

# HRP Inc. Board Meeting Operational and Business Updates

July 22, 2025

# Agenda

- **Welcome & Opening Remarks**
- **Financial Update**
- **Operational Update**
- **Feasibility Study & Funding Approach**
- **Information Report – Evaluative Framework**
- **Strategic Outlook & Next Steps**
- **Questions & Discussion**

# Financial Update

1. 2023 Financial Statement Update
2. 2024 Financial Overview
3. 2025 Operating Budget
4. 2025 Year-to-Date (YTD) Actuals
5. City of Hamilton Benefits

## 2023 Financial Update

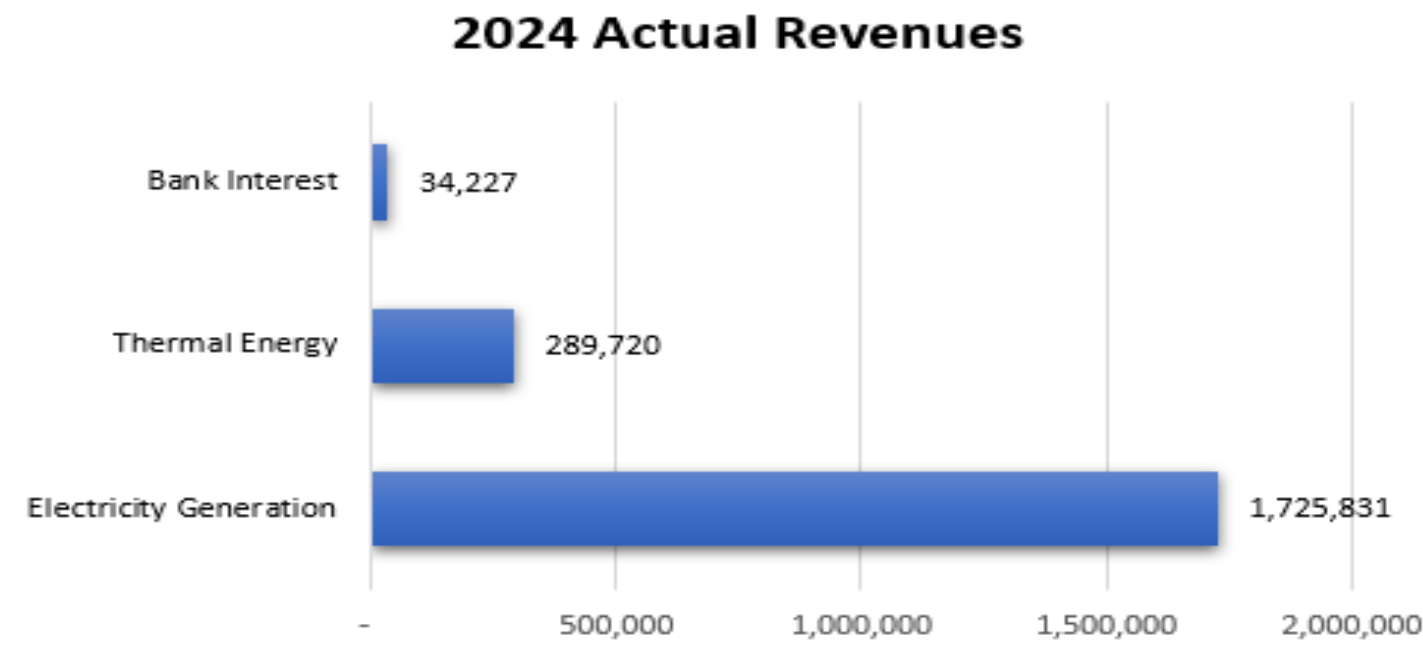
- Financial Statements presented to Board on June 13, 2024.
- Statement approval was deferred. Auditors were unable to confirm balances between HRP Inc. and the City.
- Auditors have since confirmed balances.
- No changes were made to the draft financial statements presented to Board on June 13, 2024.
- Resolution brought forward today to approve statements.

