

**Jefferson County PUD No. 1**  
**Narrative to Accompany Monthly Financial Statements**  
**For the Period Ending March 31, 2017**

**Combined Income Statement – Page 1**

This report provides an overview of the revenues and expenses from all sources of the PUD for the month of March 2017, and for the three months ended March 31, 2017. Overall, net margin for the month was \$898k, which is \$584k better than the amount budgeted for the month. On a year to date basis, net margins remain favorable and are ahead of last year and budget. March's financial results are discussed further in the Income Statement Comparison below.

**Income Statement Comparison Through March 2017 – Page 2**

**Line 1. Operating Revenue** –The current year operating revenue of \$12.8 million is ahead of last year by \$1.6 million, or 14.2%. Approximately \$390k of this increase is from the electric utility rate changes that went into effect January 2017. The balance is primarily an increase in electric power usage across all customer classes. The expanded low-income program was implemented on March 24, 2017 and incorporated in the utility bills for the last two (of four) billing cycles in March. The total low-income credit for these billing cycles in March was just under \$5k.

**Lines 3. & 4., Cost of Purchased Power and Transmission Expense** – Included here is demand and kWh purchases from BPA, cost of electricity to run the pumps for the water system, and wholesale water purchased for resale. Because electric sales are up, the cost to provide wholesale power to the end users is also up, but remains at about 42% of Operating Revenue.

**Line 7. Distribution Expense – Maintenance** - Expenses are \$442k below last year, or about 57.2% lower. In 2016 expenses were higher because of tree-trimming costs, as well as labor costs from our own staff and work performed by outside contractors.

**Line 27. Other Capital Credits and Patronage Dividends** – Includes the 2016 patronage dividend from our software vendor, NISC. We also received a \$6k payment from NISC for 30% of this allocation.

**Lines 21. & 29., Operating Margins and Net Margins** – 2017 year to date Operating Margins are \$1.4 million better than 2016. 2017 year to date Net Margins are \$967k better than 2016.

### **Income Statement for March 2017 - Electric Utility – Page 3**

This schedule shows the revenues and expenses for the electric utility only. Year to date Operating and Net Margins for March 2017 are \$3.1 million and \$3.4 million, respectively. Operating and Net Margins are better than in 2016 and ahead of the 2017 Budget. Year to date for 2017, Times Interest Earned Ratio (TIER) and Operating TIER (OTIER) are 5.71 and 5.36, respectively. See the TIER and DSC – 12 Month Rolling Average – Electric report on Page 12 for the twelve-month rolling average TIER and OTIER ratios.

### **Income Statement for March 2017 – Water Utility – Page 4**

This schedule shows the revenues and expenses for the water utility only. For the three months ended March 2017, we have an operating loss of \$107k, which is lower than the loss in 2016 as well as the amount budgeted for 2017. The water utility has a net loss of \$13k, which is also better than budget. Year to date Net Margins in 2016 are higher than 2017 due to debt forgiveness on water loans in 2016.

### **Income Statement for March 2017 – General Fund – Page 5**

This schedule shows the revenues and expenses for the PUD that are to provide governance of the organization. Year to date through March 2017, the fund has a net margin of \$12k.

### **Balance Sheet for March 2017 – Pages 6 & 7**

The Balance Sheet provides a snapshot of amounts owned, amounts due, and current and previous margins as of the last day of the month. The Variance column compares the balance of each as of March 31, 2016 with March 31, 2017.

**Line 5 – Net Utility Plant** – Has decreased \$1 million in value over the past 12 months. Wear and tear on the plant recorded as Depreciation Expense is ahead of new plant constructed or added during the past year.

**Line 23. – Materials and Supplies – Electric and Other** – The District has continued to improve its procedures for managing materials inventory, resulting in a decrease in the amount invested by \$504k over last year.

### **Statement of Cash Flows – Pages 8 & 9**

In March 2017, \$1.6 million in cash was generated from operating activities. \$321k of this was invested in utility and general plant assets and \$927k was used to paydown debt, leaving a net increase in cash of \$363k for the month. For the three months ended March 31, 2017, cash increased \$4.0 million.

### **Schedule of Long Term Debt and Notes Payable – Page 11**

In March, the District made quarterly debt and interest payments totaling \$1.5 million on the RUS loans. In addition, the annual payment on the Marrowstone Island water system debt (LUD #14) totaling \$186k, plus the monthly installment of \$14k on the Peterson Lake loan, were made in March.

### **TIER and DSC – 12 Month Rolling Average – Electric – Page 12**

This chart shows the trends in TIER and Debt Service Coverage (DSC) on a 12-month rolling average from March 2016 through March 2017. The RUS requires that we meet an average TIER and DSC each of 1.25 in the two best years out of the three most recent years. We are also required to meet an average Operating TIER (OTIER) and Operating DSC (ODSC) of 1.10 in the two best out of three recent years.

As of March 31, 2017, the 12 month rolling ratios are as follows:

- TIER = 1.95
- OTIER = 1.51
- DSC = 1.80
- ODSC = 1.58

## General Ledger

Unaudited-Subject to Change

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## Financial And Operating Report

