



Board of Commissioners:

Jeff Randall, District 1
Kenneth Collins, District 2
Dan Toepper, District 3

Kevin Streett, Acting General
Manager

March 27, 2019

Ms. Darla O'Connor
Community Program Specialist
United States Department of Agriculture
Rural Development
2005 E. College Way, Suite 203
Mount Vernon, WA 98273

Dear Ms. O'Connor,

Enclosed please find the following documents:

1. Form RD 442-2 – Statement of Budget, Income and Equity for calendar year 2018
2. Form RD 442-3 – Balance Sheets as of December 31, 2018 and 2017
3. Form RD 442-2 - Statement of Budget, Income and Equity for 2019, including the Projected Cash Flow
4. 2018 Water, Sewer and Electrical Rates schedules
5. 2017 Financial Statements Audit Report and 2017 Accountability Audit Report. In 2018, the District will be below the threshold of \$750,000 in Federal Expenditures. Consequently, the Washington State Auditor's Office does not anticipate beginning the District's accountability audit for 2018 until after September 2019. For our 2018 Financial Statements Audit, we used an independent auditing firm. I will forward the report once it is completed and approved by the board.

Water customers by type are:

Classification	2018
Residential	4,125 Meters
Commercial	284 Meters

The District's Board of Commissioners and related terms of office are:

- Wayne King – 2013 through 2018
- Ken Collins – 2015 through 2020
- Jeff Randall – 2017 through 2022
- Dan Toepper – 2019 through 2024

The Business address for the Commissioners is:

310 Four Corners Road, Port Townsend, WA 98368

The Commissioners meet on the 1st and 3rd Tuesday of the month and minutes as well as audio recordings of the meetings can be found at <http://media.jeffpud.org/agendas.html>. The 2018 Budget was adopted by the Commissioners at the BOC meeting on November 21, 2017.

If you have any questions about the attached information, please do not hesitate to contact me.

Sincerely,



Mike Bailey
Financial Services Manager/District Auditor
360-385-8367
mbailey@jeffpud.org

Form RD 442-3 (Rev. 3-97)	Name Jefferson County PUD No. 1 Address 310 Four Corners Rd Port Townsend, WA 98368
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BALANCE SHEET

	12-31-2018		12-31-2017	
	Month	Day Year	Month	Day Year
	<i>Current Year</i>		<i>Prior Year</i>	
ASSETS				
<u>CURRENT ASSETS</u>				
1. Cash on hand in Banks	\$99,137.00		\$86,817.00	
2. Time deposits and short-term investments	\$7,674,534.00		\$3,148,883.00	
3. Accounts receivable	\$176,092.00		\$158,706.00	
4. Less: Allowance for doubtful accounts	(\$40,228.00)		(\$40,126.00)	
5. Inventories	\$18,287.00		\$18,287.00	
6. Prepayments	\$46,843.00		\$38,397.00	
7. Assessments Receivable (Current Portion)	\$397,641.00		\$397,641.00	
8. Inter-Division Receivables	\$0.00		\$4,897,608.00	
9. Total Current Assets (Add 1 through 8)	\$8,372,306.00		\$8,706,213.00	
<u>FIXED ASSETS</u>				
10. Land	\$40,000.00		\$40,000.00	
11. Buildings	\$259,496.00		\$0.00	
12. Furniture and equipment	\$614,174.00		\$294,690.00	
13. Water Plant & Constr. WIP/NonUtility Pro	\$32,712,209.00		\$30,773,809.00	
14. Less: Accumulated depreciation	(\$11,223,148.00)		(\$9,567,679.00)	
15. Net Total Fixed Assets (Add 10 through 14)	\$22,402,731.00		\$21,540,820.00	
<u>OTHER ASSETS</u>				
16. Assessments Receivable (LT Portion)	\$768,056.00		\$1,033,059.00	
17. Miscellaneous Deferred Debits	\$0.00		\$82.00	
18. Total Assets (Add 9, 15, 16 and 17)	\$31,543,093.00		\$31,280,174.00	
LIABILITIES AND EQUITIES				
<u>CURRENT LIABILITIES</u>				
19. Accounts payable	\$0.00		\$0.00	
20. Notes payable	\$1,258,831.00		\$709,433.00	
21. Current portion of USDA note	\$51,293.00		\$51,293.00	
22. Customer deposits	\$1,300.00		\$1,100.00	
23. Taxes payable	\$0.00		\$0.00	
24. Interest payable	\$87,216.00		\$88,655.00	
25. Inter-Division Payables	\$651,883.00		\$0.00	
26.				
27. Total Current Liabilities (Add 19 through 26)	\$2,050,523.00		\$850,481.00	
<u>LONG-TERM LIABILITIES</u>				
28. Notes payable USDA	\$2,377,999.00		\$2,431,626.00	
29. Bonds and Notes Payable (LT Portion)	\$4,514,970.00		\$4,612,136.00	
30.				
31. Total Long-Term Liabilities (Add 28 through 30)	\$6,892,969.00		\$7,043,762.00	
32. Total Liabilities (Add 27 and 31)	\$8,943,492.00		\$7,894,243.00	
<u>EQUITY</u>				
33. Retained earnings	\$22,599,601.00		\$23,385,931.00	
34. Memberships				
35. Total Equity (Add lines 33 and 34)	\$22,599,601.00		\$23,385,931.00	
36. Total Liabilities and Equity (Add lines 32 and 35)	\$31,543,093.00		\$31,280,174.00	

