

WATERFRONTToronto

Finance, Audit & Risk Management Committee Meeting

Agenda and Meeting Book

THURSDAY, FEBRUARY 25, 2021 FROM 9:00AM TO 11:30AM

MICROSOFT TEAMS MEETING



WATERFRONToronto

Meeting Book - Finance, Audit & Risk Management Committee Meeting

Agenda - February 25, 2021 FARM Committee Meeting

9:00 a.m.	1. Motion to Approve Meeting Agenda	Approval	K. Sullivan
9:05 a.m.	2. Declaration of Conflicts of Interest	Declaration	K. Sullivan
9:10 a.m.	3. Consent Agenda		K. Sullivan
	A) Highlights of Key Messages - Page 5	Information	All
	B) 2021 FARM Committee Workplan	Approval	L. Taylor
	Cover Sheet - Page 7		
	2021 FARM Committee Workplan - Page 8		
	C) Draft Minutes Open Session FARM meeting November 26, 2020 - Page 13	Approval	All
	D) Q3 2020/21 Macro Dashboard (Corporate & Project Reporting):		
	Cover Sheet - Page 19	Information	L. Taylor
	Macro Dashboard - Page 20	Information	L. Taylor
	i. Finance & Administration Dashboards:		
	a) 2020-21 Corporate Plan Performance - Page 21	Information	L. Taylor
	b) Enterprise Risk Management (ERM)	Information	L. Taylor
	ERM Dashboard - Page 23		
	c) Audit	Information	L. Taylor
	Dashboard - Page 24		
	d) Liquidity and Cash Flow Forecast - Page 27	Information	L. Taylor
	e) December 31, 2020 Unaudited Financial Statements	Information	S. Chandane
	Cover Sheet - Page 29		
	Dec 31 2020 Unaudited Financial Statements - Page 30		
	ii. Capital Projects:	Information	D. Kusturin
	a) Port Lands Flood Protection Dashboard		
	Cover Sheet - Page 47		

b) Bayside External Services Program Dashboard

Cover Sheet - Page 56

Dashboard - Page 57

E) Quarterly Procurement Report - Page 59	Information	K. Newson
F) Regulatory Compliance Report - Page 60	Information	D. Kusturin, I. Ness & L. Taylor
G) Fundraising Action Plan (FAP) Update Report	Information	I. McMullan
Cover Sheet - Page 64		
FAP Dashboard - Page 66		
H) COVID-19 Impact Update	Information	D. Kusturin & L. Taylor
Cover Sheet - Page 69		
Presentation - Page 70		

9:30 a.m.	4. Internal Audit Plan Update Resource and Succession Planning Review Scope of Work	Information	V. Bila / MNP LLP
	Cover Sheet - Page 82		
	Appendix 1 - Plan Update - Page 83		
	Appendix 2 - Internal Audit Planning Memo - Page 85		

9:45 a.m.	5. External Audit Plan 2020/21	Approval	J. Barrett/ BDO Canada LLP
	Cover Sheet - Page 94		
	Appendix 1 - BDO Planning Report - Page 95		

10:00 a.m.	6. Port Lands Flood Protection (PLFP) Update	Information	BTY Consulting Ltd
	Cover Sheet - Page 112		
	Report #10 of the Independent Capital Project Monitoring (Project Dashboard Only) - Page 113		

10:10 a.m.	7. Motion to go into Closed Session	Approval	All
	Closed Session Agenda The Committee will discuss items 8(a) (b) & (c), 9, 10, 11 and 12 being, consideration of the draft minutes of the Closed Session of the Nov 26, 2020 FARM meeting, consideration of Additional Audit Fees (Internal Audit), Annual Review – Risk Appetite Statement, Waterfront Toronto Cyber Security Program, Internal Audit Report - Cyber Security Follow up Audit, Project Risks Discussion and the Committee Chair Discussion, respectively, in a Closed Session as permitted by By-Law No.2 of the Corporation. The exception relied upon for the discussion on item 8(a) is provided in the minutes of the Open Session November 26, 2020 FARM Committee meeting under item 3(c) of this agenda, for items 8(b), (c), 9 and 10 is Section 6.1.1(j), for item 11 is Section 6.1.1(l) and for item 12 is Section 6.1.1(b) 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.		

11:20 a.m.	13. Motion to go into Open Session	Approval	All
	Public Session Agenda		

11:25 a.m.	14. Resolutions Arising from the Closed Session	Approval	K. Sullivan
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11:30 a.m.

15. Motion to Adjourn the Meeting

Approval

All

**Finance, Audit and Risk Management Committee – Feb 25, 2021
Item 3 (a) Meeting Materials - Highlights of Key Messages**

Agenda Item	Key Message
3 b) 2021 FARM Workplan For Approval	Workplan for the key items of the FARM Committee mandate and how these are addressed for review and approval at each quarterly FARM Committee meeting during the 2021 calendar year.
3 d i a) 2020/21 Corporate Plan Performance (FI)	As of Q3 2020/21 WT is on track to achieve 88% of key deliverables (21 out of 24); 70% of annual capital investment plan (\$277M of \$393M); 80% of annual revenues (\$263M of \$330M); and 81% of performance targets (25 out of 31).
3 d i b) Enterprise Risk Management (ERM) (FI)	No new enterprise or high residual risks materialized this quarter.
3 d i c) Audit Environment (FI)	Two audits were completed since the last Committee meeting: the Ontario Auditor General (OAG) Follow Up Audit released Dec, 2020, reported that WT has fully implemented 20 out of 22 (91%) of the 2018 OAG recommendations; and the Cyber Security Follow Up Audit, the latter which is reported under Item 10 in Closed Session. The Tri-government Strategic Review remains ongoing and is expected to be completed in April 2021.
3 d i d) Cash Flow / Liquidity Forecast (FI)	Positive cash balance > \$50M with no requirement to borrow externally. Refer Cash Flow/ Liquidity Forecast graph for further details.
3 d i e) Dec 31, 2020 Unaudited Financial Statements (FI)	Financial activities for the nine months ended Dec 31, 2020, namely expenditures, have increased by approx. 33% (\$53 million) from \$164M to \$217M for the same period last year, largely due to increased construction activity in PLFP.
3 d ii) Capital Projects (FI)	All projects are proceeding in accordance with the Board Approved Rolling Five Year Strategic Plan (2020/21 – 2024/25). There remains elevated cost and schedule risks for PLFP related to utilities relocations (refer Item 11) and for Bayside External Services due to constructability issues and contractor claims.
3 e) Quarterly Procurement Report (FI)	One exception to the Procurement Policy for a single source goods and services contract totaling \$49,000 to address a project critical resourcing issue. No contracts in excess of \$5 million were awarded this quarter.
3 f) Regulatory and Operational Compliance (FI)	All required actions by the Corporation for regulatory compliance obligations have been performed as of December 31, 2020.
3 g) Fundraising Action Plan Update (FI)	Implementation of the Fundraising Action Plan continues in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25, namely advancing design of the Destination Playground and developing internal fundraising capabilities. In January 2021 WT appointed an Executive Director, Philanthropy.
3 h) COVID-19 Impact Update (FI)	Summary report on the construction project and financial/ accounting impacts to date from COVID-19. Total cost to date approx. \$2.1 M (net of \$0.4M savings).
4) Internal Audit Plan Update (FI)	Report from the WT's internal auditor, MNP LLP, on the status of the Three-Year Internal Audit Plan (2020/21 – 2022/23), together with the planning memo for the Resource & Succession Planning review.
5) External Audit Plan 2020/21 For Approval	Planning Report from WT's external auditors, BDO LLP, with respect to their audit of the Corporation's year end March 31, 2021 financial statements. Audit materiality of \$2.5 million.
6) Port Lands Flood Protection (PLFP) Update (FI)	Report of the Independent Capital Monitor (BTY) notes that the PLFP project continues to be on budget, on schedule and has no material scope changes, however elevated risk noted regarding utilities and some schedule components.
8 b) Internal Auditor Fees For Approval	At the request of management, proposal from MNP LLP with respect to additional fees associated with WT's Business Continuity Plan (BCP) Refresh, and Resource and Succession Planning Review.

8c) Annual Review – Risk Appetite Statement (FI)	Management is proposing no change to the Corporation’s risk appetite level however has updated some of the risk tolerance descriptions and the appendix on current and past innovation projects.
9) WT Cyber Security Program (FI)	An overview of WT’s Cyber Security Program, including risk identification and assessment process.
10) Internal Audit Report (FI)	Follow up Audit Report from the WT’s internal auditor, MNP LLP, regarding Cyber Security.
11) Project Risks Discussion (FI)	A report from management with respect to the status of certain, material project risks.



Finance, Audit & Risk Management Committee – February 25, 2021
Item 3b – 2021 FARM Committee Workplan
Lisa Taylor

Purpose	For Approval
Areas of note/ Key issues	<p>The 2021 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 following quarterly FARM Committee meetings:</p> <ul style="list-style-type: none"> • February 25, 2021; • May 27, 2021; • September 15, 2021; and • November 25, 2021. <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 and other duties and obligations.</p> <p>This FARM Committee Workplan is based on and assumes that the recently updated FARM Committee mandate will be approved by the Board of Directors in March 2021.</p>
Resolution/ Next Steps	<p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Finance, Audit and Risk Management Committee approves the 2021 FARM Committee Workplan.</p> <p>The next FARM Committee meeting on May 27, 2021 will review the Corporation’s 2020/21 year-end results.</p>

WATERFRONT TORONTO
Finance, Audit and Risk Management Committee Workplan - 2021

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:

Quarterly Meeting Schedule:	Feb 25/2021	May 27/2021	Sep 15/2021	Nov 25/2021	As required
(a) General Responsibilities. The Committee will:					
(i) Approve an Annual Committee Workplan	2021 Workplan				
(ii) Review and assess mandate annually	X				
(iii) Review and report to the Board of Directors periodically on compliance by the Corporation with the matters provided for in this Mandate					X
(b) Financial Reporting. The Committee will:					
(i) Review with management the Corporation’s annual and quarterly financial statements of the Corporation;	Q3 Interim Financial Statements Dec 31, 2020	Year-End Financial Statements Mar 31, 2021	Q1 Interim Financial Statements June 30, 2021	Q2 Interim Financial Statements Sept 30, 2021	
(ii) Review reports from the external auditors concerning the annual financial statements and any other matters, and management’s response to such reports, if appropriate;		2020/21 External Audit Results Report			
(iii) Recommend to the Board the approval of the audited annual financial statements ;	Receive	Approval	Receive	Receive	
(iv) Review reports on any litigation, claim or other contingency that could have a material effect on the financial statements of the Corporation;					X
(v) Review any public disclosures containing audited or unaudited financial information; and		2020/21 Integrated Annual Report			
(vi) Review with the external auditors and the Board of Directors any material issues 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

WATERFRONT TORONTO
Finance, Audit and Risk Management Committee Workplan – 2021

	Feb 25/2021	May 27/2021	Sep 15/2021	Nov 25/2021	As required
<p>(c) Internal Controls</p> <p>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.</p>					X
<p>(d) External Auditors. The Committee will:</p> <p>(i) Recommend external auditors for appointment 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;</p>			X External Auditor Appointment		
<p>(ii) Review the performance of the external auditors at least annually and meet with the external auditor on such basis as the Committee may determine;</p>		X			
<p>(iii) If appropriate, recommend the removal of external auditors and their replacement;</p>					X
<p>(iv) Pre-approve all services (audit and non-audit services) to be provided to the Corporation by the external auditors; and</p>					X
<p>(v) Review and approve the scope of the external audit plans at least annually.</p>	2020/21 External Audit Plan Approval				
<p>(e) Internal Auditors. The Committee may:</p> <p>(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;</p>					X
<p>(ii) Review and approve the overall scope of the internal audit plan and ensure the coordination of the internal auditors with the external auditors;</p>	X				X
<p>(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</p>	Internal Audit Report (MNP) <i>Cyber Security Follow up</i>	X	Internal Audit Report (MNP) <i>HR Capacity Planning</i>	X	X
<p>(iv) Review the performance of the internal auditors at least annually.</p>					X

WATERFRONT TORONTO
Finance, Audit and Risk Management Committee Workplan – 2021

	Feb 25/2021	May 27/2021	Sep 15/2021	Nov 25/2021	As required
(f) Government Audits. 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 Ontario Auditor General Follow up Audit	X Tri- government Strategic Review	X	X	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
(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 various material financial matters affecting the Corporation, such as:					
(i) The financial aspects of annual and longer-term budgets and any significant variances thereon;	2020/21 Corporate Plan Performance Report (Q3)	2020/21 Integrated Annual Report Approval	2021/22 Corporate Plan Performance Report (Q1)	2021/22 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;				Rolling Five Year Business Plan Approval	
(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	
(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 – 2021

	Feb 25/2021	May 27/2021	Sep 15/2021	Nov 25/2021	As required
<p>(h) Enterprise Risk Management. 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 & Operational Compliance and Procurement Reports</p>	<p>Enterprise Risk Dashboard</p> <p>Regulatory & Operational Compliance and Procurement Reports</p> <p>Insurance Program Review</p>	<p>Enterprise Risk Dashboard</p> <p>Cyber Security Risk Profile</p> <p>Regulatory & Operational Compliance and Procurement Reports</p>	<p>Enterprise Risk Dashboard</p> <p>Regulatory & Operational Compliance and Procurement Reports</p>	
<p>(i) Project Risk Management</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"> • a budget in excess of \$50 million; • high complexity and potential for numerous unknown risks. • compressed timeline or work schedule; • self-insurance; • multiple stakeholders; and • high public profile or visibility. <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 2020/21 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q4 2020/21 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q1 2021/22 Project Reporting</p>	<p>Independent Project Capital Monitor Report - Port Lands Flood Protection</p> <p>Q2 2021/22 Project Reporting</p>	X

WATERFRONT TORONTO
Finance, Audit and Risk Management Committee Workplan – 2021

	Feb 25/2021	May 27/2021	Sep 15/2021	Nov 25/2021	As required
(j) Fundraising. 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) 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.					X

DRAFT

**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 26, 2020 at 9:00 a.m.**

PRESENT: Kevin Sullivan (Chair)
Jeanhy Shim
Patrick Sheils
Michael Galego

ATTENDANCE: WATERFRONT TORONTO
George Zegarac (Chief Executive Officer)
Lisa Taylor (Chief Financial Officer)
David Kusturin (Chief Project Officer)
Julius Gombos (Senior VP Project Delivery)
Rose Desrochers (VP, Human Resources and Administration)
Cameron MacKay (VP, Communications and Engagement)
Kathleen Niccols (Senior VP, Corporate Strategy)
Betty Leung (Director, Procurement)
Alma Pjetra (Project Controls Manager)
Sampada Chandane (Director, Financial Management)
Mary Anne Santos (Director, Financial Planning)
Ian Ness (General Counsel)
Eric Sherbert (Legal Counsel)
Aina Adeleye (Board Administrator and Legal Assistant)

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

- Wende Cartwright, Director, Waterfront Toronto
- Shawn Tippins, Senior Analyst, Kira Heymans, Robert McCallum and Laura Robbins, Analysts, and Isaac Finkelstein, Junior Policy Analyst, from Investment, Partnership and Innovation Branch of Infrastructure Canada
- Melissa Pasquali, Lead Senior Advisor, Emily Bradford and James Andre, Policy Advisors, and Allyson Switzman, Manager, Agency Oversight Unit, Infrastructure Policy Division Ministry of Infrastructure at Ontario Ministry of Infrastructure
- Veronica Bila, Partner, Enterprise Risk Services, MNP LLP
- Joanne Henson, Director, BTY Consulting

The Chair, Kevin Sullivan, appointed Ian Ness to act 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 duly constituted for the transaction of business.

1. Meeting Agenda

ON MOTION duly made by Patrick Sheils, seconded by Michael Galego and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Consent Agenda:

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the Minutes of the September 17, 2020 FARM Committee meeting be approved as presented.

The Q2 2019/20 Macro Dashboard and related attachments (Corporate & Project Reporting, including the Enterprise Risk Management Dashboard, Audit Dashboard, Liquidity and Cashflow Forecast, September 30, 2020 unaudited interim financial statements and the Capital Projects update), Quarterly Procurement Exception Report, Regulatory Compliance Report, Fundraising Action Plan and the COVID-19 Impact Update were received by the Committee for information.

Lisa Taylor provided a brief overview of the key matters reported in the Q2 2020/21 Macro Dashboard. Ms. Taylor informed the Committee that the Office of the Auditor General of Ontario was expected to issue an update report on the December 2018 value for money audit completed on the Corporation, in the first week of December 2020. She noted that, with the Corporation having implemented a substantial number of the recommendations in the report, Management is expecting positive results in the update report.

With respect to the Procurement Exception report, the Committee requested that Management: 1) report back on the hourly rate for the Quayside Fairness Monitoring Advisor; and 2) provide the upset limit as well as the contract amount to date for the Tablino Consulting Inc contract.

Kathleen Niccols responded to questions regarding the process and timeline for executing a Fundraising Memorandum of Understanding with the City of Toronto. George Zegarac informed the Committee that Ms. Niccols service with the Corporation was coming to an end in December 2020. Mr. Zegarac and members

of the Committee thanked Ms. Niccols for her hard work and support over the last few years and expressed their best wishes on her future endeavors.

4. Rolling Five Year Strategic Plan (2021/2022 – 2025/26 (including 2021/22 Corporate Plan))

Lisa Taylor presented the updated Rolling Five Year Strategic Plan which was taken as read. Ms. Taylor highlighted the key changes from the Original Plan (2019/20 – 2023/24) approved by the Board of Directors on December 6, 2018 and responded to questions of the Committee on the changes to the Updated Plan (2021/22 – 2025/26), which has been rolled forward by one year. Ms. Taylor responded to questions from members of the Committee on the financial aspects of the plan. The Committee made suggestions to Management on sections of the plan including the Key Performance Indicators and Diversity and Inclusion. The Committee agreed to pass the resolution approving the plan as follows:

WHEREAS the Rolling Five-Year Strategic Plan (2021/22-2025/26) (Updated Plan) is the one year update/ roll-forward of the Five-Year Strategic Plan (2019/20 – 2023/24) that was approved by the Board in December 2018 (Original Plan); and the TWRC Act requires the Board to approve an Annual Business Plan for the fiscal year beginning April 1, 2021 on/or before December 31, 2020 and such Board approval is to be upon the recommendation of the FARM Committee; and

WHEREAS the Updated Plan of approximately \$1.3 billion is consistent with the Original Plan with respect to investments in three strategic priorities, namely:

- Priority Projects (\$814 million) largely Port Lands Flood Protection (funded);
- Next Generation Sustainable Communities (\$178 million) including Quayside (funded); and
- Signature Projects (\$333 million) - aspirational projects dependent on the success of the fundraising strategy set out in the Fundraising Action Plan (largely unfunded).

WHEREAS the Corporate Plan for fiscal year 2021/2022 is a subset of the Updated Plan, is outlined in Appendix 1 and includes capital spending of \$372.4 million (inclusive of corporate operating costs of \$19.7 million before amortization and \$20.6 million after amortization) and estimated funding of approximately \$498.1 million; and

WHEREAS the following items are new/different in the Updated Plan:

- Adjustment of the corporate contingency reserve allocation from \$60 million to \$30 million to reallocate \$30 million towards the Quayside development

and related project trade-off considerations, **ON THE CONDITION** that should the amount of revenues tied to the contingency be realized at an amount higher than forecast, the corporate contingency reserve be adjusted upwards by the amount of the increase in revenues, up to a maximum total contingency reserve of \$60 million.

- Spending of up to \$6.4 million in 2021/22 for the Fundraising Action Plan - Phase 2 and Signature Projects (\$1.3M to build organizational fundraising capabilities and \$5.1M to advance design and planning of the Signature Projects, inclusive of \$1.7 million for existing staff resources), to be temporarily financed and ultimately funded by land sale revenues in 2022; and
- Inclusion of Quayside development five-year infrastructure costs and related funding.

ON MOTION duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the FARM Committee recommends to the Board of Directors for approval the Rolling Five-Year Strategic Plan (2021/22-2025/26, as amended).

5. **Capital Approval - East Bayfront In-Water Pipes and infrastructure Phase 1**

David Kusturin provided a presentation, which was taken as read, requesting approval for East Bayfront In-Water Pipe and Infrastructure Phase 1. Mr. Kusturin responded to questions from members of the Committee on the project. The Committee asked that Management review the feasibility of implementing the dock wall reinforcing work (part of phase 2) as part of phase 1 and advise on the cost implications. The Committee agreed to pass the resolution approving the project.

ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee recommends that the Board of Directors approve the capital investment expenditure of \$23.75M to complete the East Bayfront In-Water Pipes and authorizes Management to finalize and award the Stipulated Sum tender for the construction of the East Bayfront In-Water Pipe.

6. **Capital Approval - Lake Shore Blvd East – Bridge and Public Realm Project (LSBE) Tendering and Construction**

David Kusturin provided a presentation, which was taken as read, requesting approval for Lake Shore Blvd East – Bridge and Public Realm Project (LSBE) Tendering and Construction. Mr. Kusturin responded to questions from members of the Committee on the project. The Committee agreed to pass the resolution approving the project.

ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee recommends to the Board of Directors for approval:

- a) the incremental Capital expenditure of \$147.24M to complete the Lake Shore Boulevard East – Bridge and Public Realm project (Construction) (the “Project”), **SUBJECT TO** approval from City Council and execution of a funding agreement with the City of Toronto;
- b) the Project be constructed by Ellis Don Civil Construction (ED) under the existing PLFP Construction Management Agreement between ED and WT; and
- c) the Project being added to the Corporation’s Rolling Five-Year Strategic Plan (2021/22 – 2025/26).

7. Port Lands Flood Protection (PLFP) Update:

- a) 90% Design Stage Gate Status Update

David Kusturin provided a detailed update on the budget and schedule for the PLFP Project as at the 90% Design Stage Gate and responded to questions from members of the Committee. Mr. Kusturin confirmed that the project remained on schedule for completion by March 2024 with no change to the budget of \$1.185Billion. The Committee commended Management on maintaining the budget and scheduling and the efficiency deployed in mitigating risks. The Committee noted the report for information.

- b) Report of the Independent Capital Monitor

Joanne Henson of BTY Consulting (“BTY”) joined the meeting. Ms. Henson presented the executive summary of the ninth independent capital monitor report which was taken as read. Ms. Henson presented key findings of its review of the schedule, scope, budget and risk of the PLFP Project noting that the processes in place continue to be robust at the 90% Design Stage Gate and in accordance with standard practices. The Committee noted the Report for information.

8. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Jeanhy Shim, seconded by Patrick Sheils 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 on item 9 is provided in the minutes of the Open Session September 17, 2020 FARM Committee meeting

under item 3(b) of the meeting agenda, for items 10 & 11 is Section 6.1.1(I), and for item 12 is Section 6.1.1(b) of By-Law No. 2. The Chair requested members of the public to leave the meeting.

9. Consent Agenda - Minutes of the Closed Session – September 17, 2020 FARM Committee Meeting

10. Review of Waterfront Toronto’s Liquidity Position

11. Project Risk Discussion

12. Committee Chair Discussion

13. Motion to go into Open Session

ON MOTION duly made by Patrick Sheils and seconded by Jeanhy Shim and carried, the committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public were invited to join the meeting.

14. Resolutions Arising from the Closed Session

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the FARM Committee approves the Minutes of the Closed Session of the FARM Committee meeting held on September 17, 2020, as tabled.

