

PORT OF KINGSTON
ACCOUNTANT'S COMPILATION REPORT
AND FINANCIAL STATEMENTS
JANUARY 31, 2019

PORT OF KINGSTON

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Hearthstone CPA Group

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February 25, 2019

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 (deficit) – cash basis as of January 31, 2019, and the related statement of revenues and expenses-cash basis for the months ended January 31, 2019 and 2018, 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 and the budgeted amounts on pages 3 and 5 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 (DEFICIT) - CASH BASIS
January 31, 2019
(See Accountant's Compilation Report)

ASSETS

Cash And Cash Equivalents			
Cash On Hand	\$	475.00	
Cash - Operating Accounts		47,386.57	
Investments			
Marina Replacement/Remediation Reserve Fund		696,187.77	
General Fund Investments		<u>53,414.11</u>	
TOTAL ASSETS	\$	<u>797,463.45</u>	

LIABILITIES AND EQUITY

Accrued Expenses			
Pension Payable	\$	3,946.66	
Deferred Comp		1,020.50	
Leasehold Taxes Payable		10,345.35	
Sales/B&O Taxes Payable		4,555.37	
FICA & Withholding Payable		<u>6,690.85</u>	
		26,558.73	
G.O. Bonds Payable - Due in 1 Year or Less		57,500.00	
G.O. Bonds Payable - Due After 1 Year		<u>879,500.00</u>	
Total Liabilities		<u>963,558.73</u>	
EQUITY			
Contributed Capital & Unreserved Retained Earnings		(144,339.08)	
Current Period Net Loss		<u>(21,756.20)</u>	
Total Equity (Deficit)		<u>(166,095.28)</u>	
TOTAL LIABILITIES AND EQUITY	\$	<u>797,463.45</u>	

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Month of January 31, 2019
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
OPERATING REVENUES			
Marina User Charges	\$ 72,578.39	\$ 72,701.00	\$ (122.61)
Property Rentals - Facilities (Net)	45,691.41	51,100.00	(5,408.59)
Miscellaneous Income	548.24	75.00	473.24
Retail Sales (Net)	(1,208.50)	150.00	(1,358.50)
Fuel Sales (Net)	3,745.30	1,396.00	2,349.30
	<u>121,354.84</u>	<u>125,422.00</u>	<u>(4,067.16)</u>
OPERATING EXPENSES			
Accounting	1,225.00	1,775.00	(550.00)
Advertising & Promotion	0.00	1,500.00	(1,500.00)
Commissioners Compensation	2,688.00	3,072.00	2,238.00
Commissioners Travel/Training & Education	47.05	675.00	(627.95)
Computer Supplies/Expense	115.00	2,000.00	(1,885.00)
Dues & Subscriptions	4,039.71	4,025.00	14.71
Electricity	6,495.70	7,000.00	(504.30)
Employee Medical	19,146.42	18,167.00	979.42
Environmental Inspections	1,260.00	0.00	1,260.00
Equipment Rental	2,386.83	2,000.00	386.83
Excise Tax Expense	696.12	450.00	246.12
Landscaping	0.00	700.00	(700.00)
Legal	0.00	3,330.00	(3,330.00)
Miscellaneous	515.61	1,400.00	(884.39)
Office Credit Card Fees	2,034.71	1,550.00	484.71
Office Supplies	8,375.32	2,500.00	5,875.32
Operating Supplies	1,864.88	1,600.00	264.88
(Over)/Short	(0.03)	0.00	(0.03)
Parking Expense	1,271.05	800.00	471.05
Payroll Taxes	11,104.46	8,850.00	2,254.46
Pension Expense	6,585.21	6,850.00	(264.79)
Purchase of Capital Assets	173.49	173.49 *	0.00
Repairs & Maintenance	2,359.12	6,500.00	(4,140.88)
Salaries & Wages	68,153.66	56,743.00	11,410.66
Storage Rent	169.00	170.00	(1.00)
Telephone	944.52	800.00	144.52
Training & Education	110.00	835.00	(725.00)
Travel	59.94	500.00	(440.06)
Water, Sewer & Garbage	4,605.42	3,000.00	1,605.42
	<u>146,426.19</u>	<u>136,965.49</u>	<u>12,082.70</u>
Total Operating Expenses			
	<u>(25,071.35)</u>	<u>(11,543.49)</u>	<u>(13,527.86)</u>
Loss From Operations			
	<u>3,315.15</u>	<u>4,900.00</u>	<u>(1,584.85)</u>
NONOPERATING REVENUES			
	<u>\$ (21,756.20)</u>	<u>\$ (6,643.49)</u>	<u>\$ (15,112.71)</u>
NET LOSS			

*Budget represents actual capital expenditures year to date.

