



## 2009 Annual Report

### **Mission:**

The mission of the Del Mar Foundation is to promote civic pride and cohesiveness, acquire and preserve open space, improve beaches and parklands, raise and grant funds, and sponsor diverse cultural programs and community events in Del Mar.

### **Brief History**

The Del Mar Foundation was founded in 1982 as an outgrowth of the “Del Mar Days” community celebration. Since its inception, the Foundation has regularly sponsored programs and made grants to benefit the Del Mar community. In 2004, the Foundation began managing a \$500,000 Lagoon Endowment Fund to provide funding for the future maintenance and management of the San Dieguito Lagoon, one of Del Mar’s most environmentally significant open spaces. In 2007, in celebration of 25 years of service to the Del Mar community, the Foundation established a community endowment to provide long term funding stability for community needs. As the oldest 501(c)(3) non-profit organization in Del Mar, the Foundation has been responsible for incubating many of the present day non-profits that so greatly enrich our community.

### **Programs:**

The Foundation is probably best known for its Summer Twilight Concert series in Powerhouse Park which is now in its 26<sup>th</sup> year. Since the first Twilight Concert was held in Seagrove Park in the summer of 1983, the summer concerts have been a great Del Mar tradition, providing an opportunity for families and visitors to socialize, picnic, and enjoy music together as the sun sets over the ocean. Because these are free to the public, we rely on grants from the County, our corporate sponsors and contributions from individuals to make them happen.

In 1999, with the restoration and renovation of the Del Mar Powerhouse completed following a successful three-year fundraising campaign undertaken by the Foundation’s “Friends of the Powerhouse” Committee, the Foundation formed a Cultural Arts Committee to organize a series of “First Thursdays” cultural arts events in the Powerhouse. On the first Thursday of each month from September through June, subscribers enjoy a variety of performances and lectures, mingling with neighbors beforehand at a wine-and-cheese reception. In addition, the Committee sponsors many additional activities, including “bluegrass and beyond” acoustic music performances, and a special performance in 2009 by Los Romeros, celebrating the 50<sup>th</sup> anniversary of both the City of Del Mar and the Romeros, the Del Mar-based, world-renowned family of classical guitarists.

In 2009, the Del Mar Foundation’s Hospitality Committee spearheaded the 50<sup>th</sup> Anniversary Celebration of Del Mar’s incorporation in 1959, bringing together all the people and organizations who have so greatly contributed to its rich past.

2009 saw a flurry of fun family activities organized and staffed by volunteers on the Del Mar Foundation Children’s Committee. Local residents came together to enjoy the group’s “Craft and Concert” series with crafts sponsored by the Del Mar Library, Easter egg hunt, July 4<sup>th</sup> parade, Marine Exploration Day and Family Bingo Night. The year’s events culminated in December with a joyous holiday party that featured *A Christmas Carol*. Hundreds of children and families dressed in their

holiday best came to enjoy the show, holiday refreshments, and complimentary photos which were donated by area organizations.

The Children's Committee welcomes volunteers who are looking to give back to the community and provide families with exciting, culturally diverse opportunities to come together with friends new and old. The group meets the last Wednesday of each month during the school year at the Del Mar Library.

### **Grants**

In keeping with our mission, the Del Mar Foundation makes financial grants to organizations within our community. Either in the form of challenge grants or outright sums, these grants have contributed to the betterment of the Del Mar community.

In 2009 grants were made to support:

- the Del Mar Junior Lifeguard scholarship program to enable the participation of children, no matter what their income level
- Del Mar Heights Elementary School, for a student project
- The Playwrights Project, involving students at Del Mar Hills, Earl Warren and Winston Schools
- The San Dieguito River Valley Conservancy for Crest Canyon signage
- Winston School, for a field trip

### **Endowment**

The Community Endowment was launched in 2007 with the visionary support of the Founding Endowment Circle, each of whom pledged between \$10,000 and \$50,000 to the endowment and its start-up administrative support. This endowment now has net assets of over \$575,000. As its principal grows, the endowment will enable the Foundation to use a portion of the earnings generated to expand our grants to the community and continue funding our programs.

### **Planned Giving**

In 2009, the Del Mar Foundation established a Planned Giving Program called "The Legacy Society" to provide various ways for individuals and families to include the Del Mar Foundation in their estate plans. This program is an important way for people to leave an enduring legacy that benefits our community and ensures that the work of the Foundation can continue for generations to come.

