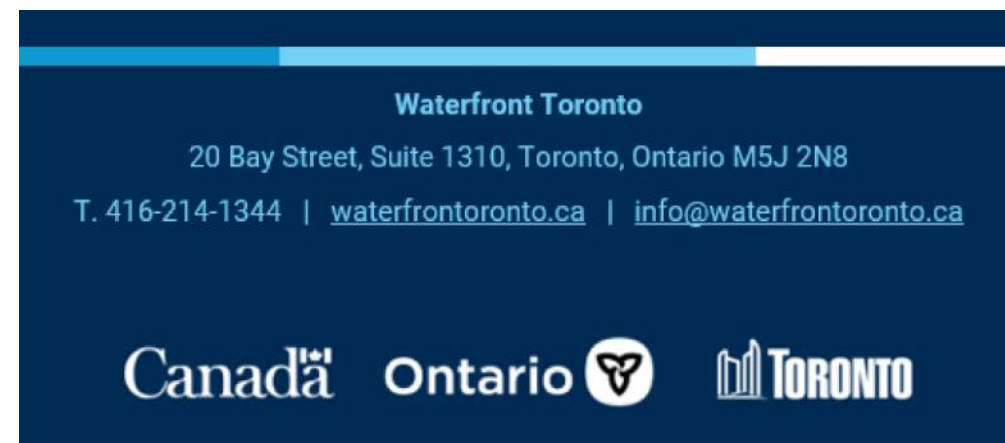
HIGH

## Examples of Accessibility Compliance Issues

During testing, MNP found several different accessibility issues on both webpages and web content, including issues with headings, tables, tagging, keyboard navigation, links, and alt text.

The image to the right (found in [Construction Notice #42](#), issued October 2023) is an example of two issues identified during testing. In general, accessibility best practices require that 'images of text' are not used, as it can cause several issues and barriers to information. Specifically for the example shown, there are issues with:

- **Alt Text\***: When inspecting the alt text, the description found was "Footer showing the address of Waterfront Toronto and the logos of the Canadian, Ontario, and Toronto governments." This alt text description does not provide sufficient information to a user with a visual disability. That is, the user would not know what the address, or other contact information is solely through the alt text description. It is important to note that this image would pass inspection using an automated checker. The checker would verify that an alt text description is included but would not verify the adequacy of the alt text as it relates to the content. Human inspection is needed to identify this as a non-technical accessibility issue.
- **Hyperlinks**: As this is an image of text, the hyperlinks are no longer usable or interactive. A user is not able to select the links to the [waterfronttoronto.ca](http://waterfronttoronto.ca) website, and the email to [info@waterfronttoronto.ca](mailto:info@waterfronttoronto.ca). If a user was viewing this document on their phone, they would not be able to select the phone number and call through a smartphone device.



\* Alt text is a written description of the image, generated by the content creator, that is read out loud by an assistive device (e.g., a screen reader) for those who are visually impaired.

# 1. Accessible Websites and Web Content (3/3)

**HIGH**

## Recommendation:

In order to meet compliance requirements, a plan should be developed including the steps to identify all non-compliant webpages and web content and with remediation actions to bring them into compliance. This plan should be documented, so that it may be shared with the Ontario government, if requested, as part of WT's Accessibility Compliance Report. A process should also be developed to ensure WCAG Level 2 AA compliance of new webpages and content as they are created.

MNP has identified several opportunities to improve the overall approach and process to WCAG Level 2 AA compliance. This can be found in the Opportunities for Improvement section of this presentation.