PORT OF KINGSTON
Statement of Revenues and Expenses - Cash Basis
For the Month of January 31, 2019 and 2018
(See Accountant's Compilation Report)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
OPERATING REVENUES			
Marina User Charges	\$ 72,578.39	\$ 66,738.30	\$ 5,840.09
Property Rentals - Facilities (Net)	45,691.41	41,758.64	3,932.77
Miscellaneous Income	548.24	112.50	435.74
Retail Sales (Net)	(1,208.50)	45.87	(1,254.37)
Fuel Sales (Net)	3,745.30	10,549.81	(6,804.51)
	<u>121,354.84</u>	<u>119,205.12</u>	<u>2,149.72</u>
Total Operating Revenues			
OPERATING EXPENSES			
Accounting	1,225.00	1,810.00	(585.00)
Advertising & Promotion	0.00	399.98	(399.98)
Audit	0.00	4,014.75	(4,014.75)
Commissioners Compensation	2,688.00	1,026.00	1,662.00
Commissioners Travel/Training & Education	47.05	0.00	47.05
Computer Supplies/Expense	115.00	434.41	(319.41)
Consulting Fees	0.00	500.00	(500.00)
Dues & Subscriptions	4,039.71	3,332.10	707.61
Electricity	6,495.70	6,967.32	(471.62)
Employee Medical	19,146.42	24,140.17	(4,993.75)
Environmental Inspections	1,260.00	0.00	1,260.00
Equipment Rental	2,386.83	0.00	2,386.83
Excise Tax Expense	696.12	436.93	259.19
Landscaping	0.00	690.23	(690.23)
Legal	0.00	13,162.45	(13,162.45)
Miscellaneous	515.61	840.61	(325.00)
Office Credit Card Fees	2,034.71	1,532.87	501.84
Office Supplies	8,375.32	2,481.83	5,893.49
Operating Supplies	1,864.88	1,563.77	301.11
(Over)/Short	(0.03)	(3.01)	2.98
Parking Expense	1,271.05	773.19	497.86
Payroll Taxes	11,104.46	9,521.90	1,582.56
Pension Expense	6,585.21	4,833.11	1,752.10
Purchase of Capital Assets	173.49	127,025.69	(126,852.20)
Repairs & Maintenance	2,359.12	5,164.48	(2,805.36)
Salaries & Wages	68,153.66	48,981.66	19,172.00
Storage Rent	169.00	107.00	62.00
Telephone	944.52	717.34	227.18
Training & Education	110.00	0.00	110.00
Travel	59.94	109.73	(49.79)
Water, Sewer & Garbage	4,605.42	3,021.09	1,584.33
	<u>146,426.19</u>	<u>263,585.60</u>	<u>(117,159.41)</u>
Total Operating Expenses			
Loss From Operations	<u>(25,071.35)</u>	<u>(144,380.48)</u>	<u>119,309.13</u>
NONOPERATING REVENUES	<u>3,315.15</u>	<u>1,191.04</u>	<u>2,124.11</u>
NET LOSS	<u>\$ (21,756.20)</u>	<u>\$ (143,189.44)</u>	<u>\$ 121,433.24</u>

SUPPLEMENTARY INFORMATION
(See Accountant's Compilation Report)

PORT OF KINGSTON
SCHEDULE I - REVENUES
For the Month of January 31, 2019
(See Accountant's Compilation Report)

