



Board of Commissioners:

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

Kevin Streett, General Manager

March 31, 2021

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 2020
2. Form RD 442-3 – Balance Sheets as of December 31, 2020 and 2019
3. Form RD 442-2 - Statement of Budget, Income and Equity for 2021, including the Projected Cash Flow
4. 2020 Water, Sewer and Electrical Rates schedules
5. 2020 Financial Statements Audit Report and 2020 Accountability Audit Report. In 2020, 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 2020 until after September 2021. For our 2020 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>2020</b>
Residential	4540 Meters
Commercial	371 Meters

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

- Ken Collins – 2021 through 2026
- 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 2020 Budget was adopted by the Commissioners at the BOC meeting on October 15, 2019.

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

Sincerely,

DocuSigned by:  
  
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Mike Bailey  
Finance Director/District Auditor  
360-385-8367  
mbailey@jeffpud.org

Form RD 442-2  
(Rev. 9-97)

Position 3

FORM APPROVED  
OMB NO. 0575-0015  
OMB NO. 0572-0137

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) <u>OPERATING INCOME</u>	<u>PRIOR YEAR Actual</u> (2)	ANNUAL BUDGET		For the <u>12-31-2020</u> Months Ended <u>12-31-2020</u>		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		BEG <u>01-01-2020</u>		CURRENT YEAR		
		END <u>12-31-2020</u>		Actual Data		
				Current Quarter (4)	Year To Date (5)	
1. <u>Water Sales</u>	2,593,412	2,481,460			2,482,512	-1,052
2. <u>Other Services</u>	120,093	133,764			126,487	7,277
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)	2,713,505	2,615,224		0	2,608,999	6,225
<u>OPERATING EXPENSES</u>						
8. <u>Purchased Power</u>	4,094	132,002			82,741	49,261
9. <u>Ops &amp; Maint.</u>	1,019,002	1,697,996			1,058,193	639,803
10. <u>Cust Accts Exp</u>	135,218	182,688			226,188	-43,500
11. <u>Admin &amp; General</u>	699,871	936,740			893,190	43,550
12. <u>Taxes</u>	125,901	130,679			127,246	3,433
13. <u>Other Deductions</u>	247	0			0	0
14. _____						0
15. <u>Interest</u>	261,833	186,334			236,595	-50,261
16. <u>Depreciation</u>	701,661	271,714			696,061	-424,347
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	2,947,827	3,538,153		0	3,320,214	217,939
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-234,322	-922,929		0	-711,215	-211,714
<u>NONOPERATING INCOME</u>						
19. <u>Interest Income</u>	168,036	141,249			73,024	68,225
20. <u>Other Income</u>	747,438	859,474			345,666	513,808
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	915,474	1,000,723		0	418,690	582,033
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	681,152	77,794		0	-292,525	370,319
23. <u>Equity Beginning of Period</u>	24,065,473	24,746,625			24,746,625	0
24. _____						0
25. _____						0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	24,746,625	24,824,419		0	24,454,100	370,319

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

DocuSigned by:

*Kevin Street*

3/31/2021

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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.



## PROJECTED CASH FLOW

For the Year BEG. 01-01-2020 END. 12-31-2020  
(same as schedule 1 column 3)

A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS) .....	\$ <u>77,794</u>
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1) .....	<u>-424,347</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>\$1,367,326</u>
6. <u>Principal &amp; Interest Payments from LUDS</u> .....	<u>\$314,736</u>
D. Total all A, B and C Items .....	<u>\$1,335,509</u>
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds) .....	<u>\$336,039</u>
2. Replacement and Additions to Existing Property, Plant and Equipment .....	<u>\$267,815</u>
3. Principal Payment Agency Loan .....	<u>\$58,619</u>
4. Principal Payment Other Loans .....	<u>\$557,727</u>
5. Other: <u>Inter-Division Transfers</u> .....	<u>\$4,372,454</u>
6. Total E 1 through 5 .....	<u>\$5,592,654</u>
<u>Add</u>	
F. Beginning Cash Balances .....	<u>\$8,593,849</u>
G. Ending Cash Balances (Total of D Minus E 6 Plus F) .....	<u>\$ 4,336,704</u>
<u>Item G Cash Balances Composed of:</u>	
Construction Account .....	\$ _____
Revenue Account .....	_____
Debt Payment Account .....	<u>\$3,816,990</u>
O&M Account .....	<u>\$97,291</u>
Reserve Account .....	<u>\$422,423</u>
Funded Depreciation Account .....	_____
Others: .....	_____
_____	_____
Total - Agrees with Item G .....	<u>\$ 4,336,704</u>

