

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
JANUARY 31, 2017

PORT OF KINGSTON

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February 18, 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 January 31, 2017, and the related statement of revenues and expenses-cash basis for the months ended January 31, 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 and the budgeted amounts on pages 3 and 5 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
January 31, 2017
(See Accountant's Compilation Report)

ASSETS

Cash And Cash Equivalentents			
Cash On Hand	\$	575.00	
Cash - Operating Accounts		82,362.87	
Investments			
Marina Replacement/Remediation Reserve Fund		2,215,983.62	
General Fund Investments		97,297.51	
TOTAL ASSETS	\$	2,396,219.00	

LIABILITIES AND EQUITY

Accrued Expenses			
Pension Payable	\$	2,660.71	
Leasehold Taxes Payable		8,542.35	
Sales/B&O Taxes Payable		1,599.04	
FICA & Withholding Payable		4,519.61	
Total Liabilities		17,321.71	
EQUITY			
Contributed Capital & Unreserved Retained Earnings		2,413,457.75	
Current Period Net Loss		(34,560.46)	
Total Equity		2,378,897.29	
TOTAL LIABILITIES AND EQUITY	\$	2,396,219.00	

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the One Month Ended January 31, 2017
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 63,102.97	\$ 66,618.00	\$ (3,515.03)
Property Rentals - Facilities (Net)	36,029.27	38,398.00	(2,368.73)
Miscellaneous Income	231.80	342.00	(110.20)
Retail Sales (Net)	37.94	60.00	(22.06)
Fuel Sales (Net)	(1,689.39)	(6,893.00)	5,203.61
	<u>97,712.59</u>	<u>98,525.00</u>	<u>(812.41)</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries & Wages	45,859.09	43,030.00	2,829.09
Temp Agency Labor	350.00	0.00	350.00
Payroll Taxes	8,355.12	6,195.00	2,160.12
Employee Medical	15,744.56	13,015.00	2,729.56
Pension Expense	4,467.52	4,457.00	10.52
Legal	17,905.25	8,335.00	9,570.25
Accounting	1,300.00	1,350.00	(50.00)
Operating Supplies	2,864.47	1,590.00	1,274.47
Office Supplies	882.59	800.00	82.59
Computer Supplies/Expense	867.22	780.00	87.22
Parking Expense	738.15	960.00	(221.85)
Equipment Rental	1,103.67	750.00	353.67
Travel	129.85	500.00	(370.15)
Advertising & Promotion	1,264.14	2,000.00	(735.86)
Dues & Subscriptions	3,707.76	4,845.00	(1,137.24)
Training & Education	134.25	835.00	(700.75)
Water, Sewer & Garbage	4,253.58	3,719.00	534.58
Electricity	6,776.90	5,670.00	1,106.90
Telephone	810.70	387.00	423.70
Excise Tax Expense	474.90	625.00	(150.10)
Office Credit Card Fees	1,384.13	1,235.00	149.13
Miscellaneous	819.18	125.00	694.18
(Over)/Short	(0.02)	0.00	(0.02)
Landscaping	1,640.50	500.00	1,140.50
Storage Rent	100.00	100.00	0.00
Purchase of Capital Assets	10,738.04	10,738.04 *	0.00
Repairs & Maintenance	2,744.88	4,000.00	(1,255.12)
Commissioners Compensation	570.00	450.00	120.00
Commissioners Travel/Training & Education	0.00	675.00	(675.00)
	<u>135,986.43</u>	<u>117,666.04</u>	<u>18,320.39</u>
Total Operating Expenses			
Loss From Operations	<u>(38,273.84)</u>	<u>(19,141.04)</u>	<u>(19,132.80)</u>
NONOPERATING REVENUES	<u>3,713.38</u>	<u>3,229.00</u>	<u>484.38</u>
NET LOSS	<u>\$ (34,560.46)</u>	<u>\$ (15,912.04)</u>	<u>\$ (18,648.42)</u>

*Budget represents actual capital expenditures year to date.

