

HEIRBORNE INVESTMENTS, LLC

FINANCIAL STATEMENTS

December 31, 2017 and 2016

HEIRBORNE INVESTMENTS, LLC

BALANCE SHEETS

December 31, 2017 and 2016

Assets

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash		
Current maturities of notes receivable - related companies		
Prepaid expenses		
PROPERTY AND EQUIPMENT		
Equipment		
Commercial buildings and improvements		
Less - accumulated depreciation		
Land		
OTHER ASSETS		
Notes receivable, net of current maturities - related companies		
Restricted cash		
Construction in progress		

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

HEIRBORNE INVESTMENTS, LLC

BALANCE SHEETS

December 31, 2017 and 2016

Liabilities and Members' Equity

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Accounts payable		
Accrued interest payable		
Accrued business taxes		
Current maturities of long-term debt - related companies		
Current maturities of long-term debt		
LONG-TERM DEBT		
LESS - DEBT ACQUISITION COST, net		
MEMBERS' EQUITY		

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

HEIRBORNE INVESTMENTS, LLC

STATEMENTS OF INCOME

For the Years Ended December 31, 2017 and 2016

	Redacted per WAC 480-07-160			
	<u>2017</u>	<u>Percent</u>	<u>2016</u>	<u>Percent</u>
RENTAL INCOME				
RENTAL EXPENSES				
Business taxes				
Professional fees				
Licensing				
Insurance				
Bank charges				
Office expenses				
Depreciation				
Other rental expenses				
Operating income				
OTHER INCOME (EXPENSE)				
Interest income				
Interest expense				
Investment interest expense				
Loss on interest rate trading activities				
Miscellaneous income				
Charitable contributions				
Net income				

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

HEIRBORNE INVESTMENTS, LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>Joseph Willis</u>	<u>Kevin Willis</u>	<u>Total</u>
BALANCE , January 1, 2016	██████████	██████████	██████████
Net income	██████████	██████████	██████████
Withdrawals	██████████	██████████	██████████
BALANCE , December 31, 2016	██████████	██████████	██████████
Net income	██████████	██████████	██████████
Withdrawals	██████████	██████████	██████████
BALANCE , December 31, 2017	██████████	██████████	██████████

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

HEIRBORNE INVESTMENTS, LLC

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses		
Increase (decrease) in:		
Accounts payable		
Accrued interest payable		
Accrued business taxes		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for construction in progress		
Payments for capital assets		
Cash restricted for equipment purchases		
Principal advances on notes receivable - related companies		
Principal collections on notes receivable - related companies		
Net cash provided (used) by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net short-term borrowings (payments) - related companies		
Long-term borrowings		
Loan payments - related companies		
Loan payments		
Payment of loan fees		
Member withdrawals		
Net cash provided (used) by financing activities		
NET INCREASE (DECREASE) IN CASH		
CASH, beginning of year		
CASH, end of year		

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

WASTE CONTROL EQUIPMENT, INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

WASTE CONTROL EQUIPMENT, INC.

BALANCE SHEETS

December 31, 2017 and 2016

Assets

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash		
Accounts receivable		
Employee and other receivables		
Prepaid expenses		
VEHICLES, EQUIPMENT AND IMPROVEMENTS		
Collection equipment		
Service cars and equipment		
Furniture and office equipment		
Leasehold improvements		
Less - accumulated depreciation		
OTHER ASSETS		
Goodwill		

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

WASTE CONTROL EQUIPMENT, INC.

BALANCE SHEETS

December 31, 2017 and 2016

Liabilities and Stockholders' Equity

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Accounts payable		
Accrued payroll and related liabilities		
Accrued business taxes		
Accrued SEP payable		
Current maturities of long-term debt - related companies		
DEFERRED REVENUE		
LONG-TERM DEBT - related companies		
STOCKHOLDERS' EQUITY		
Common stock, no par value, 200,000 shares authorized, issued and outstanding		
Retained earnings		

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

WASTE CONTROL EQUIPMENT, INC.