15. Termination of the Meeting

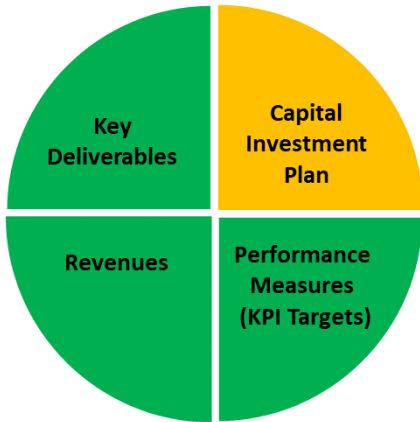
There being no further business, **ON MOTION** duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the meeting be terminated at 12:05 p.m. local time.

Committee Chair

Secretary

Purpose	For Information
Areas of note/ Key issues	<p>All key areas of the attached Macro Dashboard are green (i.e. no key issues to be aware of), except for the following three items which are yellow or tracking behind plan:</p> <ul style="list-style-type: none"> • One 2020/21 Corporate Plan item (Capital Investment) largely due to deferral of some Port Lands Flood Protection (PLFP) project elements into 2021/22 to address project challenges and still maintain the 2024 completion date; and • Two areas of Capital Projects (PLFP project and Complete Communities) which are yellow due to elevated risks and/or budget pressures. <p>The following key areas are reported on in the attached Macro dashboard which is supported by several attached streamlined reports:</p> <ul style="list-style-type: none"> • <u>2020/21 Corporate Plan Performance</u> (caution area noted) • Finance & Administration: <ul style="list-style-type: none"> ○ <u>Enterprise Risk Management</u>: (no significant concerns, all high inherent risk areas are being adequately managed through mitigation plans; Business Continuity Plan refresh planned in March 2021). ○ <u>Internal audit</u> (no significant concerns, however increased volume of government audits may stretch WT resources; Cybersecurity follow-up audit completed Feb 2021). ○ <u>Government audit</u> (Value-for-money follow-up audit completed in Dec 2020, noting 91% implementation rate). ○ <u>Liquidity/ Cash Flow Management</u> (no significant concerns, however upward trend on notional external borrowing from unspent project funds and internal cash flow management requirements; adequacy of borrowing term/limit under review). ○ <u>Financial reporting compliance</u> (no concerns, in line with plan) • Capital Projects (caution areas noted for PLFP related to utilities relocations and Bayside External Services due to potential project delays and changed conditions contractor claims): <ul style="list-style-type: none"> ○ Program Portfolio Dashboard ○ Port Lands Flood Protection Project Dashboard ○ Individual Project Status Dashboards (one project – Bayside External Services is forecasting a <10% adverse budget variance of \$4.4M).
Next Steps	The next macro level dashboard will be provided at the next FARM Committee meeting on May 27, 2021.

2020/21 Corporate Plan Performance



As of Q3 2020/21 WT is on track to achieve the following for 2020/21:

- 88% (Q2:83%) of key deliverables (21 out of 24)
- 70% (Q2:76%) of annual capital investment plan (\$277M of \$393M)
- 80% (Q2:75%) of annual revenues (\$263M of \$330M)
- 84% (Q2:84%) of key performance indicator targets (26 out of 31)

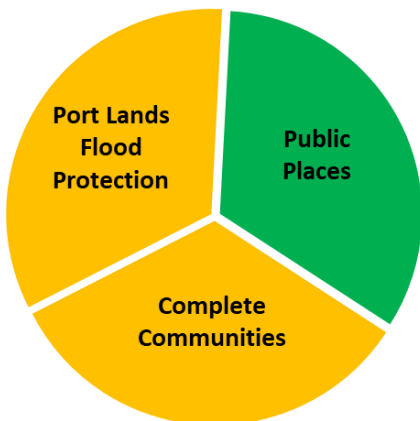
Capital investments spend is forecast to be lower than Plan by \$116M (24%) due largely to construction resequencing for the Port Lands Flood Protection (PLFP) project to address project challenges and still maintain the 2024 completion date. **Currently, none of these deferrals place the Corporation at risk of non-compliance with key contracts nor pose an overall budget risk.** Revenue is anticipated to be lower than Plan by \$67M primarily due to a commensurate decrease in this year's funding requirement for the PLFP project.

Finance & Administration



- Positive cash balance > \$50M and no current requirement to borrow; notional external borrowing from unspent project funds and internal cash flow management being utilized for some projects. Government borrowing consent of \$40M to March 2023. Further amendment to term and limit to enhance liquidity tools targeted to be submitted to governments April 2021.
- ERM: No critical enterprise risks impacting operations. Business Continuity Plan refresh planned in March 2021.
- Internal Audit proceeding in accordance with plan, note increased volume of government audits may stretch WT resources. 100% audit recommendation implementation rate this quarter (Q2:100%). Cybersecurity follow-up audit completed Feb 2021.
- Government value-for-money follow-up audit completed in Dec 2020, noting 91% implementation rate.
- Dec 31, 2020 interim financial statements completed.

Capital Projects



- Currently tracking to deliver all projects in the capital portfolio in accordance with contractual budget/ schedule obligations.
- **Caution** remains for the Port Lands Flood Protection project due to utility relocation risk which may materially impact budget and/or schedule. Mitigation options have been developed and are being actively assessed and pursued.
- **Caution** is also noted for the Bayside External Services project, showing adverse (6.6%/ \$4.4M) budget variance due to constructability issues, potential project delays & changed conditions contractor claims. Variance is within 10% of Capital Project Budget.

Refer to the Program Portfolio Dashboards.

Legend: ● No concerns - in line with plan ● Caution – some areas of plan may not be met
 ● Concern – some aspects (<70%) of plan will be not met.

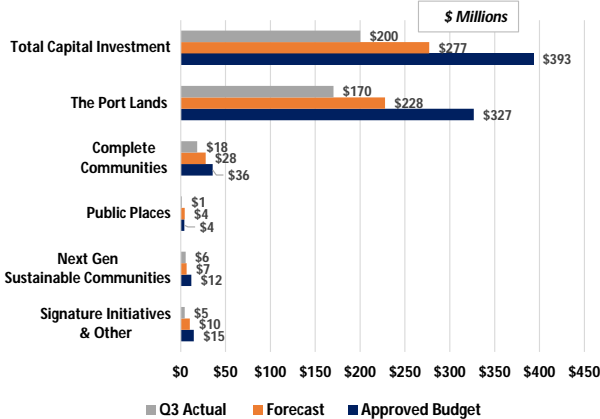
Corporate Plan Performance Dashboard as of December 31, 2020 (Q3 2020/21)

Issued as of: February 3, 2021

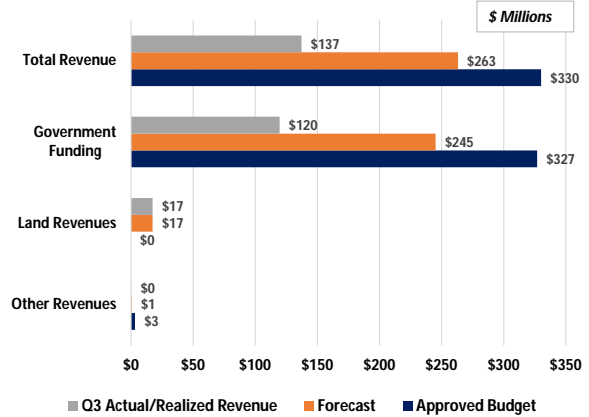
Overall 2020/21 Corporate Plan* Status: ● Capital Investment Plan ● Revenues ● Key Deliverables ● Performance Targets

● No material concerns, in line with plan; forecast performance greater than 80% of plan; ● Caution - Some areas of plan may not be met; forecast performance between 70% - 80% of plan; ● Concern - Some areas of plan will not be met; forecast performance less than 70% of plan

Capital Investments



Revenue / Funding



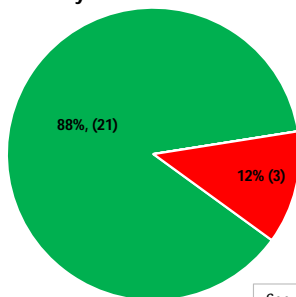
Overall Investment spend is forecast at \$277M, \$116M (30%) lower than Plan due to:

- Decrease in Port Lands Flood Protection resulting largely from construction resequencing required to address impacts from prior year related to cut-off wall productivity issues and delays in municipal approvals for road closures.
- Decrease in Complete Communities primarily due to deferral of in-water pipe project construction as a result of redesign and value engineering required to mitigate potential cost increases.
- Decrease in Next Generation Sustainable Communities due to changes in scope and timing of the Quayside project after Sidewalk Labs withdrawal from the project in May 2020.

Overall revenues are anticipated to be lower than Plan by \$67M primarily due to a decrease in this year's funding requirement for the Port Lands Flood Protection project, offset by land sale revenues originally anticipated in Q4 FY 2019/20 but realised in Q1 2020/21 due to COVID-19.

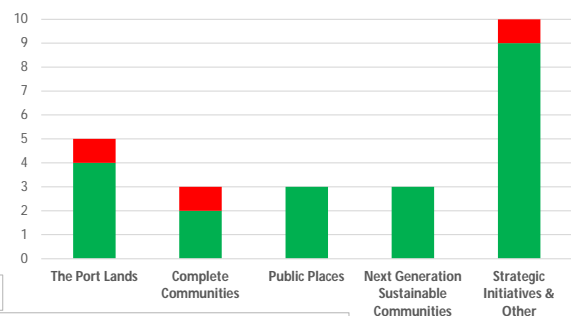
2020/21 Key Deliverables*

Overall Status of 24 Key Deliverables:



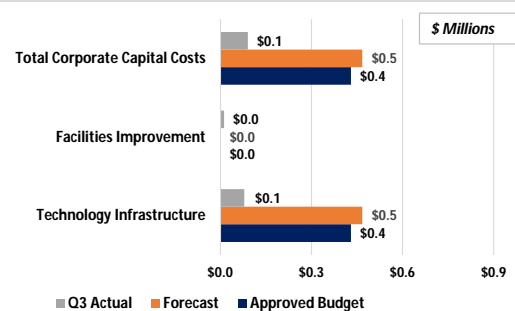
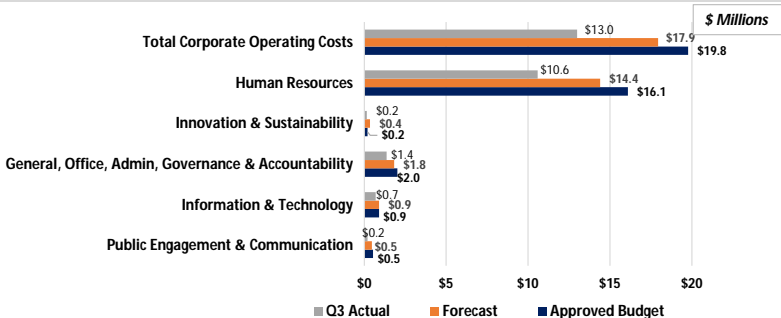
See Appendix A for details on red deliverable

Key Deliverables by Priority Initiative:



The key deliverables for Quayside approved per the 2020/21 Corporate Plan have been updated to reflect the Corporation's revised direction post the withdrawal of the Innovation & Funding Partner in May 2020.

2020/21 Corporate Operating and Capital Costs (excluding Amortization)



• Corporate operating costs are forecast to be under the approved budget by \$1.8M. The major contributor to these forecast savings is Human Resources due to attrition, delays in hiring some positions as well as freezing compensation for senior employees. A slight decrease in General, Office & Admin and Public Engagement & Communications costs is also expected (\$0.2M & \$0.1M respectively) due to the reduced use of Waterfront Toronto's office location due to COVID-19. This is offset by a slight increase (\$0.1M) in Innovation & Sustainability forecast costs due to the update to green building standards being deferred to 2020/21 (previously budgeted in 2019/20).

(Amortization is excluded from the chart above but is in line with approved budget.)

• Capital Costs are forecast to be slightly overbudget due to an additional investment in technology to support work from home setup. One of the notable capital investments anticipated this fiscal year in technology infrastructure is the website upgrade to make it fully compliant with the requirements of the Accessibility for Ontarians with Disabilities Act.

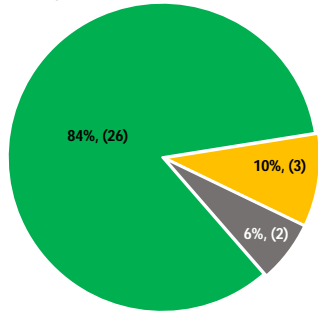
Corporate Plan Performance Dashboard as of December 31, 2020 (Q3 2020/21)

Issued as of: February 3, 2021

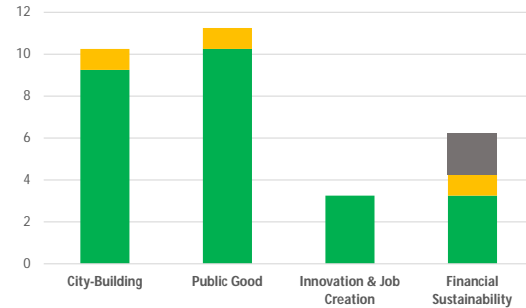
2020/21 Performance Targets

● 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 ● Cannot be measured at this time

Overall Status of 31 Key Performance Indicators:



Key Performance Indicators by Strategic Priorities:



Out of 31 Key Performance Indicators, 84% (26) are on track to achieve their targets. 10% (3) of the KPIs are behind (*Number of design awards, Number of events on the waterfront, Number of strategic partnerships cultivated*). 6% (2) indicators will be measured at the end of the year by external experts and cannot be measured at this time. (The two KPIs that can't be measured at this time are: *Government tax revenue from private sector waterfront development, Private-sector dollars invested in waterfront developments*)

Appendix A:

Details of Deferred Deliverables for 2020/21

Delay Category	Priority Initiative	Key Deliverable Deferred to 2021/22 or a Future Year	Comments
External Influence	Port Lands	Commence reconstruction of Lakeshore Bridge.	Reconstruction of Lakeshore Bridge has been delayed to allow for the integration of the Gardiner East EA scope of work and due to the delayed completion of the Gardiner Rehab construction project. Full reconstruction of the Lake Shore Bridge as well as Lake Shore Boulevard east to Carlaw Avenue, combining scopes of both the PLFP and Gardiner East EA, was approved to proceed to construction at Toronto City Council December 17, 2020. Design has advanced to the Issued For Tender stage. Traffic model including existing conditions, construction scenarios and mitigation was completed. Mitigation design was advanced. Construction to begin in July 2021.
	Eastern Waterfront Transit and Queens Quay Revitalization	Complete preliminary design and engineering for Queens Quay East surface works to Cherry Street for Queens Quay East LRT infrastructure.	This deliverable is delayed due to longer than anticipated procurement timeline and the needs for addenda. Area 2A 30% design will continue beyond March 2021 targeting completion and full coordination with other project areas by fall of 2021. Area 2B RFP is in contract negotiations and expected to begin in Feb. 2021 and complete the transit portal feasibility study and 10% design of Queens Quay extension by March 2021.
Change in Scope	Complete Communities	Complete construction of in-water storm pipes connecting Dockside & Bayside.	This project was schedule to be started in 2020 but due to the budgets and bidding process, we were not able to proceed and needed to retender the project. Re-tendering of Phase 1 completed, Capital Approval granted by the Board of Directors on December 10, 2020 and procurement process is completed. Agreement with the selected Contractor to be complete Mid February. Mobilization expected in May 2021 and project completion by Q2 2022.

Enterprise Risk Management Dashboard– Q3 2020/21



Summary:

- Overall no risks with a high (red) residual risk score this quarter (same as last quarter).
- WT's risk portfolio continues to be stable. No changes noted in the top enterprise risks as shown below.
- Management's specific mitigation strategies to address these risks are outlined in the attached Enterprise Risk Register (Appendix 1 – Confidential Attachment).

Risk Area	Q3 2020/21 (Current)		Q2 2020/21 (Previous)	
	Inherent Risk Score	Residual Risk Score	Inherent Risk Score	Residual Risk Score
1. Business Continuity (incl. Cyber Security)	20	12	20	12
2. Financial Self-Sustainability	16	12	16	12
3. Project Forecasting	16	12	16	12
4. Port Lands Project Delivery	16	12	16	12
5. Liquidity Risk	16	12	16	12
6. Existing Revenue Risk	12	12	12	12
7. Enterprise Resource Planning System Risk	12	12	12	12
8. Government Risk	12	12	12	12
9. Procurement Process Risk	12	12	12	12
10. Project Delivery - Non-Port Lands Projects	12	12	12	12

Note: Refer to attached Appendix 1 on the Detailed Risk Register (Confidential Attachment).

Risk Score	
	Low (1-6)
	Medium (>6 - 14.9)
	High (15 - 25)

Audit Dashboard – Q3 2020/21



Audit	2019/20 (Prior Year)	2020/21 (Current Year)	2021/22 (Next Year)
Internal	Employee Wellness Program Review	Performance Measurement Framework <i>(Completed Q2)</i>	ERP System Process General Controls
	Procurement (Port Lands)	Cybersecurity Follow-Up Audit <i>(Completed Q4)</i>	Project Management Process Controls
	Independent Capital Monitor (Port Lands)	Independent Capital Monitor (Port Lands), <i>Quarterly</i>	Independent Capital Monitor (Port Lands)
		Resource & Succession Planning <i>(Planned Q4)</i>	
External	March 31, 2020 Financial Statements	March 31, 2021 Financial Statements <i>(Planned)</i>	March 31, 2022 Financial Statements
Government	Financial Planning and Reporting Processes Audit	ERP System Implementation <i>(Completed Q2)</i>	Contribution Agreement Compliance (Port Lands Flood Protection)
	Office of the Auditor General of Ontario (OAGO) VFM Follow-Up	Value-for-Money Follow-Up Audit <i>(Completed Q3; Report issued Dec 2020)</i>	
		Tri-Government Strategic Review <i>(Ongoing, Report expected April 2021)</i>	
		City Auditor General Risks and Opportunities Assessment <i>(Completed Q2)</i>	
Total	6 audits	9 audits	5 audits

Status of Audit Action Items Dec 31/20:

Overall:

- **91%** of 2020 **Provincial Value-for-Money Follow-Up** items implemented.
- **100%** of 2019 **Corporate Governance review** action items implemented;
- **67%** of 2019 **HR Employee Wellness review** action items implemented;
- **20%** of 2020 **Performance Measurement Framework review** action items implemented;
- Refer to Confidential Attachment for an aging analysis and details of all outstanding audit action items (incl. Cybersecurity follow-up items).

This Past Quarter:

- **100%** implementation rate for **internal audit action items** due this quarter.
- **91%** implementation rate for **government audit action items** based on Value-for-Money Follow-Up Audit completed in Dec/20 (summary in Appendix).

Note: The number of audits from 2003 to February 10, 2021 totals 67 (26 internal; 18 external and 23 government).

Appendix: Recommendation Status of OAGO Value for Money Follow-Up Audit (Dec 2020)



A. Waterfront Toronto (6 of 10 Recommendations)

The following six recommendations (containing 22 action items) were directed towards Waterfront Toronto (WT), of which **20 action items** have been **fully implemented** resulting in **91% implementation rate**.

Rec. #	Recommendation Area	# of Actions Recommended	Fully Implemented	In the Process of Being Implemented	WT Notes
2	Project budget, schedule and scope management	3	3	-	
3	Project information systems, procedures and reporting	7	7	-	
4	Oversight of organizations receiving funding from WT	7	7	-	
5	Development and implementation of a financial sustainability plan	1	-	1	WT developed a fundraising action plan in Dec 2019 and is in the process of implementing this.
7	Best practices and lessons learned	1	1	-	
9	Port Lands Flood Protection Project budget management	3	2	1	Remaining action item relates to the effectiveness of WT's work in reducing the impact of construction risks on final cost. This will be assessed at the end of the project.
Total		22	20	2	
%		100%	91%	9%	

Appendix: Recommendation Status of OAGO Value for Money Follow-Up Audit (Dec 2020)



B. Ontario Ministry of Infrastructure (4 of 10 Recommendations)

The following four recommendations (containing 14 action items) were directed towards the **Ontario Ministry of Infrastructure (MOI)**, of which **6 action items** have been **fully implemented** resulting in **43%** implementation rate.

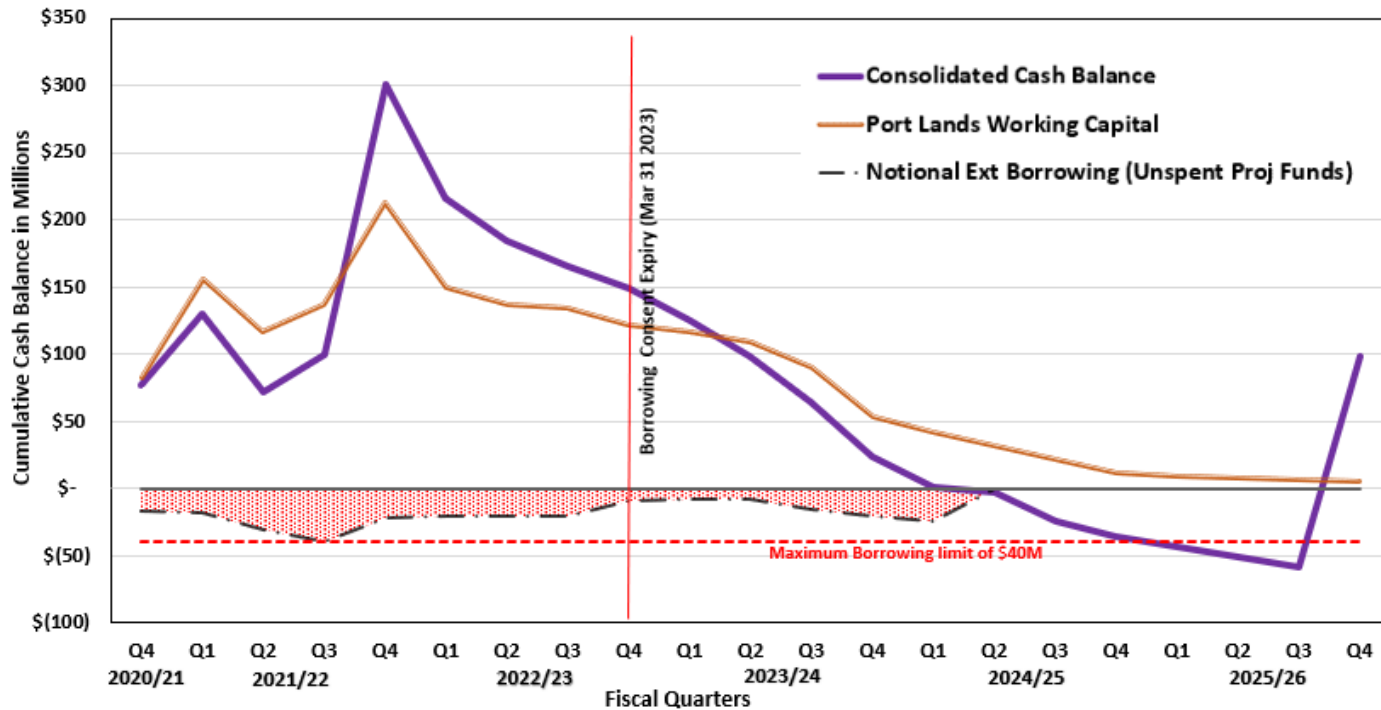
Rec. #	Recommendation Area	# of Actions Recommended	Fully Implemented	In the Process of Being Implemented	No Longer Applicable	WT Notes
1	Mandate review and clarification of roles/responsibilities	2	-	2	-	In process of being implemented via the Tri-government Strategic Review currently underway.
6	Framework to guide project funding decisions & dispute resolution process	2	2	-	-	
8	Performance measures and targets	3	3	-	-	
10	Development of digital strategy framework (incl. advisory council & public stakeholder consultation & engagement)	7	1	4	2	Note: The two N/A recommendations relate to Sidewalk Labs and MOI oversight of this partnership with WT.
Total		14	6	6	2	
%		100%	43%	43%	14%	

Total – WT & MOI	36	26	8	2
% – WT & MOI	100%	72%	22%	6%

Liquidity / Cash Flow Forecast (February 2021)



Cash Flow Forecast Jan 2021 to Mar 2026



Conclusion: During the next 3 years (21/22–23/24), Waterfront Toronto (“WT”) will need notionally borrow up to \$40 million of unspent project funds (i.e. in lieu of external borrowing). This internal cash flow management mitigates cash flow timing differences for certain projects such as Quayside. This interim financing utilizes existing financial capacity and has no impact on WT’s \$40M external borrowing limit. WT expects to still maintain an overall cash balance of >\$50 million during the next 36 months, subject to realization of first phase of Quayside land sale revenues in Q4 21/22

Key assumptions/highlights:

- The above cash flow forecasts the potential first tranche of land sale revenues associated with the Quayside lands (zoned for 2.7 million s.f. of development) by the end of Q4 21/22.
- During the period, WT is forecast to utilize notional external borrowing of up to \$40 million (refer to attached Appendix) to fund expenditures required to mainly advance the:
 - Quayside development to bring the lands to market, including staff costs as well as planning and environmental costs, which are anticipated to be repaid by Q4 21/22.
 - Development of Bayside Phase 2 Water’s Edge Promenade and Bayside Municipal Infrastructure (e.g., Stormwater Quality Management incl. in-water pipe) projects in East Bayfront projects, to be repaid between 22/23 to 24/25.

