



WATERFRONTToronto

Finance, Audit & Risk Management Committee Meeting

Agenda and Meeting Book

THURSDAY, SEPTEMBER 17, 2020 FROM 9:00AM TO 10:30AM

MICROSOFT TEAMS MEETING



WATERFRONTToronto

Meeting Book - Finance, Audit & Risk Management Committee Meeting

Agenda - September 17, 2020 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 4	Information	L. Taylor
	(b) Draft Minutes Open Session FARM Committee meeting May 28, 2020 - Page 5	Approval	All
	(c) Q1 2020/21 Macro Dashboard (Corporate & Project Reporting):		
	Coversheet - Page 11	Information	L. Taylor
	Macro Dashboard - Page 12	Information	L. Taylor
	i. Finance & Administration Dashboards:		
	(a) Enterprise Risk Management Dashboard - Page 13	Information	L. Taylor
	(b) Audit	Information	L. Taylor
	Dashboard - Page 14		
	Government Audit Dashboard (Appendix 2) - Page 15	Information	L. Taylor
	(c) Liquidity and Cash Flow Forecast - Page 18	Information	L. Taylor
	(d) 2020/21 Corporate Plan Performance Dashboard - Page 19	Information	L. Taylor
	(e) June 30, 2020 Unaudited Financial Statements	Information	S. Chandane
	Coversheet - Page 21		
	Financial Statements and Notes - Page 22		
	ii. Capital Projects:		
	(a) Port Lands Flood Protection (PLFP) Dashboard - Page 39	Information	D. Kusturin
	(b) Bayside External Services Dashboard - Page 40	Information	D. Kusturin
	(d) Quarterly Procurement Exception Report - Page 43	Information	K. Newson
	(e) Regulatory Compliance Report - Page 44	Information	D. Kusturin, I. Ness & L. Taylor
	(f) Fundraising Action Plan Dashboard	Information	K. Niccols

Coversheet - Page 49

Dashboard - Page 50

9:25 a.m.	4. Port Lands Flood Protection (PLFP) Update Report of the Independent Capital Monitor Coversheet - Page 52 Report #8 of the Independent Capital Project Monitoring - Page 53	Information	BTY Consultancy Group Inc
9:35 a.m.	5. Internal Audit Update - Performance Measurement Audit Report Coversheet - Page 92 MNP Presentation - Page 93	Information	MNP LLP
9:50 a.m.	6. COVID-19 Impact Update on Waterfront Toronto Coversheet - Page 112 Presentation - Page 113	Information	D. Kusturin & L. Taylor
10:00 a.m.	7. Motion to go into Closed Session Closed Session Agenda The Committee will discuss items 8(a) & (b) and 9 being, Federal Stimulus Discussion, consideration of the draft minutes of the Closed Session of the May 28, 2020 FARM meeting 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) in closed session is Section 6.1.1(k), for item 8(b) is provided in the minutes of the Open Session May 28, 2020 FARM Committee meeting under item 3(b) and for item 9 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.	Approval	All
10:20 a.m.	10. Motion to go into Open Session	Approval	All
10:25 a.m.	11. Resolution(s) Arising from the Closed Session Draft Resolution - Page 124	Approval	All
10:30 a.m.	12. Motion to terminate the Meeting	Approval	All



**Finance, Audit and Risk Management Committee – Sep 17, 2020
Item 3 (a) Meeting Materials - Highlights of Key Messages**

Agenda Item	Key Message
3 c i a) Enterprise Risk Management (ERM) (FI)	No new enterprise risks materialized this quarter and no existing enterprise risks are rated HIGH (red) residual risk (i.e. after mitigation strategies).
3 c i b) Audit Environment (FI)	The volume of audits this year has increased to 9, compared to 5 in a typical year. This is largely due to an increase in government audits. Two audits completed this quarter: Performance Measurement Framework (MNP, refer Item 5) and ERP Implementation (government). Two more remain underway (Auditor General of Ontario Follow up Audit and MNP LLP Cyber Security Follow up Audit) and will be updated/ reported on in November 2020. One new audit scheduled for Q3 2020/21 – Tri-government Strategic Review.
3 c i c) Cash Flow / Liquidity Forecast (FI)	Positive cash balance > \$50M with no requirement to borrow externally. Internal cash flow management requirements (i.e. utilizing existing cash reserves to mitigate cash flow timing differences for certain projects) is at \$41M and faces upward trend to \$75M between now and 2022 after which it decreases to ~\$11M. Refer Cash Flow Forecast graph for further details.
3 c i d) 2020/21 Corporate Plan Performance (FI)	As of Q1 2020/21 WT is on track to achieve the following for 2020/21: <ul style="list-style-type: none"> • 78% of key deliverables (18 out of 23); • 81% of annual capital investment plan; and • 80% of annual revenues. The forecast results above relate largely to the Port Lands Flood Protection (PLFP) project and the resequencing of certain construction elements to future years to address project challenges whilst still maintaining the 2024 completion date.
3 c i e) June 30, 2020 Unaudited Financial Statements (FI)	Overall the financial activities for the three months ended June 30, 2020 have increased from the same period last year, largely due to the realization of land sale proceeds in East Bayfront (\$17.5M) in April and May 2020.
3 c ii) Capital Projects (FI)	All projects are proceeding in accordance with the Board Approved Rolling Five Year Strategic Plan (2020/21 – 2024/25). Note there is an elevated cost and schedule risk for PLFP related to utilities relocations, and an elevated cost and schedule risk related to Bayside External Services due to constructability issues and contractor claims.
3 d) Quarterly Procurement Report (FI)	Three exceptions to the Procurement Policy for a single source goods and services contracts total \$217,000, \$25,000 of which was due to need for specialist knowledge and \$192,000 was due to contractual/legal obligations to reimburse specific third parties. No contracts in excess of \$5 million were awarded this quarter.
3 e) Regulatory and Operational Compliance (FI)	All required actions by the Corporation for regulatory compliance obligations have been performed as of June 30, 2020.
3 f) Fundraising Action Plan Update (FI)	Implementation of the Fundraising Action Plan is proceeding 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.
4) 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.
5) Internal Audit Plan Update (FI)	Report from the WT's internal auditor, MNP LLP, on WT's Performance Measurement Framework notes seven findings (one high, four medium and two low risk). Management is drafting an implementation plan.
6) COVID-19 Impact Update (FI)	Report from management to outline the construction project and financial/ accounting impacts to date of COVID-19 (no material impact).

**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, May 28, 2020 at 9:30 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)
Chris Glaisek (Chief Planning and Design Officer)
Julius Gombos (Senior VP Project Delivery)
Rose Desrochers (Vice President, Human Resources and Administration)
Cameron MacKay (Vice President Communications and Engagement)
Pina Mallozzi (Vice President, Design)
Kathleen Niccols (Senior VP, Corporate Strategy)
Emil Zelic (Executive Director, Program Management Officer)
Kevin Newson (Executive Director, Procurement)
Betty Leung (Director, Procurement)
Sampada Chandane (Director, Financial Management)
Mary Anne Santos (Director, Financial Planning)
Sameer Akhtar (Senior Legal Counsel)
Catherine Murray (Senior Legal Counsel)
Ildio Coito (Project Director, Infrastructure and Public Realm)
Ian Ness (Acting General Counsel)
Aina Adeleye (Board Administrator and Legal Assistant)

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

- David Stonehouse, Director, Waterfront Secretariat, Infrastructure & Development Services, City of Toronto
- Breanne Bateman, Policy Advisor, and James Andre, Senior Policy Advisors, Agency Oversight Unit, Infrastructure Policy Division Ministry of Infrastructure at Ontario Ministry of Infrastructure
- Veronica Bila, Partner, and Chris Wu, Manager, Enterprise Risk Services, MNP LLP
- Jeff Barrett, Audit Partner, Rob Clause, Senior Manager, and Sanjana Bhalla, Manager, BDO Canada LLP
- Joanne Henson and Phil Pavitt, Directors, BTY Consulting

- Shawn Tippins, and Robert McCallum, Senior Analyst, Investment, Partnership and Innovation Branch of Infrastructure Canada

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 9:36 a.m. and declared the meeting duly constituted for the transaction of business.

1. Meeting Agenda

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils 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:

The Committee noted the Annual Insurance Program Summary report, which was taken as read, for review by the Committee and acknowledged the appropriateness of the Corporation’s 2020/21 coverage limits maintained in the policies.

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the Minutes of the February 26, 2020 FARM Committee meeting be approved as presented.

Lisa Taylor highlighted the key items to note in the Q4 2019/20 Macro Dashboard, particularly the positive cash flow position of the Corporation, two enterprise risks which materialized this quarter (business continuity due to the global pandemic and the withdrawal by Sidewalk Labs from the Quayside project), as well as an elevated risk related to the Port Lands Flood Protection project. All risks are being adequately monitored and/or managed by Management. Further details were noted in the related attachments (Corporate & Project Reporting). The Quarterly Procurement Report, Regulatory Compliance Report, Fundraising Action Plan Update Report and the update report on the Tri-Government Memorandum of Understanding (MOU) were received by the Committee for information.

4. Year End Financial Statements March 31, 2020

Management presented the draft audited Financial Statements for year end March 31, 2020. Management responded to questions from members of the Committee. Management explained that certain, non-material adjustments to assets and liabilities were to be finalized in the final version to be presented to the Board of Directors for approval.

The Committee agreed that the approval of the March 31, 2020 Financial Statement should be taken towards the end of the meeting after the presentation of the External Auditor's Report and the Committee Closed Session discussion.

5. 2019/20 External Auditor's Results Report

Rob Clause of BDO Canada LLP presented the External Auditor's report on their findings following the audit of the Financial Statements dated March 31, 2020. The report presented was taken as read and members of the Committee posed questions regarding the audit findings. Mr. Clause confirmed that the External Auditor would be issuing a clean, unqualified opinion on the Corporation's financial statements and that there were no material matters of concern to report to the FARM Committee regarding internal controls.

6. 2019/20 Integrated Annual Report

Management presented the draft 2019/20 Integrated Annual Report to the Committee for information, which was taken as read. Management explained that the draft presented was still being updated and that it would be fully completed for approval by the Board at its meeting scheduled June 25, 2020. The Committee noted the report and agreed that any final comments/edits from Committee members should be forwarded to Management before it is finalized for presentation to the Board.

7. Capital Approval – York Street Park (Love Park) Design & Construction

Pina Mallozzi provided highlights of a presentation, which was taken as read, requesting approval of York Street Park (Love Park) Design and Construction. Ms. Mallozzi explained that the project was part of the Rolling Five-Year Strategic Plan approved in December 2019 and was within the threshold requiring Board approval. She responded to questions from members of the Committee regarding the risk appetite assessment, funding, implementation, milestones and other risks relating to the project.

WHEREAS the Corporation is the Project Delivery Agent for the York Street Park Design and Construction (the "Project") on behalf of City of Toronto (the "City");

WHEREAS the Project was approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan with planned expenditure totaling \$12.71 Million;

ON MOTION duly made, seconded and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee hereby approves, for recommendation to the Board of Directors, as follows:

- a) the proposed capital investment in the Project of \$15.04 Million, which represents an additional \$2.33 Million from that which was previously approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan **SUBJECT TO** execution of an amended Delivery Agreement with the City in form and substance satisfactory to Management; and
- b) Management’s recommendation that the Project be tendered using the General Contractor – Lump Sum Tender method due to cost certainty, overall cost and schedule compliance.

8. Port Lands Flood Protection (PLFP) Project Report of the Independent Capital Monitor

Joanne Henson and Phil Pavitt of BTY Consulting (“BTY”) were invited to present this item. Ms. Henson presented BTY’s seventh independent capital monitor report (the “Report”) and an executive summary of the Report to the Committee. The Report and its executive summary were 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 remain robust and in accordance with standard practices. The Committee noted the Report for information.

9. Internal Audit Update – Procurement Audit (PLFP) Report

Veronica Bila and Chris Wu of MNP LLP were invited to present this item. Ms. Bila presented the results of the Procurement audit focused on the PLFP project and responded to questions from members of the Committee regarding the two low risk recommendations to Management in the report. Ms. Bila noted that overall, WT Procurement Department and the EllisDon Procurement Team have adequate procurement processes and controls in place to effectively and efficiently deliver the PLFP procurement activities. The Committee commended Management and noted the report for information.

10. COVID 19 Impact update on Waterfront Toronto Operations

David Kusturin and Lisa Taylor provided a report, which was taken as read, updating the Committee on the impact of COVID-19 Pandemic on construction, and the finance and accounting operations of the Corporation, respectively. Mr. Kusturin and Ms. Taylor responded to questions from the Committee and the report was noted for information.

11. 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 12(a), (b) & (c), 13 and 14 of the agenda. The exception relied upon for the discussion on item 12(a) is Section 6.1.1(k), for item 12(b) is provided in the minutes of the Open Session February 26, 2020 FARM Committee meeting under item 3(b) of the meeting agenda, for item 12(c) is Section 6.1.1(j) and for item 13 is Section 6.1.1(b) of By-Law No. 2. The Chair requested members of the public to leave the meeting.

12. Consent Agenda

- a) **Federal Stimulus Discussion**
- b) **Minutes of the Closed Session – February 26, 2020 FARM Committee Meeting**
- c) **Internal Audit Fees**

13. Port Lands Risk Discussion

14. Committee Chair Discussion

15. Motion to go into Open Session

ON MOTION duly made by Jeanhy Shim and seconded by Patrick Sheils 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.

16. 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:

- a) the Minutes of the Closed Session of the FARM Committee meeting held on February 26, 2020, as tabled; and
- b) the special project Internal Audit Fee Proposal and related fees of MNP, as presented to the meeting.

The Committee agreed that the resolution to recommend approval of the March 31, 2020 Financial Statements should be taken at this time.

ON MOTION duly made by Patrick Sheils and seconded by Jeanhy Shim, it was **RESOLVED** that the Finance, Audit and Risk Management committee recommends to the Board of Directors for approval the March 31, 2020 Financial Statements of the Corporation, **SUBJECT TO** the adjustment to increase assets under development by \$487K, reduce expenses by \$155K, increase accrued liabilities by \$332K and increase net assets each by \$332K.

17. Termination of the Meeting

There being no further business, **ON MOTION** duly made by Jeanhy Shim, seconded by Michael Galego and carried, it was **RESOLVED** that the meeting be terminated at 12:07 p.m. local time.

Committee Chair

Secretary

Purpose	For Committee 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), apart from the 2020/21 Corporate Plan (Key Deliverables) which is yellow as some areas of plan largely related to the Port Lands Flood Protection project will be deferred into 2021/22 in order to address project challenges and still maintain the 2024 completion date, and two areas of Capital Projects (the Port Lands Flood Protection project and Complete Communities) which are yellow due to elevated risks and/or budget pressures.</p> <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 areas 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) ○ <u>Internal audit</u> (no significant concerns, however increased volume of government audits may stretch WT resources) ○ <u>Liquidity/ Cash Flow Management</u> (no significant concerns, however upward trend on internal cash flow management requirements) ○ <u>Financial reporting compliance</u> (no concerns, in line with plan) • Capital Projects (caution areas noted for Port Lands Flood Protection 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).
Resolution or Next Steps	The next macro level dashboard will be provided at the next FARM Committee meeting in November 2020.

2020/21 Corporate Plan Performance



As of Q1 2020/21 WT is on track to achieve the following for 2020/21:

- 78% of key deliverables (18 out of 23)
- 81% of annual capital investment plan
- 80% of annual revenues
- Performance Measure KPI Targets (will be reported on in a future quarter)

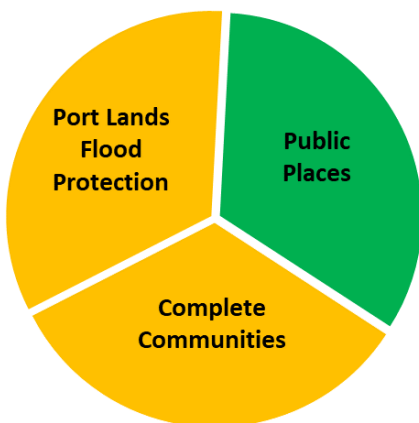
Concern areas relate to five key deliverables, three of which are deferred into 2021/22 primarily due to construction resequencing and/or budget mitigation. Capital investment spend is forecast to be lower by \$73M (19%) compared to approved budget of \$393M largely from construction resequencing required to address project challenges and still maintain the 2024 completion date for the Port Lands Flood Protection project. **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 \$66M primarily due to a decrease in this year's funding requirement for the Port Lands Flood Protection project.

Finance & Administration



- Positive cash balance > \$50M and no current requirement to borrow; internal cash flow management being utilized for some projects. Borrowing Consent extension to March 2023, approved by governments.
- ERM: No critical enterprise risks impacting operations; and
- Internal Audit proceeding in accordance with plan, however increased volume of government audits may stretch WT resources. Average implementation rate of audit recommendations increased to 62% (Q4:50%) this quarter.

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 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. ● Future Reporting - to be reported on at a future quarter

Enterprise Risk Management Dashboard– Q1 2020/21



Summary:

- Overall no risks with a high (red) residual risk score this quarter
- Previous quarter had two high residual risks (existing revenue & Quayside project risks) attributed to Sidewalk Labs withdrawal from Quayside project.
- The number of high inherent risks have consequently decreased this quarter to five (versus seven last quarter) as noted above.
- Top enterprise risks 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	Q1 2020/21 (Current)		Q4 2019/20 (Previous)	
	Inherent Risk Score	Residual Risk Score	Inherent Risk Score	Residual Risk Score
1. Business Continuity	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	16	16
7. Enterprise Resource Planning System Risk	12	12	12	12
8. Government Risk	12	12	12	12
9. Procurement Process Risk	12	12	6	6
10. Project Delivery - Non-Port Lands Projects	12	12	12	9
15. Quayside Project Risk	9	6	15	15

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– Q1 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)	Resource & Succession Planning <i>(Planned Q4)</i>	Project Management Process Controls
	Independent Capital Monitor (Port Lands)	Independent Capital Monitor (Port Lands), <i>Quarterly</i>	Independent Capital Monitor (Port Lands)
		Cybersecurity Follow-Up Audit <i>(Underway Q2)</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 VFM Follow-Up <i>(Underway Q4)</i>	Value-for-Money Follow-Up Audit <i>(Underway Q1-Q3)</i>	
		Tri-Government Strategic Review <i>(Planned Q3)</i>	
		City Auditor General Risks and Opportunities Assessment <i>(Underway Q2)</i>	
Total	6 audits	9 audits	5 audits

Status of Completed Audit Action Items

Jun 30/20:

Overall:

- **88%** of 2018 **Cybersecurity audit** action items implemented;
- **100%** of 2018 **Value-for-Money** WT action items implemented;
- **55%** of 2019 **Corporate review** action items implemented;
- **33%** of 2019 **HR Employee review** action items implemented;
- Refer to **Appendices 1* and 2** for an aging analysis of all outstanding action items.

This Past Quarter:

- 100% implementation rate for government audit action items due this quarter; and
- 25% implementation rate for internal audit action items due this quarter.
- Refer **Appendices 1* and 2** for further detail.

*Refers to Confidential Attachment.

Note: The number of audits from 2003 to March 31, 2020 totals 61 (24 internal; 18 external and 19 government).

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
September 17, 2020 – Agenda Item – 3(c)(i)(b)
Q1 2020/21 Government Audit Update

Appendix 2: Government Audit Status Dashboard

Q1 2020 Follow Up Audits

The 1 remaining government audit action item is now substantially complete, resulting in a **100% implementation rate** as of Q2 2020/21.

	Due by Q1	Closed in Q2	Retargeted in Q1	Due in Future Quarters	Total Remaining Open Items
Total	1	1	1	-	-

Legend

Due by Q1: Management action plans due to be implemented on or before Q1, 2020/21.