STATEMENTS OF INCOME

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>2017</u>	<u>Percent</u>	<u>2016</u>	<u>Percent</u>
REVENUES				
Commercial				
Residential				
Roll-off				
Recycling collection				
Special pickups				
Management fees				
Refunds and credits				
DIRECT COSTS				
Gross profit				
OPERATING EXPENSES				
Operating income				
OTHER INCOME (EXPENSE)				
Bad debts, net of recoveries				
Interest income				
Interest expense				
Miscellaneous income				
Rental income				
Net income				

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

WASTE CONTROL EQUIPMENT, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	Common Stock		Retained
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>
BALANCE, January 1, 2016	██████████	██████████	██████████
Net income	██████████	██████████	██████████
Dividend distributions	██████████	██████████	██████████
BALANCE, December 31, 2016	██████████	██████████	██████████
Net income	██████████	██████████	██████████
Dividend distributions	██████████	██████████	██████████
BALANCE, December 31, 2017	██████████	██████████	██████████

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

WASTE CONTROL EQUIPMENT, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		
Employee and other receivables		
Prepaid expenses		
Increase (decrease) in:		
Payable to bank resulting from checks in transit		
Accounts payable		
Accrued payroll and related liabilities		
Accrued SEP payable		
Accrued business taxes		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		
Net cash used by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments - related companies		
Loan payments		
Dividends paid to stockholders		
Net cash used by financing activities		
NET INCREASE (DECREASE) IN CASH		
CASH, beginning of year		
CASH, end of year		

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

WASTE CONTROL RECYCLING, INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

WASTE CONTROL RECYCLING, INC.

BALANCE SHEETS

December 31, 2017 and 2016

Assets

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash		
Accounts receivable		
Current maturities of note receivable - related company		
Current maturities of note receivable		
Employee and other receivables		
Inventory		
Prepaid expenses		
Construction contract in progress		
EQUIPMENT AND IMPROVEMENTS		
Equipment		
Leasehold improvements		
Less - accumulated depreciation		
OTHER ASSETS		
Note receivable, net of current maturities - related company		
Note receivable, net of current maturities		
Construction in progress		

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

WASTE CONTROL RECYCLING, INC.

BALANCE SHEETS

December 31, 2017 and 2016

Liabilities and Stockholders' Equity

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Payable to bank resulting from checks in transit		
Accounts payable		
Accrued payroll and related liabilities		
Accrued business taxes		
Accrued SEP payable		
Current maturities of long-term debt - related companies		
Current maturities of long-term debt		
LONG-TERM DEBT - related companies		
LONG-TERM DEBT		
LESS - DEBT ACQUISITION COSTS		
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value, 50,000 shares authorized, 5,000 shares issued and outstanding		
Additional paid-in capital		
Retained earnings (deficit)		

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

WASTE CONTROL RECYCLING, INC.

STATEMENTS OF INCOME

For the Years Ended December 31, 2017 and 2016

	Redacted per WAC 480-07-160			
	<u>2017</u>	<u>Percent</u>	<u>2016</u>	<u>Percent</u>
REVENUES				
Recycling collection				
Contract hauling				
Transfer station				
DIRECT COSTS				
Gross profit				
OPERATING EXPENSES				
Operating income				
OTHER INCOME (EXPENSE)				
Bad debts, net of recoveries				
Interest income				
Interest expense				
Miscellaneous income, net				
Gain (loss) on disposition of assets				
Net income				

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

WASTE CONTROL RECYCLING, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2017 and 2016

	Redacted per WAC 480-07-160		Additional	Retained
	Common Stock		Paid-in	Earnings
	<u>Shares</u>	<u>Amount</u>	<u>Capital</u>	<u>(Deficit)</u>
BALANCE, January 1, 2016	██████████	██████████	██████████	██████████
Net income	██████████	██████████	██████████	██████████
Dividend distributions	██████████	██████████	██████████	██████████
BALANCE, December 31, 2016	██████████	██████████	██████████	██████████
Net income	██████████	██████████	██████████	██████████
Dividend distributions	██████████	██████████	██████████	██████████
BALANCE, December 31, 2017	██████████	██████████	██████████	██████████

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

WASTE CONTROL RECYCLING, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization		
(Gain) loss on disposition of assets		
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		
Employee and other receivables		
Inventory		
Prepaid expenses		
Construction contracts in progress		
Increase (decrease) in:		
Payable to bank resulting from checks in transit		
Accounts payable		
Accrued payroll and related liabilities		
Accrued SEP payable		
Accrued business taxes		
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		
Proceeds from sale of capital assets		
Payments for construction in progress		
Principal collections on notes receivable - related companies		
Principal collections on note receivable		
Net cash provided (used) by investing activities		

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

WASTE CONTROL RECYCLING, INC.
STATEMENTS OF CASH FLOWS, Continued
For the Years Ended December 31, 2017 and 2016

Redacted per WAC 480-07-160

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan payments - related companies		
Loan payments		
Dividends paid to stockholders		
Net cash used by financing activities		
NET INCREASE IN CASH		
CASH, beginning of year		
CASH, end of year		

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