

WASTE CONTROL, INC.
RESULTS OF OPERATIONS

For the Twelve Months Ended December 31, 2008 Historical and December 31, 2010 Forecasted
(See Accountants' Compilation Report)

	<u>2008 Historical Per Books</u>	<u>Restating Adjustment</u>	<u>Per Books Restated</u>	<u>Forecast Adjustment</u>	<u>Forecast Before Kalama</u>	<u>Eliminate Kalama</u>	<u>Net Forecast Before Rates</u>	<u>Effect of Proposed Rates</u>	<u>2010 Forecast Proposed Rates</u>
REVENUES									
Residential	\$ 1,972,441	\$ (34,512)	\$ 1,937,929	\$ 1,536	\$ 1,939,465	\$ -	\$ 1,939,465	\$ 102,543	\$ 2,042,008
Commercial	601,072	(973)	600,099	-	600,099	-	600,099	49,721	649,820
Drop Box	382,852	(20,275)	362,577	-	362,577	-	362,577	58,971	421,548
Pass Thru	297,044	(2,474)	294,570	-	294,570	-	294,570	-	294,570
Kalama	200,516	-	200,516	-	200,516	(200,516)	-	-	-
Refunds Drop Box	(2,340)	2,340	-	-	-	-	-	-	-
Woodland Refund	(423)	423	-	-	-	-	-	-	-
Refunds	(2,821)	2,821	-	-	-	-	-	-	-
	<u>3,448,342</u>	<u>(52,650)</u>	<u>3,395,692</u>	<u>1,536</u>	<u>3,397,228</u>	<u>(200,516)</u>	<u>3,196,711</u>	<u>211,236</u>	<u>3,407,947</u>
OPERATING EXPENSES									
Wages Drivers	221,526	(17,294)	204,232	13,562	217,793	(8,141)	209,652	-	209,652
Wages Drop Box Drivers	103,983	-	103,983	4,027	108,010	-	108,010	-	108,010
Wages Mechanics	167,595	(16,056)	151,540	12,697	164,236	(6,094)	158,142	-	158,142
Wages Supervisor	68,697	(6,498)	62,199	9,695	71,893	(2,668)	69,225	-	69,225
Wages Extra Labor	29,294	-	29,294	1,308	30,602	(1,136)	29,466	-	29,466
Fringe Benefits	-	217,172	217,172	42,060	259,232	(8,784)	250,448	-	250,448
Maintenance	156,039	-	156,039	-	156,039	(5,790)	150,249	-	150,249
Truck Rental	30,000	15,053	45,053	1,352	46,405	(1,500)	44,905	-	44,905
Equipment Rent	25,538	-	25,538	766	26,304	-	26,304	-	26,304
Tires	66,578	-	66,578	-	66,578	(2,470)	64,108	-	64,108
Fuel	323,001	-	323,001	(93,194)	229,807	(16,938)	212,869	-	212,869

See accompanying summary of significant assumptions and accountants' compilation report.

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(See Accountants' Compilation Report)

	2008				Forecast			Effect of	2010 Forecast
	<u>Historical</u>	<u>Restating</u>	<u>Per Books</u>	<u>Forecast</u>	<u>Before</u>	<u>Eliminate</u>	<u>Net Forecast</u>	<u>Proposed</u>	<u>Proposed</u>
	<u>Per Books</u>	<u>Adjustment</u>	<u>Restated</u>	<u>Adjustment</u>	<u>Kalama</u>	<u>Kalama</u>	<u>Before Rates</u>	<u>Rates</u>	<u>Rates</u>
Contract Hauling	17,935	(17,935)	-	-	-	-	-	-	-
Disposal Fees - Cowlitz County	605,725	-	605,725	-	605,725	(50,991)	554,734	-	554,734
Disposal Fees Pass Thru	297,044	(2,474)	294,570	-	294,570	-	294,570	-	294,570
Liability Insurance	67,932	-	67,932	(9,340)	58,592	(2,174)	56,419	-	56,419
Office Salaries	106,098	-	106,098	3,924	110,022	(4,026)	105,997	-	105,997
Management Fees	174,000	25,234	199,234	5,977	205,211	(7,615)	197,596	-	197,596
Bad Debt Expense	29,043	(3,065)	25,978	-	25,978	-	25,978	1,901	27,879
Office Supply	17,091	93	17,183	(3,108)	14,075	(522)	13,553	-	13,553
Postage	17,408	-	17,408	(16,016)	1,391	(10)	1,381	-	1,381
Bank Charges	3,390	-	3,390	-	3,390	(126)	3,264	-	3,264
Billing Service	-	-	-	33,475	33,475	(1,242)	32,233	-	32,233
Maintenance	22,387	-	22,387	-	22,387	(831)	21,556	-	21,556
Rate Case Expense	-	-	-	25,000	25,000	-	25,000	-	25,000
Accounting	24,905	-	24,905	-	24,905	(924)	23,981	-	23,981
Legal	2,497	-	2,497	-	2,497	(93)	2,404	-	2,404
WUTC Fee	13,298	-	13,298	6	13,304	-	13,304	845	14,149
Franchise	7,695	(7,695)	0	-	0	-	0	-	0
Communications	21,944	-	21,944	-	21,944	(1,606)	20,338	-	20,338
Utilities	27,762	-	27,762	-	27,762	(2,032)	25,730	-	25,730
Laundry/Uniforms	12,122	-	12,122	-	12,122	(450)	11,672	-	11,672
Miscellaneous	1,075	-	1,075	-	1,075	(40)	1,035	-	1,035
Dues and Subscriptions	18,482	(6,182)	12,300	-	12,300	(456)	11,843	-	11,843
Dues Non-deductible	3,600	(3,600)	-	-	-	-	-	-	-
Travel	21,631	(3,930)	17,701	-	17,701	(1,295)	16,406	-	16,406

