

Finance & Audit Committee Meeting Agenda
Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)
Wednesday, April 20, 2022 | 10 a.m.
Via Zoom (Remote Meeting Per Governor Inslee's Proclamation 20-28.15)

Public Meeting Access

Via computer:

<https://us06web.zoom.us/j/87192886910?pwd=bXU1QW5hY3B1UFFPbEJ4L3htNS83UT09>

Via phone:

+1 253 215 8782

Webinar ID: 871 9288 6910

Passcode: 117518

*9 to raise hand to speak

Meeting Agenda

- I. Call to order**
- II. Roll Call**
- III. Public Comment**
- IV. Consent Agenda**
 - a. Review and approve March 16, 2022 meeting minutes*
Proposed action: Motion to approve the consent agenda.
- V. Finance Reports**
 - a. Profit & Loss Statement*
 - b. Cash Flow*
 - c. Balance Sheet*
 - d. Bond Summary*
- VI. Internal Controls**
- VII. Signal Architecture Building 203 Workshop***
- VIII. Maker's Square**

- IX. Kitsap Bank Accounts**
- X. Hospitality Asset Transfer**
- XI. 2022 Budget Update**
 - a. Copy of Budget 2022*
- XII. Audit, 2018—2020**
- XIII. Public Comment**
- XIV. Adjourn**

**Topic involves documents in agenda packet.*



DRAFT Meeting Minutes

Finance & Audit Committee Meeting Agenda Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Wednesday, March 16, 2022 | 10 a.m. Via Zoom (Remote Meeting Per Governor Inslee's Proclamation 20-28.15)

Meeting Agenda

I. Call to order

The meeting was called to order at 10:01 a.m.

II. Roll Call

PDA Staff: John Begley, Rodger Schmitt, David Timmons, Becky Wagner, Carolyn Zipeto, Meriden Vitale

III. Public Comment

No public comment at this time.

IV. Consent Agenda

- a. Review and approve February 22, 2022 meeting minutes

Proposed action: Approve the consent agenda.

Rodger Schmitt made a motion to approve, John Begley seconded. **Unanimously approved.**

V. Maker's Square

- a. Close out—Kitsap Bank
- b. Repairs
(David, Becky, Herb)

David Timmons mentioned he is working with the attorneys on a complete risk management review, to ensure adequate insurance coverage.

VI. Kitsap Bank Accounts (Carolyn/David)

David Timmons has been meeting with Kitsap Bank to open three checking accounts and four savings accounts. First Federal accounts will be kept until the audit requirements are complete.

VII. Maintenance (David/Aislinn)

- a. Budget Model
- b. Cost Allocation

Timmons is working on a list of priority projects, including energy efficiency projects to move to all-electric heat pump systems. He explained some of the current inefficiencies with the oil burners. He reviewed three components: the energy allocation budget of \$300,000, preservation investments from state funds of \$750,000, and the cost-recovery model for shared maintenance costs with campus partners.

VIII. 2022 Budget Update

- a. Debt Service/Maintenance

Becky Wagner provided an overview of finance reports—Profit & Loss, Balance Sheet, and Cash Flow. Board members discussed future budgeting without accommodation income from hospitality and Timmons said a supplemental budget will be available mid-summer that will lay out the new cost-sharing model.

IX. Audit, 2018—2020

Timmons explained the current financial audit, which is different from the recently completed accountability audit. Moving forward the PDA will be on an annual cycle for financial audits.

John Begley explained that Internal Controls will be a regular topic at future Finance & Audit Committee meetings.

X. Public Comment

No public comment at this time.

XI. Adjourn

The meeting was adjourned at 10:45 a.m.

FORT WORDEN PDA

7:15 PM

Profit & Loss

04/18/2022

January through March 2022

Accrual Basis

Jan - Mar 22**Ordinary Income/Expense****Income**

4000 Accomodations	
4001 Conference Housing	5,906
4002 Vaca/LeisureTravel Housing	73,913
4003 Partners	22,410
Total 4000 Accomodations	102,229
4400 Food Sales Revenue	51,914
4600 Other Revenues	
4010 Partner Leases	28,601
4103 Cleaning Services	6,755
4200 Fees	8,737
4300 Other	240
4425 Meeting Rooms	12,720
4450 Merchandise Sales	222
4600 Other Revenues - Other	1,033
Total 4600 Other Revenues	58,308
4900 PDA Grants/Donations	
4903 Restricted Grants	300,839
Total 4900 PDA Grants/Donations	300,839
Total Income	513,290

Cost of Goods Sold

Cost of Goods	12,021
Total COGS	12,021

Gross Profit 501,269**Expense**

6010 Personnel Costs	316,695
7000 Repairs & Maintenance	13,487
7100 Utilities	191,440
8000 Contracts	
8002 CompSoftware/Support Maint	250
8005 Advertising/Marketing	9,000
8009 Design Arch/Eng	77,797
8010 Audit/Accounting	20,256
8012 Maintenance Contracts	3,807
Total 8000 Contracts	111,110
8500 Operating Expense	
8501 Bank & Credit Card Fees	14,326
8507 Office Supplies	2,482
8510 Insurance/Risk Management	21,636
8512 Dues & Subscriptions	33
8513 Housekeeping Supplies	4,891
8514 Vehicle Expense	744
8518 Travel & Meetings	678
8523 Misc Fees	549
8527 Permits & Licenses	724