## COMBINED INCOME STATEMENT FOR MARCH 2017

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue	11,232,584	12,823,525	12,149,977	3,683,514	3,533,022
2. Power Production Expense	436	0	528	0	176
3. Cost of Purchased Power	4,163,549	4,717,822	4,647,294	1,314,298	1,380,547
4. Transmission Expense	540,891	608,041	624,648	171,044	201,571
5. Regional Market Expense	0	0	0	0	0
6. Distribution Expense - Operation	340,521	308,159	363,118	97,045	138,956
7. Distribution Expense - Maintenance	773,136	330,960	723,585	103,504	244,824
8. Customer Accounts Expense	323,110	320,579	350,874	121,756	121,084
9. Customer Service and Informational Expense	-2,616	21,376	39,794	7,581	14,099
10. Sales Expense	0	0	0	0	0
11. Administrative and General Expense	578,011	586,024	692,414	193,528	248,476
12. Total Operation & Maintenance Expense (2 thru 11)	6,717,038	6,892,961	7,442,255	2,008,757	2,349,733
13. Depreciation & Amortization Expense	1,419,736	1,450,364	1,334,265	484,308	444,755
14. Tax Expense - Property & Gross Receipts	0	0	0	0	0
15. Tax Expense - Other	670,976	731,515	676,160	211,032	198,095
16. Interest on Long-Term Debt	864,367	799,558	804,322	265,416	268,066
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	0	0	0	0	0
19. Other Deductions	-2,451	280	125,001	0	41,667
20. Total Cost of Utility Service (12 thru 19)	9,669,665	9,874,678	10,382,003	2,969,513	3,302,316
21. Operating Margins (1 minus 20)	1,562,918	2,948,847	1,767,974	714,001	230,706
22. Non Operating Margins - Interest	72,277	73,251	34,671	10,203	11,633
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	741,462	312,759	183,942	153,897	72,155
26. Generation and Transmission Capital Credits	0	0	0	0	0
27. Other Capital Credits and Patronage Dividends	11,266	20,014	0	20,014	0
28. Extraordinary Items - Cumulative Effect of GASB 68	0	0	0	0	0
29. Net Margins (21 thru 28)	2,387,923	3,354,871	1,986,587	898,115	314,494
Operating - Margin	1,562,918	2,949,127	1,767,974	714,001	230,706
Non Operating - Margin	825,005	405,744	218,613	184,114	83,788

## General Ledger

Unaudited-Subject to Change Page 2

## Financial And Operating Report

## INCOME STATEMENT COMPARISON THROUGH MARCH 2017

Item	-----Year - To - Date-----			
	Last Year	This Year	Amount Change	Percent Change
1. Operating Revenue	11,232,584	12,823,525	1,590,941	14.2%
2. Power Production Expense	436	0	-436	0.0%
3. Cost of Purchased Power	4,163,549	4,717,822	554,273	13.3%
4. Transmission Expense	540,891	608,041	67,150	12.4%
5. Regional Market Expense	0	0	0	0.0%
6. Distribution Expense - Operation	340,521	308,159	-32,362	-9.5%
7. Distribution Expense - Maintenance	773,136	330,960	-442,176	-57.2%
8. Customer Accounts Expense	323,110	320,579	-2,531	-0.8%
9. Customer Service and Informational Expense	-2,616	21,376	23,992	-917.1%
10. Sales Expense	0	0	0	0.0%
11. Administrative and General Expense	578,011	586,024	8,013	1.4%
12. Total Operation & Maintenance Expense (2 thru 11)	6,717,038	6,892,961	175,923	2.6%
13. Depreciation & Amortization Expense	1,419,736	1,450,364	30,628	2.2%
14. Tax Expense - Property & Gross Receipts	0	0	0	0.0%
15. Tax Expense - Other	670,976	731,515	60,539	9.0%
16. Interest on Long-Term Debt	864,367	799,558	-64,809	-7.5%
17. Interest Charged to Construction - Credit	0	0	0	0.0%
18. Interest Expense - Other	0	0	0	0.0%
19. Other Deductions	-2,451	280	2,731	0.0%
20. Total Cost of Utility Service (12 thru 19)	9,669,665	9,874,678	205,013	2.1%
21. Operating Margins (1 minus 20)	1,562,918	2,948,847	1,385,929	88.7%
22. Non Operating Margins - Interest	72,277	73,251	974	1.4%
23. Allowance for Funds Used During Construction	0	0	0	0.0%
24. Income (Loss) from Equity Investments	0	0	0	0.0%
25. Non Operating Margins - Other	741,462	312,759	-428,703	-57.8%
26. Generation and Transmission Capital Credits	0	0	0	0.0%
27. Other Capital Credits and Patronage Dividends	11,266	20,014	8,748	0.0%
28. Extraordinary Items	0	0	0	0.0%
29. Net Margins (21 thru 28)	2,387,923	3,354,871	966,948	40.5%
Operating - Margin	1,562,918	2,949,127	1,386,209	
Non Operating - Margin	825,005	405,744	-419,261	

## General Ledger

Unaudited-Subject to Change

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## Financial And Operating Report