	ACTUAL	PERIOD TO DATE BUDGET	BUDGET VARIANCE
MARINA USER CHARGES			
Moorage - Base Rate	\$ 63,096.81	\$ 64,572.00	\$ (1,475.19)
Kayak	569.00	654.00	(85.00)
Moorage - Transient	4,195.77	2,500.00	1,695.77
Seasonal Moorage	3,230.45	3,400.00	(169.55)
Electricity - Permanent	836.11	850.00	(13.89)
Laundry Income	216.25	175.00	41.25
Reservation Fees	434.00	50.00	384.00
Deposits - Forfeited	0.00	500.00	(500.00)
Total Marina User charges	\$ 72,578.39	\$ 72,701.00	\$ (122.61)
PROPERTY RENTALS - FACILITIES			
Parking	\$ 40,302.35	\$ 28,753.00	\$ 11,549.35
Parking Tickets	114.70	500.00	(385.30)
Yacht Club	2,399.65	1,310.00	1,089.65
Aviator Coffees & Teas, LLC Land Rent	402.29	402.00	0.29
Reader Board	700.00	1,200.00	(500.00)
Sail Kingston Cove	0.00	25.00	(25.00)
Hill House Rental	1,772.42	1,750.00	22.42
Department of Transportation Lease	0.00	17,160.00	(17,160.00)
Total Property Rentals - Facilities (Net)	\$ 45,691.41	\$ 51,100.00	\$ (5,408.59)
RETAIL SALES			
Retail Sales	\$ 641.24	\$ 150.00	\$ 491.24
Cost of Retail Sales	(1,849.74)	0.00	(1,849.74)
Total Retail Sales (Net)	\$ (1,208.50)	\$ 150.00	\$ (1,358.50)
FUEL SALES			
Gasoline & Diesel Sales	\$ 24,177.38	\$ 10,700.00	\$ 13,477.38
Cost of Fuel	(20,432.08)	(9,304.00)	(11,128.08)
Total Gasoline & Diesel Sales (Net)	\$ 3,745.30	\$ 1,396.00	\$ 2,349.30
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,543.75	\$ 2,500.00	\$ (956.25)
Property Tax Receipts	694.70	1,000.00	(305.30)
Service Charge Revenue	2,135.91	1,400.00	735.91
Pumpout Park Grant	0.00	0.00	-
Tenant Deposits/Adv Pmts On AR/Disposed Assets	(1,059.21)	0.00	(1,059.21)
Total Nonoperating Revenues (Expenses)	\$ 3,315.15	\$ 4,900.00	\$ (1,584.85)

PORT OF KINGSTON
SCHEDULE II - REVENUES
For the Month of January 31, 2019 and 2018
(See Accountant's Compilation Report)

	<u>2019</u>	<u>2018</u>	<u>Change</u>
MARINA USER CHARGES			
Moorage - Permanent	\$ 63,096.81	\$ 57,820.90	\$ 5,275.91
Kayak	569.00	646.75	(77.75)
Moorage - Transient	4,195.77	2,494.94	1,700.83
Seasonal Moorage	3,230.45	4,075.52	(845.07)
Electricity - Permanent	836.11	848.19	(12.08)
Laundry Income	216.25	282.00	(65.75)
Reservation Fees	434.00	560.00	(126.00)
Deposits - Forfeited	0.00	10.00	(10.00)
Total Marina User charges	<u>\$ 72,578.39</u>	<u>\$ 66,738.30</u>	<u>\$ 5,840.09</u>
PROPERTY RENTALS - FACILITIES			
Parking	\$ 40,302.35	\$ 19,820.49	\$ 20,481.86
Parking Tickets	114.70	137.62	(22.92)
Parking Diamond	0.00	885.46	(885.46)
Yacht Club	2,399.65	1,273.16	1,126.49
Aviator Coffees & Teas, LLC Land Rent	402.29	349.81	52.48
Farmer's Market	0.00	57.14	(57.14)
Reader Board	700.00	675.00	25.00
Hill House Rental	1,772.42	1,754.36	18.06
Department of Transportation Lease	0.00	16,805.60	(16,805.60)
Total Property Rentals - Facilities (Net)	<u>\$ 45,691.41</u>	<u>\$ 41,758.64</u>	<u>\$ 3,932.77</u>
RETAIL SALES			
Retail Sales	\$ 641.24	\$ 45.87	\$ 595.37
Cost of Retail Sales	(1,849.74)	0.00	(1,849.74)
Total Retail Sales (Net)	<u>\$ (1,208.50)</u>	<u>\$ 45.87</u>	<u>\$ (1,254.37)</u>
FUEL SALES			
Gasoline & Diesel Sales	\$ 24,177.38	\$ 10,744.78	\$ 13,432.60
Cost of Fuel	(20,432.08)	(194.97)	(20,237.11)
Total Gasoline & Diesel Sales (Net)	<u>\$ 3,745.30</u>	<u>\$ 10,549.81</u>	<u>\$ (6,804.51)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	\$ 1,543.75	\$ 2,480.50	\$ (936.75)
Election Expense	0.00	(2,850.63)	2,850.63
Property Tax Receipts	694.70	673.10	21.60
Service Charge Revenue	2,135.91	1,398.79	737.12
Tenant Deposits/Adv Pmts On AR/Disposed Assets	(1,059.21)	1,794.87	(2,854.08)
Pumpout Park Grant	0.00	241.45	(241.45)
Total Nonoperating Revenues (Expenses)	<u>\$ 3,315.15</u>	<u>\$ 3,738.08</u>	<u>\$ (422.93)</u>

