

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
MARCH 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 Three Months Ended March 31, 2017	3
Statement of Revenues And Expenses-Cash Basis For The Month Ended March 31, 2017 and 2016	4
Statement of Revenues And Expenses-Cash Basis For The Three Months Ended March 31, 2017 and 2016.....	5
Supplementary Information:	
Schedule I – Revenues For The Three Months Ended March 31, 2017	6
Schedule II – Revenues For The Month Ended March 31, 2017 and 2016.....	7
Schedule III – Revenues For The Three Months Ended March 31, 2017 and 2016	8
Schedule IV – Cash And Investments Roll Forward – Current Month	9



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April 20, 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 March 31, 2017, and the related statement of revenues and expenses-cash basis for the month and three months ended March 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.

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

ASSETS

Cash And Cash Equivalents		
Cash On Hand	\$	575.00
Cash - Operating Accounts		87,175.18
Investments		
Marina Replacement/Remediation Reserve Fund		1,905,830.43
General Fund Investments		63,921.89
		2,057,502.50
TOTAL ASSETS	\$	2,057,502.50

LIABILITIES AND EQUITY

Accrued Expenses		
Pension Payable	\$	2,540.55
Leasehold Taxes Payable		25,580.22
Sales/B&O Taxes Payable		1,944.88
FICA & Withholding Payable		4,366.05
		34,431.70
Total Liabilities		34,431.70
EQUITY		
Contributed Capital & Unreserved Retained Earnings		2,413,457.75
Current Period Net Loss		(390,386.95)
		2,023,070.80
Total Equity		2,023,070.80
TOTAL LIABILITIES AND EQUITY	\$	2,057,502.50

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

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 201,815.90	\$ 206,755.00	\$ (4,939.10)
Property Rentals - Facilities (Net)	111,091.60	117,656.00	(6,564.40)
Miscellaneous Income	706.76	1,026.00	(319.24)
Retail Sales (Net)	96.12	(82.00)	178.12
Fuel Sales (Net)	4,719.05	6,236.00	(1,516.95)
	<u>318,429.43</u>	<u>331,591.00</u>	<u>(13,161.57)</u>
Total Operating Revenues			
OPERATING EXPENSES			
Accounting	3,785.00	4,050.00	(265.00)
Advertising & Promotion	1,994.13	6,000.00	(4,005.87)
Commissioners Compensation	2,166.00	1,350.00	816.00
Commissioners Travel/Training & Education	220.00	2,025.00	(1,805.00)
Computer Supplies/Expense	5,941.02	2,430.00	3,511.02
Consulting Fees	5,309.43	2,500.00	2,809.43
Dues & Subscriptions	4,261.76	5,030.00	(768.24)
Electricity	17,554.65	15,630.00	1,924.65
Employee Medical	43,921.68	39,045.00	4,876.68
Equipment Rental	2,401.11	850.00	1,551.11
Excise Tax Expense	1,075.87	1,875.00	(799.13)
Landscaping	1,708.85	1,925.00	(216.15)
Lawsuit/Judgement	166,415.15	0.00	166,415.15
Legal	38,336.71	25,000.00	13,336.71
Miscellaneous	1,015.41	375.00	640.41
Office Credit Card Fees	4,124.32	3,705.00	419.32
Office Supplies	1,976.27	3,160.00	(1,183.73)
Operating Supplies	5,752.88	4,770.00	982.88
(Over)/Short	1.99	0.00	1.99
Parking Expense	2,831.53	2,880.00	(48.47)
Payroll Taxes	14,815.67	18,585.00	(3,769.33)
Pension Expense	13,475.77	13,371.00	104.77
Purchase of Capital Assets	220,871.46	220,871.46 *	0.00
Repairs & Maintenance	23,463.20	12,000.00	11,463.20
Salaries & Wages	127,880.05	129,090.00	(1,209.95)
SoundRunner Ferry Expense	2,344.64	0.00	2,344.64
Storage Rent	300.00	300.00	0.00
Telephone	2,127.18	1,161.00	966.18
Temp Agency Labor	350.00	0.00	350.00
Training & Education	1,365.25	2,510.00	(1,144.75)
Travel	461.82	1,500.00	(1,038.18)
Water, Sewer & Garbage	13,625.22	11,157.00	2,468.22
	<u>731,874.02</u>	<u>533,145.46</u>	<u>198,728.56</u>
Total Operating Expenses			
Loss From Operations			
	<u>(413,444.59)</u>	<u>(201,554.46)</u>	<u>(211,890.13)</u>
NONOPERATING REVENUES			
	<u>23,058.64</u>	<u>5,498.00</u>	<u>17,560.64</u>
NET LOSS			
	<u>\$ (390,385.95)</u>	<u>\$ (196,056.46)</u>	<u>\$ (194,329.49)</u>

*Budget represents actual capital expenditures year to date.