Closed in Q1: Remediation activities reviewed by WT Director, Financial Planning and were adequate to close audit finding.

Retargeted in Q1: Management action plans due to be implemented by Q1, 2020/21 that were not closed.

Due in Future Quarters: Management action plans due in future quarters.

Total Remaining Open Items: Management action plans due in future quarters plus retargeted ones from this quarter.

From an industry perspective, we consider such an implementation rate to be above average and a low level of management attention is required in closing the remaining internal audit findings in a timely manner, as described below. Ideally, an implementation rate of above 60% should be the target to work towards.

Implementation Rate	Required level of Executive Team (ET) Attention
60% - 100%	Above Average – low level of attention required.
25% - 60%	Average – moderate level of attention required.
0% - 25%	Below Average – high level of attention required.

Below is a table representing the length of time the open management action items have been outstanding and the original risk rating attached to the audit finding associated with the management action item.

Audit Report Name ¹	Ageing in Months					Total
	0-3	4-6	7-9	10-12	12+	
Office of the Auditor General of Ontario (OAG) Value for Money (Dec. 2018)	-	-	-	-	-	-
Ontario Internal Audit Treasury Board Secretariat (TBS) Financial Planning and Reporting Processes (Sep. 2019)	-	-	-	-	-	-
						-

¹ Risk ratings are not provided for the government audit reports.

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
September 17, 2020 – Agenda Item – 3(c)(i)(b)
Q1 2020/21 Government Audit Update

Appendix A: Open Management Action Plans

Not Applicable.

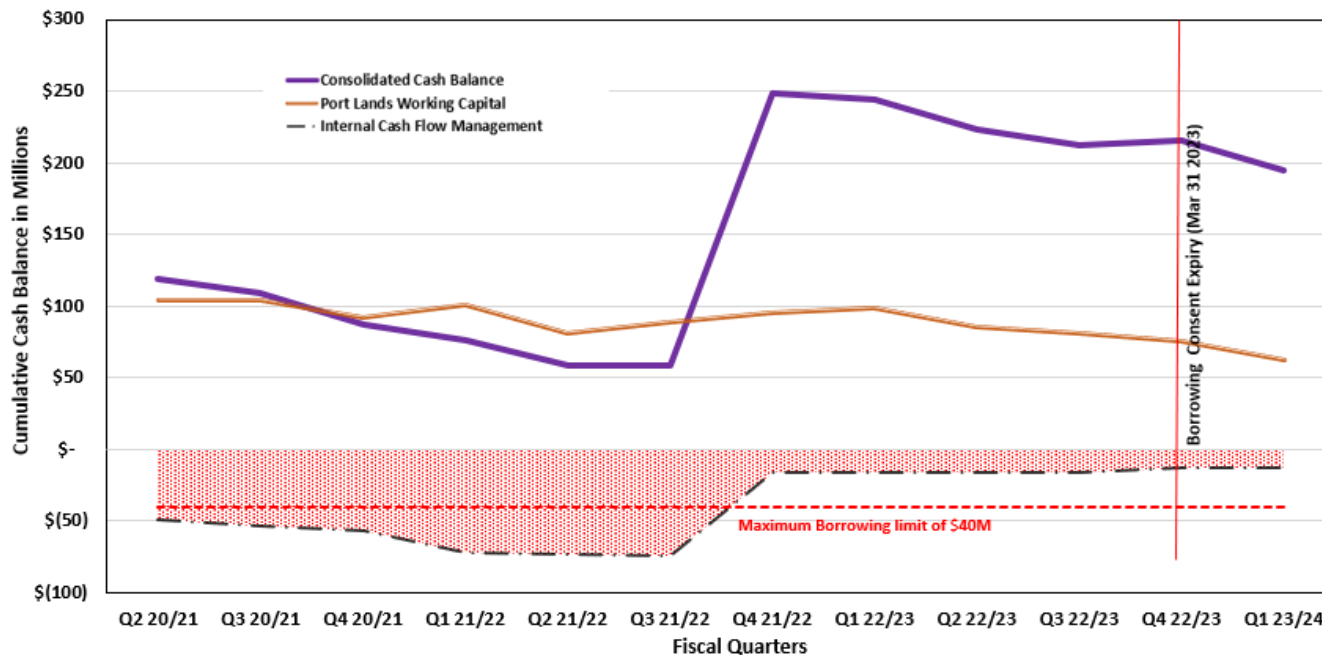
FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
September 17, 2020 – Agenda Item – 3(c)(i)(b)
Q1 2020/21 Government Audit Update

Appendix B: Management Action Plans Closed for the Q1, 2020/21

#	ET	Audit Report Name	Audit Observation	Committed Action Plan	Confirmed Activity
1	L. Taylor	OAG Value for Money	<p>To have the required systems and procedures in place to effectively manage the Port Lands flood protection project and other projects Waterfront Toronto should establish a file management, document and archival policy.</p> <p>(Audit Report Ref No. 3(g))</p> <p>To improve oversight of organizations receiving funding from Waterfront Toronto so that projects are delivered on time, on budget and in accordance with the planned scope Waterfront Toronto should establish a file management, document and archival policy.</p> <p>(Audit Report Ref No. 4(g))</p>	<ul style="list-style-type: none"> Development of a formal file management and document retention policy. 	<ul style="list-style-type: none"> Document Retention Policy has been drafted, is currently being reviewed by WT Senior Management Team and is expected to be adopted on/before Sept 30, 2020.

Liquidity / Cash Flow Forecast (September 2020)

Cash Flow Forecast Jul 2020 to Jun 2023



Conclusion: During the 36-month period Q2 20/21 – Q1 23/24, Waterfront Toronto (“WT”) will require internal cash flow management to a maximum of \$75 million mainly to fund expenditures required for the Quayside development and contractual obligations for two other projects. This interim financing utilizes existing financial capacity and has no impact on WT’s \$40M external borrowing limit. WT expects to still maintain a cash balance of >\$50 million during the next 36 months.

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 36-month period, WT is forecast to borrow up to \$75 million internally to fund expenditures required to mainly advance the:
 - Quayside development to bring the lands to market, including staff costs, land acquisition, and environmental costs ,which is anticipated to be repaid by Q4 21/22.
 - Development of Bayside Phase 2 Water’s Edge Promenade and Storm Water Quality Management projects in East Bayfront projects, to be repaid between 22/23 to 24/25.

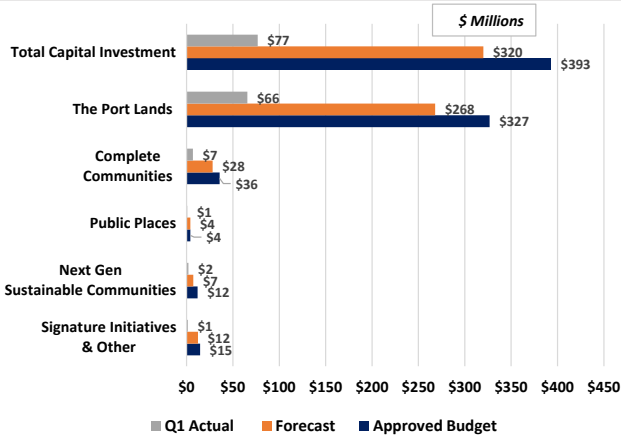
Corporate Plan Performance Dashboard as of June 30, 2020 (Q1 2020/21)

Issued as of: September 3, 2020

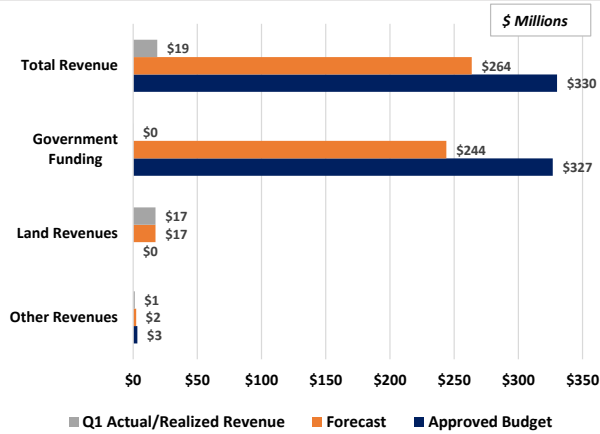
Overall 2020/21 Corporate Plan* Status: ● Capital Investment Plan ● Revenues ● Key Deliverables

● 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



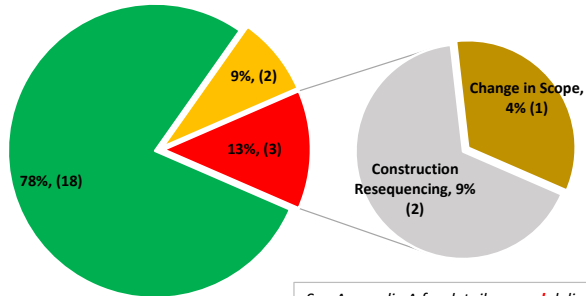
Overall Investment spend is forecast at \$320M, \$73M (19%) lower than Plan due to:

- Decrease in Port Lands 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 Gen. 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 \$66M 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.

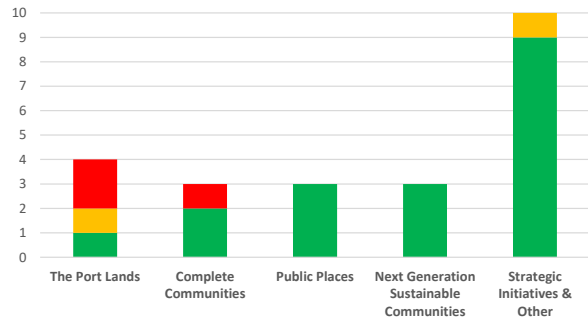
2020/21 Key Deliverables*

Overall Status of 23 Key Deliverables:



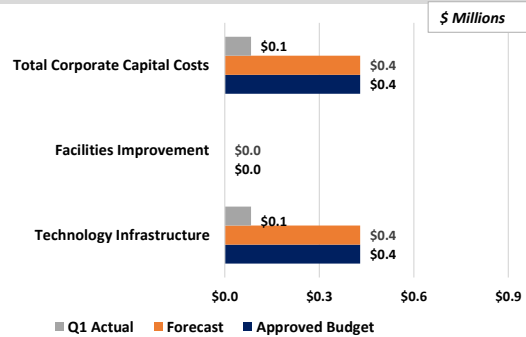
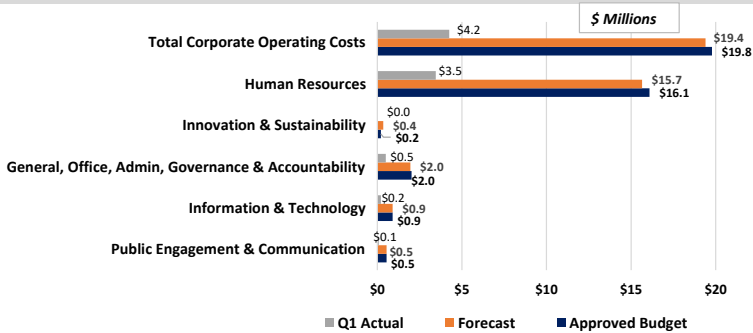
See Appendix A for details on red deliverables

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 \$0.4M. The main 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 costs is also expected (\$0.1M) 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 as a result of 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 in line with approved budget. 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.

Appendix A:

Details of Deferred Deliverables for 2020/21

Delay Category	Priority Initiative	Key Deliverable Deferred to 2021/22 or a Future Year	Comments
Construction Schedule Resequencing	Port Lands	Substantial construction completion of Cherry Street north bridge.	Foundations and substructure for the north and south bridge abutments have been completed and fabrication of the steel superstructure for the Cherry North LRT bridge is expected to be delivered to site by October 2020. Construction of the Cherry North vehicle bridge superstructure has been re-sequenced to prioritize the Commissioners Street bridge and will now be delivered in October 2021.
	Port Lands	Complete Cherry Street south bridge abutments, piers, substructure and steel.	Bridge foundation and substructure is currently under construction and scheduled for completion in November 2020. The steel superstructure for the Cherry South bridge is now scheduled for delivery to site by August 2021.
Change in Scope	Complete Communities	Complete construction of in-water storm pipes connecting Dockside & Bayside.	The design of in-water pipe for the Stormwater Facility (SWF) was revised to incorporate additional scope of work including the Boardwalk and dockwall reinforcing at the Sherbourne Common water's edge promenade. The in-water pipe project is under the procurement process and construction is anticipated to start by November 2020, this fiscal year with completion in next fiscal year.



WATERFRONToronto

Finance, Audit and Risk Management Committee – September 17, 2020
Item 3 (c)(i)(e) – June 30, 2020 Unaudited Interim Financial Statements
Sampada Chandane

Agenda Item	Item 3 (c)(i)(e), June 30, 2020 Unaudited Interim Financial Statements.
Areas of note/ Key issues	<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>The Corporation’s financial activities for the three months ended June 30, 2020 have increased from the same period last year. The is largely due to land sale proceeds of \$17.5M in the current fiscal period</p> <p>For the three months ended June 30, 2020 the Corporation:</p> <ul style="list-style-type: none"> • Spent approx. \$76.8 million (up from \$53 million last year) of which \$75.3 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (\$65.5 million) and \$1.5 million was expensed. • Recognized revenues of \$18.6 million (down from \$22 million for last year) which is primarily land sale proceeds (\$17.5 million). The decrease from prior year is because no government contributions for Port Lands Flood Protection project were received in Q1 2020/21. <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> • 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 sales proceeds by end of Q4 2021/22. • As at June 30, 2020, the Corporation has no outstanding notional swing forward exchange contracts (Note 19).
Key Takeaways/ Next Steps	<p>The FARM Committee acknowledges receipt of the unaudited interim financial statements for submission to the Board of Directors on October 8, 2020</p> <p>The financial statements will be received by the Board of Directors on October 8, 2020.</p>

Interim Financial statements of

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

June 30, 2020

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Toronto Waterfront Revitalization Corporation

June 30, 2020

Interim Financial Statements

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Toronto Waterfront Revitalization Corporation
Statement of financial position
as at June 30, 2020

	June 30, 2020	March 31, 2020
	\$	\$
Assets		
Current assets		
Cash	97,871,446	87,249,424
Receivables	48,487,617	86,795,715
Deposits and prepaid expenses and other assets	5,297,097	4,850,089
	151,656,160	178,895,228
Restricted cash and investments	30,888,085	27,693,933
Assets under development	758,787,012	685,913,187
Capital assets	90,573,262	90,692,130
	1,031,904,519	983,194,478
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	79,880,340	45,084,203
Deferred contributions	104,994,109	176,108,768
Other liabilities and settlements	949,959	948,086
	185,824,408	222,141,057
Other liabilities and settlements	4,565,029	4,560,003
	190,389,437	226,701,060
Net assets	841,515,082	756,493,418
	1,031,904,519	983,194,478

Toronto Waterfront Revitalization Corporation

Statement of financial activities

Three months ended June 30, 2020

	Three months ended June 30, 2020	Three months ended June 30, 2019
	\$	\$
Restricted Revenues:		
Government of Canada	-	14,559,697
Other restricted contributions	139,396	6,624,889
	139,396	21,184,586
Less: Government contributions for assets under development	(71,050,009)	(40,403,375)
Decrease in deferred contributions for continuing operations related to future periods	71,114,659	19,391,936
	204,046	173,147
Expenses		
Complete Communities	545,887	374,362
Signature Projects	436,183	-
Strategic Initiatives	341,115	420,893
Eastern Waterfront Transit	94,671	99,493
Public Places	35,930	4,680
	1,453,786	899,428
Deficiency of revenue over expenses before other items	(1,249,740)	(726,281)
Net other operating income	195,653	715,715
Land sale proceeds and/or other income (Note 17)	17,485,877	154,950
Excess of revenues over expenses	16,431,790	144,384

Toronto Waterfront Revitalization Corporation
Statement of remeasurement gains and losses
Three months ended June 30, 2020

	Three months ended June 30, 2020	Three months ended June 30, 2019
	\$	\$
Accumulated remeasurement gains, beginning of the period	21,350	252,025
Unrealized gain attributable to foreign currency transactions	49,951	69,771
Unrealized (loss) attributable to forward exchange contracts (Note 19)	-	(82,848)
Unrealized gain attributable to short term investments	-	22,637
Net remeasurement gain for the period	49,951	9,560
Accumulated remeasurement gain, end of the period	71,301	261,585

Statement of changes in net assets
Three months ended June 30, 2020

	Three months ended June 30, 2020	Three months ended June 30, 2019
	\$	\$
Net assets, beginning of the period	756,493,418	579,897,673
Add: Excess of revenue over expenses	16,431,790	144,384
Add: Net remeasurement gain	49,951	9,560
Add: Government contributions for assets under development	71,050,009	40,403,375
Less: Transfer of assets to Government (Note 6)	(2,510,086)	-
Net assets, end of the period	841,515,082	620,454,992

Toronto Waterfront Revitalization Corporation

Statement of cash flows

Three months ended June 30, 2020

	Three months ended June 30, 2020	Three months ended June 30, 2019
	\$	\$
Cash flows from operating activities		
Excess of revenues over expenses for the period	16,431,790	144,384
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Amortization of capital assets	186,024	64,439
Unrealized gain attributable to foreign currency transactions	49,951	69,771
Unrealized (loss) attributable to forward exchange contracts	-	(82,848)
Unrealized gain attributable to short term investments	-	22,637
Changes in non-cash working capital balances		
Net increase in deferred contributions	(71,114,659)	(19,391,936)
Current assets (Receivables, Deposits and prepaid expenses)	37,861,091	(18,312,668)
Current liabilities (Payables, Other liabilities and settlements)	34,803,036	10,303,833
Net cash received (paid) from operating activities	18,217,233	(27,182,388)
Cash flows from capital activities		
Cash received from government contribution for assets under development	71,050,009	40,403,375
Cash used to acquire assets under development	(75,383,910)	(52,143,368)
Cash used to acquire capital assets	(67,158)	(283,756)
Net cash paid from capital activities	(4,401,059)	(12,023,749)
Cash flows from investing activities		
Invested in restricted cash and investments	(3,194,152)	(18,731)
Invested in short-term investments	-	(87,816)
Net cash paid from investment activities	(3,194,152)	(106,547)
Increase (decrease) in cash	10,622,022	(39,312,684)
Cash, beginning of the period	87,249,424	75,377,644
Cash, end of the period	97,871,446	36,064,960

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 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 Toronto Waterfront Revitalization Corporation (the "Corporation" or "TWRC") 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

	June 30, 2020	March 31, 2020
	\$	\$
City of Toronto	40,254,196	40,556,151
HST receivable	6,339,693	4,906,356
Rent and other receivables	1,893,728	2,033,756
Province of Ontario	-	39,299,452
	48,487,617	86,795,715

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

4. Deposits and prepaid expenses

	June 30, 2020	March 31, 2020
	\$	\$
Prepaid expenses	3,115,898	2,668,890
Construction deposits	2,181,199	2,181,199
	5,297,097	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:

	June 30, 2020	March 31, 2020
	\$	\$
Holdbacks payable (including HST)	18,043,690	15,533,261
East Bayfront public art	6,045,205	5,372,534
Deposit - Broadband services	2,803,370	2,803,370
Deposit - Bayside project agreement	2,242,655	2,236,081
East Bayfront child care facility	1,527,713	1,523,235
Escrow Account - River City development	225,452	225,452
	30,888,085	27,693,933

6. Assets under development

The following table details assets under development by category:

	June 30, 2020	March 31, 2020
	\$	\$
Roads, Bridges, Services, Structures	387,079,782	354,420,300
Flood Protection Features	261,219,980	225,178,064
Land under development	77,671,157	73,574,721
Parks and Public Realm	32,816,093	32,740,102
	758,787,012	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	64,036,344	6,052,208	505,689	395,448	539,422	71,529,112
Direct project management - Note 13	1,084,479	302,717	1,093,323	129,735	95,582	2,705,836
General and support expenses - Note 13	460,496	128,541	464,251	55,089	40,586	1,148,963
Transfer of completed assets to Governments	-	-	-	(2,510,086)	-	(2,510,086)
Closing balance, June 30, 2020	377,133,874	345,045,134	24,760,974	11,171,439	675,590	758,787,012

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

During the period, Front Street Public Art asset costing \$2,510,086 was 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

	June 30, 2020		March 31, 2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	87,305,565	-	87,305,565	-
Computer hardware and software	4,040,220	1,581,786	3,935,523	1,441,273
Leasehold improvements	1,377,971	762,771	1,415,514	719,519
Furniture and fixtures	534,047	339,984	534,047	337,727
Office equipment	145,563	145,563	145,563	145,563
	93,403,366	2,830,104	93,336,212	2,644,082
Cost less accumulated amortization		90,573,262		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 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 June 30, 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 June 30, 2020 the available borrowing limit was reduced to \$37 million as a result of a Letter of Credit reissued by Waterfront Toronto during 2019 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 June 30, 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

	June 30, 2020	March 31, 2020
	\$	\$
Accrued liabilities	33,849,362	26,518,973
Accounts payable	29,905,886	3,106,647
Holdbacks payable	16,125,092	15,458,583
	79,880,340	45,084,203

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 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 June 30, 2020, as well as contributions received for the acquisition of capital assets which have yet to be amortized.