Interim Financing Dashboard



- WT's current interim financing requirements for ongoing projects is \$50.8M, most of which (78%, \$39.4M) is sourced from WT Retained Earnings/Capital Reserve and 22% (\$11.5M) from notional external borrowing.
- Notional external borrowing is defined as the amount WT would need to borrow externally if it were not for cash reserves of unspent government funding and the ability to pool bank account balances for interest purposes.
- Peak notional external borrowing is \$40M in Q3 2021/22, i.e. WT's external borrowing threshold. WT spending to be reviewed given upward pressures beyond the external borrowing consent limit until Quayside land revenues are realized (~ early 2022).

Period	Interim Financing By Project	Interim Financing Sources	Ultimate Financing Sources
Jan/21 (A)	<p>Total \$50.8M</p> <ul style="list-style-type: none"> Queens Quay West Revitalization: \$18.1 Bayside Municipal Infrastructure: \$4.7 Bayside Water's Edge Promenade: \$9.8 Quayside Development: \$18.2 	<p>Total \$50.8M</p> <ul style="list-style-type: none"> WT Ret. Earnings: \$33.3 WT Capital Reserve: \$6.0 Notional External Borrowing: \$11.5 	<p>Total \$50.8M</p> <ul style="list-style-type: none"> Quayside Land Revenues: \$36.3 Section 37 Infra. Funding: \$4.7 Parkland Dedication: \$9.8
Q3 21/22 (F)	<p>Total \$79.4M</p> <ul style="list-style-type: none"> Queens Quay West Revitalization: \$18.1 Bayside Municipal Infrastructure: \$13.6 Bayside Water's Edge Promenade: \$10.5 Quayside Development: \$32.9 Land Acquisitions: \$4.2 Signature Projects: \$0.1 	<p>Total \$79.4M</p> <ul style="list-style-type: none"> WT Ret. Earnings: \$33.4 WT Capital Reserve: \$6.0 Notional External Borrowing: \$40.0 	<p>Total \$79.4M</p> <ul style="list-style-type: none"> Quayside Land Revenues: \$63.5 Section 37 Infra. Funding: \$5.4 Parkland Dedication: \$10.5

<p>Purpose</p>	<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 flow of the Corporation.</p>
<p>Areas of note/ Key issues</p>	<p>The Corporation’s financial activities for the nine months ended December 31, 2020 have increased substantially (33%) from the same period last year. For the nine months ended December 31, 2020 the Corporation has:</p> <ul style="list-style-type: none"> • Spent approx. \$217 million (up from \$164 million last year) of which \$212.6 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (\$190 million) and \$4.4 million was expensed. • Recognized revenues of \$145.4 million (down from \$156.2 million for last year) which is primarily government contributions for Port Lands Flood Protection project (\$100 million), Lakeshore Bridge project (\$16M), land sale proceeds (\$17.5 million), and parking/rental and interest revenues (\$3.03 million). The decrease from prior year is because lower government contributions for Port Lands Flood Protection project driven by timing of expenditures. However, this is expected to change by year-end when the Corporation makes additional significant Provincial requests for contributions for the Port Lands Flood Protection project. • Reported a slight net operating loss as a result of COVID-19 impact on WTs interim parking operations. <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> • Note 8 on WTs Credit Facility has been updated to include “Canadian commercial bank” as being the lenders of the facility. • Unrestricted net assets (Note 12) is in a deficit position representing a timing difference between realization of unrestricted revenues and corresponding expenditures funded out of the same. The deficit position is expected to continue until realization of significant unrestricted revenues i.e. land sale proceeds by end of Q4 2021/22. • As of December 31, 2020, the Corporation has notional swing forward exchange contracts of US\$5,500,000 outstanding with settlements occurring monthly until August 2021 (Note 19). • Note 23 on Related Party transactions has been added to reflect the primarily arm’s length nature of transactions between the Corporation and its government funders. • The Corporation has no undisclosed off-balance sheet transactions.
<p>Key Takeaways/ Next Steps</p>	<p>The FARM Committee acknowledges receipt of the unaudited interim financial statements for submission to the Board of Directors on March 25, 2021.</p> <p>The financial statements will be received by the Board of Directors on March 25, 2021.</p>

Interim Financial Statements of

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

December 31, 2020

Toronto Waterfront Revitalization Corporation

December 31, 2020

Interim Financial Statements

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Statement of remeasurement gains and losses	3
Statement of changes in net assets	3
Statement of cash flows	4
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Toronto Waterfront Revitalization Corporation
Statement of financial position
as at December 31, 2020

	December 31, 2020	March 31, 2020
	\$	\$
Assets		
Current assets		
Cash	114,968,564	87,249,424
Receivables	15,440,942	86,795,715
Deposits and prepaid expenses and other assets	4,463,677	4,850,089
	134,873,183	178,895,228
Restricted cash and investments	30,923,483	27,693,933
Assets under development	898,532,380	685,913,187
Capital assets	90,094,105	90,692,130
	1,154,423,151	983,194,478
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	82,155,849	45,084,203
Deferred contributions	95,054,409	176,108,768
Other liabilities and settlements	1,015,737	948,086
	178,225,995	222,141,057
Other liabilities and settlements	3,886,312	4,560,003
	182,112,307	226,701,060
Net assets	972,310,844	756,493,418
	1,154,423,151	983,194,478

Toronto Waterfront Revitalization Corporation

Statement of financial activities

Nine months ended December 31, 2020

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
	\$	\$
Restricted Revenues:		
City of Toronto	64,442,428	64,549,824
Government of Canada	60,000,000	45,076,297
Province of Ontario	-	38,660,390
Other restricted contributions	451,404	2,838,732
	124,893,832	151,125,244
Less: Government contributions for assets under development	(201,740,705)	(139,646,545)
Decrease (Increase) in deferred contributions for continuing operations related to future periods	81,054,359	(10,786,668)
	4,207,487	692,031
Expenses		
Complete Communities	1,785,392	846,301
Signature Projects	1,379,480	360,130
Strategic Initiatives	873,665	920,343
Eastern Waterfront Transit	178,197	496,810
Public Places	168,046	40,115
	4,384,780	2,663,699
Deficiency of revenue over expenses before other items	(177,293)	(1,971,669)
Net other operating (loss) income (Note 16)	(41,578)	2,164,218
Land sale proceeds and/or other income (Note 17)	17,485,877	360,150
Excess of revenues over expenses	17,267,006	552,700

Toronto Waterfront Revitalization Corporation

Statement of remeasurement gains and losses

Nine months ended December 31, 2020

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
	\$	\$
Accumulated remeasurement gains, beginning of the period	21,350	252,025
Unrealized gain (loss) attributable to foreign currency transactions	152,798	(46,525)
Unrealized loss attributable to forward exchange contracts (Note 19)	(306,355)	(65,812)
Net remeasurement loss for the period	(153,556)	(112,338)
Accumulated remeasurement (loss) gain, end of the period	(132,206)	139,688

Statement of changes in net assets

Nine months ended December 31, 2020

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
	\$	\$
Net assets, beginning of the period	756,493,418	579,897,673
Add: Excess of revenue over expenses	17,267,006	552,700
Add: Net remeasurement loss	(153,556)	(112,338)
Add: Government contributions for assets under development	201,740,705	139,646,545
Less: Transfer of assets to Government (Note 6)	(3,036,729)	-
Net assets, end of the period	972,310,844	719,984,581

Toronto Waterfront Revitalization Corporation

Statement of cash flows

Nine months ended December 31, 2020

	Nine months ended December 31, 2020 \$	Nine months ended December 31, 2019 \$
Cash flows from operating activities		
Excess of revenues over expenses for the period	17,267,006	552,700
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Amortization of capital assets	637,151	309,147
Unrealized gain (loss) attributable to foreign currency transactions	152,798	(46,525)
Unrealized (loss) attributable to forward exchange contracts	(306,355)	(65,812)
Changes in non-cash working capital balances:		
Net decrease (increase) in deferred contributions	(81,054,359)	10,786,668
Current assets (Receivables, Deposits and prepaid expenses)	71,741,185	19,325,055
Current liabilities (Payables, Other liabilities and settlements)	36,465,607	27,527,894
Net cash received from operating activities	44,903,033	58,389,128
Cash flows from capital activities		
Cash received from government contribution for assets under development	201,740,705	139,646,545
Cash used to acquire assets under development	(215,655,922)	(161,626,001)
Cash used to acquire capital assets	(39,126)	(334,505)
Net cash paid from capital activities	(13,954,343)	(22,313,961)
Cash flows from investing activities		
Invested in restricted cash and investments	(3,229,550)	(752,157)
Invested in short-term investments	-	10,189,542
Net cash (paid) received from investment activities	(3,229,550)	9,437,385
Increase in cash	27,719,140	45,512,552
Cash, beginning of the period	87,249,424	75,377,644
Cash, end of the period	114,968,564	120,890,196

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

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, 2020 audited financial statements.

2 Description of Corporation

The 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, 2020	March 31, 2020
	\$	\$
City of Toronto	10,197,343	40,556,151
HST receivable	3,220,349	4,906,356
Rent and other receivables	2,023,250	2,033,756
Province of Ontario	-	39,299,452
	15,440,942	86,795,715

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

4. Deposits and prepaid expenses

	December 31, 2020	March 31, 2020
	\$	\$
Prepaid expenses	2,282,478	2,668,890
Construction deposits	2,181,199	2,181,199
	4,463,677	4,850,089

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 the construction of municipal and hydro 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, 2020 - \$2,181,199) are non-interest bearing.

5. Restricted cash and investments

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

	December 31, 2020	March 31, 2020
	\$	\$
Holdbacks payable (including HST)	19,222,315	15,533,261
Developer contribution - East Bayfront public art	6,072,377	5,372,534
Developer deposit - Bayside project agreement	2,252,790	2,236,081
Developer deposit - Broadband services	1,615,015	2,803,370
East Bayfront child care facility	1,534,617	1,523,235
Escrow Account - River City development	226,369	225,452
	30,923,483	27,693,933

6. Assets under development

The following table details assets under development by category:

	December 31, 2020	March 31, 2020
	\$	\$
Roads, Bridges, Services, Structures	439,468,716	354,420,300
Flood Protection Features	337,912,593	225,178,064
Land under development	79,861,142	73,574,721
Parks and Public Realm	41,289,929	32,740,102
	898,532,380	685,913,187

The following table details assets under development by Priority Initiatives:

	The Port Lands	Complete Communities	Quayside	Public Places	Eastern Waterfront Transit	Total
	\$	\$	\$	\$	\$	\$
Opening balance, April 1, 2020	311,552,555	338,561,668	22,697,711	13,101,253	-	685,913,187
Capital additions	185,480,168	16,162,016	621,599	675,274	1,381,975	204,321,033
Direct project management - Note 13	3,123,146	747,900	3,040,578	303,953	320,039	7,535,616
General and support expenses - Note 13	1,652,521	373,603	1,438,266	161,446	173,435	3,799,273
Transfer of completed assets to City of Toronto	-	(526,643)	-	(2,510,086)	-	(3,036,729)
Closing balance, December 31, 2020	501,808,390	355,318,544	27,798,154	11,731,840	1,875,449	898,532,380

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

During the period, Front Street public art with a carrying cost of \$2,510,086 and Aitken Place Park public art with a carrying cost of \$526,643 were formally transferred to the City of Toronto. The transfer has been recorded as a reduction to assets under development and included as a distribution of net assets in the statement of changes in net assets.

7. Capital assets

	December 31, 2020		March 31, 2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	87,305,565	-	87,305,565	-
Computer hardware and software	4,014,026	1,910,816	3,935,523	1,441,273
Leasehold improvements	1,377,975	845,487	1,415,514	719,519
Furniture and fixtures	539,371	386,528	534,047	337,727
Office equipment	145,563	145,563	145,563	145,563
	93,382,500	3,288,395	93,336,212	2,644,082
Cost less accumulated amortization		90,094,105		90,692,130

Land is recorded at cost in accordance with the significant accounting policy. Certain land, known as Quayside, has approximately 2,7000,000 square feet zoned for development.

The Corporation owns land containing environmental contamination. The costs associated with the Corporation's environmental remediation, which depends on the ultimate use of the lands, will be recognized in the period when an obligation arises. The Corporation owns buildings on a number of its properties. As none of the buildings are intended for use other than on a temporary rental basis and all will ultimately be demolished, they have been recorded at a carrying value of \$Nil (2020 - \$Nil).

8. Credit facility

In 2015 the Corporation secured a revolving credit facility with a Canadian commercial bank which provides for a maximum borrowing amount of \$40 million. The facility bears interest at the Canadian Prime less 0.5%. The interest rate was 1.95% at December 31, 2020 (March 31, 2020 - 1.95%). The facility is secured by a first lien interest over several of the Corporation's real properties 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. At December 31, 2020, the available borrowing limit was reduced to \$37 million as a result of a Letter of Credit reissued by Waterfront Toronto during 2020 to the Department of Fisheries and Oceans for the Cherry Street Stormwater and Lakefilling project.

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 properties which secure the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at December 31, 2020, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

9. Accounts payable and accrued liabilities

	December 31, 2020	March 31, 2020
	\$	\$
Accrued liabilities	39,644,710	26,518,973
Holdbacks payable	23,993,168	15,458,583
Accounts payable	18,517,971	3,106,647
	82,155,849	45,084,203

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

10. Deferred contributions and grants

Deferred contributions and grants represent project specific contributions from Governments which have not been applied to eligible costs at December 31, 2020, as well as contributions received for the acquisition of capital assets which have yet to be amortized.

	December 31, 2020	March 31, 2020
	\$	\$
Expenditures of future periods		
Balance, beginning of year	176,108,768	101,652,189
Additional contributions	(77,491,185)	75,157,645
Less: amounts recognized as revenue	(3,563,174)	(701,066)
Balance, end of period	95,054,409	176,108,768
Capital contributions		
Balance, beginning of year	-	0
Add: contributions for acquisition of capital assets and assets under development	202,385,018	191,616,104
Less: direct contribution to net assets	(201,740,705)	(191,126,483)
Less: amount amortized to revenue	(644,313)	(489,621)
Balance, end of period	95,054,409	176,108,768

11. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	December 31, 2020	March 31, 2020
	\$	\$
Deposit - Bayside project agreement	2,271,297	2,256,073
Deposit - broadband services	1,615,015	2,303,930
Deposit - rent and other	1,015,737	948,086
Total other liabilities	4,902,049	5,508,089
Less: current portion	(1,015,737)	(948,086)
	3,886,312	4,560,003

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

12. Net assets

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

	December 31, 2020	March 31, 2020
	\$	\$
Invested in non-amortisable capital assets	87,305,565	87,305,565
Invested in assets under development	898,532,380	685,913,187
Unrestricted (deficit) (Note 12b)	(13,394,895)	(16,746,684)
Accumulated re-measurement gains	(132,206)	21,350
	972,310,844	756,493,418

b) Unrestricted surplus/ (deficit)

	December 31, 2020	March 31, 2020
	\$	\$
Unrestricted (deficit)/surplus, opening balance	(16,746,684)	9,247,438
Excess of revenue over expenses	17,267,006	14,539
Investment in assets under development	(13,915,217)	(26,008,661)
Unrestricted deficit, closing balance	(13,394,895)	(16,746,684)

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

13. Expenses by Priority Initiative and Function

	Complete Communities	Signature Projects	Strategic Initiatives	Eastern Waterfront Transit	Public Places	Quayside	The Port Lands	Total December 31, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	1,131,283	729,969	156,582	56,131	43,473	-	-	2,117,438
Project management - salaries, fees and benefits	1,182,599	432,590	477,594	409,964	392,936	3,040,578	3,123,146	9,059,407
Less project management - salaries, fees and benefits related to assets under development (Note 6)	(747,900)	-	-	(320,039)	(303,953)	(3,040,578)	(3,123,146)	(7,535,616)
	1,565,982	1,162,559	634,176	146,056	132,456	-	-	3,641,229
<i>General and support expenses:</i>								
Support staff salaries, fees and benefits	185,757	67,949	75,018	64,395	61,720	450,526	517,640	1,423,006
General and office administration	172,192	62,987	69,541	59,693	57,213	417,626	479,839	1,319,090
Information technology	127,810	46,752	51,616	44,307	42,467	309,985	356,163	979,100
Amortization	83,173	30,424	33,589	28,833	27,635	201,723	231,773	637,151
Communications and public engagement	24,081	8,809	9,725	8,348	8,001	58,406	67,106	184,477
	593,013	216,921	239,489	205,576	197,036	1,438,266	1,652,521	4,542,824
Less general & support expenses allocated to assets under development (Note 6)	(373,603)	-	-	(173,435)	(161,446)	(1,438,266)	(1,652,521)	(3,799,273)
	1,785,392	1,379,480	873,665	178,197	168,046	-	-	4,384,780

General and support expenses for the period ending December 31, 2020 have been allocated to priority initiatives using an overhead burden rate of 0.50 (2019 - 0.86) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$10,482,413 for the period ending December 31, 2020 (2019 - \$10,817,962) comprising direct project management salaries, fees and benefits of \$9,059,407 (2019 - \$7,196,031) and general salaries, fees and benefits of \$1,423,006 (2019 - \$3,621,931).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

13. Expenses by Priority Initiative and Function (Cont.)

	Complete Communities	Signature Projects	Strategic Initiatives	Eastern Waterfront Transit	Public Places	Quayside	The Port Lands	Total December 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	389,489	302,362	178,194	209,528	33,498	-	-	1,113,070
Project management - salaries, fees and benefits	1,059,503	85,649	399,087	154,484	290,868	2,941,820	2,264,618	7,196,031
Less Project management - salaries, fees and benefits related to assets under development (Note 6)	(806,140)	-	-	-	(277,889)	(2,941,820)	(2,264,618)	(6,290,467)
	642,852	388,011	577,282	364,013	46,477	-	-	2,018,634
<i>General and support expenses:</i>								
Support staff salaries, fees and benefits	533,595	(16,335)	200,991	77,803	146,489	1,525,883	1,153,505	3,621,931
General and office administration	242,318	(7,418)	91,275	35,332	66,524	692,938	523,833	1,644,802
Communications and public engagement	45,969	(1,407)	17,316	6,703	12,620	131,455	99,375	312,031
Amortization	45,236	(1,385)	17,039	6,595	12,417	129,358	97,790	307,053
Information technology	43,644	(1,336)	16,440	6,364	11,983	124,805	94,348	296,246
	910,762	(27,881)	343,061	132,797	250,033	2,604,440	1,968,850	6,182,062
Less general & support expenses allocated to assets under development (Note 6)	(707,313)	-	-	-	(256,395)	(2,604,440)	(1,968,850)	(5,536,997)
	846,301	360,130	920,343	496,810	40,115	-	-	2,663,699

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

14. Commitments

The Corporation has corporate lease commitments of \$3,458,888 until May 31, 2023.

15. Risk disclosures

(i) Credit risk:

Credit risk arises from cash, short term investments, 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) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the fair value of recognized assets and liabilities or future cash flows of the Corporation's operations. The Corporation is exposed to changes in interest rates, which may impact interest revenue on short term investments. At December 31, 2020 had prevailing interest rates raised or lowered by 1% with all other variables held constant excess revenues over expenses would have increased or decreased by \$NIL (December 31, 2019 - \$151,665).

(iv) 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 \$1,326,492 of cash and \$36,104 of payables which has been translated from the U.S. denominated amount.

Also refer to Note 24 regarding an assessment of the impact of COVID-19 on the financial statements.

16. Net other operating income

	December 31, 2020	December 31, 2019
	\$	\$
Rental, and parking income	2,106,971	3,078,350
Less: operating expenses	(3,072,541)	(2,602,707)
	(965,570)	475,643
Interest	759,862	1,594,163
Other Income	164,130	94,412
Net other operating (loss) income	(41,578)	2,164,218

17. Land sale proceeds and other income

During the period ended December 31, 2020, the Corporation received \$17,378,877 (2019 - \$114,525) as closing payments associated with the sale of land in East Bayfront owned by the City of Toronto. Other income comprises of \$107,000 (2019 - \$Nil) for sale of district energy equipment.

During the period ended December 31, 2019, the Corporation received \$245,625 in revenues from a sub-contractor for delivery of fill to the Cherry Street Lakefilling project site.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

18. Trust under administration

In February of 2016, the Corporation became the administrator of the Project Under Gardiner fund (The Bentway). Based on the Memorandum of Understanding dated December 22, 2015, the total cost of the Project Under Gardiner was expected to total \$25,000,000, of which \$23,500,000 was to flow to the Corporation to be used towards the execution of the project. The current estimated cost of the project is \$26,194,499 due to additional scope pursuant to delivery agreement between the Corporation and the City of Toronto for the Events Dock and Garisson project. Up until December 31, 2020 the Corporation has received \$25,656,529.

The trust is entitled to any interest earned on the balance of funds. A summary of the trust's financial position, as at December 31, 2020, is as follows:

Financial Position as at December 31 2020	December 31, 2020	March 31, 2020
	\$	\$
Cash and accounts receivable	288,653	543,949
Assets under development	25,716,262	25,638,547
Total assets	26,004,915	26,182,496
Accounts payable and accrued liabilities	(311,662)	(303,904)
Net assets	25,693,253	25,878,592

Revenues and expenditures as of December 31, 2020	Nine months ended December 31, 2020	Nine months ended December 31, 2019
	\$	\$
Revenues		
Philanthropic revenue	-	-
Restricted revenue	2,154	(289,236)
Total revenues	2,154	(289,236)
Cumulative revenues (from inception of trust)	25,656,529	25,654,375
Direct Project Costs	\$	\$
Planning and implementation	-	46,830
Implementation and construction	55,439	190,577
Project management fees	22,276	-
Total expenditures	77,715	237,407
Cumulative expenditure (from inception of trust)	25,716,262	25,421,773

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

19. Forward Exchange Contracts

The Corporation uses forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates that result from certain transactions in foreign currencies. The Corporation does not enter into forward exchange contracts for trading or speculative purposes. The Corporation recognizes any unrealized gains/losses related to unsettled future transactions in the Statement of Remeasurement Gains and Losses. Any realized gains/losses related to foreign exchange transactions are recorded in the Statement of Financial Activities. The unrealized (loss) gain on forward contracts included in the Statement of Remeasurement Gains and Losses for the period ended December 31, 2020 is (\$306,355) (2019 - \$65,812). As at December 31, 2020 the Corporation has notional swing forward exchange contracts of US\$5,500,000 outstanding with settlements occurring monthly until August 2021.