## WT Management Response:

WT concurs with the recommendation and has developed the following plan for target completion on/before November 2024:

### Existing Webpages and Web Content:

1. Identify complete inventory of non-compliant webpages and web content. (March 2024)
2. Engage website developer to remediate non-compliant webpage templates. (March/April 2024)
3. Leverage available internal and/or external human resources to triage non-compliant web content based on priority - remediate high traffic and high accessibility barrier content first using a combination of online tools and human remediation; remove/relocate low traffic content. (March – Oct 2024)
4. Include a communication on WT's websites that we are working to have relevant content accessible within the calendar year. (March 2024)

### New Web Content:

5. Roll out mandatory staff training on accessible content creation including communication of accessibility tools within existing applications such as Microsoft and Adobe. (March – August 2024)

## 2. Accessibility Training (1/2)

*This finding is related to requirements in the General Standard, Section 7. Training; and the Customer Service Standard, Section 80.49 Training for Staff, etc. of the IASR.*

### Observation:

There are two different requirements for training within the IASR. One requirement is under the General Standard, which requires WT to provide training on the AODA and the Human Rights Code; and the other is under the Customer Service Standard, which requires WT to provide customer service training as it relates to people with disabilities. Both Standards require the training to be provided to:

- a) all persons who are an employee of, or a volunteer with, the organization;
- b) all persons who participate in developing the organization's policies; and
- c) all other persons who provide goods, services or facilities on behalf of the organization.

WT provides accessibility training to employees through the completion of two (2) accessibility related training modules, which are completed as part of the mandatory on-boarding process. Training includes the Access Forward training (developed and administered by the Ontario Government) and an internally developed Customer Service Training document.

Contractors that provide services on behalf of the organization are not requested by WT to complete either type of training or attest that they have completed similar training their organizations may provide. MNP reviewed WT's procurement process, procurement document templates and samples of past procurement documents and did not find requirements for contractors to ensure both IASR training requirements are completed.

## 2. Accessibility Training (2/2)

### Recommendation:

As per the IASR Standards, WT is required to ensure that contractors who provide services on behalf of WT and who may interact with members of the public on behalf of the organization throughout the deliverance of contracted services complete the required accessibility training as noted in section 7 and 80.49 of the IASR.

For existing contractors, WT should identify all third parties who deal with: members of the public, other third parties on behalf of WT, or provide managed services on behalf of WT and ensure they have completed the required training (e.g., through an attestation or acknowledgement). An example can be found here: [Haldimand County – AODA Customer Service Policy Training Acknowledgement](#).

WT should also consider including wording into the procurement or contract templates to ensure any new contractors are compliant with the training requirements set out in the IASR. A sample of this wording can be found here: [City of Vaughan: Notice to Vendors – Mandatory AODA Training](#).

### WT Management Response:

WT concurs with the recommendation and will incorporate appropriate wording into future procurement and contract templates to ensure new contractors who provide goods and services on behalf of WT are compliant. WT has identified at least two existing contractors who provide services on behalf of WT and both have attested to providing Ontario accessibility training to their employees on their corporate websites. WT will identify any other relevant existing contractors and request attestation or acknowledgement on/before June 30, 2024.



# Opportunities for Improvement

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This section includes opportunities for improvement that were identified that are above and beyond the minimum compliance requirements outlined in the AODA or that may help to provide additional support and management over existing processes. WT should consider implementing the opportunities below to further enhance accessibility, moving from beyond compliance requirements to leading practices.

# 1. Improve Accessible Website and Web Content Processes and Procedures (1/3)

## Improvement Opportunity:

WT should consider the following when developing strategies to improve processes and protocols with regards to accessible websites and web content.

### Remediating Existing Webpages and Web Content

- In order to create a plan to achieve compliance, WT should identify the websites, webpages, and web content where remediation needs to be prioritized (e.g., prioritize remediation of high traffic webpages).
- WT will likely need to engage with a third party to remediate webpages. Each page will need to be assessed to identify issues, and then remediated to reach compliance. WT should consider working with the existing third party vendor who supported the re-design of the website or engage with a specialty service provider who can perform the remediation services.
- ...Continued on the following slide...