# Financial Update

## 2024 Financial Statement Update:

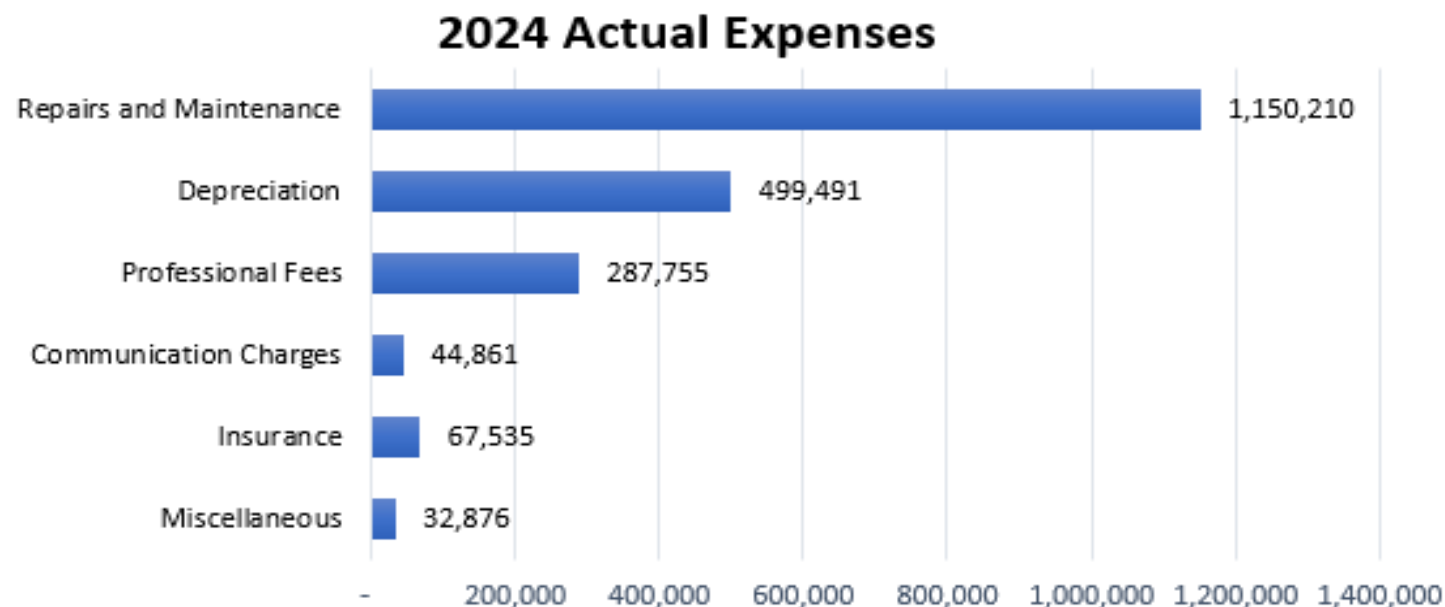
- 2024 Financial Statements were audited by KPMG
- No audit adjustments or restatements
- A net loss of \$392,502 is being reported for 2024 fiscal year (2023 - \$455,583 net loss)

# 2024 Financial Overview



**2024 Actual Revenues = \$2,049,778**

# 2024 Financial Overview



**2024 Actual Expenses = \$2,082,728**

# 2024 Financial Overview

## 2024 INCOME STATEMENT

Year Ended December 31

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenue	\$2,015,100	\$ 2,049,778	\$34,678
Cost of Goods Sold	474,200	500,793	(26,593)
<b>Gross Profit</b>	<b>\$1,540,900</b>	<b>\$ 1,548,985</b>	<b>\$ 8,085</b>
Expenses	2,184,340	2,082,728	101,612
Taxes	(170,510)	(141,241)	(29,269)
<b>Net Loss</b>	<b>\$ (472,930)</b>	<b>\$ (392,502)</b>	<b>\$80,428</b>



# 2024 Financial Overview

## 2024 BALANCE SHEET

	Year Ended December 31	
	2024	2023
Current Assets	\$ 1,103,868	\$ 1,250,867
Fixed Assets	3,155,064	3,654,555
Taxes Receivable	245,634	-
<b>Total Assets</b>	<b>\$ 4,504,566</b>	<b>\$ 4,905,422</b>
Current Liabilities	531,466	520,010
Non-Current Liabilities	-	19,810
Equity	3,973,100	4,365,602
<b>Total Liabilities &amp; Equity</b>	<b>\$ 4,504,566</b>	<b>\$ 4,905,422</b>