	<u>Jan - Mar 22</u>
8528 Business Taxes	1,610
8529 Professional Services	6,225
8531 Comp Hardware/Software/Sub	2,948
8532 Training-Education	35
8535 Smallwares/Housewares	18
8538 Linen Laundry Service	1,359
8560 Cash Over & Short	(200)
8562 Food Service Supplies	1,144
8563 Equipment Rental	843
8564 Sustainability Program	180
Total 8500 Operating Expense	<u>60,225</u>
Total Expense	<u>692,957</u>
Net Ordinary Income	<u>(191,688)</u>
Other Income/Expense	
Other Expense	
9200 Bond Interest Expense	77,420
9600 Leasehold Improvements	447
Total Other Expense	<u>77,867</u>
Net Other Income	<u>(77,867)</u>
Net Income	<u><u>(269,555)</u></u>

FORT WORDEN PDA
Statement of Cash Flows
January through March 2022

7:27 PM
04/18/2022

	<u>Jan - Mar 22</u>
OPERATING ACTIVITIES	
Net Income	(269,555)
Adjustments to reconcile Net Income to net cash provided by operations:	
1100 Hospitality Services AR	135,049
1120 Partner Tenant	(22,151)
1130 Food Service-Other	(1,543)
1140 Grants Receivable	(50,839)
1049 Inventories	30,672
1207 Due from FW Hospitality	(14,803)
1220 Transfer to Hospitality	(31,172)
1250 Due from MS Landlord LLC	335,013
2000 Operating:2001 Operating Payable Bank	(21,574)
2000 Operating:2001B Gusto EE Reimbursement	5,777
2000 Operating:2002 F.S Accounts Payable	(3,682)
2003 Capital Fund A/P	17,624
2010 Credit Cards & House Accts:2011 American Express	1,894
2100 Current Liabilities:2104 Payroll Liabilitie	(3,506)
2100 Current Liabilities:2110 Accrued Business/Sales Tax	(17,689)
2120 Due To FWH	323,923
2200 Advance Deposits	(11,027)
2400 Notes Payables:Kitsap Bank Reserve LOC 2021	120,000
2600 Pass Thru-Oth:2603 Advance Deposit Refund	(11,952)
Net cash provided by Operating Activities	<u>510,459</u>
INVESTING ACTIVITIES	
1300 Fixed Assets:1302 Software	(16,716)
Net cash provided by Investing Activities	<u>(16,716)</u>
FINANCING ACTIVITIES	
2700 Kitsap Bank Bonds:2705 Glamping Bond	41,564
2700 Kitsap Bank Bonds:2707 Makers Square Bond	14,987
2700 Kitsap Bank Bonds:2709 Revenue Bond 2021C	2,310
2700 Kitsap Bank Bonds:2710 Energy Efficiency Bond	33,546
Net cash provided by Financing Activities	<u>92,407</u>
Net cash increase for period	586,150
Cash at beginning of period	549,959
Cash at end of period	<u><u>1,136,109</u></u>

FORT WORDEN PDA

7:25 PM

Balance Sheet

04/18/2022

As of March 31, 2022

Accrual Basis

Mar 31, 22**ASSETS****Current Assets****Checking/Savings**

1000 Operating Accounts 173,964

1010 Capital Fund Accounts 962,145

Total Checking/Savings 1,136,109**Accounts Receivable**

1100 Hospitality Services AR 267,440

1120 Partner Tenant 51,662

1130 Food Service-Other 1,543

1140 Grants Receivable 50,839

Total Accounts Receivable 371,484**Other Current Assets****1049 Inventories**

1060 Merchandise for Resale 12,051

Total 1049 Inventories 12,051

1200 Prepaid Expenses 37,934

1207 Due from FW Hospitality 34,332

1220 Transfer to Hospitality 31,172

1250 Due from MS Landlord LLC 852,307

Total Other Current Assets 967,796**Total Current Assets** 2,475,389**Fixed Assets**

1300 Fixed Assets 323,649

Total Fixed Assets 323,649**TOTAL ASSETS** 2,799,038**LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

2000 Operating 26,497

2003 Capital Fund A/P 22,206

Total Accounts Payable 48,703**Credit Cards** 1,894**Other Current Liabilities** 1,319,119**Total Current Liabilities** 1,369,716**Long Term Liabilities****2700 Kitsap Bank Bonds**

2705 Glamping Bond 2,175,424

2707 Makers Square Bond 1,613,617

2709 Revenue Bond 2021C 233,361

2710 Energy Efficiency Bond 1,752,769

Total 2700 Kitsap Bank Bonds 5,775,171**Total Long Term Liabilities** 5,775,171**Total Liabilities** 7,144,887**Equity****3000 Net Assets****Opening Balance Equity** (4,076,296)**Net Income (Loss)** (269,555)**Total Equity** (4,345,851)**TOTAL LIABILITIES & EQUITY** 2,799,036