	June 30, 2020	March 31, 2020
	\$	\$
Expenditures of future periods		
Balance, beginning of year	176,108,768	101,652,189
Additional contributions	(71,096,635)	75,157,645
Less: amounts recognized as revenue	(18,024)	(701,066)
Balance, end of period	104,994,109	176,108,768
Capital contributions		
Balance, beginning of year	-	0
Add: contributions for acquisition of capital assets and assets under development	71,236,031	191,616,104
Less: direct contribution to net assets	(71,050,009)	(191,126,483)
Less: amount amortized to revenue	(186,022)	(489,621)
Balance, end of period	104,994,109	176,108,768

11. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	June 30, 2020	March 31, 2020
	\$	\$
Deposit - broadband services	2,303,930	2,303,930
Deposit - Bayside project agreement	2,261,099	2,256,073
Deposit - rent and other	949,959	948,086
Total other liabilities	5,514,988	5,508,089
Less: current portion	(949,959)	(948,086)
	4,565,029	4,560,003

12. Net assets

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

	June 30, 2020	March 31, 2020
	\$	\$
Invested in non-amortisable capital assets	87,305,565	87,305,565
Invested in assets under development	758,787,012	685,913,187
Unrestricted (deficit) (Note 12b)	(4,648,796)	(16,746,684)
Accumulated re-measurement gains	71,301	21,350
	841,515,082	756,493,418

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

b) Unrestricted (deficit)/surplus

	June 30, 2020	March 31, 2020
	\$	\$
Unrestricted (deficit)/surplus, opening balance	(16,746,684)	9,247,438
Excess of revenue over expenses	16,431,790	14,539
Investment in assets under development	(4,333,902)	(26,008,661)
Unrestricted deficit, closing balance	(4,648,796)	(16,746,684)

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Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

13. Expenses by Priority Initiative and Function

	Complete Communities	Signature Projects	Strategic Initiatives	Eastern Waterfront Transit	Public Places	Quayside	The Port Lands	Total June 30, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Transfer payments and grants								-
Project planning and implementation costs	359,356	213,355	96,373	26,597	7,316	-	-	702,997
Project management - salaries, fees and benefits	433,651	156,412	171,794	143,366	149,820	1,093,323	1,084,479	3,232,845
Less project management - salaries, fees and benefits related to assets under development (Note 6)	(302,717)	-	-	(95,582)	(129,735)	(1,093,323)	(1,084,479)	(2,705,836)
	490,290	369,767	268,167	74,381	27,401	-	-	1,230,006
<i>General expenses:</i>								
Salaries, fees and benefits	64,891	23,405	25,708	21,452	22,420	163,604	162,280	483,761
General and office administration	46,869	16,905	18,567	15,495	16,192	118,165	117,210	349,403
Communications, marketing and government relations	10,625	3,832	4,209	3,513	3,671	26,787	26,571	79,207
Information technology	61,754	22,274	24,464	20,416	21,335	155,694	154,435	460,372
	184,138	66,416	72,948	60,876	63,618	464,251	460,496	1,372,743
Less general & support costs allocated to assets under development (Note 6)	(128,541)	-	-	(40,586)	(55,089)	(464,251)	(460,496)	(1,148,963)
	545,887	436,183	341,115	94,671	35,930	-	-	1,453,786

General expenses for the period ending June 30, 2020 have been allocated to priority initiative using an overhead burden rate of 0.42 (2019 - 1.15) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$3,716,606 for the period ending June 30, 2020 (2019 - \$3,496,525) comprising direct project management salaries, fees and benefits of \$3,232,845 (2019 - \$2,091,760) and general salaries, fees and benefits of \$483,761 (2019 - \$1,404,766).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 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 June 30, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Transfer payments and grants								-
Project planning and implementation costs	200,466	-	163,208	31,679	4,679	-	-	400,032
Project management - salaries, fees and benefits	317,219	-	119,738	31,511	109,518	874,619	639,155	2,091,760
Less Project management - salaries, fees and benefits related to assets under development (Note 6)	(236,415)	-	-	-	(109,518)	(874,619)	(639,155)	(1,859,707)
	281,270	-	282,946	63,190	4,679	-	-	632,085
<i>General expenses:</i>								
Salaries, fees and benefits	213,035	-	80,413	21,161	73,550	587,369	429,238	1,404,766
General and office administration	91,001	-	34,348	9,040	31,417	250,903	183,355	600,066
Communications, marketing and government relations	28,598	-	10,795	2,841	9,873	78,850	57,622	188,580
Information technology	32,828	-	12,391	3,261	11,334	90,512	66,145	216,471
	365,462	-	137,947	36,303	126,174	1,007,634	736,360	2,409,883
Less general & support costs allocated to assets under development (Note 6)	(272,370)	-	-	-	(126,174)	(1,007,634)	(736,360)	(2,142,539)
	374,362	-	420,893	99,493	4,680	-	-	899,428

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

14. Commitments

The Corporation has corporate lease commitments of \$3,502,679 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 June 30, 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 (June 30, 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 \$304,418 of cash and \$1,050,607 of payables which has been translated from the U.S. denominated amount.

16. Net other operating income

	June 30, 2020	June 30, 2019
	\$	\$
Rental, parking and other income	663,478	1,179,651
Less: operating expenses	(805,579)	(946,663)
	(142,101)	232,988
Interest	260,144	473,295
Other Income	77,610	9,432
Net other operating income	195,653	715,715

17. Land sale proceeds and other income

During the period ended June 30, 2020, the Corporation received \$17,378,877 (2019 - \$Nil) 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.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 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 \$26,563,159 due to additional scope pursuant to delivery agreement between the Corporation and the City of Toronto for the Events Dock and Garisson project and the Bentway Conservancy project agreement. Up until June 30, 2020 the Corporation has received \$25,654,375. The trust is entitled to any interest earned on the balance of funds. A summary of the trust's financial position, as at June 30, 2020, is as follows:

Financial Position as at June 30, 2020	June 30, 2020	March 31, 2020
	\$	\$
Cash and accounts receivable	544,804	543,949
Assets under development	25,638,547	25,638,547
Total assets	26,183,351	26,182,496
Accounts payable and accrued liabilities	(303,865)	(303,904)
Net assets	25,879,486	25,878,592

Revenues and expenditures as of June 30, 2020	Three months ended June 30, 2020	Three months ended June 30, 2019
Revenues	\$	\$
Philanthropic revenue	-	-
Restricted revenue	-	(289,236)
Total revenues	-	(289,236)
Cumulative revenues (from inception of trust)	25,654,375	25,654,375
Direct Project Costs	\$	\$
Planning and implementation	-	97,970
Implementation and construction	22,625	134,363
Project management fees	-	-
Total expenditures	22,625	232,333
Cumulative expenditure (from inception of trust)	25,638,547	25,421,773

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 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 on forward contracts included in the Statement of Remeasurement Gains and Losses for the period ended June 30, 2020 is \$Nil (2019 - \$82,848). As at June 30, 2020 the Corporation has no outstanding notional swing forward exchange contracts.

20. 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 and as of June 30, 2020, the Corporation had not received any donation or gifts.

21. Contingent Liabilities

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

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

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

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

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

June 30, 2020

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.

22. Comparatives

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

23 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. 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. On May 1, 2020 the Ontario Provincial government eased the restrictions under the Emergency Management Act and Waterfront Toronto's remaining projects were also determined to be essential workplaces. 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 – September 17, 2020
Item 3(c)(ii)(a) – Port Lands Flood Protection (PLFP)
Dashboard Report
David Kusturin

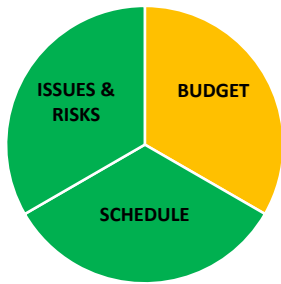
<p>Purpose</p>	<p>For Committee Information</p> <p>The Port Lands Flood Protection (PLFP) Dashboard report is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to monitor on a monthly basis the progress and achievement of project budgets and 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 Q1 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 \$679.62 million, an increase of \$15.2 million from the last quarterly report. • Cost incurred to date equals \$285.6 million. • \$80.2 million of the project contingency is unallocated and is available for future risks and unknowns. <p>The key accomplishments last quarter includes:</p> <ul style="list-style-type: none"> • As part of 90% Stage Gate Design Process, value engineering initiatives are in progress throughout the program for design optimization. The Procurements for Indigenous consultation and Play Equipment for Parks have been awarded. The procurement for Rivers and Park planting soil supply, and carp gates & pedestrian bridge for the Central River Valley are currently in process. • The construction of phase 2 slurry cut off walls is completed except for the portion crossing utility corridors. Secant pile wall installation in the Central River Valley is ongoing. The shallow excavation at the Elbow, Spillway and Ice Management Areas is continuing along with deep excavation of river valley at the east and centre cells. • The installation of Polson Slip revetment has begun along with commencement of temporary servicing for Fire Hall 30. The construction of Toronto Hydro Electric System relocation work began along with completion of temporary gas main installation by Enbridge for Commissioners Street. • The execution of the Delivery Agreement for Lakeshore Alternative Case Phase 1 with City of Toronto is currently underway. Site preparation and removals work continued at 105 Villiers Street following handover of additional lands for Villers Island Grading project.
<p>Next Steps</p>	<p>The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q2 2020/2021 will be provided on November 26, 2020.</p>



Finance, Audit & Risk Management Committee – September 17, 2020
Item 3(c)(ii)(b) – Bayside External Services Dashboard
David Kusturin

Purpose	<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>
Areas of note/ Key issues	<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 Q1 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 \$66.54 million; an increase from the prior report of \$1.4 million. • Forecast of additional future commitments equals \$4.42 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 \$55.81 million which represents 78.6% of the Estimate at Completion. <p>The work accomplished last quarter includes:</p> <ul style="list-style-type: none"> • Sandblasting remediation of the concrete shell finish has been completed and accepted by Consultants. • Mechanical installation of the flocculation tank and drainage components are approximately 75% complete. • Electrical systems and power to the building are approximately 60% 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.
Next Steps	<p>The next dashboard for Bayside External Services for Q2 2020/2021 will be provided on November 26, 2020.</p>

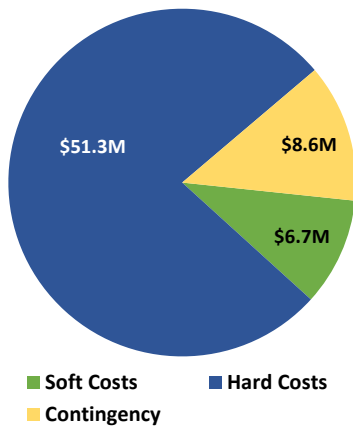
PROGRAM SUMMARY



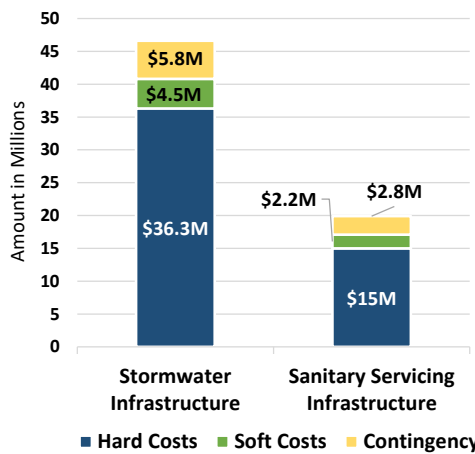
June 2020 Update: The Stormwater and Sanitary Servicing Infrastructure project is proceeding in accordance with the Board Approved 2020-2021 Strategic Plan and is forecast to be complete within 10% of the Capital Project Budget. The increase in Estimate at Completion is due to number of potential delay and changed conditions claims from the contractor. The variance to 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

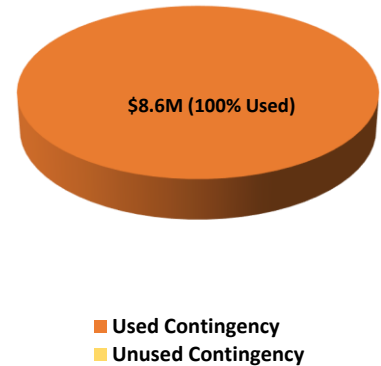
Program Cost (Capital Approval Budget \$66.5M)



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



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



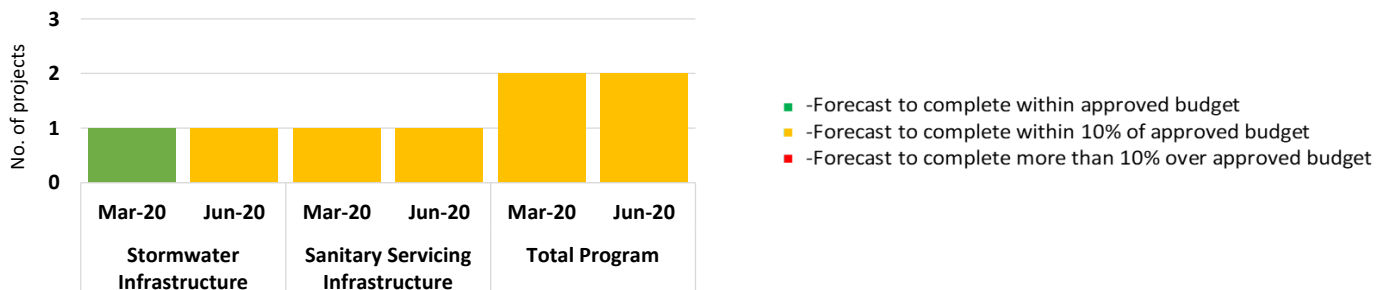
FINANCIAL SUMMARY

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	\$ 46.45	\$ 4.28	\$ 50.74	\$ 36.42	\$ (4.14)	72%
Sanitary Servicing Infrastructure	19.94	-	19.94	20.09	0.14	20.23	19.39	(0.29)	96%
Total Program	\$ 66.54	\$ -	\$ 66.54	\$ 66.54	\$ 4.42	\$ 70.97	\$ 55.81	\$ (4.43)	79%

All figures in Millions

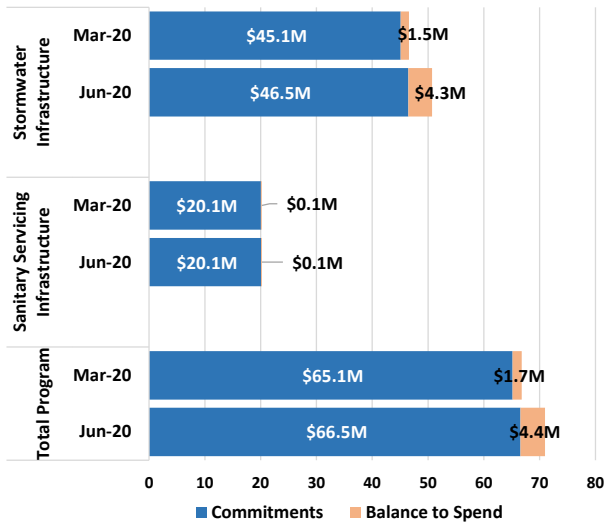
PROGRAM BUDGET STATUS

Budget Status by Projects

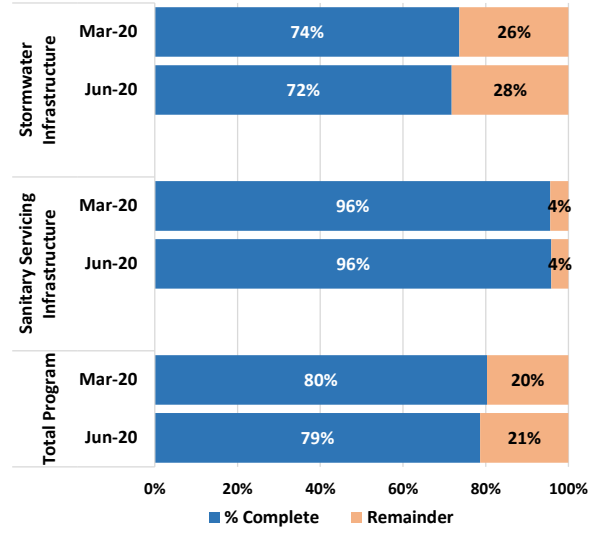


PROGRAM IMPLEMENTATION INDICATORS

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



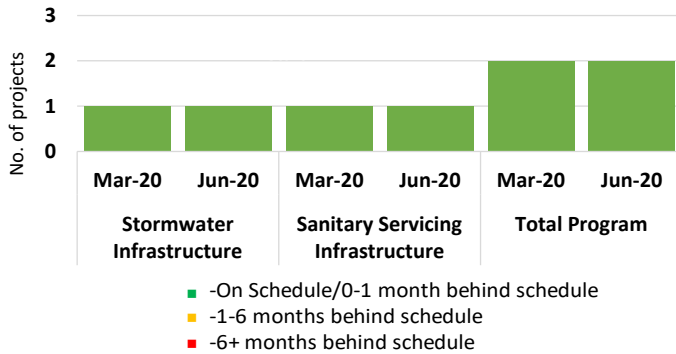
Project Completion (%)
(Based on Estimate at Completion)



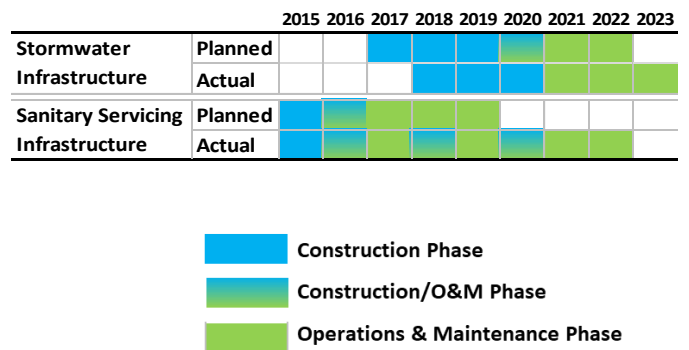
i As a result of increase in estimate at completion for Stormwater Infrastructure program component in June 2020, the balance to spend is significantly higher and the % completion is lower.