Form RD 442-3 (Rev. 3-97)  <h2 style="text-align: center;">BALANCE SHEET</h2>	Name Jefferson County PUD No. 1  Address 310 Four Corners RD Port Townsend, WA 98368
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	12-31-2020			12-31-2019		
	Month	Day	Year	Month	Day	Year
	<i>Current Year</i>			<i>Prior Year</i>		
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
1. Cash on hand in Banks .....	\$		130,705.00	\$		118,824.00
2. Time deposits and short-term investments .....	\$		4,205,999.00	\$		8,475,025.00
3. Accounts receivable .....	\$		198,146.00	\$		171,424.00
4. Less: Allowance for doubtful accounts .....	(		\$53,829.00)	(		\$40,479.00)
5. Inventories .....	\$		18,330.00	\$		18,330.00
6. Prepayments .....	\$		149,235.00	\$		150,292.00
7. Assessments Receivable (Current Portion) .....	\$		264,134.00	\$		397,641.00
8. Inter-Division Receivables .....	\$		0.00	\$		0.00
9. Total Current Assets (Add 1 through 8)	\$		4,912,720.00	\$		9,291,057.00
<b>FIXED ASSETS</b>						
10. Land .....	\$		0.00	\$		0.00
11. Buildings .....	\$		54,833.00	\$		54,833.00
12. Furniture and equipment .....	\$		667,932.00	\$		667,932.00
13. Water Plant & Constr. WIP/Nonutility Pro .....	\$		33,512,374.00	\$		32,950,620.00
14. Less: Accumulated depreciation .....	(		\$12,552,216.00)	(		\$11,830,032.00)
15. Net Total Fixed Assets (Add 10 through 14) .....	\$		21,682,923.00	\$		21,843,353.00
<b>OTHER ASSETS</b>						
16. Assessments Receivable (LT Portion) .....	\$		392,871.00	\$		515,324.00
17. Miscellaneous Deferred Debits .....	\$		0.00	\$		0.00
18. Total Assets (Add 9, 15, 16 and 17) .....	\$		26,988,514.00	\$		31,649,734.00
<b>LIABILITIES AND EQUITIES</b>						
<b>CURRENT LIABILITIES</b>						
19. Accounts payable .....	\$		0.00	\$		0.00
20. Notes payable .....	\$		582,220.00	\$		1,094,302.00
21. Current portion of USDA note .....	\$		51,293.00	\$		51,293.00
22. Customer deposits .....	\$		0.00	\$		300.00
23. Taxes payable .....	\$		0.00	\$		0.00
24. Interest payable .....	\$		66,438.00	\$		72,740.00
25. Inter-Division Payables .....	\$		-2,693,732.00	\$		1,052,012.00
26. ....						
27. Total Current Liabilities (Add 19 through 26)	\$		-1,993,781.00	\$		2,270,647.00
<b>LONG-TERM LIABILITIES</b>						
28. Notes payable USDA .....	\$		2,263,222.00	\$		2,321,841.00
29. Bonds and Notes Payable (LT Portion) .....	\$		3,730,849.00	\$		3,776,494.00
30. ....						
31. Total Long-Term Liabilities (Add 28 through 30) .....	\$		5,994,071.00	\$		6,098,335.00
32. Total Liabilities (Add 27 and 31)	\$		4,000,290.00	\$		8,368,982.00
<b>EQUITY</b>						
33. Retained earnings .....	\$		22,988,224.00	\$		23,280,752.00
34. Memberships .....						
35. Total Equity (Add lines 33 and 34) .....	\$		22,988,224.00	\$		23,280,752.00
36. Total Liabilities and Equity (Add lines 32 and 35) .....	\$		26,988,514.00	\$		31,649,734.00

CERTIFIED CORRECT	Date 3/31/2021	Appropriate Official (Signature) <i>Kevin Street</i>
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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.

