

2025 Annual General Meeting and Wind-Up of Casa Loma Corporation

Date: June 2, 2026
To: Executive Committee
From: City Manager
Wards: All

SUMMARY

This report recommends that City Council, as sole shareholder of Casa Loma Corporation (the Corporation), receive the Corporation's 2025 Annual Report and Audited Financial Statements and approve the voluntary wind-up and dissolution of the Corporation. Established in 2011 as an interim governance structure to stabilize operations, the Corporation has fulfilled its mandate. With long-term lease and operating agreements between the City and a third party for the use of Casa Loma in place, the Corporation is no longer required. Dissolution will enable the City of Toronto to assume direct oversight of Casa Loma through the Economic Development and Culture Division (EDC), improving administrative efficiency and aligning governance with current operational needs.

The report further recommends the appointment of the City Controller & Chief Accountant as Liquidator to undertake the Corporation's wind-up process, the transfer of all of the Corporation's assets and liabilities to the City, and the direction of net future lease revenues to the Casa Loma Reserve Fund within EDC to support ongoing capital and other requirements. The existing lease and operating agreements for the use of Casa Loma properties with Liberty Entertainment Group (LEG) will continue until January 2034. There are no net financial or operational impacts to the City anticipated because of the wind-up, and the transition is expected to be substantially completed in 2026, with continued public access and operations maintained throughout.

Once wind-up activities are complete, a subsequent report to Committee and Council will be required to report out on financials and complete the formal dissolution process, in accordance with the requirements of the Business Corporations Act (Ontario).

RECOMMENDATIONS

The City Manager recommends that:

1. City Council, as shareholder, treat the portion of the City Council meeting at which this report is considered as the Annual General Meeting of the Shareholder for Casa Loma Corporation (the "Corporation") and receive the Board-approved "Casa Loma Corporation 2025 Annual Report" and the "Casa Loma Corporation 2025 Audited Financial Statements" forming Attachments 1 and 2 to this report, respectively.
2. City Council, as shareholder, terminate the appointments of all members of the Board of Directors of the Corporation effective immediately and thank them for their service to the City of Toronto as board members.
3. City Council, as shareholder, resolve that the Corporation be voluntarily wound up under the provisions of Part XVI of the Business Corporations Act (Ontario); and that in connection therewith, City Council:
 - a) Appoints the City Controller & Chief Accountant as the liquidator of the Corporation (the "Liquidator") to wind up the business and distribute the property of the Corporation;
 - b) Authorizes and directs the Liquidator to execute and file all required notices and documents, including the Notice Concerning Winding Up, with the Ministry of Public and Business Service Delivery (Service Ontario) to give effect to this resolution;
 - c) Approves the transfer of assets remaining after payments associated with the wind-up process from the Corporation to the City at current market value, to be solely applied to Casa Loma's future capital requirements.
4. City Council delegate authority to the General Manager of Economic Development and Culture, or their representative, to oversee and administer the interests of the City in Casa Loma and in particular the operating agreement with Liberty Entertainment Group.
5. City Council direct that all future proceeds from the lease agreement and operating agreement between the City of Toronto and Liberty Entertainment Group and related corporate entities for use of the Casa Loma property, net of operating costs, flow to Economic Development and Culture's Casa Loma Reserve Fund for future Casa Loma capital and other requirements to be allocated in future years through the City's budgeting process.

FINANCIAL IMPACT

Annual Financial Statements

As of year-end 2025, the total financial assets of Casa Loma Corporation (the Corporation) were \$4,602,569. These assets included \$3,559,604 in cash, \$1,000,000

in investments, \$38,269 in interest received from the City of Toronto (City), \$4,615 in interest receivable on bank deposits, and other receivables of \$81.

For the year ended December 31, 2025, the Corporation's total financial liabilities amounted to \$51,093. These liabilities consisted of accrued audit fees payable of \$28,956 for 2024 and 2025, and government remittances payable to the Canada Revenue Agency of \$22,137.

Wind-up and Dissolution of the Corporation

The wind-up of the Corporation and the subsequent transfer of its operations and assets to the City will be treated as a restructuring transaction in line with Public Sector Accounting Handbook guidelines. There will be no anticipated consolidated gain or loss. As part of the wind-up, any remaining Corporation financial assets and liabilities will be transferred to the City at their net book values.

The Corporation does not expect to incur any additional wind-up costs for the dissolution. If costs do need to be incurred, they will be funded through the Corporation's cash assets under the Liquidator's oversight before the dissolution.

Upon dissolution, the operations currently managed by the Corporation will be assumed directly by the City. The current agreements with Liberty Entertainment Group (LEG) and its related corporate entities provide for this arrangement. Accordingly, the existing lease and operating agreements will remain unchanged and in effect.

