

Yakima Waste Systems, Inc.
PO Box 2830
Yakima, WA 98907

May 31, 2017

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
Attn: Records Center
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250

Re: Affiliated Interest Report Filing for Yakima Waste Systems, Inc. G-89

Dear Mr. King:

On behalf of Yakima Waste Systems, Inc., please find enclosed the Class A Solid Waste Collection Companies Annual Affiliated Interest and Subsidiary Report for 2016.

Please feel free to contact the undersigned with any further questions on this matter.

Sincerely,



Heather Garland
Pricing Manager

Encl.

Telephone: (360) 695-4923, Fax: (360) 695-5091, email: heatherg@wcnx.org

CLASS A
SOLID WASTE COMPANIES

Annual Affiliated Interest and Subsidiary Report

G-89 Yakima Waste Systems, Inc. PO Box 2830 Yakima, WA 98907 2812.5 Terrace Heights Drive Yakima, WA 98901 Full name and address of Company

 Correct name and address, if different than shown

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
for the
YEAR ENDING DECEMBER 31, 2016

Inquiries concerning this Report should be addressed to:

Name: Heather Garland Title: Pricing Manager
Address: 501 SE Columbia Blvd. Ste 350
City: Vancouver State: WA Zip: 98661
Telephone: (360) 695-4923 Fax: (360) 695-5091 E-Mail: heatherg@wcnx.org

Certification

I certify that I, Michael Wesson, the responsible account officer for Yakima Waste Systems, Inc. have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in all attached schedules are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2016, to December 31, 2016, inclusive.

Name (Printed): Michael Wesson Title: Division Controller

Signature:  Date: May 31, 2017

AFFILIATED INTEREST TRANSACTION

1. Company Identification

Full and Exact Name: Yakima Waste Systems, Inc.

Garbage Certificate No. G-89

Doing Business As _____

2. Annual Report/ Accounting Contact Person:

Heather Garland
(name)

Pricing Manager
(title)

PO Box 2830
(mailing address)

Yakima, WA 98907
(city, state, ZIP)

2812.5 Terrace Heights Drive
(physical address)

Yakima, WA 98901
(city, state, ZIP)

(360) 695-4923
(telephone)

(360) 695-5091
(fax)

heatherg@wcnx.org
(E-Mail)

(web site)

3. Type of Business Structure:

C-Corp

(Proprietorship, Partnership, S-Corp., C-Corp., LLC, LLP, etc.)

4. List cumulative cash transfers or assumptions of liability in excess of 5 percent:

Affiliated Interest or Subsidiary Interest	Amount	Date
N/A		

5. Summarize all affiliated interest transactions:

Company Name	Address	Total Dollar Amounts Of Transactions	Activity
1 Waste Connections, Inc	3 Waterway Square Place, Suite #110 The Woodlands, TX 77380	\$298,969	See 6b below
2 DM Disposal Co. Inc. dba DM Recycling	4822 70th Avenue East Fife, WA 98424	\$19,463	Payment to DM Recycling for hauling recycle materials to the processing facility.

6. Additional information for affiliated interest transactions equal to or over \$100,000

a Balance Sheet and Income Statement See attached

b Products or services:

Waste Connections, Inc.:

Waste Connections, Inc. provides the following services to its subsidiary companies within their respective regions and districts:

1. Strategic direction and decision-making including all shareholder/investor relations and managerial decisions affecting operations.
2. All human resource functions including recruiting, training, investigation and development of personnel.
3. Financial Services Functions
 - a. All accounts payable processing , including vendor procurement and national account establishment .
 - b. All cash processing, treasury & banking functions, debt payments and management thereof
 - c. All payroll management and support.
 - d . Fixed asset accounting, processing and reconciliation.
 - e. Accounting direction support, GAAP management, SEC reporting compliance, all federal, state and local tax management and reporting.
 - f. Billing and invoicing and customer support including new customer service set up and initiatives.
4. All risk management functions, including carrier selection, monitoring as well as auto and workers' compensation claims administration and disposition.
5. Safety oversight direction, support and initiatives for enhancement.
6. Engineering, construction management and environmental services compliance.
7. Direct legal services and oversight of outside legal counsel.
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c Description of pricing basis:

For services provided by Waste Connections Inc.:

Allocation based on proportionate share of total operating expenses as adjusted.

