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City of Toronto
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April 24, 2019

RE: Lakeshore Arena Corporation 2018 Audited Financial Statements and Annual Report of the Board of Directors

Lakeshore Arena Corporation Board of Directors are excited to present the December 31, 2018 Audited Financial Statements and 2018 achievements 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 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.

The Arena continues to be a high demand facility and in 2018 achieved an operating surplus of \$140,178 after interest and amortization, compared to a net deficiency of \$301,059 in the previous year. In 2018 the Arena generated revenues of over \$5.3 million (+5.71%), while total expenses decreased to \$5.2 million from \$5.35 million (-2.86%) compared to 2017.

Lakeshore Arena Corporation's capital maintenance needs are addressed through Parks, Forestry and Recreation (PFR) Capital Budget. In order to minimize the pressure to the PFR capital budget, Lakeshore Arena contributes 50% of its net Operating Income before amortization to a Reserve Fund set up for Lakeshore Arena's Capital needs. In 2018, Lakeshore Arena contributed \$547,594 to the reserve fund, bringing the total reserve fund to \$1,003,655 after three years.

In 2018, Lakeshore Arena was pleased to welcome NeuroChangers as a tenant to the previously vacant second floor space of the MasterCard Centre. Neurochangers specializes in rehabilitation for those living with the effects of complex neurological and orthopedic injuries and illness. They opened the new clinic in June of 2018 and have been a welcome partner and service provider to the Arena.

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In 2018, Ann Ulusoy (Chair) and Mike St. Amant (Secretary-Treasurer) stepped down from the Board of Directors of Lakeshore Arena Corporation following their departure from the City of Toronto. The Board and Management of the Corporation would like to thank both Ann and Mike for their service and support of Lakeshore Arena over the last 7 years.

In early 2019, Richard Ubbens (Chair) and Andrew Flynn (Treasurer) were appointed to the Board while Patrick Matozzo replaced Josie Scioli. We thank Josie for her contributions and welcome Richard, Andrew and Patrick to the Board.

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.

Richard Ubbens, Chair

Members of the Board (April 2019): Richard Ubbens, Chair; Bruce Hetherington, Vice Chair; Andrew Flynn, Treasurer; Patrick Matozzo; Bob Hunter; Jack Lawrence.