PROGRAM SCHEDULE STATUS

Schedule Status by Projects



Project Duration



SITE PHOTOS



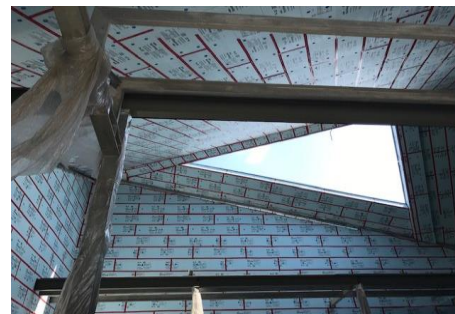
SWF South View



Inside process piping work



East view transformer install



Inside roof insulation foam work



Finance, Audit & Risk Management Committee – September 17, 2020
Item 3(d) – 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):*
 - *Own Innovation* – Legal Advice and Services related to Intellectual Property Issues and certain Contract Negotiations related to Quayside. The Consultant was retained for his valuable perspective and extensive history specializing in US and Canadian patent/trademark filing, copyright, and IP strategy. Contract value to date: **\$25,000**.
 - *Menkes Waterfront Holdings Inc.* – Reimbursement of Hydro Relocation of Existing Electrical Service to Sugar Beach. As per condition 2.3 for the Undertaking Agreement, dated April 20, 2018, between Waterfront Toronto and the City of Toronto, Waterfront Toronto is required to relocate the existing hydro equipment in Sugar Beach, and Menkes had paid Toronto Hydro on Waterfront Toronto's behalf to complete the work. Contract value to date: **\$149,903.70**. (If Waterfront Toronto had paid Toronto Hydro directly, this would not be required to be reported as an exception as per Section 6(7) of the Procurement Policy)
 - *Scargall Owen-King LLP In Trust* - Reimbursement of legal and appraisal costs incurred between March 2019 and September 2019 by the 39 Commissioners St. landowner. The property is being expropriated and the landowner is entitled to reimbursement of its legal and appraisal costs as part of the expropriation process. Contract Value to date: **\$42,271.09**

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

- *None.*

Regulatory & Operational Compliance Report

(for the period from April 1, 2020 to June 30, 2020)

Finance, Audit and Risk Committee Meeting

September 17, 2020

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 July 31, 2020 for period June 1, 2020 to June 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 2019 CIT Return filed on Feb 24, 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 5 2019				
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>	Land owner'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:	Properties operated by the Corporation are professionally managed by DMS Property Management 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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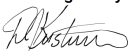
Lisa Taylor

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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:	<ul style="list-style-type: none"> There were no OHSA reportable Health & Safety issues during the 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:	<p>Port Lands Flood Protection Project</p> <ul style="list-style-type: none"> April 30, 2020 – A spill to lake was reported to the City and the Ministry of Environment, Conservation and Parks. Sediment laden drilling water was released to Polson Slip through the temporary silt sock sediment controls put in place while permanent controls were under construction. In response, the first silt sock was repositioned, and a second one added. An added barrier of aggregate wrapped in filter cloth was also incorporated. No further sediment releases occurred. May 4, 2020 – A spill to storm sewer was reported to the City and Ministry of Environment Conservation and Parks. Hydro-Vac trucks vacuumed up the water and oily sheen and cleaned the affected catch basins and the City shut off the water. The water line was no longer required and the water line break did not need to be repaired. May 22, 2020 – A spill from the water management pond was reported to the City, the Ministry of Environment, Conservation and Parks and the Toronto and Region Conservation Authority. At 242 Cherry Street, water from the project construction site water management pond was inadvertently released to the surrounding area. Controls were already in place at all catch basins to prevent sediment from entering the catch basins. Water pumping to the water management pond was halted and the berm was repaired. Improvements were made to pond operation and maintenance plans. 				

	<ul style="list-style-type: none">• June 1, 2020 – Order from Technical Standards and Safety Association (TSSA) issued to Toronto Waterfront Revitalization regarding an underground storage tank at 130 Commissioners Street. During decommissioning and removal of the out-of-use underground storage tank (UST), the TSSA officer identified holes in the UST and required the owner to submit an assessment report that delineated the extent of soil and groundwater impacts. The report was submitted to the TSSA by the compliance date of August 30, 2020.
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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	Acting 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	Acting General Counsel/Privacy Officer
Additional comments:	No breaches have been reported.				

Ian Ness, Acting General Counsel

DocuSigned by:

Ian Ness

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Finance, Audit & Risk Management Committee – September 17, 2020
Item 3(f) – Fundraising Action Plan Dashboard
Kathleen Niccols

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 2020/21-2024/25.</p> <p>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"> • Completed the 10% design and resultant cost estimate for the Destination Playground and pavilion, including Indigenous input • Developed naming and toolkit proposals for the Destination Playground Case for Support • Quantified the portion of governments’ investment in Port Lands Flood Protection that makes possible the building of Destination Playground in Promontory Park South, to be included in the Case for Support • Reviewed City feedback on the draft Fundraising MOU Term Sheet and began requested revisions • Prepared the position description for the new Fundraising Director role • Prepared first draft of the WT Fundraising Policy to address donations, sponsorship and donor recognition <p><u>COVID-19 and Fundraising</u></p> <p>Implementation of the Fundraising Action Plan is focused on building capabilities and developing a campaign plan for Destination Playground and advancing the Signature Projects. The Action Plan does not include approaching potential donors/sponsors until after March 31, 2021, protecting Waterfront Toronto from near-term impacts on fundraising arising from the economic consequences of COVID-19.</p> <p>KCI, Waterfront Toronto’s fundraising advisor, recently provided a report on the impact of the pandemic on fundraisers and fundraising in Canada. Below are the implications for Waterfront Toronto of the information contained in this report:</p> <ol style="list-style-type: none"> 1. The Case for Support must reflect the changes brought about by the pandemic and must emphasize organizational values, including diversity. 2. The Destination Playground fundraising strategy will need to: <ul style="list-style-type: none"> • Appropriately connect with individual donors to target both major and planned giving; • Contemplate interacting digitally with prospects and donors; • Underscore the rationale for the funds to be raised; and • Reinforce to corporate donors/sponsors how investing in Destination Playground aligns with their organization’s purpose.
Next Steps	The next Fundraising Action Plan Dashboard will be provided on November 26, 2020.

PROJECT STATUS SUMMARY

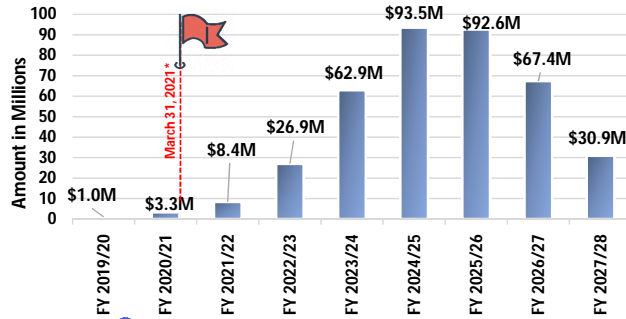
The Fundraising Action Plan states that Waterfront Toronto will develop its fundraising capabilities (to address readiness gaps identified by the fundraising consultant, KCI) and a campaign plan to pursue major gifts (\$500,000+) for the Destination Playground and will advance design and planning for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



Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25. This dashboard summarizes Fundraising Action Plan expenditures, deliverables and progress. Fundraising Action Plan Funding (not shown) is sufficient to meet planned expenditures to the March 31, 2021 Board decision date.

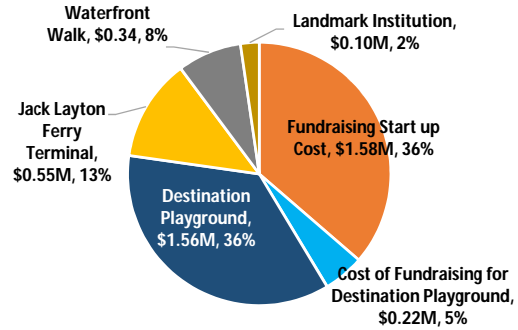
FUNDRAISING EXPENDITURES (LONG TERM/SHORT TERM)

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



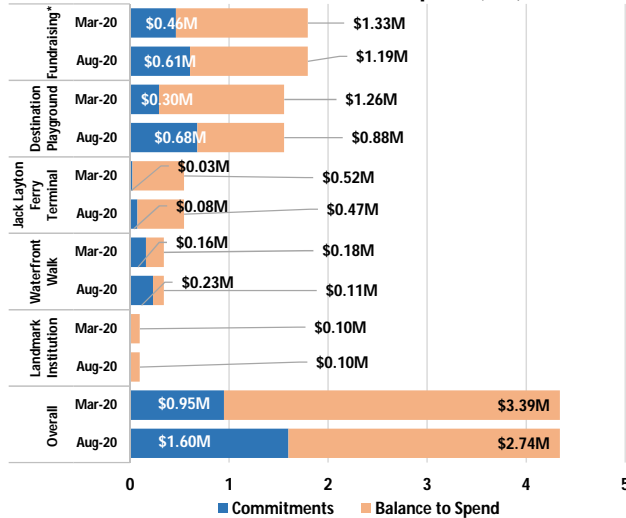
*March 31, 2021 Board decision- consent to proceed

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

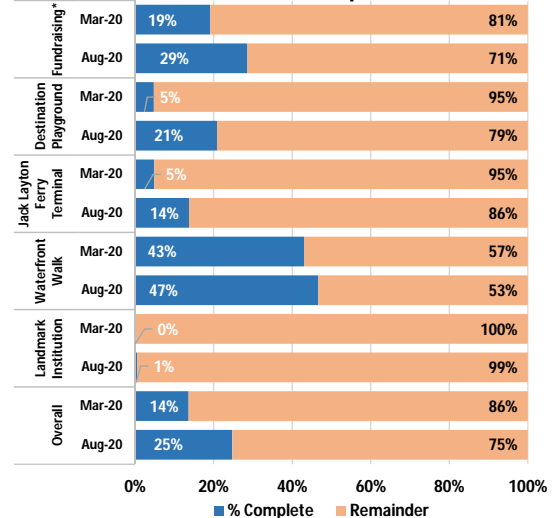


FUNDRAISING ACTION PLAN IMPLEMENTATION INDICATORS (For initial 2 years)

Commitments and Balance to Spend (\$M)



Action Plan Completion



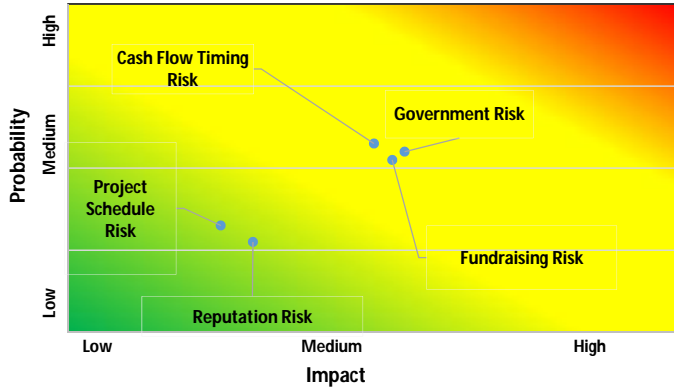
*Fundraising includes Start up Cost and Cost of Fundraising for Destination Playground

FUNDRAISING ACTION PLAN PRIORITY DELIVERABLES

Priority Deliverables	Apr to Jun 2020 Completed	Jul to Sep 2020 Completion	Oct to Dec 2020 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 Campaign Director		✓	
Establish internal fundraising project management	✓		
Hire Partnerships Officer and Prospect Researcher			✓
Develop key policies, procedures and precedent legal agreements		✓	
Fundraising for Destination Playground			
Draft Case for Support - Look and Feel, Toolkit	✓		
Undertake Market Sounding for Naming and Case for Support Toolkit		✓	
Develop Case for Support content			✓
Develop Fundraising Strategy for Destination Playground			✓
Build Presentation Model			✓
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 and Risk Management Committee September 17, 2020
Item 4 – Port Lands Flood Protection Update
Report of the Independent Capital Project Monitoring
BTY Consulting Group Inc.

<p>Purpose</p>	<p>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.</p>
<p>Areas of note/ Key issues</p>	<p>The Independent Capital Project Monitoring & Assurance Services Report #8 (Q1 2020/21) Key findings:</p> <ul style="list-style-type: none"> • Budget: <ul style="list-style-type: none"> ○ The Approved Budget is in the amount of \$1.185Bn. No revision to reported budgets until 90% Stage Gate. ○ The Estimate at Completion includes limited post-60% Stage Gate revisions for NRHST, and remains at \$1.185Bn. ○ Contingency increased by \$2.4M, but remains at the low-end of the expected range. ○ No reforecast of the real-time impact of tenders, contracts, change orders and risks forecast in between Stage Gates, next reforecast at 90% Stage Gate in Q2 2020/21. Real-time reporting of movement within budget envelope recommended. • Schedule: <ul style="list-style-type: none"> ○ The construction schedule update (period ending March 31, 2020) forecasts the PLFP Project works will be completed by the Substantial Completion Date. On-going monitoring recommended. ○ The PLFP Schedule Management process implemented by WT is in line with industry standards. • Scope: <ul style="list-style-type: none"> ○ No scope changes were formalised in the current reporting period. Next review at 90% Stage Gate. • Risk: <ul style="list-style-type: none"> ○ Risk rating increased to ‘amber’ based on THESL and Enbridge utility works and potential impact to the PLFP Project. ○ NO COVID-19 reporting update, nor is this included in the risk register. Risks (schedule and budget) impact are estimated in the separate HDR Report (undated from last quarter). ○ No update on the 100-year lake level matter. • 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.
<p>Next Steps</p>	<p>BTY will prepare and provide Report #9 at the November 2020 FARM Committee meeting.</p>



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

WT Port Lands Flood Protection Project

REPORT 8.0 (FOR PERIOD ENDING JUNE 30, 2020) R.1
SEPTEMBER 10, 2020

PREPARED FOR:

Waterfront Toronto (FARM) Committee

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Prepared By	Reviewed By	Date
Tom Coyle Kieshea Hepburn Paul Margerrison Scott Wilkinson	Joanne Henson Tom Coyle	September 8, 2020



1.0 Independent CPMAS Consultants' Project Dashboard

1.1 Dashboard

Site Visit	Details	Comments
Date of Visit	August 12, 2020	Refer to Section 4.0 of this report.
WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Objective:		Our Quarterly Report No.8 provides an assurance review for Q1 2020/21 (period April 1, 2020 to June 30, 2020). Based on discussion with the FARM Committee the following areas were identified for review in this report: <ol style="list-style-type: none"> 1. Schedule: COVID-19 impact, if any. 2. Risk Management: Update on the impact of COVID-19. 3. Scope: Track the Lake Ontario high water level recalibration matter.
Budget:	Approved Budget & Estimate at Completion ("EAC")	<ol style="list-style-type: none"> i. 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. The next budget reforecast will be provided at the 90% Stage Gate only. ii. The 60% Stage Gate estimate was approved by the Executive Steering Committee on November 12, 2019 in the amount of \$1.185bn. This is reflected in the Estimate-at-Completion ("EAC") reporting. The Estimate-at-Completion ("EAC") has not been reforecast during the period ending June 30, 2020; the next reforecast will be at the 90% SG. There is an exception, which is the modification to the Program Budget hard and soft cost breakdowns, which is reported to be a reversal of the previous months NRHST increase though this could not be verified. iii. A re-forecast EAC will be reviewed in our next report (based on the 90% Stage Gate).
	Current Commitments	BTY note that the 'Total Commitments' indicated in the June 2020 Dashboard for the below projects do not align with the monthly status reports or the Commitments Log ('PLFP_commitments as June 30, 2020'), WT confirm this is due to NRHST excluded in the Commitments Log (Procurement), and a discrepancy of \$200,000 reported for PFP.04.05. This has not been verified at time of issue. Refer to section 3.2.2.
	Cost Optimisation	Nothing to report this period. The next cost optimisation exercise will be completed in connection with the 90% Stage Gate Estimate.
	Current Budget	The next report will be the 90% Stage Gate.
	Contingency	<ol style="list-style-type: none"> i. For period ending June 30, 2020, the Contingency utilisation is reported by WT CPMO to have reduced by \$2.4M to be \$44.3M or 35.6%. The unallocated remaining Contingency (excluding escalation) is reported to be \$80.2M or 64.4%. ii. A spreadsheet has been provided dated May 2020 that supports the remaining contingency balance. This is a change to the March 2020 Dashboard, which was \$77.8M. A breakdown has been provided. iii. No updated EAC forecast has been provided for period ending June 30, 2020 and further revision to Contingency may be pending. iv. The current remaining Contingency is equal to: <ul style="list-style-type: none"> o 9.7% of the total Hard Cost Budget; o 8.4% of the total project cost-to-complete. The Contingency is at the low-end of the expected range. We understand that WT CPMO will utilise cost optimisation measures at the 90% Stage Gate, in addition to further utilisation of Contingency, as required, to balance the budget.



Independent CPMAS Consultants' Project Dashboard (continued)

WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Budget:	Procurement	Procurement & Award: Master Procurement List (June 2020) is generally consistent with WT CPMO reporting of 'Commitments'. However, the position of the procurement result against EAC budget amount are not identified. The next update will be the 90% SG.
	Monthly Reporting on EAC & Budget	<ul style="list-style-type: none"> i. The Project Artefacts report the AP (approved 30% SG), EAC (approved 60% SG) and current Commitments. However, we note that the PA's do not identify the current impact or correlation of the Commitments to the EAC subsequent to the 60% SG, which was concluded and June 30, 2020. ii. Whilst WT CPMO have clarified cost management processes in place and monitoring of the budgets internally, this cannot be verified within the Project Artefact by BTY. The next update of the EAC will be the 90% Stage Gate. Refer to Section 3.2.9.
Schedule:	March 31, 2024 (Substantial Completion) Actual Progress	<ul style="list-style-type: none"> i. The Project Artefacts reported by WT CPMO and the Construction Manager state that the overall project will be completed by December 2023, three (3) months prior to the SC Date, and a low 'green' risk level is assigned. ii. 15 of 23 projects are reported delayed in the Monthly Reports (though 14/23 in the Dashboard). iii. Quarter-on-Quarter there has been further delay, which has been absorbed by this float. However, the warning is clear that if the negative trend continues, the total float will be used up resulting in delays to the project. iv. BTY undertook a detailed review of the Construction Manager's updated Schedule #32 and found many individual projects are delayed, some by significant periods, which may impact the completion date. In our opinion, there are four (4) of the individual projects (#3, #5, 7a & #15c) that are significant because they are on the 'critical path' and are scheduled to be completed within 2-months of the target completion date of December 2023. These projects are currently delayed between 0 & 173 weeks. Despite the delays identified, these projects can be completed prior to the Substantial Completion Date of March 2024. v. WT CPMO and the CM are of the opinion that whilst activities within the schedule are delayed; the schedule includes significant float and opportunity for re-scheduling activities. The schedule float (including float within the critical path) has been verified by BTY; and we concur that some opportunity for re-scheduling and delay mitigation is inherent to the schedule. In addition, the size and nature of the project includes many sub projects not directly related to each other. This allows the schedule to be re-sequenced as necessary to mitigate these delays to meet this completion date, noting the comment above. vi. On-going monitoring of the trends, and re-sequencing is recommended.
	Actual Progress	Based on the Project Artefacts, the works on-site are progressing generally in accordance with the progress identified on the updated Schedule #32. Refer to Appendix 3.
Program (Scope):	Project Charters	WT CPMO have confirmed that there were no revisions issued to the Project Charters during quarter ending June 30, 2020.
	Scope Adjustments	We understand that no further budget led scope changes (cost optimisation) will be introduced until the 90% Stage Gate cost estimates are prepared.
	Lake Level	As discussed by WT CPMO at the FARM Committee in November 2019, the TRCA has recommended that the 100-year lake levels be increased. WT CPMO have confirmed that this matter has been reported at all levels of oversight, and that investigation of the impact to the PLFP project design, budget and schedule are on-going. There has been no new reporting on this matter within the Project Artefacts during Q2 2020/21.