The Corporation has historically generated an operating surplus, which has contributed to the City's Casa Loma Capital Reserve Fund to support capital requirements. Following the Corporation's dissolution, rental income under the contracts with LEG will be recorded revenues of Economic Development and Culture Division (EDC). Property taxes and any other operating charges will be borne by EDC. EDC will continue to contribute to the Casa Loma Reserve fund in accordance with Casa Loma's operational requirements and capital needs. Any accumulated surplus from the operating revenues, net of the operating costs, from the Casa Loma lease and operating agreements will be allocated to the Casa Loma Reserves. These funds will be used exclusively to support future capital projects and other requirements related to Casa Loma's buildings and properties.

The Chief Financial Officer & Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on April 27, 2026, the Corporation's Board approved the release of the Corporation's Internally Restricted Capital Reserve during the year ended December 31, 2025, and approved the 2025 the Corporation's annual report and audited financial statements.

At its meeting on January 30, 2026, in preparation for the wind up of Casa Loma Corporation, the Corporation's Board approved the full write-off of the Corporation's depreciable Tangible Capital Assets and the Arts and Artefacts. Further, the Board decided to maintain in overhold the lease of the North Campus of Casa Loma with Liberty Entertainment Group.

At its meeting of September 25, 2025, the Corporation's Board recommended to proceed with the dissolution of the Corporation and recommended all assets and liabilities of the Corporation be transferred to the Economic Development and Culture Division.

At its meeting on July 23 and 24, 2025, that portion of the City Council meeting where EX25.24 Casa Loma Corporation – Annual General Meeting and 2024 Audited Financial Statements was approved by Council was considered the previous Annual General Meeting of the Shareholder for the Corporation. [Agenda Item History - 2025.EX25.24](#)

At its meeting of November 13, 14, 15 and 18, 2013, at City Council's direction, the City entered into a twenty-year agreement with a company controlled by LEG 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 the Corporation reviews options for the north portion of the Casa Loma complex. [Agenda Item History - 2013.EX35.2](#)

At its meeting on October 2, 3 and 4, 2012, City Council authorized the CL to undertake a Request for Proposals (RFP) for a suitable operator of the Main House, and to undertake an RFP for the north portion of the site. The City Manager was to report on the appropriate governance changes, including to the shareholder declaration based on the results of the RFP process. [Agenda Item History - 2012.EX22.2](#)

At its meeting of June 2011, City Council agreed to transition management of the Casa Loma complex from the Kiwanis Club of Casa Loma to a City Services Corporation established pursuant to the City's powers under Section 148 of the City of Toronto Act. The Corporation's mandate was to stabilize operations and investigate future options for Casa Loma. [Agenda Item History - 2011.EX6.7](#)

COMMENTS

Annual General Meeting

Subsection 94(1) of the Business Corporations Act (Ontario) (OBCA) requires that the Board of Directors of Casa Loma Corporation (the Corporation) call an annual meeting of its Shareholder no later than fifteen months after holding the last preceding annual meeting; the last annual meeting was held by City Council on July 23 and 24, 2025. Subsection 154(1) of the OBCA requires that the Shareholder receive the Corporation's audited financial statements and the Auditor's Report at the annual meeting of the

Shareholder. 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.

This report recommends that City Council receive the 2025 Annual Report (Attachment 1), and 2025 Audited Financial Statements (Attachment 2) of the Corporation, approved by its Board (Attachment 3). 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 the Corporation. Subject to Council adoption of the recommendation to wind up the Corporation, approval of an auditor for 2026 is not required.

Casa Loma Lands and Buildings

The City of Toronto (City) is the owner of the lands, buildings, and improvements of Casa Loma. Corporate Real Estate Management (CREM) developed and manages the lease for the Casa Loma lands and buildings on behalf of the City. As per the lease, the City's Economic Development and Culture Division (EDC) funds and coordinates all capital repairs to the building envelope, exterior, and roof. The lease stipulates that the Tenant – currently Liberty Entertainment Group (LEG) and its related corporate entities – is responsible for maintaining the building interior, interior fixtures, and the site's gardens. The Corporation was initially established to manage and stabilize Casa Loma's operations, and since 2013 manages the operating agreement with the current Tenant, Liberty Entertainment Group and its related corporate entities.

Wind-up and Dissolution of City Corporation

The City is the sole shareholder of Casa Loma Corporation, which was established in 2011. The mandate of the Corporation was to manage and stabilize Casa Loma's operations during a transitional period while a long-term operational strategy was developed.