Regional support is charged directly to districts for direct expenses and allocated by customer count for indirect expenses by Waste Connections of Washington Inc.

d Description of loans:

Loans between Waste Connections, Inc. and Yakima Waste Systems, Inc. None

e Description of any obligations or liabilities assumed:

Yakima Waste Systems, Inc. has assumed no liabilities or obligations on behalf of either Waste Connections, Inc.

f Affiliated interest or subsidiary activities:

Waste Connections, Inc.: Parent company/corporate office provided management and administrative services.

g List all common officers and directors: See attached

Waste Connections, Inc.
Balance Sheet Summary

December
2016

Assets

Current assets:

Cash and equivalents	\$ 154,423,879
Accounts receivable	490,864,038
Current deferred tax assets	89,177,152
Inventory	24,757,953
Prepaid expenses	243,533,032
Total current assets	<u>1,002,756,053</u>

Property and equipment	4,771,678,341
Goodwill	4,400,314,963
Intangible assets	1,072,251,704
Restricted assets	63,406,246
Other assets	6,601,433,179
Intercompany	-

\$ 17,911,840,486

Liabilities and Equity

Current liabilities:

Accounts payable	\$ 252,572,429
Book overdraft	10,955,647
Accrued liabilities	441,400,628
ST Contingent Considerations	21,452,869
Deferred revenue	134,332,636
Current portion of long-term debt	1,650,262
Total current liabilities	<u>862,364,470</u>

Long-term debt	10,165,311,041
LT Contingent Considerations	30,373,384
Deferred income taxes	867,840,569
Other long-term liabilities	331,074,149
Total liabilities	<u>12,256,963,612</u>

Equity:

Common stock	4,187,864,081
Additional paid-in capital	102,220,473
Entity equity	-
Deferred stock compensation	-
Treasury stock	(13,055,938)
Cumulative Translation Adjustment	(50,930,986)
Retained earnings	1,413,487,583
Accumulated other comprehensive income	7,929,742
Total Waste Connections' equity	<u>5,647,514,953</u>
Noncontrolling interests	7,361,920
Total equity	<u>5,654,876,874</u>