Independent CPMAS Consultants' Project Dashboard (continued)

WT PLFP Project Fundamentals	Details	Independent CPMAS Consultant Comments & Risk
Risk management:	Overall Risk Status	i. The Project Dashboard indicates an 'amber' risk level, which means a medium likelihood of risks occurring and/or likely issues flagged are likely to impact the schedule/budget. This is due to the potential impact to the budget /schedule of utility works. This is expected to be advanced in the next quarter cycle. ii. The Risk Register is actively managed and the 'top ten' risks are identified in the Project Artefacts. However, new identified/realised risk (post-60% SG) will not be identified in the EAC or Schedule until the 90% SG. iii. Risk Impact: Currently, 4 of 23 Work Packages (projects) are identified by WT CPMO to have a medium likelihood of impact to budget and/or schedule due to the potential impact of a tracked risk. This represent a decrease of 2 from the previous reporting period. However, the main reason for an overall amber risk rating is the utilities (THESL and Enbridge). iv. A risk management process has been adopted, which is actively managed and robust. v. We observed that the risk register for the period ending June 30, 2020 and other Project Artefacts had limited or no references to the COVID-19 pandemic or control measure in place in response to the State of Emergency declared in the Province of Ontario.
	COVID-19	i. In the previous quarter it was reported that WT CPMO initiated a process with the external risk management consultant to identify the impact and risks to the project schedule and budget associated with the COVID-19 pandemic. This is a separate endeavor to the risk register, which continued into the current quarter and an updated draft report was provided to BTY in September 2020. ii. BTY have reviewed the updated draft COVID-19 Report prepared by the risk management consultant and have included updates in Section 6.4 of this report. iii. 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. However, the impact of risk on the schedule and budget/EAC shall not be updated until the 90% SG. This is because there is no real-time reporting between the Stage Gates. COVID-19 and Lake Level matters are not included in the Project risk register.

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 with the exception of real-time reporting of on-going budget movement related to executed contracts, tender results, change orders and risk realisation, which is discussed in the Executive Summary and Appendix 2 to this report.

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 Q2 2020/21, July 1, 2020 – September 30, 2020.



Independent CPMAS Consultants' Project Dashboard (continued)

1.2 PLFP Project Status Summary (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, as follows:

Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - Mar 2020)			WT CPMO Status Summary (source: Monthly Status Reports - Jun 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 but including a 12-month delay observed since March 2020.
PFP03-02 Commissioners Str E to Saulter St.	15C	Green	Red	Yellow	Green	Red	Yellow	Same as previous status rating but including a 15-month delay observed since March 2020.
PFP03-03 Cherry Street Re-Alignment	14A	Green	Yellow	Green	Green	Red	Green	Schedule risk status upgraded to red; forecast 10-month delay from baseline including a 9-month delay observed since March 2020.
PFP03-05 Don Roadway North	7A	Green	Green	Yellow	Green	Green	Green	Same as previous status rating.
PFP03-06 Hydro One Integration	18	Green	Green	Yellow	Green	Green	Green	Same as previous status rating.
PFP03-07 Site Wide Municipal Infrastructure	5	Red	Green	Yellow	Red	Green	Yellow	Same as previous status rating
PFP04-01 Cherry Street North Bridge	14B	Yellow	Red	Green	Yellow	Red	Green	Same as previous status rating but including a 6-month delay observed since March 2020.
PFP04-02 Cherry Street South Bridge	14C	Yellow	Yellow	Green	Yellow	Yellow	Green	Same as previous status rating
PFP04-03 Commissioner Street Bridge	15B	Yellow	Green	Green	Yellow	Yellow	Green	Schedule risk status upgraded to amber; forecast 5-month delay from baseline including a 5-month delay observed since March 2020.
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	Yellow	Green	Green	Red	Green	Schedule risk status upgraded to red; forecast 6-month delay from baseline including a 5-month delay since March 2020.
PFP05-03 River Valley System PFP05-04 Don Greenway & Spillway	3 4	Yellow	Green	Green	Yellow	Green	Green	#3: Same as previous status rating but including a 2-month delay observed since March 2020. #4: Schedule risk status is reported to be green; however, the reporting indicates a forecast 11-month delay from baseline schedule including a 3-month delay since March 2020. (WT colour code should be red).
PFP05-05 Keating Channel Modifications	16	Green	Green	Green	Green	Green	Green	Same as previous status rating
PFP05-06 Polson Slip Naturalisation	2	Green	Green	Green	Green	Green	Green	Same as previous status rating but including a 4-month delay observed since March 2020.
PFP05-07 Don Roadway Valley Wall Feature	8	Red	Red	Green	Red	Red	Green	Same as previous status rating
PFP05-08 Eastern Avenue Flood Protection	12	Green	Red	Green	Green	Red	Green	Same as previous status rating



Independent CPMAS Consultants' Project Dashboard (continued)

Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - Mar 2020)			WT CPMO Status Summary (source: Monthly Status Reports - Jun 2020)			BTY Comment
		Budget	Schedule	Risks	Budget	Schedule	Risks	
PFP05-10 Flow Control Weirs	11	Green	Green	Green	Green	Red	Green	Schedule risk status upgraded to red; forecast 16-month delay from baseline including a 16-month delay observed since March 2020
PFP05-11 Sediment & Debris Management Area	10	Red	Red	Green	Red	Red	Green	Same as previous status rating
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	Yellow	Green	Schedule status differs between Dashboard (green/low) & PSR (amber/medium); Same as previous status rating; forecast 1-month delay from baseline including a 5-month gain observed since March 2020.
PFP06-02 River Valley Park South	21	Red	Red	Green	Red	Red	Green	Same as previous status rating but including a 3-month gain observed since March 2020.
PFP06-03 Promontory Park South	17B	Green	Yellow	Green	Green	Green	Green	Schedule risk status downgraded to green including a 4-month gain observed since March 2020.
WT CPMO Overall Project		Green	Green	Green	Green	Green	Yellow	Same as previous status rating
BTY Summary (based on WT CPMO 'Risk Criteria')		Green	Green	Green	Green	Green	Yellow	

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

1.3 Independent CPMAS Consultant Findings

Based on the Project Artefacts received in Q1 2020, we concur with WT CPMO that a 'low risk' status for the cost, schedule remains acceptable in the current period, despite identified concerns related to schedule trends indicating delays and no real-time cost reallocations and movement within the overall budget envelope.

During the current reporting period, WT report that the 'Risk' has moved to amber because of elevated risk due to utilities relocations issues concerning Toronto Hydro and Enbridge, with the potential to significantly impact both the PLFP schedule and budget. This is to be monitored in the next quarterly report Q2 2020/21 (period ending September 30, 2020).

We confirm that the process and methodology implemented by WT are generally robust, and in accordance with industry best practice.



INDEPENDENT CPMAS CONSULANT REPORT

WT Port Lands Flood Protection Project

APPENDICES

Appendix 1: Introduction & Methodology

Appendix 2: Budget Management Review

Appendix 3: Schedule Management Review

Appendix 4: Scope Management Review

Appendix 5: Risk Management Review

Appendix 6: Photo Report



APPENDIX 1

2.0 Introduction & Methodology

2.1 Instructions Received

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

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

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

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

2.2 Report Reliance

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

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

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

2.3 Reporting Qualifications

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

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

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

Introduction & Methodology (continued)

2.4 Project Description

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

The PLFP Project comprises of 23 sub-projects, these projects fall into 4 categories of work: Roads and Services, Bridges and Structures, Flood Protection, and Public Realm.

Each sub-project of the PLFP Project is described within the Project Charters v.5 approved by the Executive Committee for the PLFP Project on April 29, 2019 and /or Project Charters v.6 approved in July 2019 (refer to the Table in Section 5.1 of this report).

There has been no change to the Project Charters, and therefore Project Scope during the current quarterly reporting period.

2.5 Methodology & Approach

This report is based upon Project Artefacts received from the WT Capital Program Management Office (“WT CPMO”) relevant to the period Q1 2020/21 (April 1, 2020 – June 30, 2020). We understand that all reporting presented to the FARM Committee for discussion is based on the same timeline.

BTY, in capacity of independent monitor, engaged with the WT CPMO Office, the WT Project Director, EllisDon site personnel and undertook a physical site inspection on August 12, 2020 in order to prepare this report. The date of our site visit falls outside this reporting period (April 1, 2020 – June 30, 2020) due to restrictions imposed by the COVID-19 pandemic and therefore our planned site visit in June 2020 was not possible.

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

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

2.6 Project Artefacts Received

The following Project Artefacts for reporting period ending June 30, 2020 (Q1 2020/21) were received from the WT CPMO and reviewed and analysed by the Independent CPMAS Consultant team, as follows:

- WT’s FLFP Project Monthly Status Reports (April, May and June 2020).
- PLFP Project Dashboard (April, May and June 2020).
- Ellis Don Monthly Progress Report for April, May and June 2020.
- Procurement documents including:
 - Master Procurement Log (‘PLFP_WT_Procurement log_30Jun2020’).
 - CM’s Procurement Log (‘Ellisdon’s contract procurement log_30Jun2020’).
- Schedules including:
 - Updated Master Schedule reference #32 dated 30th June 2020.
- Risk Register including 2020_04_PLFP Risk Register_April2020, 2020_05_PLFP Risk Register_May2020, 2020_06_PLFP Risk Register_June2020.

Introduction & Methodology (continued)

- Commitments Log ('PLFP_commitments as June 30, 2020').
- Contingency Log ('Copy of PLFP_ContingencyDrawdown-August2020-Aheadof90%StageGate').
- Change Order Log.
- COVID-19 Risk Analysis slide deck by HDR ('PLFPEI COVID Risk Analysis_4.30.20').
- 90% Stage Gate (draft), and 90% Stage Gate Cost Estimates.

The following Project Artefacts were requested but not received during the current reporting period:

- Updated Project Charters (it is understood that none were issued).

The Project Artefacts are provided by WT CPMO; BTY cannot be held responsible any additional information, that had it been received, would have materially changed the opinions contained in this report.

2.7 Exclusions

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

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

2.8 Next Steps

We expect our next report to be a monitoring report of the technical aspects of the PLFP Project being executed based on the Project Artefacts for the period July 1, 2020 – September 30, 2020. Our next report is due on November 16, 2020.

2.9 Further Information

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

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APPENDIX 2

3.0 Budget Management

3.1 Introduction and Approach to Project Monitoring & Assurance this Period

During Q1 2020/21 (period April 1, 2020 to June 30, 2020), we undertook a general review of the Project Artefacts related to budget and financial summaries, to confirm the budget reporting.

In addition to the PLFP Monthly Program Dashboard and Monthly Status Reports for each sub-project, BTY received a draft copy of the 90% Stage Gate including Summary Report and Cost Estimates. Due to the timing of receipt and the draft version received from WT CPMO, our review is on-going and will be finalised in Q2 2020/21. Therefore, a deep-dive review of the budget / Estimate at Completion (“EAC”) was not undertaken, because there is no stage gate milestone being reported in this reporting quarter.

Therefore, based on the WT CPMO budget reporting processes in place, the Approved Budget (“AP”), Estimate at Completion (“EAC”) and Commitments and Costs / % Complete are reported in the monthly Project Artefacts only. Based on the WT CPMO processes, we understand that the AP and EAC shall remain unchanged in between Stage Gates. The manner in which WT CPMO report project costs is a static EAC and AP, this will be revisited at the 90% Stage Gate.

3.2 Current Budget – Estimate at Completion

3.2.1 PROGRAM BUDGET REVIEW - POST-60% STAGE GATE ESTIMATE (ESTIMATE AT COMPLETION)

As reported during the last quarter, the budget at each stage gate (up to the 60% Stage Gate Estimate) by ‘cost category’ were summarized as follows:

Budget	Escalated Hard	Escalated Soft	Contingency	NRHST	Total
Due Diligence	\$837.2 M	\$167.8 M	\$164.0 M	\$16.0 M	\$1,185.0 M
30% Stage Gate (Approved Budget)	\$855.4 M	\$184.6 M	\$124.5 M	\$20.5 M	\$1,185.0 M
60% Estimate	\$874.2 M	\$188.4 M	\$102.0 M	\$20.5 M	\$1,185.0 M
FINAL 60% Estimate after Approvals (EAC)*	\$889.3 M	\$193.8 M	\$81.4 M	\$20.5 M	\$1,185.0 M
Estimate at Completion (post-60% SG)	\$889.7 M	\$197.0 M	\$78.5 M	\$19.8 M	\$1,185.0 M

*BTY understands that the above noted Final 60% Stage Gate was approved by the Executive Steering Committee on December 5, 2019.

Budget Management (continued)

3.2.2 CURRENT BUDGET - ESTIMATE AT COMPLETION

Based on a comparison of the previous and current budget reporting, WT CPMO reporting shows the 'Final 60% Cost Estimate by Segment' (\$1.185Bn) or EAC has remained unchanged since the last reporting period with the exception of a modification related to a reversal of the NRHST, as follows:

Program Budget Allocation	Program Budget by Cost Category (March 2020)	Program Budget by Cost Category (June 2020)	Difference This Period
Hard Costs	\$813.4M	\$830.5M	\$17.1M
Soft Costs	\$184.6M	\$188.0M	\$3.4M
Risk Contingency	\$124.5M	\$124.5M	\$0.0M
Escalation Allowance	\$42.0M	\$42.0M	\$0.0M
NRHST*	\$20.5M	\$0.0M	\$(20.5M)
Total	\$1.185Bn	\$1.185Bn	\$0

*NRHST is included in the Hard Costs and Soft Costs.

The available project reporting does not explain the change (refer to Section 3.3 of this report)

3.2.3 INCLUSION OF CHANGE ORDERS / COMMITTED COSTS (AT STAGE GATE)

A Procurement Log and Change Order Log have been provided, inclusive of the contract award and change orders have been provided. However, the impact of these costs and the manner that it any overages related to budget v tender and / or contract change orders cannot be verified by BTY based upon the available Project Artefacts. We noted:

- i. The WT CPMO office has verbally advised that there are no significant cost impacts, and that \$5.2M of change orders this reporting quarter shall be included in the forecast EAC at 90% SG. The \$5.2M change order total was verified in the Ellis Don's Procurement Log.

The 'estimate at completion' that the Project Artefacts are reporting upon is the 60% Stage Gate (adjusted for reforecast NRHST only). This means that the real-time impact of any change orders, risks, claims and/or procurement results are not be identified until next quarter (September 30, 2020). WT CPMO have confirmed that the next update shall be the 90% SG.

3.2.4 TOTAL COMMITMENTS

The 'Total Commitments' indicated in the monthly status report, less NRHST, generally correspond with the Master Procurement Log 'Total Contract Amount'. Costs incurred are unverified.

BTY note that the 'Total Commitments' indicated in the June 2020 Dashboard for the below projects do not align with the monthly status reports or the Commitments Log ('PLFP_commitments as June 30, 2020').

- Project ID #13 (Lakeshore Road & Rail Bridge Modifications) indicates \$11.70M Total Commitment on Dashboard vs \$11.71M on monthly report/Commitment Log;
- Project ID #14D (Old Cherry St. Bridge Demolition) indicates \$1.07M Total Commitment on Dashboard vs \$1.09M on monthly report/Commitment Log. We understand this is a result of rounding numbers.

Budget Management (continued)

3.2.5 PROCUREMENT LOG

Procurement results arising this quarter, compared to the 60% Stage Gate is not identifiable in the Project Artefacts provided by WT CPMO. Further, a tracking spreadsheet of the awarded contracts against the Approved Budget (30% Stage Gate) was not provided this period.

Based on the adopted cost management and cost controls by WT CPMO the next update to reflect the impact of procurement, post-60% SG shall be at the 90% SG. Therefore, any +/- impact to the budget cannot be verified at this time.

3.2.6 BUDGET MITIGATION MEASURES (COST OPTIMIZATION)

Nothing to report this period because no stage gate has been reached.

3.2.7 SCOPE

No change. As previously reported; the 60% Stage Gate budget includes the following allowances:

- Project ID #12 (Eastern Avenue Flood Protection) is an allowance, not a cost estimate based on the 60% design development. This project has a total EAC of \$1.85M at the 60% SG 'EAC' inclusive of hard, soft and contingency costs.
- Project ID #9 (Eastern Harbour Flood Protection) is an allowance of \$250,000 included in the EAC at 60% Stage gate.

After discussion with WT CPMO we understand that the design for Project ID's #9 and #12 will be defined at 90% Stage Gate and the current budget (contingency and soft costs) will be reallocated for any construction or omitted. This will be monitored.

3.2.8 PLFP PROJECT SAMPLE REVIEW AT STAGE GATE

Nothing to report until 90% Stage Gate. However, BTY have commenced a review of the 90% Stage Gate Estimates, which will be on-going through the next reporting period.

3.2.9 COST CONTROL & FORECASTING BETWEEN STAGE GATES

The Project Artefacts do not provide an updated forecast of the EAC post 60% SG. The AP and EAC reporting by WT shall be unchanged until the 90% Stage Gate. Whilst the facts on Commitments are provided each month, the impact on the EAC is not presented in between the Stage Gates. This means that there is no re-forecast of the EAC post-60% SG. WT CPMO have clarified that:

- i. There is an unreported cost control process in-place, which monitors the impact of Commitments, if any, against each of the sub-projects EAC on an on-going basis. We understand that this is an internal review by WT CPMO and EllisDon. There is no reporting in the Project Artefacts to demonstrate the resultant position, i.e. a monthly forecast.
- ii. WT CPMO advise that any overages to the forecast EAC, as a result of the impact of any Commitment on any individual sub-Projects, will be offset by sub-projects that are forecast to complete below budget.

Whilst BTY do not object to the described cost management processes, we are concern about the lack of real-time reporting in regards the current position of the Commitments on the EAC in the Project Artefacts. We would expect a reforecast each month. We understand that the WT CPMO budget management process means that the next budget reforecast will be provided at the 90% Stage Gate. This is anticipated to be concluded in Q2 2020/21 (November 2020).

Subsequently the \$1.185bn forecast project cost is not verified.

Budget Management (continued)

3.2.10 CONCLUSION: PROGRAM BUDGET REVIEW - POST-60% STAGE GATE (ESTIMATE AT COMPLETION)

The Approved Budget and Estimate at Completion (adjusted 60% Stage Gate), per the Project Artefacts provided in Q1 2020/21 remain is \$1,185,000 based on historic reporting. WT CPMO confirm that the next forecast of the EAC will be at the 90% Stage Gate.

For clarity, the \$1.185bn forecast project cost is not verified this period. Based on the approach by WT CPMO, the Project Artefacts do not provide a real-time update in between the Stage Gate of the impact of the Commitments and risk post-60%-SG on the EAC. Therefore, verification of any current forecast of the EAC post-60% SG cannot be completed by BTY. Our next review of the EAC forecast shall be at the 90% Stage Gate.

3.3 Contingency

3.3.1 CONTINGENCY PROCESS

Contingencies included within the PLFP project can be transparently identified within the Project Artefacts. The contingency is split into three tranches:

- I. Hard Cost Contingency (construction).
- II. Soft Cost Contingency (design and engineering phase or development cost related), and
- III. Program Contingency.

Our references to Contingency are inclusive of all contingency funds, unless stated.

3.3.2 CONTINGENCY STATUS

Previously, based on the preliminary Project Artefacts for March 2020 provided to BTY in Q4 2019/20, the remaining Contingency was \$77.8M or 62.5% of the total Contingency. However, in this quarter, the Dashboard (June 2020) has been increased to \$80.2M or 64.4% of the total Contingency.

The change to contingency quarter on quarter is an increase of \$2.4M based on the latest Project Artefacts provided by the WT CPMO. According to the Contingency Drawdown Log this increase was due to \$4.2M in savings from 'transfer of scope (Cherry St. North Bridge Foundation) from PLFP to CSLF', which have been added to the Contingency. The \$4.2M addition to overall contingency has been offset by two items noted in the Contingency Drawdown Log which total \$1.8M.

