

# HAMILTON RENEWABLE POWER INC. BOARD MEETING

**September 17, 2020**



**HRPI**



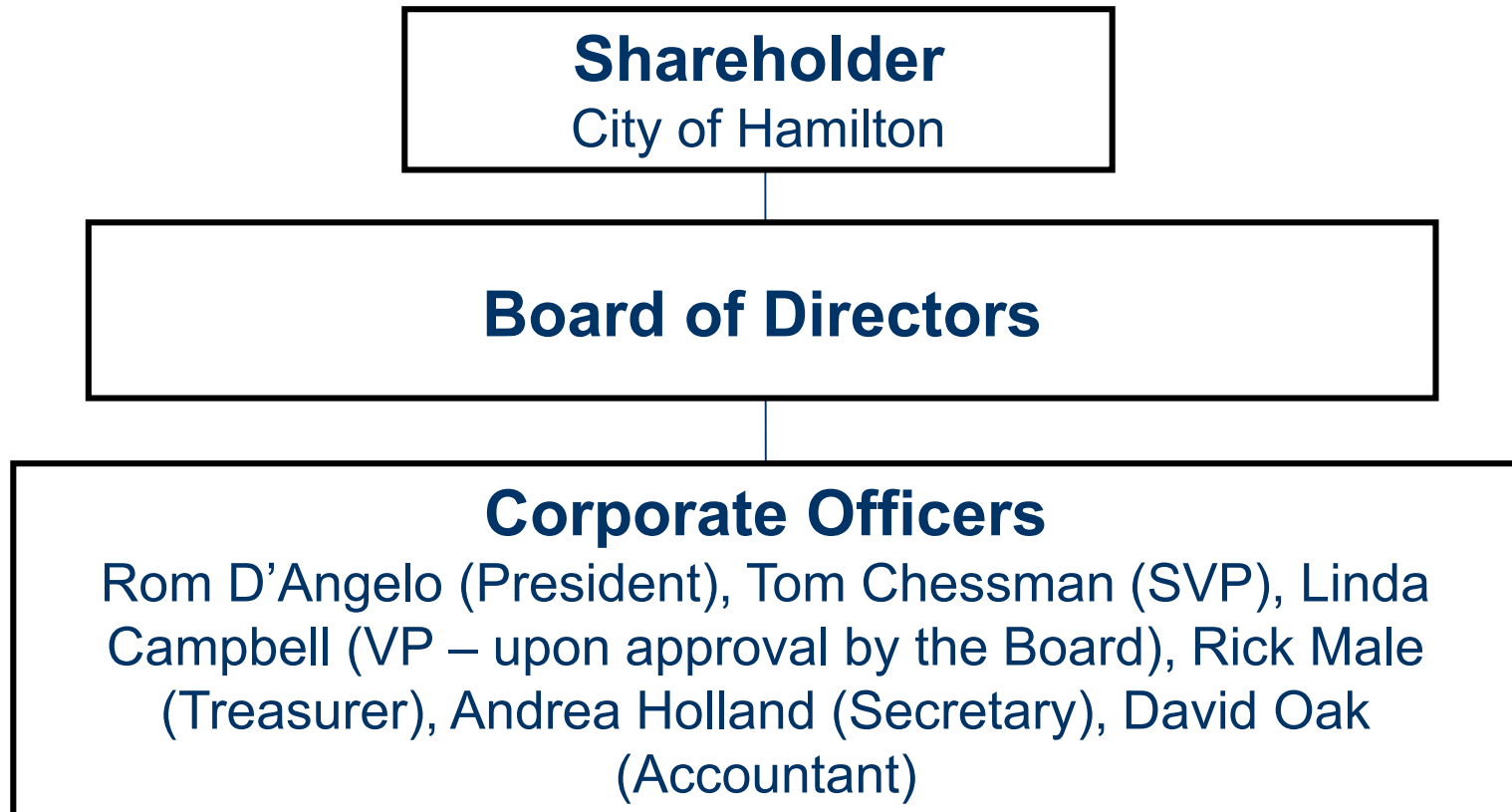
# Hamilton Renewable Power Inc.

