



BAY VIEW REFUSE & RECYCLING SERVICES, INC.

SCHEDULE OF THE KENSINGTON POLICE
PROTECTION AND

COMMUNITY SERVICE DISTRICT REVENUE
COLLECTED AND FRANCHISE FEE

FOR THE YEAR ENDED
DECEMBER 31, 2018

AND

INDEPENDENT AUDITORS' REPORT

RUBENS | PARTNERS LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Sharon Rubens, CPA
Linda Martins, CPA
Lisa Martin, CPA
Charles Cowden, CPA

To the Stockholders
Bay View Refuse & Recycling Service, Inc.
Richmond, CA 94530

Report on the Schedule

We have audited the accompanying schedule of The Kensington Police Protection and Community Service District revenue collected and franchise fee of Bay View Refuse & Recycling Service, Inc. for the year ended December 31, 2018, and the related notes (the schedule).

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the financial reporting provisions of the Franchise Agreement for Solid Waste, Recyclable Materials, and Organic Materials Collection Services between The Kensington Police Protection and Community Service District and Bay View Refuse & Recycling Service, Inc. effective September 1, 2015 ("the Contract"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule referred to above, presents fairly, in all material respects, The Kensington Police Protection and Community Service District revenue collected and franchise fee of Bay View Refuse & Recycling Service, Inc. for the year ended December 31, 2018, in accordance with the financial reporting provisions of the Contract.

Basis of Accounting

We draw attention to the notes to the schedule of The Kensington Police Protection and Community Service District revenue collected and franchise fee, which describes the basis of accounting. The schedule was prepared by Bay View Refuse & Recycling Service, Inc. in order to comply with the financial reporting provisions of the Contract referred to above and it is prepared on the basis of the financial reporting provisions of the Contract, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restrictions on Use

Our report is intended solely for the information and use of Bay View Refuse & Recycling Service, Inc. and The Kensington Police Protection and Community Service District and is not intended to be and should not be used by anyone other than these specified parties.

Rubens Partners LLP

Certified Public Accountants
March 29, 2019

BAY VIEW REFUSE & RECYCLING SERVICE, INC.
Schedule of The Kensington Police Protection and Community Service District
Revenue Collected and Franchise Fee
For the Year Ended December 31, 2018

Regular	\$ 1,366,483
Extra	4,772
Debris box	-
Container rental	30
Refunds	<u>(1,679)</u>
Total subject to franchise fee	<u><u>1,369,606</u></u>
Calculated franchise fee @ 7%	95,867
Amount paid	<u>(93,313)</u>
Balance due	<u><u>\$ 2,555</u></u>

See accompanying notes to the schedule.

BAY VIEW REFUSE & RECYCLING SERVICE, INC.
Notes to Schedule of The Kensington Police Protection and Community Service District
Revenue Collected and Franchise Fee
For the Year Ended December 31, 2018

Basis of franchise fee calculation

Bay View Refuse & Recycling Service, Inc. ("BVR&R"), provides Solid Waste, Recyclable Materials, and Organic Materials Collection Services under a franchise agreement with The Kensington Police Protection and Community Service District ("Kensington") that expires August 31, 2023. Under the terms of the contract, BVR&R pays a 7% franchise fee to Kensington for the provision of franchise services. Under the previous contract with Kensington, the Company remitted a portion of the franchise fee directly to Contra Costa County and a portion to Kensington but if any fees are currently due to Contra Costa County under the existing contract, Kensington is responsible for those fees. The fee has been calculated and remitted by BVR&R monthly.

The franchise fee calculations included in this report include cash received by BVR&R net of refunds for the period from January 1, 2018 through December 31, 2018. Collections used for the franchise fee calculation do not include revenues from services provided under separate contracts nor recycling revenues.

Subsequent Events

Management of the Company has evaluated subsequent events or transactions that occurred subsequent to December 31, 2018 through March 29, 2019, the date the financial statements were available to be issued, and determined that there were no material events or transactions that have not been properly recognized or disclosed in the schedule.