Form RD 442-2  
(Rev. 9-97)

Position 3

FORM APPROVED  
OMB NO. 0575-0015  
OMB NO. 0572-0137

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) <u>OPERATING INCOME</u>	<u>PRIOR YEAR Actual</u> (2)	ANNUAL BUDGET		For the <u>01-01-2021</u> Months Ended <u>12-31-2021</u>	
		BEG <u>01-01-2021</u>		CURRENT YEAR	
		END <u>12-31-2021</u> (3)		Actual Data	
		Current Quarter (4)	Year To Date (5)		
1. <u>Water Sales</u>	2,482,512	2,540,375			2,540,375
2. <u>Other Services</u>	126,487	137,673			137,673
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)	2,608,999	2,678,048	0	0	2,678,048
<u>OPERATING EXPENSES</u>					
8. <u>Purchased Power</u>	82,741	200,650			200,650
9. <u>Ops &amp; Maint.</u>	1,058,193	1,633,103			1,633,103
10. <u>Cust Accts Exp</u>	226,188	230,271			230,271
11. <u>Admin &amp; General</u>	893,190	1,169,897			1,169,897
12. <u>Taxes</u>	127,246	111,413			111,413
13. <u>Other Deductions</u>	0	0			0
14. _____					0
15. <u>Interest</u>	236,595	226,987			226,987
16. <u>Depreciation</u>	696,061	736,398			736,398
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	3,320,214	4,308,719	0	0	4,308,719
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	-711,215	-1,630,671	0	0	-1,630,671
<u>NONOPERATING INCOME</u>					
19. <u>Interest Income</u>	73,024	134,730			134,730
20. <u>Other Income</u>	345,666	714,902			714,902
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	418,690	849,632	0	0	849,632
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	-292,525	-781,039	0	0	-781,039
23. <u>Equity Beginning of Period</u>	24,746,625	24,454,100			24,454,100
24. _____					0
25. _____					0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	24,454,100	23,673,061	0	0	23,673,061

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

DocuSigned by:  
*Kevin Strutt*

3/31/2021

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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:

<u>Insurance Coverage and Policy Number</u>	<u>Insurance Company and Address</u>	<u>Amount of Coverage</u>	<u>Expiration Date of Policy</u>
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:

	<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>0</u>
Savings and Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>0</u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</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>0</u>
Number of Accounts	_____	_____	_____	_____	<u>0</u>

\*Totals must agree with those on Balance Sheet.



## PROJECTED CASH FLOW

For the Year BEG. \_\_\_\_\_ END. \_\_\_\_\_  
(same as schedule 1 column 3)

A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS) .....	\$ -781,039
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1) .....	736,398
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 &amp; Interest Payments from LUDs</u> .....	\$314,736
D. Total all A, B and C Items .....	\$270,095
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds) .....	\$609,500
2. Replacement and Additions to Existing Property, Plant and Equipment .....	\$85,000
3. Principal Payment Agency Loan .....	\$58,619
4. Principal Payment Other Loans .....	\$557,727
5. Other: _____ .....	_____
6. Total E 1 through 5 .....	\$1,310,846
<u>Add</u>	
F. Beginning Cash Balances .....	\$4,336,704
G. Ending Cash Balances (Total of D Minus E 6 Plus F) .....	\$ 3,295,953
<u>Item G Cash Balances Composed of:</u>	
Construction Account .....	\$ _____
Revenue Account .....	_____
Debt Payment Account .....	\$2,776,239
O&M Account .....	\$97,291
Reserve Account .....	\$422,423
Funded Depreciation Account .....	_____
Others: _____ .....	_____
_____ .....	_____
Total - Agrees with Item G .....	\$ 3,295,953