HAMILTON RENEWABLE POWER INC
2019 DRAFT BUDGET

August 27, 2019

FISCAL PERIOD: JANUARY 1 TO DECEMBER 31, 2019

	2018			2019		
	Approved Budget	Audited Actuals	Variance	2019 Draft Budget	$ Change	% Change
Revenue						
Electricity Revenue	$ 2,570,538	$ 2,811,433	$ 240,895	$ 2,895,440	$ 324,902	12.6%
Thermal Revenue	$ 240,020	$ 223,576	$ (16,444)	$ 318,810	$ 78,790	32.8%
Interest Earned	$ 3,840	$ 5,947	$ 2,107	$ 6,000	$ 2,160	56.3%
Total Revenue	$ 2,814,398	$ 3,040,956	$ 226,558	$ 3,220,250	$ 405,852	14.4%
Cost of Goods Sold						
Methane Gas	$ 786,540	$ 771,480	$ 15,060	$ 835,790	$ 49,250	6.3%
Gross Profit	$ 2,027,858	$ 2,269,477	$ 241,619	$ 2,384,460	$ 356,602	17.6%
Expenses						
Operations Charge	$ 400,940	$ 400,460	$ 480	$ 414,220	$ 13,280	3.3%
Maintenance Contracts	$ 736,735	$ 697,900	$ 38,835	$ 802,510	$ 65,775	8.9%
Unscheduled Maintenance	$ 25,200	$ 26,167	$ (967)	$ 25,560	$ 360	1.4%
Communications	$ 44,060	$ 44,345	$ (285)	$ 44,650	$ 590	1.3%
Utilities (Electric)	$ 6,780	$ 7,063	$ (283)	$ 7,070	$ 290	4.3%
Ground Maintenance	$ -	$ 4,805	$ (4,805)	$ 4,800	$ 4,800	NA
Portable Toilet Rental	$ 1,620	$ 1,760	$ (140)	$ 1,760	$ 140	8.6%
Insurance	$ 33,960	$ 42,326	$ (8,366)	$ 37,020	$ 3,060	9.0%
Professional Fees						
Consulting	$ 35,000	$ 35,000	$ -	$ -	$ (35,000)	NA
Legal	$ 55,860	$ 55,860	$ -	$ 55,860	$ -	0.0%
Audit	$ 3,440	$ 3,440	$ -	$ 3,440	$ -	0.0%
City Staff	$ 181,500	$ 181,015	$ 485	$ 184,640	$ 3,140	1.7%
Financial Charges						
Bank Service	$ 600	$ 566	$ 34	$ 570	$ (30)	-5.0%
Late Payment	$ 500	$ 597	$ (97)	$ -	$ (500)	-100.0%
RITC	$ 510	$ 505	$ 5	$ -	$ (510)	-100.0%
Non Operating Expenses						
Depreciation	$ 559,509	$ 548,376	$ 11,133	$ 606,260	$ 46,751	8.4%
Loan Interest	$ 41,506	$ 36,810	$ 4,696	$ 4,700	$ (36,806)	-88.7%
Total Expenses	$ 2,127,720	$ 2,086,995	$ 40,725	$ 2,193,060	$ 65,340	3.1%
Net Income Before Taxes	$ (99,862)	$ 182,482	$ 282,344	$ 191,400	$ 291,262	-291.7%
Current and Deferred PIL Taxes	$ (35,278)	$ 48,771	$ (84,049)	$ 50,720	$ 85,998	-243.8%
Net Income After Taxes	$ (64,584)	$ 133,711	$ 198,295	$ 140,680	$ 205,264	-317.8%
Cash Flow						
Net Income After Tax	$ (64,584)	$ 133,711	$ 198,295	$ 140,680	$ 205,264	-317.8%
Add: Non-Cash Expenses	$ 559,509	$ 548,376	$ 11,133	$ 606,260	$ 46,751	8.4%
Less: Loan Principle Payments	$ (529,649)	$ (529,649)	$ 0	$ (278,310)	$ 251,339	-47.5%
Net Cash Inflow	$ (34,724)	$ 152,438	$ 209,428	$ 468,630	$ 503,354	-1449.6%

Summary of Benefits of HRPI Operations to City of Hamilton

	2018			2019		
	Approved Budget	Audited Actuals	Variance	2019 Draft Budget	$ Change	% Change
Dividend	* $ 103,057	$ 103,057	$ -	** $ 106,970	$ 3,913	3.8%
Methane Gas Purchased	$ 786,540	$ 771,480	$ (15,060)	$ 835,790	$ 49,249	6.3%
Loan Interest Paid (6.75% Annual Rate)	$ 41,506	$ 36,810	$ (4,696)	$ 4,700	$ (36,806)	-88.7%
Professional Fees - City staff	$ 237,360	$ 236,875	$ (485)	$ 240,500	$ 3,140	1.3%
City's Opportunity Cost of Loan (3%	$ (18,447)	$ (16,360)	$ 2,087	$ (2,090)	$ 16,357	-88.7%
Total Net Benefit to City	$ 1,150,016	$ 1,131,862	$ (18,154)	$ 1,185,870	$ 35,853	3.1%

Dividend Calculation:

* 2018 budgeted dividend based on 2017 audited net earnings ($128,821 x.80) = $103,057

** 2019 budgeted dividend based on 2018 audited net earnings ($133,711 X .80) = $106,970