# 1. Improve Accessible Website and Web Content Processes and Procedures (2/3)

## Recommendation (continued):

- Each web document will need to be assessed to identify issues, and then remediated to reach compliance. To remediate documents or other web content, WT should consider:
  - o Outsourcing some accessible document remediation to a third-party for additional external support; or
  - o Consider procuring a document remediation tool (e.g., Equidox) that will significantly reduce the overall time and effort needed to remediate documents internally.
- While documents are being remediated, WT should consider removing all non-compliant documents from the website. In order to make the documents available, WT should indicate on the website that the document a visitor is seeking can be requested. WT should provide documents upon request.
- WT should consider removing webpages that are no longer used or relevant to reduce the overall remediation effort.
- Documents that are posted on an extranet are not required to be WCAG compliant as the IASR only applies to public websites (i.e., internet). WT can consider creating an extranet site and moving documents to the extranet site, where a visitor can log in and access documents. WT can post new documents to this extranet site, without undertaking the remediation of the document.
- ...Continued on the following slide...

# 1. Improve Accessible Website and Web Content Processes and Procedures (3/3)

## Recommendation (continued):

### Maintaining Accessibility Compliance

WT can complete the remediation of the existing webpages and web content, but will still need to ensure any new webpages that are created, or new documents that are created are accessible and compliant with WCAG.

- Creating accessible documents requires embedding accessibility at all stages of document creation, rather than at the end of the process. This includes the initial phase of content creation, which largely lies with the various Departments. WT should consider providing training to all content creators to increase accessibility knowledge and awareness when developing content (e.g., proper use of heading styles, tables, lists, alt text, etc.).
- Consider identifying Accessibility Champions throughout the organization (i.e., one individual from each department) to act as an accessibility subject matter expert for the department. This Accessibility Champion may require supplemental training to fulfill the role. The Accessibility Champion can act as an intermediary between the Department and the Communications Team, reviewing content and providing guidance to content creators to ensure accessibility is embedded into documents before they are provided to Communications for final review and remediation before it is posted online.
- In order to alleviate some of the burden of remediation of documents on the Communications team, WT should consider:
  - Outsourcing some accessible document remediation to a third-party for additional external support; or
  - Consider procuring a document remediation tool (e.g., Equidox) that will significantly reduce the overall time and effort needed to remediate documents internally.
- When procuring services from third parties, WT should ensure that any deliverables provided by the third party, that ultimately will be posted to the public website are provided in a WCAG Level AA compliant format. This requirement should be embedded into procurement and contracting processes.

## 2. Multi Year Accessibility Plan (“MYAP”)

### Improvement Opportunity:

WT should consider its approach to developing the MYAP in early 2024. When developing the approach, WT should consider:

- Which individual / team should lead the process;
- What internal stakeholders should be involved in the process (e.g., Human Resources, Communications, Planning and Design, Legal Counsel, etc.);
- What external stakeholders should be involved in the process (e.g. the City of Toronto, Accessibility Advisory Committee, Consultants, etc.);
- Set timelines for the development, review, approval, and completion of the MYAP; and
- Other logistical details to develop and implement the MYAP (e.g. implementation responsibilities, etc.).

# 3. WT's Accessibility Design Guidelines

## Improvement Opportunity:

WT should continue with its plan to have the Accessibility Design Guidelines reviewed by the Accessibility Advisory Committee. Once the document is reviewed and updated, WT should finalize the document.

WT should continue to review and update the Accessibility Design Guidelines as environments, regulations, standards, and the needs of the community changes. These reviews should be conducted at a regular frequency (e.g., every 3-5 years), or during a significant changes to WT's overall strategy or compliance obligations.



## 4. Return to Work Process

### **Improvement Opportunity:**

WT has documented and implemented a Return to Work process, however, the document is currently in draft format.

WT should finalize the Return to Work document.

