

CONSOLIDATED DISPOSAL SERVICE, INC.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

CONSOLIDATED DISPOSAL SERVICE, INC.

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CONSOLIDATED DISPOSAL SERVICE, INC.

BALANCE SHEETS

December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 430,564	\$ 27,346
Accounts receivable, net of allowance	1,004,533	777,124
Prepaid expenses	50,749	42,435
	<u>1,485,846</u>	<u>846,905</u>
 LAND, BUILDINGS AND EQUIPMENT, net	 <u>6,539,918</u>	 <u>7,449,272</u>
 OTHER ASSETS		
Franchises and permits	67,760	67,760
Less - accumulated amortization	<u>(67,760)</u>	<u>(67,760)</u>
	<u>-</u>	<u>-</u>
	<u><u>\$ 8,025,764</u></u>	<u><u>\$ 8,296,177</u></u>

Substantially all disclosures generally required are omitted and no assurance is provided on these financial statements.

CONSOLIDATED DISPOSAL SERVICE, INC.

BALANCE SHEETS

December 31, 2023 and 2022

Liabilities and Stockholders' Equity

	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES		
Accounts payable	\$ 416,705	\$ 622,130
Accrued payroll and related liabilities	19,399	18,413
Accrued business taxes	45,055	34,613
Deferred revenue - customer deposits	31,357	35,550
Notes payable, current portion	546,906	546,906
	<u>1,059,422</u>	<u>1,257,612</u>
NOTES PAYABLE, net of current portion and issuance costs	<u>2,810,393</u>	<u>3,399,769</u>
	<u>3,869,815</u>	<u>4,657,381</u>
STOCKHOLDERS' EQUITY		
Common stock, no par value, 200 shares authorized, 200 shares issued and outstanding	10,000	10,000
Retained earnings	4,145,949	3,628,796
	<u>4,155,949</u>	<u>3,638,796</u>
	<u>\$ 8,025,764</u>	<u>\$ 8,296,177</u>

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CONSOLIDATED DISPOSAL SERVICE, INC.

STATEMENTS OF INCOME

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Percent</u>	<u>2022</u>	<u>Percent</u>
REVENUES				
Residential	\$ 4,780,350	35.2	\$ 4,079,953	34.3
Commercial	3,858,612	28.4	3,321,682	27.9
Dropbox and compactor	1,860,121	13.7	1,511,612	12.7
Pass through disposal fees	1,739,112	12.8	1,819,467	15.3
Transfer station	455,749	3.4	337,128	2.8
Recycling and sale of salvage	828,493	6.1	795,596	6.7
Medical waste	21,985	0.2	22,929	0.2
Miscellaneous	21,801	0.2	12,097	0.1
	13,566,223	100.0	11,900,464	100.0
DIRECT COSTS	8,750,582	64.5	8,466,101	71.2
Gross profit	4,815,641	35.5	3,434,363	28.8
OPERATING EXPENSES	4,204,253	30.9	3,787,591	31.8
Operating income	611,388	4.6	(353,228)	(3.0)
OTHER INCOME (EXPENSE)				
Bad debt recoveries	(9,059)	(0.1)	67,974	0.6
Interest expense	(187,893)	(1.4)	(183,631)	(1.5)
Interest income	-	-	29	-
Miscellaneous income	273,140	2.0	421	-
Gain on disposition of assets	(2,487)	-	2,700	-
	73,701	0.5	(112,507)	(0.9)
Net income	\$ 685,089	5.1	\$ (465,735)	(3.9)

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CONSOLIDATED DISPOSAL SERVICE, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2023 and 2022

	Common Stock		Retained
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>
BALANCE , January 1, 2022	200	\$ 10,000	\$ 4,212,775
Net income		-	(465,735)
Capital contributions		-	39,156
Dividend distributions		-	(157,400)
	<hr/>	<hr/>	<hr/>
BALANCE , January 1, 2023	200	10,000	3,628,796
Net income		-	685,089
Dividend distributions		-	(167,936)
	<hr/>	<hr/>	<hr/>
BALANCE , December 31, 2023	<u>200</u>	<u>\$ 10,000</u>	<u>\$ 4,145,949</u>