## Agenda

1. Operational Update
2. Financial Update
3. Proposals



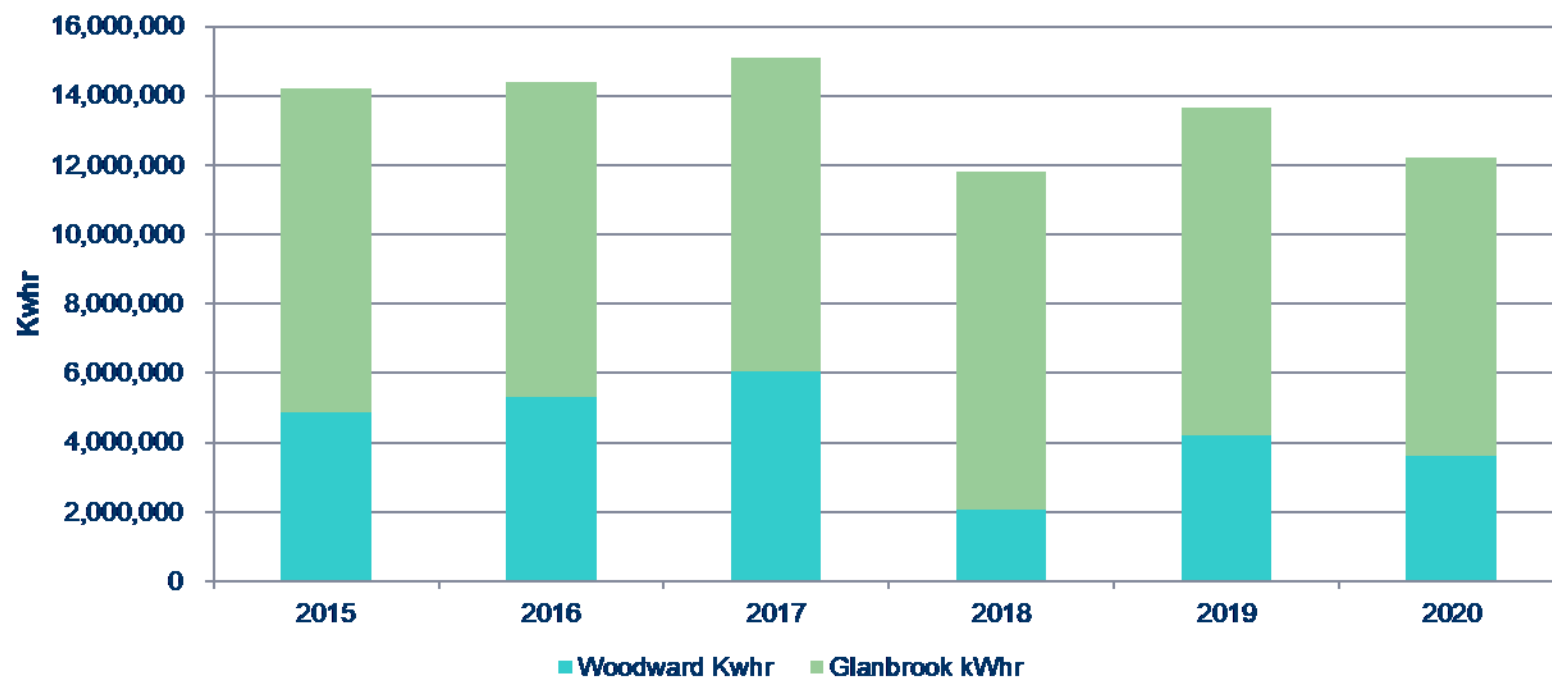
# Corporate Structure





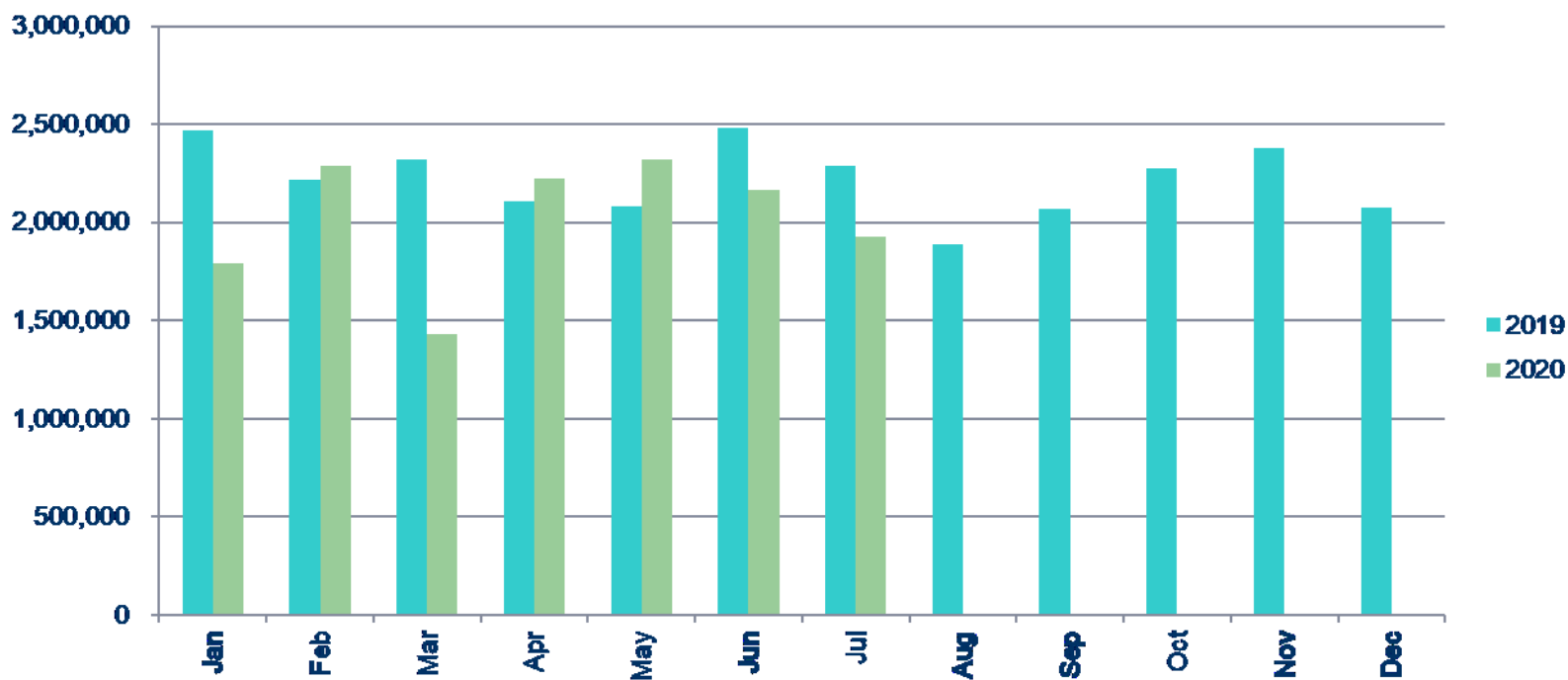
# Hamilton Renewable Power Inc.

HRPI Energy Produced YTD (Q1, Q2)



# Hamilton Renewable Power Inc.

**Monthly Energy Production (kWh)**





# Hamilton Renewable Power Inc.

## Financial Update 2020

1. 2019 Financial Overview
2. 2020 Budget
3. 2020 YTD Actuals / FY Forecast
4. Financial Trends



# 2019 Financial Overview

## Audit Findings

- 2019 Financial Statements audited by KPMG
  - no adjustments or restatements

## Financial Highlights

- Net income earned totalled \$177,646, a \$43,935 or 32.9% increase over the previous year  
(2018 = \$133,711)



