

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
FEBRUARY 28, 2017

PORT OF KINGSTON

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*February 2016 had 29 days



Hearthstone CPA Group

Certified Public Accountants

4312 Kitsap Way, Suite 102
Bremerton, WA. 98312
T 360-479-4611

Principals
Larry A. Hurley, CPA
Neal K. Williams, CPA, MPAcc (tax)
Christopher J. Cook, CPA, CFP®
David H. Ball, CPA (retired)
Dennis R. Treger, CPA

March 10, 2017

To the Board of Commissioners
Port of Kingston
Kingston, WA

Management is responsible for the accompanying financial statements of the Port of Kingston, which comprise the statement of assets, liabilities, and equity – cash basis as of February 28, 2017, and the related statement of revenues and expenses-cash basis for the month and two months ended February 28, 2017 and 2016, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained in Schedules I, II, III, IV and the budgeted amounts on pages 3 and 6 are presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation; however we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Port's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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PORT OF KINGSTON
STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS
February 28, 2017
(See Accountant's Compilation Report)

ASSETS

Cash And Cash Equivalents			
Cash On Hand	\$	575.00	
Cash - Operating Accounts		295,634.09	
Investments			
Marina Replacement/Remediation Reserve Fund		1,936,154.98	
General Fund Investments		<u>97,361.01</u>	
TOTAL ASSETS	\$	<u>2,329,725.08</u>	

LIABILITIES AND EQUITY

Accrued Expenses			
Pension Payable	\$	2,412.84	
Leasehold Taxes Payable		17,053.62	
Sales/B&O Taxes Payable		1,880.17	
FICA & Withholding Payable		<u>3,595.96</u>	
Total Liabilities		<u>24,942.59</u>	
EQUITY			
Contributed Capital & Unreserved Retained Earnings		2,413,457.75	
Current Period Net Loss		<u>(108,675.26)</u>	
Total Equity		<u>2,304,782.49</u>	
TOTAL LIABILITIES AND EQUITY	\$	<u>2,329,725.08</u>	

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Two Months Ended February 28, 2017
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 134,777.56	\$ 140,654.00	\$ (5,876.44)
Property Rentals - Facilities (Net)	74,167.80	76,331.00	(2,163.20)
Miscellaneous Income	421.45	684.00	(262.55)
Retail Sales (Net)	52.43	108.00	(55.57)
Fuel Sales (Net)	13,489.90	718.00	12,771.90
	<u>222,909.14</u>	<u>218,495.00</u>	<u>4,414.14</u>
Total Operating Revenues			
	<u>222,909.14</u>	<u>218,495.00</u>	<u>4,414.14</u>
OPERATING EXPENSES			
Salaries & Wages	85,744.30	86,060.00	(315.70)
Temp Agency Labor	350.00	0.00	350.00
Payroll Taxes	11,753.55	12,390.00	(636.45)
Employee Medical	29,833.12	26,030.00	3,803.12
Pension Expense	9,196.82	8,914.00	282.82
Legal	25,830.25	16,665.00	9,165.25
Accounting	2,600.00	2,700.00	(100.00)
Consulting Fees	800.08	0.00	800.08
Operating Supplies	4,929.18	3,180.00	1,749.18
Office Supplies	1,669.67	1,980.00	(310.33)
Computer Supplies/Expense	1,661.37	1,105.00	556.37
Parking Expense	2,280.80	1,920.00	360.80
Equipment Rental	2,401.11	800.00	1,601.11
Travel	129.85	1,000.00	(870.15)
Advertising & Promotion	1,306.13	4,000.00	(2,693.87)
Dues & Subscriptions	3,957.76	4,845.00	(887.24)
Training & Education	630.25	1,675.00	(1,044.75)
Water, Sewer & Garbage	6,878.89	7,438.00	(559.11)
Electricity	12,366.09	10,870.00	1,496.09
Telephone	1,464.02	774.00	690.02
Excise Tax Expense	1,023.78	1,250.00	(226.22)
Office Credit Card Fees	2,686.21	2,470.00	216.21
Miscellaneous	829.65	250.00	579.65
(Over)/Short	(0.07)	0.00	(0.07)
Landscaping	1,640.50	1,000.00	640.50
Storage Rent	200.00	200.00	0.00
Purchase of Capital Assets	121,277.82	121,277.82 *	0.00
Repairs & Maintenance	10,114.21	8,000.00	2,114.21
Commissioners Compensation	1,254.00	900.00	354.00
Commissioners Travel/Training & Education	220.00	1,350.00	(1,130.00)
	<u>345,029.34</u>	<u>329,043.82</u>	<u>15,985.52</u>
Total Operating Expenses			
	<u>345,029.34</u>	<u>329,043.82</u>	<u>15,985.52</u>
Loss From Operations	<u>(122,120.20)</u>	<u>(110,548.82)</u>	<u>(11,571.38)</u>
NONOPERATING REVENUES	<u>13,444.94</u>	<u>6,058.00</u>	<u>7,386.94</u>
NET LOSS	<u>\$ (108,675.26)</u>	<u>\$ (104,490.82)</u>	<u>\$ (4,184.44)</u>

