



Board of Commissioners:

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

Kevin Streett, General Manager

March 26, 2020

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 2019
2. Form RD 442-3 – Balance Sheets as of December 31, 2019 and 2018
3. Form RD 442-2 - Statement of Budget, Income and Equity for 2020, including the Projected Cash Flow
4. 2019 Water, Sewer and Electrical Rates schedules
5. 2018 Financial Statements Audit Report and 2018 Accountability Audit Report. In 2019, 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 2019 until after September 2020. For our 2019 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:

<b>Classification</b>	<b>2019</b>
Residential	4,494 Meters
Commercial	372 Meters

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

- 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 1<sup>st</sup> and 3<sup>rd</sup> 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 2019 Budget was adopted by the Commissioners at the BOC meeting on November 20, 2018.

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

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

Schedule I

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 BEG <u>01-01-2019</u> END <u>12-31-2019</u> (3)	For the <u>12-31-2019</u> Months Ended <u>12-31-2019</u> CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. <u>Water Sales</u>	2,358,713	2,839,373		2,593,412	245,961
2. <u>Other Services</u>	114,110	101,090		120,093	-19,003
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	2,713,505	226,958
<u>OPERATING EXPENSES</u>					
8. <u>Purchased Power</u>	127,597	127,488		4,094	123,394
9. <u>Ops &amp; Maint.</u>	935,565	1,092,807		1,019,002	73,805
10. <u>Cust Accts Exp</u>	149,526	238,530		135,218	103,312
11. <u>Admin &amp; General</u>	511,852	604,951		699,871	-94,920
12. <u>Taxes</u>	119,954	122,803		125,901	-3,098
13. <u>Other Deductions</u>	0	0		247	-247
14. _____					0
15. <u>Interest</u>	291,615	211,714		261,833	-50,119
16. <u>Depreciation</u>	710,798	745,634		701,661	43,973
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	2,846,907	3,143,927	0	2,947,827	196,100
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-374,084	-203,464	0	-234,322	30,858
<u>NONOPERATING INCOME</u>					
19. <u>Interest Income</u>	156,899	104,328		168,036	-63,708
20. <u>Other Income</u>	215,575	421,478		747,438	-325,960
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	372,474	525,806	0	915,474	-389,668
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	-1,610	322,342	0	681,152	-358,810
23. <u>Equity Beginning of Period</u>	23,385,931	23,384,321		23,384,321	0
24. _____					0
25. _____					0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	23,384,321	23,706,663	0	24,065,473	-358,810

Budget and Annual Report Approved by Governing Body  _____ Secretary	03-26-2020 Date	Quarterly Reports Certified Correct  _____ Appropriate Official	_____ Date
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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 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. 32,651,000 gal.
- b. Water sold (CU FT - GAL) \_\_\_\_\_ gal. 28,168,100 gal.
- c. Treated waste (CU FT - GAL) \_\_\_\_\_ gal. \_\_\_\_\_ gal.
- d. Number of users - water \_\_\_\_\_ 4,866
- 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 \_\_\_\_\_ 0 % \_\_\_\_\_ 0 %
- 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	\$ _____	\$ _____	\$ 27,185	\$ 91,639	\$ _____	\$ _____	\$ 118,824
Savings and Investments	\$ _____	\$ _____	\$ 8,061,100	\$ _____	\$ 413,916	\$ _____	\$ 8,475,020
Total	\$ 0	\$ 0	\$ 8,088,294	\$ 91,639	\$ 413,916	\$ 0	\$ 8,593,849

**7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:**

	Days				*Total
	0-30	31-60	61-90	91 and Older	
Dollar Values	\$ 115,480	\$ 4,729	\$ 1,860	\$ 8,876	\$ 130,945
Number of Accounts	3,063	105	43	55	3,266