# 2025 Operating Budget

## 2025 OPERATING BUDGET

Year Ended December 31

	2025 Budget	2024 Budget	Variance
Revenue	\$ 2,173,540	\$ 2,015,100	\$158,440
Cost of Goods Sold	522,830	474,200	(48,630)
<b>Gross Profit</b>	<b>\$ 1,650,710</b>	<b>\$1,540,900</b>	<b>\$109,810</b>
Expenses	2,315,770	2,184,340	(131,430)
Taxes	(176,250)	(170,510)	5,740
<b>Net Loss</b>	<b>\$ (488,810)</b>	<b>\$ (472,930)</b>	<b>\$(15,880)</b>

# 2025 Year-To-Date

## 2025 INCOME STATEMENT

Month Ended May 31

	YTD Budget	YTD Actuals	Variance
Revenue	\$ 931,145	\$ 933,018	\$ 1,873
Cost of Goods Sold	218,855	220,350	(1,495)
<b>Gross Profit</b>	<b>\$ 712,290</b>	<b>\$ 712,668</b>	<b>\$ 378</b>
Expenses	972,713	968,473	4,240
Taxes	(68,778)	(68,778)	-
<b>Net Loss</b>	<b>\$(191,644)</b>	<b>\$ (187,027)</b>	<b>\$ 4,618</b>

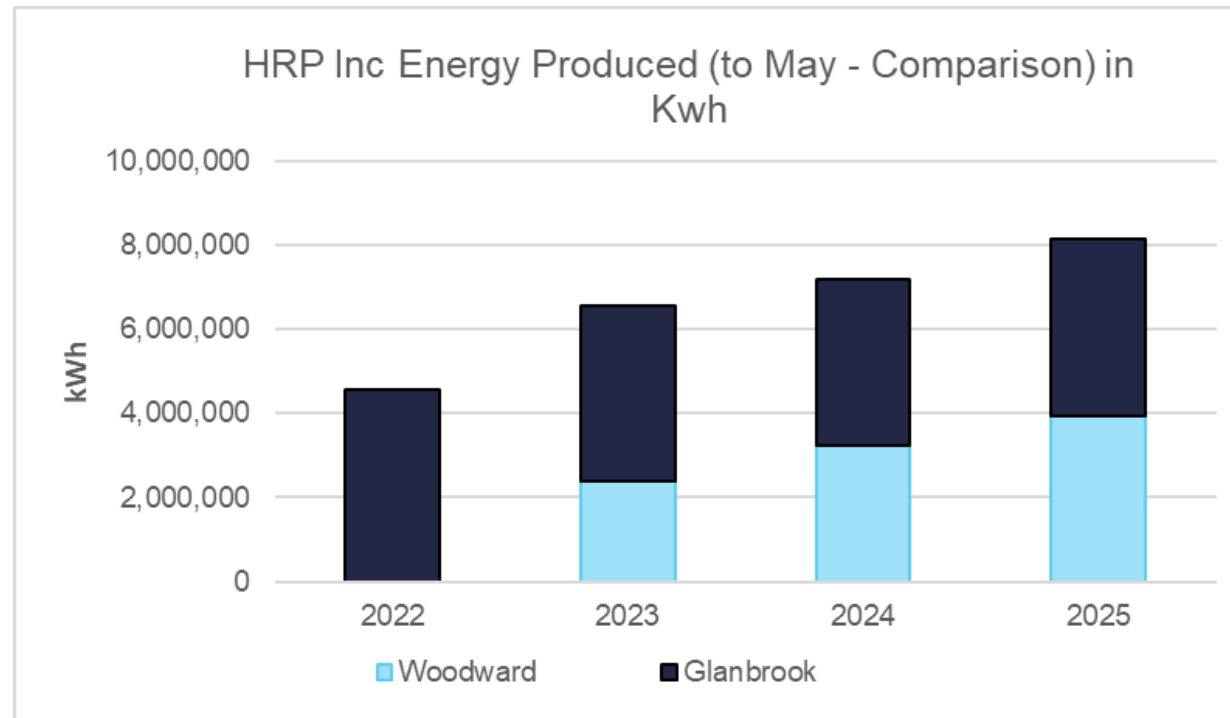
## City of Hamilton Benefits

- Since inception (2006), the City of Hamilton has received approximately \$23 million in benefits from HRP Inc.
- Although dividends have not been paid in the last four years, the City continues to receive benefits in terms of salary recovery and payment for methane (approximately \$781K in 2024)

