

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

PORT OF KINGSTON

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report	1
Statement of Assets, Liabilities, And Equity – Cash Basis.....	2
Statement of Revenues And Expenses-Cash Basis For The Seven Months Ended July 31, 2017	3
Statement of Revenues And Expenses-Cash Basis For The Month Ended July 31, 2017 and 2016.....	4
Statement of Revenues And Expenses-Cash Basis For The Seven Months Ended July 31, 2017 and 2016	5
 Supplementary Information:	
Schedule I – Revenues For The Seven Months Ended July 31, 2017.....	6
Schedule II – Revenues For The Month Ended July 31, 2017 and 2016	7
Schedule III – Revenues For The Seven Months Ended July 31, 2017 and 2016.....	8
Schedule IV – Cash And Investments Roll Forward – Current Month	9



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

August 21, 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 July 31, 2017, and the related statement of revenues and expenses-cash basis for the month and seven months ended July 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, 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.

Hearthstone CPA Group
HEARTHSTONE CPA GROUP

PORT OF KINGSTON
STATEMENT OF ASSETS, LIABILITIES AND EQUITY - CASH BASIS
July 31, 2017
(See Accountant's Compilation Report)

ASSETS

Cash And Cash Equivalents		
Cash On Hand	\$	575.00
Cash - Operating Accounts		145,510.70
Cash - Marina Construction Account		87,840.37
Investments		
Marina Replacement/Remediation Reserve Fund		2,165,614.79
General Fund Investments		<u>96,208.49</u>
TOTAL ASSETS	\$	<u><u>2,495,749.35</u></u>

LIABILITIES AND EQUITY

Accrued Expenses		
Pension Payable	\$	2,446.70
Leasehold Taxes Payable		8,070.92
Sales/B&O Taxes Payable		7,034.68
FICA & Withholding Payable		<u>4,113.83</u>
		21,666.13
Long-term Liabilities		
G.O. Bonds Payable		<u>800,000.00</u>
Total Liabilities		<u>821,666.13</u>
EQUITY		
Contributed Capital & Unreserved Retained Earnings		2,413,457.75
Current Period Net Loss		<u>-739,374.53</u>
Total Equity		<u>1,674,083.22</u>
TOTAL LIABILITIES AND EQUITY	\$	<u><u>2,495,749.35</u></u>

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

	ACTUAL	PERIOD TO DATE BUDGET **	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 507,406.16	\$ 518,651.00	\$ (11,244.84)
Property Rentals - Facilities (Net)	295,060.46	284,796.00	10,264.46
Miscellaneous Income	4,629.50	4,514.00	115.50
Retail Sales (Net)	1,329.91	1,615.00	(285.09)
Fuel Sales (Net)	76,848.12	65,024.00	11,824.12
Total Operating Revenues	<u>885,274.15</u>	<u>874,600.00</u>	<u>10,674.15</u>
OPERATING EXPENSES			
Accounting	15,675.00	16,650.00	(975.00)
Advertising & Promotion	11,608.89	14,000.00	(2,391.11)
Commissioners Compensation	4,674.00	3,150.00	1,524.00
Commissioners Travel/Training & Education	5,915.44	4,725.00	1,190.44
Computer Supplies/Expense	9,741.79	8,764.00	977.79
Consulting Fees	51,336.14	20,419.00	30,917.14
Dues & Subscriptions	4,921.76	9,456.00	(4,534.24)
Electricity	30,079.76	26,440.00	3,639.76
Employee Medical	101,956.19	103,493.00	(1,536.81)
Environmental Inspections	700.00	800.00	(100.00)
Equipment Rental	4,183.47	2,261.00	1,922.47
Excise Tax Expense	10,674.74	8,400.00	2,274.74
Insurance	0.00	0.00	-
Landscaping	6,403.22	6,305.00	98.22
Lawsuit/Judgement	166,415.15	0.00	166,415.15
Legal	65,262.33	58,335.00	6,927.33
Miscellaneous	1,564.86	875.00	689.86
Office Credit Card Fees	10,275.15	16,105.00	(5,829.85)
Office Supplies	4,478.89	8,120.00	(3,641.11)
Operating Supplies	11,875.39	11,130.00	745.39
(Over)/Short	(6.46)	0.00	(6.46)
Parking Expense	13,234.04	6,720.00	6,514.04
Payroll Taxes	41,983.91	43,365.00	(1,381.09)
Pension Expense	31,623.91	31,199.00	424.91
Purchase of Capital Assets	750,407.03	750,407.03 *	0.00
Repairs & Maintenance	34,300.27	35,000.00	(699.73)
Salaries & Wages	312,177.20	307,041.00	5,136.20
SoundRunner Ferry Expense	8,195.40	0.00	8,195.40
Storage Rent	714.00	710.00	4.00
Telephone	4,816.20	4,564.00	252.20
Temp Agency Labor	350.00	0.00	350.00
Training & Education	2,927.21	5,860.00	(2,932.79)
Travel	2,691.62	3,500.00	(808.38)
Water, Sewer & Garbage	26,639.87	26,033.00	606.87
Total Operating Expenses	<u>1,747,796.37</u>	<u>1,533,827.03</u>	<u>213,969.34</u>
Loss From Operations	<u>(862,522.22)</u>	<u>(659,227.03)</u>	<u>(203,295.19)</u>
NONOPERATING REVENUES	<u>123,147.69</u>	<u>99,996.00</u>	<u>23,151.69</u>
NET LOSS	<u>\$ (739,374.53)</u>	<u>\$ (559,231.03)</u>	<u>\$ (180,143.50)</u>

*Budget represents actual capital expenditures year to date.

**Budget amended April 2017