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CLASS A
SOLID WASTE COLLECTION COMPANIES
ANNUAL AFFILIATED INTEREST AND SUBSIDIARY REPORT

Sanitary Service Company, Inc. 21 Bellwether Way, Ste 404 Bellingham, WA 98225
Full name and address of Company

Correct name and address, if different than shown

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

<i>For Commission Use Only</i>	
Reception Number: _____	001-111-02-68-227-11: _____ Ref. No. _____
001-111-02-68-227-01: _____	001-111-02-68-032-05: _____

Original form to be mailed to the Washington Utilities and Transportation Commission, PO Box 47250, Olympia, WA 98504-7250
Web Site: www.wutc.wa.gov

CERTIFICATION

I certify that I, Amber L. Jones, the responsible official for Sanitary Service Company, Inc. and Blaine-Bay Refuse, Inc., have examined the attached Annual Affiliated Interest and Subsidiary Report; that to the best of my knowledge, information, and belief all statements of fact contained in said report are true, and said report is a correct statement of the affiliated interest and subsidiary transactions of Sanitary Service Company, Inc. and Blaine-Bay Refuse, Inc. in respect to each and every matter set forth therein during the period from January 1 to December 31, 2016, inclusive.

Name (Printed): Amber L. Jones

Title: CFO

Signature: 

Date: 5-31-17

SOLID WASTE ANNUAL AFFILIATED INTEREST REPORT

Schedule 1 – Identification and Organization of Company, Affiliates, and Subsidiaries

1. Company Identification:

Full and Exact Name: Sanitary Service Company, Inc. Solid Waste Certificate No. 14
Doing Business As: N/A

2. Annual Report/Accounting Contact Person:

Name:	<u>Amber Jones</u>	Title:	<u>CFO</u>
Mailing Address:	<u>P.O. Box 1702</u>	City/State/Zip:	<u>Bellingham, WA 98227-1702</u>
Physical Address:	<u>21 Bellwether Way, Ste 404</u>	City/State/Zip:	<u>Bellingham, WA 98225</u>
Telephone Number:	<u>(360) 734-3490</u>	FAX Number:	<u>(360) 650 9545</u>
E-mail Address:	<u>amber@ssc-inc.com</u>	Web Site Address:	<u>ssc-inc.com</u>

3. Type of Business Structure (check that which applies):

Sole Proprietorship Partnership Corporation Other (LP, LLP, LLC, etc.) _____

4. Affiliated interests and subsidiaries:

a. Affiliated interest or subsidiary:

Blaine-Bay Refuse, Inc. (subsidiary of Sanitary Service Company, Inc.)
Patrick Dunn and Associates, Ltd.

b. Address:

<u>Blaine-Bay Refuse, Inc.</u>	<u>Patrick Dunn and Associates, Ltd.</u>
<u>21 Bellwether Way, Ste 404</u>	<u>13531 Northshire Road N. W.</u>
<u>Bellingham, WA 98225</u>	<u>Seattle, WA 98177</u>

c. Corporate organization chart:

Attached

4. Verified copies of affiliated interest contracts and arrangements:

None

5. Summary of transactions:

Blaine-Bay Refuse, Inc.:
Equipment Rent (SSC pays BBR \$8,000.00/month or \$96,000.00/year.)
Patrick Dunn and Associates, Ltd.:
Management services (Payments exceed \$100,000, see below.)

Schedule 2 – Additional information required by WAC 480-70-079(3)

(a) Balance sheet and income statement:

Attached for Patrick Dunn and Associates, Ltd.

(b) Description of products or services and (f) description of activities:

Patrick Dunn, President of Patrick Dunn & Associates, Ltd., as an individual, is a director on SSC's board. He has no ownership interest in SSC. Mr. Dunn performs business and managerial services for SSC. He advises the President and participates in analysis and decision-making regarding management, operational, personnel, and financial matters on an ongoing basis. Mr. Dunn implements decisions and carries out tasks related to the company's operations and regulated activities. Mr. Dunn attends company management meetings, supplements SSC's managerial team, and performs functions similar to those commonly undertaken by in-house corporate executive personnel.

(c) Description of pricing basis:

In 2016, SSC paid Mr. Dunn's firm \$15,000 for lobbying services. Payments for lobbying services are entirely excluded from SSC's regulated accounts, and have no impact on rate payers. In 2016, SSC paid Mr. Dunn's firm \$242,000 for managerial consulting services. The compensation paid to Mr. Dunn by SSC for managerial consulting services is calculated based on the fair market rate for annual compensation for an executive level position performing comparable functions, and payment is prorated in equal monthly installments. A portion of that compensation is included in SSC's regulated accounts, and allocated to the extent Mr. Dunn's services are for the benefit of the company's regulated activities and its customers.

