



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Casa Loma Corporation – Annual General Meeting and
Audited Annual Financial Statements 2012**

Date:	May 29, 2013
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

Casa Loma Corporation (the Corporation) was established by City Council in June 2011. The Corporation is currently undertaking a competitive process for a third party manager of the castle, and through a separate process is investigating the potential use of other buildings, including a home for the Museum of Toronto.

This report recommends the actions necessary to comply with the requirements of the Business Corporations Act (Ontario) for the holding of the 2012 Annual General meeting of the shareholder, including receipt of the Audited Financial Statements, transmittal of the 2012 Annual Report, and confirmation of the auditor for 2013. The report also transmits the confidential disclosure of executive compensation paid by the Corporation in 2012.

RECOMMENDATIONS

The City Manager recommends that City Council:

1. Treat the Council meeting at which this report is considered as the 2012 Annual General Meeting of the Shareholder for Casa Loma Corporation by:
 - a. receiving the 2012 Audited Financial Statements of Casa Loma Corporation, attached as Attachment 1 to this report;
 - b. appointing KMPG LLP as the Auditor of Casa Loma Corporation for fiscal year 2013; and

- c. receiving Casa Loma Corporation's 2012 Annual Report attached as Attachment 2 to this report.
2. Forward a copy of the Casa Loma Corporation 2012 Audited Annual Financial Statements, in Attachment 1 to the report, to the Audit Committee for information;
3. Receive the information in Confidential Attachment 3 to the report; and
4. Direct that the contents of Confidential Attachment 3 to the report be kept confidential in their entirety after the consideration of this report by Council for reasons of personal information about identified individuals.

Financial Impact

In 2012, its first full year of operation, Casa Loma Corporation generated an operating surplus of \$1,507,329 on revenues of \$5,312,730. The Corporation's financial assets for 2012 are valued at \$1,931,157 and its accumulated surplus since inception in 2011 was \$3,490,076. In 2012 its cash flow increased by \$1,826,574 and by year end the balance in the Casa Loma Reserve Fund for building restoration purposes was \$1,074,546. In 2012 Casa Loma Corporation had tangible capital assets such as office equipment, artwork, and furniture valued at \$1,512,535.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In July 2010, Council considered and adopted a staff report on the management agreement with the Kiwanis Club related to operations and completion of the Strategic Vision for Casa Loma.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.54>)

In June 2011 City Council considered and adopted a report from the General Manager of Economic Development. The report recommended that the management agreement with Kiwanis Club be terminated and a new City Services Corporation be established to manage Casa Loma until such time that a new operator could be found and the future direction of the complex established.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX6.7>

At its October 2012 meeting City Council authorized the Casa Loma Corporation Board to undertake a competitive proposal call for the operation of the main building at Casa Loma, and to undertake a separate process to determine uses for the other buildings on the site. Stage 1 of the competitive process for the main building is completed and Stage 2 of that process is now underway.

COMMENTS

Casa Loma Corporation improved the net revenue from operations from \$731,000 in 2011 to \$1,507,329 in 2012. Actual revenues were \$5,312,730 and exceeded budgeted revenues of \$4,773,005. Casa Loma's share of visitors amongst the top 6 tourist attractions in the GTA increased from 4.57% in 2011 to 5.26% in 2012.

Casa Loma Corporation successfully completed several activities in 2012 such as:

- 130 self produced programmes including corporate events, several film and television shoots, and group tours;
- 95 weddings;
- Completion of Stage 1 of an extensive competitive proposal call process for the operation of the main building at Casa Loma;
- Community consultations on the future of the site where the public identified that, among other matters, the site should remain in public ownership and be publically accessible; and
- Generation of an operating surplus of \$1,507,329 of which \$575,000 was set aside for restoration work.

Confidential Attachment 3 of this report provides for the 2012 salary disclosure of executives at Casa Loma Corporation. 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*. 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.

CONTACT

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1: Casa Loma Corporation 2012 Audited Financial Statements
Attachment 2: Casa Loma Corporation 2012 Annual Report
Confidential Attachment 3: 2012 Executive Compensation Disclosure