

Casa Loma Corporation - Annual General Meeting and 2023 Audited Financial Statements

Date: September 16, 2023

To: Executive Committee

From: Chief Executive Officer, Casa Loma Corporation

Wards: All

SUMMARY

The Board of Directors of Casa Loma Corporation ("CLC") recommend to City Council actions necessary to comply with the requirements of the Business Corporations Act, Ontario for holding the Annual General Meeting of the Shareholder of CLC, including receipt of its Annual Report and Audited Financial Statements ("Statements") for 2023 and appointment of the auditor for 2024.

CLC's 2023 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 the CLC as of December 31, 2023, and the results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

RECOMMENDATIONS

The Board of Directors of Casa Loma Corporation recommends that City Council:

1. 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, and:

a. Receive the Board-approved "Casa Loma Corporation 2023 Annual Report", and the "Casa Loma Corporation 2023 Audited Financial Statements", forming Attachments 1 and 2 to this Report, respectively; and

b. appoint Welch LLP as the Auditor of Casa Loma Corporation for fiscal year 2024.

FINANCIAL IMPACT

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

Casa Loma Corporation's 2023 Financial Statements reflect a net operating surplus of \$2.2 million, an increase of \$0.4 million from 2022. Total assets increased to \$6.1 million, up \$0.7 million from the previous year, while total liabilities decreased to \$1.2 million, down \$0.3 million. The accumulated surplus at year-end stands at \$5.8 million, a \$0.9 million increase from 2022. The increase in surplus is attributed to a rise in unrestricted funds to \$4.0 million from \$3.0 million in 2022.

In 2023, Casa Loma Corporation distributed \$1.2 million towards the City of Toronto's Capital Reserve Fund, which was paid out in 2024. The reserve balance continues to support the City's Economic Development and Culture initiatives for capital maintenance and repair projects at Casa Loma.

Following the economic recovery from COVID, the organization received revenues for each month in 2023, without any concerns of bad debts, which resulted in an increase in the surplus during the year.

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

DECISION HISTORY

On July 19, 2023, that portion of the City Council meeting where *EX6.16 Casa Loma Corporation - Annual General Meeting and 2022 Audited Financial Statements* was approved by Council, was considered the previous Annual General Meeting of the Shareholder for Casa Loma Corporation. [Agenda Item History - 2023.EX6.16 \(toronto.ca\)](#)

At its meeting of November 13, 2013, at City Council's direction, the City entered into a twenty-year agreement with a company controlled by Liberty Entertainment Group, the recommended proponent in an open request for proposals process, to improve and operate the Main House and Grounds of Casa Loma. Council also directed that the net proceeds from the agreement be placed in the Casa Loma Capital Maintenance Reserve Fund for the

restoration and state of good repair at the Casa Loma complex, and that Casa Loma Corporation review options for the north portion of the Casa Loma complex. [Agenda Item History - 2013.EX35.2 \(toronto.ca\)](#)

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. [Agenda Item History - 2012.EX21.19 \(toronto.ca\)](#)

ISSUE BACKGROUND

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) requires that the Board of Directors of CLC call an annual meeting of its Shareholder by no later than fifteen months after holding the last preceding annual meeting. The last annual meeting was held by City Council on July 11, 2023. Subsection 154(1) of the OBCA requires that the Shareholder receive CLC's audited financial statements and the Auditor's Report at the annual meeting of the Shareholder.

Section 149(2) of the OBCA requires that the CLC 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.

Section 3 of the Unanimous Shareholder Declaration to Casa Loma Corporation requires Casa Loma Corporation to provide an annual report on its progress to City Council, in addition to the requirement of the OBCA to hold an annual general meeting.

COMMENTS

This report recommends that the Board of Directors of CLC approves the 2023 Annual Report and Audited Financial Statements. Further, the report recommends the Board recommends that City Council receive CLC's 2023 Annual Report and 2023 Audited Financial Statements and appoints the auditor for 2024. These actions are necessary to comply with the requirements of the OBCA for holding the Annual General Meeting of the Shareholder, and to fulfill requirements under the Unanimous Shareholder Declaration to CLC.

At the recent Board meeting, it was decided to integrate the North Campus into the existing lease to maintain continuity and favorable conditions for both the tenant and the City. This approach, endorsed by CREM and EDC, ensures effective management. Day-to-day operations and capital repairs will continue under LEG, with lease oversight handled by CREM.

This report recommends that the Board of Directors of CLC recommends that City

Council appoint Welch LLP as the Auditor for Casa Loma for fiscal year 2024.

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

SIGNATURE

Karen Carter
Chief Executive Officer

ATTACHMENTS

Attachment 1: Casa Loma Corporation 2023 Annual Report
Attachment 2: Casa Loma Corporation 2023 Audited Annual Financial Statements