

CLASS A
SOLID WASTE COMPANIES

Annual Affiliated Interest and Subsidiary Report

G-154 Island Disposal, Inc. PO Box 990 Coupeville, WA 98239
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, 2017

Inquiries concerning this Report should be addressed to:

Name: Heather Garland Title: Pricing Manager
Address: 501 SE Columbia Shores 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, Adam Balogh, the responsible account officer for Island Disposal, 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, 2017, to December 31, 2017, inclusive.

Name (Printed): Adam Balogh Title: Division Controller
Signature: Adam Balogh Date: May 31, 2018

AFFILIATED INTEREST TRANSACTION

1. Company Identification

Full and Exact Name: Island Disposal, Inc. Garbage Certificate No. G-154
 Doing Business As _____

2. Annual Report/ Accounting Contact Person:

Heather Garland	Pricing Manager
(name)	(title)
PO Box 61726	Vancouver, WA 98666
(mailing address)	(city, state, ZIP)
501 SE Columbia Shores Blvd. #350	Vancouver, WA 98661
(physical address)	(city, state, ZIP)
(360) 695-4923	(360) 695-5091
(telephone)	(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	10001 Woodloch Forest Drive, Ste 400 The Woodland, TX 77380	\$128,925	See 6b below

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 Island Disposal, Inc.

None

e Description of any obligations or liabilities assumed:

Island Disposal, Inc. has assumed no liabilities or obligations on behalf of 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
2017

Assets

Current assets:

Cash and equivalents	\$	433,815,093
Accounts receivable		554,458,381
Current deferred tax assets		-
Current assets held for sale		1,596,229
Prepaid expenses & other current assets		186,998,122
Total current assets		<u>1,176,867,824</u>

Restricted cash and investments		167,012,084
Property and equipment		4,820,933,636
Goodwill		4,681,774,221
Intangible assets		1,087,435,856
Long-term assets held for sale		12,624,620
Other assets		68,032,767
	\$	<u>12,014,681,007</u>

Liabilities and Equity

Current liabilities:

Accounts payable	\$	330,522,802
Book overdraft		19,223,408
Accrued liabilities		278,038,783
Deferred revenue		145,196,823
Current portion of contingent consideration		15,803,280
Current liabilities held for sale		2,154,712
Current portion of long-term debt		11,658,905
Total current liabilities		<u>802,598,714</u>

Long-term debt		3,899,572,083
Long-term portion of contingent consideration		31,481,562
Long-term liabilities held for sale		-
Other long-term liabilities		316,191,666
Deferred income taxes		690,766,734
Total liabilities		<u>5,740,610,758</u>

Equity:

Common stock		4,187,568,381
Additional paid-in capital		115,742,741
Accumulated other comprehensive income		108,413,317
Treasury stock		-
Retained earnings		1,856,945,979
Total Waste Connections' equity		<u>6,268,670,418</u>
Noncontrolling interests		5,399,821
Total equity		<u>6,274,070,239</u>

\$ 12,014,680,998

Waste Connections, Inc.
Consolidated Income Statement

12 Months
Ended
12/31/2017

Revenues	\$ 4,630,487,874
Operating expenses:	
Cost of operations	\$ 2,704,775,375
Selling, general and administrative	\$ 509,638,111
Depreciation	\$ 530,186,729
Amortization	\$ 102,297,050
Loss on sale of operations/assets	\$ 156,139,501
Loss on prior office leases	\$ 353,128
Income from operations	627,097,979
Interest expense	\$ (661,463,166)
Interest income	\$ 541,338,985
Other income (expense), net	\$ 3,736,296
Foreign Transaction Exchange (Gain) and Loss	\$ (2,199,930)
Income before tax provision	508,510,165
Income tax provision	\$ 68,909,621
Net income	577,419,786
Less: net income attributable to noncontrolling interests	\$ (602,301)
Net income attributable to WCN	<u>\$ 576,817,485</u>