## ELECTRIC DIVISION INCOME STATEMENT FOR MARCH 2017

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue	10,786,362	12,352,881	11,683,689	3,532,464	3,374,675
2. Power Production Expense	0	0	0	0	0
3. Cost of Purchased Power	4,134,152	4,689,787	4,620,000	1,306,499	1,364,000
4. Transmission Expense	540,891	608,041	624,648	171,044	201,571
5. Regional Market Expense	0	0	0	0	0
6. Distribution Expense - Operation	231,349	185,632	246,123	53,710	98,007
7. Distribution Expense - Maintenance	708,100	272,952	664,279	83,091	224,834
8. Customer Accounts Expense	295,275	295,105	310,127	108,569	106,852
9. Customer Service and Informational Expense	-2,626	21,316	32,784	7,581	11,619
10. Sales Expense	0	0	0	0	0
11. Administrative and General Expense	427,935	476,688	496,830	159,840	175,320
12. Total Operation & Maintenance Expense (2 thru 11)	6,335,076	6,549,522	6,994,791	1,890,335	2,182,203
13. Depreciation & Amortization Expense	1,242,162	1,272,871	1,166,724	425,142	388,908
14. Tax Expense - Property & Gross Receipts	0	0	0	0	0
15. Tax Expense - Other	648,538	708,548	652,621	203,725	190,102
16. Interest on Long-Term Debt	764,480	713,048	714,642	236,620	238,214
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	0	0	0	0	0
19. Other Deductions	-2,451	280	125,001	0	41,667
20. Total Cost of Electric Service (12 thru 19)	8,987,805	9,244,269	9,653,779	2,755,822	3,041,094
21. Operating Margins (1 minus 20)	1,798,557	3,108,613	2,029,910	776,642	333,581
22. Non Operating Margins - Interest	6,819	14,009	6,486	4,852	2,162
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	104,839	216,192	86,325	111,845	28,775
26. Generation and Transmission Capital Credits	0	0	0	0	0
27. Other Capital Credits and Patronage Dividends	9,350	16,611	0	16,611	0
28. Extraordinary Items	0	0	0	0	0
29. Net Electric Utility Margins (21 thru 28)	1,919,566	3,355,425	2,122,721	909,950	364,518
Operating - Margin	1,798,557	3,108,613	2,029,910	776,642	333,581
Non Operating - Margin	121,008	246,533	92,811	133,309	30,937
Times Interest Earned Ratio - Operating	3.35	5.36			
Times Interest Earned Ratio - Net	3.51	5.71			
Times Interest Earned Ratio - Modified	3.50	5.68			

## General Ledger

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## Financial And Operating Report

## WATER DIVISION INCOME STATEMENT FOR MARCH 2017

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue	446,204	470,644	466,273	151,050	158,347
2. Power Production Expense	436	0	528	0	176
3. Cost of Wholesale Water and Power	29,397	28,035	27,294	7,799	16,547
4. Transmission Expense	0	0	0	0	0
5. Regional Market Expense	0	0	0	0	0
6. Distribution Expense - Operation	109,172	122,527	116,995	43,335	40,949
7. Distribution Expense - Maintenance	65,036	58,008	59,306	20,413	19,990
8. Customer Accounts Expense	27,834	25,474	40,747	13,187	14,232
9. Customer Service and Informational Expense	10	60	7,010	0	2,480
10. Sales Expense	0	0	0	0	0
11. Administrative and General Expense	96,622	74,422	105,664	23,587	37,000
12. Total Operation & Maintenance Expense (2 thru 11)	328,507	308,525	357,544	108,321	131,374
13. Depreciation & Amortization Expense	177,574	177,493	167,541	59,166	55,847
14. Tax Expense - Property & Gross Receipts	0	0	0	0	0
15. Tax Expense - Other	22,437	22,967	23,539	7,307	7,993
16. Interest on Long-Term Debt	80,294	68,359	72,097	22,786	23,991
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	0	0	0	0	0
19. Other Deductions	0	0	0	0	0
20. Total Cost of Water Service (12 thru 19)	608,813	577,344	620,721	197,581	219,205
21. Operating Margins (1 minus 20)	-162,608	-106,700	-154,448	-46,530	-60,858
22. Non Operating Margins - Interest	63,852	55,438	26,580	4,033	8,860
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	561,350	34,865	26,949	7,305	8,983
26. Generation and Transmission Capital Credits	0	0	0	0	0
27. Other Capital Credits and Patronage Dividends	1,915	3,402	0	3,402	0
28. Extraordinary Items	0	0	0	0	0
29. Net Water Utility Margins (21 thru 28)	464,509	-12,995	-100,919	-31,790	-43,015
Operating - Margin	-162,608	-106,700	-154,448	-46,530	-60,858
Non Operating - Margin	627,118	93,705	53,529	14,740	17,843

## General Ledger

Unaudited-Subject to Change

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## Financial And Operating Report

## GENERAL FUND DIVISION INCOME STATEMENT FOR MARCH 2017

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue	18	0	15	0	0
2. Power Production Expense	0	0	0	0	0
3. Cost of Purchased Power	0	0	0	0	0
4. Transmission Expense	0	0	0	0	0
5. Regional Market Expense	0	0	0	0	0
6. Distribution Expense - Operation	0	0	0	0	0
7. Distribution Expense - Maintenance	0	0	0	0	0
8. Customer Accounts Expense	0	0	0	0	0
9. Customer Service and Informational Expense	0	0	0	0	0
10. Sales Expense	0	0	0	0	0
11. Administrative and General Expense	53,454	34,915	89,920	10,101	36,156
12. Total Operation & Maintenance Expense (2 thru 11)	53,454	34,915	89,920	10,101	36,156
13. Depreciation & Amortization Expense	0	0	0	0	0
14. Tax Expense - Property & Gross Receipts	0	0	0	0	0
15. Tax Expense - Other	0	0	0	0	0
16. Interest on Long-Term Debt	19,594	18,151	17,583	6,009	5,861
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	0	0	0	0	0
19. Other Deductions	0	0	0	0	0
20. Total Cost of General Fund (12 thru 19)	73,048	53,066	107,503	16,110	42,017
21. Operating Margins (1 minus 20)	-73,031	-53,066	-107,488	-16,110	-42,017
22. Non Operating Margins - Interest	1,606	3,804	1,605	1,319	611
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	75,274	61,702	70,668	34,747	34,397
26. Generation and Transmission Capital Credits	0	0	0	0	0
27. Other Capital Credits and Patronage Dividends	0	0	0	0	0
28. Extraordinary Items	0	0	0	0	0
29. Net General Fund Margins (21 thru 28)	3,848	12,441	-35,215	19,955	-7,009
Operating - Margin	-73,031	-53,066	-107,488	-16,110	-42,017
Non Operating - Margin	76,879	65,506	72,273	36,066	35,008



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## Financial And Operating Report