Bond balance and interest accruals

	2021A Bond (Energy Efficiency)	2021B Bond (Glamping)	2021C Bond (Restoration)	Makers Square
Interest Rate	4.00%	4.00%	4.00%	3.75%
Beginning Balance	\$ 1,698,277.30	\$ 2,107,862.71	\$ 231,000.00	\$ 1,500,000.00
accrued interest	<u>20,945.42</u>	<u>25,996.97</u>	<u>51.33</u>	<u>98,630.13</u>
Balance 12.31.2021	1,719,222.72	2,133,859.68	231,051.33	1,598,630.13
Q1 Interest	<u>16,773.00</u>	<u>20,782.00</u>	<u>2,310.00</u>	<u>14,987.16</u>
Balance 3.31.2022	<u>\$ 1,735,995.72</u>	<u>\$ 2,154,641.68</u>	<u>\$ 233,361.33</u>	<u>\$ 1,613,617.29</u>
interest entry		bond interest expens due from MS Landlor	39,865.00 14,987.16	

Fort Worden Building 203 Vision and Concept Workshop

4/15/2022

9:00 Signal Arrival and Set-up

9:30 – 10:15 Signal Presentation

Project Definition

To generate a feasibility study that will inform the future design and layout of Building 203 to accommodate workforce housing and partner accommodations. This direction is based on the prior studies with the 2015 Program Development + Capital Improvement Plan. Building upgrades and improvements will be identified through architectural, mechanical, plumbing, structural, and historical assessments to inform a project budget.

Goal of Today

To gather partner feedback about the proposed building configurations to more accurately represent the future uses and goals of the PDA, Fort Worden Partner Organizations, and State Parks.

Programming

- Current use of 203
- Initial program used to start feasibility study
- Optimal program – who is the housing for?

Program Types

- Workforce Housing
- Dormitory Rooms (Partner Accommodations)
- Apartments
- Building Amenities (shared areas, back of house, meeting/classroom spaces)

Concept Plans and Building Options

- Criteria
 - Historic / landmark stipulation
 - Existing building layout limitations and opportunities
 - 2018 Code requirements
 - Meet established budget
 - Upgrade mechanical, electrical and plumbing systems
- Schemes
 - Review three schemes with different combinations and locations of workforce housing, partner accommodations and apartments.

10:15 – 11:45 Questions / Interactive Session

How can this building support your organization as a hospitality focused building?

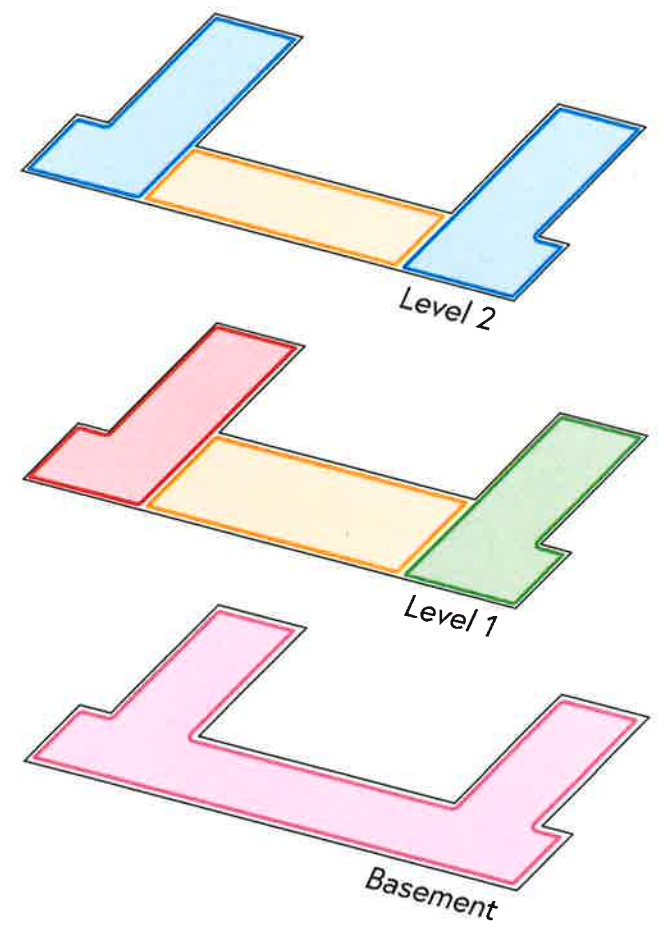
What kind of users would be staying here from your programs?

What types of rooms and configurations would work best to support your programs?

