

2010 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.

About Us:

As Del Mar's oldest 501(c)(3) non-profit, the Del Mar Foundation sponsors programs, makes grants, and manages over \$1,000,000 in endowment funds to benefit the community and the San Dieguito Lagoon. The community endowment provides long-term funding stability for community needs.

Best known for our Summer Twilight concerts, First Thursdays cultural arts series, and children's events such as the Easter Egg Hunt and 4th of July Parade, the Foundation sponsors a wide array of community programs. The Foundation also provides financial support to community organizations and projects such as the Del Mar Library, Lifeguards and the Beach Safety Center, the Del Mar Garden Club, Del Mar Community Connections, and the Shores acquisition. Over the years, the Foundation has served as an incubator or fiscal sponsor for many of the present day non-profits that so greatly enrich our community.

Programs:

The Foundation's Summer Twilight Concert series in Powerhouse Park marked its 27th year in 2010, with performances by Mrs. Robinson, Rockola, The U.K. Beat and Atomic Groove. 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, neighbors and visitors to socialize, picnic, and enjoy music together as the sun sets over the ocean. The summer concerts are complimentary to the public and therefore, the Del Mar Foundation relies on grants from the county, corporate sponsors and contributions from individuals to support the cost of the summer events.

The Cultural Arts Committee offered a diverse array of musical, theatrical and other cultural arts performances in 2010, including the popular First Thursdays series that sells out each year, and special performances by The John Jorgensen Quintet (Django-style jazz) and two nationally acclaimed bluegrass bands, The Gibson Brothers and Laurie Lewis & The Right Hands. The committee was formed in 1999 to organize cultural arts events in the Del Mar Powerhouse, following the restoration and renovation of the Powerhouse after a successful three-year fundraising campaign undertaken by the Foundation's Powerhouse Committee.

In 2010 the Hospitality Committee originated and produced The Newcomer Guide with essential information about Del Mar for new residents. The on line version (on our web site) includes a Short History of Del Mar, Facts about The City, Del Mar's Citizens, Unique Del Mar, Basic Information and Phone Numbers. A short version with the Basic Information and Phone Numbers was printed as a trifold brochure and distributed.

2010 was a great year 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, our annual Easter egg hunt and 4th of July parade, the endless summer celebration: "Take Back the Beach" and Family Bingo Night. The year's events culminated in December with a joyous holiday party that featured a marionette show called "Santa's Workshop". Del Mar children and families dressed in their holiday best and came to enjoy the show, holiday refreshments, complimentary photos and bid on great auction items donated by area organizations. All auction proceeds benefit the 2011 Children's programs.

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 for the betterment of the Del Mar community.

In 2010 grants were made to support:

- o Friends of the DM Library teen, children & adult programs
- o Del Mar Garden Club DM City Hall landscape & beautification
- o Books & Beyond T-shirts for Energy & You Power Pals curriculum for local schools
- o Silver Age Yoga Community Outreach, Inc senior yoga program
- o Del Mar Junior Lifeguards—Junior Lifeguard scholarships
- o Friends of Del Mar Parks--Cinema Series
- o DMCC---Brain Fitness--computer program
- o DMCC--contribution towards purchase of new community van
- o Keep Del Mar Clean--partial funding of pilot program of "Big Belly" trash compactors
- o Playwrights Project--Write On!
- o DM TV Foundation--Youth Ambassador Program: Part Three: Mentorship editing

Special Donations: In addition, a structured effort has been implemented through the Development Committee to support Del Mar Community residents who wish to fund a special project that meets the objectives and mission of the Del Mar Foundation. A recent example is the dog and people fountain that, in collaboration with the City of Del Mar, was installed at the north end of Dog Beach and fully funded by a grant from Sharon and Richard Bockoff. The Del Mar Foundation continues to identify and develop new grant ideas with the support of our donors and volunteers.

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 \$623,743. 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 2010, 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. Many members stay involved as active participants on one of our committees.

Members during 2010 were:

Joel Holliday - President, Carolyn Kling – Vice President and Treasurer, Kathy Finnell - Secretary, Phil Blair, Joe Bruderer-Schwab, Robin Crabtree, Lars Fahlberg, Harold Feder, Kim Filanc, Lynn Gaylord, Cory Grant, Judd Halenza, Tim Haviland, Kelley Huggett, Jill Weitzen MacDonald, Susane Roberts, Betty Wheeler.

Meetings are held in the City Hall Annex at 8:00 AM on the third 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 for more information regarding meeting times and places. The current committees and members are:

<u>Children's Committee</u>: Kelley Huggett, Co-Chair, Kim Filanc, Co-Chair, Karla Deerinck, Lisa Lutz, Victoria Konopache, Jill McDonald, Annisa Snyder, Aleida Wahn.

