

Board of Commissioners:

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

Kevin Streett, General Manager

March 29, 2022

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 2022
2. Form RD 442-3 – Balance Sheets as of December 31, 2022 and 2021
3. Form RD 442-2 - Statement of Budget, Income and Equity for 2023, including the Projected Cash Flow
4. 2022 Water, Sewer and Electrical Rates schedules
5. 2022 Financial Statements Audit Report. 2020 and 2021 Accountability Audit Report. In 2022, the District will be below the threshold of \$750,000 in Federal Expenditures. For our 2022 Financial Statements Audit, we used an independent auditing firm. I have included the 2022 Financial Audit Report and 2020 & 2021 Accountability Audit Report

Water customers by type are:

Classification	2022
Residential	4640 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 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 2022 Budget was adopted by the Commissioners at the BOC meeting on November 2, 2021.

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

Sincerely,

A handwritten signature in black ink that reads "Mike Bailey". The signature is written in a cursive style and is positioned above a horizontal line that extends to the right.

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

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

Schedule I

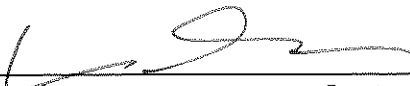
Name Jefferson County PUD No. 1

Address 310 Four Corners RD
Port Townsend, WA 98368

(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET		For the <u>12-31-2022</u> Months Ended <u>12-31-2022</u>	
		BEG <u>01-01-2022</u>	CURRENT YEAR		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		END <u>12-31-2022</u> (3)	Actual Data		
			Current Quarter (4)	Year To Date (5)	
1. <u>Water Sales</u>	2,892,162	2,623,797		3,219,372	-595,575
2. <u>Other Services</u>	128,679	133,438		491,342	-357,904
3. _____					0
4. _____					0
5. <u>Miscellaneous</u>					0
6. <u>Less: Allowances and Deductions</u>					0
7. <u>Total Operating Income (Add lines 1 through 6)</u>	3,020,841	2,757,235	0	3,710,714	-953,479
<u>OPERATING EXPENSES</u>					
8. <u>Purchased Power</u>	137,165	135,041		142,825	-7,784
9. <u>Ops & Maint.</u>	1,062,934	1,600,503		1,331,201	269,302
10. <u>Cust Accts Exp</u>	255,519	299,141		144,071	155,070
11. <u>Admin & General</u>	1,031,638	1,246,934		654,641	592,293
12. <u>Taxes</u>	154,504	133,811		167,047	-33,236
13. <u>Other Deductions</u>	0	0		0	0
14. _____					0
15. <u>Interest</u>	225,120	235,079		188,893	46,186
16. <u>Depreciation</u>	774,737	428,634		829,876	-401,242
17. <u>Total Operating Expense (Add Lines 8 through 16)</u>	3,641,617	4,079,143	0	3,458,554	620,589
18. <u>NET OPERATING INCOME (LOSS) (Line 7 less 17)</u>	-620,776	-1,321,908	0	252,160	-1,574,068
<u>NONOPERATING INCOME</u>					
19. <u>Interest Income</u>	29,112	41,273		72,956	-31,683
20. <u>Other Income</u>	608,854	206,261		252,088	-45,827
21. <u>Total Nonoperating Income (Add 19 and 20)</u>	637,966	247,534	0	325,044	-77,510
22. <u>NET INCOME (LOSS) (Add lines 18 and 21)</u>	17,190	-1,074,374	0	577,204	-1,651,578
23. <u>Equity Beginning of Period</u>	24,454,100	24,471,290		24,471,290	0
24. _____					0
25. _____					0
26. <u>Equity End of Period (Add lines 22 through 25)</u>	24,471,290	23,396,916	0	25,048,494	-1,651,578

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct


Secretary 3-29-23
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. 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>	<u></u>
Liability Policy # <u>PURMS</u>	<u>PO Box 68787</u>	<u>1,000,000</u>	<u></u>
Fidelity Policy # <u>PURMS</u>	<u>Seattle, WA 98168</u>	<u>1,000,000</u>	<u></u>

2. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLY

Current Quarter

Year to Date

a. Number of Members

<u></u>	<u></u>
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3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

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

<u>gal.</u>	<u>33,089,5 gal.</u>
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b. Water sold (CU FT - GAL)

<u>gal.</u>	<u>33,072,4 gal.</u>
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c. Treated waste (CU FT - GAL)

<u>gal.</u>	<u>gal.</u>
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d. Number of users - water

<u></u>	<u>5,011</u>
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e. Number of users - sewer

<u></u>	<u></u>
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4. OTHER UTILITIES

a. Number of users

<u></u>	<u></u>
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b. Product purchased

<u></u>	<u></u>
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c. Product sold

