

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
DECEMBER 31, 2013

PORT OF KINGSTON
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BALL AND TREGER, LLP

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

400 WARREN AVENUE • SUITE 430 • BREMERTON, WASHINGTON 98337-1408
FAX: (360) 377-7089 (360) 479-6868

Independent Accountant's Compilation Report

February 8, 2014

To the Board of Commissioners
Port of Kingston
Kingston, WA

We have compiled the accompanying balance sheet of the Port of Kingston as of December 31, 2013, and the related statements of income for the month and year ended. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with the Statements on Standards for Accounting and Review Services issues by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Schedules I and II, and the budgeted amounts on pages 4 through 7 are presented only for additional analysis purposes and are not a required part of the basic financial statements. This supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Port's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



BALL & TREGER, LLP

**PORT OF KINGSTON
BALANCE SHEET
December 31, 2013
(See Accountant's Compilation Report)**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents

Petty Cash	\$ 400.00
Cash In Register	175.00
Marina Revenue Fund	42,491.42
Bank of America	11,020.67
General Fund	1,132.19
Marina Replacement/Remediation Reserve Fund	1,618,875.87

Investments

General Fund Investments	604,250.86
General Fund Investments	200,865.22

Account Receivable

Accounts Receivable	(11,508.72)
Accounts Receivable - Taxes	9,643.26

Inventory

Gas and Diesel Inventory	43,976.74
Retail Inventory	2,263.52

Other Current Assets

Prepaid Insurance	25,066.95
Prepaid Event	1,025.00

Total Current Assets	<u>2,549,677.98</u>
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CAPITAL ASSETS

POF Ferries/Structures/Equipment	720,568.50
POF Furniture/Office Equipment	3,709.28
Passenger Only Ferry Project	6,300.00
Less: Accumulated Depreciation	(65,823.32)
POF Subtotal	<u>664,754.46</u>

Land	1,495,155.61
Building and Structures	4,102,143.07
Machinery and Equipment	326,245.33
Other Improvements	3,275,161.05
Less: Accumulated Depreciation	(2,851,026.54)
Marina Subtotal	<u>6,347,678.52</u>

Total Capital Assets, Net	<u>7,012,432.98</u>
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TOTAL ASSETS	<u>\$ 9,562,110.96</u>
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**PORT OF KINGSTON
BALANCE SHEET
December 31, 2013
(See Accountant's Compilation Report)**

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable		
A/P Trade	\$	8,772.90
Accrued Expenses		
Accrued Absences		36,275.33
Leasehold Taxes Payable		22,102.24
Sales/B&O Taxes Payable		2,281.91
FICA & Withholding Payable		4,076.80
Labor & Industry Taxes Payable		5,756.18
Employment Security Payable		1,891.03
Other Current Liabilities		
Tenant Deposits		60,062.01
Environmental Liabilities		87,000.00
		<hr/>
Total Current Liabilities		228,218.40

EQUITY

Contributed Capital		
1995 I.A.C. Funds		97,529.86
1996 I.A.C. Funds		162,330.30
1987 I.A.C. Funds		128,815.00
1998 I.A.C. Funds		1,100,703.52
1999 I.A.C. Funds		98,134.00
2001 I.A.C. Funds		20,251.47
2002 I.A.C. Funds		9,883.43
1999 WA Park/Recreation		6,938.00
FEMA/Federal - North Beach		354,138.86
FEMA/State - North Beach		57,327.74
FTA - Passenger Only Ferry		3,500,000.00
Removal of Spirit		(2,325,595.77)
State - Passenger Only Ferry		51,693.67
Kitsap Transit - Mitigation		97,000.00
State of WA Parks/Recreation		12,423.09
Unreserved Retained Earnings		
Balance Beginning of Year		5,464,009.92
Current Year Net Income		498,309.47
Balance End of Period		<hr/> 5,962,319.39
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Total Equity	\$	9,333,892.56
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TOTAL LIABILITIES AND EQUITY	\$	9,562,110.96