<u>Cultural Arts Committee</u>: Betty Wheeler, Chair; Gail Bakker, 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.

<u>Communications Committee</u>: Jill MacDonald, Chair; Lynn Gaylord, Sandra Hoyle, Jodi Kennedy, Betty Wheeler.

<u>Development Committee</u>: Joe Bruderer-Schwab, Chair; Phil Blair, Maile D'Arcy, Kim Filanc, Lynn Gaylord, Cory Grant, Tim Haviland, Joel Holliday, Carolyn Kling, Betty Wheeler.

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

<u>Hospitality/Newcomers Committee</u>: Claire McGreal, Chair; Martha Brooks, Monica Denny, Kathy Finnell, Lynn Gaylord, Kelley Huggett, Jill MacDonald, Julie Maxey-Allison, Alice McNally, Sally Middleton, Kim Filanc, Laura LaFortune, Keri Scully.

<u>Investment Advisory Committee</u>: Loretta Morris, Chair; Richard Earnest, Charlie Gaylord, Dick Hertzberg, Joel Holliday, Carolyn Kling.

Nominating Committee: Lynn Gaylord, Chair; Joe Bruderer-Schwab, Maile D'Arcy, Harold Feder, Kim Filanc, Joel Holliday, Carolyn Kling, Betty Wheeler.

<u>Twilight Concert Committee</u>: Lars Fahlberg, Chair (Jan.-Oct.); Bill Michalsky, Chair (Nov.-Dec.), Mark Fangue, Kim Fishman, Tim Haviland, Monica Valentino.

DMF 2010 Annual Report-Financial Statement Comments

The following financial statements are excerpts from the 2010 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 2010 the Foundation raised \$73,216 in donations. Of this amount, \$63,216 was directly to support the Foundation's operations and \$10,000 was designated to our community endowment.

The Foundation received \$71,710 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, and the Children's programs. Expenses of \$56,935 were incurred in producing these programs, resulting in a surplus of approximately \$14,775 from these activities.

Grants made by the Foundation in support of community activities and projects amounted to \$19,841 in 2010. Grants were made to the Friends of the DM Library – teen, children & adult programs; Del Mar Garden Club – DM City Hall landscape & beautification; Books & Beyond – T-shirts for Energy & You Power Pals curriculum; Silver Age Yoga Community Outreach, Inc – senior yoga program; Del Mar Junior Lifeguards—Junior Lifeguard scholarships; Friends of Del Mar Parks--Cinema Series; DMCC-Brain Fitness computer program & contribution towards purchase of new community van; Keep Del Mar Clean-partial funding of pilot program of "Big Belly" trash compactors; Playwrights Project-Write On!; and DM TV Foundation--Youth Ambassador Program: Part Three: Mentorship editing.

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Management and General Expenses totaled \$103,615, of which approximately \$24,148 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 \$83,137 during 2010 to a total of \$1,467,974, due to investment gains of approximately \$131,128 offset by net operational expenses (revenues less expenses) of approximately \$47,991.

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

The net assets of the Foundation as of 12/31/10 amounted to \$1,467,974, of which \$299,101 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 \$54,804 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 12/31/10 of \$623,743. Unrestricted net assets in this endowment fund amounted to \$216,214 and Permanently Restricted net assets totaled \$407,529, of which \$340,225 was from contributions that have been received and invested, and \$67,304 was from pledges receivable.

The Lagoon Endowment had, at 12/31/10, net assets of \$545,130, 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.

	Operating Funds & Reserve		Community Endowment		Lagoon Endowment		Total
Net Assets							
Unrestricted	\$	242,297	\$ 216,214	\$	-	\$	458,511
Temporarily Restricted							
Received		2,000	-		545,130		547,130
Pledges Receivable		54,804	-		-		54,804
Subtotal Temp. Restr.		56,804	-		545,130		601,934
Permanently Restricted							
Received		-	340,225		-		340,225
Pledges Receivable		-	67,304		-		67,304
Subtotal Perm. Restr.		-	407,529		-		407,529
Total Net Assets	\$	299,101	\$ 623,743	\$	545,130	\$1	,467,974

Statement of Cash Flows

During 2010 the Del Mar Foundation had a positive cash flow from operating activities of \$90,211 of which \$53,625 was used for investment activities. The remaining difference of \$36,586 resulted in a total December 31, 2010 ending cash balance of \$184,346.

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, 2010.

