

NOTICE TO READER

On the basis of information provided by management, we have compiled the combined statement of financial position of **Claystone Waste Limited Partnership and Beaver Regional Waste Management Services Commission** as at December 31, 2020 and the combined statements of comprehensive income and equity for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Edmonton, Alberta
February 18, 2021

Yaremchuk & Annicchiarico LLP
Chartered Professional Accountants

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash.....	\$17,291,702	\$ 1,064,860
Accounts receivable	2,713,955	2,614,710
Investments.....	8,102,912	16,270,104
Inventory	866,515	925,347
Prepaid expenses.....	<u>478,236</u>	<u>429,047</u>
Total current assets.....	29,453,320	21,304,068
LANDFILL CLOSURE AND POST CLOSURE FUND.....	8,428,565	8,042,461
PROPERTY AND EQUIPMENT.....	<u>35,887,841</u>	<u>28,575,796</u>
TOTAL.....	<u>\$73,769,726</u>	<u>\$57,922,325</u>

LIABILITIES AND EQUITY

CURRENT LIABILITY - accounts payable and accrued liabilities.....	\$ 1,700,537	\$ 719,088
NON-CURRENT LIABILITY - landfill closure and post closure obligation	15,978,311	8,042,461
EQUITY.....	<u>56,090,878</u>	<u>49,160,776</u>
TOTAL.....	<u>\$73,769,726</u>	<u>\$57,922,325</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
REVENUE:		
Disposal fees, hauling and other	\$26,645,579	\$28,234,200
Collection system fees.....	532,357	526,870
Interest and rental.....	<u>676,318</u>	<u>574,174</u>
 Total revenue	 <u>27,854,254</u>	 <u>29,335,244</u>
EXPENSES:		
Collection system - Schedule 1	1,180,940	1,090,472
Hauling - Schedule 2	2,117,683	2,542,227
Landfill - Schedule 3	4,696,534	4,043,751
General and administrative - Schedule 4.....	4,363,772	3,913,689
Biosolids project - Schedule 5	7,988	45,790
Amortization.....	5,111,287	5,064,258
Carbon gas fund (recovered).....	(319,980)	319,980
Finance expense	66,488	-
Grants.....	254,198	245,507
Landfill closure and post closure	<u>1,267,873</u>	<u>2,110,249</u>
 Total expenses	 <u>18,746,783</u>	 <u>19,375,923</u>
 INCOME FROM OPERATIONS	 <u>9,107,471</u>	 <u>9,959,321</u>
OTHER INCOME (EXPENSES):		
Foreign exchange loss	-	(3,601)
Loss on write-down of inventory	(13,137)	-
Loss on write-down of equipment.....	(247,444)	-
Gain on disposal of property and equipment	<u>81,611</u>	<u>104,016</u>
 Net other income (expenses)	 <u>(178,970)</u>	 <u>100,415</u>
 NET AND COMPREHENSIVE INCOME FOR THE YEAR	 <u>\$ 8,928,501</u>	 <u>\$10,059,736</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED STATEMENT OF EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Equity at beginning of the year	\$49,160,776	\$41,101,040
Capital contributions from unit issuances on formation of limited partnership	1,601	-
Net income	8,928,501	10,059,736
Distribution	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Equity at end of the year	<u>\$56,090,878</u>	<u>\$49,160,776</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

1. BASIS OF PRESENTATION:

These combined financial statements include the accounts of Claystone Waste Limited Partnership and Beaver Regional Waste Management Services Commission.

The financial statements of Claystone Waste Limited Partnership were prepared in accordance with International Financial Reporting Standards and the financial statements of Beaver Regional Waste Management Services Commission were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED SCHEDULE OF COLLECTION SYSTEM FEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Dues and fees	\$ 686	\$ 994
Fuel	82,412	108,435
Repairs and maintenance	126,946	88,761
Shop supplies.....	42,451	43,428
Subcontracts and equipment rental.....	5,535	4,211
Travel and training.....	9,472	5,130
Utilities.....	15,804	16,724
Wages and benefits.....	<u>897,634</u>	<u>822,789</u>
 Total collection system expenses.....	 <u>\$1,180,940</u>	 <u>\$1,090,472</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED SCHEDULE OF HAULING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Dues and fees	\$ 1,132	\$ 2,141
Fuel	434,146	610,723
Repairs and maintenance	94,022	158,801
Shop supplies.....	87,891	102,393
Subcontract and equipment rental	44,171	253,495
Travel and training.....	3,237	585
Utilities.....	4,159	3,934
Wages and benefits.....	<u>1,448,925</u>	<u>1,410,155</u>
 Total hauling expenses.....	 <u>\$2,117,683</u>	 <u>\$2,542,227</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED SCHEDULE OF LANDFILL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Consulting and engineering.....	\$ 305,946	\$ 74,906
Dues and fees	2,955	4,509
Fuel	540,570	624,054
Repairs and maintenance	747,564	587,203
Subcontracts and equipment rental.....	165,123	158,237
Supplies	222,677	225,259
Travel and training.....	25,672	13,211
Utilities.....	44,096	24,633
Wages and benefits.....	<u>2,641,931</u>	<u>2,331,739</u>
Total landfill expenses.....	<u>\$4,696,534</u>	<u>\$4,043,751</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Advertising and donations	\$ 82,718	\$ 97,193
Bad debts	296	14,269
Computer	113,899	102,904
Consulting	687,129	267,691
Dues and fees	87,055	108,747
Fuel	12,012	17,898
Insurance	114,768	116,402
Interest and bank charges.....	69,740	58,197
Meetings.....	62,066	53,615
Professional fees.....	157,589	76,900
Repairs and maintenance	25,762	76,390
Salaries and benefits.....	2,594,282	2,419,426
Subcontracts and equipment rental.....	36,971	32,269
Supplies, postage and other.....	126,822	150,593
Travel, training and promotion.....	84,064	222,859
Utilities.....	<u>108,599</u>	<u>98,336</u>
Total general and administrative expenses	<u>\$4,363,772</u>	<u>\$3,913,689</u>

**CLAYSTONE WASTE LIMITED PARTNERSHIP AND
BEAVER REGIONAL WASTE MANAGEMENT SERVICES COMMISSION**
COMBINED SCHEDULE OF BIOSOLIDS PROJECT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Unaudited - see Notice to Reader)

	<u>2020</u>	<u>2019</u>
Consulting and engineering.....	\$ -	\$38,340
Rent.....	<u>7,988</u>	<u>7,450</u>
Total biosolids project expenses	<u>\$7,988</u>	<u>\$45,790</u>