PORT OF KINGSTON
Statement of Income
For the One Month Ended December 31, 2013
(See Accountant's Compilation Report)

	ACTUAL	MONTH TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 64,494.07	\$ 53,181.00	\$ 11,313.07
Property Rentals - Facilities (Net)	34,704.69	31,592.00	3,105.98
Miscellaneous Income	108.73	53.00	55.73
Retail Sales (Net)	(206.61)	235.00	(441.61)
Fuel Sales (Net)	1,144.09	1,935.00	(790.91)
	<u>100,244.97</u>	<u>86,996.00</u>	<u>13,242.26</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries & Wages	30,252.11	35,123.00	(4,870.89)
Temp Agency Labor	2,674.04	0.00	2,674.04
Payroll Taxes	4,817.45	5,159.00	(341.55)
Employee Medical	9,484.51	11,695.00	(2,210.49)
Pension Expense	1,907.20	2,283.00	(375.80)
Legal	600.00	800.00	(200.00)
Accounting	5,285.00	1,050.00	4,235.00
Audit	7,198.74	0.00	7,198.74
Consulting	0.00	50.00	(50.00)
Environmental Inspections	0.00	375.00	(375.00)
Operating Supplies	615.22	1,000.00	(384.78)
Office Supplies	1,800.14	775.00	1,025.14
Computer Supplies/Expense	528.72	888.00	(359.28)
Parking Expense	2,723.12	351.00	2,372.12
Equipment Rental	1,006.33	1,400.00	(393.67)
Travel	301.05	300.00	1.05
Insurance	3,203.10	3,257.00	(53.90)
SoundRunner Ferry Expense	2,965.45	1,718.50	1,246.95
Advertising & Promotion	661.82	446.00	215.82
Dues & Subscriptions	247.99	120.00	127.99
Training & Education	1,065.00	448.00	617.00
Water, Sewer & Garbage	1,686.74	1,788.00	(101.26)
Electricity	11,479.83	4,689.00	6,790.83
Telephone	487.56	210.00	277.56
Excise Tax Expense	812.03	200.00	612.03
Office Credit Card Fees	500.39	862.00	(361.61)
Miscellaneous	790.27	135.00	655.27
(Over)/Short	(0.55)	0.00	(0.55)
Landscaping	0.00	438.00	(438.00)
Storage Rent	86.50	45.00	41.50
Repairs & Maintenance	3,380.22	2,957.00	423.22
Depreciation	30,230.79	41,035.00	(10,804.21)
Commissioners Compensation	456.00	672.00	(216.00)
Commissioners Travel/Training & Education	831.38	245.00	586.38
Secretary Compensation	85.00	95.00	(10.00)
	<u>128,163.15</u>	<u>120,609.00</u>	<u>7,553.66</u>
Total Operating Expenses			
	<u>(27,918.18)</u>	<u>(33,613.00)</u>	<u>5,694.81</u>
Income (Loss) From Operations			
NONOPERATING REVENUES (EXPENSES)			
	<u>2,155.42</u>	<u>1,448.00</u>	<u>707.42</u>
NET INCOME (LOSS)			
	<u>\$ (25,762.76)</u>	<u>\$ (32,165.00)</u>	<u>\$ 6,402.23</u>

