

**CONSOLIDATED DISPOSAL SERVICE, INC.**

**COMPILED FINANCIAL STATEMENT**

**December 31, 2021 and 2020**

**CONSOLIDATED DISPOSAL SERVICE, INC.**

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July 21, 2022

### **Accountants' Compilation Report**

To Management

**CONSOLIDATED DISPOSAL SERVICE, INC.**

Management is responsible for the accompanying financial statement of Consolidated Disposal Service, Inc. which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion or conclusion, nor provide any assurance on these financial statements.

The supplementary information contained in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion a conclusion, nor provide any assurance on such information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Consolidated Disposal Service, Inc.

**GL Booth · JG Davis & Associates, PLLC**

# CONSOLIDATED DISPOSAL SERVICE, INC.

## BALANCE SHEETS

December 31, 2021 and 2020

### Assets

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 89,893	\$ 506,982
Accounts receivable, net of allowance	804,475	653,088
Prepaid expenses	36,278	-
	<u>930,646</u>	<u>1,160,070</u>
 <b>LAND, BUILDINGS AND EQUIPMENT</b>		
Land and land rights	453,269	453,269
Buildings and structures	1,254,859	1,254,859
Recycling equipment	300,352	296,852
Transfer station	7,601,004	7,570,726
Garbage collection equipment	9,286,763	8,169,528
Containerization	3,822,027	3,654,101
Service cars and equipment	1,129,527	1,107,768
Shop and garbage equipment	647,990	643,199
Office furniture and equipment	163,006	163,006
Less - accumulated depreciation	<u>(17,260,128)</u>	<u>(16,198,307)</u>
	<u>7,398,669</u>	<u>7,115,001</u>
 <b>OTHER ASSETS</b>		
Franchises and permits	67,760	67,760
Less - accumulated amortization	<u>(67,760)</u>	<u>(67,760)</u>
	<u>-</u>	<u>-</u>
	<u>\$ 8,329,315</u>	<u>\$ 8,275,071</u>

# CONSOLIDATED DISPOSAL SERVICE, INC.

## BALANCE SHEETS

December 31, 2021 and 2020

### Liabilities and Stockholders' Equity

	<u>2021</u>	<u>2020</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 542,253	\$ 428,497
Accrued payroll and related liabilities	19,766	22,830
Accrued business taxes	2,132	-
Deferred revenue - customer deposits	41,489	43,365
Notes payable - related, current portion	-	376,706
Notes payable, current portion	<u>377,830</u>	<u>275,833</u>
	983,470	1,147,231
<b>NOTES PAYABLE, net of current portion and issuance costs</b>	<u>3,123,070</u>	<u>2,885,253</u>
	<u>4,106,540</u>	<u>4,032,484</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, no par value, 200 shares authorized, 200 shares issued and outstanding	10,000	10,000
Retained earnings	<u>4,212,775</u>	<u>4,232,587</u>
	<u>4,222,775</u>	<u>4,242,587</u>
	<u><u>\$ 8,329,315</u></u>	<u><u>\$ 8,275,071</u></u>

**CONSOLIDATED DISPOSAL SERVICE, INC.**

**STATEMENTS OF INCOME**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>Percent</u>	<u>2020</u>	<u>Percent</u>
<b>REVENUES</b>				
Residential	\$ 3,945,816	34.7	\$ 3,653,164	35.8
Commercial	3,153,336	27.8	2,909,381	28.6
Dropbox and compactor	1,420,090	12.5	1,474,630	14.5
Pass through disposal fees	1,641,205	14.5	1,094,954	10.8
Transfer station	419,914	3.7	374,303	3.7
Recycling and sale of salvage	716,136	6.3	612,806	6.0
Medical waste	40,465	0.4	50,786	0.5
Miscellaneous	<u>11,588</u>	<u>0.1</u>	<u>10,512</u>	<u>0.1</u>
	11,348,550	100.0	10,180,536	100.0
<b>DIRECT COSTS</b>	<u>7,624,709</u>	<u>67.1</u>	<u>6,188,894</u>	<u>60.8</u>
Gross profit	3,723,841	32.9	3,991,642	39.2
<b>OPERATING EXPENSES</b>	<u>3,534,463</u>	<u>31.1</u>	<u>3,309,644</u>	<u>32.5</u>
Operating income	<u>189,378</u>	<u>1.8</u>	<u>681,998</u>	<u>6.7</u>
<b>OTHER INCOME (EXPENSE)</b>				
Bad debt recoveries	69,771	0.6	8,540	0.1
Interest expense	(180,540)	(1.6)	(181,908)	(1.8)
Miscellaneous income	4,064	-	825	-
Gain on disposition of assets	<u>4,000</u>	<u>-</u>	<u>22,509</u>	<u>0.2</u>
	<u>(102,705)</u>	<u>(1.0)</u>	<u>(150,034)</u>	<u>(1.5)</u>
Net income	<u>\$ 86,673</u>	<u>0.8</u>	<u>\$ 531,964</u>	<u>5.2</u>