## BALANCE SHEET FOR MARCH 2017

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	182,660,466	188,870,963	6,210,497
2. Construction Work in Progress	4,567,524	5,018,935	451,412
3. Total Utility Plant (1 + 2)	187,227,990	193,889,898	6,661,908
4. Accum. Provision for Depreciation and Amort.	51,191,099	58,862,263	7,671,164
5. Net Utility Plant (3 - 4)	136,036,890	135,027,635	-1,009,255
6. Non-Utility Property (Net)	2,225,000	2,227,220	2,220
7. Invest. in Subsidiary Companies	0	0	0
8. Invest. in Assoc. Org. - Patronage Capital	0	0	0
9. Invest. in Assoc. Org. - Other - General Funds	7,886	22,895	15,010
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0	0	0
11. Invest. in Economic Development Projects	0	0	0
12. Other Investments	0	0	0
13. Special Funds	1,489,138	1,498,432	9,294
14. Total Other Property & Investments (6 thru 13)	3,722,024	3,748,547	26,524
15. Cash - General Funds	3,362,884	5,732,805	2,369,921
16. Cash - Construction Funds - Trustee	1,109,503	0	-1,109,503
17. Special Deposits	0	0	0
18. Temporary Investments	11,076,952	11,780,578	703,625
19. Notes Receivable (Net)	0	0	0
20. Accounts Receivable - Sales of Energy (Net)	2,436,002	2,573,977	137,976
21. Accounts Receivable - Other (Net)	2,078,418	1,401,908	-676,510
22. Renewable Energy Credits	0	0	0
23. Material and Supplies - Electric & Other	2,009,540	1,505,624	-503,916
24. Prepayments	0	71,553	71,553
25. Other Current and Accrued Assets	2,147,309	2,285,313	138,004
26. Total Current and Accrued Assets (15 thru 25)	24,220,608	25,351,758	1,131,150
27. Regulatory Assets	0	0	0
28. Other Deferred Debits	476,588	771,335	294,747
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	164,456,110	164,899,275	443,165

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## Financial And Operating Report

## BALANCE SHEET FOR MARCH 2017

	Last Year	This Year	Variance
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	0	0	0
31. Patronage Capital	0	0	0
32. Operating Margins - Prior Years	0	0	0
33. Operating Margins - Current Year	1,562,918	2,949,127	1,386,209
34. Non-Operating Margins	825,005	405,744	-419,261
35. Other Margins and Equities	31,221,026	34,285,307	3,064,281
36. Total Margins & Equities (30 thru 35)	33,608,949	37,640,178	4,031,229
37. Long-Term Debt - RUS (Net)	111,753,202	108,659,054	-3,094,148
38. Long-Term Debt - FFB - RUS Guaranteed	0	0	0
39. Long-Term Debt - Other - RUS Guaranteed	0	0	0
40. Long-Term Debt - Other (Net)	9,098,106	8,107,998	-990,108
41. Long-Term Debt - RUS Econ. Devel. (Net)	0	0	0
42. Payments - Unapplied	0	0	0
43. Total Long-Term Debt (37 thru 41 - 42)	120,851,308	116,767,052	-4,084,256
44. Obligations Under Capital Leases - Noncurrent	-16,275	0	16,275
45. Accumulated Operating Provisions	2,381,676	3,176,777	795,101
46. Total Other Noncurrent Liabilities (44 + 45)	2,365,401	3,176,777	811,376
47. Notes Payable	1,690,628	1,543,480	-147,148
48. Accounts Payable	3,638,051	3,671,416	33,365
49. Consumers Deposits	105,900	132,100	26,200
50. Current Maturities Long-Term Debt	0	0	0
51. Current Maturities Long-Term Debt - Econ. Devel.	0	0	0
52. Current Maturities Capital Leases	21,532	0	-21,532
53. Other Current and Accrued Liabilities	1,807,098	1,911,069	103,971
54. Total Current & Accrued Liabilities (47 thru 53)	7,263,209	7,258,065	-5,145
55. Regulatory Liabilities	0	0	0
56. Other Deferred Credits	367,243	57,203	-310,040
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	164,456,110	164,899,275	443,165
Current Assets To Current Liabilities	3.33 to 1	3.49 to 1	
Margins and Equities To Total Assets	20.44 %	22.83 %	
Long-Term Debt To Total Utility Plant	64.55 %	60.22 %	

Jefferson County PUD No. 1  
STATEMENT OF CASH FLOWS  
March 31, 2017

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*Unaudited and subject to change*

**CASH FLOW FROM OPERATING ACTIVITIES:**

Operating Revenue	\$3,683,514	
Accounts Receivable - Electric & Water Utility Service (Net)	843,957	
Accounts & Notes Receivable - Other (Net)	300,120	
<b>CASH RECEIVED FROM CUSTOMERS</b>	<b>\$4,827,591</b>	
Non Operating Margins-Interest	\$10,203	
Non Operating Margins-Other	153,897	
Other Capital Credits	20,014	
Deferred Debits	(3,562)	
<b>CASH RECEIVED FROM OTHERS</b>	<b>\$180,552</b>	
<b>CASH RECEIVED FROM OPERATING ACTIVITIES</b>		<b>\$5,008,143</b>
Total Operating & Maintenance Expense	(\$2,008,756)	
Prepayments	8,732	
Accounts Payable	(540,658)	
Material & Supplies/Electric & Other	(5,915)	
<b>CASH PAID (-) TO SUPPLIERS &amp; EMPLOYEES</b>	<b>(\$2,546,597)</b>	
Tax Expense, Other	(\$211,033)	
Interest Long Term Debt	(265,416)	
Other Current & Accrued Liabilities	(362,401)	
<b>CASH PAID (-) FOR INTEREST, TAXES &amp; OTHER</b>	<b>(\$838,850)</b>	
<b>CASH DISBURSED (-) FOR OPERATING ACTIVITIES</b>		<b>(\$3,385,447)</b>
<b>NET CASH - OPERATING ACTIVITIES</b>		<b>\$1,622,696</b>