# Appendices

# Appendix A: In Scope Areas and Compliance Ratings (1/3)

Standard	Sub-Section	Section Number	Compliance Rating	Reference (Observation or Opportunity for Improvement)
General	Establishment of accessibility policies	3	Compliant	N/A
	Accessibility Plans	4	Compliant	Opportunity for Improvement #2
	Procuring or acquiring goods, services or facilities	5	Compliant	N/A
	Training*	7	Partially Compliant*	Observation #2
Information and Communications	Feedback	11	Compliant	N/A
	Accessible formats and communication supports	12	Compliant	N/A
	Accessible websites and web content	14	Partially Compliant	Observation #1 Opportunity for Improvement #1

\*Compliance issues are specifically related to training for organizations that perform services on behalf of WT.

The details of the IASR can be found online: <https://www.ontario.ca/laws/regulation/110191>

# Appendix A: In Scope Areas and Compliance Ratings (2/3)

Standard	Sub-Section	Section Number	Compliance Rating	Reference (Observation or Opportunity for Improvement)
Employment	Recruitment, general	22	Compliant	N/A
	Recruitment, assessment or selection process	23	Compliant	N/A
	Notice to successful applicants	24	Compliant	N/A
	Informing employees of supports	25	Compliant	N/A
	Accessible formats and communication supports for employees	26	Compliant	N/A
	Workplace emergency response information	27	Compliant	N/A
	Documented individual accommodation plans	28	Compliant	N/A
	Return to work process	29	Compliant	Opportunity for Improvement #4
	Performance management	30	Compliant	N/A
	Career development and advancement	31	Compliant	N/A
	Redeployment	32	Compliant	N/A

The details of the IASR can be found online: <https://www.ontario.ca/laws/regulation/110191>

# Appendix A: In Scope Areas and Compliance Ratings (3/3)

Standard	Sub-Section	Section Number	Compliance Rating	Reference (Observation or Opportunity for Improvement)
Design of Public Spaces Standards	Recreational Trails and Beach Access Routes	80.6, to 80.15	Compliant	Opportunity for Improvement #3
	Outdoor Public Use Eating Areas	80.16, 80.17	Compliant	Opportunity for Improvement #3
	Outdoor Play Spaces	80.19 to 80.20	Compliant	Opportunity for Improvement #3
	Exterior Paths of Travel	80.22 to 80.29	Compliant	Opportunity for Improvement #3
	Accessible Parking	80.34 to 80.39	Compliant	Opportunity for Improvement #3
	Obtaining Services	80.41, 80.43	Compliant	Opportunity for Improvement #3
	Maintenance	80.44	Compliant	Opportunity for Improvement #2
Customer Service	Establishment of policies	80.46	Compliant	N/A
	Use of service animals and support persons	80.47	Compliant	N/A
	Notice of temporary disruptions	80.48	Compliant	N/A
	Training for staff, etc.*	80.49	Partially Compliant*	Observation #2
	Feedback process required	80.50	Compliant	N/A
	Format of documents	80.51	Compliant	N/A

\*Compliance issues are specifically related to training for organization that perform services on behalf of WT.

The details of the IASR can be found online: <https://www.ontario.ca/laws/regulation/110191>