20. 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.

21. Qualified Donee Status

In 2017 TWRC was registered with the Canada Revenue Agency as a qualified donee and is now eligible to issue official donation receipts and receive gifts from registered charities. The status is effective June 24, 2016.

22. 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

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

December 31, 2020

- (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 Corporation 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.

23. Comparatives

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

24. Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. On April 3, 2020, the Ontario Provincial government Emergency Management Act ordered the shut-down of non-essential workplaces. While these restrictions were eased on May 1, 2020 through December 26, 2020, when the Ontario Provincial government Emergency Management Act ordered another shut-down of non-essential workplaces, all of Waterfront Toronto's major projects, including the Port Lands Flood Protection project, were determined to be essential workplaces and as such, continued construction activities. To date, while there has been some impacts to Waterfront Toronto's projects as a result of increased health and safety requirements and some delays in supply chain, there has been no material impact to assets, expenses and/or liabilities as of the date of these financial statements.



Finance, Audit & Risk Management Committee – February 25, 2021
Item 3.d.ii.a – Port Lands Flood Protection (PLFP)
Dashboard Report
David Kusturin

<p>Purpose</p>	<p>For Committee Information</p> <p>The Port Lands Flood Protection (PLFP) Dashboard report is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to monitor on a monthly basis 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>
<p>Areas of note/ Key issues</p>	<p>Port Lands Flood Protection Overall Program is currently proceeding in accordance with Tripartite Contribution Agreement and Board Approved Capital Project Budget. The project continues to face elevated risk due to utilities relocations issues concerning Toronto Hydro and Enbridge. These risks may significantly impact the project budget, schedule and/or scope if appropriate resolution cannot be achieved in the next 60 to 90 days.</p> <p>The following represents the financial status of the projects as of Q3 2020/21:</p> <ul style="list-style-type: none"> • The anticipated total project cost and approved funding remains unchanged at \$1.185 billion. • Current commitments equal \$788.58 million, an increase of \$44.28 million from the last quarterly report. • Cost incurred to date equals \$400.58 million. • \$41.3 million of the project contingency is unallocated and is available for future risks and unknowns. <p>The key accomplishments for last quarter include:</p> <ul style="list-style-type: none"> • Complete ground improvements and begin removal of surcharge on Cherry Street north of Keating Channel. Continue with ground improvements on Cherry Street south of Keating Channel • Initiate ground improvements on Commissioners Street • Construct and open Cherry / Polson Detour • Complete Hydro One Tower relocation • Obtain approval from Toronto City Council for Lake Shore Boulevard East, Bridge and Public Realm (LSBE BPR) • Issue IFC for LSBE BPR. Complete and obtain approval for detailed traffic model of existing conditions, construction sequencing and scenarios and mitigation • Delivery and installation of Cherry North LRT Bridge • Complete foundations and abutments for Cherry South bridge • Complete foundations for Commissioners Street bridge • Progress with steel fabrication of Commissioners west half (80% complete), east half (30% complete) and Cherry South (30% complete) bridges • Complete underdrain and liner installation in Central River Valley • Complete cut-off walls in Spillway and Ice Management areas • Commence construction of west plug • Obtain vacant possession of Firehall 30 and begin ground improvements at new location • Continue with surcharge placement at River Parks North and South
<p>Next Steps</p>	<p>The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q3 2020/2021 will be provided on May 27, 2021.</p>

PLFP Monthly Program Dashboard - as of December 2020

Issued: February 5, 2021

PROGRAM SUMMARY

Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) Program and is proceeding in accordance with the contractual budget and schedule obligations. Schedule and budget risks are being closely monitored to ensure program delivery. The overall program budget of \$1.185B remains unchanged. Projects that are forecast to exceed budget are offset by projects that are forecast to complete below budget. The Substantial Completion date of March 31, 2024 remains unchanged.

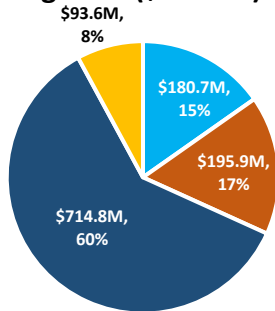
STATUS SUMMARY



Work has been re-sequenced to ensure that the critical path is not impacted by projects that are currently delayed. The project continues to face elevated risk due to utilities relocations issues concerning Toronto Hydro and Enbridge. These risks may significantly impact the project budget, schedule and/or scope if appropriate resolution cannot be achieved in the next 60 to 90 days. The 90% Stage Gate Estimate at Completion was approved by the Executive Steering Committee in October 2020. The EAC and Contingency balance in this report reflect the status at month-end.

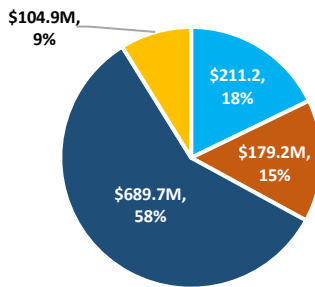
PROGRAM BUDGET ALLOCATION (Based on 30% Approved Budget)

Program Budget by Segment (\$1.185B)



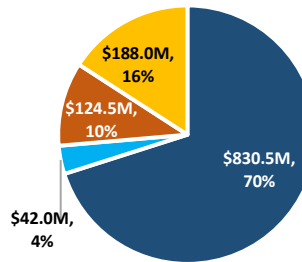
- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm

90% Cost Estimate by Segment (\$1.185B)



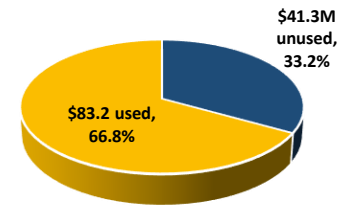
- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm

Program Budget by Category (\$1.185B)



- Hard Costs
- Escalation Allowance
- Risk Contingency
- Soft Costs

Contingency Allocation at Month-End (\$83.2M of \$124.5M)



- Total Contingency Unused
- Total Contingency Used

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										
Roads & Services	\$ 168.00	\$ 12.69	\$ 180.69	\$ 131.14	\$ 80.04	\$ 211.17	-\$ 30.48	\$ 38.63	18%	●
Commissioners St. West to New Cherry St.	18.00	9.86	27.86	15.18	13.41	28.59	-0.73	7.23	25%	●
Commissioners St. East to Saultier St.	7.00	-0.86	6.14	2.22	4.30	6.51	-0.37	1.46	22%	●
Cherry Street Re-alignment	22.00	15.61	37.61	15.16	11.54	26.70	10.91	7.11	27%	●
Don Roadway North	7.00	10.70	17.70	4.04	9.82	13.86	3.84	2.32	17%	●
Hydro One Integration	12.00	-2.85	9.15	5.46	0.50	5.97	3.18	4.43	74%	●
Site Wide Municipal Infrastructure	102.00	-19.77	82.23	89.08	40.46	129.54	-47.31	16.07	12%	●
Bridges & Structures	\$ 163.00	\$ 32.86	\$ 195.86	\$ 128.37	\$ 50.87	\$ 179.24	\$ 16.62	\$ 77.28	43%	●
Cherry Keating-Cherry Street Bridge North	55.00	-14.08	40.92	32.18	4.53	36.71	4.21	19.81	54%	●
Cherry Polson-Cherry Street Bridge South	42.00	-2.89	39.11	39.12	2.01	41.13	-2.02	22.28	54%	●
Commissioners Street Bridge/Don Roadway	43.00	6.22	49.22	44.05	7.50	51.56	-2.34	24.30	47%	●
Lake Shore Road & Rail Bridge Modifications	19.00	44.01	63.01	11.92	34.44	46.35	16.65	10.13	22%	●
Old Cherry St. Bridge Demolition	4.00	-0.40	3.60	1.10	2.39	3.49	0.11	0.76	22%	●
Flood Protection Features	\$ 762.00	-\$ 47.20	\$ 714.80	\$ 485.24	\$ 204.49	\$ 689.74	\$ 25.07	\$ 263.70	38%	●
River Valley System & Don Greenway	486.00	11.98	497.98	400.40	98.05	498.45	-0.46	218.56	44%	●
Keating Channel Modifications	35.00	-6.45	28.55	8.02	3.81	11.83	16.71	4.72	40%	●
Polson Slip North Side Naturalization	60.00	-10.64	49.36	19.82	16.58	36.41	12.95	12.91	35%	●
Don Roadway Valley Wall Feature	27.00	-4.90	22.10	10.43	5.10	15.53	6.58	5.55	36%	●
Eastern Avenue Flood Protection	5.00	-0.88	4.12	1.86	0.12	1.98	2.14	1.23	62%	●
East Harbour Flood Protection	5.00	-4.10	0.90	0.02	0.05	0.07	0.83	0.02	30%	●
Flow Control Weirs	38.00	-15.38	22.62	7.41	2.16	9.57	13.06	4.22	44%	●
Sediment and Debris Management Area	78.00	-0.80	77.20	27.32	78.62	105.95	-28.74	12.56	12%	●
Villiers Island Grading	28.00	-16.03	11.97	9.96	-0.01	9.96	2.01	3.94	40%	●
Parks & Public Realm	\$ 92.00	\$ 1.65	\$ 93.65	\$ 43.84	\$ 61.02	\$ 104.85	-\$ 11.20	\$ 20.97	20%	●
River Park North	23.00	-0.41	22.59	15.78	19.05	34.83	-12.24	8.41	24%	●
River Park South	27.00	-8.14	18.86	13.59	7.36	20.95	-2.09	4.47	21%	●
Promontory Park South	42.00	10.21	52.21	14.46	34.61	49.07	3.14	8.10	16%	●
Cumulative	\$ 1,185.00	\$ 0.00	\$ 1,185.00	\$ 788.58	\$ 396.42	\$ 1,185.00	\$ 0.00	\$ 400.58	34%	●

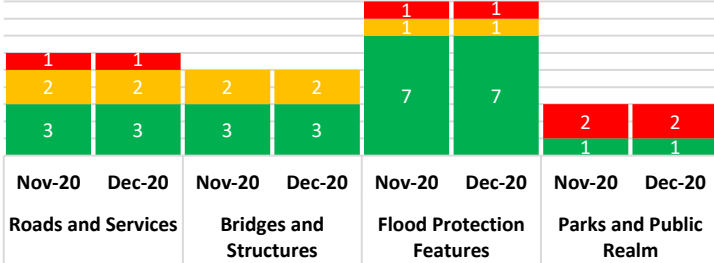
*Actual costs do not include accrued costs.
Estimate at Completion at Month's End

PLFP Monthly Program Dashboard - as of December 2020

Issued: February 5, 2021

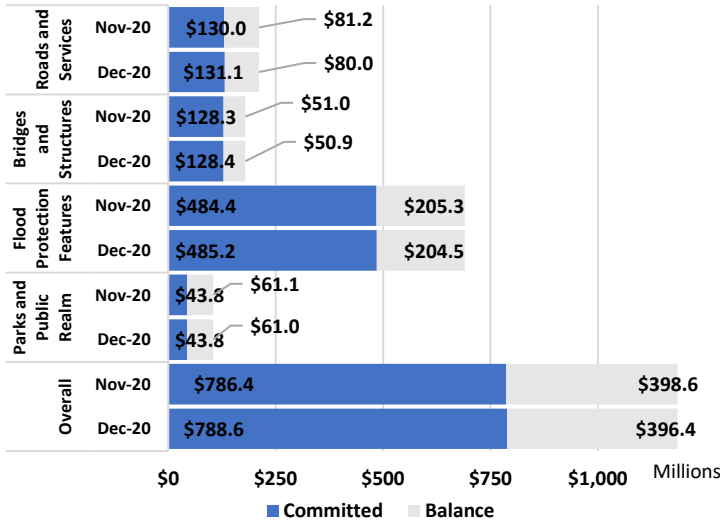
PROGRAM BUDGET STATUS

Budget Status - by Segment

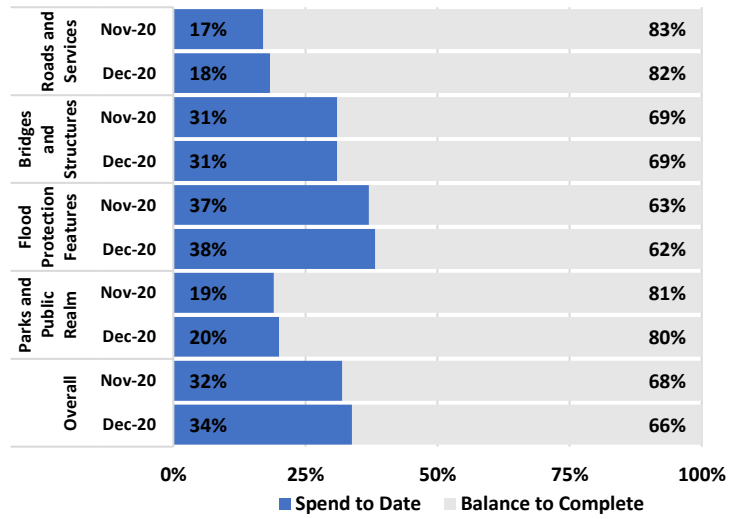


- - Forecast to complete within approved budget
- - Forecast to complete within 10% of approved budget
- - Forecast to complete more than 10% over approved budget

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

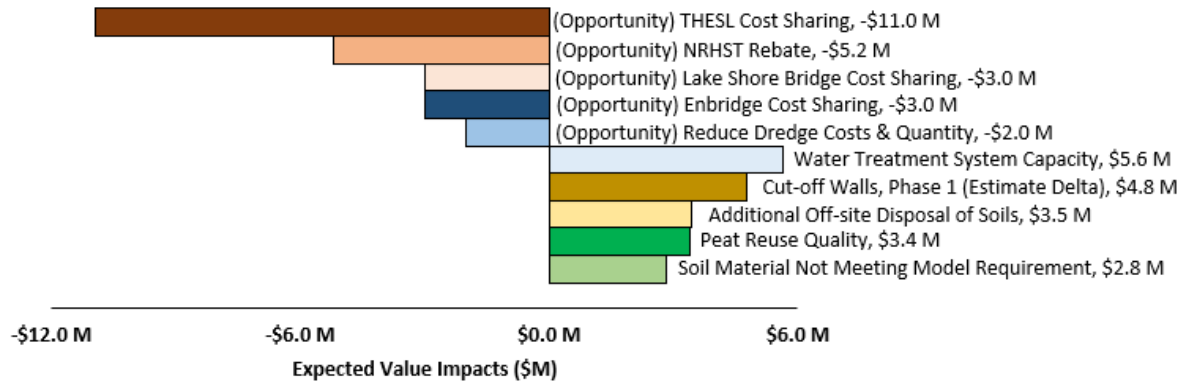


Program Progress - by Segment
(Based on Month-End EAC)



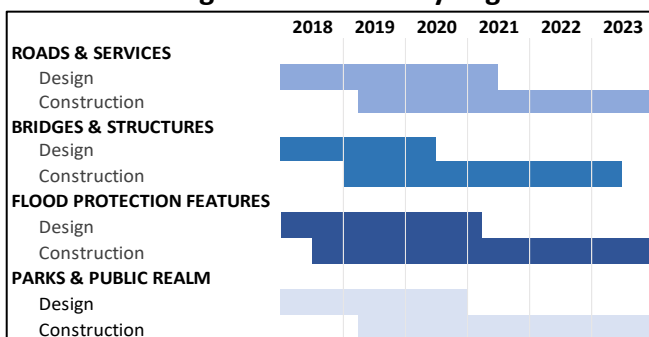
KEY BUDGET RISKS & IMPACTS

Top Risks Impacting Project Cost



PROGRAM SCHEDULE STATUS

Program Timeline - By Segment



Key Communications Milestones

Council Decision on Lake Shore Blvd East Project	December-20
Hydro One Tower Modifications Project Completion	December-20
Commissioners St Road Bridge - West Half	April-21

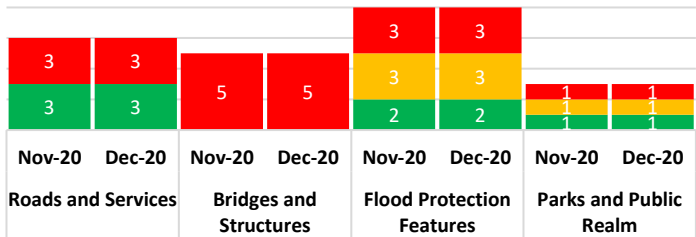
PLFP Monthly Program Dashboard - as of December 2020

Issued: February 5, 2021

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	11-Mar-19	27-Dec-23	27-May-19	15-Dec-23	27-May-19	18-Dec-20	0	●
Commissioners St. West to New Cherry St.	24-Jul-19	23-Nov-21	16-Sep-19	2-Nov-23	16-Sep-19		23	●
Commissioners St. East to Saulter St.	3-Feb-20	29-Sep-21	2-Nov-20	30-Oct-23	2-Nov-20		25	●
Cherry St. Re-alignment	11-Mar-19	11-Nov-21	27-May-19	16-Jan-23	27-May-19		14	●
Don Roadway North	1-Apr-22	27-Dec-23	4-Oct-21	15-Dec-23			0	●
Hydro One Integration	13-Jan-20	15-Jan-21	15-Jun-20	18-Dec-20	15-Jun-20	18-Dec-20	0	●
Site Wide Municipal Infrastructure	22-Jul-20	7-Dec-23	17-Sep-20	4-Dec-23	17-Sep-20		0	●
Bridges & Structures	15-Feb-19	24-Mar-23	6-May-19	28-Dec-23	6-May-19		9	●
Cherry Keating-Cherry St. Bridge North	15-Feb-19	23-Oct-20	6-May-19	22-Aug-22	6-May-19		21	●
Cherry Polson-Cherry St. Bridge South	22-May-19	26-Aug-21	31-Jan-20	26-Apr-22	31-Jan-20		8	●
Commissioners St. Bridge/Don Roadway	22-May-19	16-Nov-21	15-Oct-19	23-Jun-22	15-Oct-19		7	●
Lake Shore Road & Rail Bridge Modifications	16-Jan-20	24-Mar-23	17-May-21	28-Dec-23			9	●
Old Cherry St. Bridge Demolition	12-Nov-21	27-Oct-22	29-Sep-22	10-Jul-23			8	●
Flood Protection Features	13-Sep-18	27-Dec-23	13-Sep-18	24-Nov-23	13-Sep-18		-1	●
River Valley System & Don Greenway	13-Sep-18	27-Dec-23	13-Sep-18	31-Oct-23	13-Sep-18		-1	●
Keating Channel Modifications	24-Aug-20	9-Nov-22	30-Aug-22	27-Oct-23			11	●
Polson Slip North Side Naturalization	1-Apr-19	6-Apr-23	28-Oct-19	15-Dec-22	28-Oct-19		-3	●
Don Roadway Valley Wall Feature	22-Oct-19	21-Apr-23	12-Aug-19	19-Aug-22	12-Aug-19		-8	●
Eastern Avenue Flood Protection	1-Apr-21	14-Jun-22	29-Aug-22	27-Oct-23			16	●
Flow Control Weirs	12-Dec-22	24-Jan-23	4-Aug-23	15-Nov-23			9	●
Sediment and Debris Management Area	31-Dec-18	5-Jun-23	27-Jan-20	27-Oct-23	27-Jan-20		4	●
Villiers Island Grading	8-Jul-20	27-Jun-23	2-Mar-20	24-Nov-23	2-Mar-20		4	●
Parks & Public Realm	8-Apr-19	13-Oct-23	1-Jun-19	28-Dec-23	1-Jun-19		2	●
River Park North	15-Oct-19	15-Jun-23	29-Jun-20	27-Nov-23	29-Jun-20		5	●
River Park South	31-Jul-20	25-Aug-22	27-Jul-20	28-Dec-23	27-Jul-20		16	●
Promontory Park South	8-Apr-19	13-Oct-23	1-Jun-19	31-Aug-23	1-Jun-19		-1	●
Cumulative	13-Sep-18	27-Dec-23	13-Sep-18	28-Dec-23	13-Sep-18	18-Dec-20	0	●

*Baseline Schedule: Based on March 2019 Baseline Schedule. ** Forecast Schedule: Based on December 2020 schedule update.

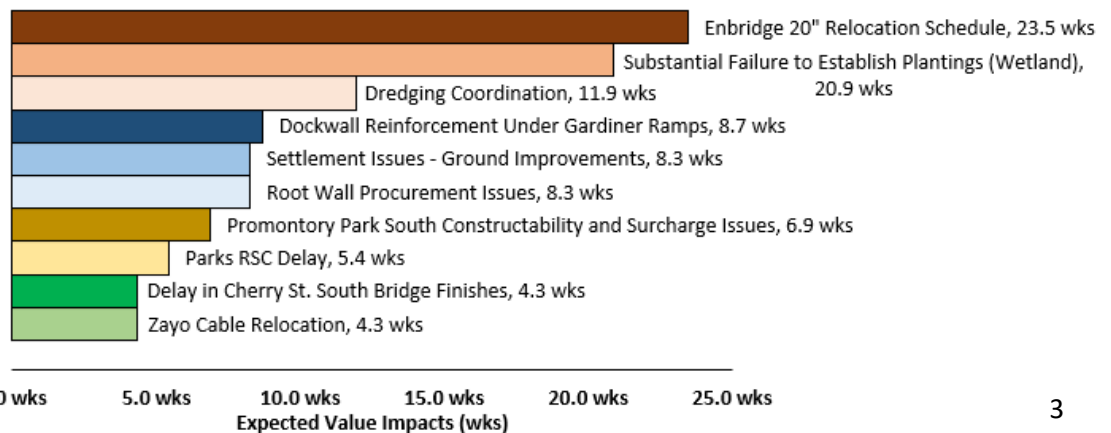
Schedule Status - by Segment



■	- 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 2020

Issued: February 5, 2021

PROGRAM PROGRESS - KEY TASKS

Key Tasks To be Completed in Next 6 Months	December Completion	January Completion	Feb to Apr Completion	May to Jul Completion
■ On schedule ■ 1-6 months behind baseline schedule ■ 6+ months behind baseline schedule				
Permits/Design Approvals to be Secured				
TRCA: Reg 166 - South Plug & Keating Channel		✓		
Pipeline Abandonment/Removal Agreements/Approvals		✓		
ECA's: Don Roadway & Commissioners St		✓		
CoT: Relocation Permit - Firehall Relocation			✓	
TRCA: Reg 166 - Commissioners St West & East (Final), Canoe Cove & MT-35 Dockwall			✓	
CoT: Cherry St Realignment Roadway, Utilities			✓	
Contracts to be Secured				
Sheet Piling and Dockwall - MT35 Dockwall Reinforcement		✓		
Wet Utilities (7 Contracts)			✓	
Dry Utilities			✓	
Road Construction (3 Contracts)			✓	
Road Street Lighting, Electrical and Traffic Lights			✓	
River Landscaping (9 Contracts)			✓	
Design Phase Status				
MT35 Dockwall Reinforcement		✓		
Old Cherry Bridge Demolition			✓	
Utility Relocation Design (All Except Enbridge)			✓	
Sitewide Municipal Infrastructure			✓	
Cherry St Re-alignment*, Commissioners St, Don Roadway			✓	
Interim Sediment Management and Debris Area				✓
Construction Completion				
Soil Stockpile Areas (excluding MT35 area)	✓			
Installation of Soil Treatment Plants (STARx)		✓		
Commissioners St Bridge West Half Delivery			✓	
River Valley RMM Barrier Layer & Underdrain System			✓	
Commissioners St Bridge East Half Delivery				✓
Commissioners St: Temporary Utilities Relocation				✓

*Design on track and preliminary construction underway as scheduled.