CERTIFIED CORRECT	Date 03-28-2019	Appropriate Official (Signature)
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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0015. The time required to complete this information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY


Schedule 1

Name: Jefferson County PUD No. 1
Address: 310 Four Corners RD, Port Townsend, WA 98368

(1) OPERATING INCOME	PRIOR YEAR Actual (2)	ANNUAL BUDGET		For the 12-31-2018 Months Ended 12-31-2018	
		BEG 01-01-2018	END 12-31-2018 (3)	CURRENT YEAR	
		Actual Data		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)	
			Current Quarter (4)		Year To Date (5)
1. Water Sales	2,147,701	2,121,122		2,358,713	-237,591
2. Other Services	106,020	106,978		114,110	-7,132
3.					0
4.					0
5. Miscellaneous					0
6. Less: Allowances and Deductions					0
7. Total Operating Income (Add lines 1 through 6)	2,253,721	2,228,100	0	2,472,823	-244,723
OPERATING EXPENSES					
8. Purchased Power	118,276	123,177		127,597	-4,420
9. Operation&Maint	742,743	894,377		935,565	-41,188
10. Cust Account Exp	151,127	205,485		149,526	55,959
11. Admin & General	375,024	527,361		511,852	15,509
12. Taxes	109,548	118,650		119,954	-1,304
13. Other	0	0		0	0
14.					0
15. Interest	234,929	233,319		291,615	-58,296
16. Depreciation	714,066	720,419		710,798	9,621
17. Total Operating Expense (Add Lines 8 through 16)	2,445,713	2,822,788	0	2,846,907	-24,119
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	-191,992	-594,688	0	-374,084	-220,604
NONOPERATING INCOME					
19. Interest Income	105,163	104,328		156,899	-52,571
20. Other Income	179,018	532,956		215,575	317,381
21. Total Nonoperating Income (Add 19 and 20)	284,181	637,284	0	372,474	264,810
22. NET INCOME (LOSS) (Add lines 18 and 21)	92,189	42,596	0	-1,610	44,206
23. Equity Beginning of Period	23,293,742	23,385,931		23,385,931	0
24.					0
25.					0
26. Equity End of Period (Add lines 22 through 25)	23,385,931	23,428,527	0	23,384,321	44,206

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct


Secretary Date 03-28-2019

Appropriate Official Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

SUPPLEMENTAL DATA

The Following Data Should Be Supplied Where Applicable

1. ALL BORROWERS

Circle One

Yes No

Yes No

Yes No

Yes No

a. Are deposited funds in institutions insured by the Federal Government?

b. Are you exempt from Federal Income Tax?

c. Are Local, State and Federal Taxes paid current?

d. Is corporate status in good standing with State?

e. List kinds and amounts of insurance and fidelity bond: Complete Only when submitting annual budget information:

Insurance Coverage and Policy Number	Insurance Company and Address	Amount of Coverage	Expiration Date of Policy
Property Insurance Policy # <u>PURMS Joint</u>	<u>Self Ins. C/O Pacific Underwriters</u>	<u>250,000</u>	
Liability Policy # <u>PURMS</u>	<u>PO Box 68787</u>	<u>1,000,000</u>	
Fidelity Policy # <u>PURMS</u>	<u>Seattle, WA 98168</u>	<u>1,000,000</u>	

2. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLY

Current Quarter

Year to Date

a. Number of Members

3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

a. Water purchased or produced (CU FT - GAL)

b. Water sold (CU FT - GAL)

c. Treated waste (CU FT - GAL)

d. Number of users - water

e. Number of users - sewer

	Current Quarter	Year to Date
a. Water purchased or produced (CU FT - GAL)	<u>gal.</u>	<u>31,967,7 gal.</u>
b. Water sold (CU FT - GAL)	<u>gal.</u>	<u>28,625,3 gal.</u>
c. Treated waste (CU FT - GAL)	<u>gal.</u>	<u>gal.</u>
d. Number of users - water		<u>4,409</u>
e. Number of users - sewer		