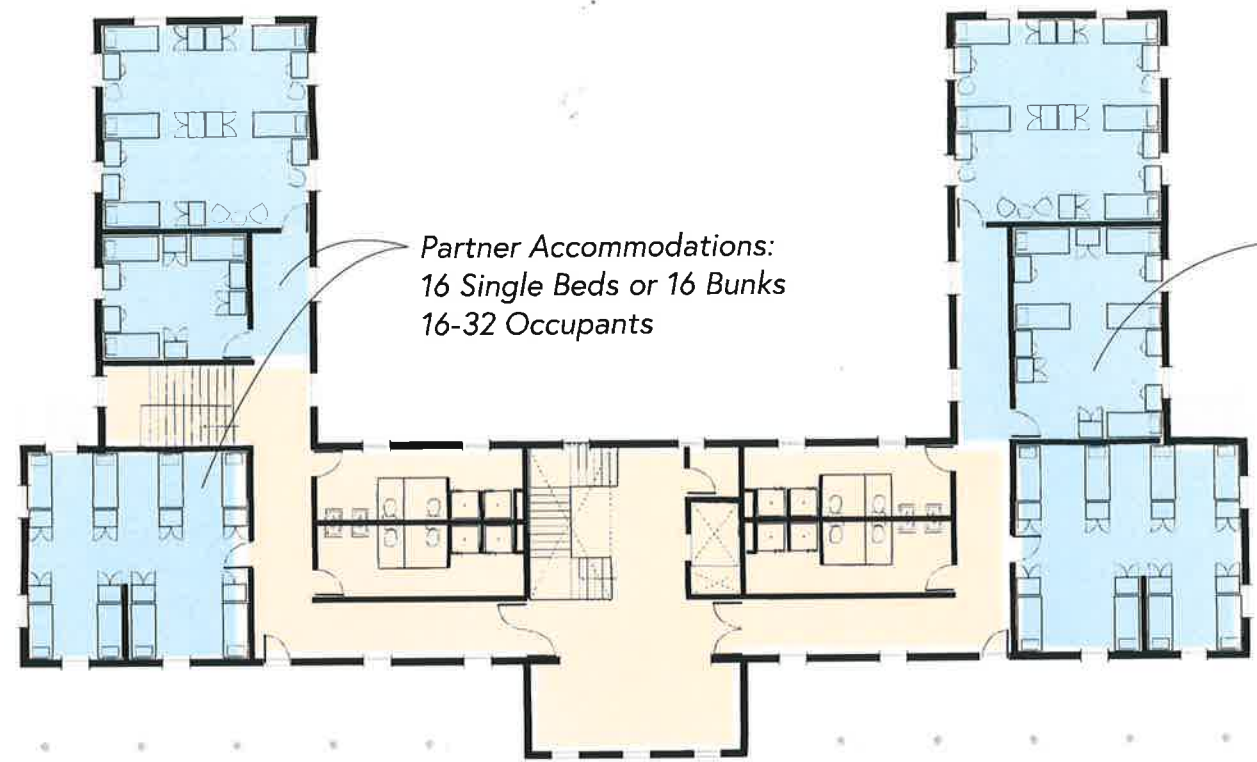
11:45-12:30 Tour and Discussion

Concept Layout 1

FW Building 203 Feasibility Study

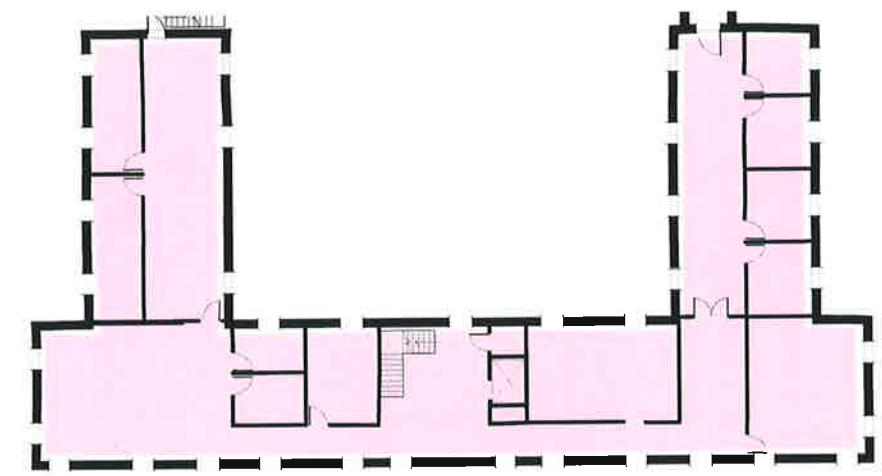


- Apartments (1bd, 2bd)
- Partner Accommodations (Shared Bunks)
- Workforce Housing (Single, Double)
- Common Space (Lounge Areas, Kitchen, Toilets, Showers)
- Building Support (Storage, Laundry, Mechanical)