PORT OF KINGSTON
Statement of Income
For the Year Ended December 31, 2013
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 801,285.21	\$ 782,916.00	\$ 18,369.21
Property Rentals - Facilities (Net)	405,127.94	391,831.00	13,296.94
Miscellaneous Income	5,871.90	4,043.00	1,828.90
Retail Sales (Net)	1,667.16	2,391.00	(723.84)
Fuel Sales (Net)	<u>55,940.18</u>	<u>62,368.00</u>	<u>(6,427.82)</u>
Total Operating Revenues	<u>1,269,892.39</u>	<u>1,243,549.00</u>	<u>26,343.39</u>
OPERATING EXPENSES			
Salaries & Wages	434,938.11	428,476.00	6,462.11
Temp Agency Labor	2,674.04	0.00	2,674.04
Payroll Taxes	67,094.77	63,693.00	3,401.77
Employee Medical	129,343.88	140,340.00	(10,996.12)
Pension Expense	29,624.79	27,850.00	1,774.79
Legal	14,026.00	9,600.00	4,426.00
Accounting	23,736.00	20,508.00	3,228.00
Audit	7,198.74	5,600.00	1,598.74
Consulting	0.00	600.00	(600.00)
Environmental Inspections	2,940.70	4,500.00	(1,559.30)
Operating Supplies	11,206.47	12,000.00	(793.53)
Office Supplies	9,881.66	9,300.00	581.66
Computer Supplies/Expense	11,037.41	8,456.00	2,581.41
Parking Expense	6,840.08	4,212.00	2,628.08
Equipment Rental	1,682.44	2,250.00	(567.56)
Travel	4,011.05	3,600.00	411.05
Insurance	34,735.06	35,748.00	(1,012.94)
SoundRunner Ferry Expense	14,888.63	21,580.00	(6,691.37)
Advertising & Promotion	7,772.64	8,861.00	(1,088.36)
Dues & Subscriptions	8,119.15	5,060.00	3,059.15
Training & Education	7,071.55	3,596.00	3,475.55
Water, Sewer & Garbage	32,170.24	21,456.00	10,714.24
Electricity	47,480.53	42,213.00	5,267.53
Telephone	3,034.96	2,520.00	514.96
Excise Tax Expense	10,100.48	9,705.00	395.48
Office Credit Card Fees	13,962.48	12,567.00	1,395.48
Miscellaneous	3,699.24	1,620.00	2,079.24
(Over)/Short	157.29	0.00	157.29
Landscaping	10,254.19	5,256.00	4,998.19
Storage Rent	516.50	540.00	(23.50)
Penalties	26.69	0.00	26.69
Repairs & Maintenance	26,296.18	35,484.00	(9,187.82)
Depreciation	351,268.90	492,420.00	(141,151.10)
Commissioners Compensation	8,046.00	8,064.00	(18.00)
Commissioners Travel/Training & Education	2,306.55	2,940.00	(633.45)
Secretary Compensation	<u>1,020.00</u>	<u>1,140.00</u>	<u>(120.00)</u>
Total Operating Expenses	<u>1,339,163.40</u>	<u>1,451,755.00</u>	<u>(112,591.60)</u>
Income (Loss) From Operations	<u>(69,271.01)</u>	<u>(208,206.00)</u>	<u>138,934.99</u>
NONOPERATING REVENUES	<u>567,580.48</u>	<u>192,952.00</u>	<u>374,628.48</u>
NET INCOME	<u>\$ 498,309.47</u>	<u>\$ (15,254.00)</u>	<u>\$ 513,563.47</u>

SUPPLEMENTARY INFORMATION
(See Independent Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the One Month Ended December 31, 2013
(See Accountant's Compilation Report)

