

Schedule "B"
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HAMILTON RENEWABLE POWER INC
2020 BUDGET

FISCAL PERIOD: JANUARY 1 TO DECEMBER 31, 2020

		2019			2020		
		Approved Budget	Actuals	Variance	Draft Budget	\$ Change	% Change
Revenue							
Electricity Generation		\$ 2,895,440	\$ 2,904,695	\$ 9,255	\$ 2,938,460	\$ 43,020	1.5%
		\$ 318,810	\$ 284,389	\$ (34,421)	\$ 284,400	\$ (34,410)	-10.8%
Interest Earned		\$ 6,000	\$ 9,638	\$ 3,638	\$ 15,750	\$ 9,750	162.5%
Total Revenue		\$ 3,220,250	\$ 3,198,722	\$ (21,528)	\$ 3,238,610	\$ 18,360	0.6%
Cost of Goods Sold							
Methane Gas		\$ 835,790	\$ 814,168	\$ 21,622	\$ 809,660	\$ (26,130)	-3.1%
Gross Profit		\$ 2,384,460	\$ 2,384,554	\$ 94	\$ 2,428,950	\$ 44,490	1.9%
Expenses							
Operations Charge		\$ 414,220	\$ 397,432	\$ 16,788	\$ 401,540	\$ (12,680)	-3.1%
Maintenance Contracts		\$ 802,510	\$ 763,269	\$ 39,241	\$ 775,760	\$ (26,750)	-3.3%
Unscheduled Maintenance		\$ 25,560	\$ 18,684	\$ 6,876	\$ 27,360	\$ 1,800	7.0%
Communications		\$ 44,650	\$ 44,616	\$ 34	\$ 44,890	\$ 240	0.5%
Utilities (Electric)		\$ 7,070	\$ 6,272	\$ 798	\$ 7,020	\$ (50)	-0.7%
Ground Maintenance		\$ 4,800	\$ 1,840	\$ 2,960	\$ 1,840	\$ (2,960)	NA
Portable Toilet Rental		\$ 1,760	\$ 1,760	\$ -	\$ 1,760	\$ -	0.0%
Insurance		\$ 37,020	\$ 37,017	\$ 3	\$ 40,760	\$ 3,740	10.1%
Professional Fees							
	Consulting	\$ -	\$ 28,200	\$ (28,200)	\$ 18,800	\$ 18,800	NA
	Legal	\$ 55,860	\$ 55,860	\$ -	\$ 55,860	\$ -	0.0%
	Audit	\$ 3,440	\$ 3,440	\$ -	\$ 3,500	\$ 60	1.7%
	City Staff	\$ 184,640	\$ 189,859	\$ (5,219)	\$ 198,660	\$ 14,020	7.6%
Financial Charges							
	Bank Service	\$ 570	\$ 484	\$ 86	\$ 540	\$ (30)	-5.3%
	Late Payment	\$ -	\$ 4,930	\$ (4,930)	\$ -	\$ -	NA
	RITC	\$ -	\$ -	\$ -	\$ -	\$ -	NA
Non Operating Expenses							
	Depreciation	\$ 606,260	\$ 584,500	\$ 21,760	\$ 585,480	\$ (20,780)	-3.4%
	Loan Interest	\$ 4,700	\$ 4,696	\$ 4	\$ -	\$ (4,700)	-100.0%
Total Expenses		\$ 2,193,060	\$ 2,142,859	\$ 50,201	\$ 2,163,770	\$ (29,290)	-1.3%
Net Income Before Taxes		\$ 191,400	\$ 241,695	\$ 50,295	\$ 265,180	\$ 73,780	38.5%
Current and Deferred PIL Taxes		\$ 50,720	\$ 64,049	\$ (13,329)	\$ 70,300	\$ 19,580	38.6%
Net Income After Taxes		\$ 140,680	\$ 177,646	\$ 36,966	\$ 194,880	\$ 54,200	38.5%
Cash Flow							
Net Income After Tax		\$ 140,680	\$ 177,646	\$ 36,966	\$ 194,880	\$ 54,200	38.5%
Add: Non-Cash Expenses		\$ 606,260	\$ 584,500	\$ 21,760	\$ 585,480	\$ (20,780)	-3.4%
Less: Loan Principle Payments		\$ (278,310)	\$ (278,310)	\$ -	\$ -	\$ 278,310	-100.0%
Net Cash Inflow		\$ 468,630	\$ 483,836	\$ 58,726	\$ 780,360	\$ 311,730	66.5%

Summary of Benefits of HRPI Operations to City of Hamilton

		2019			2020		
		Approved Budget	Audited Actuals	Variance	Draft Budget	\$ Change	% Change
Dividend	*	\$ 106,970	\$ 106,970	\$ -	** \$ 142,117	\$ 35,147	32.9%
Methane Gas Purchased		\$ 835,790	\$ 814,168	\$ (21,622)	\$ 809,660	\$ (26,130)	-3.1%
Loan Interest Paid (6.75% Annual Rate)		\$ 4,700	\$ 4,696	\$ (4)	\$ -	\$ (4,700)	-100.0%
Professional Fees - City staff		\$ 240,500	\$ 245,719	\$ 5,219	\$ 254,520	\$ 14,020	5.8%
City's Opportunity Cost of Loan (3% Annual Rate)		\$ (2,090)	\$ (2,087)	\$ 3	\$ -	\$ 2,090	-100.0%
Total Net Benefit to City		\$ 1,185,870	\$ 1,169,466	\$ (16,404)	\$ 1,206,297	\$ 20,427	1.7%

Dividend Calculation:
* 2019 budgeted dividend based on 2018 unaudited net earnings (\$133,711 X .80) = \$106,970
** 2020 budgeted dividend based on 2019 unaudited net earnings (\$177,646 X .80) = \$142,117