



# St. Catharines Hydro Inc.

## Consolidated Financial Highlights

As at December 31, 2015

(In thousands of dollars)

### A MESSAGE FROM THE CHAIR OF ST. CATHARINES HYDRO INC.

On behalf of the Board of Directors, I am pleased to present the 2015 Financial Statements for St. Catharines Hydro Inc. This Corporation is wholly owned by the City of St. Catharines, and is the holding company for our 21.1% ownership of Horizon Holdings Inc., as well as 100% ownership of St. Catharines Hydro Generation Inc.

St. Catharines Hydro Generation Inc. owns and operates the Heywood Generating Station in Port Dalhousie and is in the process of building the Shickluna Generating Station on Twelve Mile Creek near Fourth Avenue which, when completed, will have a 4 megawatt capability.

Horizon Holdings Inc., is jointly owned with Hamilton Utilities Corp., and distributes electricity to the cities of Hamilton and St. Catharines. The merger with Hamilton Utilities Corp. which produced Horizon Holdings Inc. continues to exceed pre-merger financial expectations, with above average customer satisfaction ratings confirmed by an independent study. Horizon Holdings Inc. continues to have low costs and customer rates in comparison to other Ontario electricity distributors. The company provides the City of St. Catharines with a healthy dividend stream which we anticipate will grow in coming years.

**Note:** St. Catharines Hydro Inc. adopted International Financial Reporting Standards on January 1, 2012, with a transition date of January 1, 2011.

**Robert Marshall, Chair**  
St. Catharines Hydro Inc.

### BALANCE SHEET

	2015	2014
<b>Assets</b>	\$	\$
Cash	7,643	11,234
Other current assets	952	441
Investments	51,211	48,352
Capital assets	21,370	17,265
Other assets	134	134
	<b>81,310</b>	<b>77,426</b>
<b>Liabilities</b>		
Current Liabilities	230	731
Long-Term Note Payable	7,754	7,754
Future Income Tax Liabilities	1,575	940
	<b>9,559</b>	<b>9,425</b>
<b>Shareholder's Equity</b>		
Share capital	40,265	40,265
Retained earnings	32,862	29,164
Accumulated other comprehensive loss	-1,376	-1,428
	<b>71,751</b>	<b>68,001</b>
	<b>81,310</b>	<b>77,426</b>

### STATEMENT OF RETAINED EARNINGS

	2015	2014
	\$	\$
Retained Earnings, Beginning of Year	29,164	31,807
Prior Year Restatement		-161
Net Income for the Year	6,270	1,564
Dividends	-2,572	-4,046
Retained Earnings, End of Year	<b>32,862</b>	<b>29,164</b>

### STATEMENT OF OPERATIONS

	2015	2014
<b>Revenue</b>	\$	\$
Generation	3,532	3,148
Equity investment income	5,379	899
Interest and other income	120	165
	<b>9,031</b>	<b>4,212</b>
<b>Expenses</b>		
Operations, maintenance and administration	1,098	1,102
Interest expense on promissory notes	554	554
Depreciation	699	698
	<b>2,351</b>	<b>2,354</b>
<b>Net Income from Operations</b>	<b>6,680</b>	<b>1,858</b>
<b>Payments in Lieu of Corporate Income Taxes</b>	<b>410</b>	<b>294</b>
<b>Net Income for the Year</b>	<b>6,270</b>	<b>1,564</b>
Equity investment, other comprehensive income (loss) adjustment	53	-988
<b>Total Net Comprehensive Income</b>	<b>6,323</b>	<b>576</b>

### STATEMENT OF CASH FLOWS

	2015	2014
<b>Operating Activities</b>	\$	\$
Net income for the Year	6,270	1,564
Equity investment income	-5,379	-899
Depreciation	699	698
Changes in non-cash working capital components	-1,012	29
Future payments in lieu of corporate income taxes	635	-43
	<b>1,213</b>	<b>1,349</b>
<b>Investing Activities</b>		
Additions to property, plant and equipment	-4,804	-1,214
Dividends received	2,572	2,846
	<b>-2,232</b>	<b>1,632</b>
<b>Financing Activities</b>		
Dividends paid	-2,572	-4,046
	<b>-2,572</b>	<b>-4,046</b>
<b>Funds Used by Continuing Operations</b>	<b>-3,591</b>	<b>-1,065</b>
<b>Cash, Beginning of Year</b>	<b>11,234</b>	<b>12,299</b>
<b>Cash, End of Year</b>	<b>7,643</b>	<b>11,234</b>

Note: Certain comparative figures have been reclassified to confirm with the current years' presentation.