**CONSOLIDATED DISPOSAL SERVICE, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

**For the Years Ended December 31, 2021 and 2020**

	<b>Common Stock</b>		<b>Retained</b>
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>
<b>BALANCE</b> , January 1, 2020	200	\$ 10,000	\$ 3,755,470
Net income		-	531,964
Dividend distributions		-	(54,847)
<b>BALANCE</b> , January 1, 2021	200	10,000	4,232,587
Net income		-	86,673
Dividend distributions		-	(106,485)
<b>BALANCE</b> , December 31, 2021	<u>200</u>	<u>\$ 10,000</u>	<u>\$ 4,212,775</u>

# CONSOLIDATED DISPOSAL SERVICE, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 86,673	\$ 531,964
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	193	-
Depreciation	1,104,910	1,017,424
Gain on disposition of assets	(4,000)	(22,509)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net of allowance	(151,387)	33,697
Prepaid expenses	(36,278)	-
Increase (decrease) in:		
Accounts payable	113,756	(755,010)
Accrued payroll and related liabilities	(3,064)	(15,717)
Accrued business taxes	2,132	(27,566)
Deferred revenue	(1,876)	2,516
	<u>1,111,059</u>	<u>764,799</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capital assets	(748,114)	(1,105,996)
Proceeds from sale of capital assets	4,000	44,000
	<u>(744,114)</u>	<u>(1,061,996)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan payments	(677,549)	(588,913)
Loan funding	-	1,219,001
Dividends paid to stockholders	(106,485)	(54,847)
	<u>(784,034)</u>	<u>575,241</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(417,089)	278,044
<b>CASH, beginning of year</b>	<u>506,982</u>	<u>228,938</u>
<b>CASH, end of year</b>	<u>\$ 89,893</u>	<u>\$ 506,982</u>



## **SUPPLEMENTARY INFORMATION**

**CONSOLIDATED DISPOSAL SERVICE, INC.**

**SCHEDULE 1 - DIRECT COSTS**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>Percent</u>	<u>2020</u>	<u>Percent</u>
Recycling purchase expense	\$ 7,086	-	\$ 42,756	0.4
Repairs and servicing	479,828	4.2	636,685	6.3
Salaries and wages	2,089,300	18.4	1,996,759	19.6
Payroll taxes	165,871	1.5	159,229	1.6
Employee welfare	424,247	3.7	381,226	3.7
Fuel and oil	864,268	7.6	633,970	6.2
Container purchases	149,274	1.3	92,315	0.9
Disposal fees and charges	<u>3,444,835</u>	<u>30.4</u>	<u>2,245,954</u>	<u>22.1</u>
	<u>\$ 7,624,709</u>	<u>67.1</u>	<u>\$ 6,188,894</u>	<u>60.8</u>

**CONSOLIDATED DISPOSAL SERVICE, INC.**

**SCHEDULE 2 - OPERATING EXPENSES**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>Percent</u>	<u>2020</u>	<u>Percent</u>
Advertising	\$ 22,757	0.2	\$ 16,656	0.2
Liability insurance	276,673	2.4	290,156	2.9
Office expenses	156,689	1.4	146,280	1.3
Professional services	18,278	0.1	13,945	0.1
Administration fees	10,990	0.1	11,888	0.1
Dues and subscriptions	24,896	0.2	17,187	0.2
Bank charges	64,550	0.6	58,645	0.6
Business licenses	110	-	600	-
Depreciation	1,104,910	9.7	1,017,424	9.9
Amortization	193	-	-	-
Vehicle licenses and fees	91,648	0.8	50,430	0.5
Payroll expenses	52,747	0.5	9,454	0.1
Wages and salaries - officer	188,716	1.7	187,400	1.8
Wages and salaries - office	366,746	3.1	402,168	4.0
Payroll taxes	44,099	0.4	47,015	0.5
Employee welfare	112,791	1.0	112,562	1.1
Business taxes	189,847	1.7	164,722	1.6
Property taxes	47,944	0.4	47,988	0.5
Regulatory expense	28,213	0.3	26,897	0.3
Building maintenance	7,805	0.1	7,162	0.1
Repairs and maintenance	91,675	0.8	83,803	0.8
Phone, utilities and radio	60,490	0.5	69,570	0.7
Miscellaneous	10,709	0.1	26,298	0.3
Donations	675	-	1,700	-
Rent	560,312	5.0	499,694	4.9
	<u>\$ 3,534,463</u>	<u>31.1</u>	<u>\$ 3,309,644</u>	<u>32.5</u>