



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Casa Loma Corporation - Annual General Meeting and
Audited Annual Financial Statements 2011**

Date:	August 21, 2012
To:	Executive Committee
From:	City Manager
Wards:	City-wide
Reason for Confidential Information:	This report includes information pertaining to matters about identifiable individuals employed by a City agency.
Reference Number:	

SUMMARY

This report recommends the actions necessary to comply with the requirements of the *Business Corporations Act* (Ontario) for holding the 2011 Annual General Meeting of the shareholder of Casa Loma Corporation including receipt of Audited Financial Statements, transmittal of the 2011 Annual Report and confirmation of appointment of the auditor for 2012. This report also transmits the confidential disclosure of executive compensation paid by the corporation in 2011.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. Treat the Council meeting at which this report is considered as the 2011 Annual General Meeting of the Shareholder for Casa Loma Corporation by:
 - a. receiving the 2011 Audited Financial Statements of Casa Loma Corporation, attached as Attachment 1 to this report;

- b. confirming the appointment of KPMG Chartered Accountants, as the Auditor of Casa Loma Corporation for fiscal year 2012; and
 - c. receiving the Casa Loma Corporation 2011 Annual Report attached as Attachment 2 to this report.
2. Forward a copy of the Casa Loma Corporation 2011 Audited Annual Financial Statements, in Attachment 1 to this report, to the Audit and Budget Committees for information; and
3. Receive the information in Confidential Attachment 3 concerning executive compensation disclosure.
4. Direct that the contents of Confidential Attachment 3 to this report from Casa Loma Corporation be kept confidential in their entirety after the consideration of this report by Council for reasons of personal information about identified individuals.

Financial Impact

Casa Loma Corporation was successful in generating a surplus from operations in 2011 of \$731,000 of which \$507,000 was generated since establishment of Casa Loma Corporation in June 2011. Of this operating surplus \$500,000 was placed in a reserve held by Casa Loma Corporation to fund future Casa Loma capital improvements.

As part of the transition process, Casa Loma Corporation paid an outstanding debt to the City of Toronto of \$160,000 pursuant to Section 6.3 of the management agreement to fund Casa Loma restoration. As part of the transition, Casa Loma Corporation also paid \$306,910 to the Kiwanis Club of Casa Loma for obligations arising from the termination agreement between the City and Kiwanis in 2011. In addition, \$1.45 million was paid from the City of Toronto Casa Loma Capital Maintenance Reserve Fund for the purchase of artefacts, trademarks and inventory.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with it.

DECISION HISTORY

Casa Loma Corporation is incorporated under the *Ontario Business Corporations Act* (OBCA). The City is the sole shareholder. The City of Toronto established the Casa Loma Corporation effective June 20, 2011 to transition the management of Casa Loma to the City from the Kiwanis Club of Casa Loma which had managed the facility on behalf of the City for many years. The mandate of Casa Loma Corporation is to operate Casa Loma as a tourism and event venue until the future of Casa Loma is determined by the City.

ISSUE BACKGROUND

This is Casa Loma Corporation's first Annual General Meeting and represents reporting for a partial year from its inception in June 2011 until year end at December 31, 2011. The earlier period in 2011 when operations were the responsibility of the Kiwanis Club of Casa Loma is not included in the financial statements except where transition costs were incurred such as payments to the City required or termination costs paid to the Kiwanis Club of Casa Loma.

COMMENTS

The 2011 audited Financial Statements in Attachment 1 state revenues of \$2,341,112 and expenses of \$1,833,565 leaving an operating surplus of \$507,547 for the June to year end period. Of this operating surplus \$500,000 was placed in a reserve account held by Casa Loma Corporation to fund future Casa Loma capital improvements. The City of Toronto provided an equity contribution of \$1,475,200.

For the period of June 20, 2011 to December 31, 2011 the Corporation stated net financial assets of \$334,601 and a cash balance of \$908,014.

The 2011 Annual Report in Attachment 2 of this report indicates that in its first few months operation the Casa Loma Corporation achieved several key accomplishments including:

- Generating an operating surplus of \$731,00 during all of 2011 of which \$500,000 was put into a Capital Reserve to fund capital improvements;
- Generating visitation of 282,361 guests, a 2% increase over 2010;
- Reinvesting in assets such as new fire and life safety systems, new information systems, new heating boilers, new holiday season décor and a new way-finding system;
- Investing in customer service and first aid training;
- Hosting of 10 major media events and 7 movie and television shoots; and
- Acquisition of a donated heirloom rug valued at \$150,000.

The process of determining the future of Casa Loma is ongoing and will be subject to separate reporting to the Executive Committee by City staff.

The protection of individual privacy is required by the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*. Specific compensation data of individual executives is private information under *MFIPPA*. Attachment 3 of this report provides for the 2011 salary disclosure of executives at Casa Loma Corporation. Confidential Attachment 3 may not be discussed in public and must be kept confidential in its entirety after consideration of this report by Council for reasons of personal information about identified individuals.

CONTACTS

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1: Casa Loma Corporation 2011 Audited Financial Statements
Attachment 2: Casa Loma Corporation 2011 Annual Report
Confidential Attachment 3: Executive Compensation Disclosure