As the Corporation was intended as a temporary solution, 14 years after the Corporation's creation, and with stable operations with a long-term tenant now in place at Casa Loma, it is appropriate to consider the wind-up and dissolution of the Corporation. At this time, and in the foreseeable future, the Corporation is no longer required to manage the Casa Loma property. The existing operating and lease agreements for the site can be managed directly by the City staff in EDC and CREM. Dissolution of the Corporation will result in City staff time savings across multiple divisions, including reduced time commitments for senior City leadership serving on the Corporation's Board.

As sole shareholder of the Corporation, the City via City Council has ultimate authority to approve any voluntary changes to the Corporation including any amendment or repeal of articles of incorporation, or proceedings for any voluntary winding up, arrangement, reorganization or dissolution.

Legislated Wind-up and Dissolution Procedure

The report recommends that Casa Loma Corporation be voluntarily wound up and dissolved under the provisions of the Business Corporations Act (Ontario) where the shareholders appoint a liquidator of the estate for the purpose of winding up its business and affairs and distributing its property. The Corporation is required to file notice of a resolution requiring the voluntary winding up of the Corporation with the Director of Corporations within ten days after the resolution has been passed and publish the notice in the Ontario Gazette within twenty days after the resolution has been passed. A voluntary winding up will commence at the time of passing of the resolution requiring winding up, or at a later time, as specified in the resolution. The Corporation is required to immediately cease carrying on business. The Corporation has no employees, and accordingly, no staff-related actions will be required for the wind-up.

The Liquidator will settle the debts of the Corporation, dispose of its assets and distribute any net proceeds of the winding up to the shareholder. Upon completion of the winding up, the Liquidator will report to the shareholders at a shareholders meeting. Within ten days after the meeting, the Liquidator will file a notice with the Director of Corporations stating that the meeting was held and publish the notice in the Ontario Gazette. On the expiration of three months after the date of the filing of the notice, the Corporation will be dissolved.

Casa Loma Corporation Assets

As reflected in the audited financial statements for the year ended December 31, 2025, the Corporation's total financial assets were \$4,602,569, including cash, investments and interest received.

During 2025, the Corporation wrote off its tangible capital assets, with a net book value of \$984,341. This amount included Casa Loma's arts and artefact collection with a book value of \$907,970, which were reclassified as heritage assets and were derecognized in 2025 to align with the City's accounting policies, as guided by the Public Sector Accounting Board standards. In addition, depreciable tangible capital assets with a net book value of \$76,371 as of 31 December 2025 were written down to nil, as they had reached the end of their estimated useful lives and were not expected to have any future resale value. As a result of these the write-offs, the Corporation reported no non-financial assets as of December 31, 2025.

The Corporation currently holds no trademarks, logos, or other intellectual property associated with the Casa Loma asset. All Casa Loma trademarks, logos or other intellectual property are owned by the City directly. Therefore, no action during the wind-up by the Corporation or the City is required in this regard.

The Casa Loma Art and Artefact Collection

Casa Loma's collection of art and artefacts, referred to as "art and antiquities" in the Corporation's the annual audit and the "archival inventory" in the 2014 LEG lease agreement, has a net book value of \$907,970. This collection includes paintings, historic furnishings, and related objects that function primarily as a learning collection, displayed

throughout Casa Loma to support interpretation and enhance the visitor experience of the site's interior spaces.

In 2011, the City purchased this collection from the Kiwanis Club of Casa Loma for \$1.45 million (2011.EX6.7), funded by the City's Casa Loma Maintenance Fund. In the audit of the Corporation's 2011 operations, the artefacts appear as a tangible capital asset of the corporation. The Corporation continued to follow this accounting treatment until year-end 2025, then wrote down these assets to nil to align with the City's accounting policies and aid the wind-up process.

Subject to Council's adoption of the recommendations in this report, ownership of the art and artefact collection will transfer to the EDC along with the Corporation's other assets. Following the transfer, EDC's Collections and Curatorial staff will assess the artefact inventory to identify any objects of historical significance to Toronto and its history that may be appropriate for accession into the City's art and artefact collection.

As the artefacts primarily serve as what is known as a teaching, education or learning collection, it is expected to remain categorized as such within EDC, under the purview of EDC's Capital Assets teams.

Casa Loma Corporation Liabilities

As reflected in the audited financial statements for the year ended December 31, 2025, the Corporation's total financial liabilities were \$51,093, consisting of audit fees and government remittances.

In addition to assets and liabilities arising from the normal course of operations up to the wind-up, further costs may be incurred throughout the wind-up process. Such costs will be recognized in the Corporation's accounts in the period incurred and may include professional fees for legal or other advisory services retained specifically to support the wind-up and dissolution, services provided by the City's Legal Services division, if required, and final Ontario Business Registry filing fees related to the dissolution.