(d) Description of loans:

None

(e) Description of any obligations or liabilities assumed:

None

(g) List all common officers and directors:

Name	Company Title	Affiliated Interest Title
Patrick Dunn	Director, SSC	Owner, Patrick Dunn & Associates,
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sanitary Service Company, Inc.
G-14

Blaine Bay Refuse
100% stock owned by SSC

Directors & Officers:
Paul Razore - Director/President/Treasurer/Secretary
Patrick Dunn - Director
Carmen Sepic - Director
Mike Torre - Director

Amber Jones - Vice President

PATRICK DUNN & ASSOCIATES, LTD

Balance Sheet

As of December 31, 2016

06/01/17

Cash Basis

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
GBC International	89,458.79
Total Checking/Savings	<u>89,458.79</u>
Total Current Assets	89,458.79
Fixed Assets	
Equipment - Sec 179	
Depreciation	-16,452.24
Original Cost	<u>16,452.24</u>
Total Equipment - Sec 179	0.00
Furniture, Fixtures & Equipment	
Depreciation	-12,458.27
Original Cost	<u>12,458.27</u>
Total Furniture, Fixtures & Equipment	0.00
Leasehold Improvements	
Depreciation	-47,161.85
Original Cost	<u>51,268.24</u>
Total Leasehold Improvements	4,106.39
Transportation Equipment	
Depreciation	-70,354.15
Original Cost	40,391.93
Transportation Equipment - Other	<u>29,962.22</u>
Total Transportation Equipment	0.00
Total Fixed Assets	<u>4,106.39</u>
TOTAL ASSETS	<u><u>93,565.18</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
VISA - Alaska Airlines 4506	7,796.76
Total Credit Cards	7,796.76
Other Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	<u>-1,561.57</u>
Total Other Current Liabilities	-1,561.57
Total Current Liabilities	<u>6,235.19</u>
Total Liabilities	6,235.19
Equity	
Capital Stock	1,000.00
Distribution - S-Corp Dividends	-841,824.32
Opening Bal Equity	118,334.89
Retained Earnings	773,396.62
Net Income	<u>36,422.80</u>
Total Equity	<u>87,329.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>93,565.18</u></u>

PATRICK DUNN & ASSOCIATES, LTD

Profit & Loss

06/01/17

January through December 2016

Cash Basis

	Jan - Dec 16
Ordinary Income/Expense	
Income	
CONSULTING INCOME	
PWD	637,400.00
Ziegler	37,000.00
Total CONSULTING INCOME	674,400.00
LOBBYING Income	
PWD	84,250.00
Ziegler	9,250.00
Total LOBBYING Income	93,500.00
Reimbursed Expenses	27,859.50
Total Income	795,759.50
Gross Profit	795,759.50
Expense	
Automobile Expense	
Vehicle Expenses - Other	3,439.14
Vehicle Payment	36,014.00
Automobile Expense - Other	935.28
Total Automobile Expense	40,388.42
Bank Charges	75.00
CLIENT EXPENSES-Reimbursable	6,639.99
Computer Software & Training	771.97
Condo - Olympia	
Cable	2,186.85
Dues	3,495.00
Insurance	1,662.00
Maintenance	1,393.51
Repairs	872.22
Utilities	2,267.12
Total Condo - Olympia	11,876.70
Customer Development	13,051.06
Donations - Charitable	203,299.00
Donations - Political	10,998.18
Donations; Charitable In-Kind	1,657.31
Dues	6,130.25
Education	1,496.62
Insurance	
Insurance - Other	2,983.44
Total Insurance	2,983.44
Non-Employee Compensation	51,000.00
Office Equipment	1,610.01
Office Supplies	4,739.43
Payroll Expenses	
Officer Salary	215,000.00
Payroll Expenses - Other	48,000.00
Total Payroll Expenses	263,000.00
Payroll Tax Expense	
FUTA	840.00
Social Security & Medicare	14,136.50
Total Payroll Tax Expense	14,976.50
Postage and Delivery	1,648.02
Printing and Reproduction	143.63

PATRICK DUNN & ASSOCIATES, LTD

Profit & Loss

06/01/17

January through December 2016

Cash Basis

	Jan - Dec 16
Professional Fees	
Accounting	1,525.00
Bookkeeping	385.00
Professional Fees - Other	1,525.00
Professional Fees - Other	306.80
Total Professional Fees	3,741.80
Rent - Office	10,503.54
Retirement Expenses	
SEP -IRA	65,000.00
Total Retirement Expenses	65,000.00
Subscriptions	1,784.20
Taxes	
Federal	388.94
Local	1,485.91
State	
Toll Fees	50.00
State - Other	11,219.24
Total State	11,269.24
Total Taxes	13,144.09
Telephone/Cable/Broadband	8,346.50
Travel & Ent	
Entertainment	0.00
Meals	12,919.15
Travel	
Parking	1,505.96
Travel - Other	11,586.89
Total Travel	13,092.85
Travel & Ent - Other	-5,680.96
Total Travel & Ent	20,331.04
Total Expense	759,336.70
Net Ordinary Income	36,422.80
Net Income	36,422.80