*Budget represents actual capital expenditures year to date.

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Month ended February 28, 2017 and 2016*
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 71,674.59	\$ 68,543.58	\$ 3,131.01
Property Rentals - Facilities (Net)	38,138.53	38,415.53	(277.00)
Miscellaneous Income	189.65	460.54	(270.89)
Retail Sales (Net)	14.49	28.92	(14.43)
Fuel Sales (Net)	<u>15,179.29</u>	<u>7,610.82</u>	<u>7,568.47</u>
Total Operating Revenues	<u>125,196.55</u>	<u>115,059.39</u>	<u>10,137.16</u>
OPERATING EXPENSES			
Salaries & Wages	39,885.21	29,595.55	10,289.66
Temp Agency Labor	0.00	1,966.70	(1,966.70)
Payroll Taxes	3,398.43	4,747.54	(1,349.11)
Employee Medical	14,088.56	9,103.33	4,985.23
Pension Expense	4,729.30	4,591.30	138.00
Legal	7,925.00	9,793.00	(1,868.00)
Audit	0.00	1,768.90	(1,768.90)
Accounting	1,300.00	3,388.00	(2,088.00)
Consulting Fees	800.08	0.00	800.08
Operating Supplies	2,064.71	1,000.04	1,064.67
Office Supplies	787.08	1,371.51	(584.43)
Computer Supplies/Expense	794.15	751.58	42.57
Parking Expense	1,542.65	551.88	990.77
Equipment Rental	1,297.44	0.00	1,297.44
Travel	0.00	253.10	(253.10)
Advertising & Promotion	41.99	0.00	41.99
Dues & Subscriptions	250.00	0.00	250.00
Training & Education	496.00	1,188.00	(692.00)
Water, Sewer & Garbage	2,625.31	1,562.87	1,062.44
Electricity	5,589.19	4,849.90	739.29
Telephone	653.32	321.85	331.47
Excise Tax Expense	548.88	7,155.86	(6,606.98)
Office Credit Card Fees	1,302.08	1,148.59	153.49
Miscellaneous	10.47	0.00	10.47
(Over)/Short	(0.05)	0.00	(0.05)
Storage Rent	100.00	93.00	7.00
Purchase of Capital Assets	110,539.78	32,243.65	78,296.13
Repairs & Maintenance	7,369.33	2,985.86	4,383.47
Secretary Compensation	0.00	170.00	(170.00)
Commissioners Compensation	684.00	456.00	228.00
Commissioners Travel/Training & Education	<u>220.00</u>	<u>0.00</u>	<u>220.00</u>
Total Operating Expenses	<u>209,042.91</u>	<u>121,058.01</u>	<u>87,984.90</u>
Loss From Operations	<u>(83,846.36)</u>	<u>(5,998.62)</u>	<u>(77,847.74)</u>
NONOPERATING REVENUES	<u>9,731.56</u>	<u>5,612.92</u>	<u>4,118.64</u>
NET LOSS	<u>\$ (74,114.80)</u>	<u>\$ (385.70)</u>	<u>\$ (73,729.10)</u>