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Month ended March 31, 2017 and 2016
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 67,038.34	\$ 64,328.85	\$ 2,709.49
Property Rentals - Facilities (Net)	36,923.80	34,535.59	2,388.21
Miscellaneous Income	285.31	271.74	13.57
Retail Sales (Net)	43.69	(144.84)	188.53
Fuel Sales (Net)	(8,770.85)	5,866.37	(14,637.22)
	<u>95,520.29</u>	<u>104,857.71</u>	<u>(9,337.42)</u>
Total Operating Revenues			
OPERATING EXPENSES			
Accounting	1,185.00	2,663.00	(1,478.00)
Advertising & Promotion	688.00	301.25	386.75
Audit	0.00	837.90	(837.90)
Commissioners Compensation	912.00	684.00	228.00
Computer Supplies/Expense	4,279.65	4,672.66	(393.01)
Consulting Fees	4,509.35	45.00	4,464.35
Dues & Subscriptions	304.00	75.00	229.00
Electricity	5,188.56	4,530.26	658.30
Employee Medical	14,088.56	9,082.43	5,006.13
Excise Tax Expense	52.09	75.28	(23.19)
Landscaping	68.35	897.81	(829.46)
Lawsuit/Judgement	166,415.15	0.00	166,415.15
Legal	12,507.46	12,614.25	(106.79)
Miscellaneous	185.76	0.00	185.76
Office Credit Card Fees	1,438.11	1,210.00	228.11
Office Supplies	306.60	631.44	(324.84)
Operating Supplies	823.70	1,854.36	(1,030.66)
(Over)/Short	2.06	0.07	1.99
Parking Expense	550.73	548.91	1.82
Payroll Taxes	3,062.12	2,179.79	882.33
Pension Expense	4,278.95	1,753.49	2,525.46
Purchase of Capital Assets	99,593.64	6,760.89	92,832.75
Repairs & Maintenance	13,348.99	1,553.57	11,795.42
Salaries & Wages	42,135.75	31,203.88	10,931.87
Secretary Compensation	0.00	85.00	(85.00)
SoundRunner Ferry Expense	2,344.64	1,496.94	847.70
Storage Rent	100.00	93.00	7.00
Telephone	663.16	396.18	266.98
Temp Agency Labor	0.00	6,326.75	(6,326.75)
Training & Education	735.00	0.00	735.00
Travel	331.97	34.56	297.41
Water, Sewer & Garbage	6,746.33	3,588.96	3,157.37
	<u>386,845.68</u>	<u>96,196.63</u>	<u>290,649.05</u>
Total Operating Expenses			
Income (Loss) From Operations			
	<u>(291,325.39)</u>	<u>8,661.08</u>	<u>(299,986.47)</u>
NONOPERATING REVENUES			
	<u>9,613.70</u>	<u>7,168.39</u>	<u>2,445.31</u>
NET INCOME (LOSS)			
	<u>\$ (281,711.69)</u>	<u>\$ 15,829.47</u>	<u>\$ (297,541.16)</u>

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Three Months Ended March 31, 2017 and 2016
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 201,815.90	\$ 198,876.19	\$ 2,939.71
Property Rentals - Facilities (Net)	111,091.60	108,358.28	2,733.32
Miscellaneous Income	706.76	1,890.39	(1,183.63)
Retail Sales (Net)	96.12	(127.25)	223.37
Fuel Sales (Net)	4,719.05	6,585.07	(1,866.02)
	<u>318,429.43</u>	<u>315,582.68</u>	<u>2,846.75</u>
Total Operating Revenues			
OPERATING EXPENSES			
Accounting	3,785.00	8,071.00	(4,286.00)
Advertising & Promotion	1,994.13	620.93	1,373.20
Audit	0.00	17,637.97	(17,637.97)
Commissioners Compensation	2,166.00	1,824.00	342.00
Commissioners Travel/Training & Education	220.00	0.00	220.00
Computer Supplies/Expense	5,941.02	6,722.02	(781.00)
Consulting Fees	5,309.43	10,628.81	(5,319.38)
Dues & Subscriptions	4,261.76	4,274.00	(12.24)
Electricity	17,554.65	14,778.00	2,776.65
Employee Medical	43,921.68	27,289.09	16,632.59
Equipment Rental	2,401.11	732.68	1,668.43
Excise Tax Expense	1,075.87	7,512.08	(6,436.21)
Insurance	0.00	934.00	(934.00)
Landscaping	1,708.85	897.81	811.04
Lawsuit/Judgment	166,415.15	0.00	166,415.15
Legal	38,336.71	35,494.25	2,842.46
Miscellaneous	1,015.41	0.00	1,015.41
Office Credit Card Fees	4,124.32	3,433.73	690.59
Office Supplies	1,976.27	3,176.37	(1,200.10)
Operating Supplies	5,752.88	4,212.92	1,539.96
(Over)/Short	1.99	(0.01)	2.00
Parking Expense	2,831.53	1,677.12	1,154.41
Payroll Taxes	14,815.67	8,844.38	5,971.29
Pension Expense	13,475.77	9,282.13	4,193.64
Purchase of Capital Assets	220,871.46	40,181.52	180,689.94
Repairs & Maintenance	23,463.20	8,701.27	14,761.93
Salaries & Wages	127,880.05	95,817.00	32,063.05
Secretary Compensation	0.00	425.00	(425.00)
SoundRunner Ferry Expense	2,344.64	1,496.94	847.70
Storage Rent	300.00	279.00	21.00
Telephone	2,127.18	756.55	1,370.63
Temp Agency Labor	350.00	11,783.65	(11,433.65)
Training & Education	1,365.25	1,188.00	177.25
Travel	461.82	287.66	174.16
Water, Sewer & Garbage	13,625.22	9,019.44	4,605.78
	<u>731,874.02</u>	<u>337,979.31</u>	<u>393,894.71</u>
Total Operating Expenses			
	<u>(413,444.59)</u>	<u>(22,396.63)</u>	<u>(391,047.96)</u>
Loss From Operations			
	<u>23,058.64</u>	<u>16,588.05</u>	<u>6,470.59</u>
NONOPERATING REVENUES			
NET LOSS	\$ <u>(390,385.95)</u>	\$ <u>(5,808.58)</u>	\$ <u>(384,577.37)</u>