**CASH FLOW FROM INVESTING ACTIVITIES:**

Investment in Utility and General Plant	(\$320,604)	
Investment in Assoc. Organizations	(14,009)	
Special Funds	(998)	
<b>NET CASH - INVESTING ACTIVITIES</b>		<b>(\$335,611)</b>

**CASH FLOW FROM FINANCING ACTIVITIES:**

Long Term Debt	(\$918,747)	
Notes Payable	(\$8,320)	
Consumer Deposits	\$2,600	
<b>CHANGE IN LIABILITIES/DEBT</b>	<b>(924,467)</b>	
<b>NET CASH - FINANCING ACTIVITIES</b>		<b>(\$924,467)</b>

**NET INCREASE (DECREASE) IN CASH FOR THE MONTH**

**\$362,618**

**PRIOR MONTH'S ENDING CASH BALANCE**

**\$17,150,765**

**CURRENT MONTH'S ENDING CASH BALANCE:**

Cash - General Funds	\$5,732,805	
Temporary Investments	11,780,578	

**TOTAL - CURRENT MONTH'S ENDING CASH BALANCE**

**\$17,513,383**

JEFFERSON COUNTY PUBLIC UTILITY DISTRICT #1  
STATEMENT OF CASH FLOWS  
January - March 2017

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*Unaudited and subject to change*

**CASH FLOW FROM OPERATING ACTIVITIES:**

Operating Revenue	\$12,823,524
Accounts Receivable - Electric & Water Utility Service (Net)	(134,013)
Accounts & Notes Receivable - Other (Net)	1,479,033

CASH RECEIVED FROM CUSTOMERS	\$14,168,544
------------------------------	--------------

Non Operating Margins-Interest	\$73,250
Non Operating Margins-Other	312,760
Other Capital Credits	20,014
Deferred Debits	(7,792)

CASH RECEIVED FROM OTHERS	\$398,232
---------------------------	-----------

CASH RECEIVED FROM OPERATING ACTIVITIES	\$14,566,776
---	--------------

Total Operating & Maintenance Expense	(\$6,892,959)
Prepayments	(45,122)
Accounts Payable	(788,930)
Material & Supplies/Electric & Other	19,558

CASH PAID (-) TO SUPPLIERS & EMPLOYEES	(\$7,707,453)
--	---------------

Tax Expense, Other	(\$731,516)
Interest Long Term Debt	(799,558)
Other Deductions	(280)
Other Current & Accrued Liabilities	532,831

CASH PAID (-) FOR INTEREST, TAXES & OTHER	(\$998,523)
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CASH DISBURSED (-) FOR OPERATING ACTIVITIES	(\$8,705,976)
---	---------------

NET CASH - OPERATING ACTIVITIES	\$5,860,800
---------------------------------	-------------

**CASH FLOW FROM INVESTING ACTIVITIES:**

Investment in Utility and General Plant	(\$930,500)
Investment in Assoc. Organizations-Patronage Capital	(14,009)
Special Funds	(2,881)

NET CASH - INVESTING ACTIVITIES	(\$947,390)
---------------------------------	-------------

**CASH FLOW FROM FINANCING ACTIVITIES:**

Payments on Long Term Debt	(\$918,747)
Notes Payable	(16,598)
Consumer Deposits	7,000

CHANGE IN LIABILITIES / DEBT	(928,345)
------------------------------	-----------

NET CASH - FINANCING ACTIVITIES	(\$928,345)
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NET INCREASE (DECREASE) IN CASH DURING THE PERIOD	\$3,985,065
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PRIOR YEAR'S ENDING CASH BALANCE	\$13,528,318
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CURRENT MONTH'S ENDING CASH BALANCE:

Cash - General Funds	\$5,732,805
Temporary Investments	11,780,578

TOTAL - CURRENT MONTH'S ENDING CASH BALANCE	\$17,513,383
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Jefferson County PUD No. 1  
**SCHEDULE OF CASH, LIQUID INVESTMENTS, AND SPECIAL FUNDS**  
 March 31, 2017