INDIGENOUS CONSULTATION

Update
- Continued engagement with MCFN regarding the identification of Community priorities involving input received to date pertaining to the Indigenous Engagement on the PLFP Public Realm Design process with support from the MinoKamik team.
- Pursuing discussions with MCFN regarding opportunities for synergies between the PLFP Public Realm Design and the potential Indigenous Cultural Centre currently under discussion.
- MCFN PLFP Project Coordinator was hired in December 2020 to facilitate invoicing and coordination activities.
Next Steps
- Anticipate completion of final engagement meeting with Hiawatha and Curve Lake FNs for the first round of the Indigenous Design for the PLFP Public Realm.
- Anticipate release of PLFP and Lake Shore Boulevard East Projects update to Indigenous Communities.
-Continued strategic discussions with MCFN on priorities for the Indigenous Design for the PLFP Public Realm.

SITE PHOTOS



Figure 1
River Valley - Spillway Deep Excavation



Figure 2
River Valley - Under Drain Installation



Figure 3
River Valley - Backfill Along Cut-off Wall

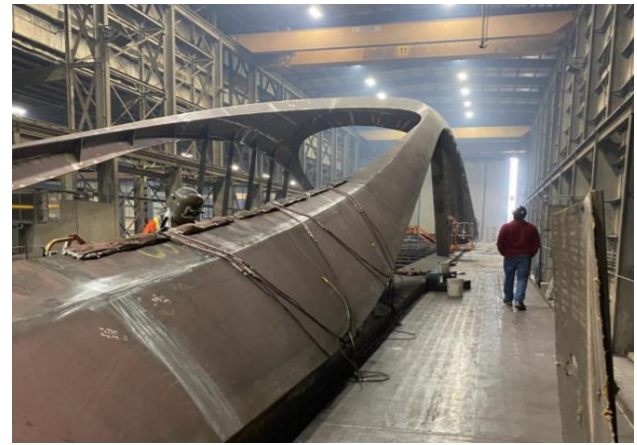


Figure 4
Commissioners St Bridge - Fabrication Works



Figure 5
Commissioners St Bridge - Foundation Works



Figure 6
Commissioners St - Utilities Removal

PLFP CONTINGENCY DRAWDOWN AS OF DECEMBER 2020

Change in Total Program Contingency	Draw	Balance	Date
Opening Balance (Due Diligence Report)*		164.0 M	
Less: Initial Soft Cost Contingency draw	7.7 M	156.3 M	Approved by ESC on March 20, 2018
Less: Additional Total Contingency draw at 30% Stage Gate	31.8 M	124.5 M	Noted by ESC on November 21, 2018
Less: TPLC Studio Accommodation	5.0 M	119.5 M	Approved by ESC on February 20, 2018
Less: Sediment Management Area Interim Design	13.1 M	106.4 M	Noted by ESC on November 21, 2018 (\$14.5M); adjusted through Design Optimizations (PLFP Program Dashboard contingency utilization has not been adjusted to reflect the new estimate)
Less: Construction Estimate Adjustments at 60% Stage Gate	19.1 M	87.2 M	Approved by ESC on November 12, 2019; Revised to include base costs for Eastern Avenue Flood Protection Project in Jan 2020
Less: Soft Cost Estimate at Complete Variance to Budget	7.0 M	80.3 M	Approved by ESC on November 12, 2019; Revised based on WT Projections
Less: 100% Risks Established at 60% Stage Gate	16.8 M	63.5 M	Approved by ESC on November 12, 2019
Savings: Commissioners/Cherry Bus Rapid Transit (Deferral)	-3.0 M	66.5 M	Approved by ESC on November 12, 2019
Savings: Soil Management Trade Package (#33.2) Adjusted Savings After Award	-11.3 M	77.8 M	Awarded on January 23rd, 2020
Less: CO Removal of Soil/Debris/Fill at 99/97 Commissioners	1.1 M	76.7 M	CO 47 - Approved
Savings: Reallocation of Cherry St North Bridge Foundation costs to CSLF project in accordance with CSLF Contribution agreement and Project Charter	-4.2 M	80.9 M	
Less: Pedestrian Lighting Rough-in	0.7 M	80.2 M	Approved by ESC on April 23rd, 2020
Savings: NRHST Correction at 90% Stage Gate	-0.7 M	80.8 M	Approved by ESC on November 9th, 2020
Less: Construction Estimate Adjustments at 90% Stage Gate	1.8 M	79.0 M	Approved by ESC on November 9th, 2020
Less: Soft Cost Estimate Adjustments at 90% Stage Gate	4.8 M	74.2 M	Approved by ESC on November 9th, 2020
Less: Utility Cost Sharing at 90% Stage Gate	22.7 M	51.6 M	Approved by ESC on November 9th, 2020
Less: Changes - November/December 2020	10.3 M	41.3 M	Each TPBR/CO/SCO Approved by WT Executives
Unallocated Contingency Balance		41.3 M	

PLFP Contingency Tracker

November 1 to December 31, 2020	90% EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN
PFP: Insurance Brokerage Services for Port Lands – Professional Liability Insurance to cover all consultants (Jan 7, 2019 – Jan 7, 2024) NAV (1894.02)	-	2,464,014	2,464,014
PFP: Costs to relocate Enbridge line as part of PLFP work being undertaken	-	1,146,501	1,146,501
PFP: Supply & Installation of Bumping Post, and Derailment/Removal of Tracks between Wilson Yard and Don River Bridge	-	34,800	34,800
CO132-TP43 -Trans Northern Pipeline Removal	211,400	805,375	593,975
CO101-TP42 -Supply of BioSolve for Volatile Organic Compounds (VOCs)		64,580	64,580
CO103-TP42 -Schedule_Acceleration	-	45,796	45,796
CO106-TP54 -CSS - Pre-Excavation (Priestly Demolition Inc.)	10,610	3,386	(7,225)
CO107-TP17 -Final Settlement Claim (Soletanche Bachy Canada)	(439,211)	634,200	1,073,411
CO109-TP17 -CSN -Reconciliation (Soletanche Bachy Canada)	-	(1,199,778)	(1,199,778)
CO110-TP26 -Supervisor Isolation and Worker Incentive	-	16,432	16,432
CO111-TP39 -Bell Duck Bank/ Commissioners St (Priestly Demolition)	41,181	29,685	(11,496)
CO112-TP13 -CherryTransformer Disposal	4,762	5,034	271
CO117-TP39 -Outfall Decommissioning at Polson Slip	31,309	25,332	(5,977)
CO118-TP39-Outfall Decommissioning at Polson Slip	127,513	79,384	(48,129)
CO121-TP40 -Subsurface Structures Removal at 222 Cherry Street.	31,710	31,432	(278)
CO122-TP22 -CSN - Shear Keys- (Belor Construction Ltd.)	148,236	195,554	47,318
CO127-TP41 -Leachate Screening Analysis For CBRA Fill Area	-	42,671	42,671
CO128-TP24 -CSS - Pre-Excavation- (GFL Infrastructure)		283,746	283,746
CO129-TP24 -CSS - Watermain Monitoring- (GFL Infrastructure.)		107,037	107,037
CO130-TP39 -Polson Slip East Dockwall Excavation and Backfill	-	7,119	7,119
CO131-TP55 -Keller Winterization		528,500	528,500
CO134-TP26 -Comm St Wall Crossing	715,029	772,467	57,438
CO135-TP68 -Atlas Crane Lift Operator	-	6,997	6,997
CO136-TP42 -Backfilling of Swale at 51 Commissioners Street	-	52,480	52,480
CO139-TP42 -Property Soil NAPL Assessment	-	120,136	120,136
CO141-TP26 -Commissioners Street Utility Protection		132,153	132,153
CO142-TP39 -West Plug Site Prep and Pad Construction	105,700	101,675	(4,025)
CO143-TP58 -Traffic Signal Adjustment Cherry Street/Commissioners Street	150,000	139,365	(10,635)
CO144-TP11-CSN/COMM-Hydro Enclosure Fabrication (Cherubini Metal Works)	1,796,900	1,796,650	(250)
CO146-TP24 -CSS -Platform Restoration- (GFL Infrastructure.)	369,950	122,423	(247,527)
CO147-TP22 -CSN - Expansion Joints- (Belor Construction Ltd.)		56,273	56,273
CO148-TP58 -Relocation Street Light for Temporary Detour on Cherry Street	60,000	57,543	(2,457)
CO151-TP71 -Island Removal on Cherry Street	50,000	49,455	(545)
CO152-TP39 -Working Pad for Rigid Inclusions Varous Locations	39,000	24,734	(14,266)

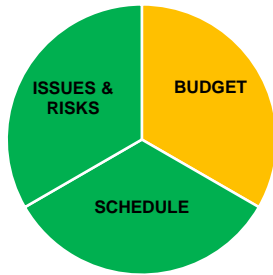
November 1 to December 31, 2020	90% EAC ESTIMATE	APPROVED AMOUNT	CONTINGENCY DRAWDOWN
CO153-TP41 -Fire Hall Rigid Inclusions Site Prep	36,995	27,053	(9,942)
CO154-TP42 -Cut-Off Wall Concrete Over Pour Removal and Disposal	-	15,749	15,749
CO155-TP43-Removal of Additional Oil Pipelines on Commissioners St. in conflict with Eastern Cutoff Wall		69,546	69,546
CO168-TP42 -CSN - Foundation/Substructure Spoils Disposal- (QM Environmental.)		194,152	194,152
CO172-TP36 -FH-30 Relocation Geotechnical Engineer	-	15,855	15,855
CO17-TP11-Tie Girder Steel Grade & Coating System Revision-C	205,649	205,647	(2)
CO20-TP11-Cnuckle Reinstatement-Cherubini	11,172	10,570	(602)
CO35-TP13-Storm Sewer Abandonment and Removal at 99 Commisioners St.	9,695	11,280	1,586
CO48- TP11-Steel Revisions for Hydro Enclosures (Cherubini Metal Works)	68,284	388,509	320,224
CO55-TP26 -Wall C Secant to Slurry	(1,286,299)	(1,293,490)	(7,191)
CO60-TP13 -Supply of Crushed Concrete at 185 Villiers St to QM	-	24,247	24,247
CO70-TP39 -Bell Duck Bank/Commissioners St.	28,739	26,126	(2,613)
CO71- TP22-CSN-Bearing Sleeves (Belor Construction)	6,992	6,038	(954)
CO76- TP24-Additional Test Pile Pressure Cells (GFL Infrastructure)	6,139	6,139	0
CO85-TP13 -Increase Surcharge Materdial	2,425	3,070	645
CO91-TP41 - Inherited Stockpile Disposal	1,448,090	1,079,142	(368,948)
PPF: Commissioners Street Abandonment - Phase 3 (Section in front of 39 Commissioners Street)	-	83,055	83,055
PPF: Design Pre-Payment for 62 Villiers Street	-	7,500	7,500
PPF: Environmental Advisory Services	-	233,719	233,719
SCO02: PFP: Renew the Pollution Liability Insurance Coverage of 54 Commissioners ST. from Nov.01, 2020 to Oct.31, 2021		25,405	25,405
TPBR54-Pre-Excavation of Cherry Street South Caissons (Priestly Demolition) CM2020-13	11,018	6,872	(4,147)
TPBR56-Fire Hall Temporary Sanitary Services-Commisioners St. (Plan Group) CM2020-19	-	95,310	95,310
TPBR66B-High Voltage Substation for StarX- (DPM Energy) CM2020-31	276,175	292,469	16,294
TPBR68-Altas Crane Inspection Promontory Park South (IIA/Domson NDE Engineering Services Canada) CM2020-34		27,518	27,518
TPBR70-Ground Improvements/Rigid Inclusions (GeoSolv Design/Build Inc.) CM2020-05	4,889,020	4,920,542	31,521
TPBR71-Wet Utilities (Temporary Relocation)- (Clearyway Construction) CM2020-30	2,471,283	2,581,087	109,804
TPBR73-Temporary Utilities (Wet Utiltities) Cherry St BBQ and Polson Street Diversion Interim Sanitary Pumping Stn- (KSB Pump Inc.) CM2020-39	158,850	55,280	(103,570)
TPBR75-Toronto Hydro Relocation- (Saulter & Lakeshore)-Optional Scope-(Hasting Utilities Contracting Ltd.) CM2020-26	423,600	316,291	(107,309)
TPBR76-Wet Utilities -(Trench)-(Clearway Construction Inc)CM2020-24	22,521,942	22,408,060	(113,882)
TPBR78-Toronto Hydro Utility Relocation (Saulter & Lakeshore)-Base Scope (Powerline Plus Ltd) CM2020-26	-	4,654,346	4,654,346
TPBR79-Fire Hall Heritage Building Foundations (Alliance Verdi Civil Inc.) CM2020-36	748,939	719,802	(29,136)
TPBR80-Bridges-Finishes-Feature Walters CM2020-03	2,277,485	2,064,842	(212,643)
TOTAL	37,770,283	48,064,883	10,294,600



Finance, Audit & Risk Management Committee – February 25, 2021
Item 3d.ii.b – Bayside External Services Dashboard
David Kusturin

<p>Purpose</p>	<p>For Committee Information</p> <p>The Bayside External Services Dashboard represents the financial status of Stormwater and Sanitary Servicing Infrastructure projects and is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to report on a quarterly basis the progress and achievement of project budgets and schedules against the corporation’s Long-Term Plan and Capital Project Budget approved by the Board of Directors.</p>
<p>Areas of note/ Key issues</p>	<p>The Bayside External Services dashboard includes Stormwater and Sanitary Servicing Infrastructure projects that are proceeding within the 10% of the current Board approved Capital Project Budget.</p> <p>The following represents the financial status of the project as of Q3 2020/21:</p> <ul style="list-style-type: none"> • The anticipated final cost for the Stormwater and Sanitary Servicing Infrastructure project is forecast to be \$70.97 million or 6.6% over the approved Capital Project Budget. The project incurred additional costs due primarily to constructability issues related to the concrete shell and roof as well as a number of potential delays and changed condition claims from the contractor that have resulted in an increase in the estimate at completion. It is expected that the variance to the approved budget will remain below 10% of the Capital Approval Amount and below \$5 million and will therefore not require additional Capital Approval by the Board of Directors. • The current commitments amount to \$66.96million; an increase from the prior report of \$0.36 million. • Forecast of additional future commitments equals \$4.01 million. • All of the project contingency amounting to \$8.6 million is allocated to the Stormwater and Sanitary servicing project components. • The total cost incurred to date is \$63.23 million which represents 89.2% of the Estimate at Completion. <p>The work accomplished last quarter includes:</p> <ul style="list-style-type: none"> • Building fully enclosed with doors and windows and fully insulated. • Mechanical installation of the flocculation tanks and drainage components are approximately 90% complete. • Electrical systems and power to the building are approximately 90% complete. • Bayside storm attenuation shaft (“SAS”) is 100% complete and operational. The twin storm force main from Bayside to Cherry Street is 100% complete and the last leg of the Twin storm force main remains to be completed within the SWF site.
<p>Next Steps</p>	<p>The next dashboard for Bayside External Services for Q4 2020/2021 will be provided on May 27, 2021.</p>

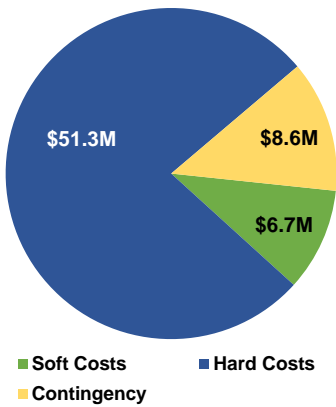
PROGRAM SUMMARY



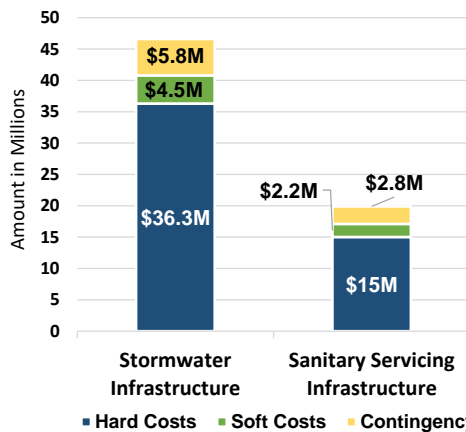
December 2020 Update: The Stormwater and Sanitary Servicing Infrastructure project is proceeding in accordance with the Board Approved 2020-2021 Long-Term Plan and is forecast to be complete within 10% of the Capital Project Budget. The increase in Estimate at Completion is due to number of potential delay and changed conditions claims from the contractor. The variance to the approved budget is below 10% of the Capital Approval Amount. The anticipated completion of the overall program will be in Q4 2020-2021.

PROGRAM BUDGET ALLOCATION

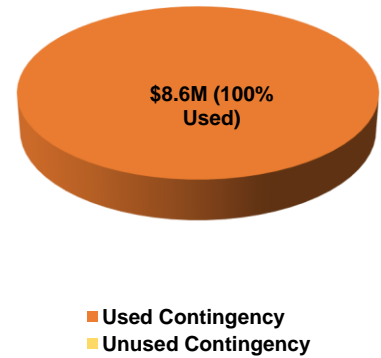
Program Cost (Capital Approval Budget \$66.5M)



Approved Program Budget by Projects and Cost Category (\$66.5M)



Contingency Allocation (\$8.6M of \$8.6M)



FINANCIAL SUMMARY

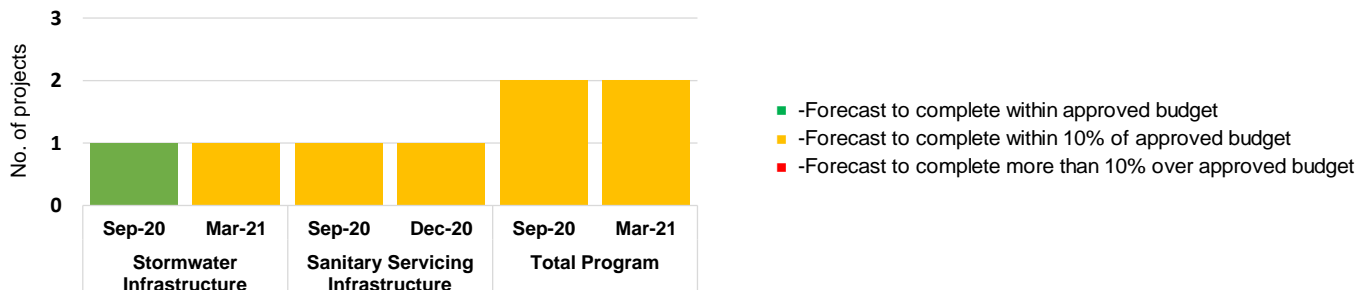
Project Description	Original Budget	Approved Changes	Approved Budget	Total Committed	Anticipated Commitments	Estimate at Completion	Cost Incurred to Date	Variance to Budget *	% Complete
Stormwater Infrastructure	\$ 46.60	\$ -	\$ 46.60	\$ 46.87	\$ 3.87	\$ 50.74	\$ 43.58	\$ (4.14)	86%
Sanitary Servicing Infrastructure	19.94	-	19.94	20.09	0.14	20.23	19.64	(0.29)	97%
Total Program	\$ 66.54	\$ -	\$ 66.54	\$ 66.96	\$ 4.01	\$ 70.97	\$ 63.23	\$ (4.43)	89%

All figures in Millions

*Funding has been increased in the 2021/22 Long Term Funding plan and Strategic Plan to address the additional costs.

PROGRAM BUDGET STATUS

Budget Status by Projects

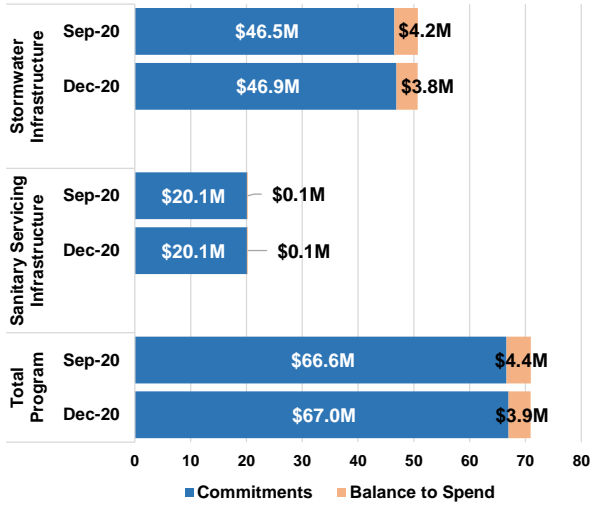


Bayside External Services Program Dashboard - as of December 31, 2020

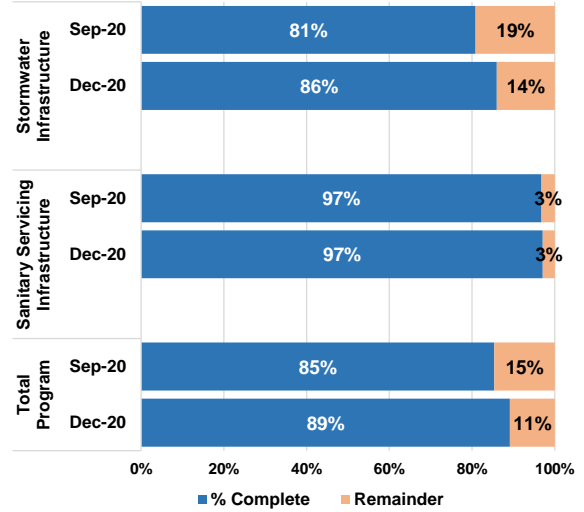
Issued: January 25, 2021

PROGRAM IMPLEMENTATION INDICATORS

Commitments and Balance to Spend (\$M)
(Based on Estimate at Completion)

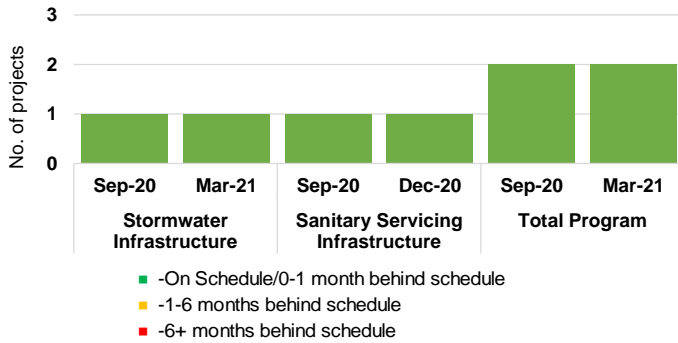


Project Completion (%)
(Based on Estimate at Completion)

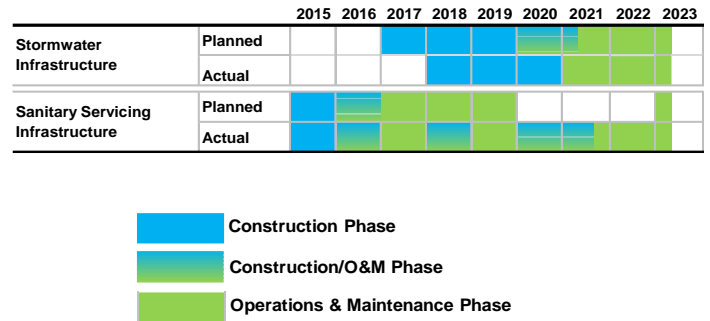


PROGRAM SCHEDULE STATUS

Schedule Status by Projects



Project Duration



SITE PHOTOS



SWF South West View



Inside process piping work



South Entrance View



Inside at the Flocculation Tanks



Finance, Audit & Risk Management Committee
February 25, 2021
Item 3(e) – Quarterly Procurement Report
Kevin Newson

1. S. 11 of the Procurement Policies require reporting to the FARM committee of (a) exceptions to the Procurement Policies; and (b) contracts awarded in excess of \$5 million.