Del Mar Foundation Statement of Activities For the Year Ended December 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support				
Donations Program income	\$ 73,216 69,710	\$ (4,134) 2,000	\$ (8,392)	\$ 60,690 71,710
Interest and dividend income Net realized and unrealized gains/	10,616 56,989 210,531	8,507 55,016 61,389	(8,392)	19,123 112,005 263,528
Net assets released from restrictions	60,476	(60,476)		-
Total revenue, gains and other support	271,007	913	(8,392)	263,528
Expense				
Program grants Other program expenses Management and general expenses	19,841 56,935 103,615	- - -	- - -	19,841 56,935 103,615
Total expenses	180,391			180,391
Increase in net assets	90,616	913	(8,392)	83,137
Net assets, beginning of year	367,895	601,021	415,921	1,384,837
Net assets, end of year	\$ 458,511	\$ 601,934	\$ 407,529	\$ 1,467,974

Del Mar Foundation Statement of Financial Position As of December 31, 2010

ASSETS	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash	\$ 182,347	\$ 2,000	\$ -	\$ 184,347
Pledges receivable, net	Ψ 102,547	54,804	67,304	122,108
Other current assets	(44,846)	(1,329)	50,550	4,375
Investments	(11,010)	(1,52)	20,220	1,373
Lagoon Fund		546,459	_	546,459
Community Endowment Fund	216,214	,	289,675	505,889
Operating Reserve Fund	159,716		,	159,716
TOTAL ASSETS	\$ 513,431	\$ 601,934	\$ 407,529	\$ 1,522,894
LIABILITIES & NET ASSETS Liabilities				
Grants payable	\$ 36,250	\$ -	\$ -	\$ 36,250
Payroll liabilities	1,765			1,765
Income received in advance	16,905			16,905
Total liabilities	54,920	-	-	54,920
Net Assets	458,511	601,934	407,529	1,467,974
TOTAL LIABILITIES & NET ASSETS	\$ 513,431	\$ 601,934	\$ 407,529	\$ 1,522,894

Del Mar Foundation Statement of Cash Flows For the year ended December 31, 2010

Increase in Net Assets	\$ 83,137
Adjustments to Reconcile Increase in Net Assets to Net Cash	
Provided by Operating Activities	
Net Realized Gains	(109,955)
Net Unrealized Gains	(2,050)
Reinvested Interest and Dividends from Investments	(19,073)
(Increase) / Decrease in:	
Prepaid Expense	(173)
Pledges Receivable, Net	138,641
Increase / (Decrease) in:	
Payroll Liabilities	1,765
Income Received in Advance	(3,331)
Pledges payable	1,250
Net Cash Provided by Operating Activities	90,211
Cash Flows from Investing Activities	
Sales of Investments to Cover Investment Management Fees	3,033
Purchases of Investments	(61,500)
Sales of Investments for Lagoon IAC fees	4,843
Net Cash Used in Investing Activities	(53,624)
Net Increase in Cash	36,587
Cash, Beginning of Year	147,760
Cash, End of Year	\$ 184,347

2010 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 Jacquelyn & Richard Earnest

Benefactors (\$10,000)

Anklesaria Family Foundation Carolyn & Jack Batzler Molly & David Begent Catherine & Phil Blair Martha & Larry Brooks Alice Brown Cornelia & Joe Bruderer-Schwab Susan & Tony Childs Maile & Brett D'Arcv Becky & Walter Dembitsky Jack Filanc Kim & Mark Filanc Kathy & Jerry Finnell Chuck Freebern Barbara Freeman Fund at The San Diego Foundation Rolande & Edward Fyfe

Melissa & Bob Gans Margarete & Ivan Gayler Emily & Cory Grant Susan & Judd Halenza Kathy & Gary Hardke Arlene Harris & Martin Cooper Carol & Richard Hertzberg Sharon & Carol Hilliard Di & Bryan Holker Eileen & Cliff Huffman Kelley & Wes Huggett Theresa Jarvis Patti & Joe Jelley Linda & Mel Katz Jim Kennedy Carolyn & Tom Kling

Lisa & Stephen Lutz
Jill Weitzen MacDonald
Scott MacDonald
Joan & Van Mankwitz
Dean Meredith Architecture AIA
Sharon & Bill Scheele
Nancy Stoke
Alice & Joe Sullivan
Kenneth Swanson
Pat & Jack Thomas
Z.J. Waxenberg
Jo & Howard Weiner
Betty Wheeler & Dwight Worden
Burnet Wohlford
Dana Wohlford & Phil Kidd

2010 DONORS TO THE GENERAL OPERATIONS AND ENDOWMENT OF THE FOUNDATION (in addition to the Founding Endowment Circle)

Benefactors (\$2,500 - \$6,249)

Sharon & Richard Bockoff Joanne Chory & Stephen Worland Kathy Finnell Lynn & Charlie Gaylord Rosanne & Joel Holliday

Patrons (\$1,000 - \$2,499)

