

AFFILIATED INTEREST TRANSACTION

1. Company Identification

Full and Exact Name: Murrey's Disposal
Company, Inc. & American Disposal
Company, Inc.

Garbage Certificate No. G-9 & G-87

d/b/a Olympic Disposal & Vashon Disposal

2. Annual Report/ Accounting Contact Person:

Heather Garland

(name)

Pricing Manager

(title)

PO Box 61726

(mailing address)

Vancouver, WA 98666

(city, state, ZIP)

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(physical address)

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(360) 695-4923

(telephone)

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(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, EX 77380	\$1,159,772	See 6b below.
2	Harold LeMay Enterprises, Inc. dba LeMay Mobile Shredding 4111 192nd St. East Tacoma, WA 98446	\$654	Payment to LeMay Mobile Shredding for paper shredding services.

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, 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.
8. Vehicle/Equipment procurement direction and support, including the establishment of all vehicle/equipment maintenance standards

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 Murrey's Disposal Company, Inc./American Disposal Company, Inc.

None

e Description of any obligations or liabilities assumed:

Murrey's Disposal Company, Inc./American Disposal Company, 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 provides management and administrative services.

g List all common officers and directors:

See attached

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	\$ (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>

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	<u>68,032,767</u>

\$ 12,014,681,007

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	<u>1,856,945,979</u>
Total Waste Connections' equity	<u>6,268,670,418</u>
Noncontrolling interests	<u>5,399,821</u>
Total equity	<u>6,274,070,239</u>
	<u>\$ 12,014,680,998</u>