Level 2: Partner Accommodations

Partner Accommodations:
18 Single Beds or 18 Bunks
18-36 Occupants



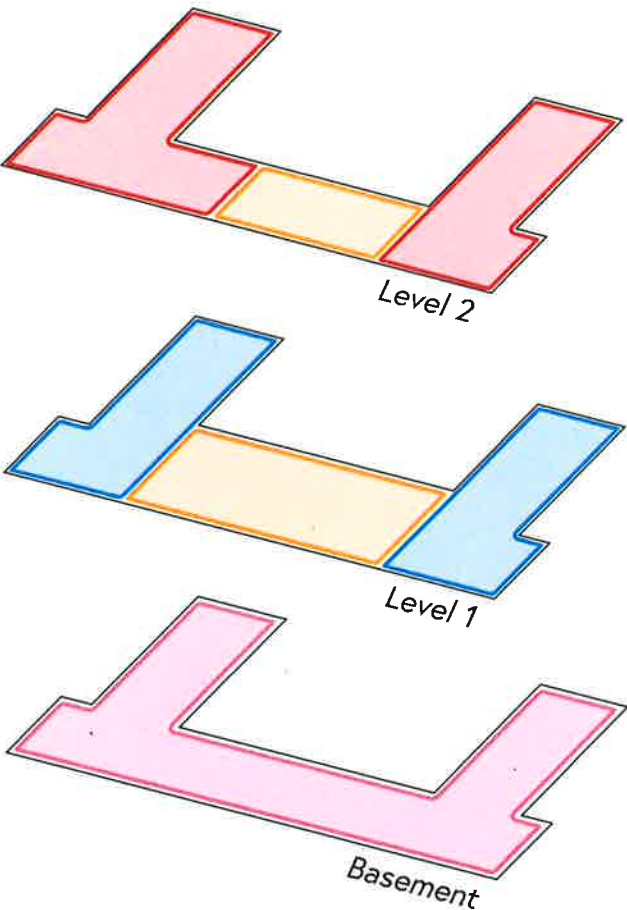
Basement: Storage and Mechanical



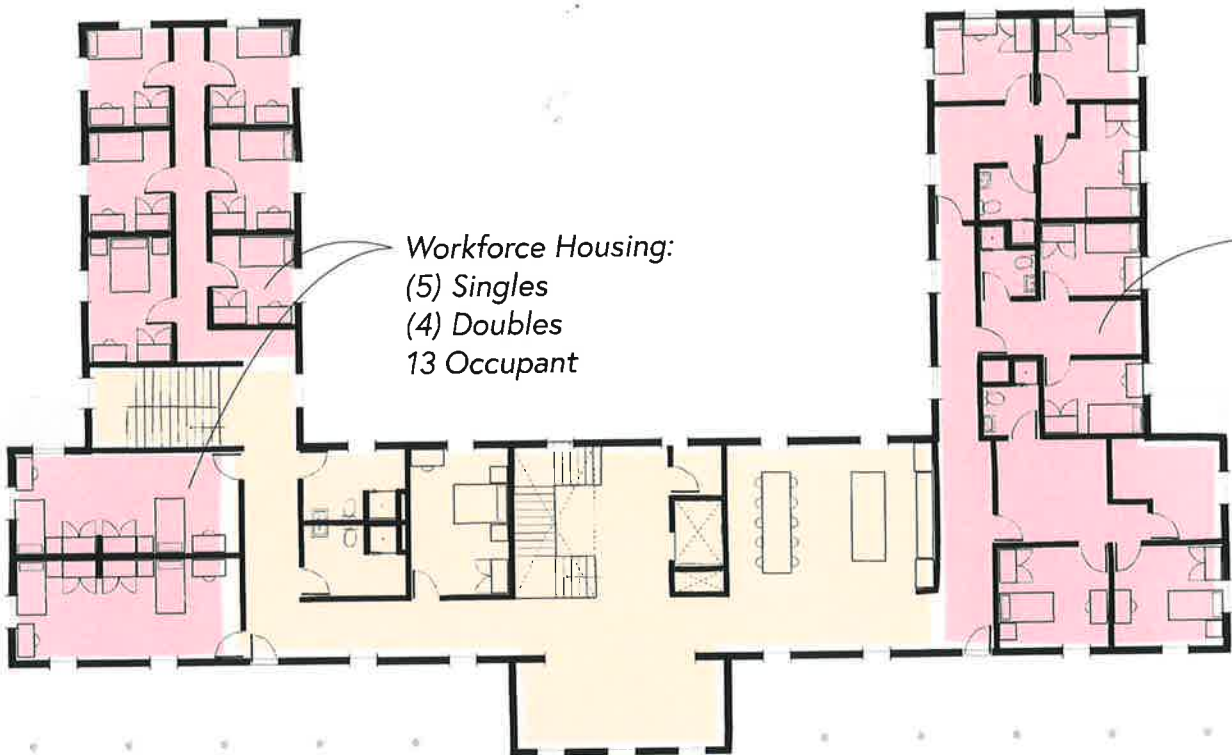
Level 1: Workforce Housing and Apartments

