

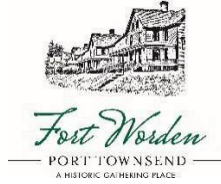
**Finance & Audit Committee Meeting Agenda**  
**Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)**  
**Wednesday, August 17, 2022 | 10 a.m.**  
**Remote on Zoom**

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**Meeting Agenda**

- I. **Call to order**
- II. **Roll Call**
- III. **Public Comment**
- IV. **Consent Agenda**
  - a. Review and approve June 15, 2022 and July 20, 2022 meeting minutes\*  
**Proposed action:** Motion to approve the consent agenda.
- V. **Finance Reports**
  - a. Profit & Loss Statement\*
  - b. Balance Sheet\*
  - c. Cash Flow\*
- VI. **Internal Controls**
- VII. **Public Comment**
- VIII. **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, June 15, 2022 | 10 a.m.**  
**Remote on Zoom**

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**Public Meeting Access**

**Via internet:**

<https://us06web.zoom.us/j/81346503854?pwd=YlZDdkpEUGJKaUlxYzZlQjkwakh2QT09>

**Via phone:**

+1 253 215 8782

Webinar ID: 813 4650 3854

Passcode: 391345

\*9 to raise hand to speak

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**Action Summary**

- ❖ Motion to approve the consent agenda. **Unanimously approved.**
- ❖ Motion to authorize Executive Director to proceed and prepare the financial documents for debt restructuring for consideration at the board's July meeting. **Unanimously approved.**

**Meeting Agenda**

**I. Call to order**

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

**II. Roll Call**

Board Members: John Begley, David King

PDA Staff: David Timmons, Becky Wagner, Carolyn Zipeto, Meriden Vitale

**III. Public Comment**

No public comment at this time.

**IV. Consent Agenda**

- a. Review and approve April 20, 2022 meeting minutes\*

**Proposed action:** Motion to approve the consent agenda.

David King made a motion to approve. John Begley seconded. **Unanimously approved.**

**V. Finance Reports**

- a. Profit & Loss Statement\*

- b. Cash Flow\*

c. **Balance Sheet\***

Becky Wagner reviewed the above finance docs. The Profit & Loss report includes the previous five months in order to capture the transition with hospitality; anomalies occur in February and March because of the transition, including vacation payout to employees who switched from the PDA to Fort Worden Hospitality. After board questions about the cash flow, grants receivable was identified as the reimbursement to Signal Architecture for Building 202. 2120 "Due to FWH" was identified as an ongoing clearing account, since hospitality has not set up their merchant accounts yet.

**VI. Internal Controls**

David Timmons said he is working with the PUD to install smart meters in all campus buildings. It's currently difficult to get accurate data and readings on energy consumption, particularly electric. It would also include water reading. This would help establish direct accounts for partners and boost internal controls by eliminating transactions that the PDA manages internally, while making energy billing clear and straightforward.

He also discussed working with the PUD towards getting fiber internet access into every building. The PDA currently manages campus wide internet and phone service; working with the PUD would allow the PDA to get out of that business, allowing the partners to contract with ISP's or phone services individually.

**VII. Annual Report Certification**

Becky Wagner said that the 2018-2020 audit is currently underway. As of now there is one finding: reporting the bond under the Makers Square LLC rather than the PDA. She has filed 2021 but said she will re-file in order to go back and make similar corrections. The auditor is currently going through revenue and expenses. She said the audit shows up in financials under accounting fees, which are Becky Wagner's fees and the audit fees. Timmons said the audit is billed monthly and additionally the PDA received a credit due to prior delays. He said the PDA will continue with annual audits for the next few years and then reassess.

**VIII. GAAP vs. Cash Basis Reporting**

Wagner said that the auditor recommended moving to cash basis reporting. She said that this reflects the way the PDA runs its business. The majority of local governments use cash basis reporting and that the PDA's budget is also cash basis reporting.

**IX. Update on bank account transfers**

Timmons said accounts are established at Kitsap Bank and in the process of transitioning over from First Federal. The capital account at First Federal is now closed and in the new capital account at Kitsap Bank. There is a restricted account as well as savings accounts. There is a new \$250,000 line of credit for operating that will be used for tracking accounts payables and receivables. Payment reserves are for debt reserves. Becky Wagner said the balance sheet includes all accounts current as of end of May.

**X. Business card agreement w/ Kitsap Bank**

**XI. Review of Debt Restructuring Options**

- a. Bond Summary
- b. Refinancing Recommendations

Timmons said he has been working with Kitsap Bank on options for debt restructuring, to include suspending any future investments on glamping (viewing the infrastructure already paid for as a sunk cost). Timmons said he recommends suspending glamping work and that recovery of funds could be negotiated with future investors willing to take on the project.

He is also looking at consolidating the debt, four bonds into one single bond, with no pre-payment penalty. He recommends restructuring bond payments to match the PDA's cash flow (revenue from

Makers Square and the concession fee).

