

City of Yakima
FINANCE DEPARTMENT

STAFF REPORT

October 18, 2016

SUBJECT: Accounts Receivable Status Report
3rd Quarter 2016

SUBMITTED BY: Finance Department

CONTACT PERSON: Cindy Epperson, Director of Finance and Budget

The Accounts Receivable Status Report reports the status of Central Billing Accounts Receivables and Installment Accounts as of September 30, 2016.

CENTRAL BILLING ACCOUNTS RECEIVABLE

Exhibit I is a summary by category (type) of the accounts billed through Central Receivables as of September 30, 2016. For each category the report displays the frequency of billing, the number of customers, the balance at the beginning of the reporting period, the quarterly billings and payments, the ending balance, and the aged receivable balance.

Each category billed has different collection requirements. For example, unpaid Sewer contracts become a lien against the real property. For categories such as traffic, miscellaneous, and parks the City uses a collection agency.

This report provides information on accounts that have a large balance due; are past due by at least 120 days; have been placed with the collection agency; are being pursued through legal proceedings; or have been determined to be uncollectable. The City's collection agency classifies an account as uncollectable when the account is beyond the statute of limitations for collection; the agency cannot locate the party; or the customer has been declared bankrupt. At year end, uncollectable accounts are recommended to the City Council for write-off, typically at the first meeting in December. Once an item has been billed it takes Council action to remove it from the City's records. (Exception: write-offs of Municipal Court delinquencies are authorized by the Municipal Court Judges.)

RECURRING RECEIVABLES

Downtown Yakima Business Improvement District-Annually/Quarterly (DYBID) – This assessment began in December 2008 and was renewed in 2012. It replaced the Parking & Business Improvement Area (PBIA). There are two types of billings, quarterly to all property/business owners and annual billings to all individual businesses located in this area.

Annual Charges – The \$16,571 in the collection column is for 93 accounts.

Quarterly Charges – The \$11,679 in the collection column is for 30 accounts.

Fire Alarm Monitor (FAM) – There is one account in collection totaling \$30.

Front Street Business Improvement Assessment (FSBI) – A total of 12 accounts are in collection, totaling \$2,919.

Fruitvale Canal Billing – There is a separate irrigation fee for customers connected directly to the Fruitvale Canal. 50 accounts are billed annually. The \$275 in the collection column is for six accounts.

Miscellaneous Billing – Recurring billings in this category include transit bus passes, refuse charges and retiree premiums for health benefits, along with other truly miscellaneous one-time charges. The \$10,830 in the collection column is for 36 accounts primarily for refuse bin charges.

Intergovernmental – This category includes billings to other governmental agencies, including state agencies, counties, cities, school districts, and local police and fire departments. The current balance is \$391,064 and consists primarily of the Union Gap fire billing (\$303,248). It should be noted that entities participating in YAKCORPS are given the option to pay the entire annual invoice when received, or split it in half.

Traffic Engineering / Engineering Billing – This account is generally for sidewalk safety repairs, and currently has nothing in collection.

Parks and Recreation Billing – This account includes billings for pool and field rentals, along with other program charges. The \$7,212 in the collection column is for eleven accounts.

Airport

The majority of the \$1,830 in the collection column is mainly for one vendor at the Airport, which is for a delinquent lease.

The Water/Wastewater Invoices and Connections – The \$15,611 in collection is for 17 Water/Sewer invoices/contracts and fire hydrant meter charges, damages to Water/Sewer equipment, and utility back billings.

Gambling Tax

This quarter the City received \$216,641 in gambling tax revenue. This total is 79.6% of the 2016 amended budget of \$950,000.

Gambling Tax Delinquencies – Exhibit II details the status of delinquent gambling tax accounts. One delinquent account, totaling \$23,802, has been sent to collection. Another account with taxes owing of \$11,397 is currently being followed up by the Legal department for action.

We have informed the Gambling Commission of the status of these accounts and keep them informed of any changes in their status. When a judgment is granted the Gambling Commission can revoke the company's license.

INSTALLMENT ACCOUNTS

Local Improvement District (LID) –Exhibit III summarizes the status of outstanding LID receivables. The delinquent amounts are unpaid installments for prior years plus interest. As of the end of the quarter, the delinquent principal balance is \$74,071. When interest of \$26,068 is added, the total amount past due is \$100,139.