Concept Layout 2

FW Building 203 Feasibility Study

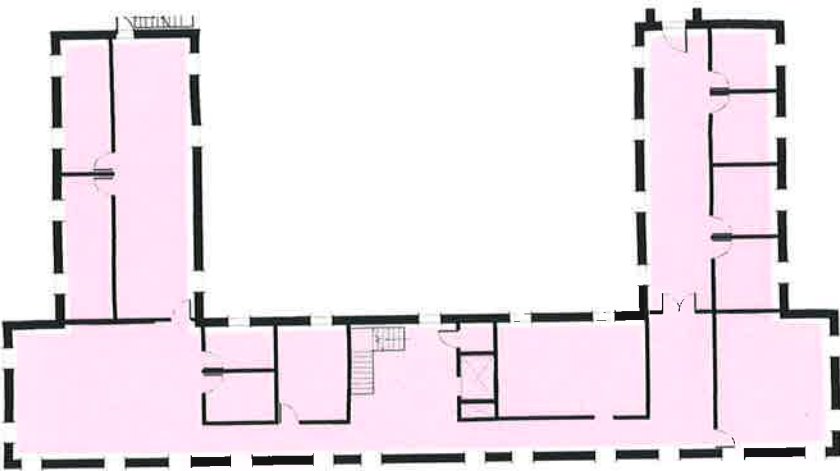


- Apartments
(1bd, 2bd)
- Partner Accommodations
(Shared Bunks)
- Workforce Housing
(Single, Double)
- Common Space
(Lounge Areas, Kitchen, Toilets, Showers)
- Building Support
(Storage, Laundry, Mechanical)