A wide range of planned giving options is available, including bequests, retirement plan assets, life insurance, life tenancy and income-producing gifts. Information regarding The Legacy Society can be found on our website and has appeared in our newsletter and other communications.

### **Board of Directors**

The Foundation is governed by a 15-member volunteer Board of Directors. We are an active hands-on organization, relying on volunteers and donations from throughout the community. Members of the Board may serve two 3-year terms before rotating off. Many members stay involved as active participants on one of our committees.

Members during 2009 were:

Joel Holliday - President, Carolyn Kling – Vice President and Treasurer, Kathy Finnell - Secretary, Sam Borgese, Joe Bruderer-Schwab, Robin Crabtree, Lars Fahlberg, Harold Feder, Kim Filanc, Lynn Gaylord, Cory Grant, Tim Haviland, Lisa Lutz, Jill Weitzen MacDonald, Claire McGreal, Betty Wheeler and Richard Earnest - City Council Liaison

Meetings are held in the City Hall Annex at 8:30 AM on the second Thursday of the month and are open to the public.

### **Committees**

Committee volunteers are essential to the workings of the Del Mar Foundation. Everyone in the community is welcome to participate. Log onto [www.delmarfoundation.org](http://www.delmarfoundation.org) for more information regarding meeting times and places. The current committees and members are:

Children's Committee: Lisa Lutz, Chair; Maile D'Arcy, Kim Filanc, Amy Hellencamp, Sandra Hoyle, Kelley Huggett, Stephanie Lane, Jill MacDonald, Aleida Wahn

Cultural Arts Committee: Betty Wheeler, Chair; Martha Brooks, Janice Byrne, Priscilla Fawcett, Chuck Freebern, Lynn Gaylord, Mai-Lon Gittelsohn, Pat JaCoby, Virginia Lawrence, Carol Case Lieberman, Ira Lieberman, Claire McGreal, Bill Michalsky, Dick Raack, Margi Sargis, Donna Shaw, Merna Sturgis, Don Terwilliger, Donna West, Zelda Waxenberg

Communications Committee: Jill MacDonald, Chair; Lynn Gaylord, Jodi Kennedy, Stephanie Lane, Virginia Lawrence, Betty Wheeler

Development Committee: Joe Bruderer-Schwab, Chair; Lynn Gaylord, Kim Filanc, Cory Grant, Tim Haviland, Joel Holliday, Carolyn Kling, Betty Wheeler

Grants Committee: Nancy Stoke, Chair; Robin Crabtree, Harold Feder, Kim Filanc, Cory Grant

Hospitality/Newcomers Committee: Claire McGreal, Chair; Martha Brooks, Kathy Finnell, Lynn Gaylord, Kelley Huggett, Carol Kerridge, Lisa Lutz, Jill MacDonald, Julie Maxey, Alice McNally, Sally Middleton

Investment Advisory Committee: Loretta Morris, Chair; Richard Earnest, Charlie Gaylord, Dick Hertzberg, Joel Holliday, Carolyn Kling

Nominating Committee: Lynn Gaylord, Chair; Joe Bruderer-Schwab, Harold Feder, Joel Holliday, Carolyn Kling, Betty Wheeler

Twilight Concert Committee: Lars Fahlberg, Chair; Mark Fangue, Kim Filanc, Kim Fishman, Tim Haviland, Bill Michalsky, Monica Valentino

## **DMF 2009 Annual Report-Financial Statement Comments**

The following financial statements are excerpts from the 2009 Financial Statements that were compiled by the certified public accounting firm of Jenkins, Bowler & Perkins LLP. A complete copy of this compiled report is available upon request from the Del Mar Foundation office.

### **Statement of Activities**

In 2009 the Foundation raised \$60,647 in donations. Of this amount, \$45,157 was directly to support the Foundation's operations, from which grants and expenses are paid. The balance of the donations was adjustments to the Founding Endowment pledges and reductions in discounts applied to the pledges.

The Foundation received \$82,254 in program income, which includes ticket sales, grants and sponsorships for the various community programs it produced. These programs include the Twilight Concerts, the Cultural Arts events, the Children's programs and Del Mar's 50<sup>th</sup> Anniversary Picnic. Expenses of \$61,986 were incurred in producing these programs, resulting in a surplus of approximately \$20,000 from these activities.

Grants made by the Foundation in support of community activities and projects amounted to \$11,544 in 2009. Grants were made to the Del Mar Junior Lifeguards program for Scholarships, a Playwrights project at Del Mar Hills, Earl Warren and Winston Schools, the Del Mar Heights School for a science project, and the San Dieguito River Valley Conservancy for the Crest Canyon Flyway project.