B.Z. Anderson Terrie Boley Farmers' Insurance – Prematic Service Corporation Gloria Sandvik & Harold Feder Chuck Freebern Francine & Nick Frost Ellen & Tim Haviland Jane & Roger Isaacson Mary Lou Jefferson Sally & Ted Middleton Pam Slater-Price & Hershell Price Susane & Bill Roberts Larry Schneiderman William Scripps, The William & Kathryn Scripps Family Foundation, Inc. Law Office of Leslie Shaw

Pat & Jack Thomas **Associate Patrons (\$500 - \$999)**

The Smith Family

Doña Adler-Bateman & Giles Bateman Robin & Dan Crabtree Sheila & Martin Friedlander The Gould Family Foundation Karen & Robert Hoehn Jennifer & Stephen McDowell Thomas Murch Sandra Naftzger & Jeff Dritley James Nystrom Carol & Stuart Smith Joanne & Jerry Viner Kevin Whaley, MAPP Biopharmaceutical

Sponsors (\$250 - \$499)

R. Paul Allen Nicholas Binkley Amy & Francis Bockman Patricia & Fred Duckett Jill Ellis & Judd Westover Mary Ann & Bud Emerson Bettina Experton, M.D. Marilyn & Kim Fletcher Alicia & Charles Foster Mary & Jeffrey Friestedt Susan & Robert Hajek Richard Harris Lee & Paul Havdu Barbara & John Healy Regina & Harlan Horner Patricia & Lewis Judd Linda Kewin Carol Ostroff Bev & Jim Paulson Powerhouse Properties, Tracy Weaver & John Wilcox John Schroeder Frank Silva Victoria Welch Judd Westover Dana Wohlford & Phil Kidd

Friends (\$100 - \$249) Penny & Buck Abell

Julie & Brad Allison
Lyn & Dick Allison
Lyn & Dick Allison
Gale & Ted Bakker
Debbie Carpenter
Linda & Frank Chisari
Gordon Clanton
Jim Coleman Insurance
Barbara & Dan Dickey
Maureen & Steve Dime
Mark C. Doyle
Beth & Stephen Doyne
Sarita & Mac Eaton
Audrey & Willson Fahlberg

Judy & Tom Frankie Marc Geiserman Gloria & Neal Gobar Carol & David Goodell Ruth Ann & Tom Hornaday Peg & Estil Hoversten Pat JaCoby Mary Lou & Gil Kammerer Louise Keeling Sigrid Koebel Beth Levine & Henry Abarbanel Channa & Frank Mannen Pat McDean Jan & Robert McMillan Marc Andre Meyers Phyllis & Edward Mirsky Peter Murphy, Jr. Kathy & Bob Nahum

Diana & Immo Scheffler
Margaret & Robert Schneider
Doug Schnorr
Inamaria & Glenn Sherman
Sara Simon
Cecelia & Craig Smith
Barbara & Richard Stephens
Mark Stuckelman
Tarri & Jan Thomas

Margaret & Charlie Pope

Constance Gonczy & Steven Reich

Jodyne Roseman

Jean & Thomas Sabourin

Mark Stuckelman Terri & Jay Thomas Carole & Jerry Turk Jeanne & Rick Waite Sandra & Alain Virnot Barbara & Will Walshe Florence & Bruce Warnock Pat Welsh Burnet Wohlford

Neighbors (up to \$100)

Nancy Atherton Jeffrey Barnouw Greg Beckham

Marian W. Casazza Violet Chappelow & Katie Nelson Sarah Dubin-Vaughn Anne Marie Ebeling Bonnie & Vince Edney Donna & Don Gruol Patricia Fouquet & Stephen Hoffman Lois & Ron Higgins Ingrid & Jerry Hoffmeister Marvin Holgren Greet & Karl Hostetler Nancy & Gene Izuno Kathleen & Jim Kaneko Carol & John Kerridge Cathie & Patrick Kinnard Gail & Peter Lary Veronica & James Lee Nancy & Edward Lyon Elizabeth & Kurt Marti Vernie & John McGowan Sherryl Parks Barbara & Ken Paulovich **Dolores Pretorius** Denise Nagata & Len Rodin Karen & Philip Posner Liz & Alan Rubin Bruce Sanbonmatsu Donna Shaw Jeanne M. Shunala Lynne & Lance Small Joan Ellen Spelman June Strasberg

Catherine C. Stoll

Ulla & Alan Sweedler

Therese & Theodore Tanalski

Susan & Palmer Taylor

Laura Walker

Diana & Ronald Wheatcroft

Siok Chin & Yin-Vui Yong

Pat & Bob Bone

Idamae Brooks

2010 TWILIGHT CONCERTS UNDERWRITERS

Community Builder (\$10,000)

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

Concert Patrons (\$5,000)

The Del Mar Thoroughbred Club Joe Harper

Concert Supporters (\$2,500)

En Fuego Cantina Inn L'Auberge, Mike Slosser, General Manager The Poseidon Restaurant