THE MANAGEMENT OF RECEIVABLES

Accounting and Financial Reporting Revenue Services



Billing

- The Port has 17 different types of revenue streams. Amounts billed are derived from Leases and/or Published Tariffs.
 - Airfield
 - Cargo Piers
 - Container
 - Ground Access
 - Group Insurance
 - Harbor Services
 - Shilshole Bay Marina
 - Fishermen's Terminal
 - Bell Harbor Marina
 - Harbor Island
 - Maritime Industrial Center
 - House Rentals
 - ID Access (Port Badge Billing)
 - Leases
 - Airport (307 Active Leases)
 - Seaport (83 Active Leases)
 - Real Estate (175 Active Leases)
 - The average total of billing produced monthly is -
 - 2008 Total # Invoices Billed = 4377 Total Average Monthly Total Billed = \$42,229,987.89
 - 2009 Total # Invoices Billed = 4504 Total Average Monthly Total Billed = \$42,054,313.06

ACCOUNTS RECEIVABLE AGED TRIAL BALANCE

Relative to the total monthly invoices mailed out on a monthly basis, our daily sales outstanding average between 5 and 7 days.

Customer balances listed in the <u>Other</u> column are directly related to accounts that are under bankruptcy protection, we have exhausted all efforts to collect so we had no other alternative but to send the account to a third party collection agency or the charges are in dispute and waiting to be resolved.

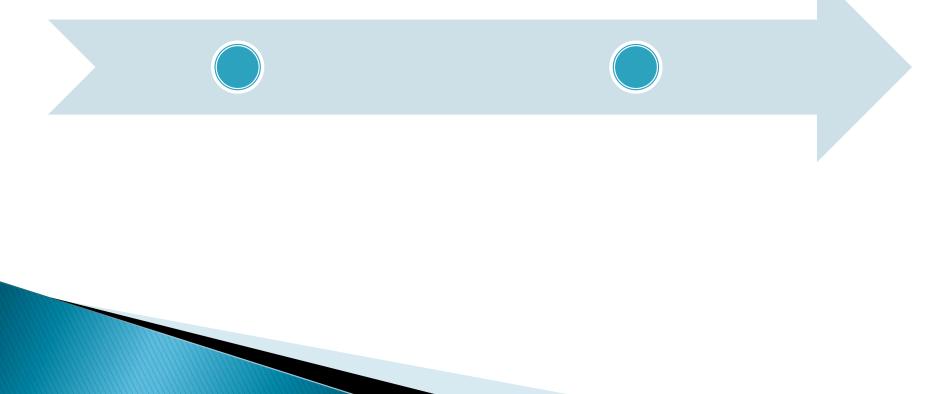
Accounts Receivable Aged Trial Balance As Of 12/31/2008										
TOTAL	FUTURE	<30 DAYS	31–60 DAYS	61–90 DAYS	91–120 DAYS	OTHER	TOTAL # Customers			
\$7,152,601	(2,019,606)	7,894,842	253,541	134,992	13,996	873,836	1297			
Past Due Percentage To Total				1.9%	.2%	12.2%				

Accounts Receivable Aged Trial Balance As Of 12/31/2009										
TOTAL	FUTURE	<30 DAYS	31–60 DAYS	61–90 DAYS	91–120 DAYS	OTHER	TOTAL # Customers			
\$6,852,901	(1,106,536)	4,681,396	1,376,896	30,086	43,214	1,827,846	1111			
Past Due Percentage To Total				.4%	.6%	26.6%				

Effective late 2009 the Commission approved a "Customer Care Package" for Eagle Marine, SSA Terminals and Total Terminals. This agreement provides an extension to the current due dates by 30 days.

Collections

Revenue Services uses a variety of tools to collect past due balances.



Collections

- > Run Aged Trial Balance Detail Report monthly.
- > Automatic 1st Letter generated and mailed for past due accounts.
- Finance Charges and Late Fees are assessed, posted and then mailed.
- > AFR Collectors make phone calls and/or sends out an e-mail message for all past due accounts.
- > No response Final Demand Letter is sent.
- Site visit and request/collect funds in person.

Collections – continued

> At 60 days late options are -

- Notify Port Legal Department and Responsible Department
- File against surety,
- > Send to Third Party Collection Agency.
- For Lease Customers notify Property Management to Place Customer in Default of Lease Terms.
- For Airport Customers Options available are to revoke and deny use of equipment, badges, parking cards, etc.
- For the Seaport, Harbor Services Options available are to put a lien against the vessel, have the vessel arrested, etc.
- > Last resort the account is written off to bad debt expense.
 - In accordance with 3605, EX-2, (Delegation of Authority) our bad debt expense has been minimal over the past two years.

• 2008 = \$18k 2009 = \$51k