



As co-chairs, we would like to acknowledge the Leader and Peninsula Daily News for their coverage of the challenges confronting the Fort Worden PDA, including \$6 million in revenue lost due to COVID and the financial irregularities that the PDA uncovered. We know how difficult it is to fully understand and describe the complex financial issues that the PDA has confronted. To continue to aid public understanding, we would like to offer a few clarifying facts and underscore the actions that the PDA board and staff have taken to address the various issues.

The Leader's March 17 article, based on PDA emails and documents, outlined the challenges the PDA has been working through, largely in 2020, and some of the ways we addressed the challenges and allegations. We would like to add a few important points:

- Since the PDA's inception, the board has taken its fiduciary responsibility seriously. Dating back to early 2019, the Board, and especially the Treasurer, met regularly with the staff Finance team to focus efforts and implement additional reporting aimed at improving the Board's monitoring and financial controls. The board's active involvement only increased during the pandemic and with the discovery of serious financial issues.
- At its July 2020 public meeting, the Board installed David Timmons as Associate Executive Director to stabilize operations, manage the PDA's finances, and lead the PDA staff in its reopening and recovery, and now, reorganization effort.
- In August 2020, when staff found certain financial irregularities, the PDA immediately reported them to the State Auditor's Office. It was at this time that Timmons and the PDA board learned of delays in submittal of required financial documents, and that the state auditor had opened a separate investigation as a result. The PDA continues to work closely with the State Auditor's Office and is committed to transparency.
- In early September 2020, the Board co-chairs asked the former Executive Director to submit his letter of retirement in lieu of our continuing what could have been a costly and time-consuming investigation for an organization that was already operating with limited staff and almost no cash. We did this with the knowledge that zero evidence existed that the former ED had knowledge of or participated in the alleged fraud incidents.

Since Timmons presented the PDA Recovery Plan in October's board meeting, the PDA has made great strides by:

- Rebuilding the hospitality business;
- Executing on a refinancing plan for the PDA's \$5 million-plus debt;
- Nearly completing Makers Square, reconciling its finances, and securing Historic Tax Credits, with near-final lease terms for both KPTZ and the Fort Worden Foundation
- Converting PDA financials to the state's Budget, Accounting, and Reporting System (BARS), presenting reports that tie to the general ledger, and upgrading financial controls that will be detailed later in the meeting;
- Resuming installation and weatherizing of the Glamping tents to protect PDA's investment in the project.

The PDA is at a critical phase in executing our reorganization and recovery strategy, which is designed to ensure greater resilience, operational efficiency, and access to future recovery resources, all to support our Lifelong Learning mission. This strategy requires that we move forward aggressively to refinance our debt and gain access to financial resources that will ensure we can continue to operate past April. Delays would imperil the PDA's ability to continue to dig out of the revenue hole created by the COVID pandemic and the unauthorized movement of funds from capital to operations, irreparably damaging Fort Worden, the city and state, our partners, and the community as a whole. The PDA Board deeply appreciates and wants to recognize the efforts of staff and our community stakeholders to help bring Fort Worden back as a vibrant environment for groups and individuals who seek enrichment and discovery through Lifelong Learning.