Since the last Quarterly Procurement Report there were:

(a) Exceptions to the Procurement Policies as follows:

- *Non-Competitive Procurement - Goods & Services (including Professional Services) for contract value above \$25,000, the following does not meet the permitted exceptions under Section 6 (3):*
 - *Colliers Project Leaders – Interim Project Management Support Services in order to address critical resourcing issues and to avoid or minimize issues related to the execution and delivery of the Bentway project. Contract value to date: **\$48,690.72***

(b) Contracts awarded in excess of \$5 million as follows:

- *None.*

Regulatory & Operational Compliance Report

(for the period from October 1, 2020 to December 31, 2020)

Finance, Audit and Risk Committee Meeting

Feb 25, 2021

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Wages, Taxes, Source Deductions and Employment-Related					
Harmonized Sales Tax Filing <i>Directors may be jointly and severally liable with the Corporation for unremitted HST</i>	Canada Revenue Agency	Monthly; last day of month following month's end	Ongoing: up to date	Yes	Director, Financial Management Accounting
Additional comments:	HST Return filed Dec 31, 2020 for period Nov 1, 2020 to Nov 30, 2020				
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
Additional comments:	March 31, 2020 CIT Return filed on September 30, 2020 [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
Additional comments:	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 th of each month	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	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 th of every month	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	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
Additional comments:	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
Additional comments:	Current annual business plan and current rolling 5-year strategic plan both adopted December 10, 2020				
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
Additional comments:	2019/20 Audited financial statements approved by the Board June 25, 2020 and provided to governments June 29, 2020.				
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
Additional comments:	The eight properties owned by the Corporation are professionally managed by DMS Property Management and third-party parking operators (SP+ and Target Park) except for the following: <ul style="list-style-type: none"> • 54 Commissioners St. was vacated by the tenant in February 2020 and care and control of the property has been taken over by the Port Lands Flood Protection project (PLFP) through the Construction Manager for the purpose of material and equipment storage; and • 130 Commissioners St. has been demolished and care and control of the property taken over by PLFP through the Construction Manager for construction activities. 				

Lisa Taylor, Chief Financial Officer

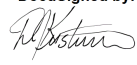
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Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Other					
Employee Health and Safety – workplace incidents or injuries <i>Under OHSA, directors may be held responsible for non-compliance and liable for fines of 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
Additional comments:	Port Lands Flood Protection Project <ul style="list-style-type: none"> No MOL lost time reportable events during reporting period 				
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
Additional comments:	Port Lands Flood Protection Project <ul style="list-style-type: none"> No MECP reportable events, claims or administrative orders during reporting period 				

David Kusturin, Chief Project Officer

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Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Other					
Litigation <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
Additional comments:	All existing claims against the Corporation are being defended by insurers under project insurance or the Corporation's corporate insurance program.				
Privacy Breach <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
Additional comments:	No breaches have been reported.				

Ian Ness, General Counsel

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Purpose	<p>For Information</p> <p>The attached dashboard summarizes Fundraising Action Plan expenditures, priority deliverables and progress, enabling the Committee to monitor implementation of the Fundraising Action Plan on a quarterly basis.</p>
Areas of note /Key issues	<p>Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2021/22-2025/26, except that delays to certain deliverables have resulted in a yellow (caution) to the schedule status. Progress is being made on these deliverables, but not at the rate originally planned.</p> <p>Budget expenditures of \$4.34M for the initial two years 2019-20 to 2020-21 are reported as Fundraising Start Up Cost, Cost of Fundraising for Destination Playground, and capital project costs for each of the four Signature Projects: Destination Playground, Jack Layton Ferry Terminal, Waterfront Walk and the Landmark Institution.</p> <p>The following are key accomplishments over the previous quarter:</p> <ul style="list-style-type: none"> • Appointment of Executive Director, Philanthropy; • Completed 10% Design for the Destination Playground including 10% detailed cost estimate; • Commenced 30% Schematic Design for the Destination Playground and pavilion; • Prepared the “Information Library” for the Destination Playground which will be the basis of the written content for the Case for Support document; • Operations and Maintenance Governance Study for the Destination Playground is nearing completion; • Commenced Phase 1 of the Indigenous Place Making Integration for the Destination Playground. <p><u>Fundraising Action Plan – Phase 2 (\$1.3M)</u></p> <p>A Fundraising Action Plan – Phase 2 (“Phase 2”) has been developed to cover FY 2021/22. Refer attached for budget breakdown.</p> <p>Phase 2 continues our fundraising strategy, which is to develop fundraising capabilities and a campaign plan to pursue major gifts for the Destination Playground, and advance design and planning for the Signature Projects.</p> <p>Phase 2 assumes that the following key deliverables under the current Fundraising Action Plan will be achieved by March 31, 2021: the Fundraising Director will be hired, and the amended revenue consent, MOU Term Sheet and Destination Playground will be approved by City Council.</p> <p>Based on Phase 2, the following milestones are included in the 2021/22 Corporate Plan:</p> <ul style="list-style-type: none"> • Build prospect pipeline • Together with the City, implement the City-Waterfront Toronto Fundraising MOU • Launch Destination Playground Fundraising Campaign (subject to City Council approval and feasibility study) • Achieve 60% design of the Destination Playground and pavilion and finalize the Operations and Maintenance Strategy • Work with the City to advance Jack Layton Ferry Terminal implementation
Next Steps	<p>The next Fundraising Action Plan Dashboard will be provided at the next FARM Committee meeting on May 27, 2021.</p>

Fundraising Action Plan Budget Summary

Waterfront Toronto's Rolling Five-Year Strategic Plan (2021/22 – 2025/26) (the Strategic Plan) reflects an annual budget of **\$1.3 million** for WT's fundraising activities (referred to as the Fundraising Action Plan) for fiscal year 2021/22.

This budget is reflected within the Signature Projects category of the Strategic Plan (page 85) largely because WT's philanthropic activities are being pursued in support of the Signature Projects.

The total budget for the Fundraising Action Plan for the period April 1, 2021 to March 31, 2022 is **\$1.3 million** (or \$0.9 million net of WT indirect staff costs), comprising the following:

	\$ million
Direct WT fundraising staff (3 FTEs)	\$0.4
Third party legal, communications and fundraising consulting advisory	\$0.5
Indirect WT staff (finance, planning & design, communications, legal)	\$0.4
Total Fundraising Action Plan Budget 2021/22	\$1.3

Note:

1. The budget of \$1.3 million above includes \$0.4 million of existing staff costs, resulting in a total incremental budget (i.e. net of existing WT staff resources) for fundraising of **\$0.9 million**.
2. While WT's intent is to recover the cost of fundraising through fundraising, these costs are being funded initially from WT land sale revenues.
3. To date one fundraising FTE has been recruited, namely the Executive Director, Philanthropy. A second position (Fundraising Coordinator) is expected to be hired within the next two months.
4. Since embarking on fundraising activities, WT's actual cost of fundraising net of WT staff costs is approx. \$0.3 million (Jan 2020 to Jan 2021) or \$0.8 million inclusive of indirect WT staff costs (i.e. staff already employed by WT and who work on multiple projects).

The total budget reflected in the Strategic Plan to advance the four Signature Projects for fiscal year 2021/22 is **\$5.1 million**. This budget is separate from the Fundraising Action Plan budget.

The budget of \$5.1 million is the project budget to advance the design development and cost estimates for the Signature Projects, which are key to assessing their future feasibility and funding requirements (whether from philanthropy, government, or other source).

Prior to 2021/22 to date (Jan 2020 to Jan 2021), WT has incurred design development costs on the Signature Projects net of WT staff costs totaling approx. \$0.6 million (\$1.1 million inclusive of indirect WT staff costs).

PROJECT STATUS SUMMARY

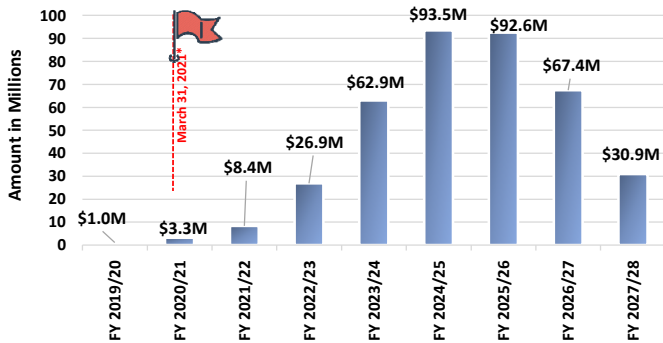
The Fundraising Action Plan states that Waterfront Toronto will develop its fundraising capabilities (to address readiness gaps identified by the fundraising consultant, KCI) and a campaign plan to pursue major gifts (\$500,000+) for the Destination Playground and will advance design and planning for the Signature Projects.



Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2021/22-2025/26. This dashboard summarizes Fundraising Action Plan expenditures, deliverables and progress. Fundraising Action Plan Funding (not shown) is sufficient to meet planned expenditures to at least March 31 2022.

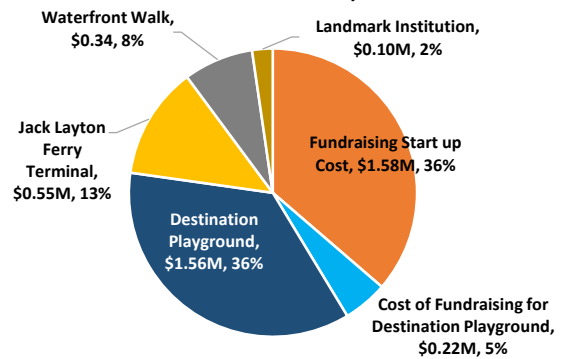
FUNDRAISING EXPENDITURES (LONG TERM/SHORT TERM)

Planned Expenditure from Fiscal Year 2019-20 to 2027-28 (For 9 years - est. \$387M)



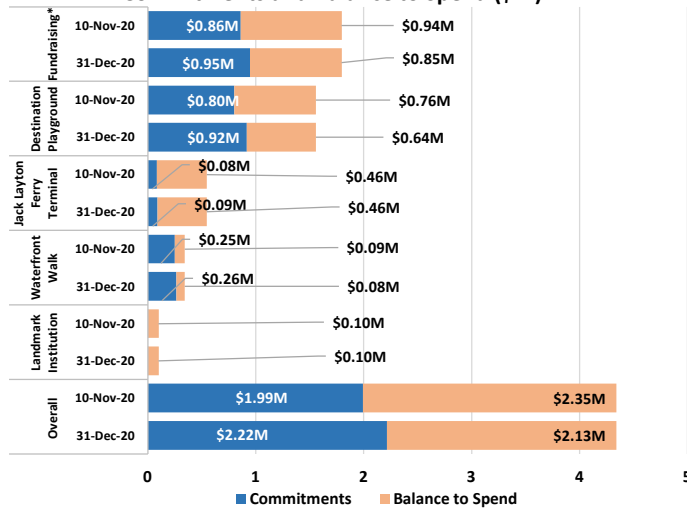
*March 31, 2021 Board decision- consent to proceed (revised to June 30, 2021)

Planned Expenditure (for initial 2 years 2019-20 to 2020-21 - est. \$4.34M)

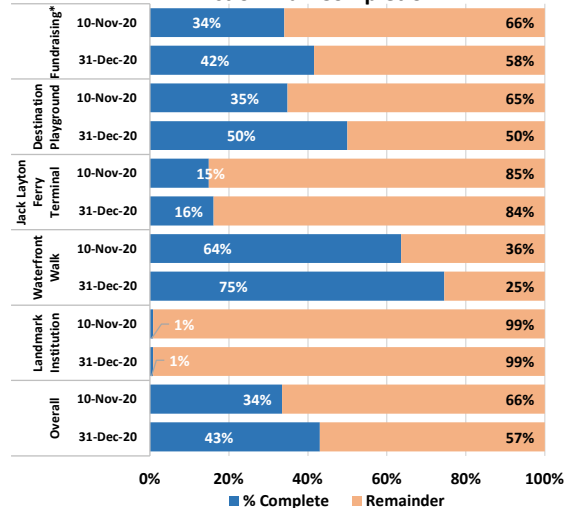


FUNDRAISING ACTION PLAN IMPLEMENTATION INDICATORS (For initial 2 years)

Commitments and Balance to Spend (\$M)



Action Plan Completion



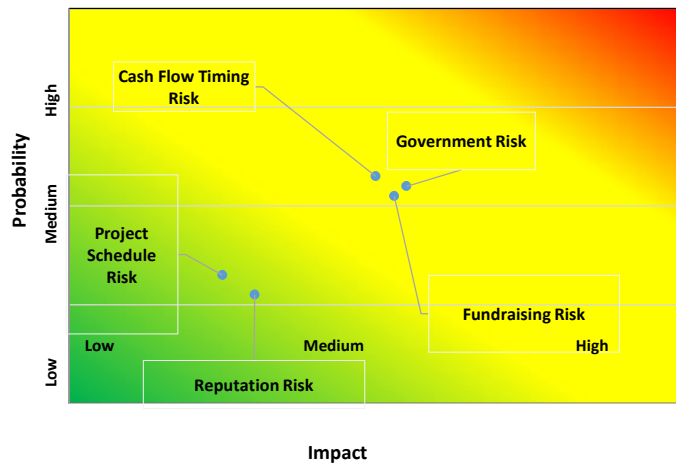
*Fundraising includes Start up Cost and Cost of Fundraising for Destination Playground

FUNDRAISING ACTION PLAN PRIORITY DELIVERABLES

Priority Deliverables	Completed to Date	Jan to Mar 2021 Forecast Completion	Apr to June 2021 Forecast Completion	Jul to Sept 2021 Forecast Completion
Government Consent and City Alignment				
Amendments to WT consent to raise revenues (requested Sept 2019)		✓		
Fundraising MOU with City of Toronto Term Sheet			✓	
Execute Fundraising MOU				✓
Fundraising Capabilities				
Hire Fundraising Director	✓			
Develop Prospect Pipeline		✓		
Hire Partnerships Officer and Prospect Researcher			✓	✓
Develop key policies, procedures and precedent legal agreements			✓	
Fundraising for Destination Playground				
Develop Case for Support content		✓		
Undertake Feasibility Study		✓		
Develop Fundraising Strategy for Destination Playground		✓	✓	
Undertake Market Sounding for Naming and Case for Support Toolkit			✓	
Build Presentation Model (maybe virtual)			✓	
Advance Destination Playground				
Complete the conceptual design vision (10% design) for the Destination Playground	✓			
Complete O&M and governance strategy		✓		
Complete 30% Schematic Design			✓	

FUNDRAISING ACTION PLAN RISKS STATUS

Risk Assessment Summary (after mitigation)



Risk Legend:

Level	Impact	Likelihood
Low	Cost or timing impact can be managed	Remote chance of occurring
Medium	Project cost or timing will be affected	Possible
High	May make project not viable	Likely to happen

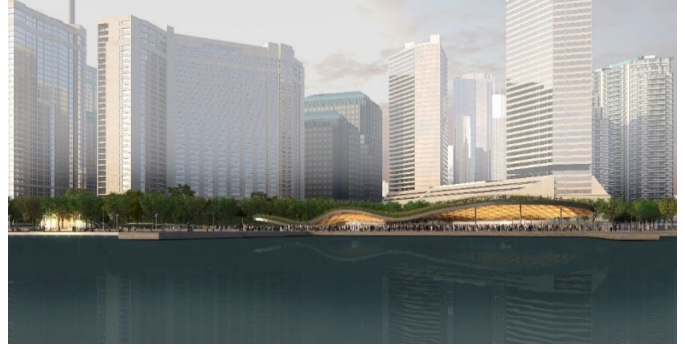
Fundraising Action Plan Highest Key Risks

Risk	Risk Description	Mitigation Strategy
Government Risk	Waterfront Toronto is unable to proceed with fundraising for the Destination Playground because it does not have the support of the City for the project or for its fundraising	Waterfront Toronto is working to determine the operational requirements of the Playground (i.e., cost to maintain) and provide this information to the City. Waterfront Toronto is working with the City to develop an MOU to co-ordinate its fundraising efforts and obtain the necessary City input and approvals. Waterfront Toronto will take steps to have Destination Playground added to the Council-approved list of City priorities. Waterfront Toronto will not launch a fundraising campaign for Destination Playground without first obtaining approval of the City.
Fundraising Risk	Investment in fundraising does not result in any/sufficient donations	A major gift strategy is the least expensive strategy to build. Waterfront Toronto will start with fundraising for \$30m for Destination Playground only and invest gradually to advance the other Signature Projects. All Waterfront Toronto's actions are being guided by KCI, professional fundraising advisors. Waterfront Toronto will perform feasibility analysis for March 2021 Board decision. KCI provided preliminary valuation for Destination Playground of \$18 million. Destination Playground offers donors a unique opportunity.
Cash Flow Timing Risk	Fundraising initiative proceeds too slowly to impact Waterfront Toronto funding gap	Quayside land sale also has the potential to offset funding gap.

SIGNATURE PROJECTS



Destination Playground



Jack Layton Ferry Terminal



Waterfront Walk



Example of Landmark Institution



Finance, Audit & Risk Management Committee Meeting
February 25, 2021
Item 3h – COVID-19 Impact Update
on Waterfront Toronto Operations
David Kusturin and Lisa Taylor

Purpose	For Information
Areas of note/ Key issues	<p>Waterfront Toronto staff continue to work remotely, and this has not materially affected overall staff productivity.</p> <p><i>Construction</i></p> <ul style="list-style-type: none"> • Contractors on WT construction sites continue to apply enhanced Health and Safety procedures mandated by the Ministry of Labour, including more frequent on-site sanitation, creating greater physical distance between workers, and tracking and monitoring workers. • Claims for additional costs resulting from COVID-19 have been submitted on only the PLFP project to date. • No schedule delays have been experienced on any Waterfront Toronto project due to COVID-19 to date • COVID-19 claims submitted and approved total \$1.8M to date on PLFP, offset by savings of \$0.2M due to reduced project consultant travel costs • COVID-19 additional claims submitted and under review total \$1.2M on PLFP • Progressively increased restrictions due to COVID-19 second wave have not impacted WT capital projects. All WT projects including PLFP have been deemed to be essential during all lockdowns to date. COVID related risks to other projects which will commence construction in spring 2021 are addressed in the contract documents. <p><i>Finance & Accounting</i></p> <ul style="list-style-type: none"> • WT's finance and accounting operations continue to be uninterrupted by COVID-19 and WT has continued to pay its vendors on time. • WT currently holds >\$50M in liquid funds. • WT has encountered savings to operating costs of approx. \$200K to date due to remote work. <p>WT's interim property parking operations have been adversely impacted by COVID-19 resulting in a decrease in revenues of approx. \$750K in FY 2020/21 to date.</p>
Next Steps	<p>Management will provide a further COVID-19 Impact Update at the next FARM Committee meeting on May 27, 2021.</p>

February 25, 2021

Finance, Audit and Risk Management Committee

COVID-19 Impact Update on Waterfront Toronto

Waterfront Toronto

Executive Summary

Waterfront Toronto response to COVID-19

- The **COVID-19** global pandemic constitutes an unprecedented challenge with potential severe socio-economic consequences and far-reaching implications to health and safety of all, including workers and their families
- Due to pandemic and government mandated restrictions on personal movements, companies and construction projects are facing labour shortages, reduced productivity and supply chain issues. Covid related impacts to budget and schedule can result from the following:
 - Impacts to work force and materials
 - Reduced efficiency and productivity
 - Labour and material mobility
 - Third party & external dependency delays
 - Extended overheads and escalation

Executive Summary

Waterfront Toronto response to COVID-19 (Cont'd)

- In full alignment with governmental direction, Waterfront Toronto has implemented a comprehensive and coordinated approach to mitigate impact to the Corporation. Primary focus has been health and safety of all internal and external resources
- Cost Impacts to date (\$2.1M total):
 - Cost to Port Lands Flood Protection (PLFP) project of (\$1,813,014)
 - Reduced travel consultant travel costs PLFP \$200,000
 - Reduced parking revenue – approximately (\$750,000)
 - Savings on corporate operating costs \$200,000
- Claims received and under review (\$1,204,321) as well as potential claims, associated costs and/or schedule impacts are included in the PLFP risk register
- Impacts related to staff availability, reduced productivity and enhanced safety procedures have been mitigated through sequencing of work. Substantial completion for the PLFP remains March 31, 2024

Waterfront Toronto and COVID-19

Construction Project Impacts

Background

- Province of Ontario through the Emergency Management Act has implemented restrictions of activities to varying degrees through 2020
- These include a shut down of non-essential work-places in the first wave (April 3), gradual reopening (May 1), with second wave restrictions progressing from “Red” (November 14) to “Grey” (November 23) to “Full” (December 26) lockdowns
- All Waterfront Toronto construction projects have been deemed “essential” work-places through this period
- Construction has proceeded with enhanced health and safety procedures

Background

- Waterfront Toronto construction projects and potential implications are summarized as follows:
 - **Port Lands Flood Protection (PLFP)**
 - Construction ongoing. Project deemed essential in previous shut-down
 - Maintained “essential” designation through restrictions to date
 - **Cherry Street Stormwater Treatment Facility (CSSTF)**
 - Construction complete. Commissioning commenced in November with March 31 completion
 - Minimal risk of future shut-down impacts
 - **In-Water Pipe**
 - In procurement, construction start May 2021
 - Potential risk of future shut-down is addressed in contract documents
 - **The Bentway**
 - To be procured and commence construction spring 2021
 - Potential risk of future shut-down is addressed in contract documents
 - **Love Park**
 - To be procured and start construction spring 2021
 - Potential risk of future shut-down is addressed in contract documents

Covid 19 – PLFP Claims Realized

GFL Infrastructure	\$200,514
Cut off Walls Phase 2, CO 110 <ul style="list-style-type: none"> Duplication and isolation of advisory staff from US. 	\$117,776
Cut-off walls Phase 2, CO 055 <ul style="list-style-type: none"> Repatriate and quarantine redundant workers from US to avoid delays 	\$82,738
Hermanns Contracting Limited	\$1,612,500
Supply of Topsoil <ul style="list-style-type: none"> Subcontractor’s soil source was a development property that was impacted by the restrictions on non-essential construction. Revised supply price resulted in increase of \$1,612,500 but did not change tender ranking 	\$1,612,500
Total Costs Realized	\$1,813,014

Covid 19 – PLFP Claims Received and Under Review

GFL Infrastructure	
<ul style="list-style-type: none"> Cut-off walls Phase 1 (TP 62.0) <ul style="list-style-type: none"> Claim received July 1, 2020: Under negotiation Cost and schedule impacts 	\$593,079
<ul style="list-style-type: none"> Cut-off walls Phase 2 (TP 63.1) <ul style="list-style-type: none"> Claim received June 10, 2020: Under negotiation Additional US staff and quarantine requirements 	\$65,000
<ul style="list-style-type: none"> Cut-off walls Phase 2 (TP 63.1) <ul style="list-style-type: none"> Claim received February 1, 2021: Under negotiation 	\$292,902
<ul style="list-style-type: none"> Cherry South Bridge Foundations (TP 54) <ul style="list-style-type: none"> Original claim received July 7, 2020 (\$88,251) Revised claim received December 7, 2020: Under negotiation 	\$162,217
Keller Foundations	
<ul style="list-style-type: none"> West Plug Wall Phase 1 (TP 63.3) <ul style="list-style-type: none"> Claim received January 27, 2021: Under negotiation Quarantine requirements for US Staff 	\$91,123
Total Claims Received and Under Review	
	\$1,204,321

East Bayfront & West Don Lands Project Risk Status

COVID-19 Risk Issues affecting Complete Communities construction projects include;

Potential Contractor Claims

- CSSTF contractor Graham Construction issued Notice of Potential Delay due to COVID-19 on March 27, 2020.