PORT OF KINGSTON
SCHEDULE III - Cash And Investments Roll Forward
Month of January 2019
(See Accountant's Compilation Report)

Beginning Cash And Investments 12/31/18	\$	831,955.46
Less: Liabilities 12/31/18		(976,294.54)
Plus: Liabilities 1/31/19		963,558.73
Less: Net Loss for January		(21,756.20)
Ending Cash And Investments 1/31/19	\$	<u><u>797,463.45</u></u>

PORT OF KINGSTON
 FUEL INVENTORY
 January 31, 2019

4300.20

	Gallons	Cost Gallon	Ending Inventory				
<u>Unleaded</u>							0.00
Prior Month Ending Inventory	7,703.00		25,033.46	Dec pm	2016	2.8265	5,698.22
				Oct pm	5687	3.3999	19335.23
Gallons Sold	cm		-				<u>25,033.46</u>
	pm	-2,853.77	3.3999				
	pm						
	cm						
		<u>-2,853.77</u>					<u>(9,702.53)</u>
FIFO price							
To adjust inventory to actual		-44.23	3.3999				(150.38)
Gallons Purchased		3,505.00	2.5815	Jan cm	3505	2.5815	9,048.18
				Oct pm	2789	3.3999	9,482.32
				Dec pm	2016	2.8265	5698.22
Current Month Ending Inventory		<u>8,310.00</u>			8310		<u>24,228.73</u>
							<u>24,228.73</u>
<u>Diesel</u>							
Prior Month Ending Inventory	5,213.00		10,625.66				-
Gallons Sold				Dec pm	5213	2.0383	10,625.66
	pm	-5,213.00	2.0383				<u>10,625.66</u>
	cm	-28,233.90	2.0141				
	cm						
		<u>-33,446.90</u>					<u>(67,491.56)</u>
FIFO							
To adjust inventory to actual		98.80	2.0141				198.43
Purged							
Gallons Purchased		31,160.00	2.0141	Jan cm	3024.9	2.0141	6,092.45
							0.00
Current Month Ending Inventory		<u>3,024.90</u>			3024.9		<u>6,092.45</u>
							<u>6,092.45</u>
<u>Propane</u>							
Prior Month Ending Inventory	0.00		-				0.00
							0.00
							0.00
Gallons Sold per worksheet	pm				<u>0.00</u>		<u>0.00</u>
	pm						
	pm						
		<u>0.00</u>					<u>0.00</u>
							0.00
Gallons purchased (call client for copy of current invoice)			#DIV/0!				0.00
							0.00
Current Month Ending Inventory		<u>0.00</u>					<u>0.00</u>
					0		<u>0.00</u>

Acct #1311000:
 Ending Balance Should Be 30,321.18 GL
 Current GL Balance -
 Adjustment Needed \$ 30,321.18 A

**Port of Kingston
Adjusting Journal Entries
January 2019**

Date	Num	Name	Memo	Account	Debit	Credit
01/31/2019	BT-1		Adjustment cash basis	213-50-00 Pension Pa...		248.18
			Adjustment cash basis	721-22-00 Pension Ex...	248.18	
			Adjustment cash basis	213-75-00 L&I Taxes ...		3,293.05
			Adjustment cash basis	213-76-00 Emplymnt ...		1,179.51
01/31/2019	BT-2		Adjustment cash basis	Payroll Liabilities	277.13	
			Adjustment cash basis	721-90-00 Payroll Taxes	4,195.43	
				4,720.74	4,720.74	
01/31/2019	BT-3		Adjustment for cash b...	213-72-00 Sales Tax ...	348.06	
			Adjustment for cash b...	721-93-00 Excise & Pr...	348.06	
				348.06	348.06	
01/31/2019	BT-3		Adjust for cash basis	213-74-00 FICA and F...	1,132.93	
			Adjust for cash basis	721-90-00 Payroll Taxes	1,132.93	
				1,132.93	1,132.93	
				6,201.73	6,201.73	
TOTAL						