	ACTUAL	MONTH TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Permanent	\$ 52,927.59	\$ 49,801.00	\$ 3,126.59
Kayak	475.00	213.00	262.00
Moorage - Transient	3,166.14	1,601.00	1,565.14
Winter Moorage	2,428.51	1,129.00	1,299.51
Electricity - Permanent	4,611.33	8.00	4,603.33
Electricity - Transient	572.50	240.00	332.50
Laundry Income	253.00	189.00	64.00
Deposits - Forfeited	60.00	-	60.00
Total Marina User charges	<u>\$ 64,494.07</u>	<u>\$ 53,181.00</u>	<u>\$ 11,313.07</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 11,466.22	\$ 14,058.00	\$ (2,591.78)
Parking Tickets	202.62	200.00	2.62
Parking Diamond	5,714.08	0.00	5,714.08
Yacht Club	1,192.52	1,196.00	(3.48)
Sean Osborn Land Rent	200.00	200.00	0.00
Farmers Market	0.00	0.00	0.00
Department of Transportation Lease	16,071.29	16,078.00	(6.71)
Amortization of Deferred Cost	(142.04)	(140.00)	(2.04)
Department of Transportation Lease (Net)	<u>15,929.25</u>	<u>15,938.00</u>	<u>(8.75)</u>
Total Property Rentals - Facilities (Net)	<u>\$ 34,704.69</u>	<u>\$ 31,592.00</u>	<u>\$ 3,105.98</u>
RETAIL SALES			
Retail Sales	\$ 35.99	\$ 255.00	\$ (219.01)
Cost of Retail Sales	(242.60)	(20.00)	(222.60)
Total Retail Sales (Net)	<u>\$ (206.61)</u>	<u>\$ 235.00</u>	<u>\$ (441.61)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 11,799.75	\$ 12,481.00	\$ (681.25)
Cost of Fuel	(10,655.66)	(10,546.00)	(109.66)
Total Gasoline & Diesel Sales (Net)	<u>\$ 1,144.09</u>	<u>\$ 1,935.00</u>	<u>\$ (790.91)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 913.72	\$ 1,233.00	\$ (319.28)
Property Tax Receipts	1,132.19	0.00	1,132.19
Service Charge Revenue	109.51	215.00	(105.49)
Total Nonoperation Revenues (Expenses)	<u>\$ 2,155.42</u>	<u>\$ 1,448.00</u>	<u>\$ 707.42</u>

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Year Ended December 31, 2013
(See Accountnant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Permanent	\$ 610,671.35	\$ 601,098.00	\$ 9,573.35
Kayak	5,577.11	3,728.00	1,849.11
Moorage - Transient	128,921.61	122,931.00	5990.61
Winter Moorage	11,860.89	8,503.00	3,357.89
Electricity - Permanent	30,799.99	33,094.00	(2,294.01)
Electricity - Transient	9,368.52	9,216.00	152.52
Laundry Income	2,815.74	2,811.00	4.74
Deposits - Forfeited	1,270.00	1,535.00	(265.00)
Total Marina User charges	\$ 801,285.21	\$ 782,916.00	\$ 18,369.21
PROPERTY RENTALS - FACILITIES			
Parking	\$ 188,528.08	\$ 182,929.00	\$ 5,599.08
Parking Tickets	4,428.54	2,400.00	2,028.54
Parking Diamond	5,714.08	0.00	5,714.08
Yacht Club	14,135.70	14,160.00	(24.30)
Sean Osborn Land Rent	2,400.00	2,400.00	0.00
Farmers Market	721.87	700.00	21.87
Department of Transportation Lease	190,872.12	190,914.00	(41.88)
Amortization of Deferred Cost	(1,672.45)	(1,672.00)	(0.45)
Department of Transportation Lease (Net)	189,199.67	189,242.00	(42.33)
Total Property Rentals - Facilities (Net)	\$ 405,127.94	\$ 391,831.00	\$ 13,296.94
RETAIL SALES			
Retail Sales	\$ 4,317.31	\$ 7,301.00	\$ (2,983.69)
Cost of Retail Sales	(2,650.15)	(4,910.00)	2,259.85
Total Retail Sales (Net)	\$ 1,667.16	\$ 2,391.00	\$ (723.84)
FUEL SALES			
Gasoline & Diesel Sales	\$ 558,034.71	\$ 624,565.00	\$ (66,530.29)
Cost of Fuel	(502,094.53)	(562,197.00)	60,102.47
Total Gasoline & Diesel Sales (Net)	\$ 55,940.18	\$ 62,368.00	\$ (6,427.82)
NONOPERATING REVENUES (EXPENSES)			
KCF Moga Property - Capital Contribution	\$ 380,000.00	\$ 0.00	\$ 380,000.00
Interest Income	11,778.72	14,796.00	(3,017.28)
Election Expense	(2,072.70)	0.00	(2,072.70)
Property Tax Receipts	173,718.87	175,576.00	(1,857.13)
Timber & Leasehold Excise Tax	1,670.57	0.00	1,670.57
Service Charge Revenue	2,485.02	2,580.00	(94.98)
Total Nonoperation Revenues (Expenses)	\$ 567,580.48	\$ 192,952.00	\$ 374,628.48