# 2019 Financial Overview

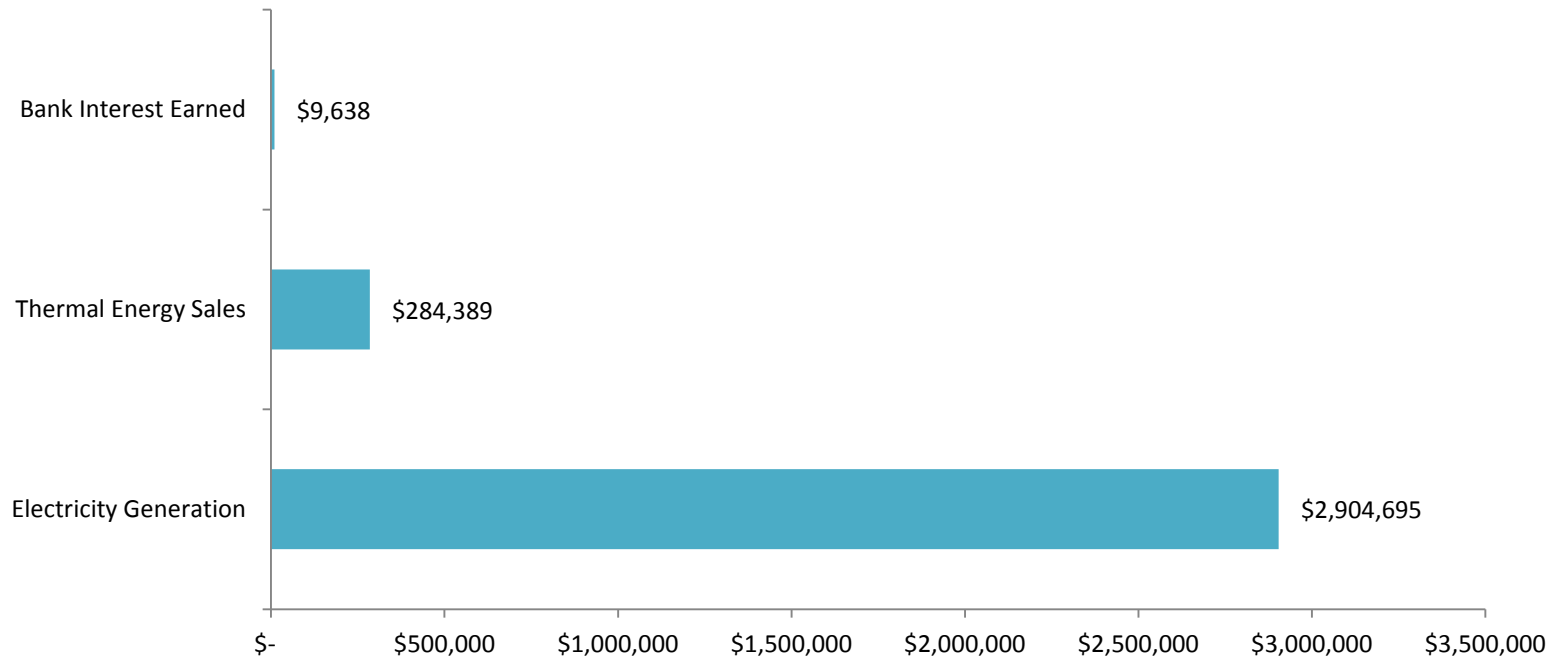
## Financial Highlights – cont'd

- Payments issued to the City amounted to \$1,169,466
- City loan debt reduced to \$0
- Dividend paid to City totalled \$106,970
- Year end cash balance equalled \$789,665, a \$327,800 or 71.0% increase from the year before (2018 = \$461,865)