Lease and Operating Agreements for Use of Casa Loma

Following completion of a competitive Request for Proposals process in 2013, the City, the Corporation, and LEG (through its related corporate entities) as Tenant entered into a 20-year lease agreement and an accompanying operating agreement governing the leasing, improvement, and operation of Casa Loma as a heritage attraction and special events venue. These agreements govern the rights and responsibilities of the Tenant and operation of the Casa Loma Main House and Grounds.

Casa Loma Lease Agreement (2014)

The lease provides the Tenant with the right to lease, improve, and operate Casa Loma for a 20-year term, from January 14, 2014, to January 13, 2034, unless terminated earlier in accordance with the agreement. The leased premises include the Casa Loma Main House and grounds, as well as certain ancillary lands and structures, including areas north of Austin Terrace.

Under the lease, the Tenant assumes responsibility for all day-to-day operations, maintenance and operating costs, and retains revenues generated from admissions, events, and ancillary commercial uses. All activities must comply with applicable laws, zoning requirements, and heritage designations, including the Ontario Heritage Act and Heritage Easement Agreement.

The lease includes provisions addressing insurance, indemnification, defaults, and termination. Authority for lease administration and any future lease negotiations rests with the City, managed by CREM, in accordance with City governance practices.

Casa Loma Operating Agreement (2014)

The Casa Loma operating agreement was executed concurrently with the lease agreement in January 2014 and establishes the operational, governance, and performance framework for the Tenant's operation of Casa Loma. The agreement is between the City, the Corporation, the Tenant (LEG related corporate entities), and Liberty Entertainment Group as guarantor, and is intended to be read in conjunction with the lease.

The operating agreement sets out the City's objectives for Casa Loma, including the preservation and enhancement of the heritage property, maximizing public access and visitation, and supporting long-term financial sustainability. The Tenant is required to operate Casa Loma in alignment with these objectives and with the proposal submitted through the RFP process, as amended with City agreement.

The agreement includes requirements related to operating standards, hours of operation, limitations on closures for private events, community access commitments, and educational and school programming. It also governs the use, care, and protection of the City's archival and cultural assets, confirming that such materials remain City property.

The operating agreement establishes reporting, audit, performance monitoring, and dispute resolution provisions, as well as transition requirements to ensure operational continuity in the event of lease expiry or termination.

Casa Loma's North Campus

In addition to Casa Loma's Main House and Grounds, LEG also assumed operations in 2014 of Casa Loma's North Campus via a separate five-year lease. This included the lands and structures north of Austin Terrace, including the Hunting Lodge, stables, and associated structures.

Under this lease agreement, LEG paid no base rent but assumed responsibility for all interior maintenance and repairs, as well as landscaping and grounds maintenance. In 2019, the North Campus lease expired and has continued on an overholding basis, with LEG operating and maintaining the site under the original terms. Since expiry, LEG has invested more than \$6 million in improvements to the North Campus, including fire

safety upgrades, mechanical systems, interior refurbishments, and infrastructure enhancements.

Between 2012 and 2018, third-party consultants facilitated extensive community consultations. Findings demonstrated strong public support for viewing Casa Loma as a single, integrated estate, with preservation of heritage features and continued public access. Additional historical research undertaken by EDC confirmed this perspective, noting that Casa Loma was conceived and used historically as one unified property.

At its January 30, 2026, meeting, the Corporation's Board considered the status of the North Campus lease and decided to maintain the North Campus lease in overhold and confirmed that any future lease negotiations related to the North Campus will be led by CREM in accordance with City governance and real estate protocols.

Continuation of Agreements

While the Corporation is party to both the Casa Loma operating and lease agreements (along with the City and Liberty Entertainment Group and its related corporate entities), the agreements have been prepared to remain intact should the Corporation exit the agreement and be dissolved. As such, the agreements can continue unchanged without the Corporation.

Both agreements are scheduled to conclude January 13, 2034. When these agreements terminate, the City, represented by EDC and CREM, in consultation with Legal Services, will determine a path forward and any future partnership with LEG.

Next Steps

This report recommends appointing the City Controller & Chief Accountant (who currently serves as a Corporation Board Member) as Liquidator of the Corporation, with delegated authority to complete the wind-up and dissolution process for the Corporation. City staff anticipate these matters will be completed by the fourth quarter of 2026.

Once the wind-up is complete, City Council in its capacity as shareholder will be required to receive a final report from the Liquidator, as per the *Business Corporations Act (Ontario)*. The report will include financial reporting for the wind-up period.

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SIGNATURE

Paul Johnson
City Manager

ATTACHMENTS

Attachment 1: Casa Loma Corporation 2025 Annual Report
Attachment 2: Casa Loma Corporation 2025 Audited Annual Financial Statements
Attachment 3: Excerpt from the Meeting of the Board of Directors, Casa Loma Corp,
April 27, 2026