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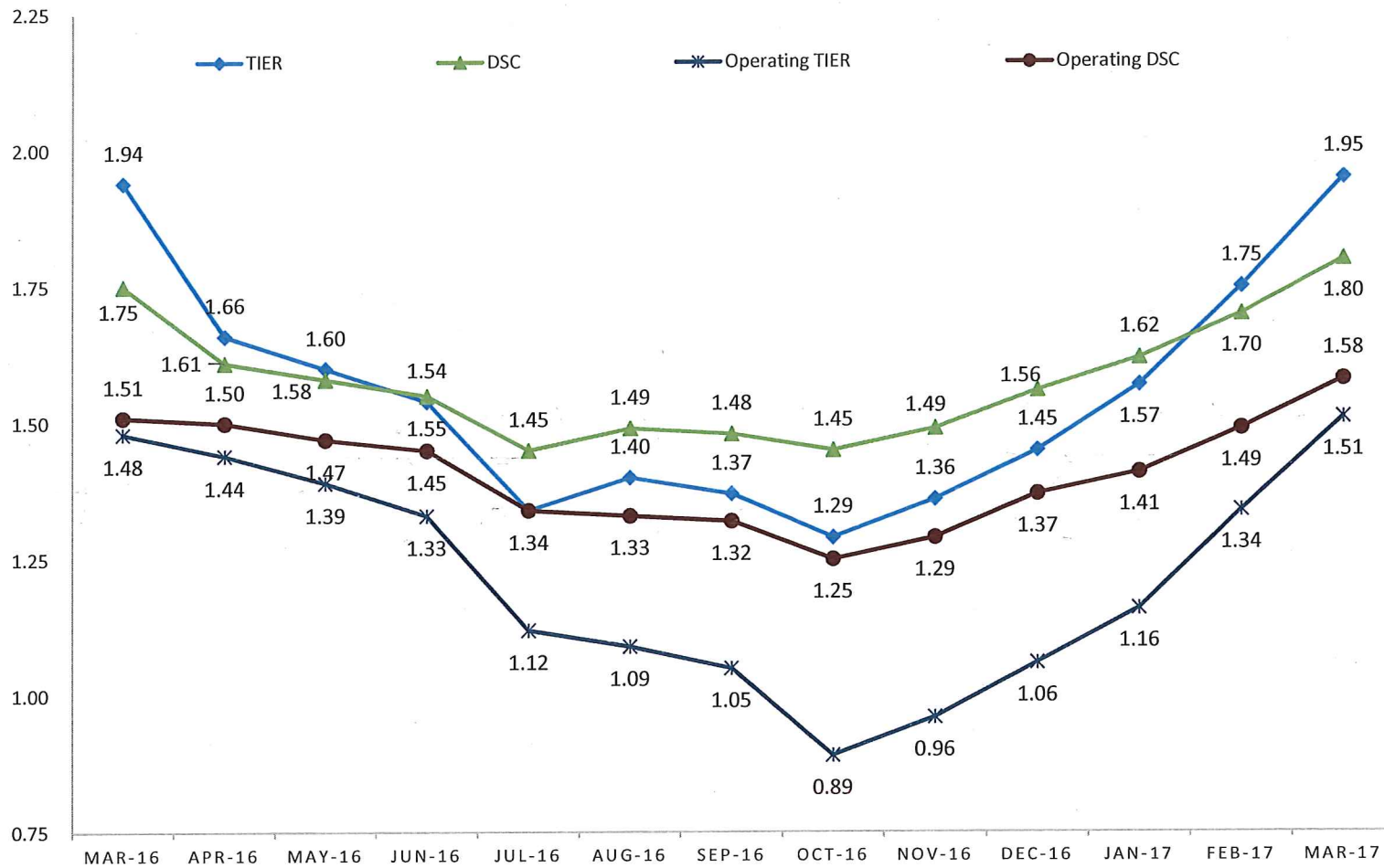
<u>Account Description</u>	<u>Current Balance</u>	<u>YTD Interest Income</u>
Operating Account - Jefferson Co. Treasurer	\$4,413,480	\$11,895
Operating Depository Account - Bank of America	1,215,439	0
1996 Bond LUD #8 - Jefferson Co. Treasurer	49,306	98
DOT Permit #U05-24 Account - Bank of America	29,339	1
1996 Bond LUD #6 - Jefferson Co. Treasurer	13,394	0
2009 Bond LUD #14 - Jefferson Co. Treasurer	4,742	52,740
1999 Bond LUD #11 - Jefferson Co. Treasurer	4,467	940
Working Funds - Petty Cash and CSR Drawers	1,750	0
Payroll Clearing Account - Bank of America	500	0
2008 Bond LUD #15 - Jefferson Co. Treasurer	206	595
Payroll Clearing Account - 1st Security Bank	168	0
1997 Bond LUD #13 - Jefferson Co. Treasurer	14	40
<b>TOTAL LINE 15. BALANCE SHEET-CASH-GENERAL FUNDS</b>	<b><u>\$5,732,805</u></b>	<b><u>\$66,309</u></b>
Operating Account Related Investment - Jefferson Co. Treasurer	\$5,866,876	\$0
LUD #14 Bond Investment - Jefferson Co. Treasurer	2,242,770	0
Tax Revenue Investment Fund - Jefferson Co. Treasurer	1,925,000	0
Tax Revenue Fund - Jefferson Co. Treasurer	1,330,343	3,804
LUD #15 Bond Investment - Jefferson Co. Treasurer	305,286	0
LUD #11 Bond Investment - Jefferson Co. Treasurer	89,680	0
LUD #13 Bond Investment - Jefferson Co. Treasurer	20,623	0
<b>TOTAL LINE 18. BALANCE SHEET-TEMPORARY INVESTMENTS</b>	<b><u>\$11,780,578</u></b>	<b><u>\$3,804</u></b>
<b>TOTAL CASH AND LIQUID INVESTMENTS</b>	<b><u>\$17,513,383</u></b>	<b><u>\$70,114</u></b>
RUS Bond Reserve Investment Fund - Jefferson Co. Treasurer	\$1,084,674	\$0
LUD #11 Water Reserve Investment Fund - Jefferson Co. Treasurer	222,777	0
Tri Area Bond Reserve Investment Fund - Jefferson Co. Treasurer	171,992	0
Deposit with PURMS - H&W Plan	17,979	0
RUS Bond Reserve Fund - Jefferson Co. Treasurer	732	2,113
LUD #11 Water Reserve Fund - Jefferson Co. Treasurer	150	434
Tri Area Bond Reserve Fund - Jefferson Co. Treasurer	116	335
LUD #13 Reserve Fund - Jefferson Co. Treasurer	12	0
<b>TOTAL LINE 13. BALANCE SHEET-RESTRICTED FUNDS</b>	<b><u>\$1,498,432</u></b>	<b><u>\$2,882</u></b>

Jefferson County PUD No. 1  
SCHEDULE OF LONG TERM DEBT and NOTES PAYABLE  
March 31, 2017

