



Pride Toronto Response to the KPMG Compliance Review

In October 2021, as part of our system-wide review, Pride Toronto engaged KPMG to undertake an independent, third-party “Grant Compliance Review” to review internal grant management processes, assess compliance with the requirements of three federal government grants, and provide recommendations to ensure our processes going forward meet the highest standards.

We pledged to release KPMG’s review publicly and to do so without sugar-coating what went wrong. We committed to addressing these legacy issues by fixing our processes to ensure the integrity of our work is of the highest calibre.

Pride Toronto has kept in close contact with our impacted funding partners and have proactively shared the KPMG report with them. We have reached out personally and formally in writing to a number of individuals and organizations who Pride Toronto wrongly, and without their permission or approval, made false representations claiming their support for Pride Toronto’s grant applications. While the review did not assess individual cases of misrepresentation, the recommendations provided will ensure that such actions are never repeated in the future.

Pride Toronto has offered our apologies to the Indigenous individuals and 2Spirit communities we have harmed. We have requested the opportunity to consult with them on what might constitute an appropriate and acceptable financial resolution for the acts of settler colonialism our organization inflicted upon them.

As we told them, words cannot express how sorry we are. The fact that these issues even occurred is beyond explanation or belief. That said, it did happen, and we are very sorry for the trouble this has caused. Pride Toronto is committed to rectifying the harm through concrete actions.

We would like to thank KPMG for their findings and recommendations, as well as our staff, who under the leadership of our new Executive Director, have devoted the better part of the past year to put the measures outlined below in place. These actions are just the beginning of Pride Toronto’s work to address the serious issues brought to light, and we will continue to provide further updates of this work at the Special General Meeting on April 7, 2022, and beyond.

To our members, partners, and supporters – we understand your trust in Pride Toronto has been violated. While these legacy issues pre-dates the current Board of Directors, we are united in our commitment to do everything in our ability to earn back your trust in Pride Toronto.

Sherwin Modeste
Executive Director

Grant Gonzales
Co-Chair, Board of Directors
On behalf of the Board

Yuri Hernandez
Co-Chair, Board of Directors
On behalf of the Board



Pride Toronto Actions in Response to the KPMG Review

Rectifying Harm Caused to Indigenous Individuals and 2Spirit Communities

Pride Toronto is committed to ensuring that the Senior Leadership Team and the Board of Directors meet with and properly consult the impacted Indigenous individuals and 2Spirit communities directly to ensure that all grievances are heard, understood, and addressed accordingly. We know that harm was caused, and we intend to right those wrongs. All findings, recommendations, and agreed-upon resolutions will be reported back to the membership.

Enhanced Governance: Grant Application Review and Approvals

All grants that Pride Toronto staff express interest in applying for are to first be presented to the Board of Directors through the monthly Executive Director Report. All members of the Board are given the opportunity to review and advise to ensure that the grants are aligned with Pride Toronto's Mission, Vision and Values. All grant applications are to be approved by the Board of Directors.

Enhanced Governance: Financial Reporting

For all grants that Pride Toronto has been awarded, all financial cash flows, activity reports, and timelines are to be reviewed by the Finance and Audit Committee and the Board of Directors before submission to the funder.

Day-to-Day Oversight: Grant and Fund Development Manager Position

Pride Toronto has hired a Grant and Fund Development Manager. This specialist role has been brought on to ensure that all current and future grants awarded to Pride Toronto are delivered and reported on transparently and in compliance with the requirements. Regaining the trust of our members, partners, and other stakeholders starts with Pride Toronto keeping our promises to those who support and fund us. Our investment in this new role is key to rebuilding that trust.

Day-to-Day Oversight: Identifying Issues with Deliverables

Once Pride Toronto's Management became aware of the significant gaps in the promised grant deliverables and Pride Toronto's ability to meet those commitments, efforts were made to rescale agreements with funding partners for the grants.

Pride Toronto was successful in being able to amend the 2Spirit Tales and the Decriminalization grants to provide value for the community and the funding partner. Pride Toronto was unsuccessful in reaching an agreement to amend the Public Safety Grant and as a result, opted to withdraw and conclude the project early to ensure no additional costs were incurred by either party.



Transparency: Proactive Information Sharing of Approved Grants

Pride Toronto will ensure transparency by posting summaries of all awarded government grants on Pride Toronto’s website. The information will include the purpose of the grant, key project deliverables, and the pledged amount. Once the grant has concluded, a summary of the achieved deliverables will be posted.

Organizational Compliance: Financial Management Policies

As of April 2021, Pride Toronto has implemented a series of Financial Management policies to ensure proper controls are in place. These policies are public and can be found on Pride Toronto’s website at www.pridetoronto.com. The Financial Management policies are reviewed annually by the Finance and Audit Committee and the Board of Directors.

Organizational Compliance: Capping Pride Toronto Allotments for Administrative Expenses

Pride Toronto has introduced a maximum repayment for overhead and administration expenses that Pride Toronto can receive from a grant. With the exception of grants that are provided to cover specific operational and administrative expenses of the organization, Pride Toronto cannot claim more than 5% of these types of expenses under any project-based grant.

Organizational Compliance: New Coding System for Grants

Beginning fall 2021, Pride Toronto’s Finance and Senior Leadership Teams have implemented new financial practices to ensure all funds associated with grants are recorded into a new “class” system. Once a grant has been awarded to Pride Toronto, a Class Code is created and all revenue and expenses are recorded into the Class Code.

This step is to provide further accountability and transparency to our funders by clearly reconciling all grant revenues with expenses. This will ensure that all funds are allocated to the grant project and ensure Pride Toronto cannot use grant funding for items not associated with the project. The General Ledger associated with the Class Code will be provided to the funder on a regular basis as agreed upon by the funder.



Summary of Federal Government Grants

The following chart outlines the federal government grants which Pride Toronto applied for, the funding received, and the deliverables achieved.

Grant	Contribution Agreement Amount	Amount Received	Achieved Deliverables
2Spirit Tales	Original: \$600,000 Revised Contribution Agreement: \$501,000	\$463,750.68	<ul style="list-style-type: none"> - 39 Indigenous and 2S Artists participated - Series of professional headshots were created for artists to utilize for professional portfolios - Leadership building that focused on “supporting three emerging leaders within the 2-Spirit community. In meeting with the candidates, we developed a plan that would best support them within traditional Indigenous methodologies and ways that work for our community and how we operate.” - Series of Indigenous Competency Trainings - Summary of the 2Spirit Tales Project will be posted on the Pride Toronto website following the completion of the Grant.
Public Safety	\$1,000,000	\$554,876.14	<ul style="list-style-type: none"> - Research into structural barriers, gaps, and challenges

			<p>around various Canadian 2SLGBTQ+ data landscapes</p> <ul style="list-style-type: none"> - A model for a community catalyst program - Overview on safer spaces and creating safer 2SLGBTQ+ nightlife spaces - Research paper: Benefits for All - The Central Role of Queer and DIY Spaces in Building Resilient Societies - Summary of the Public Safety Grant will be posted on the Pride Toronto website within six months.
Decriminalization	\$250,000	\$250,000	<ul style="list-style-type: none"> - Launched an “Until We’re Safe” campaign inviting victims of trauma and violence to march and participate. All volunteer t-shirts were black this year in solidarity. - Series of HIV/AIDS awareness events to recognize 35 years of AIDS activism - Significant financial increase to “Drag Ball” where we had drag performances in celebration of 50 years to tribute Stonewall and Marsha P. Johnson - Summary of the Decriminalization



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