<u></u>	<u></u>
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5. HEALTH CARE BORROWERS ONLY

a. Number of beds

<u></u>	<u></u>
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b. Patient days of care

<u></u>	<u></u>
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c. Percentage of occupancy

<u>-2147483648 %</u>	<u>-2147483648 %</u>
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d. Number of outpatient visits

<u></u>	<u></u>
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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 & Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash	\$ <u></u>	\$ <u></u>	\$ <u>7,799</u>	\$ <u>43,504</u>	\$ <u>127,433</u>	\$ <u></u>	\$ <u>178,736</u>
Savings	\$ <u></u>	\$ <u></u>	\$ <u>2,083,545</u>	\$ <u>89,283</u>	\$ <u></u>	\$ <u></u>	\$ <u>2,172,828</u>
and Investments	\$ <u></u>	\$ <u></u>	\$ <u>2,091,344</u>	\$ <u>132,787</u>	\$ <u>127,433</u>	\$ <u>0</u>	\$ <u>2,351,564</u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2,091,344</u>	\$ <u>132,787</u>	\$ <u>127,433</u>	\$ <u>0</u>	\$ <u>2,351,564</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>173,733</u>	\$ <u>22,681</u>	\$ <u>8,595</u>	\$ <u>7,632</u>	\$ <u>212,641</u>
Number of Accounts	<u>3,025</u>	<u>386</u>	<u>163</u>	<u>66</u>	<u>3,640</u>

*Totals must agree with those on Balance Sheet.

PROJECTED CASH FLOW

For the Year BEG. 01-01-2022 END. 12-31-2022
(same as schedule 1 column 3)

Table with 2 columns: Description and Amount. Rows include: A. Line 22 from Schedule 1, Column 3 NET INCOME (LOSS) \$ -1,074,374; B. Items in Operations not Requiring Cash: 1. Depreciation (line 16 schedule 1) -401,242; C. Cash Provided From: 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: Inter-Division Transfers \$4,147,756; 6. Principal & Interest Payments from LUDs \$314,736; D. Total all A, B and C Items \$2,986,876; E. Less: Cash Extended for: 1. All Construction, Equipment and New Capital Items (loan & grant funds) \$556,068; 2. Replacement and Additions to Existing Property, Plant and Equipment; 3. Principal Payment Agency Loan \$64,076; 4. Principal Payment Other Loans; 5. Other: Inter-Division Transfers \$2,490,490; 6. Total E 1 through 5 \$3,110,634; F. Beginning Cash Balances \$2,475,322; G. Ending Cash Balances (Total of D Minus E 6 Plus F) \$2,351,564; Item G Cash Balances Composed of: Construction Account; Revenue Account; Debt Payment Account \$2,083,545; O&M Account \$178,736; Reserve Account \$89,283; Funded Depreciation Account; Others; Total - Agrees with Item G \$2,351,564

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

	12-31-2022			12-31-2021		
	Month	Day	Year	Month	Day	Year
	Current Year			Prior Year		
ASSETS						
<u>CURRENT ASSETS</u>						
1. Cash on hand in Banks			\$178,736.00			\$193,844.00
2. Time deposits and short-term investments			\$2,172,828.00			\$2,281,478.00
3. Accounts receivable			\$286,920.00			\$239,671.00
4. Less: Allowance for doubtful accounts	(\$74,279.00)	(\$74,279.00)
5. Inventories			\$38,940.00			\$36,222.00
6. Prepayments			\$201,811.00			\$164,936.00
7. Assessments Receivable (Current Portion)			\$134,899.00			\$205,249.00
8. Inter-Divisional Receivables			\$257,500.00			\$0.00
9. Total Current Assets (Add 1 through 8)			\$3,197,355.00			\$3,047,121.00
<u>FIXED ASSETS</u>						
10. Land			\$0.00			\$0.00
11. Buildings			\$54,833.00			\$54,833.00
12. Furniture and equipment			\$697,818.00			\$667,932.00
13. Water Plant & Constr. WIP/Nonutility Pro			\$34,646,782.00			\$34,078,714.00
14. Less: Accumulated depreciation	(\$14,048,861.00)	(\$13,192,093.00)
15. Net Total Fixed Assets (Add 10 through 14)			\$21,350,572.00			\$21,609,386.00
<u>OTHER ASSETS</u>						
16. Assessments Receivable (LT Portion)			\$162,015.00			\$246,507.00
17. Miscellaneous Deferred Debits			\$0.00			\$0.00
18. Total Assets (Add 9, 15, 16 and 17)			\$24,709,942.00			\$24,903,014.00
LIABILITIES AND EQUITIES						
<u>CURRENT LIABILITIES</u>						
19. Accounts payable			\$0.00			\$0.00
20. Notes payable			\$429,671.00			\$580,087.00
21. Current portion of USDA note			\$64,076.00			\$61,287.00
22. Customer deposits			\$200.00			\$600.00
23. Taxes payable			\$0.00			\$0.00
24. Interest payable			\$52,416.00			\$59,723.00
25. Inter-Division Payables			\$-4,276,373.00			\$-4,165,580.00
26.						
27. Total Current Liabilities (Add 19 through 26)			\$-3,730,010.00			\$-3,463,883.00
<u>LONG-TERM LIABILITIES</u>						
28. Notes payable USDA			\$2,125,077.00			\$2,191,941.00
29. Bonds and Notes Payable (LT Portion)			\$2,732,255.00			\$3,168,538.00
30.						
31. Total Long-Term Liabilities (Add 28 through 30)			\$4,857,332.00			\$5,360,479.00
32. Total Liabilities (Add 27 and 31)			\$1,127,322.00			\$1,896,596.00
<u>EQUITY</u>						
33. Retained earnings			\$23,582,620.00			\$23,005,418.00
34. Memberships						
35. Total Equity (Add lines 33 and 34)			\$23,582,620.00			\$23,005,418.00
36. Total Liabilities and Equity (Add lines 32 and 35)			\$24,709,942.00			\$24,902,014.00

