

**PORT OF SEATTLE - DOLLAR CORPORATION**

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INDEPENDENT ACCOUNTANTS' REPORT ON  
AGREED-UPON PROCEDURES RELATING TO DOLLAR  
CORPORATION AGREEMENT FOR THE TWO  
TWELVE-MONTH PERIODS ENDED OCTOBER 31, 2006 AND 2005

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*Incorporated in 1972*  
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INDEPENDENT ACCOUNTANTS' REPORT  
ON AGREED-UPON PROCEDURES

August 30, 2008

To: Applicable Management of Port of Seattle

We have performed procedures requested by you with respect to the calculation and payment of concessionable revenue and audit requirements included in the Rental Car Lease and Concession Agreement (the Agreement) dated November 1, 2004 between the Port of Seattle (POS) and Dollar Rent-A-Car for the two twelve month periods ended October 31, 2006 and 2005. This report is solely for your information and is not to be used for any other purpose. It is intended to assist POS in evaluating compliance with the lease requirements. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The **sufficiency** of these procedures is solely the responsibility of the specified users of the report. Following is a listing of the procedures that we performed with respect to the above noted lease periods and the results and conclusions we formed as a result of such procedures.

**General Description of Procedures Performed**

The majority of our fieldwork was performed with the assistance of Dollar Rent-A-Car's accounting personnel in Seattle, Washington. Dollar operates a rental system known as Orion, which is posted monthly into Great Plains accounting system. Great Plains feeds the Fee Worksheet at the end of the month (See Exhibit A for a sample of August 2006). Upon the arrival of a customer, an agent creates a rental contract in the system. The customer signs to **certify** that **he/she** did not come into the airport within the last 8 hours at the off airport location. Customers are shuttled to its main location at 160<sup>th</sup>, which is within three miles from the airport. Afterwards, the contract is sent to the Accounting department where a batch is set up for the **day's** activity. A Daily Business Report (DBR) is printed from the system, where revenue is posted by category. Each Rental Agreement is verified against the DBR. The batch for the day is processed and an AR distribution report is run at the end of the month. A Journal Entry is made from the AR distribution report into the General Ledger (GL) at the end of the month. From the GL, a Revenue Report is generated (See **Exhibit B** for a sample of August 2006). Dollar prepares the Fee Worksheet that shows the monthly revenue breakout by category and totals to concessionable revenue reported to the Port.

We obtained the General Ledger (Revenue Report) for all of the months included in the two twelve month periods ended October 31, 2006 and 2005.

Following is a listing of procedures performed during this engagement.

1. **Detailed sample selections 2005 and 2006 Daily Business Report (DBR)** – We selected a sample of 15 total closed rental agreements from each of the months of February 2005, June 2005, December 2005 and October 2006. In selecting these samples, we analyzed the revenue collected on each agreement and agreed it to the amount posted in the Daily Business Report. Additionally, we were able to summarize the totals of the Daily Business Report into the Revenue Report without exception.
2. **Agreed DBR to Revenue Report** – The DBR shows the daily totals per revenue category, while the Revenue Report shows the monthly total per revenue category. Thus, we were able to tie the DBR for particular days into the GL total. This total from the GL at the end of the month rolls into the Revenue Report.
3. **Agreed Revenue Report to Fees worksheet** – The Fees worksheet shows revenue totals by account: Mileage & Time, Damage Wavier, Personal Accident Insurance, Drop Fees, Additional Driver, Fueling, Child seat, GPS, etc. For the two twelve month periods ended October 31, 2006 and 2005, we agreed totals in the Fees worksheet to the revenue amounts in the Revenue Report. Amounts agreed without material exception.

We noted that certain amounts in the GL were excluded from concessionable revenue reported in the fee worksheet. The Agreement defines Gross Revenue as to what must be included and what is excluded from concessionable revenue. Based on that definition, we reviewed all revenue sources and exclusions to determine whether Dollar was properly including all appropriate revenue. Also, we analyzed revenue and excluded line items to make our determinations as to contract compliance. The following are descriptions of our findings resulting from this analysis and we have included those findings in our Schedule of Findings at the end of the report.