4. OTHER UTILITIES

a. Number of users

b. Product purchased

c. Product sold

a. Number of users		
b. Product purchased		
c. Product sold		

5. HEALTH CARE BORROWERS ONLY

a. Number of beds

b. Patient days of care

c. Percentage of occupancy

d. Number of outpatient visits

a. Number of beds		
b. Patient days of care		
c. Percentage of occupancy	<u>%</u>	<u>%</u>
d. Number of outpatient visits		

6. DISTRIBUTION OF ALL CASH AND INVESTMENTS*

Indicate balances in the following accounts:

	Construction	Revenue	Debt Service	Operation & Maintenance	Reserve	All Others	Grand Total
Cash	\$ _____	\$ _____	\$ <u>16,118</u>	\$ <u>83,018</u>	\$ _____	\$ _____	\$ <u>99,136</u>
Savings and Investments	\$ _____	\$ _____	\$ <u>7,269,58</u>	\$ _____	\$ <u>404,952</u>	\$ _____	\$ <u>7,674,53</u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>7,285,700</u>	\$ <u>83,018</u>	\$ <u>404,952</u>	\$ <u>0</u>	\$ <u>7,773,670</u>

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	Days				*Total
	0-30	31-60	61-90	91 and Older	
Dollar Values	\$ <u>76,753</u>	\$ <u>15,543</u>	\$ <u>8,213</u>	\$ <u>35,355</u>	\$ <u>135,864</u>
Number of Accounts	<u>2,716</u>	<u>372</u>	<u>112</u>	<u>44</u>	<u>3,244</u>

*Totals must agree with those on Balance Sheet.

PROJECTED CASH FLOW

For the Year BEG. 01-01-2018 END. 12-31-2018
(same as schedule 1 column 3)

A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS)	\$ <u>42,596</u>
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1)	<u>9,621</u>
2. Others:	_____
C. <u>Cash Provided From:</u>	
1. Proceeds from Agency loan/grant	_____
2. Proceeds from others	_____
3. Increase (Decrease) in Accounts Payable, Accruals and other Current Liabilities	_____
4. Decrease (Increase) in Accounts Receivable, Inventories and Other Current Assets (Exclude cash)	_____
5. Other: <u>Inter-Division Transfers</u>	<u>\$4,759,085</u>
6. <u>Principal & Interest Payments from LUD's</u>	<u>\$509,474</u>
D. Total all A, B and C Items	<u>\$5,320,776</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds)	<u>\$112,010</u>
2. Replacement and Additions to Existing Property, Plant and Equipment	<u>\$108,069</u>
3. Principal Payment Agency Loan	<u>\$53,627</u>
4. Principal Payment Other Loans	<u>\$506,599</u>
5. Other: <u>Additional Interest Payments</u>	<u>\$2,500</u>
6. Total E 1 through 5	<u>\$782,805</u>
<u>Add</u>	
F. Beginning Cash Balances	<u>\$3,235,700</u>
G. Ending Cash Balances (Total of D Minus E 6 Plus F)	\$ <u>7,773,671</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account	\$ _____
Revenue Account	_____
Debt Payment Account	<u>\$7,269,582</u>
O&M Account	<u>\$99,137</u>
Reserve Account	<u>\$404,952</u>
Funded Depreciation Account	_____
Others:	_____
_____	_____
Total - Agrees with Item G	\$ <u>7,773,671</u>

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY


Schedule 1

Name Jefferson County PUD No. 1	Address 310 Four Corners RD Port Townsend, WA 98368
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(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET		For the <u>01-01-2019</u> Months Ended <u>12-31-2019</u>		
		BEG <u>01-01-2019</u>	END <u>12-31-2019</u>	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		(3)	Actual Data			
			Current Quarter (4)	Year To Date (5)		
1. <u>Water Sales</u>	2,358,713	2,654,909			2,654,909	
2. <u>Other Services</u>	114,110	285,554			285,554	
3. _____					0	
4. _____					0	
5. <u>Miscellaneous</u>					0	
6. <u>Less: Allowances and Deductions</u>					0	
7. <u>Total Operating Income</u> (Add lines 1 through 6)	2,472,823	2,940,463	0	0	2,940,463	
<u>OPERATING EXPENSES</u>						
8. <u>Purchased Power</u>	127,597	127,488			127,488	
9. <u>Operation&Maint</u>	974,421	1,092,807			1,092,807	
10. <u>Cust Account Exp</u>	155,203	238,530			238,530	
11. <u>Admin & General</u>	523,479	604,951			604,951	
12. <u>Taxes</u>	119,954	122,803			122,803	
13. _____					0	
14. _____					0	
15. <u>Interest</u>	291,615	211,714			211,714	
16. <u>Depreciation</u>	710,798	745,634			745,634	
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	2,903,067	3,143,927	0	0	3,143,927	
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-430,244	-203,464	0	0	-203,464	
<u>NONOPERATING INCOME</u>						
19. <u>Interest Income</u>	156,899	104,328			104,328	
20. <u>Other Income</u>	215,575	421,478			421,478	
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	372,474	525,806	0	0	525,806	
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	-57,770	322,342	0	0	322,342	
23. <u>Equity Beginning of Period</u>	23,385,931	23,328,161			23,328,161	
24. _____					0	
25. _____					0	
26. <u>Equity End of Period</u> (Add lines 22 through 25)	23,328,161	23,650,503	0	0	23,650,503	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