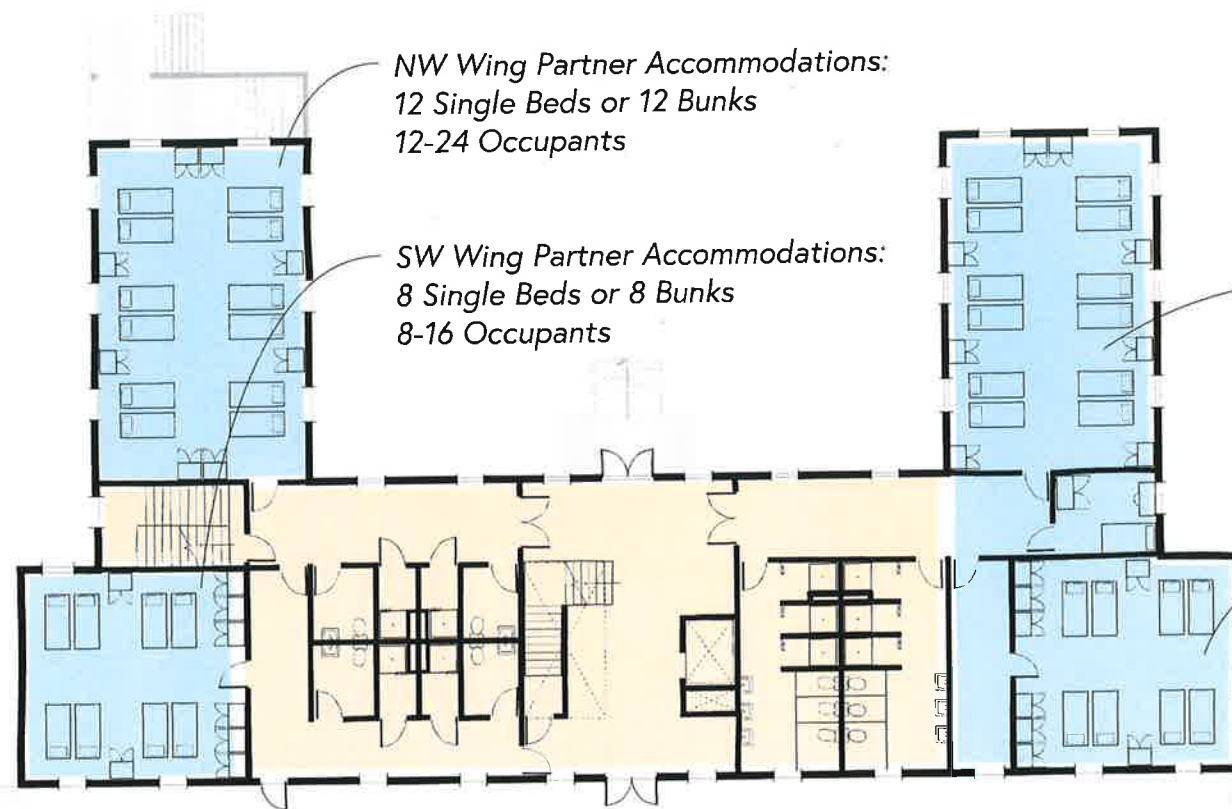


Level 2: Workforce Housing

Workforce Housing:
(1) Double
(2) Triples
8 Occupants



Basement: Storage and Mechanical



Level 1: Partner Accommodations

NW Wing Partner Accommodations:
12 Single Beds or 12 Bunks
12-24 Occupants

SW Wing Partner Accommodations:
8 Single Beds or 8 Bunks
8-16 Occupants

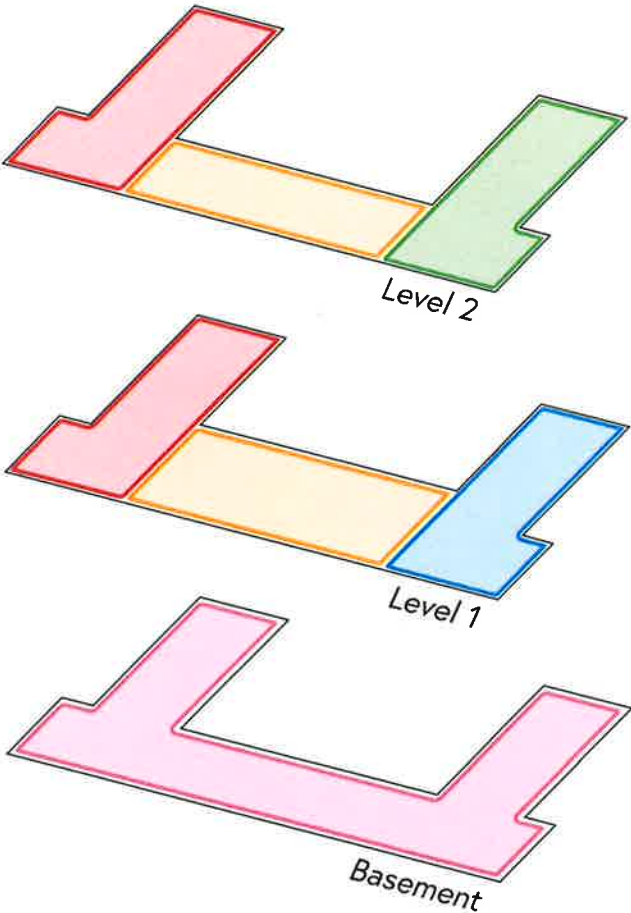
NE Wing Partner Accommodations:
12 Single Beds or 12 Bunks
12-24 Occupants

SE Wing Partner Accommodations:
8 Single Beds or 8 Bunks
8-16 Occupants

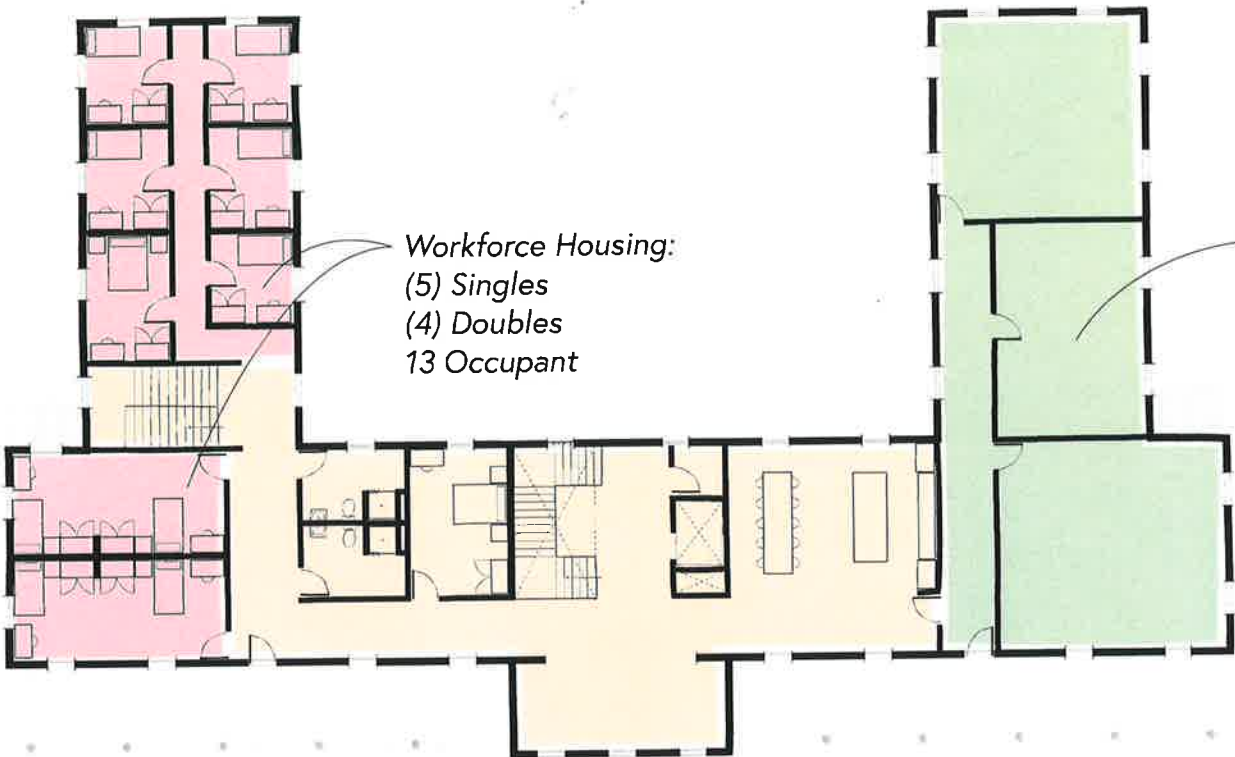
**Note: Upon determination of program needs, 1 or more 'partner accommodations' rooms could be configured to support other partner-related activities (example: classroom or meeting room).*