# Appendix B: List of Webpages and Web Documents Assessed (1/2)

No.	Webpage URL	Compliance Pass \ Fail
1	<a href="https://www.waterfrontoronto.ca/accessibility">https://www.waterfrontoronto.ca/accessibility</a>	Fail
2	<a href="https://www.waterfrontoronto.ca/our-projects/scope-scale/port-lands">https://www.waterfrontoronto.ca/our-projects/scope-scale/port-lands</a>	Fail
3	<a href="https://www.waterfrontoronto.ca/about-us/history-heritage">https://www.waterfrontoronto.ca/about-us/history-heritage</a>	Fail
4	<a href="https://www.waterfrontoronto.ca/news/waterfront-toronto-and-city-toronto-open-new-aquabella-child-care-centre-on-torontos-waterfront">https://www.waterfrontoronto.ca/news/waterfront-toronto-and-city-toronto-open-new-aquabella-child-care-centre-on-torontos-waterfront</a>	Fail
5	<a href="https://www.waterfrontoronto.ca/news/made-with-love-the-unique-features-of-love-park">https://www.waterfrontoronto.ca/news/made-with-love-the-unique-features-of-love-park</a>	Fail
6	<a href="https://www.waterfrontoronto.ca/our-projects/quayside">https://www.waterfrontoronto.ca/our-projects/quayside</a>	Fail
7	<a href="https://www.waterfrontoronto.ca/events/keating-channel-pedestrian-bridge-virtual-design-competition-presentations-september-28-2023">https://www.waterfrontoronto.ca/events/keating-channel-pedestrian-bridge-virtual-design-competition-presentations-september-28-2023</a>	Fail
8	<a href="https://portlandsto.ca/contact-us/">https://portlandsto.ca/contact-us/</a>	Fail
9	<a href="https://portlandsto.ca/construction/pictures/found-objects/">https://portlandsto.ca/construction/pictures/found-objects/</a>	Fail
10	<a href="https://portlandsto.ca/history-of-the-port-lands/#wrapper-static-hero">https://portlandsto.ca/history-of-the-port-lands/#wrapper-static-hero</a>	Pass

Note: MNPs full report includes additional information of the compliance issues for each webpage tested.

The details of WCAG 2.0 AA can be found online: <https://www.w3.org/TR/WCAG20/>

# Appendix B: List of Webpages and Web Documents Assessed (2/2)

No.	Web Document URL	Compliance Pass \ Fail
1	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-10/Construction%20Notice%20%235%20-%20Legacy%20Art%20Project%20Toronto%20-%20October%204%2C%202023%20ua.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-10/Construction%20Notice%20%235%20-%20Legacy%20Art%20Project%20Toronto%20-%20October%204%2C%202023%20ua.pdf</a>	Fail
2	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-05/Open%20House%20-%20Opening%20Night%20Presentation%20%28web%29.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-05/Open%20House%20-%20Opening%20Night%20Presentation%20%28web%29.pdf</a>	Fail
3	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-10/VIPP%20PIC%20Summary%20AODA%20with%20fonts%20pac.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-10/VIPP%20PIC%20Summary%20AODA%20with%20fonts%20pac.pdf</a>	Pass
4	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-09/May%2024%202023%20WDRP%20Minutes%20%28AODA%29%20-%20adopted_signedv%20%28UA%29.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-09/May%2024%202023%20WDRP%20Minutes%20%28AODA%29%20-%20adopted_signedv%20%28UA%29.pdf</a>	Fail
5	<a href="https://portlandsto.ca/wp-content/uploads/PLFP-Construction-Notice-42-Final.pdf">https://portlandsto.ca/wp-content/uploads/PLFP-Construction-Notice-42-Final.pdf</a>	Fail
6	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-02/Procurement%20Policy%20-%20Revised%20February%207%2C%202023.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-02/Procurement%20Policy%20-%20Revised%20February%207%2C%202023.pdf</a>	Fail
7	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-11/Meeting%20Book%20-%20Human%20Resources%2C%20Governance%20and%20Stakeholder%20Relations%20Committee%20-%20November%209%2C%202023.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-11/Meeting%20Book%20-%20Human%20Resources%2C%20Governance%20and%20Stakeholder%20Relations%20Committee%20-%20November%209%2C%202023.pdf</a>	Fail
8	<a href="https://www.waterfrontoronto.ca/sites/default/files/2023-10/Job%20Posting%2023-19%20-%20Procurement%20Manager%20%282%20positions%29.pdf">https://www.waterfrontoronto.ca/sites/default/files/2023-10/Job%20Posting%2023-19%20-%20Procurement%20Manager%20%282%20positions%29.pdf</a>	Fail
9	<a href="https://portlandsto.ca/wp-content/uploads/2022-11-04_CLC-20-Deck.pdf">https://portlandsto.ca/wp-content/uploads/2022-11-04_CLC-20-Deck.pdf</a>	Fail
10	<a href="https://www.waterfrontoronto.ca/sites/default/files/documents/waterfront-toronto-multi-year-accessibility-plan---june-2021---final.pdf">https://www.waterfrontoronto.ca/sites/default/files/documents/waterfront-toronto-multi-year-accessibility-plan---june-2021---final.pdf</a>	Fail

Note: MNPs full report includes additional information of the compliance issues for each webpage tested.