No direct cost and schedule impacts have been submitted to date. Cost and schedule impacts due to Covid 19 are currently estimated to be immaterial.

Waterfront Toronto and COVID-19

Finance and Accounting

Finance & Accounting Impacts of COVID-19

- WT's finance and accounting operations remain uninterrupted by COVID-19 due to cloud-based accounting and finance system, which supports remote access of all WT users.
- WT continues to pay its vendors on time.
- WT continues to leverage benefits of technology to support productivity and working remotely, while maintaining and enhancing internal controls to prevent increased fraud risks (resulting from electronic approvals):
 - Collaboration platforms such as Microsoft Teams and Sharepoint Online
 - Implementation of DocuSign to collect and manage digital signatures on important documents
 - Implementation of Bonfire, a cloud-based Procurement sourcing platform for posting and receiving electronic bid submissions and electronic evaluation of the submissions
 - Electronic filing/payment systems (e.g., for government and banking requirements) thereby ensuring faster processing of payments/refunds
 - Adoption of a formal Cyber Security Program, including creation of Cyber Security Risk Taskforce.
- In March 2021 WT intends to migrate the Corporation's aging phone system to Microsoft Teams Voice, saving approx. \$10K p.a. and increasing mobility to allow calling from almost anywhere
- From a cash flow perspective WT remains secure with >\$50M in liquid funds and continues to have the funding support of the City, Provincial and Federal governments.
- Interim property parking operations have been adversely impacted by COVID-19 and resulted in a decrease in revenues of approx. \$750K in FY 2020/21 to date.
- Conversely WT has seen savings in operating costs of up to \$200K in FY 2020/21 resulting from reduced office supplies, printing, travel, courier, parking and conference fees (to name a few).

Thank you.

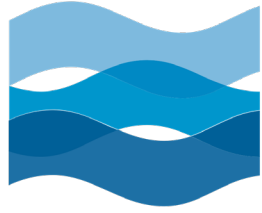
info@waterfrontoronto.ca

Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8
www.waterfrontoronto.ca

Join Waterfront Toronto on social media



Purpose	For Information
Areas of note/ Key issues	<p>This internal audit update covers three items:</p> <ol style="list-style-type: none"> 1. Internal Audit Plan Status Update (one of six audits completed). 2. Cybersecurity Follow-Up Audit – completed February 2021. 3. Resource and Succession Planning Review – planned in March 2021. <ol style="list-style-type: none"> 1. <u>Internal Audit Plan Status Update</u> <ul style="list-style-type: none"> • Refer to attached Appendix outlining the status of the risk-based three-year internal audit plan (2020/21 – 2022/23) approved by the FARM Committee in February 2020. 2. <u>Cybersecurity Follow-Up Audit Results</u> <ul style="list-style-type: none"> • MNP LLP (MNP) completed in Feb 2021 a follow-up assessment on the implementation and remediation of recommendations made in the 2018 cybersecurity audit. • Results are outlined in item 10 of the agenda in the Closed Session. 3. <u>Resource and Succession Planning Review</u> <ul style="list-style-type: none"> • Resource and succession planning review is the second of six audits included in WT’s three-year internal audit plan commencing 2021/22. • This was selected as an area of audit focus to ensure operational resilience and ascertain resource capacity as WT delivers and implements its strategic objectives. • The review scope will focus on three areas: <ol style="list-style-type: none"> a. Resource and succession planning, b. Retention and employee engagement, and c. Diversity, equity, and inclusion. • Attached is MNP’s Internal Audit Planning Memo which indicates that the review will be completed in June 2021. <p>Note: The status of previous internal audit recommendations is reported under the Audit Dashboard, Item 3 d) i c).</p>
Next Steps	MNP will report on the results of WT’s resource and succession planning review in the September 2021 FARM Committee meeting.



WATERFRONTToronto

Waterfront Toronto

Internal Audit Plan Update

Presentation to the FARM Committee – February 25, 2021



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Internal Audit Plan Update

Fiscal Year	Audit Name and Summary Audit Scope	Status / Planned Completion	Adjustment to Schedule
2020/2021 – Q2	Performance Measurement Framework – Assessment of WT’s performance measurement framework and metrics.	Completed – Presented to FARM September 2020.	n/a
2020/2021 – Q3	Cyber Security Follow Up – Assess implementation and remediation of recommendations made in the 2018 Cyber Security Audit.	Completed – Presented to FARM February 2021.	n/a
2020/2021 – Q4	Resource and Succession Planning – Evaluation of WT’s resource capacity and succession planning frameworks and processes.	In Progress – Planning Memo drafted and provided to FARM February 2021.	Audit execution deferred to fiscal 2021/2022 Q1 (April to June 2021) due to current organization priorities and commitments.
2021/2022 – Q2	ERP System Process General Controls – Assessment of selected business processes and controls within the ERP system (A/P, A/R, etc.)	Not Yet Started – Planned for July to September 2021	Adjust to 2021/2022 Q3 (October to December 2021).
2021/2022 – Q4	Project Management Process Controls – Assessment of business process and controls with the PMIS functions of the ERP system and related PMO processes.	Not Yet Started – Planned for January to March 2022	n/a
2022/2023 – Q2	Communications Processes and Controls – Evaluation of the processes, controls and guidelines of external communications including crisis management plan and communication protocols.	Not Yet Started – Planned for July to September 2022	n/a
2022/2023 – Q4	Records & Information Management – Evaluation of the processes and controls for records management, and compliance to records retention policies.	Not Yet Started – Planned for January to March 2023	n/a



Resource and Succession Planning Review




Planning Memorandum

February 17, 2021

Veronica Bila

Partner, Enterprise Risk Services

 416.515.3843

 Veronica.Bila@mnp.ca

Suite 300, 111 Richmond Street West, Toronto, ON M5H 2G4



MNP.ca

Background

Instrumental to Waterfront Toronto's ("WT") success in achieving its strategic objectives are its employees, who are responsible for helping the organization deliver key organizational initiatives and meet mandated obligations. Given the nature and complexities of WT's project obligations along with regular compliance to regulations and stakeholders' requirements, attracting and retaining personnel with desired skillsets is critical to help WT deliver key objectives and support the organization's multi-disciplinary nature.

Evaluating its resource capacity and succession planning, including processes for maintaining the necessary skills to deliver against mandated activities, has become a matter of increasing importance to WT at both the technical and management levels. Effective resource and succession planning enables organizations to identify and proactively manage areas of vulnerability to help maintain continuity of operations and proactively adapt to changing resourcing needs as required.

Given WT's five-year strategic plan, as well as its proposed and ongoing initiatives such as the Port Lands Flood Protection and Quayside projects, implementation and delivery of projects will continue to increase in complexity and consequently require adequate resources to address increased project demands. Therefore, WT must look to ensure it is well-positioned to successfully deliver its targeted strategic plan and key initiatives by maintaining the necessary skills, capacity and institutional knowledge to ensure operational resilience to help navigate increased demand and mitigate staff absences or departures. Should WT be unable to recruit and/or retain key staff, it risks an inability to deliver on key strategic objectives. This risk has been identified and included within WT's three-year Internal Audit Plan covering fiscal years 2020/21 to 2022/23.

Objective

The objective of this review is to assess whether WT has adequate capacity and processes in place relating to resource planning, including maintaining the necessary skills to ensure operational resilience in the future and appropriate strategies in place to respond to changing operational demand.

Scope

The following scope areas will be included as a part of this review. The objective, importance and key considerations which WT should consider for each of these key scope areas have been included, in addition to the key components which would be assessed for each of the proposed scope areas:

A. Resource & Succession Planning

Objective: The identification, assessment and documentation of crucial job skills, knowledge requirements, competencies, stakeholder relationships and organizational practices based on current and future pipeline of projects (e.g., "right-sizing" FTA complement). This allows for workforce planning initiatives/activities, such as targeted skills acquisition through new hires, upskilling and grooming identified employees, and supporting continuity of business operations should an existing employee depart or be absent for a prolonged period of time.

Importance to WT: Undertaking resource and succession planning would allow WT to better understand its sufficiency, appropriateness, and ability to deliver upon its strategic plan and respond to operational demand and employee absences or departures.

Key Considerations for WT: What current and emerging skillsets does WT have or will need to have in order to deliver on the strategic plan, key initiatives and upcoming projects.

Key components to be assessed as a part of this area include:

1. Review of WT's resource and succession planning strategy;
2. Review of WT's strategic plan and other key enterprise strategies to help inform and assess current and future resourcing requirements;
3. Review of processes to determine workforce needs (including inputs, outputs, and metrics);
4. Assessment of resource skills across all departments, which will be completed through:
 - a. Review of job descriptions and other Human Capital documentation;
 - b. Conduct employee interviews and skills/capabilities survey(s), if required; and,
 - c. Development of a key skills matrix/inventory.
5. Review of career development and talent management strategies and policies; and,
6. Alignment to existing leading practices in this area considering WT's size and operations.

B. Retention & Employee Engagement

Objective: To attract, hire and retain talent within the organization and limit institutional knowledge loss.

Importance to WT: By being able to retain employees and provide opportunities for employee career progression planning, WT can limit cost and time expenditures related to training and onboarding new employees. This also limits high recruitment costs and maintains a positive brand image. What measures can be undertaken by WT to promote and/or enhance employee engagement in the current virtual setting and remote work from home environment.

Key Considerations for WT: A review of existing contract positions and if they should be made into permanent positions, career development opportunities for existing and any new staff in order to maintain and grow institutional knowledge, and a review of employee turnover across the organization.

Key components to be assessed as a part of this area include:

1. Review of any employee retention and engagement strategies;
2. Review of processes in place to monitor and drive employee retention and engagement (including existing programs and metrics);
3. Review of learning and development strategies/programs;
4. Review of rewards (including talent management recognition) and linkages to support workforce retention;
5. Review measures that can be undertaken by WT to promote and/or enhance employee engagement in the current virtual setting and remote work from home environment;
6. Review of options in place for employee career development and,
7. Alignment to existing leading practices in this area considering WT's size and operations.

C. **Diversity, Equity, and Inclusion (“DE&I”)**

Objective: Diversity, equity and inclusion is an organization’s mission, strategies, and practices to support a diverse workplace and leverage the effects of diversity to achieve a more resilient and united workforce.

Importance to WT: Companies that create diverse and inclusive work environments are more adaptable, creative and better able to attract and retain employees.

Key Considerations for WT: What are WT’s core philosophies and principles related to diversity, equity, and inclusion, and how are they being modelled by WT both today and into the future to meet evolving organizational objectives.

Key components to be assessed as a part of this area include:

1. Review the incorporation of a DE&I component into resource and succession planning strategies;
2. Provide recommendations to help inform the development of a DE&I strategy; and,
3. Identification of leading practices (i.e. including resource requirements to support DE&I initiatives).

Assumptions

To develop a project work plan and determine resource needs, MNP will:

- Conduct interviews/discussions with staff, who will be available to participate in interviews and respond to inquiries on a timely basis;
- Obtain records, documentation, samples and other information we request for our review in a timely manner while maintaining the confidentiality of privileged information contained within; and,
- Not be responsible for any delay or other consequences resulting from the WT’s failure to perform any of its obligations.

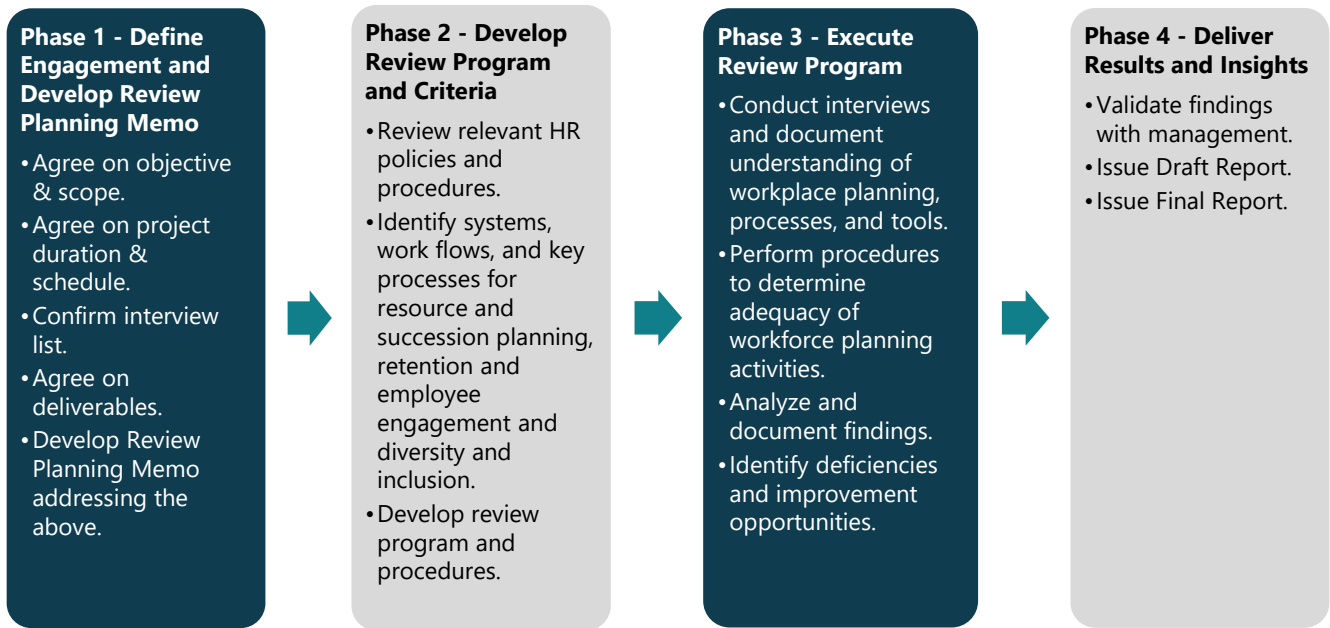
Risks

Given the stated objective, the following sample of inherent risks has been identified that may be considered typical in the scope of a review of this nature:

- Singular focus on existing roles may lead to misalignment with future business needs;
- Lack of diversity in the workforce may lead to a homogeneous thought process and result in fragile company culture and performance;
- Lack of transparency around resource planning may lead to employee disengagement;
- Undefined resource planning may result in employee turnover;
- Lack of a robust succession planning may lead to successors being unprepared internal candidates; and,
- Inadequate resource and succession planning, leading to reduced productivity of WT’s workforce.

Approach

In accordance with MNP’s internal audit methodology, the high-level work plan for the review includes the following phases:



Timeline and Deliverables

Key activities, deliverables and the general timeline are outlined in the table below:

Phase	Activity / Deliverable	Dates*
Phase 1	Kick-off meeting	March 2021
	Planning Memo preparation and submission	
	Finalize scope and approve Planning Memo	
Phase 2 and Phase 3	Review of resource and succession planning process and control documents, including adequacy of resources/HR capacity (i.e. policies, procedures, "right-sizing" of FTA complement, etc.)	April to May 2021
	Interviews with key WT staff	
	Evaluation and assessment of resource and succession planning processes, as well as retention, employee engagement and diversity equity and inclusion strategies	
	Develop key skills matrix/inventory	
Phase 4	Validation of observations	May to June 2021
	Draft report submitted	
	Meeting to discuss draft report	
	Issuance of final report, with management responses	
	FARM Committee Meeting	

*Note: The above timeline may be revised due to unanticipated events and the availability of key stakeholders. MNP will keep WT Management apprised of any delays as they become known and will revise the timeline accordingly.

Budget

The budget for the Resource and Succession Planning review has been estimated to be \$45,075 (exclusive of HST), including presentation to the FARM Committee. The hours for each team member are estimated below.

It is important to note that these hours are solely based on the assumptions, tasks and deliverables outlined in the above sections, using the rates as per our Internal Audit Services Contract. Should any of these items change, the estimated hours (and possibly budget) will need to be adjusted to reflect the change.

Team Member	Engagement Role	Hours
Veronica Bila	Engagement Partner	30
Geoff Rodrigues	Quality Assurance Partner	10
Deepak Jaswal	Engagement Manager	65
Jim Cruickshank	Human Resources Subject Matter Expert	23
Daniel Kasun	Human Resources Subject Matter Expert	45
TOTAL		173

Subject Matter Expert Bios

Jim Cruickshank

Jim Cruickshank is a Senior Manager and MNP’s Human Capital Consulting Leader. He is a senior business advisor and leader with 25 years of progressively responsible experience both in industry and consulting, focused in both the public and the private sectors. Jim’s experience spans into several functional areas, including Organization Design, Human Resources Function Optimization, Change Management, and Corporate Strategy. His broad experience across the human capital space also includes resource and succession planning, performance management strategy, diversity and inclusion, recruitment and retention, human resources strategy and executive coaching.

Over the course of his career, Jim has acquired significant knowledge and experience in organizational development initiatives in the public sector having worked with clients in the federal government, various provincial governments, government agencies, crown corporations including worker’s compensation boards, and municipalities across Canada.

Daniel Kasun

Daniel Kasun is a Manager in MNP's Consulting Services Practice and has over 14 years of experience in delivering human resources advice and expertise across the country. Daniel has extensive compensation experience specializing in reviewing and assessing compensation frameworks, strategic HR planning, employee relations, resource and succession planning, performance management, diversity and inclusion, training and development, and executive search. This experience and knowledge allow him to take a holistic approach in providing effective human resource client solutions.

Daniel's experience spans many industries, and he has worked extensively with public sector, private sector and indigenous organizations. Previous to working at MNP, Daniel was a Human Resources Consultant for a crown corporation. Daniel is a certified Myers Briggs Type Indicator facilitator and leverages this knowledge to understand personal dynamics within organizations quickly.

Client Acceptance

Please confirm your acceptance to proceed with this planning memorandum by signing in the space provided and returning a copy to the attention of Veronica Bila.

I hereby authorize MNP to proceed with and provide the services as described herein,

Signed: _____

Date: _____

Name: Lisa Taylor

Title: Chief Financial Officer



Our Values

- We exemplify integrity in all we do
- We are one firm/one pot/one team
- We are entrepreneurial
- Profit optimization
 - We run our business like a business
 - Balanced lifestyle
 - 'Fun' is important
- We insist on quality client service
- We perform to high quality standards
- We operate on guidelines
- We conduct ourselves with humility and respect
- We value our professions and our communities
- We value diversity

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Purpose	For Committee approval.
Areas of note/ Key issues	<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, 2021.</p> <p>This is BDO’s fifth year of their five-year term as the Corporation’s external auditors.</p> <p>The attached Planning Report covers:</p> <ul style="list-style-type: none"> i. Independence (page 4) ii. Audit Team (page 5) iii. Management vs. FARM Committee Responsibilities (page 6) iv. Audit Strategy, Materiality, Risk Areas (pages 7-11) v. Fraud Discussion (page 12-13) and vi. Audit Timing (page 14). <ul style="list-style-type: none"> • BDO completed its interim fieldwork January 18-22, 2021. • The audit plan is based on a materiality level of \$2.5 million. • The 2020/21 audit fees are outlined in a confidential attachment.
Resolution / Next Steps	<p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Finance, Audit and Risk Management Committee approves the 2020/2021 External Audit Plan.</p> <p>The FARM Committee will review the results of the external audit at its next meeting on May 27, 2021.</p>



Toronto Waterfront Revitalization Corporation

Planning Report to the Finance, Audit and Risk Management
(FARM) Committee

February 25, 2021



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

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

February 25, 2021

Members of the FARM Committee
Toronto Waterfront Revitalization Corporation
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8

Dear FARM Committee Members:

We are pleased to present our audit plan for the audit of the financial statements of Toronto Waterfront Revitalization Corporation (the "Organization") for the year ending March 31, 2021.

Our report is designed to highlight and explain key issues which we believe to be relevant to the audit. The audit planning report forms a significant part of our overall communication strategy with the Finance, Audit and Risk Management ("FARM") Committee and is designed to promote effective two-way communication throughout the audit process. It is important that we maintain effective two-way communication with the FARM Committee throughout the entire audit process so that we may both share timely information. The audit process will conclude with a FARM Committee meeting and the presentation of our final report to the FARM Committee.

This report has been prepared solely for the use of the FARM Committee and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

The FARM Committee plays an important part in the audit planning process and we look forward to meeting with you to discuss our audit plan as well as any other matters that you consider appropriate.

Yours truly,

Jeffrey M. Barratt, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

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TERMS OF REFERENCE

Our overall responsibility is to form and express an opinion on the financial statements. These financial statements are 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 Schedule A to our signed professional services agreement dated May 4, 2016 and extended as per the extension letter dated February 15, 2019, and a summary of our proposed fees are set out below.

ENGAGEMENT OBJECTIVES

- Forming and expressing an audit opinion on the financial statements.
- Present significant findings to the FARM Committee including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- Consult regarding accounting and reporting matters as requested throughout the year.
- Work with management towards the timely issuance of financial statements.

INDEPENDENCE

At the core of the provision of external audit services is the concept of independence. Canadian generally accepted auditing standards require us to communicate to the FARM Committee at least annually, all relationships between BDO Canada LLP and its related entities and Toronto Waterfront Revitalization Corporation and its related entities, that, in our professional judgment, may reasonably be thought to bear on our independence for the forthcoming audit of the Organization. Refer to Appendix B.

AUDIT TEAM

In order to ensure effective communication between the FARM Committee and BDO Canada LLP, the contact details of the engagement team are outlined below.

Name	Role	Phone number	Email address
Jeff Barratt, CPA, CA	Engagement Partner	905-272-7838	jbarratt@bdo.ca
Rob Clause, CPA, CA	Senior Manager	905-272-6245	rclause@bdo.ca
Sanjana Bhalla, CPA, CA	Manager	905-272-7719	sbhalla@bdo.ca

RESPONSIBILITIES

It is important for the FARM Committee to understand the responsibilities that rest with the Organization and its management, those that rest with the external auditor and the responsibilities of those charged with governance. BDO's responsibilities are outlined within our signed professional services agreement dated May 4, 2016 and extended as per the extension letter dated February 15, 2019. The oversight and financial reporting responsibilities of management and the FARM Committee are summarized below.

MANAGEMENT'S RESPONSIBILITIES

- Maintain adequate accounting records and maintain an appropriate system of internal control for the Organization.
- Select and consistently apply appropriate accounting policies.
- Prepare the annual financial statements.
- Safeguard the Organization's assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- Make available to us, as and when required, all of the Organization's accounting records and related financial information.

FARM COMMITTEE'S RESPONSIBILITIES

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.
- Pre-approve all non-audit services to be provided to the Organization or its subsidiaries by the external auditor.

AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Organization.

We will perform a risk based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the FARM Committee.

To assess risk accurately, we need to gain a detailed understanding of the Organization's business and the environment it operates in. This allows us to identify, assess and respond to the risks of material misstatement.

To identify, assess and respond to risk, we 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.



Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptable low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Having planned our audit, we will perform audit procedures, maintaining an appropriate degree of professional skepticism, in order to collect evidence to support our audit opinion.

MATERIALITY

Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

For purposes of our audit, we have set the preliminary materiality at \$2,500,000 for the Organization (based on average expenditures for five years).

