



Chris Murray
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May 10, 2021

RE: Lakeshore Arena Corporation 2020 Audited Financial Statements and Annual Report of the Board of Directors

Lakeshore Arena Corporation Board of Directors present the December 31, 2020 Audited Financial Statements pursuant to the requirements of the Unanimous Shareholder Declaration.

Lakeshore Arena Corporation was incorporated on July 19, 2011 and assumed control of operations of the Ford Performance Centre (formerly the MasterCard Centre for Hockey Excellence), on September 15, 2011 to prevent the default of the former operator, Lakeshore Lions Arena Inc., which had a loan guarantee of \$35.5 million from the City.

2020 was a very difficult year for the arena due to the Covid-19 global pandemic. The facility was closed on March 13, 2020 under the order of the Province. The arena was able to reopen as host of the NHL Eastern Conference playoff bubble from July 25 through September 4, 2020. Following the Eastern Conference playoff bubble, the arena was open to limited ice use by the public from September 5 through to November 23, 2020. The arena has been closed to the public since that date. The Toronto Maple Leafs and a small number of other professional and Olympic athletes continue to train at the facility while it is closed to the public.

In 2020 the arena experienced an operating deficit of \$1.25M (2019 surplus \$103,420). Total revenue for the facility fell to \$2.9M, which was a decrease of 58%. Ice rental revenue was down from the previous year by 126% due to the facility closure. Associated expenses for the facility totaled \$4.6M (\$5.2M in 2019). While the facility was closed to the public, the arena remained open for the Toronto Maple Leafs and Toronto Marlies. Costs to operate and maintain the facility were similar to 2019 totals.

The arena exhausted \$1M in funding from its line of credit through the City and was also granted an additional \$400,000 in emergency funding to cover operating shortfalls. There were no capital projects or related expenses in 2020 and no contribution to the Capital Reserve fund for 2020.

The Board of Directors of Lakeshore Arena have worked closely with the arena's lender to defer payments due to ensure the financial viability of the facility until operations are able to return to normal. Currently, there is no date for reopening the facility to the public but as vaccines progress and

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Covid-19 case numbers drop in Ontario, there is hope that the facility can resume operations as demand for access to ice is very high. That said, the Board of Directors and its auditors have determined that a longer-term financial strategy will be needed to address the significant debt and expected lengthy period of recovery to pre-pandemic service levels and revenue generating opportunities.

The Board of Directors would like to thank the shareholder for its ongoing support and look forward to continuing to deliver exceptional value to the community and the City.

A handwritten signature in black ink, appearing to read "Howie Dayton".

Howie Dayton, Chair

Members of the Board of Directors

Howie Dayton – Chair

Andrew Flynn – Treasurer

Patrick Matozzo

Nick Eaves – MLSE