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	Historical	Restating	Per Books	Forecast	Before	Eliminate	Net Forecast	Proposed	Proposed
	Per Books	Adjustment	Restated	Adjustment	Kalama	Kalama	Before Rates	Rates	Rates
Seminars	2,130	-	2,130	-	2,130	(156)	1,974	-	1,974
Meals and Entertainment	1,870	-	1,870	-	1,870	(137)	1,733	-	1,733
Advertising	3,028	(1,566)	1,462	-	1,462	(107)	1,355	-	1,355
Promotional	1,193	-	1,193	-	1,193	(87)	1,105	-	1,105
Truck License	12,302	(1,934)	10,368	-	10,368	(328)	10,040	-	10,040
Taxes and Licensing	-	1,934	1,934	-	1,934	(142)	1,792	-	1,792
Contributions	1,383	(1,383)	-	-	-	-	-	-	-
B & O Tax	49,591	-	49,591	23	49,614	(4,010)	45,604	3,169	48,773
Land Rent	92,250	(12,000)	80,250	-	80,250	(5,873)	74,377	-	74,377
Computer Expense	661	-	661	-	661	(48)	612	-	612
Workmen's Comp	30,735	(30,735)	-	-	-	-	-	-	-
Payroll Taxes	57,918	(57,918)	-	-	-	-	-	-	-
Employee Relations	28,639	(18,400)	10,239	-	10,239	(380)	9,859	-	9,859
Life Insurance	792	(792)	-	-	-	-	-	-	-
Counseling Services	618	-	618	-	618	(45)	572	-	572
Employee Medical Insurance	93,985	(93,985)	-	-	-	-	-	-	-
Property Taxes	13,330	-	13,330	(6,015)	7,315	(271)	7,044	-	7,044
Drug Testing	470	-	470	-	470	(17)	453	-	453
SEP Benefits	33,834	(33,834)	-	-	-	-	-	-	-
Amortization	10	(10)	-	-	-	-	-	-	-
Interest	44,560	(44,560)	-	-	-	-	-	-	-
Freight	11	-	11	-	11	(1)	11	-	11
Consulting	1,357	-	1,357	-	1,357	(99)	1,258	-	1,258

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	Historical	Restating	Per Books	Forecast	Before	Eliminate	Net Forecast	Proposed	Proposed
	Per Books	Adjustment	Restated	Adjustment	Kalama	Kalama	Before Rates	Rates	Rates
Damage Expense	5,375	-	5,375	-	5,375	(393)	4,982	-	4,982
Safety Equipment Expense	5,006	-	5,006	-	5,006	-	5,006	-	5,006
Depreciation:	245,026	(245,026)	-	-	-	-	-	-	-
Trucks	-	81,474	81,474	-	81,474	(4,238)	77,236	-	77,236
Service Cars	-	22,830	22,830	-	22,830	(1,671)	21,159	-	21,159
Shop	-	202	202	-	202	(15)	187	-	187
Office Furniture and Fixtures	-	3,112	3,112	-	3,112	(74)	3,038	-	3,038
Leasehold Improvements	-	2,737	2,737	-	2,737	(155)	2,582	-	2,582
Containers	-	6,825	6,825	-	6,825	-	6,825	-	6,825
Carts	-	40,418	40,418	-	40,418	(9,126)	31,292	-	31,292
Drop Box Truck	-	12,177	12,177	-	12,177	-	12,177	-	12,177
Drop Boxes	-	5,320	5,320	-	5,320	-	5,320	-	5,320
	<u>3,431,386</u>	<u>(192,292)</u>	<u>3,239,094</u>	<u>26,199</u>	<u>3,265,294</u>	<u>(155,327)</u>	<u>3,109,967</u>	<u>5,915</u>	<u>3,115,882</u>
NET OPERATING INCOME	16,956	<u>\$ 139,642</u>	<u>\$ 156,598</u>	<u>\$ (24,663)</u>	<u>\$ 131,934</u>	<u>\$ 45,190</u>	<u>\$ 86,745</u>	<u>\$ 205,321</u>	<u>\$ 292,066</u>
OTHER INCOME/EXPENSE	<u>17,630</u>								
NET HISTORICAL INCOME	<u>\$ 34,586</u>								

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