

## **Casa Loma Corporation - Annual General Meeting and 2021 Audited Financial Statements**

**Date:** June 27, 2022

**To:** Executive Committee

**From:** City Manager and Chief Financial Officer and Treasurer

**Wards:** All

### **SUMMARY**

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This report transmits materials submitted by the Board of Directors of Casa Loma Corporation to the City. No independent review or analysis has been performed by City staff. Representatives from the Board of Directors for Casa Loma have confirmed all financial information was made available to the auditors for the performance of the audit.

This report recommends actions necessary to comply with the requirements of the Business Corporations Act, Ontario (OBCA) for holding the Annual General Meeting of the Shareholder for Casa Loma Corporation, including receipt of its Audited Financial Statements (Statements) for 2021 and appointment of the auditor for 2022.

Casa Loma's 2021 Statements were audited by Welch LLP and received an opinion stating that the financial statements present fairly, in all material respects, the financial position of Casa Loma as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **RECOMMENDATIONS**

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The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council treat that portion of the City Council meeting at which this Report is considered as the Annual General Meeting of the Shareholder for Casa Loma Corporation by:

- a. receiving the "Casa Loma Corporation 2021 Audited Financial Statements", forming Attachment 1 to this Report; and

b. appointing Welch LLP as the Auditor of Casa Loma Corporation for fiscal year 2022 and authorizing the Board of Directors of Casa Loma Corporation to fix the remuneration of the Auditor.

2. City Council direct the City Clerk to forward a copy of the "Casa Loma 2021 Audited Annual Financial Statements", forming Attachment 1 to this Report, to the Audit Committee for information.

## **FINANCIAL IMPACT**

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There are no financial implications to the City resulting from the approval of recommendations in this report.

Casa Loma Corporation has provided City staff with financial summary information for 2021, which is provided in this section of the report.

Casa Loma's 2021 Statements recognize a net operating surplus of \$0.8 million (an increase of \$0.5 million over 2020), total assets of \$5.8 million (an increase of \$0.4 million over 2020), and total liabilities of \$0.06 million (an increase of \$0.05 million over 2020). The accumulated surplus increased by \$0.8 million in 2021 to \$5.8 million. The entity recognized a bad debt expense of \$1.0 million, as it was unable to collect a portion of the 2021 rental income due from its tenant, given suspension of operations.

Casa Loma does not pay dividends to the City of Toronto. In lieu of dividends, distributions are made to the Casa Loma Capital Maintenance Reserve Fund, held by the City of Toronto. Due to a high degree of uncertainty that persists surrounding the full economic impact of COVID-19, no distribution of any of the accumulated surplus was made to the Reserve. The reserve balance is intended to provide a source of funding for Economic Development and Culture through its 10-Year Capital Plan to undertake ongoing capital maintenance and repair projects in future years for Casa Loma, a City-owned tourism and event facility.

Further information on Casa Loma Corporation's financial position and results can be found in Attachment 1.

## **DECISION HISTORY**

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On July 14, 2021, that portion of the City Council meeting where *EX25.10 Casa Loma Corporation - Annual General Meeting and 2020 Audited Financial Statements* was approved by Council, was considered the previous Annual General Meeting of the Shareholder for Casa Loma  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX25.10>

On July 11, 2012, City Council approved a requirement that Shareholder Directions for all wholly-owned City corporations be amended to require public disclosure to the extent permitted by law of individual executive compensation as part of the annual reporting to

the Shareholder and where required obtain consent from executives.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX21.19>

## **ISSUE BACKGROUND**

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City Council authorized the establishment of Casa Loma Corporation on June 14, 2011, pursuant to section 148 of the City of Toronto Act, 2006, and Ontario Regulation 609/06. Casa Loma Corporation was incorporated under the Business Corporations Act (Ontario) (OBCA) on June 20, 2011. The City is the sole shareholder.

Subsection 94(1) of the OBCA requires that the directors of a corporation call an annual meeting of the Shareholder not later than fifteen months after holding the last preceding annual meeting. The last annual meeting was held by City Council on July 14, 2021. Subsection 154(1) of the OBCA requires the directors to place before each annual meeting of Shareholders, audited financial statements for the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and for the Shareholders to receive Casa Loma Corporation's audited annual financial statements and the report of the auditor at the annual meeting of the Shareholder.

Section 149(2) of the OBCA requires that the Casa Loma Shareholder, at each annual meeting, appoint one or more auditors to hold office until the close of the next annual meeting, and allows the Shareholder to authorize the directors to fix the auditor's remuneration.

## **COMMENTS**

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### **1. Appointment of Auditor**

Under the OBCA, the auditor must be appointed annually by the Shareholder at the Annual General Meeting of the corporation. The auditor so appointed holds office until the close of the next Annual General Meeting of the Shareholder, or until a successor is appointed.

The Board of Directors of Casa Loma has recommended that Welch LLP be appointed as the Auditor for Casa Loma Corporation for fiscal year 2022. The Board will fix the annual remuneration of the Auditor.

### **2. Key Casa Loma Achievements in 2021**

The Casa Loma Corporation 2021 Annual Report, which highlights key Casa Loma Corporation achievements in 2021, will be provided in a Supplementary Report to this Report.

### **3. Casa Loma Corporation 2021 Audited Financial Statements**

The 2021 Audited Financial Statements (Attachment 2) provides the auditor's opinion and financial details for Casa Loma.

### **4. 2021 Executive Compensation**

The compensation paid to the corporation's executive officers is required to be disclosed pursuant to the Province of Ontario's public disclosure of the salary and benefits paid in respect of employment in the public sector under the Public Sector Salary Disclosure Act, 1996. Casa Loma is managed by City staff.

Liberty Entertainment Group, which operates Casa Loma through a management agreement with the City, is not required to disclose executive compensation.

### **CONTACT**

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### **SIGNATURE**

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Heather Taylor  
Chief Financial Officer and Treasurer

Chris Murray  
City Manager

### **ATTACHMENTS**

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Attachment 1: Casa Loma Corporation 2021 Audited Financial Statements