\*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>43,973</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: <u>Inter-Division Transfers</u> .....	<u>\$965,704</u>
6. <u>Principal &amp; Interest Payments from LUDs</u> .....	<u>\$509,474</u>
D. Total all A, B and C Items .....	<u>\$1,841,493</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds) .....	<u>\$115,381</u>
2. Replacement and Additions to Existing Property, Plant and Equipment .....	<u>\$111,300</u>
3. Principal Payment Agency Loan .....	<u>\$56,158</u>
4. Principal Payment Other Loans .....	<u>\$738,476</u>
5. Other: .....	_____
6. Total E 1 through 5 .....	<u>\$1,021,315</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>8,593,849</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account .....	\$ _____
Revenue Account .....	_____
Debt Payment Account .....	<u>\$8,088,294</u>
O&M Account .....	<u>\$91,639</u>
Reserve Account .....	<u>\$413,916</u>
Funded Depreciation Account .....	_____
Others: .....	_____
_____ .....	_____
Total - Agrees with Item G .....	\$ <u>8,593,849</u>

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

	12-31-2019			12-31-2018		
	Month	Day	Year	Month	Day	Year
ASSETS						
CURRENT ASSETS						
1. Cash on hand in Banks .....			\$118,824.00			\$99,137.00
2. Time deposits and short-term investments .....			\$8,475,025.00			\$7,674,534.00
3. Accounts receivable .....			\$171,424.00			\$176,092.00
4. Less: Allowance for doubtful accounts .....			( \$40,479.00 )			( \$40,228.00 )
5. Inventories .....			\$18,330.00			\$18,287.00
6. Prepayments .....			\$150,292.00			\$46,843.00
7. Assessments Receivable (Current Portion) .....			\$397,641.00			\$397,641.00
8. Inter-Division Receivables .....			\$0.00			\$0.00
9. Total Current Assets (Add 1 through 8)			\$9,291,057.00			\$8,372,306.00
FIXED ASSETS						
10. Land .....			\$0.00			\$40,000.00
11. Buildings .....			\$54,833.00			\$259,496.00
12. Furniture and equipment .....			\$667,932.00			\$614,174.00
13. Water Plant & Constr. WIP/NonUtility Pro .....			\$32,950,620.00			\$32,712,209.00
14. Less: Accumulated depreciation .....			( \$11,830,032.00 )			( \$11,223,148.00 )
15. Net Total Fixed Assets (Add 10 through 14)			\$21,843,353.00			\$22,402,731.00
OTHER ASSETS						
16. Assessments Receivable (LT Portion) .....			\$515,324.00			\$768,056.00
17. Miscellaneous Deferred Debits .....			\$0.00			\$0.00
18. Total Assets (Add 9, 15, 16 and 17)			\$31,649,734.00			\$31,543,093.00
LIABILITIES AND EQUITIES						
CURRENT LIABILITIES						
19. Accounts payable .....			\$0.00			\$0.00
20. Notes payable .....			\$1,094,302.00			\$1,258,831.00
21. Current portion of USDA note .....			\$51,293.00			\$51,293.00
22. Customer deposits .....			\$300.00			\$1,300.00
23. Taxes payable .....			\$0.00			\$0.00
24. Interest payable .....			\$72,740.00			\$87,216.00
25. Inter-Division Payables .....			\$1,052,012.00			\$651,883.00
26. ....						
27. Total Current Liabilities (Add 19 through 26)			\$2,270,647.00			\$2,050,523.00
LONG-TERM LIABILITIES						
28. Notes payable USDA .....			\$2,321,841.00			\$2,377,999.00
29. Bonds and Notes Payable (LT Portion) .....			\$3,776,494.00			\$4,514,970.00
30. ....						
31. Total Long-Term Liabilities (Add 28 through 30)			\$6,098,335.00			\$6,892,969.00
32. Total Liabilities (Add 27 and 31)			\$8,368,982.00			\$8,943,492.00
EQUITY						
33. Retained earnings .....			\$23,280,752.00			\$22,599,601.00
34. Memberships .....						
35. Total Equity (Add lines 33 and 34)			\$23,280,752.00			\$22,599,601.00
36. Total Liabilities and Equity (Add lines 32 and 35)			\$31,649,734.00			\$31,543,093.00

CERTIFIED CORRECT	Date 03-26-2020	Appropriate Official (Signature) 
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UNITED STATES DEPARTMENT OF AGRICULTURE  
**STATEMENT OF BUDGET, INCOME AND EQUITY**

