

PORT OF KINGSTON

**ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
DECEMBER 31, 2014**

PORT OF KINGSTON

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BALL AND TREGGER, LLP

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

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Independent Accountant's Compilation Report

January 20, 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, 2014, and the related statements of income for the month and period 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, II and III, and the budgeted amounts on pages 4 through 8 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 & TREGGER, LLP

**PORT OF KINGSTON
BALANCE SHEET
December 31, 2014
(See Accountant's Compilation Report)**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents		
Petty Cash	\$	400.00
Cash in Register		175.00
Marina Revenue Fund		18,581.57
Bank of America		22,530.58
General Fund		58,920.53
Marina Replacement/Remediation Reserve Fund		2,204,504.86
Investments		
General Fund Investments		704,134.83
General Fund Investments		1,063.12
Account Receivable		
Accounts Receivable		(6,558.18)
Accounts Receivable - Taxes		10,864.83
Inventory		
Gas and Diesel Inventory		28,054.89
Retail Inventory		2,512.16
Other Current Assets		
Prepaid Expense		583.30
Prepaid Insurance		39,554.39
		<u>3,085,321.88</u>
Total Current Assets		<u>3,085,321.88</u>

CAPITAL ASSETS

POF Ferries/Structures/Equipment		720,498.41
Passenger Only Ferry Project		6,300.00
Less: Accumulated Depreciation		(64,645.32)
POF Subtotal		<u>662,153.09</u>
Land		1,512,321.91
Building and Structures		4,106,485.40
Machinery and Equipment		306,356.44
Other Improvements		3,640,212.46
Less: Accumulated Depreciation		(3,155,957.55)
Marina Subtotal		<u>6,409,418.66</u>
		<u>7,071,571.75</u>
Total Capital Assets, Net		<u>7,071,571.75</u>

TOTAL ASSETS	\$	<u><u>10,156,893.63</u></u>
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**PORT OF KINGSTON
BALANCE SHEET
December 31, 2014
(See Accountant's Compilation Report)**

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts Payable		
A/P Trade	\$	332,359.42
Accrued Expenses		
Accrued Absences		32,249.73
Pension Payable		4,897.48
Deffered Comp		50.00
Leasehold Taxes Payable		23,174.24
Sales/B&O Taxes Payable		1,814.49
FICA & Withholding Payable		4,922.58
Labor & Industry Taxes Payable		5,550.47
Life Insurance Payable		24.53
Employment Security Payable		1,457.12
Other Current Liabilities		
Tenant Deposits		58,683.80
Environmental Liabilities		87,000.00
		<hr/>
Total Current Liabilities		552,183.86

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
State of WA Parks/Recreation Pumpout		60,041.00
Unreserved Retained Earnings		
Balance Beginning of Year		5,948,151.54
Current Year Net Income		224,944.06
Balance End of Period		<hr/> 6,173,095.60
		<hr/>
Total Equity	\$	9,604,709.77
		<hr/>
TOTAL LIABILITIES AND EQUITY	\$	10,156,893.63

PORT OF KINGSTON
Statement of Income
For the One Month Ended December 31, 2014
(See Accountant's Compilation Report)