 03-28-2019

Secretary

Date

Appropriate Official

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

SUPPLEMENTAL DATA

The Following Data Should Be Supplied Where Applicable

Circle One

1. ALL BORROWERS

- a. Are deposited funds in institutions insured by the Federal Government? ✓ Yes No
- b. Are you exempt from Federal Income Tax? ✓ Yes No
- c. Are Local, State and Federal Taxes paid current? ✓ Yes No
- d. Is corporate status in good standing with State? ✓ Yes No

e. List kinds and amounts of insurance and fidelity bond: Complete Only when submitting annual budget information:

Insurance Coverage and Policy Number	Insurance Company and Address	Amount of Coverage	Expiration Date of Policy
Property Insurance Policy # <u>PURMS Joint</u>	<u>Self Ins. C/O Pacific Underwriters</u>	<u>250,000</u>	_____
Liability Policy # <u>PURMS</u>	<u>PO Box 68787</u>	<u>1,000,000</u>	_____
Fidelity Policy # <u>PURMS</u>	<u>Seattle, WA 98168</u>	<u>1,000,000</u>	_____

2. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLY

Current Quarter Year to Date

a. Number of Members _____ _____

3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

a. Water purchased or produced (CU FT - GAL) _____ gal. _____ gal.

b. Water sold (CU FT - GAL) _____ gal. _____ gal.

c. Treated waste (CU FT - GAL) _____ gal. _____ gal.

d. Number of users - water _____ _____

e. Number of users - sewer _____ _____

4. OTHER UTILITIES

a. Number of users _____ _____

b. Product purchased _____ _____

c. Product sold _____ _____

5. HEALTH CARE BORROWERS ONLY

a. Number of beds _____ _____

b. Patient days of care _____ _____

c. Percentage of occupancy _____ % _____ %

d. Number of outpatient visits _____ _____

6. DISTRIBUTION OF ALL CASH AND INVESTMENTS*

Indicate balances in the following accounts:

	Construction	Revenue	Debt Service	Operation & Maintenance	Reserve	All Others	Grand Total
Cash	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 0
Savings and Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	Days				*Total
	0-30	31-60	61-90	91 and Older	
Dollar Values	\$ _____	\$ _____	\$ _____	\$ _____	\$ 0
Number of Accounts	_____	_____	_____	_____	0

*Totals must agree with those on Balance Sheet.

PROJECTED CASH FLOW

For the Year BEG. 01-01-2019 END. 12-31-2019
(same as schedule 1 column 3)

A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS)	\$ <u>322,342</u>
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1)	<u>745,634</u>
2. Others:	_____
C. <u>Cash Provided From:</u>	
1. Proceeds from Agency loan/grant	_____
2. Proceeds from others	_____
3. Increase (Decrease) in Accounts Payable, Accruals and other Current Liabilities	_____
4. Decrease (Increase) in Accounts Receivable, Inventories and Other Current Assets <u>(Exclude cash)</u>	_____
5. Other:	_____
6. <u>Principal & Interest Payments from LUD's</u>	<u>\$509,474</u>
D. Total all A, B and C Items	<u>\$1,577,450</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds)	<u>\$460,000</u>
2. Replacement and Additions to Existing Property, Plant and Equipment	<u>\$75,000</u>
3. Principal Payment Agency Loan	<u>\$51,293</u>
4. Principal Payment Other Loans	<u>\$671,079</u>
5. Other: <u>Additional Interest Payments</u>	<u>\$2,500</u>
6. Total E 1 through 5	<u>\$1,259,872</u>
<u>Add</u>	
F. Beginning Cash Balances	<u>\$7,773,671</u>
G. Ending Cash Balances (Total of D Minus E 6 Plus F)	<u>\$ 8,091,249</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account	\$ _____
Revenue Account	_____
Debt Payment Account	<u>\$7,593,654</u>
O&M Account	<u>\$91,085</u>
Reserve Account	<u>\$406,510</u>
Funded Depreciation Account	_____
Others:	_____
_____	_____
Total - Agrees with Item G	<u>\$ 8,091,249</u>