Concept Layout 3

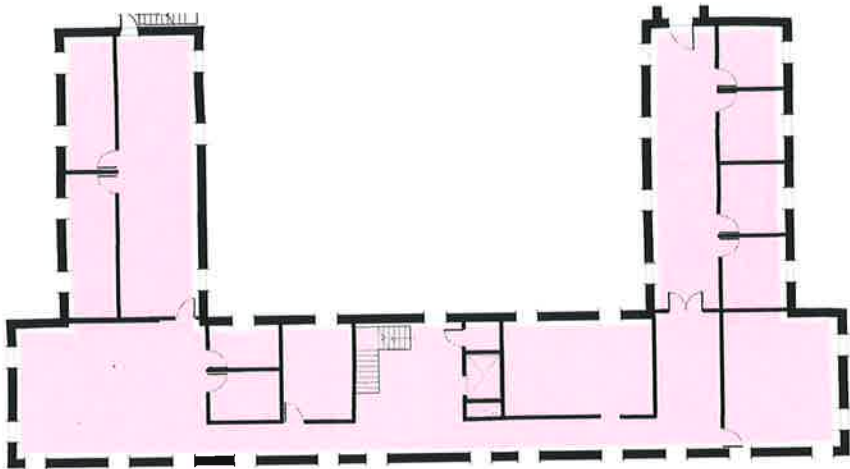
FW Building 203 Feasibility Study



- Apartments (1bd, 2bd)
- Partner Accommodations (Shared Bunks)
- Workforce Housing (Single, Double)
- Common Space (Lounge Areas, Kitchen, Toilets, Showers)
- Building Support (Storage, Laundry, Mechanical)



Level 2: Workforce Housing and Apartments



Basement: Storage and Mechanical



Level 1: Workforce and Partner Accommodations

2022 PDA Budget

Cash Basis

Annual

Operations

Operating Cash Reserve Beginning Balance	\$ 400,000	Draws Taken
Restricted Debt Reserve	\$ 378,000	County Grant Funds
	<u>\$ 778,000</u>	

Operating Revenue

Contract Concession Revenue	\$ 185,147	February 14th Starting date
Partner Rental Revenue	\$ 130,462	Increase for Institute and Adjustment for Inflation
Utility Reimbursements	\$ 659,000	Due From Users
Master Lease O/H Admin Fee	\$ 97,461	New Admin Cost Recovery Fee Based on 10% Lines 8,9,10
Repairs & Maintenance Fees	\$ 150,000	New Agreement With Parks in 2022 to provide \$150,000 towards Ground mainten
Leasehold Administration Fee		\$0.05/square Foot Fee Assessment on New Lease Terms
Leasehold Excise Taxes	\$ -	Pass Thru - HB 2058 provides future exemption
Capital Projects Admin	<u>\$ 179,200</u>	New Admin Cost Recovery Fee at 10% of Project Budgets

Total Operating Revenue \$ 1,401,270

Operation Expenditures

Staff	\$ 242,232	
Benefits	\$ 40,499	
Professional Services - Finance and Legal	\$ 113,194	
Office Expense	\$ 13,800	
Utilities	\$ 659,000	Pass Thru under current formula with balance assigned to hospitality
Professional Services - Other	\$ 132,200	
Repairs & Maintenance	\$ 174,500	New Agreement With Parks in 2022 to Contribute \$150,000 Towards Ground Main
Leasehold Excise Taxes	<u>\$ -</u>	Pass Thru

Total Operating Expense \$ 1,375,425 \$ 541,925 Net Admin Cost Less Reimbursable Expenditures

Net Operating Revenue (Expense) \$ 25,845

Operating Cash Reserve Ending Balance \$ 400,000

Capital

Capital Project Revenue	\$ 1,792,000	
Murdock Charitable Trust	\$ 250,000	
Special State Appropriation	\$ 750,000	State Parks Capital Maintenance
Capital Project Revenue	\$ 2,792,000	

Capital Project Costs	\$ 1,792,000	
Debt Service	\$ 250,000	
Special State Appropriation	\$ 750,000	Requires Submission of Project List
Capital Project Expenses	\$ 2,792,000	
Net Capital Project Revenue (Expense)	\$ -	

Debt 12/1/2023 first payment due plus accrued interest

Debt Service Revenue	\$ -	Makers Square Lease Income starting in September
Debt Reserve Deposit from Reserves	\$ 378,000	Jefferson County Grant
Makers Square LLC	\$ 846,000	
Transfer from Restoration Bond Proceeds	\$ 404,000	
Capital-Murdock Charitable Trust	\$ 250,000	
Debt Service Revenue	\$ 1,878,000	

Financing Proceeds \$ - Nothing Anticipated

Debt Service Expenditures

Debt Reserve Deposit	\$ 378,000	Payment to Debt Reserve Account
Makers Square LOC Kitsap Bank	\$ 1,500,000	
Debt Service Expenditures	\$ 1,878,000	
Net Debt Service Proceeds (Payments)	\$ -	

Other Revenue

Fraud Recovery	\$ -
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Total All Revenue \$ 6,071,270

Total All Expense \$ 6,045,425

Estimated Cash Gain(Loss) to Ending Balance \$ 25,845

Budget Adoption		
Operations	Capital	Debt
\$ 1,401,270	\$ 2,792,000	\$ 1,878,000
\$ 1,375,425	\$ 2,792,000	\$ 1,878,000
\$ 25,845	-	-