CERTIFIED CORRECT	Date 3-29-23	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 I

Name Jefferson County PUD No. 1

Address 310 Four Corners RD
Port Townsend, WA 98368

(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET		For the _____ Months Ended _____		Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)
		BEG <u>01-01-2023</u> END <u>12-31-2023</u> (3)	CURRENT YEAR		Actual Data	
			Current Quarter (4)	Year To Date (5)		
1. <u>Water Sales</u>	3,219,372	4,531,033			4,531,033	
2. <u>Other Services</u>	491,342	384,018			384,018	
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)	3,710,714	4,915,051	0	0	4,915,051	
<u>OPERATING EXPENSES</u>						
8. <u>Purchased Power</u>	142,825	153,039			153,039	
9. <u>Ops & Maint.</u>	1,331,201	2,021,679			2,021,679	
10. <u>Cust Accts Exp</u>	144,071	280,113			280,113	
11. <u>Admin & General</u>	654,641	1,352,069			1,352,069	
12. <u>Taxes</u>	167,047	181,796			181,796	
13. <u>Other Deductions</u>	0	0			0	
14. _____					0	
15. <u>Interest</u>	188,893	182,692			182,692	
16. <u>Depreciation</u>	829,876	388,013			388,013	
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	3,458,554	4,559,401	0	0	4,559,401	
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	252,160	355,650	0	0	355,650	
<u>NONOPERATING INCOME</u>						
19. <u>Interest Income</u>	72,956	26,513			26,513	
20. <u>Other Income</u>	252,088	693,012			693,012	
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	325,044	719,525	0	0	719,525	
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	577,204	1,075,175	0	0	1,075,175	
23. <u>Equity Beginning of Period</u>	24,471,290	25,048,494			25,048,494	
24. _____					0	
25. _____					0	
26. <u>Equity End of Period</u> (Add lines 22 through 25)	25,048,494	26,123,669	0	0	26,123,669	

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct


Secretary

3-29-23
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. 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

I. 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

	<u>Current Quarter</u>	<u>Year to Date</u>
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	<u>-2147483648 %</u>	<u>-2147483648 %</u>
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 & Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash Savings and Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>0</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ <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)	\$ 1,075,175
<u>Add</u>	
B. <u>Items in Operations not Requiring Cash:</u>	
1. Depreciation (line 16 schedule 1)	388,013
2. Others: _____	_____
C. <u>Cash Provided From:</u>	
1. Proceeds from Agency loan/grant	\$2,577,016
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 Funds</u>	\$13,171
6. <u>Principal & Interest Payments from LUDs</u>	\$314,736
D. Total all A, B and C Items	\$4,368,111
E. <u>Less: Cash Extended for:</u>	
1. All Construction, Equipment and New Capital Items (loan & grant funds)	\$3,587,419
2. Replacement and Additions to Existing Property, Plant and Equipment	_____
3. Principal Payment Agency Loan	\$66,991
4. Principal Payment Other Loans	\$595,370
5. Other: _____	_____
6. Total E 1 through 5	\$4,249,780
<u>Add</u>	
F. Beginning Cash Balances	\$2,351,564
G. Ending Cash Balances (Total of D Minus E 6 Plus F)	\$ 2,469,895
<u>Item G Cash Balances Composed of:</u>	
Construction Account	\$ _____
Revenue Account	_____
Debt Payment Account	\$2,113,673
O&M Account	\$266,370
Reserve Account	\$89,852
Funded Depreciation Account	_____
Others: _____	_____
_____	_____
Total - Agrees with Item G	\$ 2,469,895