Whilst the Dashboard (June 2020) states remaining contingency to be \$80.2M, other Project Artefacts reviewed by BTY when preparing this report identified Contingency of \$80.9M was reported by WT CPMO for April and May Dashboards. The \$0.7M decrease was due to a drawdown in June period noted in the Contingency Drawdown Log as 'Pedestrian Lighting Rough-in'. It is not clear to BTY what Project this drawdown originated or has been applied to.

The WT CPMO Dashboard for June 2020 identifies that \$44.3M of the \$124.5M Contingency is currently committed, with a remaining balance of \$80.2M. BTY have reviewed the reconciliation / breakdown of the Contingency utilisation. The remaining Contingency is equal to:

- 9.7% of the total Hard Cost Budget;
- 8.4% of the total project cost-to-complete.

The utilisation of Contingency to reflect changes due to current commitments has not been provided (no reforecast EAC), and therefore will be reviewed next quarter.

Budget Management (continued)

3.3.3 CONCLUSION

Overall, the Contingency is considered to be at the low-end of the range at 8.4% of the Project 'Cost to Complete (Estimate at Completion(60% SG less Commitments)).

In addition to Contingency, WT CPMO will utilise cost optimisation measures and deferral of scope at the 90% Stage Gate to balance the reforecast EAC, and / or adjust the Contingency. This will be reviewed at the 90% SG.

3.4 Independent CPMAS Review (Project Sampling)

BTY reviewed all projects with a medium or high status for budget.

3.5 Verification of Medium & High Budget Risk Projects – Post 60% SG

Nothing to report this period.

3.6 Independent CPMAS Findings

The overall 'Estimate at Completion' is consistent with the Approved Budget at \$1.185Bn. This shall not be reforecast until the 90% Stage Gate.

We would expect to further review the cost controls in between the Stage Gates in the upcoming reporting periods.



APPENDIX 3

4.0 Schedule Management

4.1 Introduction and Methodology

During the current reporting period, BTY undertook a detailed review of the updated master schedule reference #32 submitted by Ellis Don at the end of June 2020 and dated June 30, 2020. This included a review of the raw schedule data. The documents considered in this review are as follows:

- Updated Master Schedule reference #32 dated 30th June 2020 (in XER format).
- Approved baseline schedule dated 4th March 2019.
- Ellis Don Monthly Report #26 for June 2020.

The objective of our schedule review was to substantiate the reporting by WT CPMO and the Construction Manager, confirm the completeness of the reporting and robustness of the process.

4.2 Baseline Schedule v Updated Schedule (#32)

The following are milestones that we shall monitor between the agreed Baseline Schedule and updated Schedule #32 (June 2020):

Description	Baseline Schedule	Updated Schedule (June 2020)	WT Risk Status
Design & Engineering:			
Roads & Services	June 30, 2021	October 16, 2020	Green
Bridges & Structures	November 21, 2019	October 30, 2020	Red
Rivers & Flood Protection	January 6, 2021	February 4, 2022	Red
Public Realm (Parks)	July 2, 2020	February 1, 2021	Yellow
Permits & Approvals:	May 16, 2022	January 3, 2023	Red
Property Acquisition:	January 4, 2021	January 4, 2021	Green
Construction:			
Roads & Services	December 27, 2023	December 27, 2023	Green
Bridges & Structures	March 24, 2023	October 10, 2023	Red
Rivers & Flood Protection	December 27, 2023	September 30, 2023	Green
Public Realm (Parks)	October 13, 2023	August 11, 2023	Green
Substantial Performance	December 28, 2023	December 27, 2023	Green
Substantial Completion*	March 31, 2024	December 27, 2023	Green

Despite the overall project status being reported on-schedule in the Dashboard (June 2020), we note that the broader PLFP Project 'Project Artefacts' identify 15 of 23 projects are currently behind schedule compared to 14 projects in the previous quarter. Overall, WT CPMO are reporting that the Substantial Completion Date of March 31, 2024 remains unaffected.

Schedule Management (continued)

4.2.1 CRITICAL PATH

As part of this analysis, it is evident that there are several critical paths in the updated schedule #32. This is confirmed by the fact that several critical path activities occur at the same time. This is further confirmed by the flow diagram on page 10 of the monthly report #26. This diagram indicates around 5 “primary” critical paths. Ellis Don indicate two types of critical activity. These are noted as follows:

- Primary critical activities with total float less than 20 working days (4 weeks)
- Secondary critical path with total float between 21 & 40 working days (4 to 8 weeks).

This provides the reason for total float appearing on some critical path activities. While it is acknowledged that the start of some activities can be critical, they should not have float. The very essence of a critical path is that there is no total float. However, it is BTY’s understanding that the use of a “near critical” path in lieu of a true critical path allows the management team to focus on activities that are, or may soon impact the project end date. It is evident that there has been further delay in the period between March & June 2020 which has been absorbed by this float. However, the warning is clear that if the negative trend continues, the total float will be used up resulting in delays to the project.

Since there are multiple critical paths evident, critical path activities are spread across the main components of the schedule. These paths have been summarised as follows:

- Design & Engineering:
 - Bridges & structures: PRJ #13.
 - Roads & services: Utility relocation design, PRJ #5, PRJ #15A & PRJ #15C.
- Tender, Evaluation & Award of Subcontractors:
 - Bridges contracts: Lakeshore bridge & rail modification contract.
 - Road contracts: Ground improvement, Commissioners Street.
 - Utility contracts: Trenching & micro tunnelling.
- Permits & Approvals:
 - Environmental permits: RSC #1, #2, #3, #5, #8 & #9.
 - Road permits: Pipeline crossing permits & general permits.
- Property Acquisition:
 - Commissioners Street: Firehall 30.
- Construction:
 - Rivers, Earthworks & Flood Protection: PRJ #2, #3 & #8.
 - Bridges & Structure: PRJ #14C & #15B.
 - Roads & Services: PRJ #5, #7A, #14A, #15A & #15C.
 - Parks & Public Realm: PRJ #20

The approved baseline schedule includes a period of time between the ‘substantial completion date’ and the final completion date of 21st November 2025. The updated schedule #32 does not include this period or reference to the final completion date. It is understood that this period is primarily a warranty period and is not being considered in the updated schedule so that all focus can be maintained on achieving the substantial completion date. This is a reasonable approach.

4.2.2 WORK BREAKDOWN STRUCTURE (WBS)

The WBS organization for this project appears reasonable and is generally in-line with how the project will likely be constructed.

Schedule Management (continued)

4.2.3 RISK MANAGEMENT

Risks with a potential impact on the PLFP Project are monitored in the Risk Register. In addition, the updated schedule #32 indicates resequencing has been necessary to mitigate the impacts of some of these risks. This is further confirmed in the monthly report #26 (please refer to section 4.3.2 below).

4.2.4 CONCLUSION

BTY confirms that the schedule management process in place appears appropriate and in accordance with industry practices.

Both the Ellis Don Monthly Progress Report #26 (June 2020) and WT PLFP Dashboard (June 2020) provide a status update of the schedule, including the risks, challenges and mitigation required to ensure that the December 2023 'substantial completion date' would still be met.

However, it is BTY's opinion that there are delays evident in critical path activities, and there is a potential for the targeted completion date of December 2023 to be delayed between 8 & 10 weeks but still within the contractual substantial completion date of March 2024.

Please note that the issues identified in Ellis Don's Monthly Report #26 do not readily correlate to the Project format (sub-projects), which is the format of WT CPMO Monthly Status and Dashboard Reports.

4.3 Project Artefacts Review

4.3.1 PROGRAM SCHEDULE STATUS (PROJECT DASHBOARD FOR DECEMBER 31, 2019)

As indicated in the table in 1.2 of this report, the current Project Dashboard is reporting 16 / 23 project works to be delayed and have assigned an amber (up to 6-months delay) or red (more than 6-months) risk status.

- Amber Risk means 1-6-months behind schedule. 4 of 23 projects currently have delays of up to 6-months, including projects referenced: PRJ #14c, #15b, #19 & #20.
- Red Risk means +6 months behind schedule. 12 of 23 projects currently have delays greater than 6-months, including projects referenced: PRJ #4, #8, #10, #11, #12, #13, #14A, #14B, #14D, #15a, #15c & #21.

4.3.2 SCHEDULE STATUS (ELLISDON MONTHLY REPORT FOR JUNE 30, 2020)

We note that the Construction Manager has reported a requirement for re-sequencing the works in order to maintain the forecast Substantial Performance completion date of December 2023. This resequencing is in mitigation to potential risks observed across several projects in the schedule.

In summary, the following mitigation measures are indicated in the report:

- Rivers, Earth Work & Flood Protection:
 - Review the sequencing of the scheduled works where necessary to provide the most efficient solutions including bringing forward works where possible.
 - Reducing overall schedule timeframes where possible.
 - Optimising design solutions including changes to design solutions and scope of works where appropriate to reduce lengthy construction activities.

Schedule Management (continued)

- Bridges & Structure:
 - Resequencing of activities to ensure delivery and installation dates are not affected by winter constraints.
- Roads & Services:
 - Resequencing and detailed scheduling of activities to ensure to meet schedule requirements.
 - Hydro One activities and outage issues have been potentially affected by the COVID 19 pandemic. These may affect or cause delays to construction activities. Ellis Don have not offered any mitigation to this but have chosen to accept the risk.
 - Improve the design and construction schedule for the temporary pumping station at the intersection of Cherry street and Commissioners street.

4.4 Actual Progress v Updated Schedule (June 2020)

BTY inspected the works under construction on August 12, 2020. The date of our site visit falls outside this reporting period (April 1, 2020 – June 30, 2020) due to restrictions imposed by the COVID-19 pandemic and therefore our planned site visit in June 2020 was not possible. Based on the Updated Schedule #32, Project Artefacts, photographs provided of the site progress and our physical inspection we note that actual progress is consistent with updated Schedule #32, with the exception of delays to areas of settlement. These works are not currently on the critical path.

4.5 Independent CPMAS Review (Project Sampling)

BTY undertook a detailed review of the update Schedule #32 including all of the individual projects within the PLFP Project, in order to verify WT CPMO reporting this period that the project is on schedule.

Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - June 2020)	BTY Comment
		Schedule	
PFP03-01 Commissioners Str W to New Cherry St.	15A		90 weeks delay but does not impact overall completion.
PFP03-02 Commissioners Str E to Saulter St.	15C		109 weeks delay which may impact overall target completion.
PFP03-03 Cherry Street Re-Alignment	14A		46 weeks delay but does not impact overall completion.
PFP03-05 Don Roadway North	7A		On schedule.
PFP03-06 Hydro One Integration	18		3 weeks advance.
PFP03-07 Site Wide Municipal Infrastructure	5		1-week advance.
PFP04-01 Cherry Street North Bridge	14B		82weeks delay but does not impact overall completion.
PFP04-02 Cherry Street South Bridge	14C		14 weeks delay which may impact overall target completion.
PFP04-03 Commissioner Street Bridge	15B		22 weeks delay but does not impact overall completion.
PFP04-04 Lakeshore Road & Rail Bridge Mods.	13		27 weeks delay which may impact overall target completion.
PFP04-05 Old Cherry St Bridge Demo.	14D		26 weeks delay but does not impact overall completion.
PFP05-03 River Valley System	3		3 weeks advance.
PFP05-04 Don Greenway & Spillway	4		49 weeks delay but does not impact overall completion. This is delayed +6-month to the baseline. (WT colour code should be red).
PFP05-05 Keating Channel Modifications	16		70 weeks advance.

Schedule Management (continued)

Project	Project ID	WT CPMO Status Summary (source: Monthly Status Reports - June 2020)	BTY Comment
PFP05-06 Polson Slip Naturalisation	2		25 weeks advance.
PFP05-07 Don Roadway Valley Wall Feature	8		28 weeks delay but does not impact overall completion.
PFP05-08 Eastern Avenue Flood Protection	12		31 weeks delay but does not impact completion.
PFP05-10 Flow Control Weirs	11		27 weeks delay but does not impact completion.
PFP05-11 Sediment & Debris Management Area	10		37 weeks delay which may impact overall target completion.
PFP05-12 Villiers Island Grading	19		14 weeks delay which may impact overall target completion.
PFP06-01 River Valley Park North	20		5 weeks delay but does not impact completion.
PFP06-02 River Valley Park South	21		48 weeks delay but does not impact completion.
PFP06-03 Promontory Park South	17B		8 weeks in advance
WT CPMO Overall Project			
BTY Summary (based on WT CPMO 'Risk Criteria')			Per June 2020 Dashboard. There are several of these projects which are in delay and may impact overall target completion in December 2023. However, it is noted that this is still in advance of the March 2024 substantial completion date.

BTY undertook a detailed review of the Construction Manager’s updated Schedule #32 and found many individual projects are delayed, some by significant periods, which may impact the completion date. In our opinion, there are four (4) of the individual projects (#3, #5, #7A & #15C) that are significant because they are on the ‘critical path’ and are scheduled to be completed within 2-months of the target completion date of December 2023. These projects are currently delayed between 0 & 173 weeks. Despite the delays identified, these projects can be completed prior to the Substantial Completion Date of March 2024.

In addition, the schedule float (including float within the critical path) has been verified by BTY; and we concur that some opportunity for re-scheduling and delay mitigation is inherent to the schedule. Further, the size and nature of the project includes many sub projects not directly related to each other. This allows the schedule to be sequenced as necessary to mitigate these delays to meet this completion date.

4.6 Conclusion - Independent CPMAS Consultant Findings – Schedule Analysis

Typical to a large-scale, complex project, there are a number of challenges documented in the Project Artefacts. As noted above, there has been significant resequencing of the works on several projects within the schedule update #32 to ensure the December 2023 substantial completion date is met. This is recorded in the schedule update. Within the reporting period however, it is evident that further delays have been experienced in both design and construction which raises some concerns. There is a potential that these delays may result in activities continuing beyond the December 2023 target date. Based on our review, these delays will not impact on the contractual substantial completion date of March 2024 and it is our opinion that processes are in-place to monitor and manage schedule risk. Through the mitigation efforts imposed on the schedule, the delays must be managed to provide confidence that the December 2023 date remains achievable but without excessive compression of the schedule. On-going monitoring of the trends, and re-sequencing is recommended.



APPENDIX 4

5.0 Scope Management

5.1 Introduction and Methodology

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

5.2 Project Charters

We note no further revisions to the Project Charters have been provided as part of the Project Artefacts for period ending June 30, 2020. The current status of the Project Charters is noted to be as follows:

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

No updated Project Charters were received this period.

Scope Management (continued)

5.3 Cost Optimisation – Scope Impact

Nothing to report this period. Cost optimisation measures will next be adopted at the 90% Stage Gate only.

5.4 Approved Changes (Construction Phase)

We understand that no approved Change Orders were issued that impact scope in the current quarter based on the Change Order Log.

5.5 Pending Scope Revisions

Based on the Project Artefacts for the 60% Stage Gate, we understand that the following scope to be removed from the PLFP Project was approved by the Executive Steering Committee:

- BRT Commissioners / Cherry Street

The budget saving has reverted to Contingency. WT CPMO advise that no revision to the Project Charter is necessary, as this is not defined project scope.

Previously, the Project Artefacts identify further scope that may be omitted, though we understand that this will be considered at the 90% Stage Gate only, as follows:

- Lake Shore Rail Bridge (currently still in scope, no decision made)
- Eastern Avenue Flood Protection is not included in the Approved Budget, though deletion is pending approval.

5.6 Other Scope Matters – Monitoring & Tracking

5.6.1 PROJECT ID #9 (PFP05-09) 'EASTERN HARBOUR FLOOD PROTECTION'

As previously reported, the scope of work is to be finalised, and we note that an allowance was carried at 60% Stage Gate for Soft Costs and Contingency. The scope of works will be finalised at the 90% Stage Gate or omitted.

5.6.2 LAKE ONTARIO - HIGH WATER LEVEL

At the FARM Committee meeting in November 2019, the WT CPMO raised a matter regarding a recommendation by the TRCA to amend the 100-year lake level. We understand that the new high-water level may impact the design of the PLFP Project.

Upon further investigation, we understand the Toronto & Region Conservation Authority (TRCA) undertook two separate studies to update the flood risk frequency curve. One study was completed in February 2019 (which incorporated 2017's record lake levels) and the second study was released in November 2019 (which incorporated 2019's record lake levels). A summary of the original proposed 100-year lake level elevation and TRCA's latest studies is as follows:

- Original: 75.80m
- May 2019: 76.05m
- Nov 2019: 76.20m

As of end of Q1 2020/21, WT CPMO have not advised of any changes in design or scope to the project to reflect the higher lake levels. Whilst WT CPMO have confirmed that the 100-year lake level design changes will not impact the design at the 90% Stage Gate, this has not been verified by BTY.

Investigations are underway and that discussions are on-going between WT CPMO and all relevant government oversight parties about this matter.

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Scope Management (continued)

We further understand that a preliminary risk assessment has been undertaken, although it is not included in the official risk register nor has it been shared with BTY.

An update will be provided in our next quarterly report for Q2 2020/21.

5.7 Conclusion: Independent CPMAS Consultant Findings – Scope Analysis

BTY understands that there are no changes to the PLFP scope this reporting period.

Further monitoring of the potential impact to the project because of the new lake high-water level matter, and whether or not this shall impact the design at the 90% Stage Gate will continue.



APPENDIX 5

6.0 Risk Management

6.1 Introduction and Methodology

During the current quarterly reporting period to June 30, 2020, BTY undertook a review of the Project Artefacts for risk management including the updated Risk Register. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager, and that the process of risk management is undertaken in accordance with best practices.

Further, based on the noted process, the 'top key risks' were reviewed to verify the reporting by WT CPMO is consistent with the 'Risk Register' ("RR") and / or other Project Artefacts.

6.2 Risk Management Process

6.2.1 RISK REGISTER

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

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

6.2.2 RISK REPORTING: INCORPORATION OF RISK REGISTER IN BUDGET

Whilst the risk register is actively managed and updated, and the WT CPMO monthly project status reports and dashboard reflect the updated risk register 'top risks', it is our understanding that the impact of current risks are not quantified in the EAC forecast or schedule, post-60% SG.

'Risk Register' pricing was included in the 60% Stage Gate (the EAC estimate) for risks that are considered to have a 100% probability in November 2019. To date, we understand that \$13.4M of risk items are costed into the 60% Stage Gate Estimate. Based on the project reporting from WT CPMO there is no change this period (no EAC reforecast, as previously discussed).

WT CPMO confirm that the cost impact of risk will be included in the 'estimate at completion' forecast to be provided in Q2 2020/21. We expect the live impact of risk ought to be monitored on an ongoing (monthly) basis.

6.2.3 RISK REPORTING: INCORPORATION OF RISK REGISTER IN UPDATED SCHEDULE

Refer to Section 4.0.

6.2.4 IDENTIFICATION OF 'KEY RISKS' IN OTHER PROJECT ARTEFACTS (OVERALL)

The 'top risks' are ten (10) budget and ten (10) schedule risks were identified by WT CPMO in the PLFP Project Dashboard for the period ending June 30, 2020. We understand that the basis of the identification as a 'top risk' is based on the likelihood of the risk occurring and largest impact. We note that some of the larger impacts may not feature in the 'key risks' because of the probability of occurrence; however, these continue to be monitored and/or mitigated within the Risk Register process.