The details of WCAG 2.0 AA can be found online: <https://www.w3.org/TR/WCAG20/>



# Acknowledgement

MNP extends our appreciation to the staff and management of Waterfront Toronto for their co-operation and assistance throughout the engagement.



# Closed Session

# Open Session

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## Item 10a) Draft Minutes of the Closed Session – November 23, 2023 FARM Committee Meeting

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on November 23, 2023 be approved as tabled.

## Item 11b) Cybersecurity Follow up Items

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee authorizes management to engage MNP Digital to conduct a cybersecurity tabletop exercise as an extension of their internal audit scope at a cost of \$15,000. Management will provide an update on cybersecurity matters at the next FARM Committee meeting.

## Upcoming Board/Committee Meeting Schedule Calendar 2024

S/N	Date (2024)	Board/Committee	Key Agenda Item(s) include:
1.	Thursday, February 22	FARM	<ul style="list-style-type: none"> <li>• Per FARM Committee workplan</li> </ul>
2.	Thursday, March 7	HRGSR	<ul style="list-style-type: none"> <li>• Per HRGSR Workplan</li> </ul>
3.	Thursday, March 14	IREC	<ul style="list-style-type: none"> <li>• Per IREC Workplan</li> </ul>
4.	Monday, March 25	Board	<ul style="list-style-type: none"> <li>• Reports of the IREC, FARM and HRGSR committees</li> </ul>
5.	Thursday, May 23	IREC	<ul style="list-style-type: none"> <li>• Per IREC Workplan</li> </ul>
6.	Thursday, May 30	FARM	<ul style="list-style-type: none"> <li>• Per FARM Workplan</li> </ul>
7.	Monday, June 10	HRGSR	<ul style="list-style-type: none"> <li>• Per HRGSR Workplan</li> </ul>
8.	Monday, June 24	Board	<ul style="list-style-type: none"> <li>• Reports of the HRGSR, IREC, and FARM committees</li> <li>• Approve 2023/24 Annual Report</li> <li>• Approve 2023/24 audited financial statements</li> <li>• Year-end Performance Assessment for the CEO for 2023/24 and approval of compensation for 2024/25</li> </ul>
9.	Thursday, September 12	HRGSR	<ul style="list-style-type: none"> <li>• Per HRGSR Workplan</li> </ul>
10.	Thursday, September 19	FARM	<ul style="list-style-type: none"> <li>• Per FARM Workplan</li> </ul>
11.	Thursday, September 26	IREC	<ul style="list-style-type: none"> <li>• Per IREC Workplan</li> </ul>
12.	Thursday, October 17	Board	<ul style="list-style-type: none"> <li>• Report of the HRGSR, IREC, and FARM committees</li> <li>• 2025 Board and Committee Meeting Calendar</li> <li>• Interim Performance Assessment for the CEO for 2024/25</li> </ul>
13.	Thursday, November 7	HRGSR	<ul style="list-style-type: none"> <li>• Per HRGSR Work plan</li> </ul>
14.	Thursday, November 14	IREC	<ul style="list-style-type: none"> <li>• Per IREC Workplan</li> </ul>
15.	Thursday, November 21	FARM	<ul style="list-style-type: none"> <li>• Per FARM Work plan</li> </ul>
16.	Thursday, December 5	Board	<ul style="list-style-type: none"> <li>• Report of the HRGSR, IREC, and FARM committees</li> <li>• Approval of 2024/25 Corporate Plan</li> </ul>