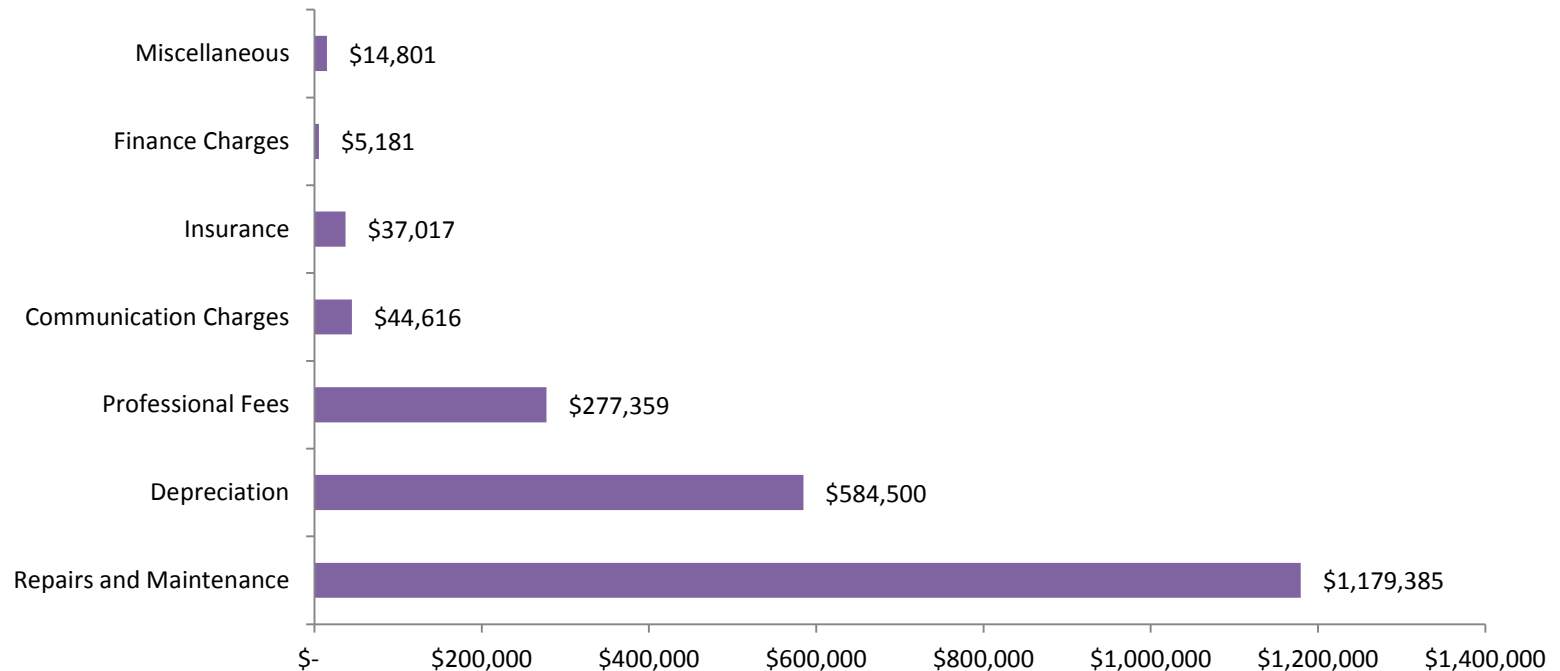
# 2019 Financial Overview



**2019 Actual Revenues = \$3,198,722**



# 2019 Financial Overview



**2019 Actual Expenses = \$2,142,859**



# 2019 Financial Overview

## 2019 INCOME STATEMENT - AUDITED

Year Ended December 31

	Budget	Actual	Variance
Revenues	\$ 3,220,250	\$ 3,198,722	-\$ 21,528
Cost of Goods Sold	\$ 835,790	\$ 814,168	\$ 21,622
Gross Profit	\$ 2,384,460	\$ 2,384,554	\$ 94
Expenses	\$ 2,193,060	\$ 2,142,859	\$ 50,201
PIL Tax	\$ 50,720	\$ 64,049	-\$ 13,329
<b>Net Income</b>	<b>\$ 140,680</b>	<b>\$ 177,646</b>	<b>\$ 36,966</b>



# 2019 Financial Overview

## 2019 Net Earnings Distribution

### HRPI ALLOCATION (20%)

- Retained Earnings \$35,529

### CITY ALLOCATION (80%)

- Unallocated Capital Reserve \$71,059
  - Closed Landfill Reserve \$35,529
  - Wastewater Capital Reserve \$35,529
- \$142,117  
\$177,646



# 2019 Financial Overview

## 2019 BALANCE SHEET - AUDITED

As at December 31

	2019	2018
Current Assets	\$ 1,131,746	\$ 850,359
Fixed Assets	\$ 5,634,074	\$ 6,218,574
<b>Total Assets</b>	<b>\$ 6,765,820</b>	<b>\$ 7,068,933</b>
Current Liabilities	\$ 684,390	\$ 995,338
Non Current Liabilities	\$ 312,281	\$ 375,122
Equity	\$ 5,769,149	\$ 5,698,473
<b>Total Liabilities &amp; Equity</b>	<b>\$ 6,765,820</b>	<b>\$ 7,068,933</b>