Timmons said he is looking for authorization to proceed and prepare the financial documents for consideration at the board's July meeting.

John Begley made a motion to approve. David King seconded. **Unanimously approved.**

**XII. 2022 Budget Update**

a. Copy of Budget 2022\*

Timmons said that once he gets the final reconciliation out of Makers Square and has debt restructuring in place, he will come back with a supplemental budget recommendation that will bring the budget current. He anticipates having a new budget format in by late summer (that would exclude hospitality's numbers).

He also discussed two MOU's with hospitality—including reducing the concession fee from 3.5% to 3% for the first five years and an agreed upon list of priority projects that are critical to Hospitality's continuity of business for both the public and partners. He will work with Dave Peterson to get investments for those from the state. David King acknowledged the significant progress achieved by David Timmons and Aislinn Diamanti on the MOU's.

He mentioned that he has the full agreement of the partners on lease terms and edits and is currently preparing final documents for signatures.

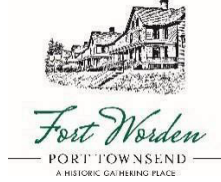
**XIII. Public Comment**

No public comment at this time.

**XIV. Adjourn**

The meeting was adjourned at 11:03 a.m.

*\*Topic involves documents in agenda packet*



**DRAFT Finance & Audit Committee Meeting Minutes**  
**Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)**  
**Wednesday, July 20, 2022 | 10 a.m.**  
**Seminar Building 297 + Zoom**

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**Remote Meeting Access**

**Via internet:**

<https://us06web.zoom.us/j/88388771624?pwd=MlNNVmp4alFYT3k5YmxEm1idUQyZz09>

**Phone-only dial in:**

+1 253 215 8782

Webinar ID: 883 8877 1624

Passcode: 207289

\*9 to raise hand to speak

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**Meeting Agenda**

**I. Call to order**

The meeting was called to order at 10:02 a.m.

**II. Roll Call**

Board members: John Begley

PDA Staff: Becky Wagner, Carolyn Zipeto, Meriden Vitale

**III. Public Comment**

No public comment at this time.

**IV. Consent Agenda**

- a. Review and approve June 15, 2022 meeting minutes\*

**Proposed action:** Motion to approve the consent agenda.

Because there was only one committee member present, approval of the consent agenda was postponed to the next meeting.

**V. Finance Reports (2<sup>nd</sup> Quarter)**

- a. Profit & Loss Statement\*  
b. Balance Sheet\*  
c. Cash Flow\*

Becky Wagner reviewed the finance documents, including highlighting how hospitality's finances continue to impact the PDA's books. Carolyn Zipeto also answered questions. The plan is still to move to cash basis accounting in 2023.

**VI. Internal Controls**

John Begley mentioned this will be a regular agenda item as a way to monitor the PDA's internal finance processes. Becky Wagner gave a short overview of the internal process. She also discussed a grant that the PDA will be eligible for through the Dept. of Commerce.

**VII. Public Comment**

No public comment at this time.

**VIII. Adjourn**

The meeting was adjourned at 10:18 a.m.

*\*Topic involves documents in agenda packet*

# FORT WORDEN PDA

## Profit & Loss

May through July 2022

(preliminary)

	May 22	Jun 22	Jul 22	TOTAL
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>4600 Other Revenues</b>				
4010 Partner Leases	9,901	9,901	9,901	29,703
4015 Concession Fee	14,658	17,748	19,854	52,260
4103 Cleaning Services	1,715			1,715
4200 Fees	798	50		848
4300 Other	217	223	28	468
<b>Total 4600 Other Revenues</b>	<b>27,289</b>	<b>27,922</b>	<b>29,783</b>	<b>84,994</b>
4900 PDA Grants/Donations		30,501		30,501
<b>Total Income</b>	<b>27,289</b>	<b>58,423</b>	<b>29,783</b>	<b>115,495</b>
<b>Expense</b>				
6010 Personnel Costs	23,373	24,381	24,978	72,732
<b>7000 Repairs &amp; Maintenance</b>				
7006 Services	541	691	1,476	2,708
7010 Repairs & Maint Other	13,856			13,856
<b>Total 7000 Repairs &amp; Maintenance</b>	<b>14,397</b>	<b>691</b>	<b>1,476</b>	<b>16,564</b>
<b>7100 Utilities</b>				
7101 Fuel Oil	27,503	8,843	2,296	38,642
7102 Electricity	22,721	19,539	17,137	59,397
7103 Water	10,185	12,104	16,345	38,634
7104 Propane	6,779	8,641	4,677	20,097
7105 Garbage/Trash	996	2,038	1,011	4,045
7106 Partner Utility Reimb	(60,441)	(38,524)	(28,261)	(127,226)
7107 Comm-Info-Tech	7,463	7,774	7,455	22,692
7108 Partner Tech Reimb	(1,913)	(913)	(325)	(3,151)
<b>Total 7100 Utilities</b>	<b>13,293</b>	<b>19,502</b>	<b>20,335</b>	<b>53,130</b>
<b>8000 Contracts</b>				
8003 Alarm/Security/Fire Rescue		18,664	14,340	33,004
8005 Advertising/Marketing	3,000	3,000	4,000	10,000
8009 Design Arch/Eng	2,114	12,188		14,302
8010 Audit/Accounting	8,275	9,573	8,384	26,232
8012 Maintenance Contracts	1,226	3,123		4,349
8000 Contracts - Other		5,511		5,511
<b>Total 8000 Contracts</b>	<b>14,615</b>	<b>52,059</b>	<b>26,724</b>	<b>93,398</b>
8500 Operating Expense	10,847	4,356	873	16,076
<b>Total Expense</b>	<b>76,525</b>	<b>100,989</b>	<b>74,386</b>	<b>251,900</b>
<b>Net Ordinary Income</b>	<b>(49,236)</b>	<b>(42,566)</b>	<b>(44,603)</b>	<b>(136,405)</b>
<b>Other Income/Expense</b>				
9200 Bond Interest Expense		57,620		57,620
9600 Leasehold Improvements			1,797	1,797
<b>Total Other Expense</b>		<b>57,620</b>	<b>1,797</b>	<b>59,417</b>
<b>Net Other Income</b>		<b>(57,620)</b>	<b>(1,797)</b>	<b>(59,417)</b>
<b>Net Income</b>	<b>(49,236)</b>	<b>(100,186)</b>	<b>(46,400)</b>	<b>(195,822)</b>