Management and General Expenses totaled \$93,026, of which approximately \$29,646 was associated with fundraising, with the balance associated with the general operation and management of the Foundation. These expenses were incurred to promote the Community Endowment, to establish a Planned Giving program, to support the tracking and follow up of our expanding donor base, to communicate with our constituents, and for general administrative activities.

The Foundation's net assets increased by approximately \$153,000 during 2009 to a total of \$1,384,837, due to investment gains of approximately \$179,000 offset by net operational expenses (revenues less expenses) of approximately \$26,000.

### **Statement of Financial Position (Balance Sheet) and Net Asset Analysis**

The net assets of the Foundation as of 12/31/09 amounted to \$1,384,837, of which \$321,433 were in Operating Funds and Reserves, all of which can ultimately be used for the payment of operating expenses or grants. This operating fund net asset balance includes \$112,504 in pledges receivable, meaning that the funds have been pledged, but the pledge payment has not yet been received. As these pledges are paid, these funds will become unrestricted.

The Community Endowment, which is the endowment to be used for the support of the Foundation's expenses and grants, had net assets as of 12/31/09 of \$575,161. Unrestricted net assets in this endowment fund amounted to \$159,240, and Permanently Restricted net assets totaled \$415,921, of which \$267,675 was from contributions that have been received and invested, and \$148,246 was from pledges receivable.

The Lagoon Endowment had, at 12/31/09, net assets of \$488,243, all of which is Temporarily Restricted. This is a fund that is overseen by the Foundation for the future benefit of the San Dieguito Lagoon maintenance. These funds were provided to the Foundation by the San Dieguito River Park Joint Powers Authority.

The table below shows the elements of the net assets.

	<b>Operating Funds &amp; Reserve</b>	<b>Community Endowment</b>	<b>Lagoon Endowment</b>	<b>Total</b>
<b>Net Assets</b>				
Unrestricted	\$ 208,654	\$ 159,241		\$ 367,894
Temporarily Restricted				
Received	\$ 275		\$ 488,243	\$ 488,518
Pledges Receivable	\$ 112,504			\$ 112,504
Subtotal Temp. Restr.	\$ 112,779	\$ -	\$ 488,243	\$ 601,022
Permanently Restricted				\$ -
Received		\$ 267,675		\$ 267,675
Pledges Receivable		\$ 148,246		\$ 148,246
Subtotal Perm. Restr.	\$ -	\$ 415,921	\$ -	\$ 415,921
<b>Total Net Assets</b>	<b>\$ 321,433</b>	<b>\$ 575,161</b>	<b>\$ 488,243</b>	<b>\$1,384,837</b>

### Statement of Cash Flows

During 2009 the Foundation had a positive cash flow from operating activities of \$100,405, however \$165,956 of net cash was used for investment activities, resulting in cash balances decreasing by \$65,550. Cash at 12/31/09 was \$147,760.

## Explanatory Notes to the Financial Statements

### 1) Significant Accounting Policies

#### *(a) Method of Accounting*

The financial statements have been prepared on the accrual basis of accounting.

#### *(b) Basis of Presentation*

The Foundation follows the provision of Statement of Financial Accounting Standards (“SFAS”) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires that net assets, revenue, gains, expenses, and losses be classified as unrestricted, temporarily restricted, and permanently restricted.

A summary of the net asset categories included in the accompanying financial statements is as follows:

**Unrestricted** – Unrestricted net assets included amounts that are available for support of the Foundation’s operational and administrative functions and amounts that are available to support community activities and charitable endeavors at the discretion of the Foundation’s Board of Directors.

**Temporarily Restricted** – Temporarily restricted amounts represent funds, the principal of which may be expended in the future for a specific purpose (e.g. the Lagoon Endowment Fund) and contributions receivable that upon receipt will be transferred to unrestricted funds.

**Permanently Restricted** – Permanently restricted net assets represent those assets contributed to the foundation where the original dollar value is to remain in perpetuity as a permanent endowment of the Foundation.

#### *(c) Investments*

Investments consist of marketable securities. Marketable securities consist of U.S. government securities and debt and equity securities. Equity securities with readily determinable values and all debt securities are carried at fair value. Fair value is determined by quoted market prices on the last business day of the year.

Investments acquired by gift are recorded at their fair market value at the date of the gift. The Foundation’s policy is to liquidate all gifts of investments immediately upon receipt.

