

# PERMANENT FUNDS

**Permanent Funds** are used to account for resources that are legally restricted to only earnings, not principal, that may be used to support the reporting government programs for the benefit of the government or its citizens.

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Included in this fund is the following:

## Esther Webster Trust Fund

This fund accounts for revenues and expenditures associated with the operation of the Port Angeles Fine Arts Center.

Revenues are from the interest of an endowment of Mrs. Esther Webster.



~ *In Partnership With the Community* ~

## Permanent Funds

### Description

Permanent Funds are used to account for monies held by the City of Port Angeles that are legally restricted so only earnings, not principal, may be used to support the reporting government programs.

- **Esther Webster Trust Fund**

The Esther Webster Trust Fund was established on December 13, 1985, by agreement between the City and the Esther Webster Trustees for the establishment of the Port Angeles Fine Arts Center.

The Trustees of the fund set the policies for the Center. In July 1993 the Trustees hired a portfolio manager (U.S. Bank) to invest funds. In 2003, the management of the portfolio was transferred to Solomon Smith Barney Inc.

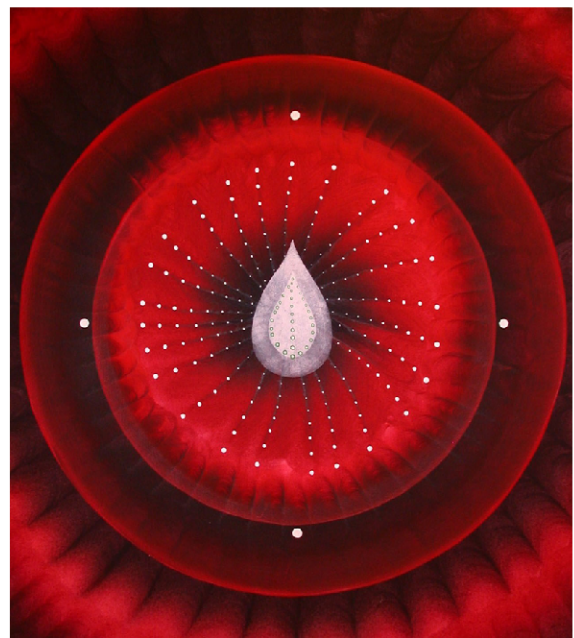
The ongoing control and operation of the Center is the responsibility of the City. The annual operating budget is funded by the interest earnings on the invested principal of the estate. The City has no responsibility to subsidize the Center's annual operating budget using City funds. However, it has become evident that this program needs serious consideration for support. As a result of a very volatile stock market in 2000 and 2001, this fund lost some principal, and revenue from investments does not cover the expenses for this operation.

Revenues increased \$92,805 (76.9%) from \$120,694 in 2006 to \$213,499 in 2007 and include a \$10,000 grant from the Washington State Arts Commission, \$155,205 in contributions and donations, \$45,000 in support from the General Fund (a \$10,000 increase) and \$3,294 in other revenue including interest.

The 2007 expenditure budget increased \$88,454 or 73.3% as compared to 2006. Personnel increased by \$39,803 or 43.4% due to the addition of a 0.50 FTE Assistant to the Director position including benefits. Supplies increased \$1,480 or 26.8% and charges for services increased \$47,171 or 200.9% due to a new marketing contract budgeted for \$40,000 in 2007.

The Trustees, in cooperation with the Friends of the Fine Arts Center and the Fine Arts Center Foundation, have promised to improve their fundraising efforts.

At the November 7, 2006, Council Meeting, a proclamation was read, recognizing and celebrating the 20th anniversary of the Fine Arts Center.



Some of the incredible art that has been displayed at the Fine Arts Center.



## Esther Webster Trust Fund Summary of Revenues and Expenditures

<b>Fund</b>	<b>Department</b>	<b>Account Number</b>
Esther Webster	Parks & Recreation	652-8600

	2004 Actual	2005 Actual	2006		2007 Budget	Variance 2007 vs. 2006 Budget	
			Budget	Amended		Amount	Percent
<b>Revenues</b>							
Intergovernmental/Grants	6,361	5,000	5,000	5,000	10,000	5,000	100.00
Interest on Investments	26	-	3,194	3,194	3,194	-	-
Contributions & Donations	70,941	74,250	77,500	77,500	155,205	77,705	100.26
Investment Gain (Loss)	27,737	42,204	-	-	-	-	N/A
Miscellaneous	-	-	-	250	100	100	N/A
Transfer from General Fund	20,000	27,966	35,000	35,000	45,000	10,000	28.57
<b>Total Revenues</b>	<b>125,065</b>	<b>149,420</b>	<b>120,694</b>	<b>120,944</b>	<b>213,499</b>	<b>92,805</b>	<b>76.89</b>
<b>Expenditures by Object</b>							
Personnel	91,021	98,341	91,689	115,952	131,492	39,803	43.41
Supplies	3,743	4,145	5,520	6,120	7,000	1,480	26.81
Charges for Services	19,786	17,998	23,485	23,655	70,656	47,171	200.86
<b>Total Expenditures</b>	<b>114,550</b>	<b>120,484</b>	<b>120,694</b>	<b>145,727</b>	<b>209,148</b>	<b>88,454</b>	<b>73.29</b>
<b>Revenue less Expenditures</b>	<b>10,515</b>	<b>28,936</b>	<b>-</b>	<b>(24,783)</b>	<b>4,351</b>		
Beginning Fund Balance	682,087	692,602	721,538	721,538	696,755		
Less Reserved Fund Balance	(671,981)	(671,981)	(671,981)	(671,981)	(671,981)		
<b>Ending Unreserved Fund Balance</b>	<b>20,621</b>	<b>49,557</b>	<b>49,557</b>	<b>24,774</b>	<b>29,125</b>		

<b>ESTHER WEBSTER TRUST PERSONNEL SUMMARY</b>	<b>2004</b>	<b>2005</b>	<b>2006 Budget</b>	<b>2006 Actual</b>	<b>2007 Budget</b>	<b>2007 Budget vs. 2006 Actual</b>
<b>Permanent Positions</b>						
Director	1.00	1.00	1.00	1.00	1.00	-
Assistant to Director	0.50	0.50	0.50	0.50	1.00	0.50
<b>Total Esther Webster Trust</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>	<b>2.00</b>	<b>0.50</b>