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

	<u>2017</u>	<u>2016</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 63,102.97	\$ 70,138.29	\$ (7,035.32)
Property Rentals - Facilities (Net)	36,029.27	42,720.26	(6,690.99)
Miscellaneous Income	231.80	474.13	(242.33)
Retail Sales (Net)	37.94	(1,142.39)	1,180.33
Fuel Sales (Net)	<u>(1,689.39)</u>	<u>(13,805.03)</u>	<u>12,115.64</u>
Total Operating Revenues	<u>97,712.59</u>	<u>98,385.26</u>	<u>(672.67)</u>
OPERATING EXPENSES			
Salaries & Wages	45,859.09	42,251.42	3,607.67
Temp Agency Labor	350.00	4,340.00	(3,990.00)
Payroll Taxes	8,355.12	3,406.03	4,949.09
Employee Medical	15,744.56	12,325.78	3,418.78
Pension Expense	4,467.52	4,466.10	1.42
Legal	17,905.25	6,120.00	11,785.25
Accounting	1,300.00	1,550.00	(250.00)
Operating Supplies	2,864.47	3,028.66	(164.19)
Office Supplies	882.59	600.98	281.61
Computer Supplies/Expense	867.22	155.75	711.47
Parking Expense	738.15	2,870.40	(2,132.25)
Equipment Rental	1,103.67	0.00	1,103.67
Travel	129.85	113.77	16.08
Insurance	0.00	780.00	(780.00)
Environmental Inspections	0.00	450.45	(450.45)
SoundRunner Ferry Expense	0.00	9,836.00	(9,836.00)
Advertising & Promotion	1,264.14	(76.09)	1,340.23
Dues & Subscriptions	3,707.76	32.24	3,675.52
Training & Education	134.25	444.00	(309.75)
Water, Sewer & Garbage	4,253.58	1,815.94	2,437.64
Electricity	6,776.90	1,671.60	5,105.30
Telephone	810.70	267.97	542.73
Excise Tax Expense	474.90	1,314.17	(839.27)
Office Credit Card Fees	1,384.13	1,846.55	(462.42)
Miscellaneous	819.18	0.00	819.18
(Over)/Short	(0.02)	(11.99)	11.97
Landscaping	1,640.50	42.36	1,598.14
Storage Rent	100.00	100.00	0.00
Purchase of Capital Assets	10,738.04	20,481.15	(9,743.11)
Repairs & Maintenance	2,744.88	2,916.72	(171.84)
Commissioners Compensation	<u>570.00</u>	<u>342.00</u>	<u>228.00</u>
Total Operating Expenses	<u>135,986.43</u>	<u>123,481.96</u>	<u>12,504.47</u>
Loss From Operations	<u>(38,273.84)</u>	<u>(25,096.70)</u>	<u>(13,177.14)</u>
NONOPERATING REVENUES	<u>3,713.38</u>	<u>7,447.49</u>	<u>(3,734.11)</u>
NET LOSS	<u>\$ (34,560.46)</u>	<u>\$ (17,649.21)</u>	<u>\$ (16,911.25)</u>

