

MANAGEMENT REPORT

Date: June 18, 2024
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, CPA, CA, Director of Corporate Services
Report Number: FIN24-021
Attachments: 1. FHI Financial Statement Q4 2023 and Q1 2024;
2. FHSI Financial Statement Q4 2023 and Q1 2024

Title: 2023 Audited Financial Statements and 2024 Unaudited Financial Statements and Commentary of Festival Hydro Inc. (FHI) and Festival Hydro Services Inc. (FHSI) for the year ended December 31, 2023

Objective: To receive the draft audited financial statements for 2023 for both Festival Hydro Inc, and Festival Hydro Services Inc., and a first quarter update for 2024.

Background: City Council is updated regularly on the financial and operating activities of Festival Hydro. Previously this has been quarterly and is moving to semi-annually.

Analysis: The 2023 audited financial statements are attached. On a high level, the financial statements do not reflect any significant unanticipated financial variances. Festival Hydro Inc had increased revenues and some increased costs to deliver energy resulting in additional net revenues in 2023 compared to 2022.

Festival Hydro Services Inc. had smaller variances in revenues and expenses, and comparatively had similar results to 2022.

Both entities are performing as expected in the first quarter of 2024.

Interest and dividend payments to the City continue as expected and no concerns have been identified.

The Board is recommending a top-up Common Share dividend in the amount of \$233,750 for the year 2023, calculated in accordance with Festival Hydro's Dividend Policy, and is seeking a Council resolution to reflect this.

Financial Implications:

Financial impact to current year operating budget:

The reports are being provided for information so there are no significant financial impacts to note.

Alignment with Strategic Priorities:

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:

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendations: THAT the Festival Hydro Inc. audited financial statements for the year ended December 31, 2023, be received for information;

THAT the Festival Hydro Services Inc. audited financial statements for the year ended December 31, 2023, be received for information;

THAT the Festival Hydro Inc. unaudited financial statements and commentary for the period ending March 31, 2024, be received for information;

THAT the Festival Hydro Services Inc. unaudited financial statements and commentary for the period ending March 31, 2024, be received for information;

AND THAT Council, as the sole shareholder, declare a top-up Common Share dividend in the amount of \$233,750 for the year 2023, calculated in accordance with Festival Hydro's Dividend Policy, to be paid in Q2 of 2024.

Prepared by:	Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer
Recommended by:	Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer Joan Thomson, Chief Administrative Officer