- We noted that revenue for 2005 was understated due to omitted revenue. Chain revenue was not included on the Fees Worksheet for the months of December '05, January '06 and February '06 *totaling* \$236. Based on discussion with Dollar personnel and review of supporting documentation, this amount was not included due to report set up error. *We have therefore included Chain revenue as part of concessionable revenues in the Schedule of Findings.*
  - We noted that the Reported Supplemental Liability Insurance Revenue to the Port for the April 2005 was understated by \$7,168. This error was as a result of reporting the net revenue instead of gross revenue. *We have therefore included Supplemental Liability Insurance revenue in the Schedule of Findings.*
  - We noted that an airport customer for Dollar was one who flies into the Airport within eight (8) hours, thereafter, enters into a motor vehicle rental agreement, but it should be twelve (12) hours according to the Concession agreement.
4. **Testing for Contract Compliance Items** – Contract compliance items of the Agreement that we tested included Article 5.1 Concession Fees; 5.2.4 Recovery of Percentage Fee; 5.2.2

Annual Report and 5.25 Customer Facility Charges (CFC). The following are the results of our compliance testing.

**Concession Fee and Recovery of Percentage Fee** – We agreed the total monthly Concessionable Revenue for each month of the twelve-month periods ended October 31, 2006 and 2005 per the Revenue Report to the monthly concession payments received by the Port of Seattle. We were able to verify that amounts paid were ten percent of total concessionable revenue per the fee worksheet for the months that concessionable revenues exceeded the monthly minimum guarantee. In the months that concession revenue did not exceed the monthly minimum guarantee amount, we noted that Dollar paid the minimum guarantee.

**Annual Report** – Based on the Agreement, "Concessionaire shall submit, for the approval of the Port, an "Annual Report" for each Agreement year during the Term of this Agreement. Such Annual Report shall be submitted no later than ninety (90) calendar days following the last day of each Agreement Year. Concessionaire shall bear the entire cost of preparing and providing such reports. The Annual Report shall be prepared by Concessionaire and signed by its chief financial officer, or their designee, attesting to the amounts shown. The Annual Report shall also be audited by an independent certified public accounting firm in accordance with generally accepted auditing standards ("GAAS"), with a copy of the independent certified public accounting firm's audit report sent to the Port stating that in its professional opinion, based on the audit, the Concession Fees paid by the Concessionaire during the previous Agreement Year were properly calculated and paid in accordance with the terms and conditions of the Agreement." *Based on our review of the audit reports for the twelve-month periods ended October 31, 2006 and 2005, it appears that the audit reports were issued. The reports were dated within the 90 calendar days as required by the agreement but we were unable to verify when the reports were actually issued and submitted to the Port of Seattle within the 90 day requirement.*

**Customer Facility Charge** – The Port requires Dollar to collect a Customer Facility Charge (CFC) of \$4/day on all vehicle rental transactions originating at the Airport starting February 1, 2006. For the rental agreements selected in the Month of February, March and October 2006, we were able to verify that Dollar is charging customers on the rental agreements. We were also able to verify that total CFC's for the above selected months per the GL were paid to the POS. *Based on our testing it appears that CFC's are being collected and paid to the Port as required in the Agreement.*

### **Conclusion**

Based upon our detailed testing, nothing came to our attention that rental agreement revenue per supporting rental agreements is not being captured by the systems daily summary reports used to report revenue. The discrepancies resulting from our testing and disclosed above relate more to isolated errors in the system or an accounting oversight. Included on the next page is a Schedule of Findings that quantifies the revenue items we have added to total concessionable revenue that includes Supplemental Liability Insurance revenue (SLI) and Chain revenue. For the twelve-months ended October 31, 2005, Dollar has understated Supplemental Liability Insurance revenue by \$7,168. For the twelve months ended October 31, 2006, Dollar understated Chain revenue by \$236 of additional revenue that we believe is concessionable per terms of the Agreement. These

additional revenues result in \$717 of additional concession rent for the twelve months ended October 31, 2005 and \$24 of additional concession rent for the twelve months ended October 31, 2006 due to the POS.

