

Attachment 1

Lakeshore Arena Corporation – Annual Board Report

Date: May 15, 2026

From: Graham Cocking, Executive Director, Lakeshore Arena Corporation

SUMMARY

The Board of Directors of Lakeshore Arena Corporation (LAC) recommends 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 LAC, including receipt of its Annual Report and Audited Financial Statements (Statements) for 2025 and appointment of the auditor for 2026.

This report also recommends that City Council receives information disclosing the individual compensation of executive officers employed by LAC in 2025.

RECOMMENDATIONS

The Board of Directors of Lakeshore Arena Corporation resolves that:

1. City Council treat that portion of the City Council meeting at which this report is considered as the Annual General Meeting of the Shareholder for Lakeshore Arena Corporation, and:

a. receives the Board-approved "Lakeshore Arena Corporation 2025 Audited Financial Statements";

b. appoints Welch LLP as the Auditor of Lakeshore Arena Corporation for fiscal year 2026, and authorize the Board of Directors of Lakeshore Arena Corporation to fix the remuneration of the Auditor; and

c. receives the "Lakeshore Arena Corporation Executive Compensation Disclosure 2025".

FINANCIAL IMPACT

In 2025, LAC achieved its highest recorded ice rental revenue and related activity in the history of the facility. Ice rental revenue in 2025 was \$4.5 million (2024: \$4.2 million). LAC's 2025 Financial Statements recognize a net operating surplus of \$0.93 million (2024: \$0.51 million), total assets of \$29.6 million (2024: \$30.1), and total liabilities of \$26.3 million (2024: \$27.2). The accumulated surplus increased to \$3.2 million (2024: \$2.8 million).

At year-end, the Infrastructure Ontario (IO) capital loan was \$20.4 million (2024: \$21.3 million). This credit facility is in good standing, and the Corporation is compliant with the debt service coverage ratio requirements as required by the Lender.

The Corporation has a general interest only loan, with the City of Toronto in the amount of \$4.0 million that was renewed in September 2022 and matures in October 2025. This credit facility is in good standing with the City and no interest payments are in arrears.

The Corporation has available an operating line of credit with the City of Toronto of up to \$1.0 million. As of December 31, 2025, the Corporation has drawn a total of \$0.6 million (2024: \$0.8 million). The loan is in good standing with the City.

Lakeshore Arena is required to contribute 65% of its net operating income excluding amortization and debt principal repayments to the Lakeshore Arena Capital Reserve Fund (XR3035), which are reflected as a return of capital contributions to a limit of \$8.1 million. A distribution to the Lakeshore Arena capital reserve fund in the amount of \$0.5 million. This contribution was made in Q2 of 2026.

LAC's 2025 Statements were audited by Welch LLP and received an opinion stating that the financial statements present fairly, in all material respects, the statement of financial position of the LAC as at December 31, 2025, and its results of operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Looking forward, Lakeshore Arena Corporation remains an important facility in the provision of community and competitive hockey and skating programming and infrastructure in Etobicoke. 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.

DECISION HISTORY

At its meeting of January 26, 2026, and May 14, 2026, Lakeshore Arena Corporation Board of Directors approved the 2026 annual operating plan (budget) and 2025 Audited Financial Statements of Lakeshore Arena Corporation.

COMMENTS

This report advises that the Board of Directors of LAC recommend to City Council actions necessary to comply with the requirements of the Business Corporations Act, Ontario (OBCA) for holding the Annual General Meeting of the Shareholder of LAC, including receipt of its Annual Report and Audited Financial Statements (Statements) for 2025 and appointment of the auditor for 2026.

This report recommends that the Board of Directors of LAC recommends that City Council appoint Welch LLP as the Auditor for Lakeshore Arena for fiscal year 2026, and that the Board fix the annual remuneration of the Auditor.

The Shareholder Declaration to LAC requires the Corporation to provide an annual report on its progress to City Council and its executive compensation.

BACKGROUND

City Council authorized the establishment of Lakeshore Arena Corporation on July 12th, 2011, pursuant to Section 148 of the City of Toronto Act, 2006, and Ontario Regulation 609/06. LAC was incorporated under the Business Corporations Act (Ontario) (OBCA) on July 19, 2011. The City is the sole shareholder.

Subsection 94(1) of the OBCA requires that the Board of Directors of LAC 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 28, 2024. Subsection 154(1) of the OBCA requires that the Shareholder receive LAC'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 LAC 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.

SIGNATURE



Graham Cocking
Executive Director
Lakeshore Arena Corporation

ATTACHMENTS

Attachment 2: Lakeshore Arena Corporation 2025 Audited Annual Financial Statements
Attachment 3: Lakeshore Arena Corporation Executive Compensation Disclosure 2025