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CONSOLIDATED DISPOSAL SERVICE, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 685,089	\$ (465,735)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	881	670
Depreciation	1,186,898	1,193,952
Loss (gain) on disposition of assets	2,487	(2,700)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net of allowance	(227,409)	27,351
Prepaid expenses	(8,314)	(6,157)
Increase (decrease) in:		
Accounts payable	(205,425)	79,877
Accrued payroll and related liabilities	986	(1,353)
Accrued business taxes	10,442	32,481
Deferred revenue	(4,193)	(5,939)
	1,441,442	852,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets	(338,321)	(360,279)
Proceeds from sale of capital assets	-	2,700
Insurance proceeds from casualty event	297,006	-
	(41,315)	(357,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments	(828,973)	(400,015)
Dividends paid to stockholders	(167,936)	(157,400)
	(996,909)	(557,415)
NET INCREASE (DECREASE) IN CASH	403,218	(62,547)
CASH, beginning of year	27,346	89,893
CASH, end of year	\$ 430,564	\$ 27,346

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SUPPLEMENTARY INFORMATION

CONSOLIDATED DISPOSAL SERVICE, INC.

SCHEDULE 1 - DIRECT COSTS

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Percent</u>	<u>2022</u>	<u>Percent</u>
Recycling purchase expense	\$ 33,818	0.2	\$ 8,954	0.1
Repairs and servicing	694,906	5.1	652,137	5.5
Salaries and wages	2,400,711	17.7	2,195,633	18.4
Payroll taxes	196,866	1.5	178,966	1.5
Employee welfare	428,976	3.2	417,571	3.5
Fuel and oil	1,157,380	8.5	1,339,454	11.3
Hauling expense	-	-	23,220	0.2
Container purchases	205,713	1.5	116,375	1.0
Disposal fees and charges	<u>3,632,212</u>	<u>26.8</u>	<u>3,533,791</u>	<u>29.7</u>
	<u>\$ 8,750,582</u>	<u>64.5</u>	<u>\$ 8,466,101</u>	<u>71.2</u>

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CONSOLIDATED DISPOSAL SERVICE, INC.

SCHEDULE 2 - OPERATING EXPENSES

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Percent</u>	<u>2022</u>	<u>Percent</u>
Advertising	\$ 27,299	0.2	\$ 34,052	0.3
Liability insurance	580,028	4.3	345,021	2.9
Office expenses	216,781	1.6	180,003	1.5
Professional services	56,842	0.4	39,643	0.3
Administration fees	11,310	0.1	10,593	0.1
Dues and subscriptions	30,761	0.2	18,667	0.2
Bank charges	89,962	0.7	78,472	0.7
Business licenses	-	-	440	-
Depreciation	1,186,898	8.7	1,193,952	10.0
Amortization	881	-	670	-
Vehicle licenses and fees	79,052	0.6	93,853	0.8
Payroll processing expenses	53,535	0.4	50,778	0.4
Wages and salaries - officer	189,200	1.4	189,128	1.6
Wages and salaries - office	450,583	3.3	386,124	3.2
Payroll taxes	52,465	0.4	46,869	0.4
Employee welfare	114,321	0.8	109,357	0.9
Business taxes	225,927	1.7	198,498	1.7
Property taxes	44,069	0.3	48,561	0.4
Regulatory expense	32,516	0.2	30,669	0.3
Repairs and maintenance	54,016	0.4	48,657	0.4
Phone, utilities and radio	65,247	0.5	61,884	0.5
Small equipment purchase	-	-	1,235	-
Miscellaneous	8,936	0.1	19,371	0.2
Donations	3,325	-	2,100	-
Rent	630,299	4.6	598,994	5.0
	<u>\$ 4,204,253</u>	<u>30.9</u>	<u>\$ 3,787,591</u>	<u>31.8</u>

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