	ACTUAL	MONTH TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 61,443.94	\$ 63,371.00	\$ (1,871.82)
Property Rentals - Facilities (Net)	35,351.88	31,896.00	3,455.88
Miscellaneous Income	401.27	248.00	153.27
Retail Sales (Net)	4.51	(37.00)	41.51
Fuel Sales (Net)	1,007.16	240.00	767.16
	<u>98,208.76</u>	<u>95,718.00</u>	<u>2,546.00</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries & Wages	34,503.10	37,684.00	(3,180.90)
Payroll Taxes	4,838.86	5,594.00	(755.14)
Employee Medical	23,896.33	12,983.00	10,913.33
Pension Expense	3,004.30	3,148.00	(143.70)
Legal	3,346.71	1,100.00	2,246.71
Accounting	2,025.00	3,044.00	(1,019.00)
Consulting	0.00	716.00	(716.00)
Environmental Inspections	0.00	375.00	(375.00)
Operating Supplies	298.26	1,080.00	(781.74)
Office Supplies	962.42	750.00	212.42
Computer Supplies/Expense	1,153.85	1,350.00	(196.15)
Parking Expense	502.88	317.00	185.88
Equipment Rental	1,432.32	1,400.00	32.32
Travel	391.56	380.00	11.56
Insurance	3,692.25	3,349.00	343.25
SoundRunner Ferry Expense	86.13	1,250.00	(1,163.87)
Advertising & Promotion	0.00	760.00	(760.00)
Dues & Subscriptions	222.00	767.00	(545.00)
Loss on Disposal of Assets	3,072.56	0.00	3,072.56
Training & Education	(580.46)	322.00	(902.46)
Water, Sewer & Garbage	425.51	5,815.00	(5,389.49)
Electricity	4,377.52	6,089.00	(1,711.48)
Telephone	307.18	250.00	57.18
Excise Tax Expense	232.82	0.00	232.82
Office Credit Card Fees	811.84	854.00	(42.16)
Miscellaneous	51.88	200.00	(148.12)
(Over)/Short	140.09	0.00	140.09
Landscaping	47.85	610.00	(562.15)
Storage Rent	49.00	45.00	4.00
Repairs & Maintenance	516.94	3,064.00	(2,547.06)
Depreciation	33,577.62	33,577.62	0.00
Commissioners Compensation	798.00	635.00	163.00
Commissioners Travel/Training & Education	1,326.45	350.00	976.45
Secretary Compensation	85.00	85.00	0.00
	<u>125,595.77</u>	<u>127,943.62</u>	<u>(2,347.85)</u>
Total Operating Expenses			
Income (Loss) From Operations			
	<u>(27,387.01)</u>	<u>(32,225.62)</u>	<u>4,838.61</u>
NONOPERATING REVENUES (EXPENSES)			
	<u>3,688.36</u>	<u>927.00</u>	<u>2,761.36</u>
NET INCOME (LOSS)			
	<u>\$ (23,698.65)</u>	<u>\$ (31,298.62)</u>	<u>\$ 7,599.97</u>

PORT OF KINGSTON
Statement of Income
For the Year Ended December 31, 2014
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 816,826.74	\$ 822,413.00	\$ (5,586.26)
Property Rentals - Facilities (Net)	441,706.82	407,952.00	33,754.82
Miscellaneous Income	6,891.71	5,068.00	1,823.71
Retail Sales (Net)	1,396.77	3,369.00	(1,972.23)
Fuel Sales (Net)	69,384.30	53,414.00	15,970.30
	<u>1,336,206.34</u>	<u>1,292,216.00</u>	<u>43,990.34</u>
Total Operating Revenues			
OPERATING EXPENSES			
Salaries & Wages	396,796.99	452,208.00	(55,411.01)
Temp Agency Labor	2,213.67	0.00	2,213.67
Payroll Taxes	60,600.24	67,128.00	(6,527.76)
Employee Medical	118,831.25	155,796.00	(36,964.75)
Pension Expense	32,860.59	37,776.00	(4,915.41)
Legal	48,514.95	13,200.00	35,314.95
Accounting	20,818.00	21,346.00	(528.00)
Consulting	0.00	8,600.00	(8,600.00)
Environmental Inspections	2,184.34	4,500.00	(2,315.66)
Operating Supplies	16,778.91	12,960.00	3,818.91
Office Supplies	14,724.46	9,000.00	5,724.46
Computer Supplies/Expense	9,950.72	16,200.00	(6,249.28)
Parking Expense	10,307.31	3,804.00	6,503.31
Equipment Rental	1,787.88	2,250.00	(462.12)
Travel	2,451.40	4,560.00	(2,108.60)
Insurance	38,352.57	36,444.00	1,908.57
SoundRunner Ferry Expense	10,816.31	15,000.00	(4,183.69)
Advertising & Promotion	3,522.05	9,120.00	(5,597.95)
Dues & Subscriptions	8,207.66	9,204.00	(996.34)
Loss on Disposal of Assets	3,072.56	0.00	3,072.56
Training & Education	3,670.91	3,864.00	(193.09)
Water, Sewer & Garbage	34,212.01	38,335.00	(4,122.99)
Electricity	32,189.35	41,880.00	(9,690.65)
Telephone	4,600.52	3,000.00	1,600.52
Excise Tax Expense	12,023.16	8,579.00	3,444.16
Office Credit Card Fees	11,109.83	14,516.00	(3,406.17)
Miscellaneous	4,515.49	2,400.00	2,115.49
(Over)/Short	478.55	0.00	478.55
Landscaping	8,247.65	7,320.00	927.65
Storage Rent	515.00	540.00	(25.00)
Penalties	200.00	0.00	200.00
Repairs & Maintenance	26,479.42	36,768.00	(10,288.58)
Depreciation	360,840.30	360,840.30	0.00
Commissioners Compensation	4,674.00	7,620.00	(2,946.00)
Commissioners Travel/Training & Education	7,996.66	4,200.00	3,796.66
Secretary Compensation	1,530.00	1,020.00	510.00
	<u>1,316,074.71</u>	<u>1,409,977.30</u>	<u>(93,903.59)</u>
Total Operating Expenses			
	<u>20,131.63</u>	<u>(117,761.30)</u>	<u>137,893.93</u>
Income (Loss) From Operations			
NONOPERATING REVENUES			
	<u>204,812.43</u>	<u>193,216.00</u>	<u>11,596.43</u>
NET INCOME			
	<u>\$ 224,944.06</u>	<u>\$ 75,454.70</u>	<u>\$ 149,489.36</u>