* February 2016 had 29 days

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Two Months Ended February 28, 2017 and 2016*
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 134,777.56	\$ 133,504.18	\$ 1,273.38
Property Rentals - Facilities (Net)	74,167.80	74,865.85	(698.05)
Miscellaneous Income	421.45	1,618.65	(1,197.20)
Retail Sales (Net)	52.43	17.59	34.84
Fuel Sales (Net)	13,489.90	718.70	12,771.20
	<u>222,909.14</u>	<u>210,724.97</u>	<u>12,184.17</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries & Wages	85,744.30	64,613.12	21,131.18
Temp Agency Labor	350.00	5,456.90	(5,106.90)
Payroll Taxes	11,753.55	6,664.59	5,088.96
Employee Medical	29,833.12	18,206.66	11,626.46
Pension Expense	9,196.82	7,528.64	1,668.18
Legal	25,830.25	22,880.00	2,950.25
Audit	0.00	16,800.07	(16,800.07)
Accounting	2,600.00	5,408.00	(2,808.00)
Consulting Fees	800.08	10,583.81	(9,783.73)
Operating Supplies	4,929.18	2,358.56	2,570.62
Office Supplies	1,669.67	2,544.93	(875.26)
Computer Supplies/Expense	1,661.37	2,049.36	(387.99)
Parking Expense	2,280.80	1,128.21	1,152.59
Equipment Rental	2,401.11	732.68	1,668.43
Travel	129.85	253.10	(123.25)
Insurance	0.00	934.00	(934.00)
Advertising & Promotion	1,306.13	319.68	986.45
Dues & Subscriptions	3,957.76	4,199.00	(241.24)
Training & Education	630.25	1,188.00	(557.75)
Water, Sewer & Garbage	6,878.89	5,430.48	1,448.41
Electricity	12,366.09	10,247.74	2,118.35
Telephone	1,464.02	360.37	1,103.65
Excise Tax Expense	1,023.78	7,436.80	(6,413.02)
Office Credit Card Fees	2,686.21	2,223.73	462.48
Miscellaneous	829.65	0.00	829.65
(Over)/Short	(0.07)	(0.08)	0.01
Landscaping	1,640.50	0.00	1,640.50
Storage Rent	200.00	186.00	14.00
Purchase of Capital Assets	121,277.82	33,420.63	87,857.19
Repairs & Maintenance	10,114.21	7,147.70	2,966.51
Secretary Compensation	0.00	340.00	(340.00)
Commissioners Compensation	1,254.00	1,140.00	114.00
Commissioners Travel/Training & Education	220.00	0.00	220.00
	<u>345,029.34</u>	<u>241,782.68</u>	<u>103,246.66</u>
Total Operating Expenses			
	<u>(122,120.20)</u>	<u>(31,057.71)</u>	<u>(91,062.49)</u>
Loss From Operations			
NONOPERATING REVENUES			
	<u>13,444.94</u>	<u>9,419.66</u>	<u>4,025.28</u>
NET LOSS			
	<u>\$ (108,675.26)</u>	<u>\$ (21,638.05)</u>	<u>\$ (87,037.21)</u>