Our materiality calculation is based on the Organization's projected fiscal 2021 results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the FARM Committee as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the FARM Committee, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

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

RISKS AND PLANNED AUDIT RESPONSES

Based on our knowledge of the Organization’s business, our past experience, and knowledge gained from management and the FARM Committee, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the FARM Committee has identified.

Management Override of Controls

Significant Risk	Approach
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Test the appropriateness of journal entries recorded as well as other adjustments made in the preparation of the financial statements.• 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 Organization.• Review accounting estimates for biases.

Revenue Recognition

Significant Risk	Approach
<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Confirm all government contributions with the respective governments.• Assess the nature of non-government revenue to determine the level of specific testing to be completed.

OTHER AREAS OF AUDIT INTEREST

In addition to the significant risks noted above, 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.

Accrued Liabilities

Area of Interest	Approach
<ul style="list-style-type: none">Accrued liabilities relating to contractors for existing ongoing projects.	<ul style="list-style-type: none">Specific testing around the completeness of accruals. We will also obtain confirmations from various contractors/ suppliers to ensure accruals are complete.

Assets Under Development

Area of Interest	Approach
<ul style="list-style-type: none">The organization capitalizes costs for assets under development.	<ul style="list-style-type: none">Specific testing around the revenue or costs capitalized and review of memorandums of understanding on a project by project basis.

Construction Deposits

Area of Interest	Approach
<ul style="list-style-type: none">The Organization 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">Confirm with the deposit holder that these deposits are collectible and that the expansion levels will be met.

Contribution Agreements

Area of Interest	Approach
<ul style="list-style-type: none">• Contribution Agreements and other contracts may be complex in nature.	<ul style="list-style-type: none">• Review of all contribution agreements and discussion with management as necessary.• Review of Contribution Agreement compliance audit results• Conclusion on appropriate accounting policies and financial statement disclosures.

Deferral of Contributions and Grants

Area of Interest	Approach
<ul style="list-style-type: none">• 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">• 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.

COVID-19

Area of Interest	Approach
<ul style="list-style-type: none">• On March 11, 2020 the World Health Organization (WHO) declared the outbreak on a novel coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout Canada and around the world.	<ul style="list-style-type: none">• BDO to review management's assessment of COVID-19 on the Organization and assess the impact of COVID-19 on the Organization.

FRAUD DISCUSSION

Canadian generally accepted auditing standards require us to discuss fraud risk with the FARM Committee on an annual basis. We have prepared the following comments to facilitate this discussion.

Required Discussion	BDO Response	Question to FARM Committee
Details of existing oversight processes with regards to fraud.	<p>Through our planning process, and based on prior years' audits, we have developed an understanding of your oversight processes including:</p> <ul style="list-style-type: none"> • FARM Committee charters; • Discussions at FARM Committee meetings • Consideration of tone at the top 	Are there any new processes or changes in existing processes relating to fraud that we should be aware of?

Required Discussion	BDO Response	Question to FARM Committee
Knowledge of actual, suspected or alleged fraud.	Currently, we are not aware of any fraud.	Are you aware of any instances of actual, suspected or alleged fraud affecting the Organization?

AUDITORS' RESPONSIBILITIES FOR DETECTING 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.

During the audit, we will perform risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and will make 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 entity, 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 the entity; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

In response to our risk assessment and our inquiries of management, we will perform procedures to address the assessed risks, which may include:

- Inquire of management, the FARM Committee, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Perform additional required procedures to address the risk of management's override of controls including;
 - Testing internal controls designed to prevent and detect fraud;
 - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
 - Evaluating the business rationale for significant unusual transactions.

AUDIT TIMING

The following schedule outlines the anticipated timing of the audit of the financial statements of the Organization.

Audit tasks and deliverables	Dates
Interim fieldwork - completed	January 18 - 22, 2021
Audit fieldwork	April 26 to May 7, 2021
Present planning report to the FARM Committee	February 25, 2021
Review of draft financial statements with management	Week of May 10th, 2021
Present final report to the FARM Committee	May 27, 2021

As part of the year end FARM Committee meeting, we will provide the FARM Committee with a copy of our draft audit opinion, discuss our findings, including significant estimates utilized by management, accounting policies, financial statement disclosures, and significant transactions completed during the year. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

APPENDIX A - Required Communication

Required Communication	Audit Planning Presentation	Audit Results Presentation	Communication Completed
1. Our responsibilities under Canadian GAAS	✓		Y
2. Our audit strategy and audit scope	✓		Y
3. Fraud risk factors	✓		Y
4. Going concern matters		✓	N
5. Significant estimates or judgments		✓	N
6. Audit adjustments		✓	N
7. Unadjusted misstatements		✓	N
8. Omitted disclosures		✓	N
9. Disagreements with Management		✓	N
10. Consultations with other accountants or experts		✓	N
11. Major issues discussed with management in regards to retention		✓	N
12. Significant difficulties encountered during the audit		✓	N
13. Significant deficiencies in internal control		✓	N
14. Material written communication between BDO and Management		✓	N
15. Any relationships which may affect our independence	✓	✓	N
16. Any illegal acts identified during the audit		✓	N
17. Any fraud or possible fraudulent acts identified during the audit		✓	N
18. Significant transactions with related parties not consistent with ordinary business		✓	N
19. Non-compliance with laws or regulations identified during the audit		✓	N
20. Limitations of scope over our audit, if any		✓	N
21. Written representations made by Management		✓	N
22. Any modifications to our opinion, if required		✓	N

APPENDIX B - Independence Letter

February 25, 2021

Members of the FARM Committee
Toronto Waterfront Revitalization Corporation
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8

Dear FARM Committee Members:

We have been engaged to audit the financial statements of Toronto Waterfront Revitalization Corporation (the "Organization") for the year ended March 31, 2021.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Organization and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/ordre covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since May 28, 2020 the date of our last letter.

We are not aware of any relationships between the Organization and our Firm that, in our professional judgment may reasonably be thought to bear on independence that have occurred from May 28, 2020 to February 25, 2021.

We hereby confirm that we are independent with respect to the Organization within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants Ontario as of February 25, 2021.

This letter is intended solely for the use of the FARM Committee, the Board of Directors, Management and others within the Organization and should not be used for any other purposes.

Yours truly,



Jeffrey M. Barratt, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants, Licensed Public Accountants

Purpose	For information: to support Committee oversight of the Port Lands Flood Protection (PLFP) Capital Project on technical matters related to the budget, scope and schedule.
Areas of note/ Key issues	<p>The Independent Capital Project Monitoring & Assurance Services Consultants' Quarterly Report #10 (Q3 2020/21), key findings:</p> <ul style="list-style-type: none"> • Budget: <ul style="list-style-type: none"> ○ The 90% Stage Gate Budget is \$1,185,000,000. ○ The 'Estimate at Completion' is unchanged in the amount of \$1,185,000,000. ○ Any impact of the Enbridge 20" gas main utility relocation from LSB continues to be assessed by WT CPMO. ○ The cost management process is robust and consistent with industry best practices. • Schedule: <ul style="list-style-type: none"> ○ The PLFP Project works are forecast to be completed by the Substantial Completion Date. ○ An updated baseline schedule is being developed by WT CPMO, BTY has provided comments on the drafts prepared by the CM during a number of workshops and meetings. The completion date of the PLFP Project is forecast to be unchanged. ○ The schedule management process implemented by WT is in line with industry standards. • Scope: No Project Charters were executed. • Risk: <ul style="list-style-type: none"> ○ Risk rating increased to 'amber' based on Enbridge 20" gas main relocation works and potential impact to the PLFP Project budget. ○ COVID-19 impacts are being monitored by WT CPMO. ○ The PLFP Risk Management process implemented by WT is in line with industry standards. • The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects, the processes are found to be robust and in accordance with standard practices.
Next Steps	BTY will provide our Independent Capital Project Monitor and Assurance Services Report #11 at the May 27, 2021 FARM Committee meeting.



**INDEPENDENT CAPITAL PROJECT MONITORING & ASSURANCE
SERVICES CONSULTANT**

WT Port Lands Flood Protection Project

REPORT 10.0 (FOR PERIOD ENDING DECEMBER 31, 2020)

FEBRUARY 17, 2021

PREPARED FOR:

Waterfront Toronto (FARM) Committee

127 John Street, Toronto, ON MSV 2E2

T: 416 596 9339

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*People to count on.
Knowledge to build with.*



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Prepared By	Reviewed By	Date
Paul Margerrison Joanne Henson	Joanne Henson	February 11, 2021



1.0 Independent CPMAS Consultants' Project Dashboard

1.1 Dashboard

Site Visit	Details	Comments
Date of Visit	-	Next inspection will be on or after March 31, 2021.
WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Objective:		Our Quarterly Report No.10 provides an assurance review for Q3 2020/21 (period October 1, 2020 to December 31, 2020), based on our discussions with the FARM Committee, as follows: <ol style="list-style-type: none"> 1. Budget 2. Schedule 3. Risk Management 4. Scope
Budget:	Approved Budget	Approved Budget: WT CPMO report the Approved Budget at \$1.185Bn per the 30% Stage Gate Estimate. Our expectation based on discussions with WT CPMO is that the Approved Budget will remain unchanged throughout the project.
	Post-SG Cost Management Process	<ol style="list-style-type: none"> i. The cost management process, up to and including the 90% Stage Gate were prepared in accordance with the stated process, which we consider to be in accordance with best practices. The Stage Gate process is now concluded. ii. CM is tracking commitments against the EAC on a monthly basis, we expect that any costs that exceed the EAC (90% SG) value for the project inclusive of the allocated Contingency will be identifiable in the Monthly Dashboard 'Financial Summary'. iii. During the current quarter, forecast overages to the 90% SG are funded by unused Contingency within the sub-project (work package) budget line item. There is no change to the EAC forecast. iv. WT CPMO have advised that they will update the EAC and Contingency every 6 months to reflect the re-assessed risk quantification. However, should any additional cost be realised in the interim, this will be identified in the monthly PA's.
	90% Stage Gate - Estimate at Completion ("EAC")	The 90% Stage Gate was approved by the Executive Steering Committee on October 19, 2020 in the amount of \$1.185Bn. The Project Artefacts, such as the Monthly Dashboard or Project Status Reports, reflect the 90% Stage Gate as the EAC.
	Cost Optimisation	Cost optimisation exercise was undertaken in conjunction with the 90%SG. These measures were approved on October 19, 2020 by the Executive Steering Committee. There are no further measures adopted.
	Current Commitments	<ol style="list-style-type: none"> i. Post-90% SG the Current Commitments (tender packages awarded, change orders and realised risk) have increased to 66.6% of the Approved Budget. ii. Procurement & Award: Master Procurement List (December 2020) is generally consistent with WT CPMO reporting of 'Commitments'.
	Pending Commitments	<p>The 90% Cost Estimates for Flood Protection and Parks/Public Realms scope of work are pending finalisation in Summer 2021. The EAC for this scope of work is forecast to be \$795M.</p> <p>The 90% Stage Gate included the estimated Toronto Hydro (THESL) utility relocation costs; however, in the current quarter the project reports indicate a further \$6.5M has been forecast and off-set by the assigned Contingency in PFP03-07 SWM and/or off-set by anticipated savings related to THESL costs on the Don Valley Roadway (PFP03-05).</p> <p>WT is working with Enbridge to supply geotechnical and environmental data and bridge/road designs to allow Enbridge to properly assess options for the permanent relocation or accommodation of the NPS 20" gas main to minimize disruption to the PLFP Project. There is a potential risk to the EAC and/or impact to Substantial Completion. Ruling by Ontario Energy Board is pending in Q4 2020/21.</p>



Independent CPMAS Consultants' Project Dashboard (continued)

WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Budget:	Contingency	i. The balance is approx. 4.6% of the Hard and Soft Costs, which should be adequate in normal circumstances. ii. There is no revision to the EAC, this means that the PLFP Project is tracking in accordance with the AP and EAC and any increases are within the unused Contingency.
	Risk to Budget	Budget Risk Impact: Of the 22 Work Packages (projects), 5 are identified by WT CPMO to have a medium impact to budget and 4 are identified to have a high impact. Overall, 2 projects identified as medium and high have been downgraded to green (low) risk. However, 1 work package was upgraded to medium risk this reporting period.
	Monthly Reporting on EAC & Budget	The Project Artefacts report the AP (approved 30% SG), EAC (approved 90% SG) plus current Commitments. WT CPMO confirm that the EAC will be provided each month in the Project Artefacts for October 2020 onwards.
Schedule:	Substantial Completion	The Project Artefacts report Substantial Completion to be unchanged this quarter, March 31, 2024.
	Re-Baseline Project Schedule	i. Between November 2020 and January 2021, the Construction Manager has been developing, in consultation with WT CPMO, a new baseline schedule with a data date set at 31 st December 2020. It was agreed that this was appropriate timing as design has significantly advanced, actual construction has significantly changed from planned sequencing (initial baseline schedule) on this complex project, and incorporation of the Lake Shore Boulevard East will impact reporting. The forecast is to finalise and approve this new baseline schedule by mid February 2021. ii. Based on the draft reporting, the new baseline schedule indicates that Substantial Performance date is December 2023; and there is no change to the previously agreed Substantial Completion Date. As noted, the re-baseline schedule is pending finalisation. iii. BTY undertook a detailed review of the new baseline schedule and while there is no variance in progress, there are several observations made relating to various aspects of the schedules critical path and logic relationships. These observations have been shared with the CM and WT CPMO in a series of meetings over Q3 and Q4 2020/21 and are considered further in section 4.0 of this report.
	Progress v Planned Activities (Monthly Update Schedule)	i. With the development of the new baseline schedule occurring during the period October to December 2020, BTY still undertook a detailed review of the schedule update (#37) for November 2020 which is set against the original baseline of March 4, 2019. This schedule update indicates 16 of 22 projects are delayed. Without the development of the new baseline schedule, it is clear that if the negative trend continues, the total float would be used up resulting in delays to the project. ii. In our opinion, there are seven (7) individual projects on the critical path (including float) that are scheduled to be completed within 2 months of the December 28, 2023 target completion date. These are PRJ #5, #7a, #13, #15c, #19, #20 & #21. This is a reduction of two (2) projects since the September 2020 update. These projects are currently delayed between 0 & 108 weeks. Of these projects, there are three (3) which finish within 2 weeks of the target completion date and have less than 2 weeks of total float. These are PRJ #7a, #13 & #21. If the float is removed from the critical path activities, PRJ# 13 & #21 are identified as the most critical projects since they finish on the target completion date with no total float. Despite the delays identified, these projects could still be completed prior to the Substantial Completion Date of March 2024.
	Actual Progress	Based on the Project Artefacts, the works on-site are progressing generally in accordance with the progress identified in the updated Schedule #37. Refer to Appendix 3.



Independent CPMAS Consultants' Project Dashboard (continued)

WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Program (Scope):	Project Charters	WT CPMO have confirmed that there were no revisions issued to the Project Charters during quarter ending December 31, 2020.
Risk management:	Overall Risk Status	i. The Project Dashboard indicates an 'amber' risk level, which means a medium likelihood of risks occurring and/or to impact the schedule/budget. The main reason for an overall amber risk rating is the utilities relocation issues concerning Enbridge.
		ii. Risk Impact: Of the 22 Work Packages (projects), 4 are identified by WT CPMO to have a medium impact to budget. This a reduction to the previous reporting period.
		iii. As reported by WT CPMO, the Enbridge 20" gas main utility relocation works has the potential to impact the project budget and/or schedule. This risk is being actively managed by WT CPMO.
	COVID-19	i. We observed that the Project Artefacts for the quarter ending December 31, 2020 identify realised claims and potential claims impacting the budget, and delays to the works. The realised impacts are currently being managed and/or mitigated within the PLFP Project EAC and / or scheduled completion date.
ii. The PLFP Project remains open and operational; and WT and EllisDon are following all necessary health and safety regulations and guidelines.		
	Reporting on Risk	The risk management process is robust, and risks are identified, quantified and reported within the Project Artefacts.

Independent CPMAS Consultants' Conclusion & Recommendations

- **Best Practice Review:** The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects. The processes are found to be robust and in accordance with standard industry practices.
- **Budget, EAC & 90% Stage Gate Estimate:**
 - The 90% Stage Gate estimate was approved by the Executive Steering Committee (ESC) on October 19, 2020.
 - We note that the EAC will be re-forecast twice annually, post-90% Stage Gate. However, committed costs and Contingency draw down are monitored against the EAC budget each month.
 - The processes are found to be generally robust and in accordance with best practices.
- **Schedule:**
 - The November 2020 schedule update identifies sixteen (16) sub-projects of the PLFP Project are forecast to be delayed compared to the original baseline schedule; three (3) of which are within 2 weeks of the internal target completion date of December 28, 2023. There is potential for these sub projects to be further delayed beyond the PLFP completion date; however, currently the overall PLFP Project substantial completion date of March 31, 2024 is forecast to be achieved.
 - In the new baseline schedule (draft), the completion date of March 2024 is still maintained. Should the Lakeshore Bridge modification scope be added to the PLFP Project, this additional scope is currently forecast to impact the PLFP completion date, the revised forecast based on the draft re-baseline is 21st June 2024.
- **Risk:**
 - Known risks with a 100% probability (though yet unrealized) are included within the 90% Stage Gate (EAC) and the schedule with allowances.
 - Post-90% SG, budget risks are not updated in the EAC unless they are realised (committed costs). The EAC will be re-forecast bi-annually (see budget) to include updated Risk assessment.
 - The impact of know risks excluded from the budget / schedule include the impacts of COVID-19 and the 20" gas main relocation. These will continue to be monitored.
- **Scope:** No changes to the Project Charters.

Next Steps for the Independent CPMAS Consultant

- Our next report will monitor and evaluate the technical aspects of the PLFP Project based on the Project Artefacts for the period Q4 2020/21, January 1, 2021 – March 31, 2021.

Independent CPMAS Consultants' Project Dashboard (continued)

1.2 PLFP Project Summary Status (Budget-Schedule-Risk) per WT CPMO

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 baseline schedule, as follows:

Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - Sep 2020)			WT CPMO Status Summary (source: Monthly Status Reports - Dec 2020)			BTY Comment
		Budget	Schedule	Risks	Budget	Schedule	Risks	
PFP03-01 Commissioners Str W to New Cherry St.	15A	Yellow	Red	Yellow	Yellow	Red	Yellow	Same as previous status rating ; schedule includes a further 7 weeks delay.
PFP03-02 Commissioners Str E to Saulter St.	15C	Green	Red	Yellow	Yellow	Red	Yellow	Budget risk removed. Schedule same as previous status rating.
PFP03-03 Cherry Street Re-Alignment	14A	Green	Red	Green	Green	Red	Green	No-change.
PFP03-05 Don Roadway North	7A	Green	Green	Green	Green	Green	Green	Same as previous status rating.
PFP03-06 Hydro One Integration	18	Green	Green	Green	Green	Green	Green	Same as previous status rating.
PFP03-07 Site Wide Municipal Infrastructure	5	Red	Yellow	Yellow	Red	Green	Yellow	Same as previous status rating. Schedule risk downgraded in December 2020.
PFP04-01 Cherry Street North Bridge	14B	Yellow	Red	Green	Green	Red	Green	Budget risk removed. Schedule same as previous status rating.
PFP04-02 Cherry Street South Bridge	14C	Yellow	Red	Green	Yellow	Red	Green	Same as previous status rating.
PFP04-03 Commissioner Street Bridge	15B	Yellow	Yellow	Green	Yellow	Red	Green	Budget same as previous status rating; Schedule upgraded risk.
PFP04-04 Lakeshore Road & Rail Bridge Mods.	13	Green	Red	Yellow	Green	Red	Yellow	Same as previous status rating.
PFP04-05 Old Cherry St Bridge Demo	14D	Green	Red	Green	Green	Red	Green	Same as previous status rating.
PFP05-03 River Valley System PFP05-04 Don Greenway & Spillway	3 4	Yellow	Green	Green	Yellow	Green	Green	#3: Same as previous status rating. #4: Schedule risk status is indicated as green to reflect PRJ #3. However, PRJ #4 has a schedule risk status of red to reflect a 63-week overall delay and a further 27-week delay since September 2020.
PFP05-05 Keating Channel Modifications	16	Green	Red	Green	Green	Red	Green	Same as previous status rating.
PFP05-06 Polson Slip Naturalisation	2	Green	Green	Green	Green	Green	Green	Schedule risk status rating upgraded to amber reflecting a 22-week delay in November, downgraded in December 2020.
PFP05-07 Don Roadway Valley Wall Feature	8	Red	Red	Green	Green	Green	Green	Budget and Schedule risk status rating downgraded to green.
PFP05-08 Eastern Avenue Flood Protection	12	Green	Red	Green	Green	Red	Green	Same as previous status rating.
PFP05-10 Flow Control Weirs	11	Green	Red	Green	Green	Red	Green	Same as previous status rating.
PFP05-11 Sediment & Debris Management Area	10	Red	Yellow	Green	Red	Yellow	Green	Same as previous status rating.

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

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Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - Sep 2020)			WT CPMO Status Summary (source: Monthly Status Reports - Dec 2020)			BTY Comment
		Budget	Schedule	Risks	Budget	Schedule	Risks	
PFP05-12 Villiers Island Grading	19	Green	Yellow	Green	Green	Yellow	Green	Same as previous status rating.
PFP06-01 River Valley Park North	20	Red	Yellow	Green	Red	Red	Green	
PFP06-02 River Valley Park South	21	Red	Red	Green	Red	Red	Green	Same as previous status rating.
PFP06-03 Promontory Park South	17B	Green	Green	Green	Green	Yellow	Green	
WT CPMO Overall Project		Green	Green	Yellow	Green	Green	Yellow	Same as previous status rating
BTY Summary (based on WT CPMO 'Risk Criteria')		Green	Yellow	Yellow	Green	Yellow	Yellow	Same as previous status rating reflecting the increased risk of several projects finishing beyond the internal target completion date of December 28, 2023.

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 SUMMARY STATUS

Based on the Project Artefacts received in Q3 2020, we concur with WT CPMO that:

1. Budget: A 'low risk' status for the Budget, likely to be within the Approved Budget based on the current project artefacts including the 90% Stage Gate. This assumes that all parties agree that the Enbridge utility relocation scope, if realised, is outside of the PLFP Project baseline scope of work. WT have made this assumption in their EAC reporting.
2. Schedule:
 - a. There are two (2) sub projects (#13 & #21) which finish on the internal target completion date of December 28, 2023 and have the potential to be further delayed beyond this date. However, they are still likely to finish before the March 2024 Substantial Completion date. Consequently, a low to medium risk is more realistic in the current period.
 - b. The new baseline schedule (draft) indicates that the target completion date is December 19, 2023, excluding any Lakeshore Bridge scope modifications which are not contemplated by the current Project Charters. When the alternate LSB modification scheme is considered in the schedule, the target completion date moves to June 21, 2024, 3-months later than the Substantial Completion date.
3. Risk: WT has assigned a 'medium risk' because of elevated risk due to the Enbridge 20" gas main utility relocation issue concerning Enbridge. We also note that risks related to COVID-19 are identified to be minimal at this time. This is being actively monitored by WT CPMO.
4. Scope: There are no revised Project Charters this reporting period.



Finance, Audit and Risk Committee (FARM) Committee
February 25, 2021
Item 14 – Draft Resolutions Arising from the Closed Session
FARM Committee Members

- A. **ON MOTION** duly made by [●] and seconded by [●] and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on November 26, 2020 be approved as tabled.

- B. **ON MOTION** duly made by [●] and seconded by [●], and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee approves the special project ERM-related fees of MNP, as presented in the meeting.