Description	Note Name/Number	Interest Rate	Maturity Date	12/31/2016 Principal Balance	Y-T-D Principal Borrowings	Y-T-D Principal Payments	Current Principal Balance	Y-T-D Interest Expense	Y-T-D P&I Payments
RUS/FFB loan for PSE acquisition	H0010	2.728%*	Dec-41	\$108,743,895		(\$807,762)	\$107,936,133	\$707,092	\$1,514,854
RUS/FFB loan for PSE acquisition	H0015	3.433%*	Dec-41	727,906		(4,985)	722,921	5,956	10,941
<b>LINE 37 BALANCE SHEET-RUS DEBT</b>				<b>\$109,471,801</b>	<b>\$0</b>	<b>(\$812,747)</b>	<b>\$108,659,054</b>	<b>\$713,048</b>	<b>\$1,525,795</b>
USDA Tri Area	2003 Revenue Bond	4.500%	Oct-23	\$2,534,212		\$0	\$2,534,212	\$28,510	\$0
LUD #14-Marrowstone Island Water System	2009 Revenue Bond	4.15% - 6.75%	Jul-26	1,353,000		(106,000)	1,247,000	19,932	185,728
LUD #14-Marrowstone Island Water System	PW-05-691-025	0.500%	Jul-25	979,257		0	979,257	1,224	0
SRF Loan-Sparling Water Treatment Plant	DM13-952-177	1.000%	Oct-37	801,183		0	801,183	2,003	0
SRF Loan-Treatment Sparling Well/Quimper System	DM10-952-018	1.000%	Oct-44	752,839		0	752,839	1,882	0
SRF Loan-Kala Pt Acquisition, Upgrade, Consolid.	DM12-952-091	1.000%	Oct-36	517,275		0	517,275	1,293	0
LUD #15-Beckett Pt Large On-Site Sewage System	PW-05-691-024	0.500%	Jul-25	456,982		0	456,982	571	0
LUD #11-Bywater Way & Shine	1999 Revenue Bond	5.250%	Mar-28	415,000		0	415,000	5,447	0
LUD #15-Beckett Point	2008 Revenue Bond	3.990%	May-25	174,702		0	174,702	6,419	0
Transfer from City of Port Townsend	PW-02-691-066	1.000%	Oct-18	139,614		0	139,614	349	0
Snow Creek Ranch Water System Improvements	PW-00-65120-008	2.500%	Oct-21	41,360		0	41,360	259	0
Kala Point Water Reservoir & Meters	98-78898-021	3.350%	Oct-19	33,154		0	33,154	278	0
Sound View Villa Emergency Loan	PW-99-691-ELP-301	5.000%	Jul-19	15,421		0	15,421	193	0
<b>LINE 40 BALANCE SHEET-OTHER LTD</b>				<b>\$8,213,998</b>	<b>\$0</b>	<b>(\$106,000)</b>	<b>\$8,107,998</b>	<b>\$68,359</b>	<b>\$185,728</b>
Peterson Lake	B. Peterson Family LP	6.000%	Mar-26	\$1,210,078		(\$16,598)	\$1,193,480	\$18,151	\$28,657
Kala Point	Eric Thomas Note	0.000%	Oct-24	350,000		0	350,000	0	0
<b>LINE 47 BALANCE SHEET-NOTES PAYABLE</b>				<b>\$1,560,078</b>	<b>\$0</b>	<b>(\$16,598)</b>	<b>\$1,543,480</b>	<b>\$18,151</b>	<b>\$28,657</b>
<b>TOTAL LONG TERM DEBT AND RELATED EXPENDITURES</b>				<b>\$119,245,877</b>	<b>\$0</b>	<b>(\$935,345)</b>	<b>\$118,310,532</b>	<b>\$799,558</b>	<b>\$1,740,180</b>
<b>WEIGHTED COST OF DEBT</b>				<b>2.6926%</b>					

\*Interest rate includes 1/8% for Section 9 Fee

## TIER AND DSC - 12 MONTH ROLLING AVERAGE-ELECTRIC



TIER:  $\frac{\text{Net Margins} + \text{Interest on LTD}}{\text{Interest on LTD}}$

DSC:  $\frac{\text{Net Margins} + \text{Interest on LTD} + \text{Depreciation}}{\text{Principal \& Interest Payments on LTD}}$

RUS TIER & DSC Requirement = 1.25  
RUS OTIER & ODSC Requirement = 1.1

**JEFFERSON COUNTY PUBLIC UTILITY DISTRICT #1**  
**Financial Analysis and Ratios**  
**March 31, 2017**

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	2016	2017
<b>Times Interest Earned Ratio (TIER) - Electric - YTD:</b>		
<u>Net Margins + Interest on Long Term Debt</u>	3.51	5.71
Interest on Long Term Debt		

Measures the PUD's ability to repay interest on long-term debt for the electric division. Minimum is 1.25 for the year but strive for higher.

\*\_\*\_\*\_\*\_\*\_\*

<b>Operating Times Interest Earned Ratio (OTIER) - Electric - YTD:</b>		
<u>Operating Margins + Interest on Long Term Debt</u>	3.35	5.36
Interest on Long Term Debt		

Measures the PUD's ability to repay interest on long-term debt for the electric division. Minimum is 1.10 for the year.

\*\_\*\_\*\_\*\_\*\_\*

<b>Debt Service Coverage (DSC) - Electric - YTD:</b>		
<u>Net Margins + Interest on Long Term Debt + Depreciation/Amortization</u>	2.57	3.50
Total Long-Term Debt Service Billed		

Measures the PUD's ability to generate sufficient funds from net margins to cover the annual debt service payments on the electric division. Minimum is 1.25 for the year.

\*\_\*\_\*\_\*\_\*\_\*

<b>Operating Debt Service Coverage (ODSC) - Electric - YTD:</b>		
<u>Operating Margins + Interest on Long Term Debt + Depreciation/Amortization</u>	2.49	3.34
Total Long-Term Debt Service Billed		

Measures the PUD's ability to generate sufficient funds from operating margins to cover the annual debt service payments on the electric division. Minimum is 1.10 for the year.

