

## **Casa Loma Corporation**

### **Impact of COVID-19 on the 2021 Financial Statements**

#### **Key Drivers and Financial Impacts**

Due to the facility closure from January to June 2021, the tenant has paid \$1.03 million of the \$2.06 million annual basic rent for 2021. Casa Loma recorded a bad debt expense of \$1.03 million for the outstanding rent payments in 2021. It is unforeseeable that tenant can make outstanding payments due to their businesses being heavily impacted by COVID-19. Casa Loma Corporation will be looking for any rent relief grants from other levels of government. There has been no further recovery of the 2021 rent owed.

#### **Impact on the Capital Budget**

Casa Loma's capital maintenance needs are addressed through the Economic Development and Culture (EDC) Capital Budget. Casa Loma distributes a portion of its accumulated surplus to the City of Toronto for site rehabilitation projects. The accumulated surplus provides a source of funding for Economic Development and Culture to undertake ongoing capital maintenance and restoration projects.

Casa Loma has a 10 Year Restoration Plan. Phase 10 of the Casa Loma Restoration, for the restoration of the west perimeter wall from the corner of Austin Terrace, south down Walmer Road was not impacted by the pandemic and continues as planned; this project is scheduled to be complete by the end of July 2022. The next phase of capital restoration at Casa Loma, Phase 11, which will be significant work on the west garden retaining wall and structural repairs to the parking garage. EDC did not receive a federal infrastructure funding grant and due to the uncertainty of the rental revenue in 2020 and 2021, Phase 11 will be suspended until rent revenues replenish the capital reserve or alternate funding is identified. If there is at least sufficient funds for preliminary design work on this Phase 11 then we can start with that in 2022.

#### **Modifications to Programs & Initiatives**

As a result of COVID 19, Liberty Entertainment Group suspended all operations at Casa Loma in from January to June 2021 including all special events, tourist and local visitors and the restaurant. Subsequently when the Province permitted take-out and delivery, the restaurant initiated limited service and has also contributed meals for front line workers. Liberty Entertainment Group has continued to maintain the building and pay all related costs.