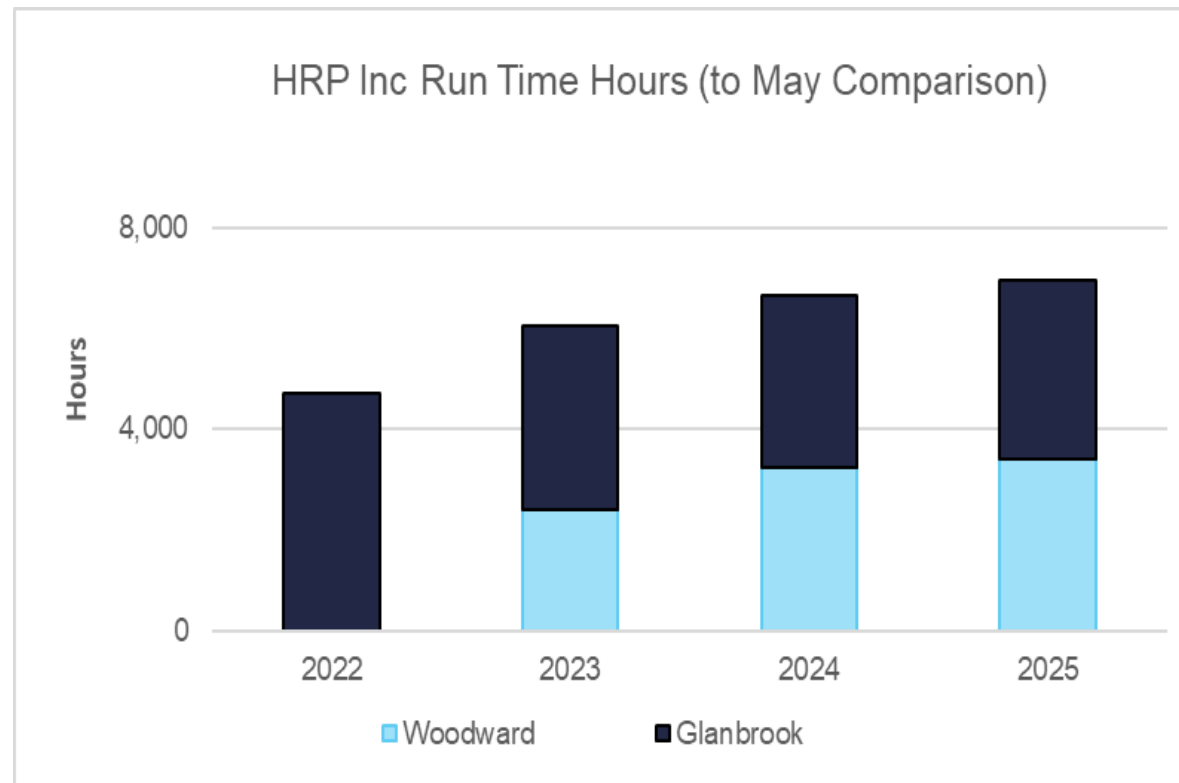
# Updates on Existing Renewable Energy Generation Sites

Operations Updates

# 2025 Energy Production -Combined



# 2025 Engine Runtime Hours



# Feasibility Study & Funding Approach

- RFP C11-40-25 issued for feasibility & 30% design
  - Consultant selected through competitive procurement (name withheld pending contract execution)
  - GMF application submitted – request for 50% cost-share
  - Recommendation Report (HRPI25002): Request up to an additional \$100,000 from Bank Account to cover funding shortfall between approved budget and estimated project cost
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# Information Report – Evaluative Framework

- Response to September 2024 Board Direction
  - Framework developed by HRP Inc. to guide consultant's work
  - Evaluates RNG, CHP, and hybrid models
  - Criteria include environmental, financial, and technical performance
  - Includes NPV business case to compare long-term value
  - Supports transparent business case and consultant work
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# Strategic Outlook & Next Steps

- Focus on returning Woodward and Glanbrook to profitability
  - Continue advancing feasibility study & monitor GMF results
  - Align with City's future vendor roster update; use existing rosters in the interim
  - Prepare for potential capital project delivery based on study outcomes
  - Maintain strong governance, reporting, and financial oversight during transition
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## Discussion & Questions



**HRP Inc.**