\*\_\*\_\*\_\*\_\*\_\*

<b>Quick Ratio:</b>		
<u>Cash and Accounts Receivable</u>	1.45	1.57
Current Liabilities		

Reveals the protection afforded short-term creditors by the most liquid current assets. The larger the ratio (and it should be above 1.0), the greater the liquidity.

\*\_\*\_\*\_\*\_\*\_\*

**90 Days of Cash for Operations**  
12 Months of Expenditures  
4

Per Financial Policy, required to keep 90 days of available cash based on planned year's budget.  
Surplus / (Deficit) in Funds

\*\_\*\_\*\_\*\_\*\_\*

\$10,004,526	\$9,423,751
\$1,904,490	\$5,421,844



**JEFFERSON COUNTY PUBLIC UTILITY DISTRICT #1**  
**Financial Analysis and Ratios**  
**March 31, 2017**

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2016                      2017

**Average Accounts Receivable Collection Period:**

365

Accounts Receivable Turnover

20

21

Expresses the effectiveness of collections in days. Represents the number of days it takes for customers to pay their bill after it has been sent out.

\*\_\*\_\*\_\*\_\*\_\*

**Accounts Payable to Average Daily Purchases:**

Average Accounts Payable

Average Daily Purchases

34

31

Indicates the number of days required to pay creditors.

\*\_\*\_\*\_\*\_\*\_\*

**Days in Inventory**

365

Inventory Turnover

890

354

Indicates the average number of days that units are kept in inventory before being used.

**Jefferson County PUD No. 1  
Comparative Sales - Electric Division**

**March 31, 2017**

**CUSTOMER REVENUE DATA**

1. RESIDENTIAL	16,800	16,973
2. RESIDENTIAL SEASONAL	0	0
3. IRRIGATION	1	0
4. SM. COMMERCIAL	2,111	2,206
5. LG. COMMERCIAL	17	18
6. STREET LIGHTING	199	208
7. PUBLIC AUTHORITIES	0	0
8. TOTAL SALES	19,128	19,405
9. OTHER REVENUE		
<b>TOTAL (8+9)</b>		

YEAR-TO-DATE				MONTHLY			
AVERAGE #	AVERAGE #	REVENUE	REVENUE	NUMBER	NUMBER	REVENUE	REVENUE
LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR
	16,800	\$7,292,618	\$8,612,088	16,812	17,003	\$2,064,660	\$2,384,372
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	1	59	0	1	0	24	0
	2,111	1,936,365	2,186,406	2,109	2,207	603,824	645,389
	17	1,360,656	1,489,210	17	18	449,746	479,756
	199	38,710	43,026	199	208	12,879	14,342
	0	0	0	0	0	0	0
	19,128	\$10,628,408	\$12,330,731	19,138	19,436	\$3,131,133	\$3,523,869
		157,954	22,150			8,134	8,595
		\$10,786,362	\$12,352,881			\$3,139,267	\$3,532,464
			\$11,683,689				\$3,374,675

**PURCHASES/SALES DATA**

YEAR-TO-DATE KWH				MONTHLY KWH			
LAST YEAR	THIS YEAR	BUDGET	CURRENT VS BUDGET	LAST YEAR	THIS YEAR	BUDGET	CURRENT VS BUDGET
	112,256,305	127,388,662	113,721,357	12.02%	34,131,652	38,688,891	33,822,144
1. RESIDENTIAL	71,680,348	81,161,353	72,928,430	11.29%	20,351,459	22,344,482	20,646,421
2. RESIDENTIAL SEASONAL	0	0	0	0.00%	0	0	0
3. IRRIGATION	0	0	776	-100.00%	0	0	313
4. SMALL COMMERCIAL	19,698,688	21,550,012	20,625,565	4.48%	6,057,564	6,247,982	6,397,704
5. LARGE COMMERCIAL	25,050,418	26,438,912	23,727,474	11.43%	8,227,098	8,791,174	7,398,186
6. STREET LIGHTING	173,304	186,422	188,205	10.83%	52,189	56,628	55,963
7. PUBLIC AUTHORITIES	0	0	0	0.00%	0	0	0
8. TOTAL SALES	116,602,738	129,336,699	117,450,450	10.12%	34,688,310	37,440,266	34,498,587
9. OFFICE USE	0	0	0	0.00%	0	0	0
10. UNACCOUNTED	(4,347,433)	(1,948,037)	(3,729,093)	-47.76%	(556,658)	1,248,625	(676,443)
11. PERCENT LOSS	-3.87%	-1.53%	-3.28%	-53.35%	-1.63%	3.22%	-2.00%
12. COINCIDENT DEMAND (KW)	93,442	102,920			69,864	79,799	
13. MONTH OF MAXIMUM KW	January	January					

**REVENUE PER KWH DATA**

YEAR-TO-DATE REVENUE - CENTS PER KWH				MONTHLY REVENUE - CENTS PER KWH			
LAST YEAR	THIS YEAR	BUDGET	CURRENT VS BUDGET	LAST YEAR	THIS YEAR	BUDGET	CURRENT VS BUDGET
	10.17	10.61	10.70	-0.83%	10.15	10.67	10.70
	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
	0.00	0.00	7.99	-100.00%	0.00	0.00	7.99
	9.83	10.15	10.89	-6.83%	9.97	10.33	10.89
	5.43	5.63	5.90	-4.53%	5.47	5.46	5.90
	22.34	23.08	24.00	-3.83%	24.68	25.33	24.00
	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
	9.12	9.53	9.78	-2.54%	9.03	9.41	9.73