Because the above described procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the overall financial position of the Port of Seattle, or Dollar Corporation.

An agreed-upon procedures engagement is one in which a practitioner is engaged by a client to issue a report of findings based on specific procedures performed on a subject matter. The specified parties and the practitioner agree upon the procedures to be performed by the practitioner that the specified parties believe are appropriate. In an engagement performed under this section, the practitioner does not perform an examination or a review, and does not provide an opinion or negative assurance. Instead, the practitioner's report on agreed-upon procedures is in the form of procedures and findings.

Sincerely,

A handwritten signature in cursive script that reads "Branch, Richards & Co. P.S.".

Certified Public Accountants  
Seattle, Washington





EXHIBIT A

SEATAC PORT FEE WORKSHEET



SEATAC PORT FEE WORKSHEET

MONTH

AUGUST 2006

		SEATAC	SWM	PAK	TOTAL	
	4020 TIME	1,314,909.90	0.00	157.34	1,315,067.24	
	4021 MILES	0.00			0.00	1,310,714.88
	-4022 DISC	-4,352.56			-4,352.56	
	4030 LDW	104,397.65		87.80	104,485.45	112,970.15
	4040 PLDW	8,484.70			8,484.70	
	4050 GPS"	2,358.15			2,358.15	
	4060 DROP	5,774.00			5,774.00	
gross	4076 PAI	5,585.55			5,585.55	
	4080 GARS	5,240.00			5,240.00	
gross	4090 SLI	25,800.05			25,800.05	
	4091 SEAT	1,521.00			1,521.00	
	4092 ADD'L	20,083.00			20,083.00	
	4093 U25	12,050.00			12,050.00	
	4094 MISC	0.00			0.00	
	5500 GAS"	13,656.73		0.00	13,656.73	35,243.42
	5501 GAS..	21,586.69			21,586.69	
	7425 APT FEE	170,632.62	0.00	27.21	170,659.83	
TQTAL		1,707,727.48	0.00	272.35	1,707,999.83	

EXHIBIT B

REVENUE REPORT

CMC INVESTMENTS, INC.  
REVENUE BY LOCATION  
For the Ten Months Ending August 31, 2006