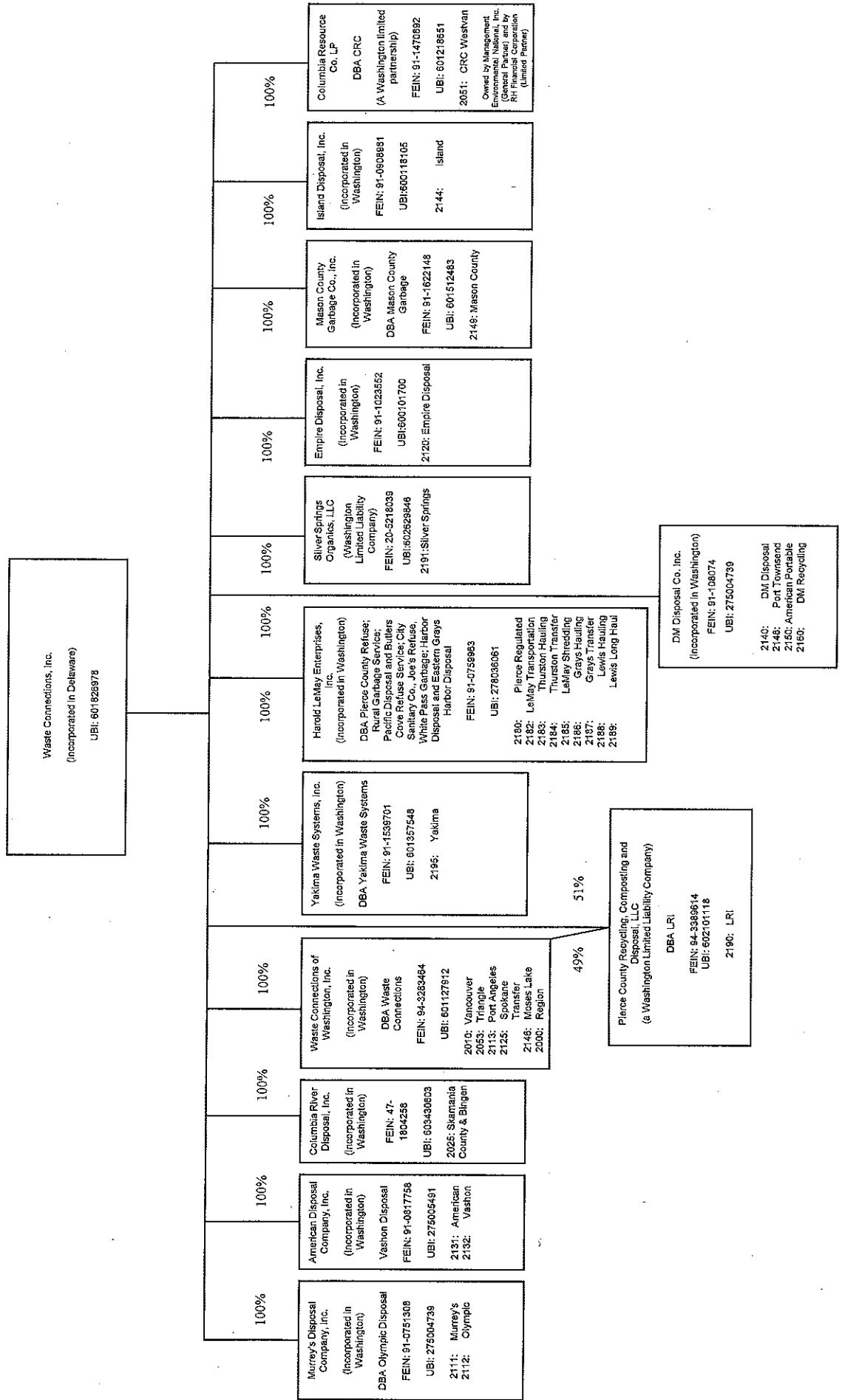
\$ 17,911,840,486

Waste Connections, Inc.
Consolidated Income Statement

12 Months
Ended
12/31/2016

Revenues	\$ 3,375,862,933
Operating expenses:	
Cost of operations	1,957,712,009
Selling, general and administrative	474,262,620
Depreciation	393,600,078
Amortization	70,311,953
Loss on sale of operations/assets	28,678,379
Loss on prior office leases	(999,998)
Income from operations	452,297,893
Interest expense	(386,335,232)
Interest income	294,228,798
Other income (expense), net	53,192
Foreign Transaction Exchange (Gain) and	1,120,994
Income before tax provision	361,365,645
Income tax provision	(114,044,305)
Net income	247,321,340
Less: net income attributable to noncontrolling interests	(781,716)
Net income attributable to WCN	<u>\$ 246,539,624</u>

Corporate Organization Chart



Yakima Waste Services, Inc.

Director

Ronald J. Mittelstaedt

Officers

<u>Name</u>	<u>Office</u>
Ronald J. Mittelstaedt	Chief Executive Officer
Steven F. Bouck	President
Darrell W. Chambliss	Executive Vice President, Chief Operating Officer and Assistant Secretary
Worthing F. Jackman	Executive Vice President, Chief Financial Officer and Assistant Secretary
Matthew S. Black	Senior Vice President and Chief Tax Officer
David G. Eddie	Senior Vice President and Chief Accounting Officer
David M. Hall	Senior Vice President – Sales & Marketing
Patrick J. Shea	Senior Vice President, General Counsel and Secretary
James M. Little	Senior Vice President – Engineering and Disposal
Robert M. Cloninger	Vice President, Deputy General Counsel and Assistant Secretary
Keith P. Gordon	Vice President – Information Systems
Eric O. Hansen	Vice President – Chief Information Officer
Michelle L. Little	Vice President of Accounting
Shawn W. Mandel	Vice President – Safety and Risk Management
Susan R. Netherton	Vice President – People, Training and Development
Scott I. Schreiber	Vice President – Disposal Operations
Gregory Thibodeaux	Vice President – Maintenance and Fleet Management
Mary Anne Whitney	Vice President – Finance
Colin Wittke	Vice President – Sales
Rick Wojahn	Vice President – Business Development
Brent Ditton	Regional Vice President
Kevin Joyce	Regional Controller

Waste Connections, Inc.

Directors

Ronald J. Mittelstaedt
Robert H. Davis
Edward E. "Ned" Guillet
Michael W. Harlan
Larry S. Hughes
Susan "Sue" Lee
William J. Razzouk

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Waste Connections of Washington, Inc.

Director

Ronald J. Mittelstaedt

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Kevin Joyce	Regional Controller