SUPPLEMENTARY INFORMATION
(See Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the One Month Ended January 31, 2017
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Base Rate	\$ 56,449.28	\$ 56,841.00	\$ (391.72)
Kayak	672.89	375.00	297.89
Moorage - Transient	2,886.50	5,800.00	(2,913.50)
Winter Moorage	1,255.08	1,578.00	(322.92)
Electricity - Permanent	905.72	355.00	550.72
Electricity - Transient	248.50	539.00	(290.50)
Laundry Income	115.00	180.00	(65.00)
Yacht Club Reservation Fees	550.00	900.00	(350.00)
Deposits - Forfeited	20.00	50.00	(30.00)
Total Marina User charges	\$ <u>63,102.97</u>	\$ <u>66,618.00</u>	\$ <u>(3,515.03)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 17,528.16	\$ 16,200.00	\$ 1,328.16
Parking Tickets	345.60	476.00	(130.40)
Diamond Parking	1,261.40	938.00	323.40
Yacht Club	0.00	1,241.00	(1,241.00)
Aviator Coffees & Teas, LLC Land Rent	304.18	304.00	0.18
Farmers Market	0.00	0.00	0.00
Hill House Rental	0.00	2,650.00	(2,650.00)
Department of Transportation Lease	16,589.93	16,589.00	0.93
Total Property Rentals - Facilities (Net)	\$ <u>36,029.27</u>	\$ <u>38,398.00</u>	\$ <u>(2,368.73)</u>
RETAIL SALES			
Retail Sales	\$ 37.94	\$ 116.00	\$ (78.06)
Cost of Retail Sales	0.00	(56.00)	56.00
Total Retail Sales (Net)	\$ <u>37.94</u>	\$ <u>60.00</u>	\$ <u>(22.06)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 7,663.50	\$ 7,434.00	\$ 229.50
Cost of Fuel	(9,352.89)	(14,327.00)	4,974.11
Total Gasoline & Diesel Sales (Net)	\$ <u>(1,689.39)</u>	\$ <u>(6,893.00)</u>	\$ <u>5,203.61</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,668.64	\$ 1,298.00	\$ 370.64
Property Tax Receipts	614.44	0.00	614.44
Service Charge Revenue	981.52	1,931.00	(949.48)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	448.78	0.00	448.78
Total Nonoperating Revenues (Expenses)	\$ <u>3,713.38</u>	\$ <u>\$3,229.00</u>	\$ <u>484.38</u>

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Month of January 2017 and 2016
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 56,449.28	\$ 54,029.76	\$ 2,419.52
Kayak	672.89	325.00	347.89
Moorage - Transient	2,886.50	5,966.00	(3,079.50)
Winter Moorage	1,255.08	2,207.46	(952.38)
Electricity - Permanent	905.72	1,167.38	(261.66)
Electricity - Transient	248.50	456.00	(207.50)
Laundry Income	115.00	94.00	21.00
Yacht Club Reservation Fees	550.00	715.00	(165.00)
Deposits - Forfeited	20.00	0.00	20.00
Total Marina User charges	<u>\$ 63,102.97</u>	<u>\$ 64,960.60</u>	<u>\$ (1,857.63)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 17,528.16	\$ 17,069.74	\$ 458.42
Parking Tickets	345.60	165.60	180.00
Parking Diamond	1,261.40	1,183.07	78.33
Yacht Club	0.00	1,228.55	(1,228.55)
Aviator Coffees & Teas, LLC Land Rent	304.18	230.00	74.18
Farmers Market	0.00	0.00	0.00
Department of Transportation Lease	16,589.93	16,573.36	16.57
Total Property Rentals - Facilities (Net)	<u>\$ 36,029.27</u>	<u>\$ 36,450.32</u>	<u>\$ (421.05)</u>
RETAIL SALES			
Retail Sales	\$ 37.94	\$ 45.19	\$ (7.25)
Cost of Retail Sales	0.00	(56.52)	56.52
Total Retail Sales (Net)	<u>\$ 37.94</u>	<u>\$ (11.33)</u>	<u>\$ 49.27</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 7,663.50	\$ 7,434.81	\$ 228.69
Cost of Fuel	(9,352.89)	(14,326.93)	4,974.04
Total Gasoline & Diesel Sales (Net)	<u>\$ (1,689.39)</u>	<u>\$ (6,892.12)</u>	<u>\$ 5,202.73</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,668.64	\$ 1,355.11	\$ 313.53
Property Tax Receipts	614.44	321.80	292.64
Service Charge Revenue	981.52	1,252.03	(270.51)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	448.78	877.80	(429.02)
Total Nonoperating Revenues (Expenses)	<u>\$ 3,713.38</u>	<u>\$ 3,806.74</u>	<u>\$ (93.36)</u>

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

Beginning Cash And Investments 12/31/16	\$ 2,446,902.62
Less: Liabilities 12/31/16	(33,444.87)
Plus: Liabilities 1/31/17	17,321.71
Plus: Net Loss for January	(34,560.46)
Ending Cash And Investments 1/31/17	\$ <u>2,396,219.00</u>