

**CLASS A**  
**SOLID WASTE COMPANIES**

Annual Affiliated Interest and Subsidiary Report

<b>G-89</b> Yakima Waste Systems, Inc. PO Box 2830 Yakima, WA 98907  2812.5 Terrace Heights Drive Yakima, WA 98901 Full name and address of Company
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         Correct name and address, if different than shown
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**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 Blvd. Ste 350  
City: Vancouver State: WA Zip: 98661  
Telephone: (360) 695-4923 Fax: (360) 695-5091 E-Mail: [heatherg@wcnx.org](mailto: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, 2017, to December 31, 2017, inclusive.

Name (Printed): Michael Wesson Title: Division Controller  
Signature: Michael Wesson Date: May 31, 2018

**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:

<u>Heather Garland</u>	Pricing Manager
(name)	(title)
<u>PO Box 2830</u>	Yakima, WA 98907
(mailing address)	(city, state, ZIP)
<u>2812.5 Terrace Heights Drive</u>	Yakima, WA 98901
(physical address)	(city, state, ZIP)
<u>(360) 695-4923</u>	(360) 695-5091
(telephone)	(fax)
<u>heatherg@wcnx.org</u>	(web site)
(E-Mail)	

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	\$256,058	See 6b below
2 DM Disposal Co. Inc. dba DM Recycling	4822 70th Avenue East Fife, WA 98424	\$12,547	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:

- Strategic direction and decision-making including all shareholder/investor relations and managerial decisions affecting operations.
- All human resource functions including recruiting, training, investigation and development of personnel.
- Financial Services Functions
  - All accounts payable processing, including vendor procurement and national account establishment.
  - All cash processing, treasury & banking functions, debt payments and management thereof
  - All payroll management and support.
  - Fixed asset accounting, processing and reconciliation.
  - Accounting direction support, GAAP management, SEC reporting compliance, all federal, state and local tax management and reporting.
  - Billing and invoicing and customer support including new customer service set up and initiatives.
- All risk management functions, including carrier selection, monitoring as well as auto and workers' compensation claims administration and disposition.
- Safety oversight direction, support and initiatives for enhancement.
- Engineering, construction management and environmental services compliance.
- 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**  
**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		<u>186,998,122</u>
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		<u>11,658,905</u>
Total current liabilities		802,598,714

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		<u>690,766,734</u>
Total liabilities		5,740,610,758

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		6,268,670,418
Noncontrolling interests		<u>5,399,821</u>
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	\$	(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>