Schedule I

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Address 310 Four Corners Rd  
Port Townsend, WA 98368

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			CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. <u>Water Sales</u>	2,358,713	2,839,373		2,593,412	245,961
2. <u>Other Services</u>	114,110	101,090		120,093	-19,003
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	2,713,505	226,958
<u>OPERATING EXPENSES</u>					
8. <u>Purchased Power</u>	127,597	127,488		4,094	123,394
9. <u>Ops &amp; Maint.</u>	935,565	1,092,807		1,019,002	73,805
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12. <u>Taxes</u>	119,954	122,803		125,901	-3,098
13. <u>Other Deductions</u>	0	0		247	-247
14. _____					0
15. <u>Interest</u>	291,615	211,714		261,833	-50,119
16. <u>Depreciation</u>	710,798	745,634		701,661	43,973
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	2,846,907	3,143,927	0	2,947,827	196,100
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-374,084	-203,464	0	-234,322	30,858
<u>NONOPERATING INCOME</u>					
19. <u>Interest Income</u>	156,899	104,328		168,036	-63,708
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21. <u>Total Nonoperating Income</u> (Add 19 and 20)	372,474	525,806	0	915,474	-389,668
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	-1,610	322,342	0	681,152	-358,810
23. <u>Equity Beginning of Period</u>	23,385,931	23,384,321		23,384,321	0
24. _____					0
25. _____					0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	23,384,321	23,706,663	0	24,065,473	-358,810

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct



03-26-2020

Secretary

Date

Appropriate Official

Date

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SUPPLEMENTAL DATA

The Following Data Should Be Supplied Where Applicable

Circle One

1. ALL BORROWERS

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

	<u>gal.</u>	<u>32,651,08 gal.</u>
	<u>gal.</u>	<u>28,168,18 gal.</u>
	<u>gal.</u>	<u>gal.</u>
		<u>4,866</u>

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

	<u>0 %</u>	<u>0 %</u>

6. DISTRIBUTION OF ALL CASH AND INVESTMENTS\*

Indicate balances in the following accounts:

	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>	<u>Operation &amp; Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash	\$ _____	\$ _____	\$ <u>27,185</u>	\$ <u>91,639</u>	\$ _____	\$ _____	\$ <u>118,824</u>
Savings and Investments	\$ _____	\$ _____	\$ <u>8,061,109</u>	\$ _____	\$ <u>413,916</u>	\$ _____	\$ <u>8,475,025</u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>8,088,294</u>	\$ <u>91,639</u>	\$ <u>413,916</u>	\$ <u>0</u>	\$ <u>8,593,849</u>

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	<u>Days</u>				<u>*Total</u>
	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 and Older</u>	
Dollar Values	\$ <u>115,480</u>	\$ <u>4,729</u>	\$ <u>1,860</u>	\$ <u>8,876</u>	\$ <u>130,945</u>
Number of Accounts	<u>3,063</u>	<u>105</u>	<u>43</u>	<u>55</u>	<u>3,266</u>

\*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>43,973</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: <u>Inter-Division Transfers</u> .....	<u>\$965,704</u>
6. <u>Principal &amp; Interest Payments from LUDs</u> .....	<u>\$509,474</u>
D. Total all A, B and C Items .....	<u>\$1,841,493</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds) .....	<u>\$115,381</u>
2. Replacement and Additions to Existing Property, Plant and Equipment .....	<u>\$111,300</u>
3. Principal Payment Agency Loan .....	<u>\$56,158</u>
4. Principal Payment Other Loans .....	<u>\$738,476</u>
5. Other: .....	_____
6. Total E 1 through 5 .....	<u>\$1,021,315</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>8,593,849</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account .....	\$ _____
Revenue Account .....	_____
Debt Payment Account .....	<u>\$8,088,294</u>
O&M Account .....	<u>\$91,639</u>
Reserve Account .....	<u>\$413,916</u>
Funded Depreciation Account .....	_____
Others: .....	_____
_____ .....	_____
Total - Agrees with Item G .....	\$ <u>8,593,849</u>