SUPPLEMENTARY INFORMATION
(See Independent Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the One Month Ended December 31, 2014
(See Accountant's Compilation Report)

	ACTUAL	MONTH TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Permanent	\$ 51,286.23	\$ 52,223.00	\$ (936.77)
Kayak	300.00	325.00	(25.00)
Moorage - Transient	2,058.00	3,472.00	(1,414.00)
Winter Moorage	2,337.95	1,741.00	596.95
Electricity - Permanent	4,793.76	4,849.00	0.00
Electricity - Transient	274.00	341.00	(67.00)
Laundry Income	214.00	210.00	4.00
Yacht Club Reservation Fees	0.00	0.00	0.00
Deposits - Forfeited	180.00	210.00	(30.00)
Total Marina User charges	<u>\$ 61,443.94</u>	<u>\$ 63,371.00</u>	<u>\$ (1,871.82)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 16,723.55	\$ 14,101.00	\$ 2,622.55
Parking Tickets	73.60	200.00	(126.40)
Parking Diamond	947.58	0.00	947.58
Yacht Club	1,206.83	1,207.00	(0.17)
Aviator Coffees & Teas, LLC Land Rent	230.00	200.00	30.00
Farmers Market	0.00	0.00	0.00
Department of Transportation Lease	16,312.36	16,328.00	(15.64)
Amortization of Deferred Cost	<u>(142.04)</u>	<u>(140.00)</u>	<u>(2.04)</u>
Department of Transportation Lease (Net)	<u>16,170.32</u>	<u>16,188.00</u>	<u>(17.68)</u>
Total Property Rentals - Facilities (Net)	<u>\$ 35,351.88</u>	<u>\$ 31,896.00</u>	<u>\$ 3,455.88</u>
RETAIL SALES			
Retail Sales	\$ 11.84	\$ 168.00	\$ (156.16)
Cost of Retail Sales	<u>(7.33)</u>	<u>(205.00)</u>	<u>197.67</u>
Total Retail Sales (Net)	<u>\$ 4.51</u>	<u>\$ (37.00)</u>	<u>\$ 41.51</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 7,751.92	\$ 13,519.00	\$ (5,767.08)
Cost of Fuel	<u>(6,744.76)</u>	<u>(13,279.00)</u>	<u>6,534.24</u>
Total Gasoline & Diesel Sales (Net)	<u>\$ 1,007.16</u>	<u>\$ 240.00</u>	<u>\$ 767.16</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,602.30	\$ 700.00	\$ 902.30
Property Tax Receipts	1,679.52	0.00	1,679.52
Service Charge Revenue	406.54	227.00	179.54
Total Nonoperation Revenues (Expenses)	<u>\$ 3,688.36</u>	<u>\$ 927.00</u>	<u>\$ 2,761.36</u>

