



TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON MARCH 31, 2014
FROM:	MIKE TURNER DEPUTY CITY TREASURER
SUBJECT:	ORCHESTRA LONDON

RECOMMENDATION

That, on the recommendation of the Deputy City Treasurer, the following actions be taken with respect to funding assistance for Orchestra London:

- (a) this report **BE RECEIVED** for information; and
- (b) that the cash flow funding for the months of March – June from the approved budgeted amount for Orchestra London **BE APPROVED** for immediate release to Orchestra London, subject to ongoing review and authorization by Civic Administration, with release of the balance of the 2014 funding occurring monthly starting in July, 2014 to the end of 2014; and
- (c) the line of credit guarantee set to expire December 15, 2014, **BE REVIEWED** to determine the requirement for an extended period for the guarantee.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- Finance and Administration Committee, January 19, 2011, Orchestra London
- Finance and Administration Committee, November 16, 2011, Orchestra London 2010-2011 Financial Results
- Investment and Economic Prosperity Committee, January 28, 2013, Orchestra London 2011-2012 Financial Results

BACKGROUND

Orchestra London has announced Maestro Uri Mayer will take over as Artistic Director effective July 1, 2014 for the 2014-15 and 2015-16 seasons. Maestro Mayer returns to the Orchestra, previously serving as the Artistic Director from 1988 to 1994.

Over the past year, the Orchestra has made some successful connections in the community that have assisted in contributing to the financial stability of the organization and they continue to work in the community to further strengthen that stability. However, Orchestra London will not be eligible to apply to the CAIP – Category #1 Program for at least another year, and the ongoing funding from the City will be required for at least the 2014-15 season.

The cash flow of the Orchestra reaches an annual low point in the January to June portion of their season, due to their production schedule and funds being received for the following years subscriptions later in that time period, so it would assist the Orchestra to receive the March to June funds annually in March or April to help balance this cash flow timing and improve the stability of the Orchestra. The advance of the monthly cash flow for that period will also assist in reducing the reliance on the line of credit.

We continue to work with the Orchestra and review their monthly financial data and will bring forward reports to Council as required. We will report out later this year with regards to the requirement for the guarantee on the line of credit and will also report out the request for an advance of January and February funding in advance of the 2015 budget and report on the 2013-14 financial results for the Orchestra.



Financial Results

For the fourth consecutive year the Orchestra achieved a profit. In the 2012-13 season, the Orchestra achieved a profit of \$30,740, which was an increase from 2011-12 season which had a profit of \$5,330. This further reduced the fiscal year end accumulated deficit to \$950,768. At the end of the fiscal year, the bank indebtedness was up to \$580,000, however, this was primarily due to a \$350,000 pledge receivable at year end, which was received early in the 2013-14 season. The Financial Statements were presented at the annual general meeting on November 25, 2013.

2014 Financial Implications

Funding for Orchestra London in the amount of \$482,688 has been approved in the 2014 budget.

RECOMMENDED BY:
MIKE TURNER DEPUTY CITY TREASURER

c. M. Hayward