Risk Management (continued)

The following 'Key Risks' are identified in WT Reporting:

Risk ID	Key Risks / Opportunities by Category	Risk Impact Assessment by WT CPMO			BTY Comment / Observation
		Budget	Schedule	Scope	
Roads & Services					
UTL 10.11	THESL Cost Sharing (Permanent Don Roadway Relocation)	-\$4.0M		N/A	New 'Key Risk/Opportunity'.
UTL 20.10	Enbridge Gas Line at Cherry and Polson Street	-\$1.0M	-8.9wks.		New 'Key Risk/Opportunity'.
Bridges & Structures					
DES 20.04	Tuned Mass Dampers	\$1.7M			New 'Key Risk'.
UTL 20.22	Jarvis Street Sewer		6.1 wks.	N/A	New 'Key Risk'.
CTR 50.06	Seaway closure		9.8 wks.	N/A	No change to risk impact from Mar 2020 RR
Flood Protection					
	None				None identified in RR.
Parks & Public Realm & Marine Structures					
CNS 70.07	Soil Management and Stockpiling Logistics Issues	\$1.0M	2.2 wks.		New 'Key Risk'.
STG 20.15	Peat Reuse Quality	\$0.9M			New 'Key Risk'.
UTL 20.01 (2)	Bell Temporary Relocation, Commissioners / Don Roadway - Roads	\$0.1M	8.7 wks.	N/A	No change to risk impact from Mar 2020 RR. Risk title change noted.
UTL 20.01 (5)	Bell Temporary Relocation, Commissioners / Don Roadway - Earthworks	\$0.1M	8.7 wks.	N/A	New 'Key Risk'.
STG 20.27	Cut-off Wall Installation		3.5 wks.	N/A	New 'Key Risk'.
CNS 70.06	Offsite Disposal of Soils	\$5.3M		N/A	-\$300k decrease from Mar 2020 RR
ENV 900.03 (1)	Odour Management	\$1.3M		N/A	No change to risk impact from Mar 2020 RR
ENV 900.03 (2)	Odour Management (Additional Delay Claims)	\$0.9M		N/A	New 'Key Risk'.
CNS 70.11	Landfill Capacity	\$1.8M		N/A	-\$1.8M decrease from Mar 2020 RR.
DES 40.05 (1)	Fire Hall 30 Vacancy		13 wks.		-\$250k decrease from Mar 2020 RR.
CNS 900.02	Substantial Failure to Establish Plantings (Wetlands Section)		20.9 wks.	N/A	No change to risk impact from Mar 2020 RR
ENV 50.16	Geotechnical Soil Conditions for Reuse	\$1.5M		N/A	-\$1.9M decrease from Mar 2020 RR
CNS 90.07	Dredging coordination		11.9 wks.		No change to risk impact from Mar 2020 RR
Other					
CTR 900.01	Coordination of Contract Activities		3.3 wks.	N/A	New 'Key Risk'.
CTR 50.01	External Market Forces In-Excess of Cost Escalation	\$7.1M		N/A	No change to risk impact from Mar 2020 RR

Risk Management (continued)

6.3 Quarter-on-Quarter Changes in Risk

Significant changes were observed between the Risk Registers of Q4 2019/20 and Q1 2020/21 (i.e. new risks were identified). However, a number of risks identified on the March 2020 Dashboard and Risk Register have been either been closed or mitigated to a lesser degree than was first identified. Other noted changes between the Risk Registers of Q4 2019/20 and Q1 2020/2 include the following:

Changes Noted in Top Budget Risks

- **Risk ID ENV 50.16 – Geotechnical Soil Conditions for Reuse** cost impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID CNS 70.07 – Soil Management and Stockpiling Logistics Issues** cost impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID ENV 900.03 (2) – Odour Management (Additional Delay Claims)** cost impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID STG 20.15 – Peat Reuse Quality** cost impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.

Changes Noted in Top Schedule Risks

- **Risk ID DES 40.05 (1) – Fire Hall 30 Vacancy** schedule impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID UTL 20.01 (5) – Bell Temporary Relocation, Commissioners / Don Roadway - Earthworks** schedule impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID STG 20.27 – Cut-off Wall Installation** schedule impact on '2020_06_PLFP Risk Register_June2020' not consistent with Dashboard.
- **Risk ID UTL 20.22 – Jarvis Street Sewer** risk not found on '2020_06_PLFP Risk Register_June2020'.

Changes Noted in Risk Overall

- **Risk ID UTL 10.03 (1) / (2) – Enbridge 20" Relocation** is no longer considered top schedule or budget risk on Dashboard and RR.
 - Cost impact for UTL 10.03 (1) is marked as 'TBD' in the Risk Register. Description notes that '*Risk not quantified since this is a fatal flaw.*'
 - Schedule impact for UTL 10.03 (2) is marked as '0.0 Mo' in the Risk Register. Description notes that '*Risk considered with UTL 10.03. Modelled in a separate scenario.*' It is not clear where this separate scenario is located nor has it been provided.
- **Risk ID UTL 20.17 – HONI Underground Line (Lakeshore to Commissioner's)** is no longer considered top schedule risk on Dashboard and has been 'retired'.

We observed that the risk register for the period ending June 30, 2020 and other Project Artefacts had limited or no references to the COVID-19 pandemic or control measure in place in response to the State of Emergency declared in the Province of Ontario.

Risk Management (continued)

Whilst the Risk Register and Project Artefacts are actively updating risk, we note that the impact in terms of cost is not being identified within the budget and financial reporting within the Project Artefacts. It is our understanding that the next update will be the 90% Stage Gate and no adjustments will be actively monitored each month within the Project Artefact reporting. This means that there is no real-time transparency on the impact.

6.4 COVID-19 Risk Update

As stated above, the Project Artefacts for period ending June 30, 2020 prepared by WT CPMO or EllisDon do not include any risk assessment or statement on the COVID-19 pandemic, and its potential impact to the project in terms of cost and schedule.

Given that the World Health Organization declared COVID-19 a pandemic on March 11, 2020 and the Government of Ontario declared a state of emergency on March 17, 2020, and further to the reporting provided in Q4 2019/20, BTY contacted WT for an update on findings related to the risk analysis undertaken by the project risk consultant HDR in response to the COVID-19 pandemic.

WT provided “PLFPEI COVID Risk Analysis_4.30.20” draft slide deck dated April 30, 2020, which was prepared by the project risk consultant, HDR. No update of this draft report was provided in the current reporting period.

In summary, the risk analysis states that the “PLFP is currently experiencing adverse projects impacts as a result of the ongoing COVID-19 pandemic. These impacts are the result of reduced productivity due to increased health and safety measures which cumulate into cost and schedule impacts to the project”. The project components impacted include Bridges, Earthworks, Marine Structures, Roads & Services and escalation costs.

A summary of the potential impacts to these projects as identified in the Risk Analysis are as follows:

- Bridges
 - Productivity issues relating to the subtrade Cherubini’s reduced manpower due to increased health and safety measures. Manpower is currently down to 75%.
 - Productivity issues (negative 20-25%) impacting timely bridge fabrication and delivery.
 - The estimated cost associated with delay mitigation is \$2-4M to mobilise a barge, and up to 6-month bridge delay may trigger 1-year delay in planting scheme.
- Earthworks
 - Productivity issues relating to ‘phase 1 cut off walls’ being undertaken by GFL. GFL’s productivity is down approximately 50%. Completion has been delayed 6-weeks.
 - Due to these delays, dewatering plant may need to run for a longer period, resulting in additional \$200,000 per month.
 - GSI employee incentives to encourage US staff to remain in Canada, combined with local truck rentals and employee self isolation measures are causing one-time cost of \$100,000.
- Roads & Services
 - Utility company (Enbridge and Bell) might not be able to work until after the COVID-19 restrictions have been lifted, resulting in additional labour costs and delays. Cost premium to mitigate estimated \$0.5 - \$1M.
 - HONI work postponed and fall 2020 window outage may not be guaranteed. This would result in 6-month schedule delay concurrent with potential bridge delays noted above.
 - TRCA have noted delays in permit processing.

Risk Management (continued)

- Sub-Contractors
 - All other sub-contractors working on the site may be impacted in terms of reduced productivity due to safety restrictions. This may add delays and/or additional costs ranging from \$500k - \$750k/month.
- Escalation
 - Schedule delays may push procurement of the remaining works not yet tendered.
 - Potential for cost impacts associated with procuring items later than planned.
- Permits & Approvals
 - Health and safety precautions prolonging review times by City of Toronto, Provincial and TRCA.

Included in HDR’s draft report were cost calculations applied to the abovementioned impacts including extended overhead, delay claims, one-time, escalation and shutdown scenario costs. These are summarized in the table as follows:

Variable	Amount Calculated
Overhead Costs	
ED General Conditions	\$1.0M
WT Staff Costs	\$0.4M
Contract Admin & Management	\$0.5M
Support Consultants	\$0.2M
Subtotal: Overhead/month	\$2.1M
Delay Claims	
GFL Delay Claim	\$0.6M
Subcontractor Claims	\$0.2M
Water Treatment Plant Operations	\$0.04M
Subtotal: Delay Claims/month	\$0.8M
Escalation Impacts	
Escalation Amount (non-procured)	\$1.0M
Subtotal: Escalation Impact/month	\$1.0M
Total Costs/month	\$3.9M
One-time Costs	
Bridge Mitigation Cost	\$3.0M
Commissioners St. Utilities Mitigation Cost	\$0.8M
GSI Incentives, Vehicle Rental, and Self-Isolation	\$0.1M
Total One-time Costs	\$3.9M

Risk Management (continued)

Based on calculations prepared by HDR with inputs obtained from discussions with ED, WT and Colliers the sum of all potential monthly cost's totaled \$3.95M not including one-time costs (\$3.85M) which include delay mitigation costs.

BTY note that HDR also prepared calculations outlining a scenario where construction was to shutdown during which contract administration, management and support consultants would no longer be engaged on the project. Under the shutdown scenario the project would incur an estimated \$580k/month costs for equipment standby and site safety/security measures.

Based on the Project Artefacts provided, these calculations were unable to be substantiated by BTY. A review will be undertaken next quarter.

6.5 Independent CPMAS Consultant Findings

Risk Register: All of the 'key risks' identified by WT CPMO in the current PLFP Project Dashboard are based on the updated project Risk Register.

However, we note that the real-time cost impact of the updated risk register is not readily identifiable within the WT CPMO reporting (dashboard and project status reports) because the 'estimate at completion' re-forecast hasn't been provided to BTY this period and verified. The next update to the 'estimate at completion' shall be in Q2 2020/21.

We note that the WT CPMO assigned the status to be medium risk for risk management, and this reflects the utility risks. Overall, based on the available Project Artefacts, these concur with the 'medium risk status assigned by WT CPMO based on the risk management process adopted, which is found to be robust and actively managed active. We would however, like to see Project Artefacts that demonstrate real-time monitoring of the impact to the budget due to realised risks.

COVID-19: We noted that the updated risk register included limited reference to COVID-19. However, WT has engaged their risk consultant to undertake a study, and a draft (dated: April 30, 2020) was provided to the Independent CPMAS, BTY. The preliminary findings were consistent with our experience on other projects that are generally seeing 'potential claims' filed pending assessment of impact to budget/schedule. On all projects (including construction considered to be 'essential workplaces') we are monitoring claims for reduced productivity resultant of health and safety measures and/or sickness and absenteeism; global supply chain issues; disruption to other essential businesses that support construction including permits, licenses and approvals, utility agreements, design and engineering consultancies and testing agencies, etc.

Regarding the COVID-19 pandemic, WT and Ellis Don have stated that they are following all the health and safety guidelines, as required, and are tracking all potential risks related to the pandemic. WT CPMO has advised of no known claims or impact to budget and/or schedule.

Given that the pandemic is on-going, the impact (and mitigation) cannot be fully assessed and calculated. At this time, there is no allowance within the EAC budget, schedule or risk register for the potential impact of this event.

We note that the COVID-19 Risk Analysis – Draft Results report has not been updated in the current quarter.



APPENDIX 6

Photo Report



Hydro One Integration – Relocation of towers ongoing.



Don Greenway – Spillway shallow excavation ongoing.



New River Valley – Secant wall construction ongoing at north and south end of the river valley.



Central River Valley – Final elevation grading operations ongoing.



Soil Management & Stockpile – Operations ongoing throughout site.



Water Treatment Plant – Treatment operations ongoing.



222 Cherry Street – Building demolition ongoing.



Cherry Street Bridge South – Foundation rebar cages delivered.



Cherry Street Bridge South – Abutment foundation construction ongoing.



Polson Slip Naturalization – New revetment placement ongoing.



Cherry Street Bridge North – North abutment complete.



Cherry Street Bridge North – South abutment complete.

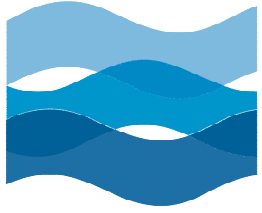


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<p>Purpose</p>	<p>For Committee Information.</p>
<p>Areas of note/ Key issues</p>	<ul style="list-style-type: none"> • MNP LLP (MNP) completed the Performance Measurement Framework internal audit, which is the first of six audits included in Waterfront Toronto’s (WT) three-year internal audit plan 2020/21 to 2023/24. • Performance measurement was selected as an area of audit focus due to the recent formalization of the Corporation’s Integrated Performance Measurement Framework following the Ontario Auditor General Report in December 2018, along with our commitment to continuous improvement. • The audit scope mainly focused on WT’s performance measurement alignment to corporate strategy/ goals, process (including adequacy of data and tools), review of outputs vs outcomes, and opportunities for improvement. • The overall conclusion is that WT’s performance measurement has strong alignment with the Corporation’s mandate and strategic plan, and good balance between output (direct results) and outcome (indirect results). • In addition to several areas of strength, MNP noted a total of seven findings (one high, three medium and two low risk): <ol style="list-style-type: none"> i. Developing performance measurement instruction guide to support accurate reporting (High). ii. Effective translation of organizational goals into performance targets to capture any additional targets in other directional documents (such as the Central Waterfront Secondary Plan) and mitigate any inconsistencies/conflicts among performance measures (Medium). iii. Greater link between performance measure targets and personal performance plans to ensure alignment of outputs to strategic objectives (Medium). iv. Streamlining, automating, and increasing frequency of performance reporting to facilitate reporting/approvals process and progress monitoring (Medium). v. Including additional accessibility and diversity performance measures to widen WT’s understanding of those utilizing the waterfront (Medium). vi. Greater emphasis on visitor-based performance measures to better ascertain achievement of desired results (Low). vii. Consolidation of performance measures for streamlined reporting (Low). • Management supports the recommendations and an implementation plan is underway. • Attached is MNPs summary presentation. <p>Note: The status of previous internal audit recommendations is reported under the Audit Dashboard, Item 3 c) i b).</p>
<p>Resolution or Next Steps</p>	<p>The next internal audit update will be at the November 2020 FARM Committee meeting when MNP will report on the Cyber Security Follow up Audit. The next scheduled internal audit is on Resource and Succession Planning (planned for Q4 2020/21).</p>



WATERFRONTToronto

Waterfront Toronto

Performance Measurement Framework Audit

Presentation to the FARM Committee - September 17, 2020



KINCENTRIC
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CANADA 2019

Agenda

1. Background
2. Audit Objectives
3. Audit Scope
4. Work Performed
5. Summary of Strengths
6. Summary of Observations
7. Management Response
8. Conclusion
9. Questions/Comments
10. Appendix – Detailed Observations, Recommendations and Management Responses

Background

- This audit was undertaken in line with Waterfront Toronto's Internal Audit Plan for 2020/21.
- Given the recent formalization of WT's Integrated Performance Framework along with WT's commitment to continuous improvement, performance measurement was selected as an area of focus to ensure, at the outset, that WT has established an appropriate performance measurement framework and to make improvements as necessary.

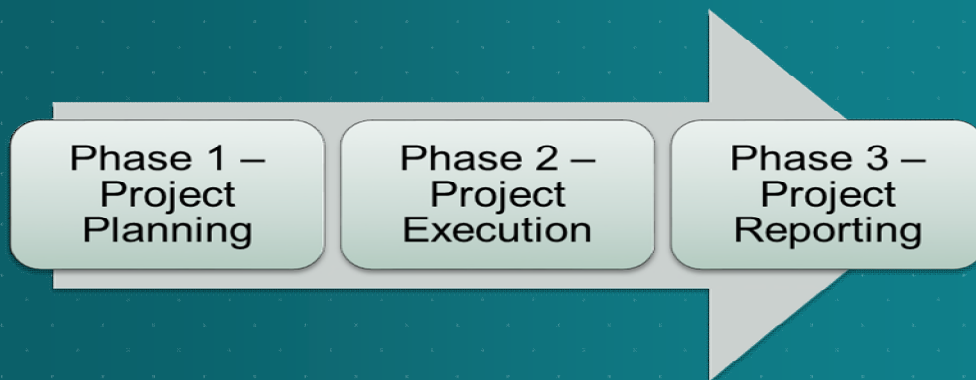
Audit Objectives

- Assessment of WT's Performance Measurement Framework to answer the following questions:
 - Is there appropriate alignment between WT's Mandate and Strategy, and the Performance Measurement Framework (i.e. Is WT measuring the right things?).
 - Does the Performance Measurement Framework include effective and efficient metrics, data and targets?
 - Does WT have controls in place to ensure reported data is accurate, valid, reliable and transparent?

Audit Scope

- Integrated Performance Framework and target setting process, including how performance measures are established and aligned to corporate strategy and goals;
- Tools in place to support performance measurement, including the review, tracking and reporting of performance measure data and a comparison of WT's performance measurement framework versus leading practices of comparable organizations;
- Controls to ensure performance measure data is adequate, accurate, understandable, timely, reliable and valid;
- Review of the "outputs" vs "outcomes" for each performance measure; and,
- Roles and responsibilities pertaining to gathering, measuring and reporting performance measures.

Work Performed



- As a part of this audit, the following work was undertaken by MNP:
 - **Interviews** with members of the Executive Leadership Team and staff who are involved in the performance measurement framework process.
 - Review of the following **documentation**:
 - Mandate and corporation’s objectives;
 - Key strategic documents, such as the Rolling Five-Year Strategic Plan (2020/21 – 2024/25), 2019/20 Integrated Annual Report, and the City’s 2003 Secondary Plan Commitments for the waterfront; and,
 - Integrated Performance Measurement Framework and methodology, as well as documents that govern the annual performance measurement process.
 - Review of current performance indicators, measures and targets.

Summary of Strengths

Areas of Strength

1. Generally, there is good alignment between corporate mandate, strategic plan and the performance management framework.
2. The executive team has a shared commitment to the performance measurement process.
3. There is a comprehensive list of performance measures and targets that covers a wide range of WT's activities.
4. Within the Framework and the current list of performance measures, there is a good balance of "outcome" and "output" measures.
5. The Performance Framework is a relatively new process, so some processes and measures are still being refined. Setting targets and monitoring progress can be challenging without historic performance data/information.

Overall, WT's Performance Framework represents a good start to comprehensive performance reporting. The observations and recommendations presented in this report will help to refine and improve this relatively new process.

Summary of Observations

Observation	Rating
1. Performance Measurement Instruction Guide to Support Accurate Reporting	High
2. Effective Translation of Organizational Goals into Performance Targets	Medium
3. Greater Link between Performance Measure Targets and Personal Performance Plans	Medium
4. Streamline, Automate and Increase Frequency of Performance Reporting	Medium
5. Additional Accessibility and Diversity Performance Measures	Medium
6. Greater Emphasis on Visitor-Based Performance Measures	Low
7. Performance Measure Consolidation	Low

Management Responses

- Detailed observations and recommendations were presented to management.
- Management acknowledges our recommendations and has:
 - Provided responses for each observation; and,
 - Defined timelines to address each observation.

Conclusion

- Overall, WT's Performance Measurement Framework represents a good start to comprehensive performance reporting.
 - The Framework is relatively new and some elements are still being refined.
 - Critical strategic priorities (mandate and strategic plan) are being measured, and there is a balance of output and outcome metrics.
- Recommendations to refine and improve the Performance Measurement Framework include:
 - Documented instructions on how to calculate measures;
 - Streamlined, automated, and more frequent reporting process;
 - Strengthened alignment between the Performance Measurement Framework and:
 - WT's four strategic objectives (City building, public good, innovation and job creation, financial sustainability); and,
 - WT's individual goals and annual objectives (Planning for Success).
 - Examining the current list of measures to consider potential new areas (accessibility, visitation) and eliminating duplication to reduce the total number of measures.

