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www.klickitatpud.com

Goldendale Office
1313 S. Columbus Ave.
Goldendale, WA 98620
509-773-5891
800-548-8357

White Salmon Office
110 NE Estes Ave.
P.O. Box 187
White Salmon, WA 98672
509-493-2255
800-548-8358



WA-18

2019 Financial and Compliance Audits

We received our completed 2019 compliance audit results from the Washington State Auditor’s office in December. It is very late, but with COVID-related restrictions, we are glad to have it completed. In May 2020, we also received our financial audit for 2019 from Moss Adams.

I am happy to say that each report returned clean audits, with no internal control deficiencies or material weaknesses.

I want to provide you some summary information about your PUD. At the end of 2019, Klickitat PUD had ownership of plant in service totaling \$372,026,236. This is the value of the plant we have in service before accumulated depreciation.

The value of our infrastructure—including work in progress and after depreciation—was \$249,323,709. These numbers essentially are the equipment and facilities we use to serve you as customers on our electric, water and wastewater systems, as well as our transmission and generation facilities.

In addition, the PUD had \$42.3 million in current assets, which includes cash and receivables, materials and supplies.

On the other side of the ledger, we had \$153.1 million in long-term debt

and \$18.6 million in current liabilities, which includes the current portion of long-term debt as well as accounts payable and other accrued liabilities.

Our plan is to repay approximately \$11 million in long-term debt in 2021. We are considering refinancing some of our debt because interest rates are low with the COVID-related impacts on the financial world.

Operating revenues for 2019 were \$53.9 million and operating expenses were \$46.9 million. Net operating income was \$7 million. After nonoperating revenues and expenses, our net change in position was \$4.5 million.

The actual 2019 year-end net position was \$106.7 million—up from \$102.2 million in 2018. We ended the year with about 335 days operating cash on hand, and our debt service coverage was 1.28.

If you are interested in more financial information about your PUD, the complete audit can be found on our website at www.klickitatpud.com/topicalmenu/about/financialreports.aspx.

Jim Smith
General Manager