SUPPLEMENTARY INFORMATION
(See Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the Two Months Ended February 28, 2017
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Base Rate	\$ 111,903.35	\$ 113,682.00	\$ (1,778.65)
Kayak	1,189.72	749.00	440.72
Moorage - Transient	5,376.50	11,602.00	(6,225.50)
Winter Moorage	4,095.38	2,778.00	1,317.38
Electricity - Permanent	10,574.11	8,855.00	1,719.11
Electricity - Transient	396.50	1,168.00	(771.50)
Laundry Income	214.00	360.00	(146.00)
Yacht Club Reservation Fees	948.00	1,360.00	(412.00)
Deposits - Forfeited	80.00	100.00	(20.00)
Total Marina User charges	<u>\$ 134,777.56</u>	<u>\$ 140,654.00</u>	<u>\$ (5,876.44)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 34,184.48	\$ 32,076.00	\$ 2,108.48
Parking Tickets	855.60	790.00	65.60
Diamond Parking	2,321.33	1,897.00	424.33
Yacht Club	1,245.75	2,482.00	(1,236.25)
Aviator Coffees & Teas, LLC Land Rent	608.36	608.00	0.36
Farmers Market	0.00	0.00	0.00
Hill House Rental	1,772.42	5,300.00	(3,527.58)
Department of Transportation Lease	<u>33,179.86</u>	<u>33,178.00</u>	<u>1.86</u>
Total Property Rentals - Facilities (Net)	<u>\$ 74,167.80</u>	<u>\$ 76,331.00</u>	<u>\$ (2,163.20)</u>
RETAIL SALES			
Retail Sales	\$ 52.43	\$ 164.00	\$ (111.57)
Cost of Retail Sales	<u>0.00</u>	<u>(56.00)</u>	<u>56.00</u>
Total Retail Sales (Net)	<u>\$ 52.43</u>	<u>\$ 108.00</u>	<u>\$ (55.57)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 22,970.83	\$ 15,156.00	\$ 7,814.83
Cost of Fuel	<u>(9,480.93)</u>	<u>(14,438.00)</u>	<u>4,957.07</u>
Total Gasoline & Diesel Sales (Net)	<u>\$ 13,489.90</u>	<u>\$ 718.00</u>	<u>\$ 12,771.90</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 3,134.47	\$ 2,587.00	\$ 547.47
Property Tax Receipts	5,301.07	0.00	5,301.07
Service Charge Revenue	1,941.45	3,471.00	(1,529.55)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	<u>3,067.95</u>	<u>0.00</u>	<u>3,067.95</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 13,444.94</u>	<u>\$ 6,058.00</u>	<u>\$ 7,386.94</u>

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Month ended February 28, 2017 and 2016*
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 55,454.07	\$ 53,218.27	\$ 2,235.80
Kayak	516.83	325.00	191.83
Moorage - Transient	2,490.00	3,739.00	(1,249.00)
Winter Moorage	2,840.30	2,079.13	761.17
Electricity - Permanent	9,668.39	8,731.18	937.21
Electricity - Transient	148.00	259.00	(111.00)
Laundry Income	99.00	152.00	(53.00)
Yacht Club Reservation Fees	398.00	40.00	358.00
Deposits - Forfeited	60.00	0.00	60.00
Total Marina User charges	\$ <u>71,674.59</u>	\$ <u>68,543.58</u>	\$ <u>3,131.01</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 16,656.32	\$ 17,300.92	\$ (644.60)
Parking Tickets	510.00	437.00	73.00
Parking Diamond	1,059.93	1,072.15	(12.22)
Yacht Club	1,245.75	2,457.10	(1,211.35)
Aviator Coffees & Teas, LLC Land Rent	304.18	575.00	(270.82)
Hill House Rental	1,772.42	0.00	1,772.42
Department of Transportation Lease	16,589.93	16,573.36	16.57
Total Property Rentals - Facilities (Net)	\$ <u>38,138.53</u>	\$ <u>38,415.53</u>	\$ <u>(277.00)</u>
RETAIL SALES			
Retail Sales	\$ 14.49	\$ 28.92	\$ (14.43)
Cost of Retail Sales	0.00	0.00	0.00
Total Retail Sales (Net)	\$ <u>14.49</u>	\$ <u>28.92</u>	\$ <u>(14.43)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 15,307.33	\$ 7,722.16	\$ 7,585.17
Cost of Fuel	(128.04)	(111.34)	(16.70)
Total Gasoline & Diesel Sales (Net)	\$ <u>15,179.29</u>	\$ <u>7,610.82</u>	\$ <u>7,568.47</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,465.83	\$ 876.29	\$ 589.54
Property Tax Receipts	4,686.63	4,415.51	271.12
Service Charge Revenue	959.93	779.10	180.83
Tenant Deposits/Adv Pmts On AR/Disposed Assets	2,619.17	(457.98)	3,077.15
Total Nonoperating Revenues (Expenses)	\$ <u>9,731.56</u>	\$ <u>5,612.92</u>	\$ <u>4,118.64</u>