SUPPLEMENTARY INFORMATION
(See Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the Three Months Ended March 31, 2017
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Base Rate	\$ 171,921.11	\$ 170,523.00	\$ 1,398.11
Kayak	1,816.05	1,074.00	742.05
Moorage - Transient	7,896.50	17,830.00	(9,933.50)
Winter Moorage	6,037.54	3,978.00	2,059.54
Electricity - Permanent	12,057.20	9,109.00	2,948.20
Electricity - Transient	545.50	1,731.00	(1,185.50)
Laundry Income	357.00	540.00	(183.00)
Yacht Club Reservation Fees	1,095.00	1,820.00	(725.00)
Deposits - Forfeited	90.00	150.00	(60.00)
Total Marina User charges	<u>\$ 201,815.90</u>	<u>\$ 206,755.00</u>	<u>\$ (4,939.10)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 51,534.83	\$ 51,026.00	\$ 508.83
Parking Tickets	1,366.20	1,443.00	(76.80)
Diamond Parking	3,244.32	2,835.00	409.32
Yacht Club	2,491.50	3,723.00	(1,231.50)
Aviator Coffees & Teas, LLC Land Rent	912.54	912.00	0.54
Farmers Market	0.00	0.00	0.00
Hill House Rental	1,772.42	7,950.00	(6,177.58)
Department of Transportation Lease	49,769.79	49,767.00	2.79
Total Property Rentals - Facilities (Net)	<u>\$ 111,091.60</u>	<u>\$ 117,656.00</u>	<u>\$ (6,564.40)</u>
RETAIL SALES			
Retail Sales	\$ 96.12	\$ 213.00	\$ (116.88)
Cost of Retail Sales	0.00	(295.00)	295.00
Total Retail Sales (Net)	<u>\$ 96.12</u>	<u>\$ (82.00)</u>	<u>\$ 178.12</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 36,558.07	\$ 20,775.00	\$ 15,783.07
Cost of Fuel	(31,839.02)	(14,539.00)	(17,300.02)
Total Gasoline & Diesel Sales (Net)	<u>\$ 4,719.05</u>	<u>\$ 6,236.00</u>	<u>\$ (1,516.95)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 4,738.20	\$ 4,046.00	\$ 692.20
Interest Expense	0.00	(2,500.00)	2,500.00
Property Tax Receipts	13,839.22	0.00	13,839.22
Service Charge Revenue	2,349.03	3,952.00	(1,602.97)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	2,132.19	0.00	2,132.19
Total Nonoperating Revenues (Expenses)	<u>\$ 23,058.64</u>	<u>\$ 5,498.00</u>	<u>\$ 17,560.64</u>