# FORT WORDEN PDA

## Balance Sheet

As of July 31, 2022

(preliminary)

	<u>Jul 31, 22</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 Operating Accounts	106,985
1020 Kitsap Operating 7811	178,060
1021 Kitsap Capital 7812	18,003
1022 Kitsap DR 7821	378,007
1023 Kitsap Debt Service 7813	3,994
<b>Total Checking/Savings</b>	<u>685,049</u>
<b>Accounts Receivable</b>	
1100 Hospitality Services AR	811
1120 Partner Tenant	68,537
1130 Food Service-Other	621
1140 Grants Receivable	30,501
<b>Total Accounts Receivable</b>	<u>100,470</u>
<b>Other Current Assets</b>	
1200 Prepaid Expenses	37,934
1207 Due from FW Hospitality	145,394
1250 Due from MS Landlord LLC	755,540
<b>Total Other Current Assets</b>	<u>938,868</u>
<b>Total Current Assets</b>	<u>1,724,387</u>
<b>Fixed Assets</b>	
1300 Fixed Assets	174,096
<b>Total Fixed Assets</b>	<u>174,096</u>
<b>TOTAL ASSETS</b>	<u><u>1,898,483</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	33,820
Credit Cards	1,894
<b>Other Current Liabilities</b>	
2120 Due To FWH	121,477
2200 Advance Deposits	560,269
2400 Notes Payables	
2407 Kitsap Makers Square Bond	900,000
Accrued Note Interest Payable	123,120
<b>Total 2400 Notes Payables</b>	<u>1,023,120</u>
<b>Total Other Current Liabilities</b>	<u>1,704,866</u>
<b>Total Current Liabilities</b>	<u>1,740,580</u>
<b>Long Term Liabilities</b>	
2700 Kitsap Bank Bonds	4,860,115
<b>Total Long Term Liabilities</b>	<u>4,860,115</u>
<b>Total Liabilities</b>	<u>6,600,695</u>
<b>Equity</b>	
Opening Balance Equity	6,347
Unrestricted Net Assets	(4,153,494)
Net Income	(555,065)
<b>Total Equity</b>	<u>(4,702,212)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,898,483</u></u>



**FORT WORDEN PDA**  
**Statement of Cash Flows**  
 May through July 2022  
 (preliminary)

	<u>May - Jul 22</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	(195,822)
Adjustments to reconcile Net Income	
to net cash provided by operations:	
1100 Hospitality Services AR	264,286
1120 Partner Tenant	(39,668)
1140 Grants Receivable	(30,501)
2000 Operating Payable	31,730
2003 Capital Fund A/P	(161,093)
2100 Current Liabilities:2110 Accrued Business/Sales Tax:	(192)
2120 Due To FWH	(240,005)
2200 Advance Deposits	(266,963)
2400 Notes Payables:Accrued Note Interest Payable	9,503
Net cash provided by Operating Activities	<u>(628,725)</u>
<b>FINANCING ACTIVITIES</b>	
2700 Kitsap Bank Bonds:2709 Revenue Bond 2021C	567,726
2700 Kitsap Bank Bonds:Accrued Bond Interest Payable	48,117
Net cash provided by Financing Activities	<u>615,843</u>
Net cash increase for period	(12,882)
Cash at beginning of period	<u>697,931</u>
Cash at end of period	<u><u>685,049</u></u>