

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
JUNE 30, 2018

PORT OF KINGSTON

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July 12, 2018

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 June 30, 2018, and the related statement of revenues and expenses-cash basis for the month and six months ended June 30, 2018 and 2017, 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
June 30, 2018
(See Accountant's Compilation Report)

ASSETS

Cash And Cash Equivalents		
Cash On Hand	\$	475.00
Cash - Operating Accounts		(6,638.36)
Investments		
Marina Replacement/Remediation Reserve Fund		972,885.02
General Fund Investments		<u>70,707.35</u>
TOTAL ASSETS	\$	<u><u>1,037,429.01</u></u>

LIABILITIES AND EQUITY

Accrued Expenses		
Pension Payable	\$	3,341.41
Leasehold Taxes Payable		26,252.97
Sales/B&O Taxes Payable		8,363.37
FICA & Withholding Payable		<u>4,499.83</u>
		42,457.58
G.O. Bonds Payable - Due in 1 Year or Less		56,750.00
G.O. Bonds Payable - Due After 1 Year		<u>908,250.00</u>
Total Liabilities		<u><u>1,007,457.58</u></u>
EQUITY		
Contributed Capital & Unreserved Retained Earnings		1,119,128.23
Current Period Net Loss		<u>(1,089,156.80)</u>
Total Equity		<u><u>29,971.43</u></u>
TOTAL LIABILITIES AND EQUITY	\$	<u><u>1,037,429.01</u></u>

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Six Months Ended June 30, 2018
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 441,631.25	\$ 453,360.00	\$ (11,728.75)
Property Rentals - Facilities (Net)	267,073.68	252,905.00	14,168.68
Miscellaneous Income	22,174.79	2,868.00	19,306.79
Retail Sales (Net)	(57.91)	1,100.00	(1,157.91)
Fuel Sales (Net)	36,284.44	39,803.00	(3,518.56)
	<u>767,106.25</u>	<u>750,036.00</u>	<u>17,070.25</u>
Total Operating Revenues			
OPERATING EXPENSES			
Accounting	15,615.00	15,000.00	615.00
Advertising & Promotion	9,743.14	14,400.00	(4,656.86)
Audit	9,931.56	0.00	9,931.56
Commissioners Compensation	10,374.00	10,950.00	(576.00)
Commissioners Travel/Training & Education	3,071.81	4,050.00	(978.19)
Computer Supplies/Expense	5,644.17	7,020.00	(1,375.83)
Consulting Fees	500.00	5,000.00	(4,500.00)
Dues & Subscriptions	6,588.11	5,505.00	1,083.11
Electricity	25,699.28	28,640.00	(2,940.72)
Employee Medical	107,157.54	88,560.00	18,597.54
Environmental Inspections	550.00	800.00	(250.00)
Equipment Rental	1,928.43	3,250.00	(1,321.57)
Excise Tax Expense	12,043.45	10,250.00	1,793.45
Insurance	725.80	0.00	725.80
Landscaping	5,665.06	6,650.00	(984.94)
Lawsuit/Judgment	252,000.00	0.00	252,000.00
Legal	65,613.45	42,505.00	23,108.45
Miscellaneous	491.22	1,575.00	(1,083.78)
Office Credit Card Fees	10,340.84	8,585.00	1,755.84
Office Supplies	10,325.18	4,650.00	5,675.18
Operating Supplies	8,492.12	9,540.00	(1,047.88)
(Over)/Short	(12.23)	0.00	(12.23)
Parking Expense	9,003.69	8,200.00	803.69
Payroll Taxes	34,082.24	39,670.00	(5,587.76)
Pension Expense	32,939.50	31,578.00	1,361.50
Purchase of Capital Assets	730,267.12	730,267.12 *	0.00
Repairs & Maintenance	45,488.25	30,000.00	15,488.25
Salaries & Wages	285,857.49	286,252.00	(394.51)
SoundRunner Ferry Expense	235,500.00	156,300.00	79,200.00
Storage Rent	651.00	658.00	(7.00)
Telephone	4,303.55	4,200.00	103.55
Temp Agency Labor	0.00	0.00	-
Training & Education	3,314.10	5,025.00	(1,710.90)
Travel	2,354.40	3,000.00	(645.60)
Water, Sewer & Garbage	21,658.40	24,800.00	(3,141.60)
	<u>1,967,907.67</u>	<u>1,586,880.12</u>	<u>381,027.55</u>
Total Operating Expenses			
Loss From Operations			
	<u>(1,200,801.42)</u>	<u>(836,844.12)</u>	<u>(363,957.30)</u>
NONOPERATING REVENUES			
	<u>111,644.62</u>	<u>116,070.00</u>	<u>(4,425.38)</u>
NET LOSS			
	<u>\$ (1,089,156.80)</u>	<u>\$ (720,774.12)</u>	<u>\$ (368,382.68)</u>

*Budget represents actual capital expenditures year to date.