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Month ended March 31, 2017 and 2016
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 60,017.76	\$ 54,244.24	\$ 5,773.52
Kayak	626.33	325.00	301.33
Moorage - Transient	2,520.00	3,984.00	(1,464.00)
Winter Moorage	1,942.16	3,970.22	(2,028.06)
Electricity - Permanent	1,483.09	1,057.23	425.86
Electricity - Transient	149.00	338.94	(189.94)
Laundry Income	143.00	101.00	42.00
Yacht Club Reservation Fees	147.00	95.00	52.00
Deposits - Forfeited	10.00	213.22	(203.22)
Total Marina User charges	<u>\$ 67,038.34</u>	<u>\$ 64,328.85</u>	<u>\$ 2,709.49</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 17,350.35	\$ 16,067.09	\$ 1,283.26
Parking Tickets	510.60	276.00	234.60
Parking Diamond	922.99	1,354.64	(431.65)
Yacht Club	1,245.75	0.00	1,245.75
Aviator Coffees & Teas, LLC Land Rent	304.18	264.50	39.68
Hill House Rental	0.00	0.00	0.00
Department of Transportation Lease	16,589.93	16,573.36	16.57
Total Property Rentals - Facilities (Net)	<u>\$ 36,923.80</u>	<u>\$ 34,535.59</u>	<u>\$ 2,388.21</u>
RETAIL SALES			
Retail Sales	\$ 43.69	\$ 94.30	\$ (50.61)
Cost of Retail Sales	0.00	(239.14)	239.14
Total Retail Sales (Net)	<u>\$ 43.69</u>	<u>\$ (144.84)</u>	<u>\$ 188.53</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 13,587.24	\$ 5,967.07	\$ 7,620.17
Cost of Fuel	(22,358.09)	(100.70)	(22,257.39)
Total Gasoline & Diesel Sales (Net)	<u>\$ (8,770.85)</u>	<u>\$ 5,866.37</u>	<u>\$ (14,637.22)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,603.73	\$ 1,203.30	\$ 400.43
Property Tax Receipts	8,538.15	7,195.01	1,343.14
Service Charge Revenue	407.58	421.82	(14.24)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	(935.76)	(1,651.74)	715.98
Total Nonoperating Revenues (Expenses)	<u>\$ 9,613.70</u>	<u>\$ 7,168.39</u>	<u>\$ 2,445.31</u>

PORT OF KINGSTON
SCHEDULE III - REVENUES
For the Three Months Ended March 31, 2017 and 2016
(See Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 171,921.11	\$ 162,535.43	\$ 9,385.68
Kayak	1,816.05	975.00	841.05
Moorage - Transient	7,896.50	13,689.00	(5,792.50)
Winter Moorage	6,037.54	8,256.81	(2,219.27)
Electricity - Permanent	12,057.20	10,955.79	1,101.41
Electricity - Transient	545.50	1,053.94	(508.44)
Laundry Income	357.00	347.00	10.00
Yacht Club Reservation Fees	1,095.00	850.00	245.00
Deposits - Forfeited	90.00	213.22	(123.22)
Total Marina User charges	<u>\$ 201,815.90</u>	<u>\$ 198,876.19</u>	<u>\$ 2,939.71</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 51,534.83	\$ 49,394.59	\$ 2,140.24
Parking Tickets	1,366.20	878.60	487.60
Parking Diamond	3,244.32	3,609.86	(365.54)
Yacht Club	2,491.50	3,685.65	(1,194.15)
Aviator Coffees & Teas, LLC Land Rent	912.54	1,069.50	(156.96)
Hill House Rental	1,772.42	0.00	1,772.42
Department of Transportation Lease	49,769.79	49,720.08	49.71
Total Property Rentals - Facilities (Net)	<u>\$ 111,091.60</u>	<u>\$ 108,358.28</u>	<u>\$ 2,733.32</u>
RETAIL SALES			
Retail Sales	\$ 96.12	\$ 168.41	\$ (72.29)
Cost of Retail Sales	0.00	(295.66)	295.66
Total Retail Sales (Net)	<u>\$ 96.12</u>	<u>\$ (127.25)</u>	<u>\$ 223.37</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 36,558.07	\$ 21,124.04	\$ 15,434.03
Cost of Fuel	(31,839.02)	(14,538.97)	(17,300.05)
Total Gasoline & Diesel Sales (Net)	<u>\$ 4,719.05</u>	<u>\$ 6,585.07</u>	<u>\$ (1,866.02)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 4,738.20	\$ 3,434.70	\$ 1,303.50
Property Tax Receipts	13,839.22	11,932.32	1,906.90
Service Charge Revenue	2,349.03	2,452.95	(103.92)
Tenant Deposits/Adv Pmts On AR/Disposed Assets	2,132.19	(1,231.92)	3,364.11
Total Nonoperating Revenues (Expenses)	<u>\$ 23,058.64</u>	<u>\$ 16,588.05</u>	<u>\$ 6,470.59</u>

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

Beginning Cash And Investments 2/28/17	\$ 2,329,725.08
Less: Liabilities 2/28/17	(24,942.59)
Plus: Liabilities 3/31/17	34,431.70
Plus: Net Loss for March	(281,711.69)
Ending Cash And Investments 3/31/17	\$ <u>2,057,502.50</u>