	MONTH				YEAR TO DATE				
	August	August	%	%	08/31/06	08/31/05	%	%	
<b>REVENUE - COMBINED</b>									
Time	4020	\$1,445,038.72	\$1,275,929.41	87.3%	86.0%	\$7,907,932.34	\$7,230,065.59	84.8%	83.2%
Mileage	4021			0.0%	0.0%	201.46	1,528.45	0.0%	0.0%
Discount	4022	(4,575.92)	(4,772.30)	-0.3%	-0.3%	(22,220.82)	(35,868.36)	-0.2%	-0.4%
LDW	4030	117,279.25	104,239.76	7.1%	7.0%	815,090.17	763,786.73	8.7%	8.8%
PLDW	4040	8,942.85		0.5%	0.0%	37,695.70		0.4%	0.0%
GPS	4050	2,477.55		0.1%	0.0%	8,457.50		0.1%	0.0%
Drop Charge	4060	6,849.00	18,532.50	0.4%	1.2%	83,762.91	111,146.45	0.9%	1.3%
Personal Accident Ins	4070	4,829.05	4,834.30	0.3%	0.3%	37,780.70	37,739.92	0.4%	0.4%
GARS	4080	5,240.00	11,060.00	0.3%	0.7%	72,865.00	124,374.58	0.8%	1.4%
SLI	4090	22,039.95	24,252.30	1.3%	1.6%	146,913.10	197,327.58	1.6%	2.3%
Baby Seats	4091	1,556.00	795.00	0.1%	0.1%	7,427.00	6,250.00	0.1%	0.1%
Add'l Driver	4092	23,219.00	23,535.00	1.4%	1.6%	125,712.00	128,082.50	1.3%	1.5%
Under 25	4093	14,700.00	15,600.90	0.9%	1.1%	100,691.20	112,745.17	1.1%	1.3%
Racks	4094			0.0%	0.0%	145.00	20.00	0.0%	0.0%
Chains	4095			0.0%	0.0%	266.95	5.00	0.0%	0.0%
Gas - Close	5500	15,558.61	11,090.28	0.9%	0.7%	91,184.76	64,484.75	1.0%	0.7%
Gas - Open	5501	21,661.69	23,639.88	1.3%	1.6%	165,267.37	181,782.97	1.8%	2.1%
Gas Expense	5510	(29,626.98)	(25,911.30)	-1.8%	-1.7%	(253,358.32)	(235,849.74)	-2.7%	-2.7%
<b>Total Revenue</b>		<b>1,655,188.77</b>	<b>1,482,825.73</b>	<b>100.0%</b>	<b>100.0%</b>	<b>9,325,814.02</b>	<b>8,687,621.59</b>	<b>100.0%</b>	<b>100.0%</b>
<b>REVENUE - 160TH</b>									
Time	4020-001	1,314,909.90	1,123,438.67	87.7%	86.3%	6,983,694.91	6,282,591.71	84.8%	83.0%
Mileage	4021-001			0.0%	0.0%	6.30	1,345.75	0.0%	0.0%
Discount	4022-001	(4,352.56)	(3,537.22)	-0.3%	-0.3%	(18,531.74)	(22,906.12)	-0.2%	-0.3%
LDW	4030-001	104,397.65	89,889.06	7.0%	6.9%	723,917.52	666,469.99	8.8%	8.8%
PLDW	4040-001	8,484.70		0.6%	0.0%	31,216.15		0.4%	0.0%
GPS	4050-001	2,358.15		0.2%	0.0%	7,940.10		0.1%	0.0%
Drop Charge	4060-001	5,774.00	17,222.50	0.4%	1.3%	75,211.00	101,462.50	0.9%	1.3%
Personal Accident Ins.	4070-001	4,437.90	4,132.75	0.3%	0.3%	34,391.70	34,183.69	0.4%	0.5%
GARS	4080-001	5,240.00	10,975.00	0.3%	0.8%	72,815.00	123,654.58	0.9%	1.6%
SLI	4090-001	18,789.55	17,599.35	1.3%	1.4%	128,510.10	161,609.93	1.6%	2.1%
Baby Seats	4091-001	1,521.00	715.00	0.1%	0.1%	7,062.00	5,690.00	0.1%	0.1%
Add'l Driver	4092-001	20,083.00	21,650.00	1.3%	1.7%	110,099.00	114,622.50	1.3%	1.5%
Under 25	4093-001	12,050.00	12,807.90	0.8%	1.0%	78,991.00	93,707.65	1.0%	1.2%
Racks	4094-001			0.0%	0.0%	100.00	15.00	0.0%	0.0%
Chains	4095-001			0.0%	0.0%	235.95		0.0%	0.0%
Gas - Close	5500-001	13,656.73	9,586.73	0.9%	0.7%	80,037.98	56,684.08	1.0%	0.7%
Gas - Open	5501-001	21,586.69	23,433.36	1.4%	1.8%	164,539.87	180,857.57	2.0%	2.4%
Gas Expense	5510-001	(28,872.91)	(25,399.95)	-1.9%	-2.0%	(246,904.81)	(232,539.81)	-3.0%	-3.1%
<b>Total Revenue</b>		<b>1,500,063.80</b>	<b>1,302,513.15</b>	<b>100.0%</b>	<b>100.0%</b>	<b>8,233,332.03</b>	<b>7,567,449.02</b>	<b>100.0%</b>	<b>100.0%</b>

DU. 7-17-06