

MANAGEMENT REPORT

Date: March 19, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services
Report Number: FIN24-009
Attachments: FHI and FHSI Q3 Update

Title: Festival Hydro Update Q3 for the period ended September 30, 2023

Objective: To receive an update on Festival Hydro Inc. (FHI) and Festival Hydro Services Inc. (FHSI) financial results and activities at quarter ending September 30, 2023.

Background: City Council is updated regularly on the financial and operating activities of Festival Hydro.

Analysis: Please refer to the attached statements attached for your information. As this period has not yet captured the year-end activities and the year-end has passed at this time, there will likely be a more fulsome analysis that can occur at that report.

For FHI at September 30, 2023, net income was above expected by \$88,000 due largely to a staffing vacancy in IT for the first part of the year.

For FHSI at September 30, 2023, net income was below expected by \$7,000 due largely to multiple emergency repairs affecting operating expenses.

Financial Implications:

Financial impact to current year operating budget:

There are no financial impacts to the 2024 operating budget, as this update relates only to 2023.

In 2023, the City received quarterly interest payments of \$282,750 for the \$15.6 million demand loan. To September 30, 2023, three quarterly interest payments were received and no dividends. Final 2023 dividends amount will be determined once final results at December 31, 2023, are known.

Financial impact on future year operating budget:

No financial impacts for future years are noted because of this information report.

Alignment with Strategic Priorities:**Strengthening our Plans, Strategies and Partnerships**

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Alignment with One Planet Principles:

Not applicable: There is no direct alignment with One Planet Principles from this information report.

Staff Recommendation: THAT the Festival Hydro Inc. financial statements and commentary for the period ended September 30, 2023, be received for information;

AND THAT the Festival Hydro Services Inc. financial statements and commentary for the period ended September 30, 2023, be received for information.

Prepared by: Karmen Krueger, CPA, CA, Director of Corporate Services

Recommended by: Karmen Krueger, CPA, CA, Director of Corporate Services