# 2020 Budget

## 2020 INCOME STATEMENT - BUDGET

Year Ended December 31

	2020	2019	Change
Revenues	\$ 3,238,610	\$ 3,220,250	\$ 18,360
Cost of Goods Sold	\$ 809,660	\$ 835,790	-\$ 26,130
Gross Profit	\$ 2,428,950	\$ 2,384,460	\$ 44,490
Expenses	\$ 2,163,770	\$ 2,193,060	-\$ 29,290
PIL Tax	\$ 70,300	\$ 50,720	\$ 19,580
<b>Net Income</b>	<b>\$ 194,880</b>	<b>\$ 140,680</b>	<b>\$ 54,200</b>



# 2020 Budget

## 2020 NET BENEFIT TO CITY - BUDGET

Year Ended December 31

	2020	2019	Change
Dividend	\$ 142,117	\$ 106,970	\$ 35,147
Methane Gas Purchases	\$ 809,660	\$ 835,790	-\$ 26,130
Loan Interest	\$ -	\$ 4,700	-\$ 4,700
Professional Fees	\$ 254,520	\$ 240,500	\$ 14,020
City Opportunity Cost	\$ -	-\$ 2,090	\$ 2,090
<b>Net Income</b>	<b>\$ 1,206,297</b>	<b>\$ 1,185,870</b>	<b>\$ 20,427</b>



# 2020 Year-To-Date Actuals

## 2020 INCOME STATEMENT

Month Ended June 30

	YTD Budget	YTD Actuals	YTD Variance
Revenues	\$ 1,610,098	\$ 1,464,850	-\$ 145,248
Cost of Goods Sold	\$ 402,622	\$ 377,815	\$ 24,807
Gross Profit	\$ 1,207,476	\$ 1,087,035	-\$ 120,441
Expenses	\$ 1,089,579	\$ 1,057,477	\$ 32,102
Income Before Tax	\$ 117,897	\$ 29,558	-\$ 88,339
PIL Tax	\$ 31,001	\$ 90,000	-\$ 58,999
<b>Net Income</b>	<b>\$ 86,896</b>	<b>-\$ 60,442</b>	<b>-\$ 147,338</b>





# 2020 Full Year Forecast

## 2020 INCOME STATEMENT

Year Ended December 31

	FY Budget	FY Projected Actuals	FY Variance
Revenues	\$ 3,238,610	\$ 2,929,701	-\$ 308,909
Cost of Goods Sold	\$ 809,660	\$ 755,631	\$ 54,029
Gross Profit	\$ 2,428,950	\$ 2,174,070	-\$ 254,880
Expenses	\$ 2,163,770	\$ 2,092,714	\$ 71,056
Income Before Tax	\$ 265,180	\$ 81,356	-\$ 183,824
PIL Tax	\$ 70,300	\$ 11,793	\$ 58,507
<b>Net Income</b>	<b>\$ 194,880</b>	<b>\$ 69,563</b>	<b>-\$ 125,317</b>



# Financial Trends

## NET EARNINGS / CITY BENEFIT HISTORY Years 2006 to 2019

Year	Net Income		Dividend	City Net Benefit
2006	-\$	218,363	\$ -	\$ 11,257
2007	\$	184,301	\$ -	\$ 591,719
2008	-\$	28,544	\$ -	\$ 447,373
2009	\$	834,850	\$ -	\$ 2,000,345
2010	\$	816,973	\$ 1,257,963	\$ 2,213,378
2011	\$	635,185	\$ 736,920	\$ 2,033,743
2012	\$	399,710	\$ 626,642	\$ 1,708,212
2013	\$	306,585	\$ 306,122	\$ 1,686,137
2014	\$	279,202	\$ 295,816	\$ 1,633,667
2015	\$	75,935	\$ 249,150	\$ 1,517,245
2016	\$	76,892	\$ 60,748	\$ 1,301,246
2017	\$	128,821	\$ 61,514	\$ 1,210,308
2018	\$	133,711	\$ 103,057	\$ 1,131,862
2019	\$	177,646	\$ 106,970	\$ 1,169,466
<b>Total</b>	<b>\$</b>	<b>3,802,904</b>	<b>\$ 3,804,902</b>	<b>\$ 18,655,958</b>



# Hamilton Renewable Power Inc.

## Proposals

- Algae Study Results
  - CO2 capture to produce algae
  - Requires buyer/ownership structure
- Solar Project Study Results
- Woodward Biogas Study



# Hamilton Renewable Power Inc.

**Questions ?**