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Year Ended December 31, 2014
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Permanent	\$ 621,934.95	\$ 626,676.00	\$ (4,741.05)
Kayak	4,994.44	5,115.00	(120.56)
Moorage - Transient	126,744.81	130,504.00	(3,759.19)
Winter Moorage	15,771.91	10,567.00	5,204.91
Electricity - Permanent	- 32,460.99	32,192.00	268.99
Electricity - Transient	- 10,212.15	13,078.00	(2,865.85)
Laundry Income	- 2,021.26	2,806.00	(784.74)
Yacht Club Reservation Fees	220.00	0.00	220.00
Deposits - Forfeited	2,466.23	1,475.00	991.23
Total Marina User charges	<u>\$ 816,826.74</u>	<u>\$ 822,413.00</u>	<u>\$ (5,586.26)</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 215,376.68	\$ 193,445.00	\$ 21,931.68
Parking Tickets	3,929.44	4,205.00	(275.56)
Parking Diamond	11,947.65	0.00	11,947.65
Yacht Club	14,396.10	14,394.00	2.10
Aviator Coffees & Teas, LLC Land Rent	2,640.00	2,400.00	240.00
Farmers Market	787.50	786.00	1.50
Department of Transportation Lease	194,301.90	194,394.00	(92.10)
Amortization of Deferred Cost	(1,672.45)	(1,672.00)	(0.45)
Department of Transportation Lease (Net)	<u>192,629.45</u>	<u>192,722.00</u>	<u>(92.55)</u>
Total Property Rentals - Facilities (Net)	<u>\$ 441,706.82</u>	<u>\$ 407,952.00</u>	<u>\$ 33,754.82</u>
RETAIL SALES			
Retail Sales	\$ 3,941.24	\$ 5,356.00	\$ (1,414.76)
Cost of Retail Sales	(2,544.47)	(1,987.00)	(557.47)
Total Retail Sales (Net)	<u>\$ 1,396.77</u>	<u>\$ 3,369.00</u>	<u>\$ (1,972.23)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 625,745.94	\$ 558,705.00	\$ 67,040.94
Cost of Fuel	(556,361.64)	(505,291.00)	(51,070.64)
Total Gasoline & Diesel Sales (Net)	<u>\$ 69,384.30</u>	<u>\$ 53,414.00</u>	<u>\$ 15,970.30</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 13,643.41	\$ 9,360.00	\$ 4,283.41
Property Tax Receipts	185,196.98	181,132.00	4,064.98
Timber & Leasehold Excise Tax	2,160.99	0.00	2,160.99
Service Charge Revenue	3,811.05	2,724.00	1,087.05
Total Nonoperation Revenues (Expenses)	<u>\$ 204,812.43</u>	<u>\$ 193,216.00</u>	<u>\$ 11,596.43</u>

PORT OF KINGSTON
SCHEDULE III - CAPITAL BUDGET VERSUS ACTUAL
As of December 31, 2014
(See Accountant's Compilations Report)

<u>Projects</u>	<u>2014</u> <u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Capital charges for covered moorage	\$ (430,000.00)	\$ 350.00	\$ (429,650.00)
Capital charges for boat modifications and motors	(23,500.00)	17,524.62	(5,975.38)
Capital charges for Christmas lights	*	7,441.23	(558.77)
Capital charges for parking lot modifications	(5,000.00)	0.00	(5,000.00)
Capital charges for park development	(20,000.00)	7,075.36	(12,924.64)
Capital charges for lumber rack for truck	(600.00)	0.00	(600.00)
Capital charges for safe	(1,500.00)	0.00	(1,500.00)
Contribution to marina dock rehabilitation account	(190,000.00)	190,000.00	-
Additional contribution to marina dock rehabilitation account	0.00	386,674.00	386,674.00
Capital charges for dredging	0.00	477,887.20	** 477,887.20
Capital charges for pumpout system	0.00	74,217.68	74,217.68
State of WA Parks/Rec Grant for Pumpout	0.00	(60,041.00)	(60,041.00)
Capital charges for Toth land modifications	0.00	32,236.64	32,236.64
Capital charges for WIFI	0.00	528.34	528.34
Capital charges for electronic timeclock	0.00	379.00	379.00
Capital charges for security system	0.00	528.34	528.34
Capital charges for (8) life ring cabinets per L&I audit	0.00	3,820.90	3,820.90
Capital charges for Kayak air tanks	0.00	1,666.98	1,666.98
Capital charges for (6) up n out ladders	0.00	1,237.14	1,237.14
Capital charges for fence in Mike Wallace Park	0.00	625.00	625.00
TOTAL	\$ (678,600.00)	\$ 1,142,151.43	\$ 463,551.43

* Commissioners passed to increase from \$5,000 to \$8,000 on 1/22/14

** Original 2013 budget = \$698,298. \$120,390 spent in 2013.