Appendix

Detailed Observations, Recommendations and Management Responses

Observation #1	Recommendations	Rating	Management Response
<p>Performance Measurement Instruction Guide to Support Accurate Reporting</p> <p>Currently, there is an overarching methodology document in place that outlines the process for collection of performance measure data and the business units and key contacts which are responsible for each of the performance measures. However, there is no detailed guideline or instructions about how to define, calculate, extract or analyze data for each of the performance measures.</p> <p>In the absence of a documented specific guideline/manual on how to calculate performance measure data and define key performance measurement terminology, there is a risk that data will not be appropriately or consistently collated, measured and reported. This risk is heightened if:</p> <ul style="list-style-type: none"> • Multiple individuals work on gathering performance measure data (such as for performance measure 2.3 on number of design awards); • Different approaches to calculating performance data are used; and, • Key individuals involved in the performance measurement process leave without adequate knowledge transfer taking place. <p>There were also instances noted where performance measure data presented did not provide a comprehensive view of what was being reported. The following performance measures can be interpreted in different ways, and it is not always clear how the measure informs the reader as to the actual achievement of the intended outcome.</p> <ul style="list-style-type: none"> • PM 2.5 – Percentage of WT sponsored projects with Design Review Panel support at the end of the design review process. • PM 4.1 – Percentage of competitive procurements by dollar value. • PM 4.2 – Percentage of projects over \$10 million completed within 5% of budget (in the last five years). • PM 4.3 - Percentage of projects over \$10 million completed within six months of original schedule (in the last five years). • PM 8.5 – Number of public meeting attendees’ self identifying as residing outside the designated waterfront area. <p>Without reported performance measure data being easy to understand and clearly tied back to success objectives, there is a risk that reported data will not be understood and interpreted as intended.</p>	<ol style="list-style-type: none"> The creation of an instruction manual or guide for each performance measure should be developed which outlines clear roles and responsibilities for the preparer, reviewer and approver of performance measurement data. This guide should include clearly documented definitions for terminology used, methodologies to be applied to obtaining data from various data sources, measurement units to be used, data timeframes, required calculations to be performed, and how to set targets. Understudies for key roles in the performance measurement framework, particularly for key areas, should be clearly assigned to ensure that more than one individual is able to perform these activities. Reported calculations should be augmented by including the underlying supporting numbers used to derive the metric to allow the audience to have a true understanding as to the actual performance of the organization against the performance measure. Definitions used to describe ‘what success looks like for Waterfront Toronto’ for each of the performance measures should be updated and reviewed to ensure that they are clear, outcome oriented, and understandable (e.g., percentage of projects to be completed on/below budget), with any updates to be reflected in the Integrated Annual Report. Once definitions have been reviewed, they should be clearly documented in the instruction manual/guide for calculating the metric. 	<p style="text-align: center;">High</p>	<p>Management concurs with the recommendations. Target implementation on/before April 30, 2021.</p>

Observation #2	Recommendations	Rating	Management Response
<p>Effective Translation of Organizational Goals into Performance Targets</p> <p>During the audit we found that performance measures are generally well aligned with mandated requirements and corporate strategy. However, WT has other directional documents and targets for which they are responsible to achieve and comply with (for example, the Central Waterfront Secondary Plan requirements approved by City Council in April 2003) whose key performance requirements have not been completely captured/considered and monitored in the existing performance measures.</p> <p>Without a clear reference to these additional targets, which are to be accomplished, it could become difficult for WT to successfully monitor and understand its progress made towards achieving these additional targets.</p> <p>There is also a risk of inconsistency and/or conflict amongst performance measures tied to competing documents that provide strategic direction for WT. As an example, the goal of “affordable housing” is dealt with differently, depending on which directional document is considered due to different target time horizons:</p> <ul style="list-style-type: none"> • The Secondary Plan says “Affordable and low-end-of-market housing comprise 25% of all units”; • WT’s Strategic Plan includes a 5-year target of 18.8% of units built will be “affordable”; • Annual performance reporting target is for 12.7% units to be “affordable”; • The Toronto Waterfront Revitalization Corporation Act makes no mention of affordable housing; and, • There could also be Contribution Agreements that set reporting expectations, that may or may not be consistent with the above objectives and targets. <p>Furthermore, we found that there was no clear visual guide to show alignment between each of the four strategic objectives and each specific performance measure inside the Integrated Annual Report. This can make it difficult for the target audience to clearly understand alignment.</p>	<ol style="list-style-type: none"> Create a clear hierarchy of goals documents to ensure that core performance obligations are clearly met, and to avoid potential conflict between different directional documents that WT must comply with. This hierarchy should include greater distinction between goals that are mandatory (i.e. “must achieve”) versus goals that would be “nice to achieve”. Embed key missing elements of the Secondary Plan to existing performance measures where required. Establish a clearer link between performance measures and the four strategic objectives (City building, public good, innovation and job creation, and financial sustainability) for reporting purposes to help show alignment. This can be displayed in the Integrated Annual Report with assigned icons for each of the four strategic objectives being placed next to the performance measure to which they are aligned with. 	<p>Medium</p>	<p>Management concurs with the recommendations. Target implementation on/before December 31, 2021.</p>

Observation #3	Recommendations	Rating	Management Response
<p>Greater Link Between Performance Measure Targets and Personal Performance Plans</p> <p>The target setting process does not encompass a formal documented review of performance target alignment to individual performance plans.</p> <p>Without a formal link tied to the two, there is a risk that individual daily outputs are not clearly aligned to the overarching strategic objectives which are reflected in the corporation's performance measures.</p>	<ul style="list-style-type: none"> a. Formal Senior Management Team (SMT) review and approval of performance measure targets should be captured to ensure that targets for each of the performance measures are appropriate, have been assigned to the correct individual and that they remain valid for the reporting year. b. Greater alignment between corporate performance measure targets and personal performance plan (Planning for Success) is required. 	<p>Medium</p>	<p>Management concurs with the recommendations. Target implementation on/before December 31, 2021.</p>

Observation #4	Recommendations	Rating	Management Response
<p>Streamline, Automate and Increase Frequency of Performance Reporting</p> <p>Currently, the process for extracting and collating information for performance measurement reporting is manually intensive and is being captured in excel spreadsheet templates by each of the business units and shared with Corporate Reporting, who then proceeds to combine each of the individual business unit spreadsheets in a master spreadsheet, which is embedded with related performance measurement supporting documentation. An example of some of the data downloads that are required to be manually entered into spreadsheets relate to Performance Measures (“PM”) 2.3 (WT website), and PM 8.3 (Agility PR reports, which is a media monitoring software).</p> <p>Furthermore, performance measurement data approval sign-offs from management are documented via email. The process of obtaining and verifying these approvals can be a cumbersome and hard to trace activity especially if there are multiple versions of approvals in support of decisions that have been made.</p> <p>Due to the large volume of data being manually populated into spreadsheets, there is an increased risk of user input error. Also, without a clear and easily accessible trail of all approvals and reviews for performance data, there is a risk that a key approval or amended iteration of data is missed and the correct performance data is not utilized for reporting purposes.</p> <p>We also noted that there is limited use of WT’s corporate performance measurement to inform management decision making on a regular basis. Corporate performance reporting tends to be “externally” directed towards shareholders and the public, rather than an internal management tool. One reason for this external focus is that corporate performance measures are prepared on an annual basis, thus limiting their use as a “real time” management tool.</p> <p>Increasing the frequency of review would provide WT the opportunity to better understand the progress made against targets, adjust targets if required (i.e. due to events such as COVID 19) and to evaluate the adequacy/relevancy of specific performance measures more frequently.</p>	<ol style="list-style-type: none"> a. To the extent possible, WT should automate data collection for performance measures. This can be leveraged by housing performance related data in a centralized database. b. Utilize a common SharePoint site where all documentation pertaining to performance measure data is centrally stored and accessible for staff in real time to make updates to data as required. c. The current email approval process in place to capture sign-off and approval of performance measure data should be replaced with the requirement to capture formal sign-off within a master register for each respective preparer, reviewer and approver for each performance measure. There is an opportunity to have this done through leveraging the existing internal DocuSign software. d. A formal semi-annual or quarterly review of performance measures should be considered where appropriate, even if this is only for a subset of measures. e. With a more frequent KPI dashboard reporting (e.g., through inclusion of relevant KPIs in project dashboard), management should use the data to inform real time management decisions, in addition to monitoring overall progress made against the performance targets. f. Performance data should be updated as part of other reporting requirements (e.g., shareholder updates, Board updates, and Contribution Agreement reporting requirements) during mid-year intervals to minimize significant time expenditure at the end of the fiscal year. 	<p>Medium</p>	<p>Management concurs with the recommendations and has begun implementation of these recommendations. Target implementation on/before June 30, 2021.</p>

Observation #5	Recommendations	Rating	Management Response
<p>Additional Accessibility and Diversity Performance Measures</p> <p>To support waterfront access, it was acknowledged that WT does have performance measures in place which measure the number of affordable housing units (PM 2.1) and the space created for new public spaces. However, there are currently no performance measures reporting on the level of accessibility and diversity pertaining to the use of the waterfront, specifically:</p> <ul style="list-style-type: none"> • Diversity and accessibility amongst those utilizing the waterfront; and, • Ensuring all work taking place on the waterfront is compliant with the Accessibility for Ontarians with Disabilities Act, 2005 (“AODA”), specifically the standard for the design of public spaces. <p>According to the Secondary Plan, priority P37 requires WT to ensure access for people with disabilities.</p> <p>Without having a clear understanding of those who are utilizing the waterfront, it will be difficult for WT to accurately measure if they have successfully met their performance target outcomes and met the objectives used to describe what is success for WT inside the performance measurement framework.</p>	<ol style="list-style-type: none"> WT should consider additional performance measures that monitor the diversity and usage of the waterfront. (PM 2 - Enhancing social and cultural value, specifically WT will develop spaces that are accessible to all income levels). There is an opportunity to measure and report on compliance with accessibility requirements outlined in the AODA. (PM 3 - Creating an accessible and active waterfront for living, working and recreation). 	<p>Medium</p>	<p>Management concurs with the recommendations. Target implementation by December 31, 2020 as part of WT's Rolling Five Year Strategic Plan update to be approved by WT Board of Directors Dec 10, 2020.</p>

Observation #6	Recommendations	Rating	Management Response
<p>Greater Emphasis on Visitor-Based Performance Measures</p> <p>The current performance measurement framework includes a mix of both “output” and “outcome” oriented performance measures. Outcome focused measures include:</p> <ul style="list-style-type: none"> PM 1.3 – Total economic value added to the economy. PM 5.5 – Average distance to access transit. PM 6.3 – Tax revenue going to government from the private sector development. <p>However, in some instances there was not a clear associated outcome for each of the performance targets. Without performance measures having a clear link to an expected or measurable outcome, such as usage of an output, it can be difficult to measure if a performance target is realizing desired results. This is exemplified in the following examples:</p> <ul style="list-style-type: none"> PM 3.1 – Hectares of new park and public spaces. PM 3.2 – Kilometres of new trails, hiking trails and promenades. <p>These measures indicate that WT is creating accessible and active waterfront amenities (i.e., outputs) but it is not clear if the public is actually benefitting from the creation of new parks and trails. More effective measurement of actual outcomes such as activity levels, visitation numbers, diversity and experiences of the parks and trail users will provide a more accurate indication of whether the goal of creating an accessible and active waterfront for living, working and recreation, is in fact being achieved.</p>	<ol style="list-style-type: none"> Strengthen outcome reporting of the performance measurement framework with a greater emphasis on actual usage of infrastructure being developed by WT or third-party developers and on user experience. There is an opportunity to leverage third parties to collect outcome related data, including visitor surveys, and license plate surveys to confirm visitor origin. During the next annual target setting process, senior management should define a listing of desired outcomes for each of the performance measures where appropriate. These outcomes should be reviewed annually. The development of a logic model can be used to display progress made towards accomplishing performance measure outcomes. This will help internal audiences (such as the management, FARM or the Board) by visually displaying the intermediate and long-term progress towards realizing the desired outcomes in a transparent and logical manner. 	<p>Low</p>	<p>Management concurs with the recommendations. Target implementation on/before December 31, 2021.</p>

Observation #7	Recommendations	Rating	Management Response
<p>Performance Measure Consolidation</p> <p>There are currently 31 performance measures which are being reported in the Integrated Annual Report. This is a large number of performance measures to report against when compared to other public sector organizations (i.e. Metrolinx has 14 KPIs and Canada Lands has 21).</p> <p>WT’s Rolling Five-Year Strategic Plan indicates that selected performance measures should be <i>“Mutually Exclusive: we use performance indicators that independently measure elements of Waterfront Toronto’s mandate and operations to avoid double-counting.”</i></p> <p>In some cases, there are multiple measures that report on similar objectives (for example - amount of new development, construction jobs created, amount of new taxes, amount of new housing) which are all highly correlated metrics.</p> <p>With a large number of metrics being tracked (including potential new metrics recommended in Observation 5 above), there is a risk that the performance measurement process becomes overly resource intensive, time consuming and administratively burdensome.</p>	<ul style="list-style-type: none"> a. Review and remove potentially duplicative measures to reduce the total number of KPIs. This will would help WT streamline the reporting process by reducing the time required to gather and review data without compromising the comprehensiveness or reliability of what is reported. b. Based on the review and clarification of corporate goals (refer to Recommendation 2 above), it may be possible to simplify and reduce the number of metrics being reported on to solely focus on “must achieve” results reporting. 	<p>Low</p>	<p>Management concurs with the recommendations. Target implementation by December 31, 2020.</p>

Thank You

- Questions?



Finance, Audit & Risk Management Committee – September 17, 2020
Item 6 – COVID-19 Impact Update
on Waterfront Toronto Operations
David Kusturin and Lisa Taylor

Purpose	For Information
<p>Areas of note/ Key issues</p>	<ul style="list-style-type: none"> • Waterfront Toronto staff continue to work remotely and have reported no cases of Corona Virus infection to date. This does not appear to be materially affecting overall productivity. <p><i>Construction</i></p> <ul style="list-style-type: none"> • On Friday April 3rd, the Province directed that all non-essential workplaces were to close on April 5th. Construction continued on the following WT projects that were deemed to be essential construction workplaces: <ul style="list-style-type: none"> • Port Lands Flood Protection (PLFP) • Cherry Street Stormwater Treatment Facility (CSSTF) • Bayside Phase 2 roads and services • Bonnycastle public realm • On Friday May 1st, the Province expanded the list of essential construction workplaces such that the all Waterfront Toronto projects may proceed into construction once the projects have been completed to the stage of construction contract award including: <ul style="list-style-type: none"> • Lakeshore Blvd Public Realm • East Bayfront In-water Storm Sewer Pipes • Bentway Phase 2 Projects • Waterfront Reconnect (Gardiner Expwy bent painting) • 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. • Ellis Don Civil Construction (PLFP Construction Manager) and Graham Construction (CSSTF General Contractor) have provided formal notice that the COVID-19 pandemic has the potential to impact the schedule and cost of those projects however neither contractor have identified any material cost or schedule impacts to date. • City of Toronto has suspended non-essential services and cancelled committee and council meetings. This has not to date affected our ability to obtain necessary permits and approvals required to keep the project active. • WT has provided notice of potential delay and cost increases to government stakeholders. <p><i>Finance & Accounting</i></p> <ul style="list-style-type: none"> • WTs 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. The \$33M outstanding funding from the City of Toronto reported last quarter has been received and WT is not anticipating any further significant cash flow delays related to COVID-19. • Some of WTs interim use property revenues have been impacted (e.g. lower demand for parking in period March – June 2020) resulting in lower revenues for Q1 2020/21, however this trend has reversed in Q2 and is not expected to have a material impact on WTs overall financial situation.
<p>Next Steps</p>	<p>Management will provide a further COVID-19 Impact Update at the next FARM Committee meeting in November 26, 2020.</p>

September 17, 2020

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 and supply chain issues.

In full alignment with governmental direction Waterfront Toronto has implemented a comprehensive and coordinated approach to ensure minimal or no impact to the Corporation. Primary focus has been health and safety of all internal and external resources.

In parallel, Waterfront Toronto has been managing potential impacts to corporate operations and execution of capital projects. No material impacts have been reported as of late August, and Waterfront Toronto continues to monitor potential risk areas relative to:

- Impacts to work force and materials
- Reduced efficiency and productivity
- Labour and material mobility
- Third party & external dependency delays
- Extended overheads and escalation

Waterfront Toronto and COVID-19

Construction Project Impacts

Background

- Province of Ontario Emergency Management Act ordered shut-down of all non-essential workplaces on April 3, 2020. Four Waterfront Toronto construction project sites were deemed to be essential workplaces. Two of these projects are now complete:
 - Port Lands Flood Protection (PLFP)
 - Cherry Street Stormwater Treatment Facility (CSSTF)
 - Bayside Phase 2 roads and services - complete
 - Bonnycastle public realm - complete
- Emergency Management Act restrictions eased on May 1, 2020. Balance of Waterfront Toronto construction project sites are now deemed to be essential workplaces:
 - Lakeshore Boulevard Public Realm (Sherbourne to Bonnycastle)
 - East Bayfront In-water Storm Sewer Pipe
 - Bentway Phase 2 Projects

Port Lands Food Protection (PLFP) Project Risk Status

COVID-19 risks have the potential to affect design and construction productivity and efficiency and thereby impact the cost and/or schedule of the PLFP project. WT's Independent Risk consultant has been engaged to document and quantify project risks related to COVID-19 which are summarized below.

Potential Contractor Claims

- Construction continues uninterrupted. PLFP operating as an “essential” construction workplace
- Notice of Potential Impact due to COVID-19 received from Ellis Don on March 30
- Notices of Potential Impact due to COVID-19 received from sub-trades
 - GFL Inc. on March 25
 - Cherubini Metal Works on March 23, April 8 and April 9

Direct cost and schedule impacts are not fully known at this time. Claims received to date include only the following:

- GFL July 1, 2020. Cost and Schedule Impacts due to Covid 19, Phase 1 Cut-off Walls (\$598K)

PLFP Project Risk Status (cont.)

Work Force Impacts (Including limitations on staff mobility and workforce reductions)

- No material negative impacts experienced to date

Supply Chain Disruptions

- No material supply chain disruptions experienced to date

Third Party Delays

- No delays experienced to date

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.

Work Force Impacts (Including limitations on staff mobility and workforce reductions)

- No material work force impacts experienced to date

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 continue to be uninterrupted by COVID-19 largely as a result of the new cloud-based ERP system and Office365, both of which allow remote access of WT users, the majority of whom continue to work from home.
- WT continues to pay its vendors on time.
- WT continues to leverage benefits of technology to support productivity and working remotely:
 - Collaboration platforms such as Microsoft Teams and Sharepoint Online, and
 - 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.
- From a cash flow perspective WT remains secure with >\$50M in liquid funds. WT received the \$33.3M outstanding from the City of Toronto reported last quarter and does not anticipate any further cash flow funding delays from COVID-19. WT continues to have the funding support of the City, Provincial and Federal governments.
- Some of WT's interim use property tenants have requested reduced rents/ alternative payment schedules and WT has made some accommodations in this regard. WT experienced much lower parking revenues in Q1 2020/21 (Apr-Jun) due to reduced demand, however this trend has reversed in Q2 and is not expected to have a material impact on WT's overall financial situation.

Waterfront Toronto and post COVID-19

Preparedness for potential Stimulus Package from Federal Infrastructure Department

Thank you.

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Finance, Audit and Risk Committee (FARM) Committee
September 17, 2020
Item 11 – Draft Resolutions Arising from the Closed Session
FARM Committee Members

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 May 28, 2020 be approved as tabled.