PORT OF KINGSTON
SCHEDULE III - REVENUES
For the Two Months Ended February 28, 2017 and 2016*
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 111,903.35	\$ 107,248.03	\$ 4,655.32
Kayak	1,189.72	650.00	539.72
Moorage - Transient	5,376.50	9,705.00	(4,328.50)
Winter Moorage	4,095.38	4,286.59	(191.21)
Electricity - Permanent	10,574.11	9,898.56	675.55
Electricity - Transient	396.50	715.00	(318.50)
Laundry Income	214.00	246.00	(32.00)
Yacht Club Reservation Fees	948.00	755.00	193.00
Deposits - Forfeited	80.00	0.00	80.00
Total Marina User charges	<u>\$ 134,777.56</u>	<u>\$ 133,504.18</u>	<u>\$ 1,273.38</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 34,184.48	\$ 34,370.66	\$ (186.18)
Parking Tickets	855.60	602.60	253.00
Parking Diamond	2,321.33	2,255.22	66.11
Yacht Club	1,245.75	3,685.65	(2,439.90)
Aviator Coffees & Teas, LLC Land Rent	608.36	805.00	(196.64)
Hill House Rental	1,772.42	0.00	1,772.42
Department of Transportation Lease	<u>33,179.86</u>	<u>33,146.72</u>	<u>33.14</u>
Total Property Rentals - Facilities (Net)	<u>\$ 74,167.80</u>	<u>\$ 74,865.85</u>	<u>\$ (698.05)</u>
RETAIL SALES			
Retail Sales	\$ 52.43	\$ 74.11	\$ (21.68)
Cost of Retail Sales	0.00	(56.52)	56.52
Total Retail Sales (Net)	<u>\$ 52.43</u>	<u>\$ 17.59</u>	<u>\$ 34.84</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 22,970.83	\$ 15,156.97	\$ 7,813.86
Cost of Fuel	<u>(9,480.93)</u>	<u>(14,438.27)</u>	<u>4,957.34</u>
Total Gasoline & Diesel Sales (Net)	<u>\$ 13,489.90</u>	<u>\$ 718.70</u>	<u>\$ 12,771.20</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 3,134.47	\$ 2,231.40	\$ 903.07
Property Tax Receipts	5,301.07	4,737.31	563.76
Service Charge Revenue	1,941.45	2,031.13	(89.68)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	<u>3,067.95</u>	<u>419.82</u>	<u>2,648.13</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 13,444.94</u>	<u>\$ 9,419.66</u>	<u>\$ 4,025.28</u>

PORT OF KINGSTON
SCHEDULE IV - Cash And Investments Roll Forward
Month of February 2017
(See Accountant's Compilation Report)

Beginning Cash And Investments 1/31/17	\$ 2,396,219.00
Less: Liabilities 1/31/17	(17,321.71)
Plus: Liabilities 2/28/17	24,942.59
Plus: Net Loss for February	(74,114.80)
Ending Cash And Investments 2/28/17	\$ <u><u>2,329,725.08</u></u>