ACCOUNTS RECEIVABLE

(as of September 30, 2016)

CENTRAL BILLING ACCOUNTS RECEIVABLE

Recurring Receivables	Approximate Billings			Quarterly Activity				Status				
	M	Q	A	Beginning Balance	New Inv Billed	Payments/ Write-offs	Ending Balance	Current to 90 Days	Over 90 Days	Over 120 Days	Collection	Legal
Downtown Yak Bus Impr Dist												
Annual (DYBIDA)	-	-	280	\$ 21,031	\$ -	\$ 3,100	\$ 17,931	\$ -	\$ -	\$ 1,360	\$ 16,571	\$ -
Quarterly (DYBID)	-	265	-	25,347	59,803	60,173	24,978	4,318	-	8,981	11,679	-
Fire Alarm Monitor (FAM)	-	-	-	30	-	-	30	-	-	-	30	-
Front Street Business Impr (FSBI)	-	25	-	4,286	1,534	884	4,936	-	800	1,218	2,919	-
Fruitvale Canal Billing (FC)	-	-	50	400	3,085	3,085	400	-	-	125	275	-
Miscellaneous	110	-	-	495,898	65,154	127,378	433,674	9,833	3,780	409,231	10,830	-
Intergovernmental	525	20	30	871,268	1,263,003	1,743,207	391,064	50,681	323,248	17,135	-	-
Traffic Eng./ Engineering	3	-	-	1,470	150	50	1,570	100	100	1,370	-	-
Parks & Recreation (WEED)	10	-	-	29,977	12,230	25,756	16,451	1,882	-	7,357	7,212	-
Airport	400	-	-	54,152	169,870	189,699	34,323	24,498	1,959	3,422	1,830	2,615
Water/WW Invoice & Connections												
City of Yakima	90	-	5	255,057	460,147	605,026	110,178	14,319	64,608	15,640	15,611	-
Terrace Heights/Union Gap	<u>4</u>	<u>4</u>	<u>1</u>	<u>106,041</u>	<u>324,366</u>	<u>366,810</u>	<u>63,597</u>	<u>63,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total Receivables	1,142	314	366	1,864,957	2,359,342	3,125,167	1,099,132	169,227	394,495	465,839	66,957	2,615
Gambling Tax	<u>-</u>	<u>20</u>	<u>-</u>	<u>35,199</u>	<u>216,641</u>	<u>216,641</u>	<u>35,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,802</u>	<u>11,397</u>
Total	<u>1,142</u>	<u>334</u>	<u>366</u>	<u>\$1,900,156</u>	<u>\$2,575,983</u>	<u>\$3,341,808</u>	<u>\$1,134,331</u>	<u>\$ 169,227</u>	<u>\$394,495</u>	<u>\$465,839</u>	<u>\$ 90,759</u>	<u>\$ 14,012</u>

INSTALLMENT ACCOUNTS

Installment Receivables	Approximate Billings			Original Principal Balance	Beginning Prinicipal Balance	Quarterly Activity			Ending Principal Balance	Delinquent		
	M	Q	A			Principal	Interest	Total Payments		Principal	Interest & Penalties	Total Past Due
LID Assessments	-	-	175	\$1,773,787	\$ 282,374	n/a	n/a	\$ 21,968	\$260,406	\$ 74,071	\$ 26,068	\$ 100,139

Legend: M = Monthly Q = Quarterly A = Annually

EXHIBIT II

SUMMARY OF GAMBLING TAX DELINQUENCY

(as of September 30, 2016)

Account(s) Sent to Collection:

Michael's Tavern (2nd, 3rd & 4th Qtr 08)	\$ 8,082
Michael's Tavern (1st - 4th Qtr 13)	11,938
Michael's Tavern (1st - 2nd Qtr 14)	3,781
	<u>23,802</u>

Account Currently at COY Legal:

Brews & Cues (1st - 4th Qtr 10)	236
Brews & Cues (1st - 4th Qtr 14)	6,329
Brews & Cues (1st - 4th Qtr 15)	4,832
	<u>11,397</u>

Total

\$ 35,199

EXHIBIT III

LID ASSESSMENT RECEIVABLES

(as of September 30, 2016)

LID # - Description	# of Accts	Quarterly Principal Activity			Delinquent		
		Beginning Balance	Payments	Ending Balance	Principal	Interest	Total Past Due
1052 - Willow Area Watermain	2	\$ 286	\$ -	\$ 286	\$ 285	\$ 28	\$ 313
1056 - S. 7th, 8th , & 9th Avenue Sewer	12	2,229	100	2,129	2,130	174	2,304
1057 - N. 84th Avenue & Hawthorne Drive Sewer	8	21,367	3,236	18,131	18,131	7,933	26,064
1058 - N. 95th Avenue, 94th Place, W. Yakima Avenue Sewer	12	10,120	929	9,191	9,191	3,885	13,076
1060 - N. 85th Avenue & Kail Drive Sewer	10	49,752	8,144	41,608	2,333	612	2,945
1061 - Simpson Lane Sewer	49	154,835	9,559	145,276	42,001	13,436	55,437
Total	93	\$ 238,589	\$ 21,968	\$ 216,621	\$ 74,071	\$ 26,068	\$ 100,139