#### *(d) Pledges Receivable*

Pledges receivable reflect the present value of the future receipt, discounted at a rate of 5% per annum as of December 31, 2009.

**Del Mar Foundation**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, gains, and other support				
Donations	\$ 45,157	\$ 7,569	\$ 7,921	\$ 60,647
Program income	82,254	-	-	82,254
Interest and dividend income	12,173	11,451	-	23,624
Net realized and unrealized gains/ Loss on disposal of asset	78,494 (2,420)	77,214	-	155,708 (2,420)
	<u>215,658</u>	<u>96,234</u>	<u>7,921</u>	<u>319,814</u>
Net assets released from restrictions	76,552	(76,552)		-
Reclassification of contributions		<u>3,750</u>	<u>(3,750)</u>	<u>-</u>
Total revenue, gains and other support	<u>292,210</u>	<u>23,432</u>	<u>4,171</u>	<u>319,814</u>
Expense				
Program grants	11,544	-	-	11,544
Other program expenses	61,985	-	-	61,985
Management and general expenses	93,026	-	-	93,026
Total expenses	<u>166,556</u>	<u>-</u>	<u>-</u>	<u>166,556</u>
Increase in net assets	125,654	23,432	4,171	153,257
Net assets, beginning of year	<u>242,240</u>	<u>577,589</u>	<u>411,750</u>	<u>1,231,580</u>
Net assets, end of year	<u>\$ 367,894</u>	<u>\$ 601,022</u>	<u>\$ 415,921</u>	<u>\$ 1,384,837</u>

**Del Mar Foundation**  
**Statement of Financial Position**  
**As of December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 147,485	\$ 275	\$ -	\$ 147,760
Pledges receivable, net		112,504	148,246	260,750
Other current assets	(32,727)	(1,196)	38,125	4,203
Investments				
Lagoon Fund		489,439	-	489,439
Community Endowment Fund	159,241		229,550	388,791
Operating Reserve Fund	149,131			149,131
<b>TOTAL ASSETS</b>	<u>\$ 423,130</u>	<u>\$ 601,022</u>	<u>\$ 415,921</u>	<u>\$ 1,440,073</u>
 <b>LIABILITIES &amp; NET ASSETS</b>				
Liabilities				
Grants payable	35,000	-	-	35,000
Income received in advance	20,236	-	-	20,236
Total liabilities	55,236	-	-	55,236
Net Assets	367,894	601,022	415,921	1,384,837
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 423,130</u>	<u>\$ 601,022</u>	<u>\$ 415,921</u>	<u>\$ 1,440,073</u>

**Del Mar Foundation**  
**Statement of Cash Flows**  
**For the year ended December 31, 2009**

Cash flows from operating activities:

Increase in net assets	\$ 153,257
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Net realized gains	(20,708)
Net unrealized gains	(135,000)
Loss on disposal of assets	2,420
Interest and dividends from investments	(23,404)
(Increase)/decrease in:	
Prepaid expense	(1,055)
Pledges receivable, net	122,510
Increase in:	
Income received in advance	2,386
Net cash provided by operating activities	100,405
Cash flows from investing activities	
Sales of investments to cover investment management fees	5,664
Purchases of investments	(176,113)
Sales of investments for Lagoon IAC fees	4,493
Net cash used in investing activities	(165,956)
Net decrease in cash	(65,550)
Cash, beginning of period	213,310
Cash, end of period	\$ 147,760

## DONORS

We thank the donors of the Del Mar Foundations whose generous support provides the funds for the many community grants and programs that we offer.

### FOUNDING ENDOWMENT CIRCLE

In 2007 and 2008, this visionary group of philanthropists pledged to fund an initial endowment and its start-up costs, with payments to be made within four years.

#### Champions (\$50,000)

Lynn & Charlie Gaylord  
Rosanne & Joel Holliday  
Gay & Albert Hugo-Martinez

#### Leaders (\$25,000)

Darrese & Sam Borgese  
Brooks & Marlou Crabtree Charitable Remainder Trust  
Daniel & Robin Crabtree  
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#### Benefactors (\$10,000)

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Rosanne & Joel Holliday

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**TWILIGHT CONCERTS UNDERWRITERS**

**Community Builder (\$10,000)**

The San Diego County Board of Supervisors  
and Pam Slater-Price

**Benefactors (\$2,500)**

Jake's Del Mar  
The Del Mar Thoroughbred Club  
The Poseidon Restaurant

We have tried to list all donors completely and accurately, but if corrections should be made, please let us know.